



# DFAS ROME

# MISSION BRIEF

AS OF: June 2005



Your Financial  
Partner @ Work

Presented by: Roy A. Higgins  
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# Topics For Today's Discussion

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- 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

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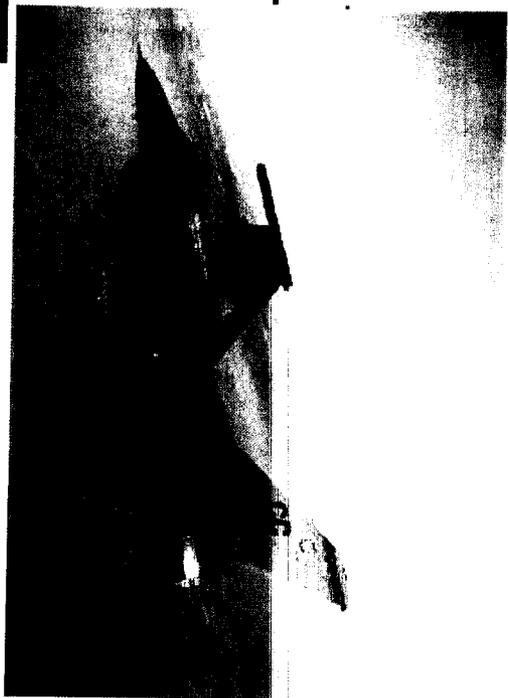
1. What is your current mission?
2. What is unique about this mission that closing it and moving the mission to another location will affect DFAS operations and thus readiness?
3. What percentage of staff may apply for transfers?
4. What percentage of staff is eligible for full retirement? Early retirement?
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

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## 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

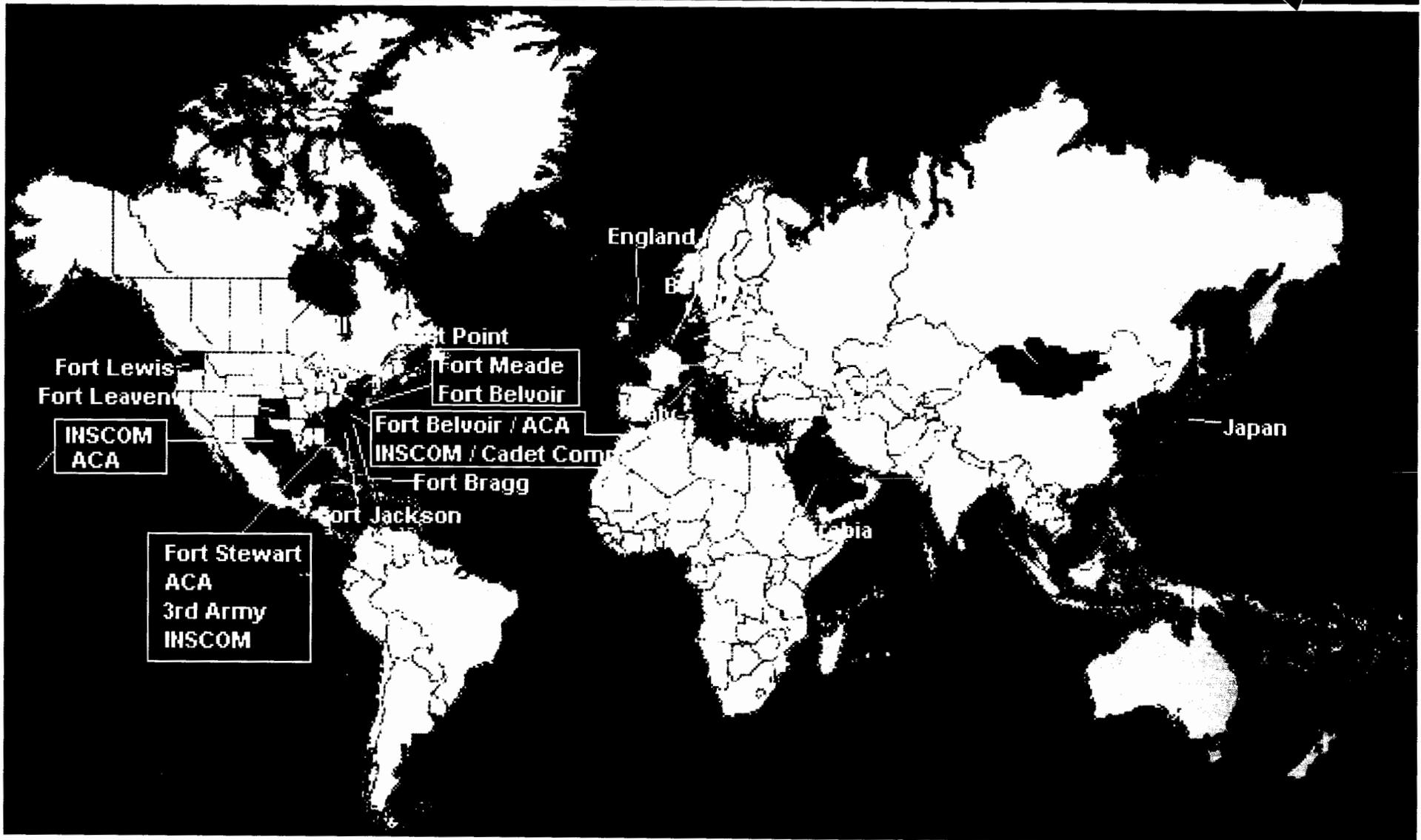
Intelligence & Security Command (INSCOM)	Nov 95 & Oct 96
US Army Military at West Point	Jul 97
Army Signal Activity (ASA)	Oct 99
Defense Acquisition University (DAU)	Apr 00 & Oct 00
Judge Advocate General (JAG) Army Claims	Jun 00
Army Contracting Agency	Oct 02
Contingency Operations (Kuwait, Iraq)	Feb 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

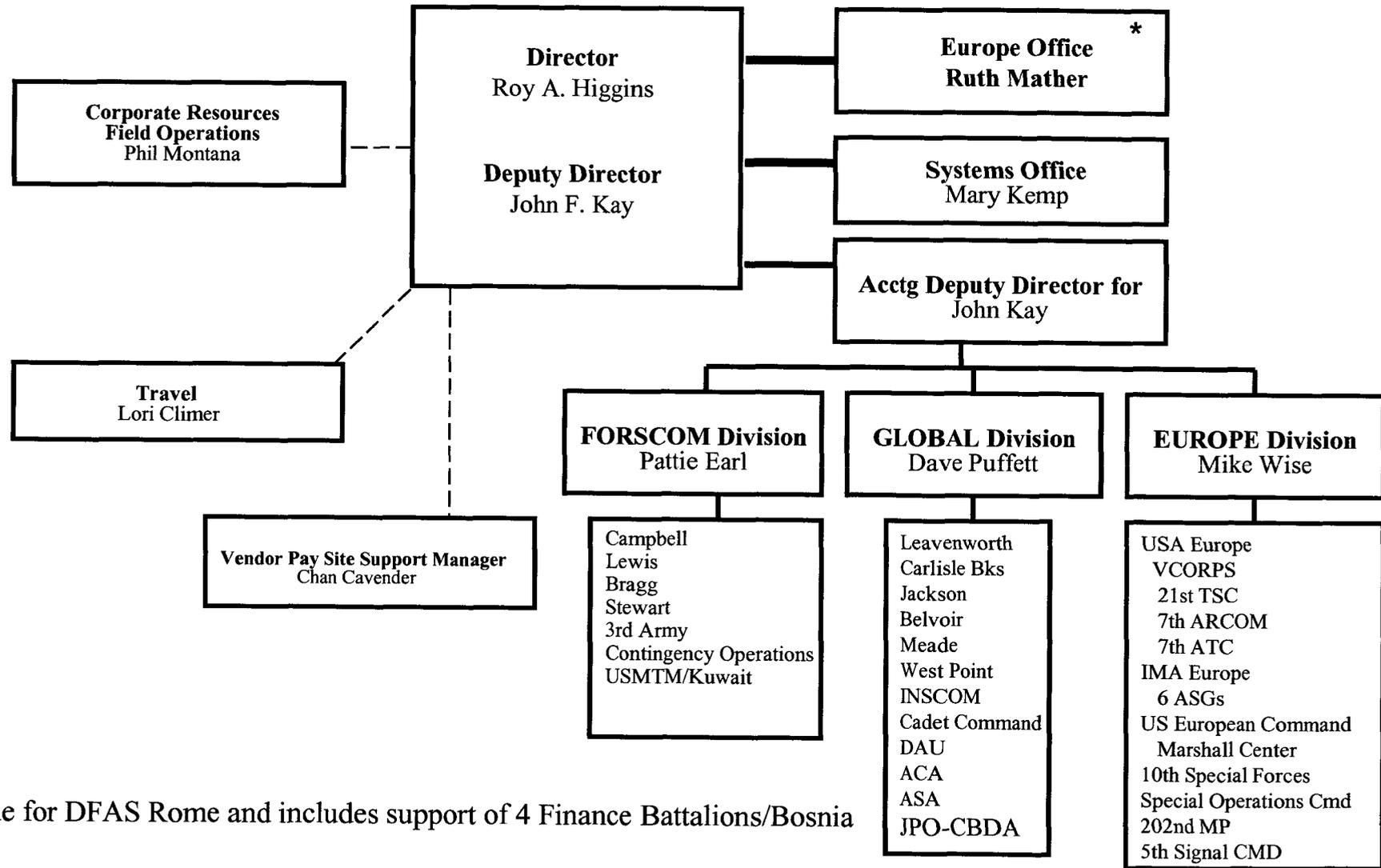
## Payments to Vendors

- 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:

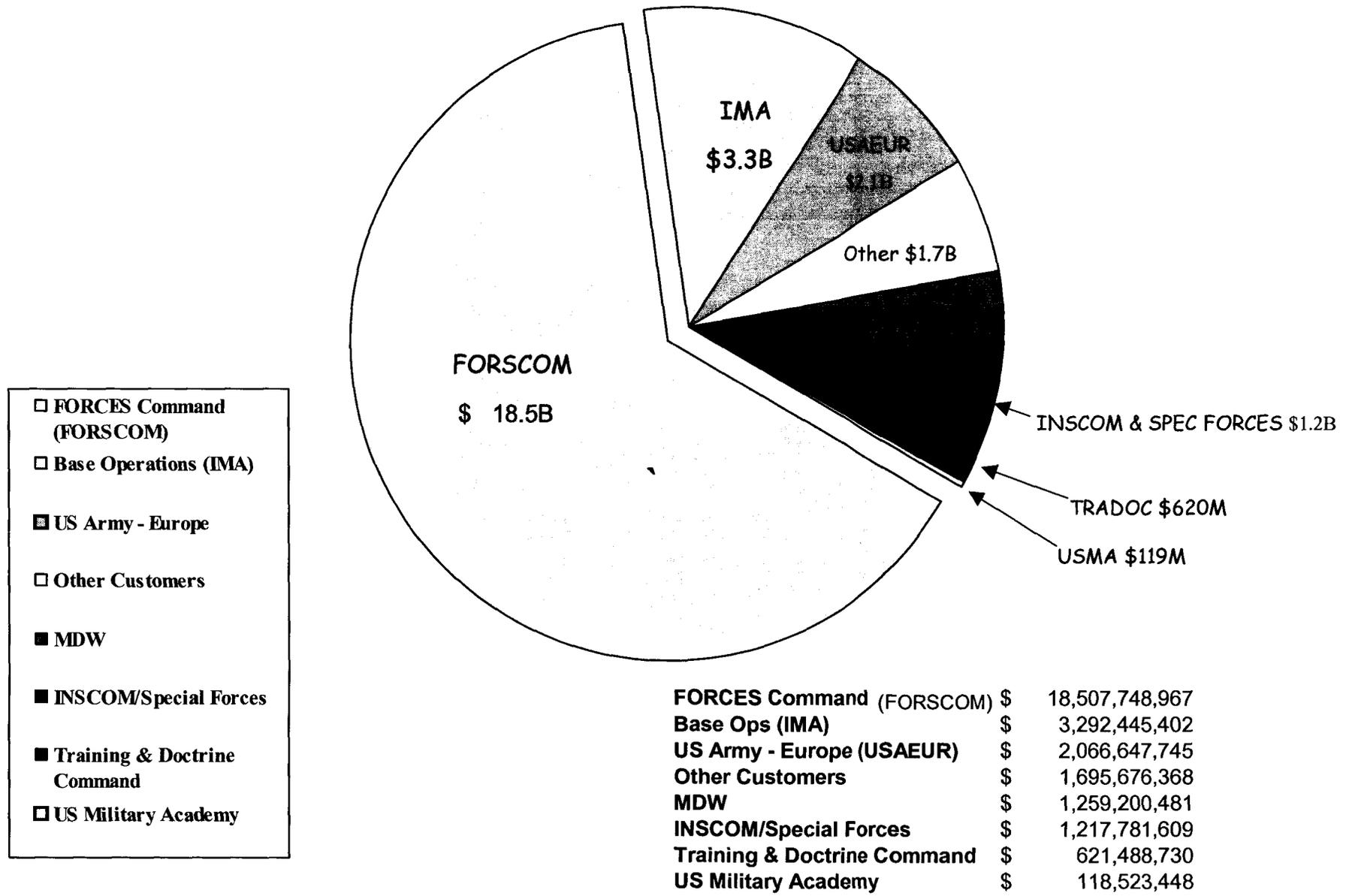
- Operation Enduring Freedom (OEF) in Afghanistan
- Operation Iraqi Freedom (OIF) in Iraq
- Global War on Terror (GWOT) throughout the world
- Task Force Falcon (TFF) in Kosovo/Bosnia
- 5 Major US Army FORSCOM Components \$18B
- European Theatre \$2.1B
- Intelligence and Security Command (INSCOM) \$1.2B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

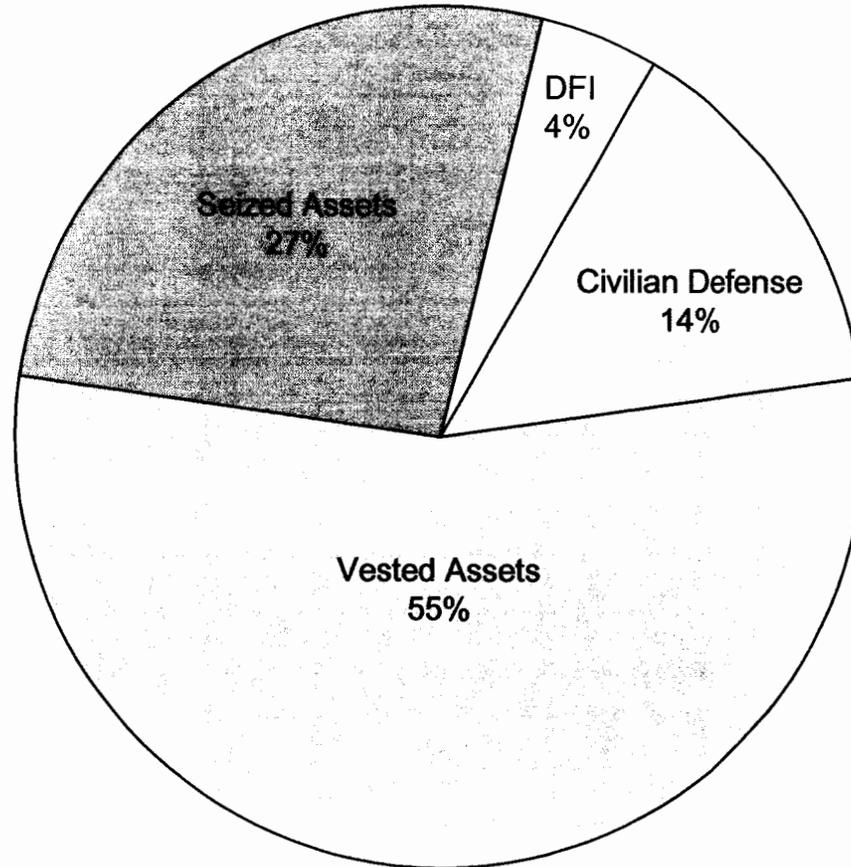
## DFAS-Rome Provided Finance & Accounting Services to the US Army Totaling Nearly \$29 Billion in FY04\*



\*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.**



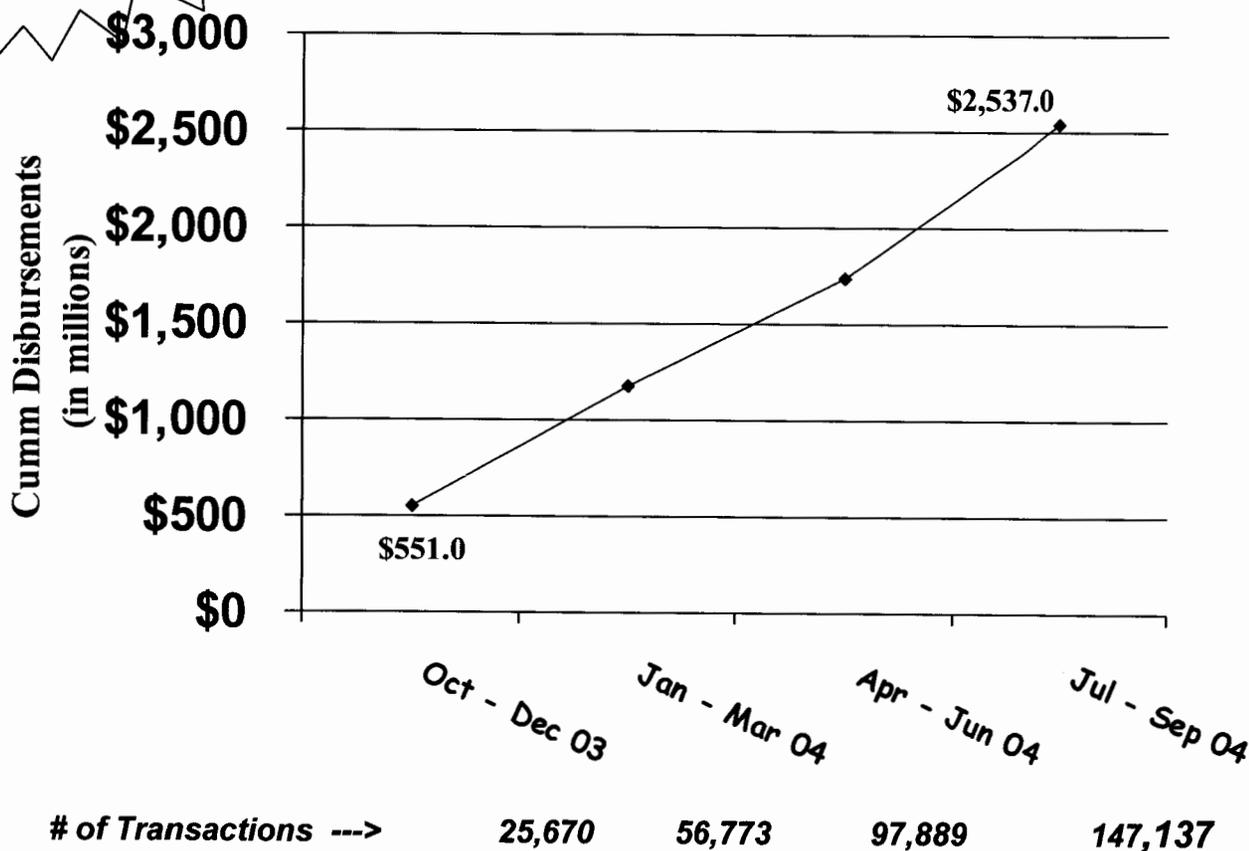
**Office of the Coalition Provisional Authority (OCPA) Funding**

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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>
<b>Total</b>	<b>3,131,267,000</b>

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

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



# 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



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## 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.

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## Our “First Class” Work Force



# We Commit to the Following:      Our Employees Are:

- Respect for individuals
- Skilled and trained
- Dedication to helping customers
- Competent and capable to do the “best”
- High standards of integrity
- Highly educated
- Innovation
- Sensitive to the customer’s needs (*they care*)
- Teamwork
- 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

2/16/2005

Integrity - Service - Innovation

22 of 23



2/16/2005

Integrity - Service - Innovation

23 of 23





Your Financial  
Partner @Work

## **DFAS BRAC Commission Update**

**Mr. Al Runnels**

**Deputy Director, Military and Civilian Pay Services**

**June 22, 2005**

# Agenda

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- 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

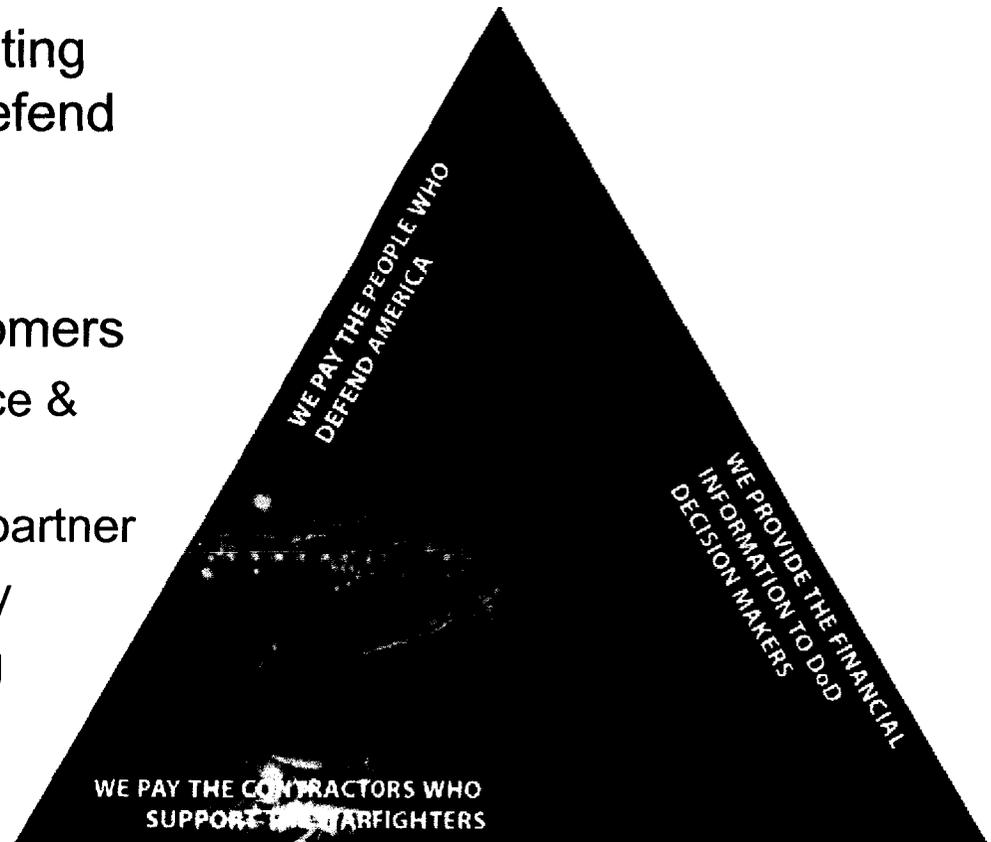
*"These are exciting times for DFAS as we continue to transform & assert our role as the finance & accounting leader in the Department of Defense & ultimately in the federal government. NOW is the time for us to make a difference. I know I can count on you."*



# 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

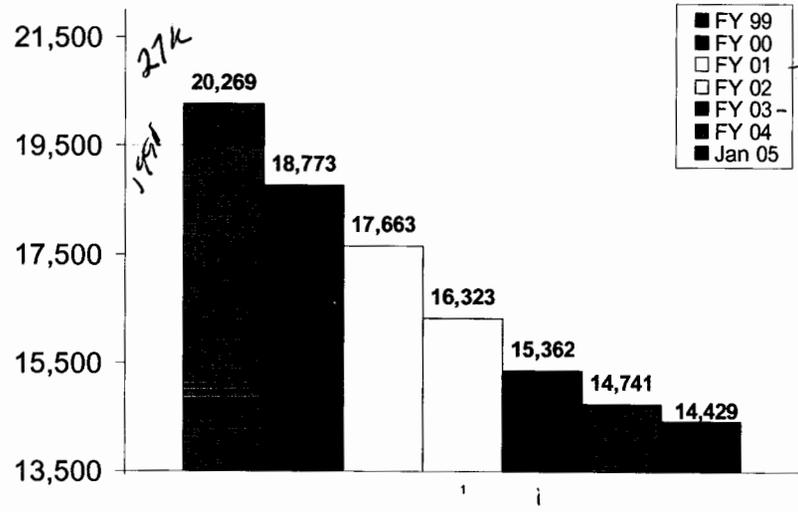


*New  
A part of  
the BRAC*

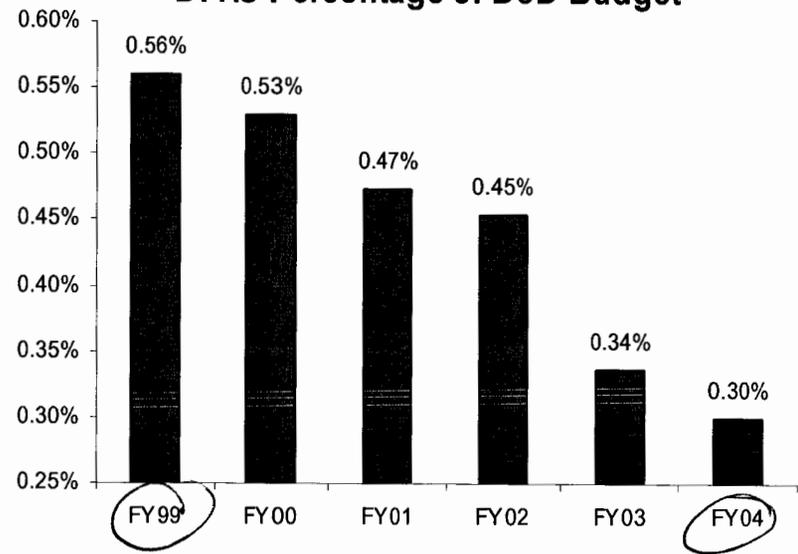


# DFAS at a glance -- The state of DFAS today

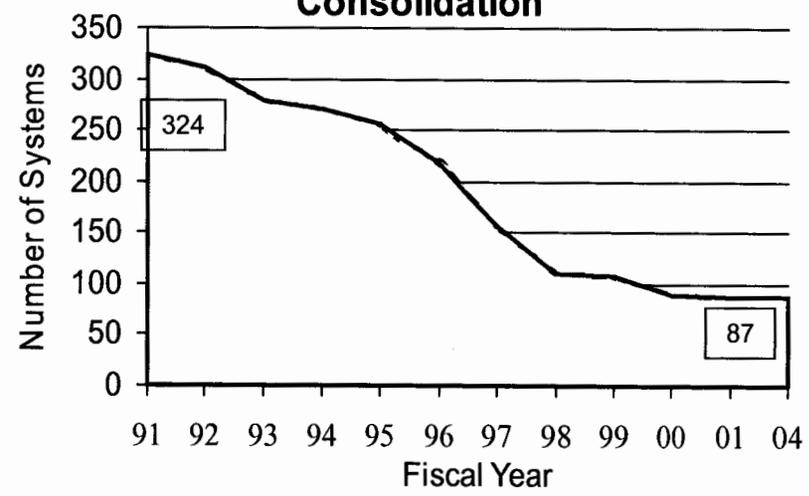
**Total Work Force**



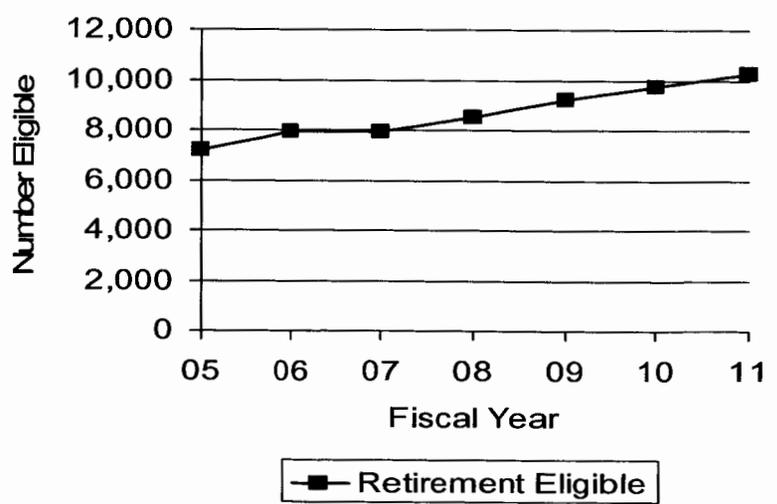
**DFAS Percentage of DoD Budget**



**Financial Management System Consolidation**



**Demographics**



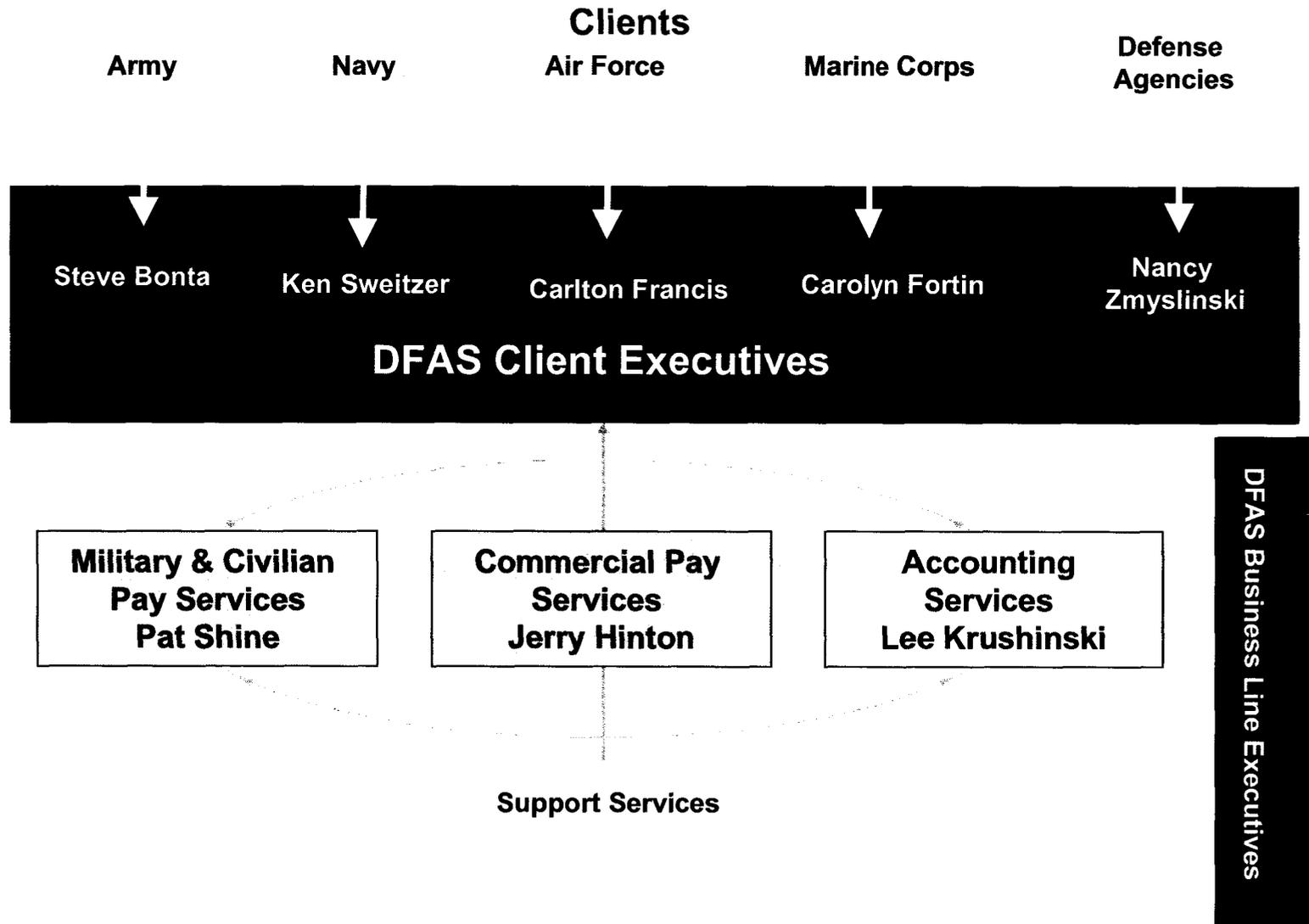
## **DFAS at a glance - Magnitude of annual operations**



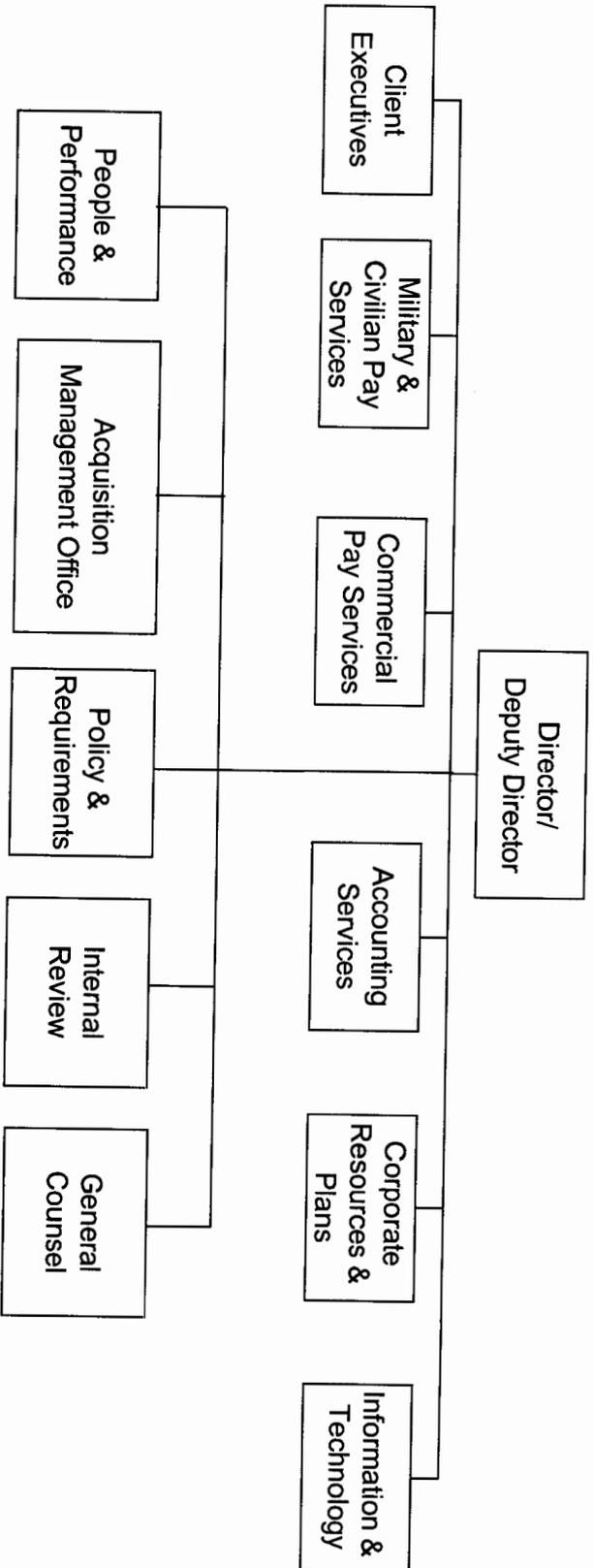
- Process 104M pay transactions to 5.9M military, civilians, retirees and annuitants
- Make 6.9M travel payments
- Pay 12.6M commercial invoices
- Process 127.3M general ledger postings
- Manage military and health benefits funds (\$234B)
- Make an average of \$455B in disbursements to pay recipients
- 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

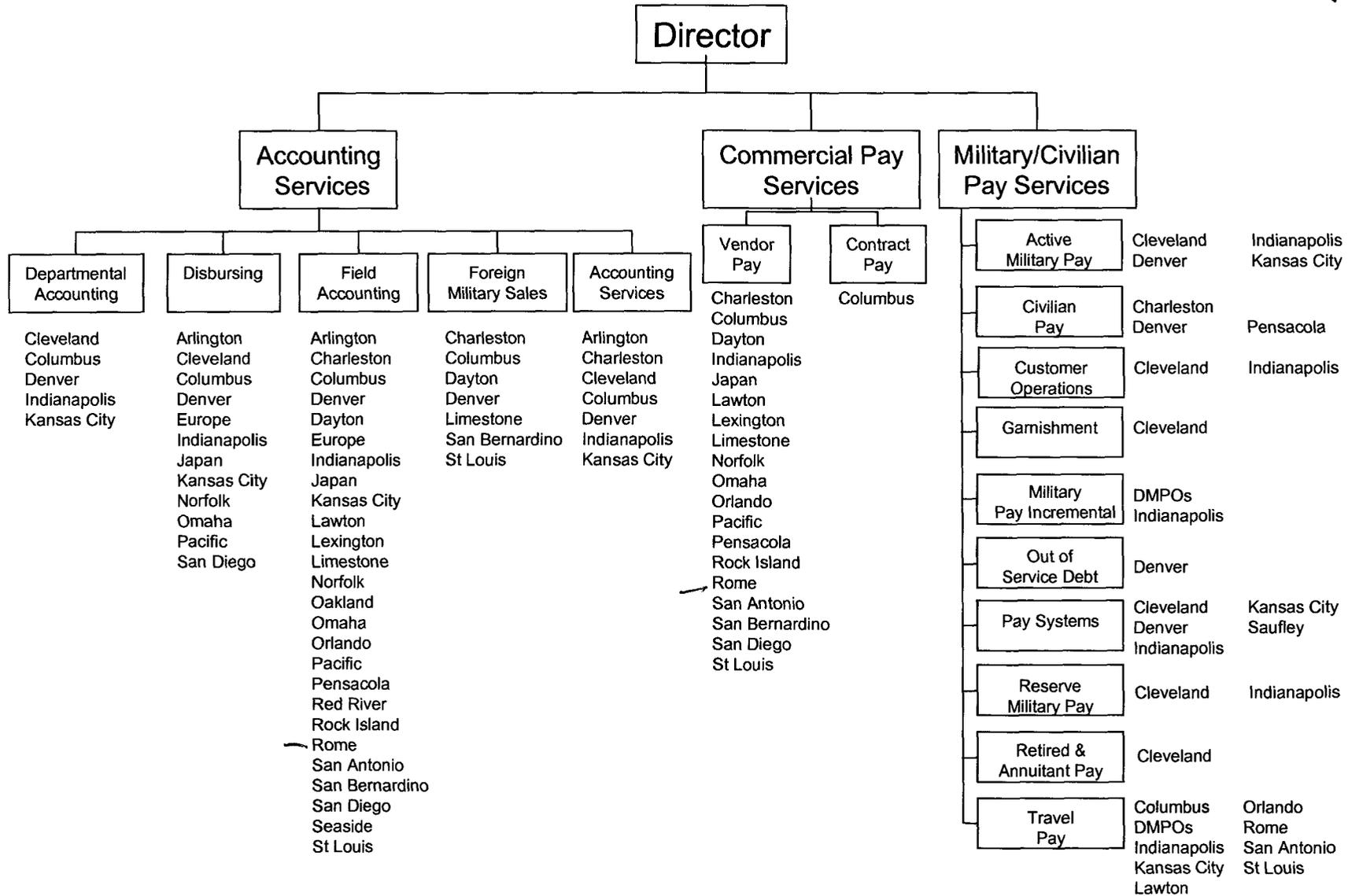


# DFAS Organization



As of Feb. 28, 2005

# DFAS Product Line/Locations



## DFAS success stories



- Earned a 5<sup>th</sup> 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
- Won national honors for innovation and excellence for myPay while expanding its customer base to 3.1M *out of 5.3m.*
- 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**

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- 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

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- 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*





Steven C. LaTourette  
**Congress of the United States**  
14th District, Ohio

June 9, 2005

Mr. Anthony J. Principi  
Chairman  
Base Realignment and Closure Commission  
2521 South Clark Street, Suite 600  
Arlington, VA 22202

Dear Commissioner Principi:

As you know, the Base Closure and Realignment Report contains numerous recommendations regarding the Defense Finance and Accounting Service (DFAS), including a massive realignment of DFAS in Cleveland that will result in at least 1,028 direct job losses (1,013 civilian, 15 military) and another 847 indirect job losses.<sup>1</sup>

While this action is coined a "realignment" rather than a closure, the end result is the same – a tremendous loss of jobs in Cleveland. Through direct job losses alone, Cleveland stands to lose nearly as many jobs in the BRAC process as the entire state of New York and stands to lose more net civilian jobs than the states of California or Florida.<sup>2</sup>

The Department of Defense (DoD) justifies this and other realignments and the closure of 20 smaller facilities on several fronts. It touts that it will spend \$282.1 million to close, realign and reshuffle jobs during the BRAC period (FY 2006-11) in order to save \$158.1 million during the same period of time. After implementation, DoD believes it will save \$120.5 million a year, which amounts to a savings of \$1.3 billion over 20 years.<sup>3</sup>

These savings will allegedly be achieved by closing 20 small DFAS sites around the country, and realigning DFAS facilities in Cleveland, OH, Arlington, VA, Columbus, OH, Denver, CO, and Indianapolis, IN.<sup>4</sup> It is worth noting that the three DFAS centers that stand to gain jobs in the long run – Denver, Columbus and Indianapolis – will lose plenty of jobs first.

### **A Misguided and Costly Shell Game**

The Great DFAS Shuffle of 2005 stands to be one of the greatest wastes of taxpayer dollars in recent memory, and, interestingly, it rivals the money squandered during the last major consolidation of DoD financial services in 1994. During that consolidation, announced in May 1994, DoD decided to consolidate 300 defense finance offices into five large existing finance

centers (Cleveland, Columbus, Denver, Indianapolis and Kansas City) and 20 new sites called operating locations. DoD later decided to add a 21<sup>st</sup> new site in Hawaii, bringing the total to 21.<sup>5</sup>

The 1994 DoD decision to maintain five large DFAS Centers and open 20 smaller ones came on the heels of a lengthy DoD public relations debacle where cities across the country offered hundreds of millions of dollars in incentives to become home to a DFAS megacenter that would employ between 4,000 and 7,000 workers.

In essence, cities across the country competed against one another to land a “mega” DFAS Center, not unlike what happens when cities try to lure a professional sports team. “The Pentagon is asking that cities provide the facilities – the larger versions would be 1 million square feet or more - at ‘little or no cost.’ Cities are also encouraged to provide on-site fitness centers, day-care centers, parking, and security and maintenance personnel.”<sup>6</sup> Some cities even approved tax hikes hoping to lure a mega DFAS Center.<sup>7</sup>

Twenty cities in 14 states were named finalists for a DFAS megacenter, including Cleveland, but the plan was scrapped in March 1993 by then-Defense Secretary Les Aspin. Secretary Aspin called the process of having cities offer millions of dollars in incentives for new jobs “unsound public policy.”<sup>8</sup>

If this latest BRAC recommendation proceeds, in one fell swoop, the DoD will dismantle one of its existing large DFAS Centers, which happens to be the Cleveland area’s fourth largest federal employer. This center can tout six decades of uninterrupted and lauded service, and is responsible for handling payroll for the Navy, all military retirees, and our military reservists and their families during a time of war. This realignment will throw Cleveland’s economy into a tailspin, devastate its tax base and disrupt the lives and careers of more than 1,000 workers who now run a tight and widely-praised ship.

There is scant economic justification for shuttering Cleveland DFAS, but what is proposed for Cleveland is only part of the larger picture – a potentially colossal waste of taxpayer money. The projected savings from the upheaval of DFAS, in the big scheme of things, are nominal at best and certainly don’t warrant this massive and ill-conceived shell game.

### **If Taxpayers Only Knew**

After the BRAC Report was released on May 13, 2005, I began an effort to obtain more detailed information about the true cost of realigning the Cleveland DFAS office. The BRAC Report contains many generalities about cost, but few specifics, and no specific costs by facility.

I had my staff submit a series of detailed, informational requests to DoD and the BRAC Clearinghouse. I was not sure if BRAC would supply answers to my questions because the information I sought is not publicly available in the BRAC report, or through any other source. It has taken between 4 and 7 business days to get answers to most of my requests, and at times the

information provided by BRAC and DoD has been vague. For example, it took two separate requests simply to determine the costs and savings of realigning the Cleveland DFAS office. I subsequently asked DoD to provide the costs and savings associated with every DFAS facility nationwide slated to close or realign. I have successfully obtained the information.

I think taxpayers will be appalled to learn DoD wants to spend nearly \$29 million<sup>9</sup> in taxpayer funds to shutter Cleveland DFAS. DoD also intends to relocate many existing Cleveland jobs to Denver, Columbus and Indianapolis – all at taxpayer expense.<sup>10</sup> Worse yet, DoD also plans to close 20 smaller DFAS facilities<sup>11</sup> (known as operating locations) about a decade after spending hundreds of millions of dollars opening them as part of a 1994 consolidation effort.<sup>12</sup>

The one-time cost of closing the 20 smaller DFAS facilities is a staggering \$159,474,000, according to information I sought and obtained from BRAC officials.<sup>13</sup>

Ironically, the 20 DFAS smaller centers were opened despite repeated reports and warnings from the General Accounting Office (GAO) and Congress that 20 new offices was two, three or almost four times greater than what was needed or could be justified. The GAO also stated that “There is considerable evidence that Congress wanted DoD to reassess its requirements and to open only those operating locations need to perform finance and accounting operations.”<sup>14</sup> A top DoD official testified before the House Committee on Armed Services, Subcommittee on Military Installations and Facilities, in June 1993 about the DFAS consolidation, saying that sites should be reduced to “no more than a handful”<sup>15</sup> if DoD was to “achieve the savings, operational improvements, and efficiencies envisioned from the consolidation.”<sup>16</sup>

The titles of two GAO Reports on the subject bear noting:

- *DoD Infrastructure: DoD's Planned Finance and Accounting Structure Is Larger and More Costly Than Necessary (September 1995)*
- *DoD Infrastructure: DoD is opening Unneeded Finance and Accounting Offices (April 1996)*

### **Throwing Caution, Money and Objections to the Wind, DoD Plans 20 New DFAS Sites**

Despite warnings from Congress and the GAO that it was about to embark on a costly and unnecessary project, DoD forged ahead with plans to open 20 new DFAS sites as part of its 1994 consolidation effort. Fifteen of the new sites would be located at excess DoD facilities – primarily military bases that had been closed or realigned – even though the DoD “considered several of them less desirable from a customer service, cost, or quality workforce standpoint.”<sup>17</sup> Further, it was estimated at the time that it would cost the DoD \$173 million in taxpayer money just to bring the sites “up to par.”<sup>18</sup> Improvements included asbestos removal, seismic upgrades,

lead paint removal and extensive interior and exterior demolition.<sup>19</sup> DoD now proposes spending more than \$159 million to shut them down.<sup>20</sup>

The GAO also seemed perplexed that “DoD decided to open 20 new operating locations without first determining what finance and accounting functions they would perform or if 20 was the right number to support its operations.”<sup>21</sup> The GAO was also surprised that DoD was considering such a large number of new facilities because “DoD’s analysis showed that finance and accounting operations could be consolidated into as few as six (sites).”<sup>22</sup>

GAO went so far as to predict in September 1995 that the consolidation into 20 smaller facilities “will not likely improve DoD’s business operations” and further speculated that “Once these functions are re-engineered DoD may be faced with the need to consolidate them once again.”<sup>23</sup> Alas, we now face a consolidation of the consolidation, just as GAO warned a decade ago.

During the proposed 1994 consolidation, many red flags were raised by Congress and GAO about the need for 20 new centers. “There is considerable evidence that Congress wanted DoD to reassess its requirements and to open only those operating locations needed to perform finance and accounting operations,”<sup>24</sup> the GAO stated.

The Senate Committee on Armed Services and the Senate Committee on Appropriations “asked DFAS to reexamine its requirements before establishing additional operating locations.”<sup>25</sup> Further, the House Committee on National Security reported that the “DFAS consolidation plan would result in a larger infrastructure than necessary.”<sup>26</sup> A DFAS reassessment of plans to open 20 new sites was completed on January 2, 1996.<sup>27</sup>

DFAS officials concluded that 16 smaller DFAS offices were needed (15 in the continental U.S. and one in Hawaii), and that five proposed DFAS offices were “no longer needed.”<sup>28</sup> It was no shock that DFAS said 16 centers were necessary, especially since 14 of them had already opened.<sup>29</sup> DFAS touted that by limiting the number of new sites to 16, it could “maintain its projected annual savings of \$120 million in operations and maintenance costs and avoid spending about \$51 million in military construction costs.”<sup>30</sup>

Did DoD avoid opening the five unneeded DFAS offices and avoid spending as much as \$51 million in construction costs?

The DoD went ahead with its original plan to open 20 new DFAS offices, and also tossed in a 21st office in Hawaii as well.<sup>31</sup> Again, at least 14 offices had already opened at this point. The GAO met on March 27, 1996, with officials from DFAS and DoD to obtain comments on a draft of its April 1996 report. The GAO said DoD “did not dispute the fact that five locations are no longer needed.”<sup>32</sup> The GAO said that DoD remained “convinced, however, that two of the (unneeded) locations - Lawton (OK) and Seaside (CA) – should be opened in accordance with language in the National Defense Authorization Act of 1996.”<sup>33</sup>

The DoD said failure to open the Lawton and Seaside offices would “violate the intent of Congress”<sup>34</sup> and cited a specific section of the 1996 Defense Authorization bill. The GAO was very clear that the bill in question gave DoD the authority to open the Lawton and Seaside DFAS offices but did “not mandate it to do so.”<sup>35</sup>

The opening of the Lawton, OK, and Seaside, CA, offices are an especially egregious waste of taxpayer money. DoD opened the Lawton facility on February 16, 1996, and the Seaside facility on March 29, 1996.<sup>36</sup> The DoD planned to spend about \$19 million to renovate the Seaside facility and about \$12.8 million to renovate the Lawton facility.<sup>37</sup> The renovations were planned even though “DFAS believes it no longer needs any employees at Seaside” and “DFAS no longer believes it needs an operating location at Lawton.”<sup>38</sup>

It is not clear how much money was actually spent renovating these two unneeded facilities, but it is crystal clear how much it will cost to close them. The one-time cost of closing the Lawton facility is \$5,921,000, and the one-time cost to close Seaside is \$2,669,000.<sup>39</sup>

It is also clear that DFAS continued to spend taxpayer dollars on its consolidation efforts. On February 27, 1997, John B. Goodman, Deputy Undersecretary of Defense, testified before the House National Security Committee’s Subcommittee on Military Installations and Facilities. He was there to present DoD’s Fiscal Year 1998 installation and facilities programs and its budget. He outlined plans for four DFAS projects, including plans to spend nearly \$30 million to renovate three new small DFAS operating locations, but his testimony did not specify which sites.<sup>40</sup>

“DFAS requests funding for four projects as it continues consolidation to select operating locations. Three projects for \$29.7 million will renovate existing facilities for administrative use. These projects are consistent with the DFAS master plan to provide efficient and economical customer service through regional centers.”<sup>41</sup>

Defense Undersecretary Goodman also spelled out plans for the Columbus DFAS Center. “The fourth project is to continue construction of the DFAS Center at Columbus, Ohio, which was authorized in fiscal year 1996 for \$72.4 million. The project is phase funded. For fiscal year 1998, DFAS seeks additional authorization of \$9.7 million and authorization of appropriations of \$23.9 million for Phase III. This will complete the three phase project to replace eight buildings and five trailers on two installations. DFAS plans to have the Columbus center operational in the year 2000.”<sup>42</sup>

### **DoD now plans to shut down 20 recently opened DFAS facilities**

DoD, in proceeding with the so many new facilities – many in aging and decrepit buildings – argued that folks weren’t looking at the big picture or the long-term savings. At the time, the DoD touted that opening the 20 smaller DFAS facilities would translate to savings of \$8 billion to \$9 billion over 20 years.<sup>43</sup> Regrettably, before savings can truly be gauged, the DoD

has decided to shut down each of the 20 new centers, most of which were activated in 1995.<sup>44</sup>

Put bluntly, the DoD created 20 new DFAS offices across the country, staffed them to their current level of more than 5,000,<sup>45</sup> spent at least \$173 million<sup>46</sup> in taxpayer dollars to renovate the new offices, and now has decided that it is a wise use of taxpayer money to close all of them about a decade after they opened.

It will cost approximately \$159,474,000 to shut down these 20 facilities,<sup>47</sup> with alleged savings long down the road. The total one-time cost for realigning DFAS facilities in Cleveland, Columbus, Arlington, Denver and Indianapolis is \$122,586,000.<sup>48</sup> This includes the cost budgeted to gut Cleveland DFAS – nearly \$29 million.<sup>49</sup> The Cleveland DFAS office is the granddaddy of the military payroll centers and a site DoD has called the “nerve center of DoD’s financial operations.”<sup>50</sup>

### **Closing Costs are Outrageous – Alleged Savings a Long Time Coming**

Information I requested and obtained from the BRAC Commission paints a disturbing picture of the cost of closing and realigning facilities and the imminent savings.

- DoD proposes spending nearly \$29 million to gut or “realign” Cleveland DFAS and NO SAVINGS will be achieved in Fiscal Years 2006, 2007 or 2008.<sup>51</sup>
- DoD wants to spend \$9.2 million to close DFAS Norfolk, which has 314 employees.<sup>52</sup> By doing so, DoD will save a paltry \$9,000 in Fiscal Year 2006.<sup>53</sup>
- DoD wants to spend more than \$7 million to close DFAS Rock Island (IL) and will save just \$19,000 a year in Fiscal Years 2006, 2007 and 2008.<sup>54</sup> Rock Island has 235 employees.<sup>55</sup>
- DoD intends to spend more than \$6 million to close DFAS Dayton, which has 230 employees,<sup>56</sup> and NO SAVINGS will be achieved in Fiscal Years 2006, 2007 or 2008.<sup>57</sup>
- DoD will spend more than \$8 million to close DFAS Rome (NY), which has 290 employees,<sup>58</sup> and NO SAVINGS will be achieved in Fiscal Years 2006, 2007 or 2008.<sup>59</sup>
- DoD wants to spend nearly \$17.3<sup>60</sup> million to close DFAS Kansas City, now one of the five large DFAS Centers (Cleveland, Kansas City, Columbus, Denver and Indianapolis.) The closure will save NO money in Fiscal Year 2006, \$217,000 in Fiscal Year 2007, and \$160,000 in Fiscal Year 2008 and 2009.<sup>61</sup> Kansas City has 613 employees.
- DoD wants to spend \$1,098,000<sup>62</sup> to close DFAS Lexington, which has just 45 employees.<sup>63</sup> The closure will eventually save– AT MOST – \$211,000 a year.<sup>64</sup>

- DoD wants to spend nearly \$6.4 million to close DFAS Limestone (ME) and will reap no savings in Fiscal Years 2006 or 2007 and just \$443,000 in Fiscal Year 2008.<sup>65</sup> The Limestone facility has 241 employees.<sup>66</sup>

Also, the one-time cost of closing many of the small DFAS offices exceeds projected savings during the entire BRAC period (Fiscal Years 2006 to 2011). For example:

- DFAS Rock Island will cost about \$7.1 million to close and savings will only be about \$2.9 million during the BRAC years.<sup>67</sup>
- DFAS Pensacola (includes offices at Pensacola Naval Air Station and Saufley Field) will cost \$19.6 million to close and savings will only be about \$14.8 million during the BRAC years.<sup>68</sup>
- DFAS Dayton will cost about \$6.1 million to close and savings will only be about \$1.9 million during the BRAC years.<sup>69</sup>
- DFAS St. Louis will cost about \$9 million to close and savings will only be about \$6 million during the BRAC years.<sup>70</sup>
- DFAS Limestone will cost about \$6.4 million to close and savings will only be about \$3.1 million during the BRAC years.<sup>71</sup>
- DFAS Charleston will cost about \$11.5 million to close and savings will only be about \$8.7 million during the BRAC years.<sup>72</sup>
- DFAS Rome (NY) will cost about \$8 million to close and savings will only be about \$3.4 million during the BRAC years.<sup>73</sup>
- DFAS Kansas City (the only large DFAS Center closing) will cost about \$17.3 million to close and savings will only be about \$7.3 million during the BRAC years.<sup>74</sup>

It is important to remember that after all the closings, realignments and shuffling of DFAS jobs, the DoD only anticipates saving, at most, \$120 million a year.<sup>75</sup>

### **BRAC Report tries to justify the unjustifiable**

I read with interest the detailed recommendations accompanying the May 2005 BRAC Report, particularly the “justification” for DFAS actions. Essentially, DoD says it needs to undertake this extreme makeover of the DFAS system because it has too many offices doing the same thing in offices that contain too much space.

“The current number of business line operating locations (26) inhibits the ability of DFAS

to reduce unnecessary redundancy and leverage benefits from economies of scale and synergistic efficiencies.”<sup>76</sup> DoD also states that the current 26 DFAS locations result in “overall excess facility capacity of approximately 43 percent or 1,776,000 Gross Square Feet (GSF) in administrative space and 69 percent or 526,000 GSF in warehouse space.”<sup>77</sup> In other words, DFAS now finds itself with 43 percent too much administrative space and 69 percent too much warehouse space after expanding by 20 facilities in the last decade.

I find it rich that the DoD now laments problems with redundancy, efficiency and excess facility space 10 years after it created 20 new DFAS facilities that employ 5,000 people.

I certainly have empathy for those communities that were awarded DFAS facilities in the last decade after losing larger bases through closures or realignment. How very compassionate and efficient of the DoD to establish facilities that were not needed, add even more jobs and functions over the past decade, reward these facilities for their performance, and then pull the rug out from under them. These local communities have every right to be outraged, as do taxpayers who footed the bill.

### **Shuffle DFAS Workers and then Shuffle Them Some More**

According to the BRAC report, current DFAS employees in Cleveland and Arlington, VA, could have their jobs transferred to Denver, Columbus or Indianapolis as part of the grand realignment scheme.<sup>78</sup> Taxpayers will pay for the cost of moving these jobs, as well as early retirements for workers who aren’t inclined to move. One might assume that the BRAC Report would recommend no upheaval of jobs at Columbus, Denver or Indianapolis to ensure a smooth transition. One would be wrong.

One also might assume that costs of realigning these three centers will be reasonable. Wrong again. The one-time cost to realign DFAS Columbus is \$34,193,000.<sup>79</sup> The one-time cost to realign DFAS Denver is \$39,520,000,<sup>80</sup> and the one-time cost to realign DFAS Indianapolis is \$2,892,000.<sup>81</sup>

The three DFAS facilities that will gain jobs – Denver, Columbus and Indianapolis – will actually lose jobs as well in part of the massive shuffling of jobs. What is proposed is stupefying and mind-numbing.

- Up to 55 percent of the Accounting Operation functions now in Columbus will be shifted to Denver;<sup>82</sup>
- Up to 25 percent of the Accounting Operations now in Denver will be shifted to Columbus or Indianapolis;<sup>83</sup>
- Up to 30 percent of the Commercial Pay functions now in Columbus will go to Indianapolis;<sup>84</sup>

- Up to 10 percent of the Commercial Pay functions now based in Indianapolis will go to Columbus;<sup>85</sup>
- Indianapolis will also shift up to 10 percent of its Accounting Operations to Columbus or Denver,<sup>86</sup> and
- Finally, Denver will move up to 35 percent of its Military Pay functions to Indianapolis.<sup>87</sup>

All this costly job shifting and swapping will be done for – yes it’s true – “strategic redundancy”<sup>88</sup> reasons. From my perspective, there’s very little strategy involved in this dunderheaded decision. Again, projected savings from all the DFAS moves translate to just \$120 million a year over 20 years.

### **Anti Terrorism Force Protection Standards a Factor?**

I also was interested to learn that the three sites that will ultimately gain jobs – Denver, Indianapolis and Columbus – meet DoD Antiterrorism/Force Protection (AT/FP) standards.<sup>89</sup>

DFAS facilities in Denver, Columbus and Indianapolis are all based at large military installations.<sup>90</sup> DFAS Columbus is on the grounds of the Defense Supply Center Columbus, a 575-acre installation; DFAS Denver is located on part of the former Lowry Air Force Base, which closed in 1994; and DFAS Indianapolis is located on the grounds of the former Fort Benjamin Harrison, which closed in 1995.

Had our local officials and congressional delegation known that the Cleveland DFAS office could be in jeopardy due to AT/FP standards, we would have fought tooth and nail to make it as safe as these other three facilities. However, this concern was not raised as a key determining factor with BRAC. The Cleveland DFAS Center in the Celebrezze Building does not meet AT/FP standards.<sup>91</sup>

I also find it ironic that DoD raised no terrorism or security concerns when payroll work from Denver and Indianapolis was transferred to Cleveland DFAS in July 2004 due to extended deployments in Iraq and Afghanistan and a need for efficient manpower.<sup>92</sup> There was certainly no fortress around Cleveland DFAS less than a year ago when DoD decided to locate its Reserve Pay Center of Excellence in Cleveland.

In addition, some 434 privatized contract workers and 19 civilian positions that handle Retired Military and Annuitant Pay Functions for DFAS will keep their jobs and continue to work out of the Celebrezze Building in Cleveland – the same building that doesn’t meet terrorism standards. If the Celebrezze building isn’t safe enough for 1,028 government DFAS workers in Cleveland, how is it safe enough for some 434 privatized employees responsible for DFAS work?

Finally, it is worth mentioning that Cleveland DFAS already has a site in the area that meets DoD anti-terrorism standards – the DFAS facility in Bratenahl,<sup>93</sup> which is a small community adjacent to the city of Cleveland. DoD owns nine buildings at this site containing a total of 76,780 square feet.<sup>94</sup> The former Nike Missile site is on 31 acres, 27 of which are DoD-owned.<sup>95</sup> The facility's Plant Replacement Value (PRV) is \$18.7 million, which reflects the total cost of replacing “the current physical plant (facilities and supporting infrastructure) using today's construction costs (labor and materials) and standards (methodologies and codes).”<sup>96</sup>

### **The True Cost of Realigning Cleveland DFAS**

The DoD has made the case that realigning the Cleveland office makes economic sense, and downplays any lasting economic damage to the city or area. Several factors must be considered when analyzing the true cost and benefit of effectively shuttering Cleveland DFAS. For example, the BRAC Report does not reflect the full negative impact on the NE Ohio economy, and greatly understates potential jobs losses.

- “Total job losses are projected to range from 2,905 in Cuyahoga County to 3,572 workers statewide including vendors, suppliers and ancillary service providers.”<sup>97</sup>
- “Within Cuyahoga County, income losses are estimated at \$128 million, while the impact on Ohio would be more like \$188 million. Losses to disposable (after taxes) income are estimated to be more than \$110 million for the county and more than \$162 million within the state. Based on state averages, reductions in local tax revenue (for Cuyahoga County and its subdivisions) are estimated to be \$7.7 million in 2005. The impact estimated for the state exceeds \$24 million in 2005.”<sup>98</sup>
- Cleveland is slated to lose almost as many direct jobs as the entire state of New York, which will lose a total of 1,071 military and civilian jobs in this BRAC round.<sup>99</sup>
- Cleveland is slated to lose more civilian jobs than the net civilian jobs lost in the entire state of Florida (1,002) and the entire state of California (1,200).<sup>100</sup>
- Cleveland DFAS office is the fourth largest federal employer in the Cleveland area.<sup>101</sup>
- Cleveland had an unemployment rate of 7.7 percent in April 2005, much higher than the state rate of 6.1 percent or the national average of 5.2 percent.<sup>102</sup>
- The loss of the jobs will cost Cleveland alone about \$1 million in income taxes<sup>103</sup>, and the city was ranked the nation's most impoverished large city last year.<sup>104</sup>
- Congress appropriated \$22,986,000 in Fiscal Year 2002 for repairs and alterations to the Anthony J. Celebrezze Federal Building in Cleveland (Public Law 107-67).<sup>105</sup>

- Telecommunications infrastructure is vital to a successful DFAS Center in Cleveland, and SBC Ohio has invested \$155.4 million in the past four years in the city.<sup>106</sup>
- The cost to the federal government to close the Cleveland DFAS office is calculated at \$28.935 million.<sup>107</sup>
- During the BRAC years (Fiscal Year 2006 to 2011), the costs of realigning Cleveland DFAS will exceed savings by approximately \$6.012 million, and NO SAVINGS will be achieved in Fiscal Years 2006, 2007 or 2008.<sup>108</sup>
- Fiscal Year 2009 has a projected savings of \$4.655 million, while Fiscal Years 2010 and 2011 have projected savings of \$9.134 million each year. The total savings over the BRAC years is \$22.923 million (\$4.655M + \$9.134M + \$9.134 M), and \$9.134 million a year after the BRAC years.<sup>109</sup>

**Cleveland DFAS already lost 500 federal jobs  
DoD privatized the jobs through \$31.8 million accounting error**

In 2001, the Cleveland DFAS office was stripped of 500 federal jobs in a botched privatization effort that cost taxpayers nearly \$32 million.<sup>110</sup> A March 2003 DoD Inspector General (IG) Report<sup>111</sup> concluded that a \$31.8 million accounting error caused 500 Cleveland jobs to be outsourced to a private firm, Affiliated Computer Services (ACS), which was awarded a \$346 million contract.<sup>112</sup>

DoD officials said that it would be \$1.9 million cheaper a year to give the jobs to ACS than to keep them in-house at DFAS. The decision affected more than 500 DFAS jobs in Cleveland. ACS began handing Military Retired and Annuitant Pay Services in January 2002.

I joined with four Members of Congress, including Congressman Dennis J. Kucinich (D-Cleveland), and asked the DoD Inspector General to conduct an investigation. It wasn't until the third time the IG reviewed the material that it uncovered a "glaring error in the calculation of in-house personnel costs."<sup>113</sup> The in-house DFAS jobs were improperly adjusted for inflation, leading their cost to be overstated by nearly \$32 million.<sup>114</sup>

The IG found that privatizing the jobs actually cost \$31.8 million *more* than keeping them in-house with current federal DFAS employees. The new private employees were hired to provide accounting services for Military Retired and Annuitant Pay Services.<sup>115</sup>

Congressman Kucinich, myself and other members of the Ohio Congressional Delegation demanded that the \$346 million contract to ACS be voided.<sup>116</sup> In October 2003, however, DoD announced that ACS would keep its government contract even though ACS had failed to meet performance standards in both 2002 and 2003.<sup>117</sup> DFAS withheld \$445,000 from ACS in 2002

and \$158,000 in 2003.<sup>118</sup>

More than 500 Cleveland DFAS jobs were lost due to a colossal accounting error, and now DoD wants to “realign” the remaining 1,028 jobs at Cleveland DFAS. Interesting, virtually the only jobs that will be saved in Cleveland are those that were erroneously privatized at a cost of \$31.8 million to taxpayers.

According to a DoD document I obtained, it intends to maintain 19 civilian positions and 434 contractor positions at the “DFAS Cleveland Enclave” to continue Military Retired and Annuitant Pay Services.<sup>119</sup>

### **Cleveland DFAS has been awarded for Innovation and Performance Cleveland DFAS does work not done at any other DFAS Sites**

The Cleveland DFAS office has the most longevity of any of the current payroll offices. It was founded in 1942 as the Bureau of Supplies and Accounts and was renamed the Navy Finance Center in 1955. Over the years, it has become the world center for Navy pay operations and personnel data management. The center moved from Navy to DFAS Cleveland control in January 1991 and has been a leader in streamlining accounting, finance systems and procedures to lower costs and help save money for taxpayers.<sup>120</sup>

The Cleveland DFAS office (in some incarnation) has been in existence since 1942, making it the oldest continuously operating military payroll center in the country.<sup>121</sup> Cleveland DFAS is the largest tenant in the Anthony J. Celebrezze Federal Building in Cleveland.<sup>122</sup>

Cleveland DFAS, along with major facilities in Columbus, Denver, Indianapolis and Kansas City, was spared from consolidation efforts in 1994. At the time, DoD officials stated that the five major DFAS sites were spared specifically “because they are the nerve center of the DoD’s financial operations.” In addition, John Deutch, then Deputy Secretary of Defense, said: “Moving them would mean severe delays in badly needed financial management reforms. And regular customer service would suffer unacceptably.”<sup>123</sup>

The Cleveland DFAS office currently offers the following pay services: Navy Active Duty Accounts; Navy Reservists Accounts; Navy Medical Students; Navy ROTC Students; Army, Marine Corps, Navy and Air Force Military Retirees; Army, Marine Corps, Navy and Air Force Military Annuitants; Army, Marine Corps, Navy and Air Force Former Spouse Accounts; and Garnishment (Child Support, Commercial Debts Civilian Cases, and Commercial Debts Military Cases. Cleveland DFAS also oversees eight smaller DFAS sites: Charleston, Norfolk, Oakland, Pacific, Japan, Pensacola and San Diego.<sup>124</sup>

Cleveland DFAS is the only DFAS site in the country that processes pay for military retirees and there is “no other DFAS work group trained to do this.”<sup>125</sup> Further, in the summer of 2004, DFAS opened the Reserve Pay Center for Excellence in Cleveland, transferring all Reserve

and Guard payroll operations from Denver, and eventually from Indianapolis.<sup>126</sup>

The DoD and Secretary Rumsfeld decided to have Cleveland DFAS handle reserve pay issues after it was revealed that 95 percent of all deployed reservists experienced pay problems. The GAO found that 332 of 348 Army Reserve soldiers studied had pay errors.<sup>127</sup> Further, the “proven efficiency of the Cleveland office was regarded as crucial in making needed improvements to the Pentagon’s pay system for the Reserve and Guard, given their extended deployments to Afghanistan and Iraq.”<sup>128</sup>

In addition, staff at DFAS Cleveland is credited with “pioneering a number of systems that have become government best practices, including making all payroll transactions paperless and creating an e-portal environment for all employee communications and human resource functions.”<sup>129</sup>

In March 2004, DFAS was awarded the Federal Government Innovator Award in the Fifth-Annual Accenture and Massachusetts Institute of Technology (MIT) Digital Government Awards.<sup>130</sup> The myPay system has also received the Under Secretary of Defense (Comptroller) Financial Management Award and the Department of Defense Value Engineering Achievement Award.<sup>131</sup>

#### **A DFAS Center Slated to Gain Jobs Has Ongoing Performance Issues**

It is also worth noting that DoD wants to shuffle work from Cleveland to other DFAS facilities that have had ongoing problems.

Under the BRAC plan, DFAS Columbus stands to gain 1,758 jobs.<sup>132</sup> The performance of this office was the subject of a July 2001 GAO Report that was requested by Congress. The title of the report is “*Canceled DoD Appropriations – \$615 million of Illegal or Otherwise Improper Adjustments.*”<sup>133</sup>

According to the report, DFAS Columbus makes about 99 percent of DoD’s annual closed appropriation account adjustments.<sup>134</sup> During fiscal years 1997 through 2000, DFAS Columbus’ records showed that it made about \$10 billion of adjustments affecting closed appropriation accounts.<sup>135</sup>

A GAO review of \$2.2 billion of adjustments made in Columbus found that “about \$615 million (28 percent) of the adjustments should not have been made, including about \$146 million that violated specific provisions of appropriations law and were thus illegal.”<sup>136</sup>

The performance of the Columbus DFAS office was also cited in an August 2003 GAO report: *DoD Contract Payments – Management Action Needed to Reduce Billions in Adjustments to Contract Payment Records.* The GAO indicated that data from DFAS Columbus showed that in Fiscal Year 2002 about \$1 of every \$4 in contract payment transactions was for

adjustments to previously recorded payments.<sup>137</sup> These payments were processed incorrectly and had to be reprocessed, resulting in additional costs of about \$34 million to research payment location problems.<sup>138</sup> This problem was not unique to Fiscal Year 2002, either.

A February 2001 GAO report delved into excess payments and underpayments by the DoD, and was very critical of the DFAS Columbus office, which pays contracts administered by the Defense Contract Management Agency (DCMA).<sup>139</sup> According to the report, DFAS Columbus paid \$71 billion to contractors in Fiscal Year 1999 and \$72 billion in Fiscal Year 2000. The report focused on 39 large contractors receiving contracts valued at \$125 million to \$1 billion or more from DFAS Columbus.

The large contractors were paid \$359 million more than they should have been paid in Fiscal Year 1999. The report says that contractors had to repay Columbus DFAS \$670 million in Fiscal Year 1999 and closer to a billion dollars – \$901 million – in Fiscal Year 2000.<sup>140</sup> The report said that 18 percent of overpayments were due to “contractor billing errors and DFAS-Columbus payment errors.”<sup>141</sup>

The report also addressed underpayments of defense contracts. “Reported underpayments were less common than excess payments. Large contractors we reviewed reported resolving \$41 million in underpayments during fiscal year 1999. Contractors attributed most underpayments to payment errors made by DFAS-Columbus.”<sup>142</sup>

The performance of the Columbus DFAS office was again cited in a June 2001 GAO Report: *Debt Collection – Defense Finance and Accounting Service Needs to Improve Collection Efforts*. The GAO concluded that the “Debt Management Office at DFAS Columbus is not effectively and proactively pursuing collections of debts assigned to it.”<sup>143</sup> In 1991, DoD consolidated debt management within DFAS, and two Columbus offices are involved in collecting contractor debts owed to the government.

### **DoD has a track record of Overestimating Savings**

Finally, it must be noted that at the time of the last great financial services consolidation in 1994, DoD officials were eager to boast about the tremendous savings that would come down the road from their bold consolidation efforts – \$8 to 9 billion over 20 years.<sup>144</sup>

Ten years later, long before those savings had a chance to fully accrue, DoD has come up with another grand scheme for DFAS. This time, DoD speculates that over 20 years it will ultimately save taxpayers \$1.3 billion, or roughly \$65 million a year.<sup>145</sup> It must be pointed out that DoD has a less than stellar track record when it comes to calculating costs and savings.

At a March 18, 1998, hearing before the House Armed Services Committee, Barry W. Holman, Associate Director of Defense Management Issues at GAO, testified: “Our work relating to various defense reform initiatives shows that estimated savings often are not as great

as first estimated and that the initiatives often take much longer than expected to be achieved.”<sup>146</sup>

Ten years ago, during the last consolidation of DFAS, Cleveland DFAS was spared from the consolidation effort because it was one of the all-important DFAS “nerve centers.” Nothing has changed in that regard in the last decade, and in fact, the Cleveland DFAS office has assumed even more work. The Center is the only one in the entire country where employees are trained to handle military retired pay, and the Center became the hub of all pay functions for military reservists and their families just a year ago.

It is mind-numbing that performance was not a factor considered by the BRAC Commissioners when deciding to realign Cleveland DFAS and make so many other changes to DFAS offices nationwide. Economics should play a role in the BRAC process, and I believe I’ve laid out a compelling case that there is little economic justification for shuttering DFAS Cleveland. Cleveland DFAS should not suffer because DoD botched its last consolidation effort so badly, wasting hundreds of millions of dollars of taxpayer money on offices that were not needed. DoD has already thrown bad money away once, and it should not throw bad money after bad and shutter Cleveland.

The BRAC Commission and DoD can argue that performance should not be a factor, but at the end of the day, any consolidation of DFAS and its accounting services will ultimately be judged by one simple measure of performance: Are our active duty military, reservists, National Guard and military retirees getting paid, and on time? Are DoD contracts being paid, and in a timely manner?

If they are not, which seems almost inevitable under such a massive upheaval of employees and work places, what will our justification be then? What will we tell our men and women in uniform? That we jeopardized the timely arrival of your paychecks during a time of war so that we might save \$120 million a year, starting about seven years down the road? That we effectively closed the one DFAS Center that is trained to do military retired pay and pay for reservists during a time of war so we might save \$9 million a year many years down the road?

The entire BRAC process hopes to achieve a savings of \$50 billion over 20 years. At best, the savings achieved from the entire DFAS portion will be about \$1.3 billion over 20 years – roughly 2.6 percent. The annual savings that will be derived from effectively shuttering the Cleveland DFAS office are just 0.029 percent of the \$50 billion savings projected through the entire BRAC process. Interestingly, rental costs have widely been reported as an ongoing problem for the Cleveland DFAS office. In fact, some have speculated that they are the “primary drawback to Cleveland’s competitive position.”<sup>147</sup>

What is the cost per square foot in Cleveland? “The base rental fee for DFAS Cleveland is about \$14.30 per square foot a year. In Columbus, it’s \$12.20; Denver, \$10; Kansas City, \$18; and Indianapolis, \$13.20.”<sup>148</sup> And who is the landlord that allegedly is causing such problems for Cleveland? None other than the Federal Government – the General Services Administration.

Is it even plausible that DoD can justify spending nearly \$29 million to shutter the DFAS office in Cleveland, and more than \$159 million to close 20 smaller DFAS offices because Cleveland pays a dollar or two more a square foot for office space than some other large DFAS offices? It's fairly difficult for the federal government to blame a landlord for charging too high a rent when it is the landlord. I implore the BRAC Commission to reconsider the proposed realignment of the Cleveland DFAS office.

Sincerely,



Steven C. LaTourette  
Member of Congress

SCL/ds

cc: The Hon. Donald Rumsfeld, Secretary of Defense

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GSA Public Buildings Service

## BRAC CLOSURES AND REALIGNMENTS IMPACT ON GSA CONTROLLED BUILDINGS



## Impact on GSA-Controlled and Owned Buildings

- BRAC creates 1.4 million rsf of vacant space in 11 buildings
- Greatest impact:
  - Missouri: 858,565 rsf vacated
  - Ohio: Up to 428,540 rsf vacated
  - Virginia: 102,051 rsf vacated



## Impact on GSA-Controlled and Owned Buildings

- BRAC could require additional space in:
  - Indianapolis, IN
    - Requirement to house 3,495 staff gain for DFAS
    - Vacant space available: 133,432 rsf in Bean Federal Center



## Impact on GSA Leased Buildings

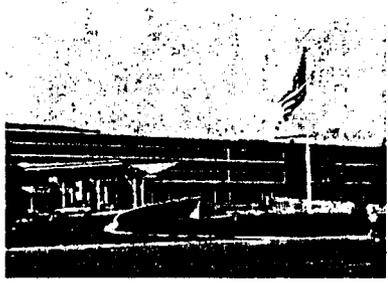
- Closures and realignments impact 5.8 million **usable** square feet of leased space
- Greatest impact:
  - Virginia: 5.3 million usf



IN1703

Major General Emmett J. Bean Federal Center  
8899 East 56th Street  
Indianapolis, IN

- 1.6 million rsf
- 1.2 million usf
- Major Tenants:
  - DFAS: 1,1million rsf
  - Army: 221,389 rsf
  - Other DOD: 44,363 rsf
- Vacant Space: 133,432 rsf
- BRAC impact:
  - 3,495 additional staff



*GSA - Region 5 - Built in 1964 - currently undergoing Renovations  
? 1/2 + hour*



OH0192

A.J. Celebrezze Federal Building  
1240 East 9th Street  
Cleveland, OH

- 1.2 million rsf
- 899,699 usf
- Major Tenants :
  - DFAS: 428,540 rsf
  - VA :138,884 rsf
  - Treasury: 126,694 rsf
  - DHS: 122,486 rsf
- Vacant Space: 134,484 rsf
- BRAC impact
  - 428,540 rsf vacated



*if DFAS moves out - not a show stopper -  
if cannot get other tenants, they would  
have to consider moving current tenants out  
selling the building.*



MO0544 Building 1  
Bannister Federal Complex  
1500 E. Bannister Road  
Kansas City, MO

- 1 million rsf
- 841,076 usf
- Major tenants:
  - Commerce: 311,046 rsf
  - DFAS: 189,783
  - DOE: 292,049
  - GSA: 80,346
- BRAC impact
  - 189,783 rsf vacated



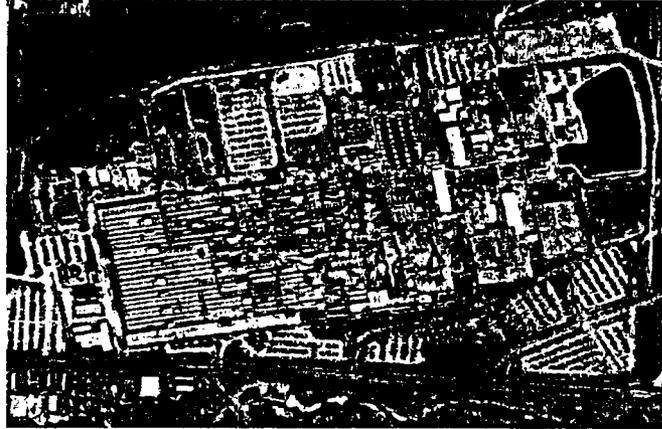
MO0531  
Building 2  
Bannister Federal Complex  
1500 E. Bannister Road  
Kansas City, MO

- 260,521 rsf
- 200,198 usf
- Major tenant:
  - GSA: 136,918 rsf
  - DFAS: 97,801 rsf
  - Marine Corps: 1,956 rsf
- BRAC impact
  - 99,757 rsf vacated





## Bannister Federal Complex



MO0618 Building 110  
4300 Goodfellow Boulevard  
St. Louis, MO

- 191,101 rsf
- 146,643 usf
- Major tenant:
  - DFAS: 107,865 rsf
- Vacant Space: 80,116 rsf
- BRAC impact
  - 107,865 rsf vacated

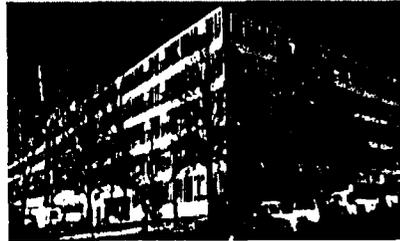




MO0551 Building 100

Federal Records Center 9700 Page Overland, MO

- 1 million rsf
- 867,021 usf
- Major Tenants:
  - NARA: 789,941 rsf
  - Army: 152,440 rsf
- Vacant Space: 14,040 rsf
- BRAC impact
  - 152,440 rsf vacated



MO0552  
Building 101  
Federal Records Center  
9700 Page  
Overland, MO

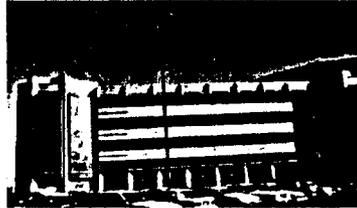
- 52,266 rsf
- 36,351 usf
- Major Tenants:
  - Joint Use: 31,380 rsf
  - Army: 18,292 rsf
- Vacant Space: 0
- BRAC impact
  - 18,292 rsf vacated

**No Picture Available**



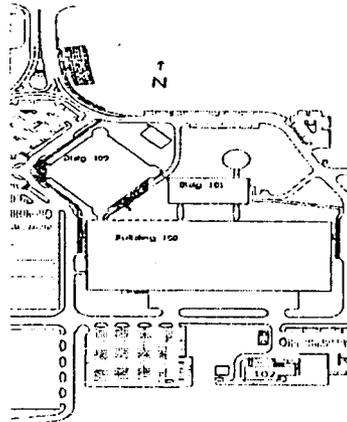
MO0570  
Building 109 (Prevedel Federal Building)  
Federal Records Center  
9700 Page  
Overland, MO

- 377,024 rsf
- 271,398 usf
- Major Tenant:
  - Army 280,551 rsf
- Vacant Space: 62,322 rsf
- BRAC impact
  - 280,551 rsf vacated



## Federal Records Center

- Bldg. 100 – Federal Records Center (MO0551AG)
- Bldg. 101 – Cafeteria/Fitness Center (MO0552AG)
- Bldg. 102 – Powerhouse (MO0553AG)
- Bldg. 109 – Charles Prevedel (MO0570AG)

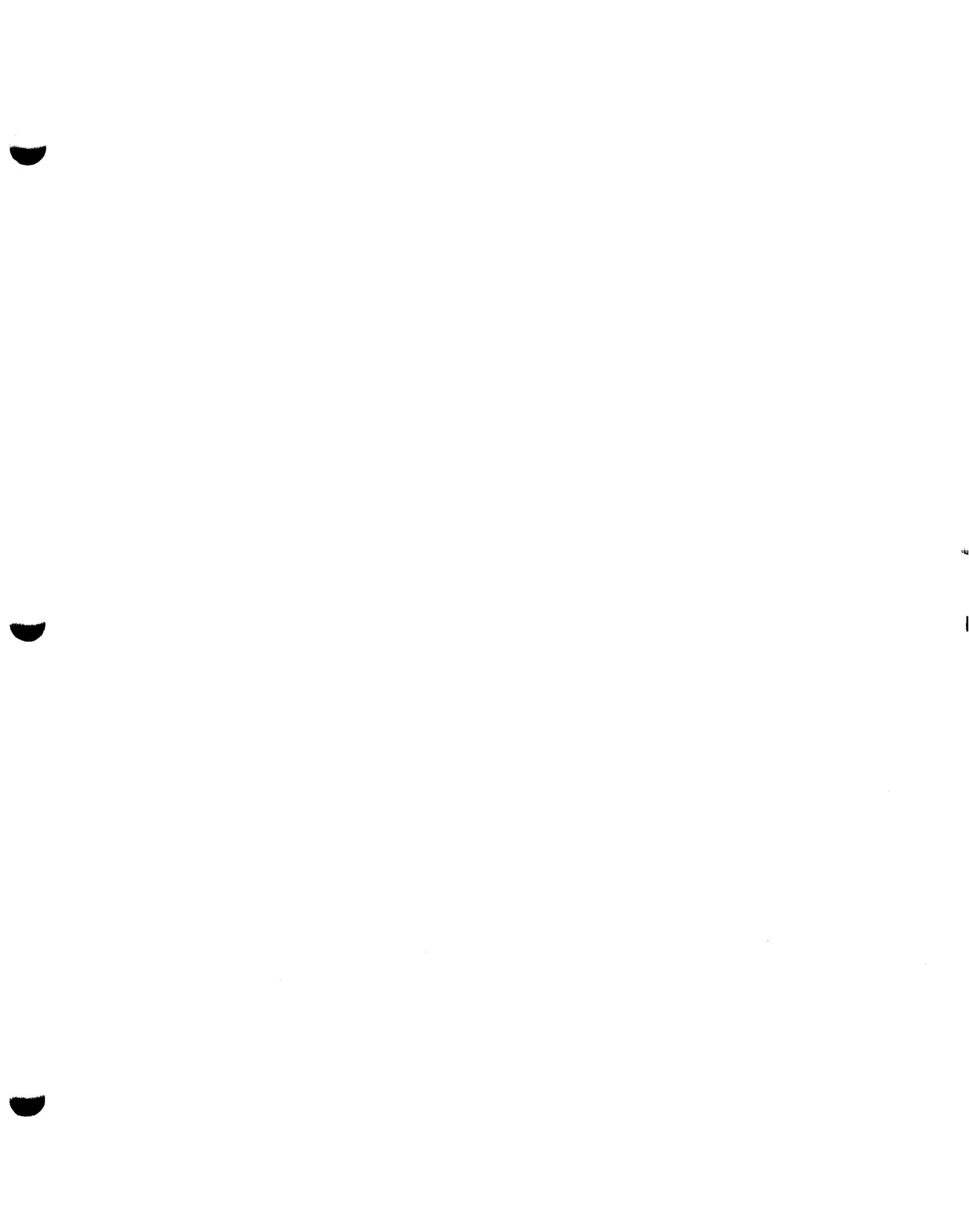




VA0085  
Hybla Valley Office Building  
6801 Telegraph Road  
Alexandria, VA

- 93,150 rsf
- 77,443 usf
- Major Tenant:
  - DOD 93,042 rsf
- Vacant Space: 108 rsf
- BRAC impact
  - 93,042 rsf vacated





# DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION

## BASE SUMMARY SHEET

### Defense Finance and Accounting Service (DFAS) – Rome, NY & Cleveland, OH

#### INSTALLATION MISSION

DFAS provides professional, responsive finance and accounting services to DoD and other federal agencies. It delivers mission essential payroll, contract and vendor pay, and accounting services to support America's national security. DFAS is a Working Capital Fund agency, which means rather than receiving direct appropriations, DFAS earns operating revenue for products and services provided to its customers.

#### DOD RECOMMENDATION

**Close DFAS sites at Rock Island, IL; Pensacola Saufley Field, FL; Norfolk Naval Station, VA; Lawton, OK; Pensacola Naval Air Station, FL, Omaha, NE; Dayton, OH; St. Louis, MO; San Antonio, TX; San Diego, CA; Pacific Ford Island, HI; Patuxent River, MD; Limestone, ME; Charleston, SC; Orlando, FL; Rome, NY; Lexington, KY; Kansas City, MO; Seaside, CA; San Bernardino, CA; and Oakland, CA. Relocate and consolidate business, corporate and administrative functions to the Defense Supply Center-Columbus, OH, the Buckley Air Force Base Annex, Denver, CO, or the MG Emmett J. Bean Federal Center, Indianapolis, IN.**

Realign DFAS Arlington, VA by relocating and consolidating business, corporate, and administrative functions to the Defense Supply Center-Columbus, OH, the Buckley Air Force Base Annex, Denver, CO, or the MG Emmett J. Bean Federal Center, Indianapolis, IN. Retain a minimum essential DFAS liaison staff to support the Under Secretary of Defense (Comptroller)/Chief Financial Officer, Military Service Chief Financial Officers, and Congressional requirements.

**Realign DFAS Cleveland, OH, by relocating and consolidating business, corporate, and administrative functions to the Defense Supply Center-Columbus, OH, the Buckley Air Force Base Annex, Denver, CO, or the MG Emmett J. Bean Federal Center, Indianapolis, IN. Retain an enclave for the Military Retired and Annuitant Pay Services contract function and government oversight.**

Realign DFAS Columbus, OH, by relocating up to 55 percent of the Accounting Operation functions and associated corporate and administrative functions to DFAS Denver, CO, or DFAS Indianapolis, IN, and up to 30 percent of the Commercial Pay function and associated corporate and administrative functions to DFAS Indianapolis, IN, for strategic redundancy.

Realign DFAS Denver, CO, by relocating up to 25 percent of the Accounting Operation functions and associated corporate and administrative functions to DFAS Columbus, OH, or DFAS Indianapolis, IN, and up to 35 percent of the Military Pay function and associated corporate and administrative functions to DFAS Indianapolis, IN, for strategic redundancy.

Realign DFAS Indianapolis, IN, by relocating up to 10 percent of the Accounting Operation functions and associated corporate and administrative functions to DFAS Columbus, OH or DFAS Denver, CO, and up to 20 percent of the Commercial Pay function and associated corporate and administrative functions to DFAS Columbus, OH, for strategic redundancy.

## **DOD JUSTIFICATION**

- This action accomplishes a major facilities reduction and business line mission realignment, transforming the current DFAS organization into an optimum facilities configuration, which includes strategic redundancy to minimize risks associated with man-made or natural disasters/challenges. All three of the gaining sites meet DoD Antiterrorism/Force Protection (AT/FP) Standards. The current number of business line operating locations (26) inhibits the ability of DFAS to reduce unnecessary redundancy and leverage benefits from economies of scale and synergistic efficiencies. Overall excess facility capacity includes approximately 43 percent or 1,776,000 Gross Square Feet (GSF) in administrative space and 69 percent or 526,000 GSF in warehouse space with many locations lacking adequate threat protection as defined in DoD AT/FP Standards. Finally, the three locations have potential to evolve into separate Business Line Centers of Excellence and further enhance “unit cost” reductions beyond the BRAC facilities/personnel savings aspect.

The three gaining locations were identified through a process that used Capacity Analysis, Military Value, Optimization Modeling, and knowledge of the DFAS organization, and business line mission functions. The Military Value analysis, of 26 business operating locations, ranked the Buckley AFB Annex, CO, the Defense Supply Center-Columbus, OH, and the MG Emmett J. Bean Federal Center, Indianapolis, IN, as 3, 7, and 9 respectively. The Optimization analysis not only included the factors of available capacity and expansion capability, but also included business line process and business operational considerations in identifying the three-location combination as providing the optimal facilities approach to hosting DFAS business line missions/functions.

Subject matter knowledge of DFAS’s three business line missions and its operational components, along with business process review considerations and scenario basing strategy, was used to focus reduction of the 26 locations and identification of the three gaining locations. The scenario basing strategy included reducing the number of locations to the maximum extent possible, while balancing the requirements for an environment meeting DoD Antiterrorist and Force Protection standards, strategic business line redundancy, area workforce availability, and to include an anchor entity for each business line and thus retain necessary organizational integrity to support DoD customer needs while the DFAS organization relocation is executed.

## **COST CONSIDERATIONS DEVELOPED BY DOD**

- One-Time Costs: \$282.1 M
- Net Savings (Cost) during Implementation: \$158.1 M
- Annual Recurring Savings: \$120.5 M
- Expected Payback: 0 years

- Net Present Value over 20 Years: \$1,313.8 M

**TOTAL MANPOWER IMPLICATIONS OF THIS RECOMMENDATION (EXCLUDES CONTRACTORS)**

The total number of jobs affected by this action is **6239** civilian and **205** military. Due to force future force reduction projections and BRAC savings gained from combining locations it is anticipated that there will be a reduction of **1931** positions. This leaves a net of **4513** positions that will be moving to one of the three designated DFAS locations.

**MANPOWER IMPLICATIONS FOR DFAS Rome - Closure**

	<b>Out</b>	
	<u>Military</u>	<u>Civilian</u>
Reductions	0	290

**MANPOWER IMPLICATIONS FOR DFAS CLEVELAND – Realign**

	<b>Out</b>	
	<u>Military</u>	<u>Civilian</u>
Reductions	15	1,013

The following table indicates the number of spaces DFAS Rome and Cleveland will be losing and the number of spaces to the gaining locations. At this point in time the gaining location numbers are just estimated projections as DFAS has not developed its implementation plan.

<b>LOSING LOCATION</b>	<b>GAINING LOCATION</b>	<b>MILITARY</b>	<b>CIVILIAN</b>	<b>TOTAL</b>
DFAS Cleveland OH	DFAS Columbus OH	0	339	339
DFAS Cleveland OH	DFAS Denver CO	0	68	68
DFAS Cleveland OH	DFAS Indianapolis IN	15	603	618
DFAS Rome NY	DFAS Columbus OH	0	227	227
DFAS Rome NY	DFAS Indianapolis IN	0	56	56

**ENVIRONMENTAL CONSIDERATIONS**

- No major issues. An air conformity analysis may be needed at Buckley AF Base Annex. This recommendation will require spending approximately \$0.01M for environmental compliance activities.

***Base Closure &  
Realignment Commission  
Base Visit Book***



**DFAS Rome & DFAS Cleveland**  
22-23 June 2005

***Commissioner Newton***

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\*using recycled tabs

## **Questions for Site Visits**

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. Do you feel this mission can be transferred if done in a prudent manner?
4. What percentage of staff may apply for transfers?
5. What percentage of staff is eligible for full retirement? Early retirement?
6. Of you current staff (as of May 2005), what are the numbers of actual vs. authorized?
7. Is there excess capacity at your site? If so, how much in terms of square footage?
8. Are there any force protection issues?

## **REPRESENTATION – Rome, NY**

Governor: Gov. George E. Pataki (R-NY)  
Senators: Sen. Charles Schumer (D-NY)  
Sen. Hilleary Clinton (D-NY)  
Representative: Rep. Sherwood Boehlert (R-NY -24)

## **REPRESENTATION – Cleveland, OH**

Governor: Gov. Bob Taft (R-OH)  
Senators: Sen. Mike DeWine (R-OH)  
Sen. George Voinovich (R-OH)  
Representative: Rep. Stephanie Tubbs Jones (D-OH-11)

## **ECONOMIC IMPACT**

### **Utica-Rome NY Metropolitan Statistical Area**

- Potential Employment Loss: 564 jobs
- (290 direct and 274 indirect)
- MSA Job Base: 158,421 jobs
- Percentage for this action -0.4 %
- Percentage for actions in MSA -0.6%

### **Cleveland-Elyria-Mentor, OH Metropolitan Statistical Area**

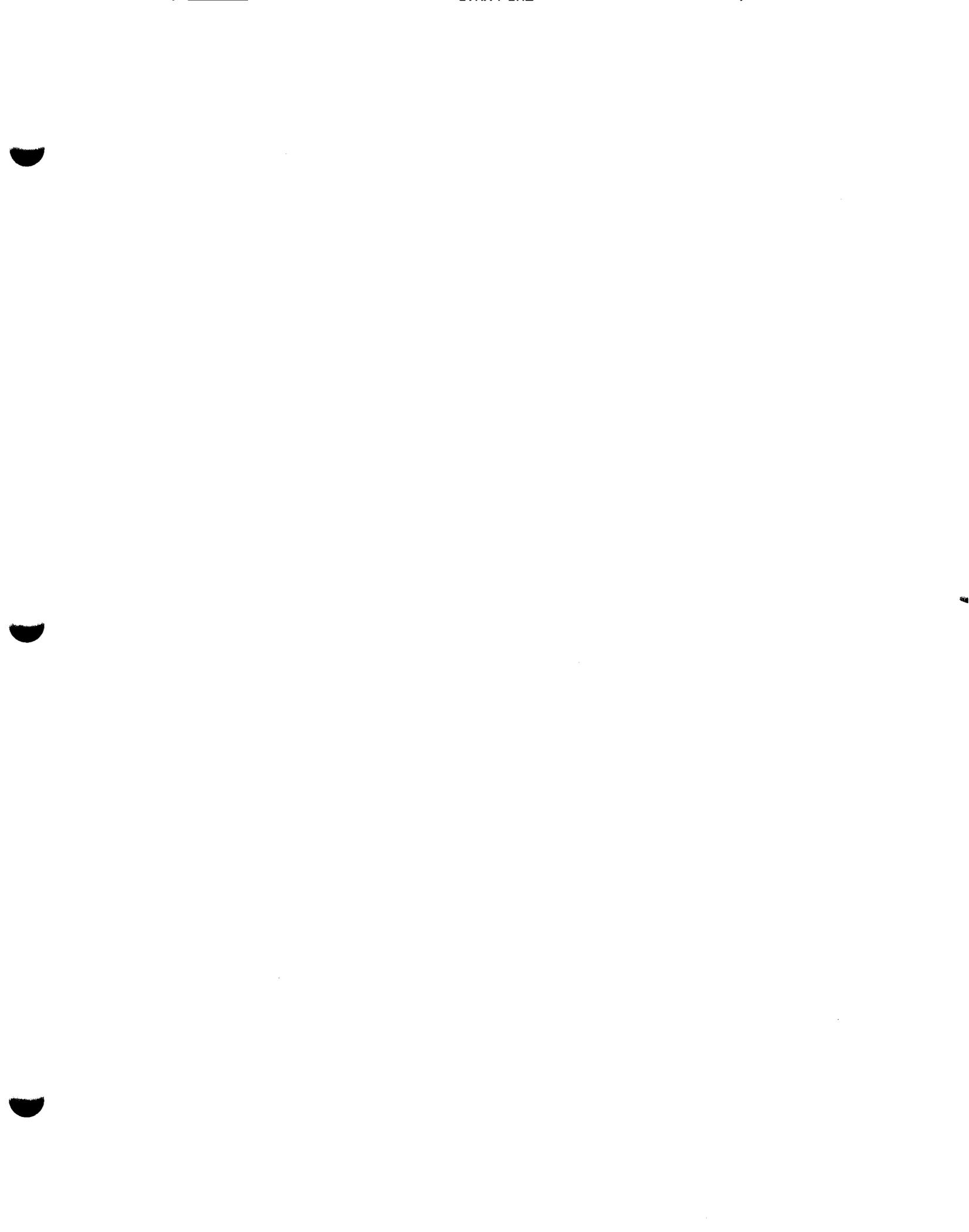
- Potential Employment Loss: 1,875 jobs
- (1,028 direct and 847 indirect)
- MSA Job Base: 1,301,423 jobs
- Percentage for this action -0.1 %
- Percentage for actions in MSA -0.1%

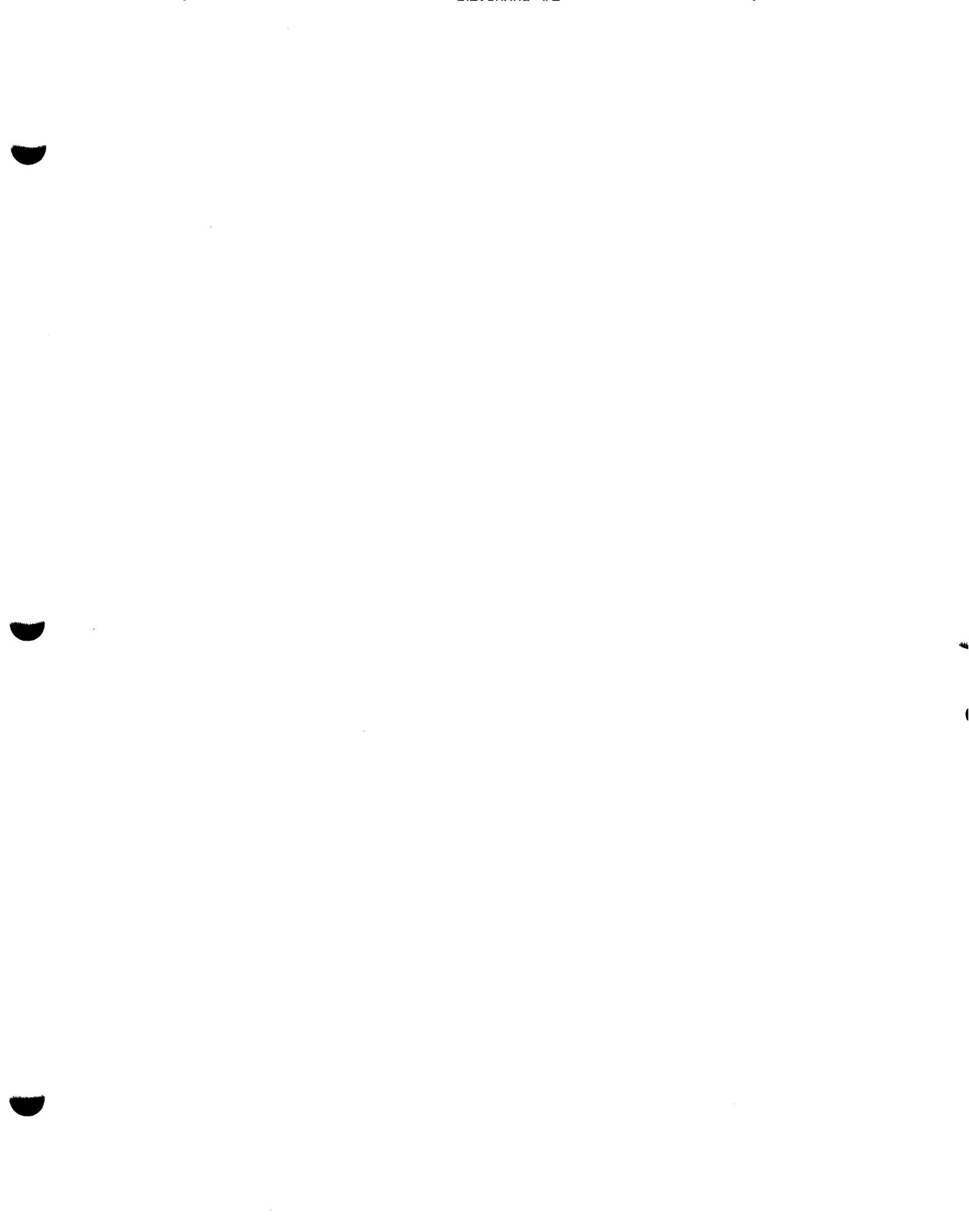
## **MILITARY ISSUES**

- Force protection, customer service

## **COMMUNITY CONCERNS/ISSUES**

- To be added.







| [Locations](#) | [Contacts](#) | [Business Opportunities](#) |

## DFAS Locations

### **DFAS Cleveland**

[Charleston](#)

[Norfolk](#)

[Oakland](#)

[Pacific](#)

[Japan](#)

[Pensacola](#)

[San Diego](#)

### **DFAS Columbus**

#### **DFAS Denver**

[Dayton](#)

[Limestone](#)

[Omaha](#)

[San Antonio](#)

[San Bernardino](#)

#### **DFAS Indianapolis**

[Europe](#)

[Lawton-Ft. Sill](#)

[Lexington](#)

[Orlando](#)

[Rock Island](#)

[Rome](#)

[Seaside](#)

[St. Louis](#)

#### **DFAS Kansas City**

PDFs on this page require  
viewer software

## DFAS Rome

### Points of Contact

The Defense Finance and Accounting Service - Rome was activated April 3, 1995, as part of the consolidation of service finance and accounting operations.

Headed by Director [Roy Higgins](#), DFAS-Rome is located at 325 Brooks Road, Rome, NY 13441-4527.

DFAS-Rome provides its customers with the best finance and services possible during times of peace and conflict by providing temporary duty travel pay, vendor pay, accounting data processing and reports production and system support to the following U.S. Army activities at:

- **U.S. Army Intelligence and Security Command (INSCOM)**
- **Cadet Command**
- **FORSCOM Installations**
  - Fort Bragg NC
  - Fort Campbell KY
  - Fort Lewis WA
  - Fort Stewart GA
- **TRADOC Installations**
  - Carlisle Barracks PA
  - Fort Jackson SC
  - Fort Leavenworth KS
  - Fort McClellan AL (BRAC 1999)
  - United States Army Nuclear and Chemical Agency (USANCA)
- **OTHERS:**
  - MDW Installations
    - Fort Belvoir VA
    - Fort Meade MD
    - Fort A.P. Hill
  - HQ/MDW
    - Command Information Office
    - Acquisition Center
    - 12th Aviation Battalion
    - Joint Personal Property Shipping Office, WA (JPPSOWA)
  - United States Military Academy, West Point
  - U.S. Army Signal Activity
  - Defense Acquisition University

- USA, Information Assurance and System Engineering Command (USAIASEC)
- Joint Program Office for Biological Defense (JPO for Biological Defense)
- Acquisition Support Center
- Army Contract Agency
- US Army Research, Development Acquisition & Sustainment Information Systems Activity (RDASIA)
- Program Executive Office-Enterprise Information System (PEO-EIS)
- PMO-EIS, Transportation Information Systems (EIS PM-TIS)
- PEO, Combat Service Support Control Systems (CSSCS)
- Project Manager-Medical Communication for Combat Casualty Care (PM-MC4)
- Technology Applications Office (TAO)
- Reserve Component Automation System (PMO RCAS)
- HQ, United States Army United Information Systems Software Center (USAISSC)
- Headquarters, U.S. Army Operational Support Airlift Command (OSAA)
- Directorate of Integration (DOI)
- Joint Tactical Radio System, Joint Program Office (JTRS, JPO)
- Office of the Secretary of Defense, Drug Enforcement Management Office (OSD DEMO)
- Judge Advocate General (JAG) - payments only
- U.S. Army Claims Service

**Mailing address:**

DFAS Rome  
325 Brooks Road  
Rome NY 13441-4527

[E-mail Rome Travel Pay Inquiries](#)

[E-mail Rome Vendor Pay Inquiries](#)

Last updated: March 01, 2005 at 16:15

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# Defense Finance and Accounting Service

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## DFAS Locations

### **DFAS Cleveland**

[Charleston](#)
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[San Diego](#)

### **DFAS Columbus**

### **DFAS Denver**

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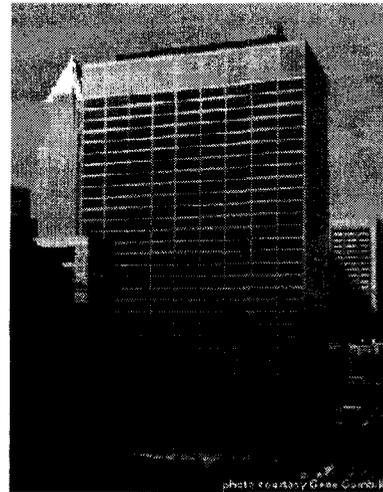
### **DFAS Kansas City**

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viewer software

## DFAS Cleveland

### Points of Contact

The Defense Finance and Accounting Service - Cleveland Site (DFAS-CL) was originally founded in 1942 as the Bureau of Supplies and Accounts and renamed the Navy Finance Center in 1955. It has become the world center for Navy pay operations and personnel data management. The center moved from Navy to DFAS-CL control in January 1991 and is involved in streamlining accounting and finance systems and procedures to lower costs that will benefit the taxpayers.



Acting Director, [Kenneth R. Sweitzer](#), is responsible for oversight of a network of eight sites, to include Cleveland. DFAS-CL is located in the Anthony J. Celebrezze Federal Building and has over 1,200 accounting and finance personnel.

DFAS-CL is the largest tenant in the Anthony J. Celebrezze Federal Building. It is the fourth largest Federal employer in the Greater Cleveland area, with over a \$65 million dollar annual payroll that benefits the local economy.

At the DFAS-Cleveland site we offer the following pay services:

- Navy Active Duty Accounts
- Navy Reservists Accounts
- Navy Medical Students
- Navy ROTC Students
- Army, Marine Corps, Navy and Air Force Military Retirees
- Army, Marine Corps, Navy and Air Force Military Annuitants
- Army, Marine Corps, Navy and Air Force Former Spouse Accounts
- Garnishment (Child Support, Commercial Debts Civilian Cases, and Commercial Debts Military Cases)



Your Financial Partner @ work

View This Report and Detailed Financial Statements Online:  
[www.dod.mil/dfas/](http://www.dod.mil/dfas/)



**IT'S ABOUT THE CUSTOMER**

stakeholders report  
fiscal year two thousand and four

## A Message to DFAS Stakeholders

### To our stakeholders:

I am proud to present this report on the performance of the Defense Finance and Accounting Service (DFAS) in Fiscal Year (FY) 2004. The members of DFAS take pride in being part of the Department of Defense team. We are dedicated to continuously improving the products and services we provide to the men and women who defend America. In FY 2004, the DFAS team continued its march toward becoming a world-class finance and accounting organization, capable of delivering the best value to its clients.

### It's about the customer

We affect the morale and readiness of America's Military Services. Delivering accurate and timely pay and entitlements allows the troops to focus on their mission and not on their money. Failing to fulfill this promise violates the trust they have in us, distracts our service members from their mission, and hurts our military's ability to recruit and retain soldiers, sailors, airmen and Marines.

We enable the flow of material that promotes our nation's defense by ensuring timely and accurate payment for goods and services provided by defense industry contractors and vendors.

We also understand that our customers must get the most out of every dollar entrusted to them by the American taxpayers. By accelerating accounting reports and improving their overall quality, DFAS increases the speed and precision with which our clients can use their resources to execute their missions.

### FY 2004 Accomplishments

In FY 2004, the DFAS team sharpened its focus on the needs of our customers. World events increased operations tempo for our clients and stretched their resources as they fought a global war on terror. This environment makes professional, responsive finance and accounting service more critical than ever.

World events, including the war on terrorism, have increased demands on DFAS. DFAS team members played important roles in supporting the mobilization and demobilization of more than 195,000 military members. Many DFAS members deployed to provide support to commanders in theater. Meanwhile, other DFAS personnel contributed finance and accounting expertise to help rebuild the Iraqi nation by establishing control, disbursing and pay processes.

DFAS's workload in FY 2004 continued to grow as the team processed more than 104 million pay transactions for about 5.9 million military members, civilian employees, and military retirees and annuitants. The team also made 6.9 million travel payments, paid 12.6 million commercial invoices, processed 127.3 million general ledger postings, disbursed \$455 billion, and accounted for 282 active Defense appropriations. The DFAS team also helped make money for the department by managing military and health benefit funds worth approximately \$234 billion.

The quality of DFAS products and services also improved this past year. We reduced the time to deliver quarterly accounting reports from 45 to 21 days and the amount of time for annual reports from 80 to 45 days. The team lowered the amount of overaged Unmatched Disbursements from \$134 million in FY 2003 to \$23 million in FY 2004, decreased the amount of interest paid per million disbursed from \$160 in FY 2003 to \$138 in FY 2004, and expanded the myPay customer base to 2.9 million people.

Our efforts in FY 2004 increased the overall satisfaction of our customers for the second consecutive year. Satisfaction improved by an average of 4.3 percentage points across

the measures of recovery, choice, access, knowledge, timeliness, tangibles, reliability, quality and courtesy.

### Building a team for success

To meet the demands of our customers, DFAS must satisfy the needs of our team members by building an organization and an environment that attracts, develops and retains world-class talent.

In FY 2004, we expanded developmental assignments to provide growth and learning opportunities to more than 4.7 percent of employees to broaden and strengthen their skills. We used intern programs like the Entry Level Professional Accountant and Entry Level Financial Analyst programs to bring more than 178 new professionals to the DFAS team. We also invested nearly \$1,384 per employee, or 2.7 percent of our total payroll, in training and career development, nearly double the average corporate training investment within the United States.

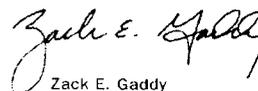
In return for this investment, DFAS team members reported an increase in employee satisfaction for the fourth consecutive year. Since 2000, employee satisfaction has improved by 13 percentage points. The overall results of DFAS Organizational Assessment Survey also showed continued improvement in 2004, raising the average score across the 17 measures by an average of 13 percentage points since 2000.

### The continuing challenge

The DFAS team is proud of these results but recognizes it has much work to do to meet the continuing challenge of an ever-changing environment, shrinking resources and increasing demands for quality and service.

The DFAS team has the tools to succeed. Our transformation effort is an integrated, leadership-driven program that evaluates each function within DFAS to determine the best option for transforming that function to ensure it is delivering the right products and services to DFAS customers through the most efficient means possible. Lean6 combines Lean Thinking with the methods of Six Sigma to identify and seize opportunities to eliminate waste, reduce errors and increase productivity. Portfolio Management disciplines our investment decision-making process to prioritize and fund projects and initiatives that best support the DFAS strategy. Finally, we rigorously manage these efforts through the agency's Balanced Scorecard to ensure our efforts are delivering the results our customers expect and the strategic progress we demand of ourselves.

The members of the DFAS team are dedicated to supporting the men and women who defend America with integrity, innovation and service. We are committed to achieving our vision of truly becoming a world-class finance and accounting organization because our customers deserve nothing less.



Zack E. Gaddy

Director

**Mission:** Provide responsive, professional finance and accounting services for the people who defend America

**Vision:** Best value to our customers

- A world-class provider of finance and accounting services
- A trusted, innovative financial partner
- One organization, one identity
- An employer of choice, providing a progressive and professional work environment

**Values:** Integrity – Service – Innovation

## DFAS Mission

DFAS's mission is about the customer. It is about delivering pay and entitlements to meet the needs of the men and women who defend America and their families. It is about paying for the materiel and services that support national security. It is about providing meaningful business intelligence that allows defense leaders to get more from their resources.

More than just the world's largest finance and accounting operation, DFAS performs the nation's most important finance and accounting mission for the nation's most important customers.

Responsive, professional finance and accounting services go beyond just meeting customers' needs today. It involves anticipating how those needs will evolve by developing and nurturing close business relationships between executives in DFAS and executives at each client. It requires integrity, service and innovation to ensure that each client is well served.

DFAS team members are proud to serve the men and women who defend America. Team members know that every DFAS customer is a friend or a family member who has answered their nation's call to serve. This same sense of service drives DFAS team members to deliver their very best.

"DFAS employees have built a tremendous record of excellence of continually making DFAS more effective and more efficient. I know we will continue to deliver results for our customers as we tackle this next chapter in DFAS's transformation."

**Zack E. Gaddy**  
Director

EMPOWER THE CUSTOMER

### DFAS Balanced Scorecard, Awards, and Recognition

Goal	Report Cycle	Corporate	Acct	Comm	M&A	Cur Pay
<b>Customer Perspective</b> Client/Customer Satisfaction (based on a survey) Award: Customer Satisfaction Metric: - Number of Services (new and existing) Awarding - Number of Services (new and existing) Indicator - Number of Services (new and existing)	annual	●	●	●	●	●
<b>Financial Perspective</b> Total Costs - Cost Variance from Target Unit Costs (see how many hours left) Awarding - Unit Costs from Accounting System Awarding - Unit Costs from Accounting System Indicator - Unit Costs from Accounting System Awarding - Unit Costs from Accounting System Indicator - Unit Costs from Accounting System	month	●	●	●	●	●
<b>Internal Business Process Perspective</b> Systems Malfunctions Delivered (target rate of 13 percent) Systems Operating Cost Awarding - Systems Operating Cost Indicator - Systems Operating Cost Awarding - Systems Operating Cost Indicator - Systems Operating Cost	month	●	●	●	●	●
<b>Human Capital Perspective</b> Growth and Learning Perspective Employees in Developmental Assignments Awarding - Employees in Developmental Assignments Indicator - Employees in Developmental Assignments Awarding - Employees in Developmental Assignments Indicator - Employees in Developmental Assignments	month	●	●	●	●	●
<b>Learning and Growth Perspective</b> Employee Satisfaction Awarding - Employee Satisfaction Indicator - Employee Satisfaction Awarding - Employee Satisfaction Indicator - Employee Satisfaction	month	●	●	●	●	●

DFAS Balanced Scorecard results for FY 2004

### Significant Awards and Recognition

The following are selected examples of awards earned by DFAS for innovation and excellence as a federal leader in finance and accounting.

- Named top federal innovator by MIT/Accenture
- Named among top technology innovations by Government Executive Magazine
- Winner Department of Defense Value Engineering Achievement Award
- **Defense Civilian Pay System** - Quality software development and systems management
- Earned Level-4 Capability Maturity Model Certification from the Software Engineering Institute
- **Portal** - Collaborative knowledge management
- Named as one of the top 10 government intranets by NielsenNorman Group
- **Commercial Pay Services** - expanding the use of e-commerce
- Winner Department of Defense Value Engineering Achievement Award
- **Defense Cash Accountability System** - special achievement
- Winner Department of Defense Value Engineering Achievement Award

## Military and Civilian Pay Services

Customers depend on DFAS every day to deliver timely, accurate pay services in peacetime and during times of war.

DFAS pays 5.9 million people, including:

- Members of the Army, Navy, Air Force, and Marine Corps
- Civilian employees of DoD and various federal agencies
- Military retirees and annuitants

The Military and Civilian Pay Services Business Line provides all forms of payments to individuals, almost entirely through electronic funds transfer.

In FY 2004, DFAS continued to enhance myPay, a Web-based system that allows customers to manage their pay account information securely and easily from around the world, night or day at <https://mypay.dfas.mil>. Today, more than 2.9 million people choose to use myPay regularly. DFAS also expanded its support to hundreds of thousands of military members overseas by launching the Community Bank Online Banking Service that provides the same type of online services people in the states enjoy.

The Military and Civilian Pay Services team also performs critical support functions that include:

- Staffing call centers and help desks to solve individual customer problems
- Defining and testing changes to automated pay systems
- Processing garnishment, debt and waiver applications
- Working with federal, state and local taxing authorities
- Overseeing the Defense travel card and Defense overseas military banking programs

DFAS took significant steps to enhance the quality of products and services it delivers its pay customers. In March, DFAS established its Customer Operations Product Line to integrate the agency's customer service. In June, DFAS opened its Reserve Pay Center of Excellence to better meet the unique needs of the Reserve Component members of America's military.

This year DFAS also supported the mobilization and demobilization of more than 195,000 men and women for the war on terrorism. DFAS team members worked closely with the Armed Services to develop and implement a comprehensive plan to eliminate problems faced by mobilized Reserve Component members. The plan addresses issues created by aging systems, ineffective processes and insufficient training. It includes development of training programs for mobilization support personnel as well as in-theater finance professionals. The plan also calls for the creation of a Forward Compatible Pay System to replace the Defense Joint Military Pay Systems. FCP will support both the active and Reserve Components of the Army, Air Force and Navy as an interim solution until the Defense Integrated Military Human Resource System is implemented and brings personnel and pay systems together. DFAS will begin rolling out FCP in late summer of 2005.

DFAS team members also deploy alongside finance units to provide in-theater support. Support to mobilized service members includes payroll disbursements, training, check cashing, currency conversion and contracting.

"The employees of DFAS are to be commended for their tireless efforts to accomplish the task before them! I retired from the U.S. Army 34 years ago and I have never had a problem with my pay (with more than 20 years active duty and about 10 years civil service without an error). Many thanks to all the hard working people of DFAS and DoD."

- **Bill Case**  
Retired Pay Customer

"The Army is served well by DFAS and by our Client Executive. If we need things because of the mission, we get it."

— Ernest J. Gregory  
Principal Deputy to the  
Assistant Secretary of the Army (retired)

## Accounting Services

The DFAS Accounting Services Business Line delivers timely, meaningful financial information to meet the management needs of Defense Department leaders. Customers at the field and departmental levels depend on DFAS for accounting support for all types of funds—appropriated funds, working capital funds and trust funds. Accounting professionals maintain accounting systems and develop procedures to implement federal accounting requirements mandated by Congress, the Office of Management and Budget, Department of the Treasury and DoD.

DFAS accounting professionals produce monthly accounting reports in 13 days and quarterly reports in 21 days instead of last year's 45 days. More current accounting reports provide decision makers the confidence to more accurately and more quickly execute the budgets entrusted to them to fulfill their missions.

Accounting Services completed more than 127 million accounting transactions during FY 2004. DFAS accounting professionals managed \$195 billion in the Military Retirement Fund earning a 5.19 percent market value return and \$39 billion in the Medicare-Eligible Retiree Health Care Fund earning 2.43 percent return. The return on the Military Retirement Fund exceeded the market value average return on competitive commercial funds by over 2 percent. The team also accounted for \$13.5 billion in foreign military sales and \$4.6 billion in grants and loans through foreign military finance.

DFAS surpassed its goals for negative unliquidated obligations, aged intransit transactions and unmatched disbursements. Negative unliquidated obligations finished at \$95 million, \$76 million better than the \$171 million goal for FY 2004. Aged intransit transactions ended the year at \$502 million, and Unmatched Disbursements came in at \$735 million, \$194M under its \$929 million goal.

DFAS is enhancing delivery of accounting support for customers. By expanding the use of mission support accountants with its clients, DFAS is improving responsiveness by embedding the professional accountants with the client units they support. In August, DFAS announced that the Security Assistance Accounting function would be retained by the Government's Most Efficient Organization as a result of an A-76 cost comparison. DFAS currently performs the Security Assistance Accounting work with 250 employees as compared to 460 in March 2000.

In FY 2004, DFAS achieved its fifth consecutive unqualified opinion on its audited financial statements while helping Defense Commissary Agency and the Defense Contract Audit Agency to earn their third consecutive clean opinions and the Military Retirement Fund to earn its eleventh. DFAS continues to work with its accounting clients to make progress toward producing auditable financial statements for all of DoD by FY 2007.

DFAS: Here to Serve You

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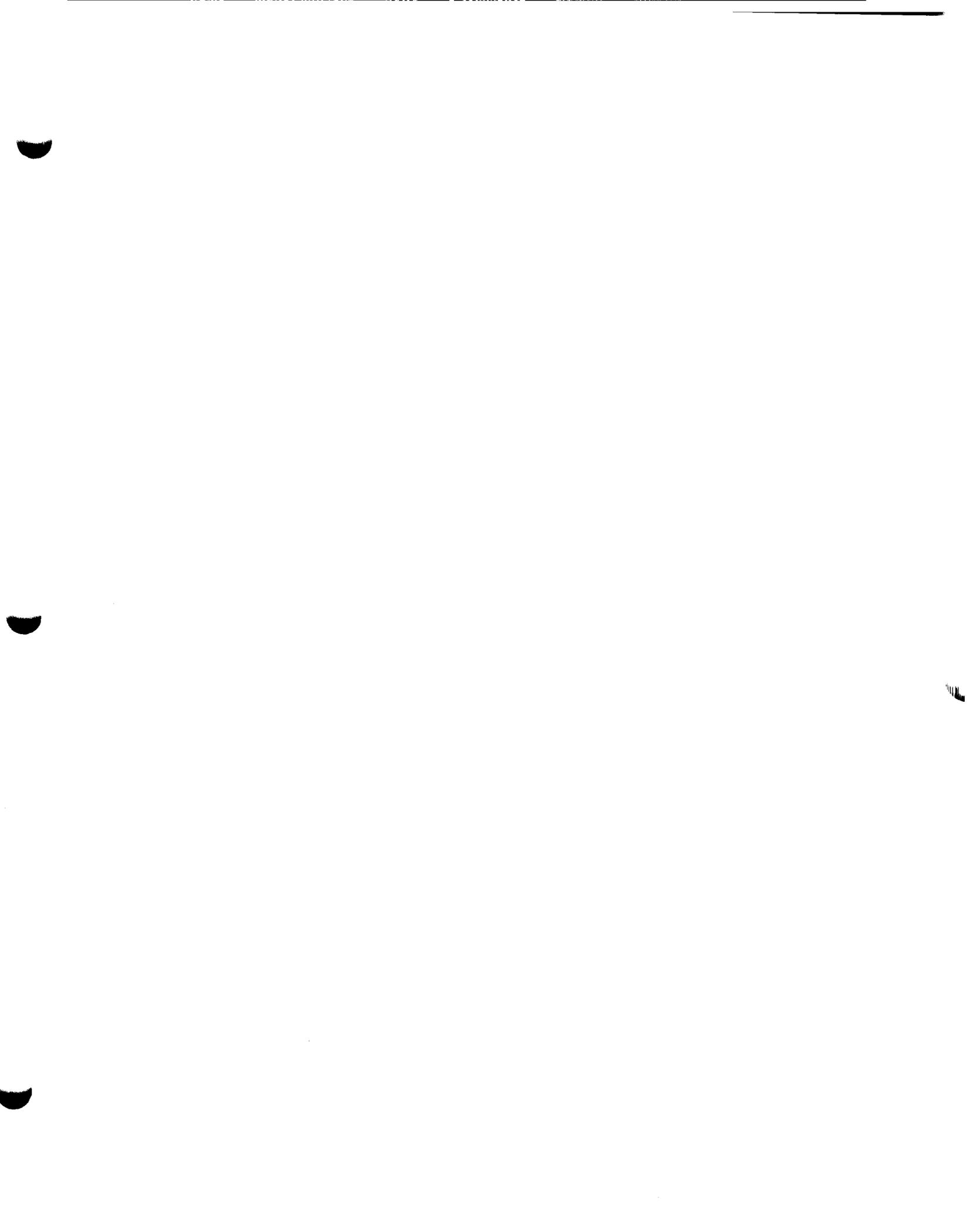
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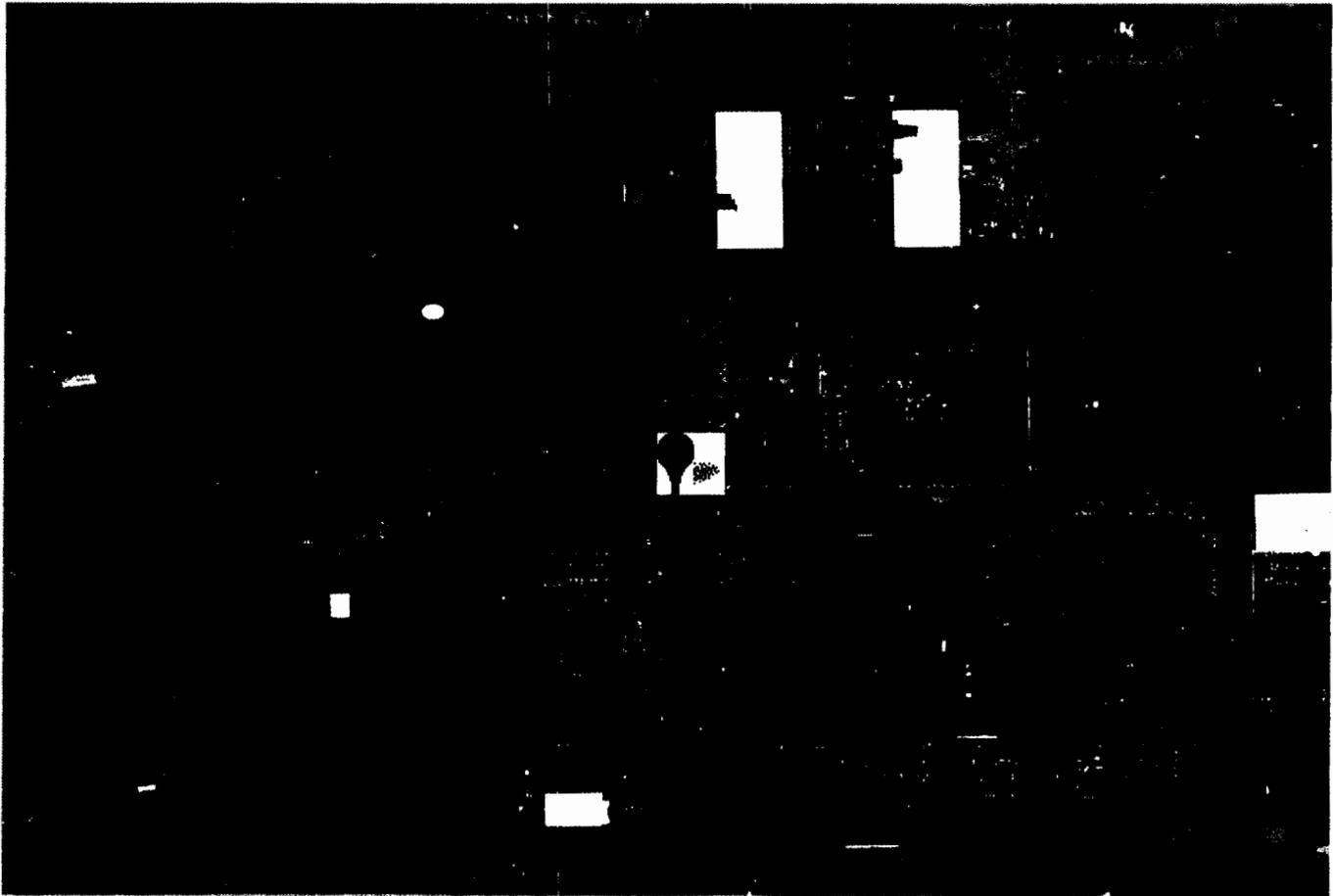
This report is produced by DFAS Corporate Communications.

Additional information and audited financial statements are available on the Web at <http://www.dod.mil/dfas>.



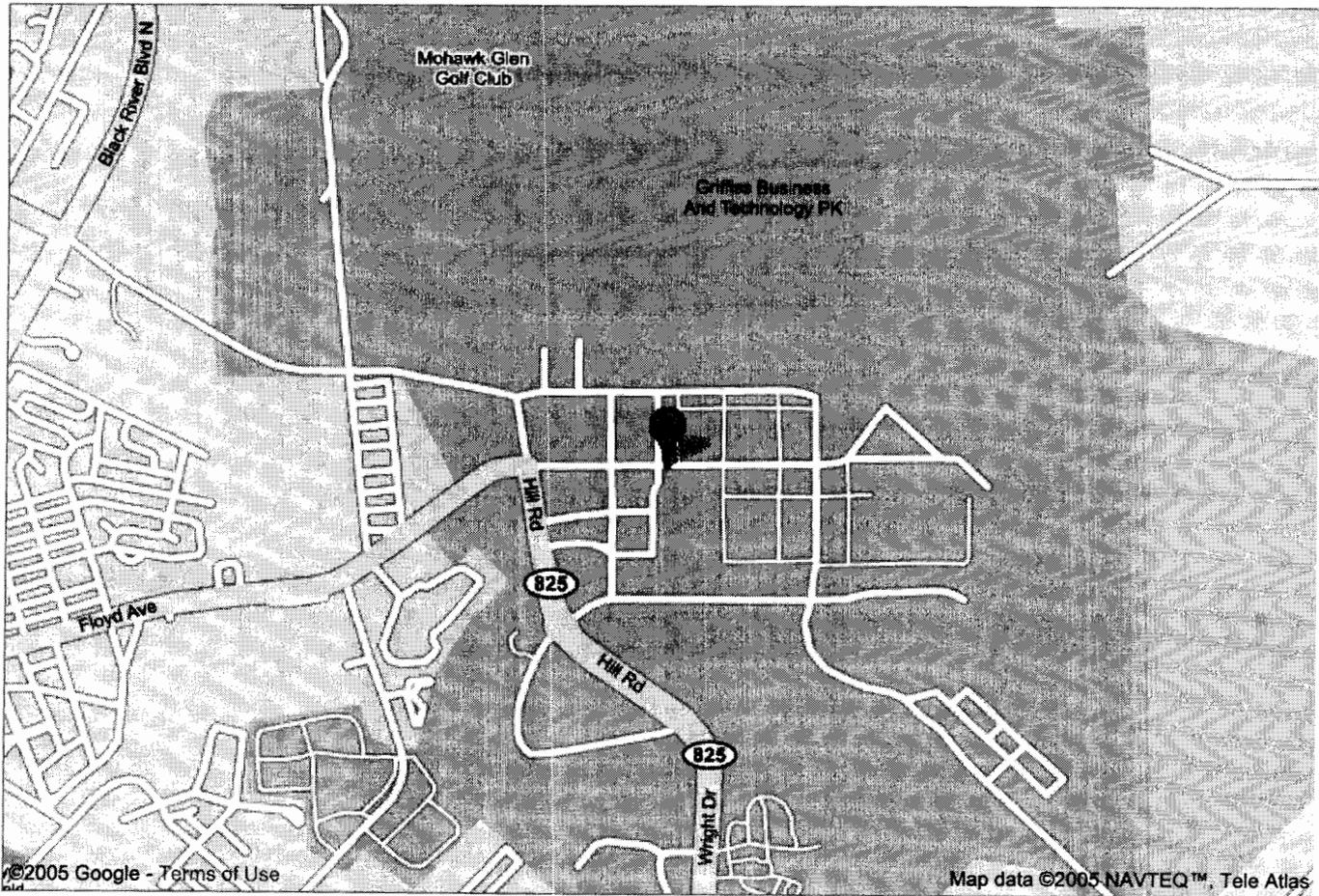


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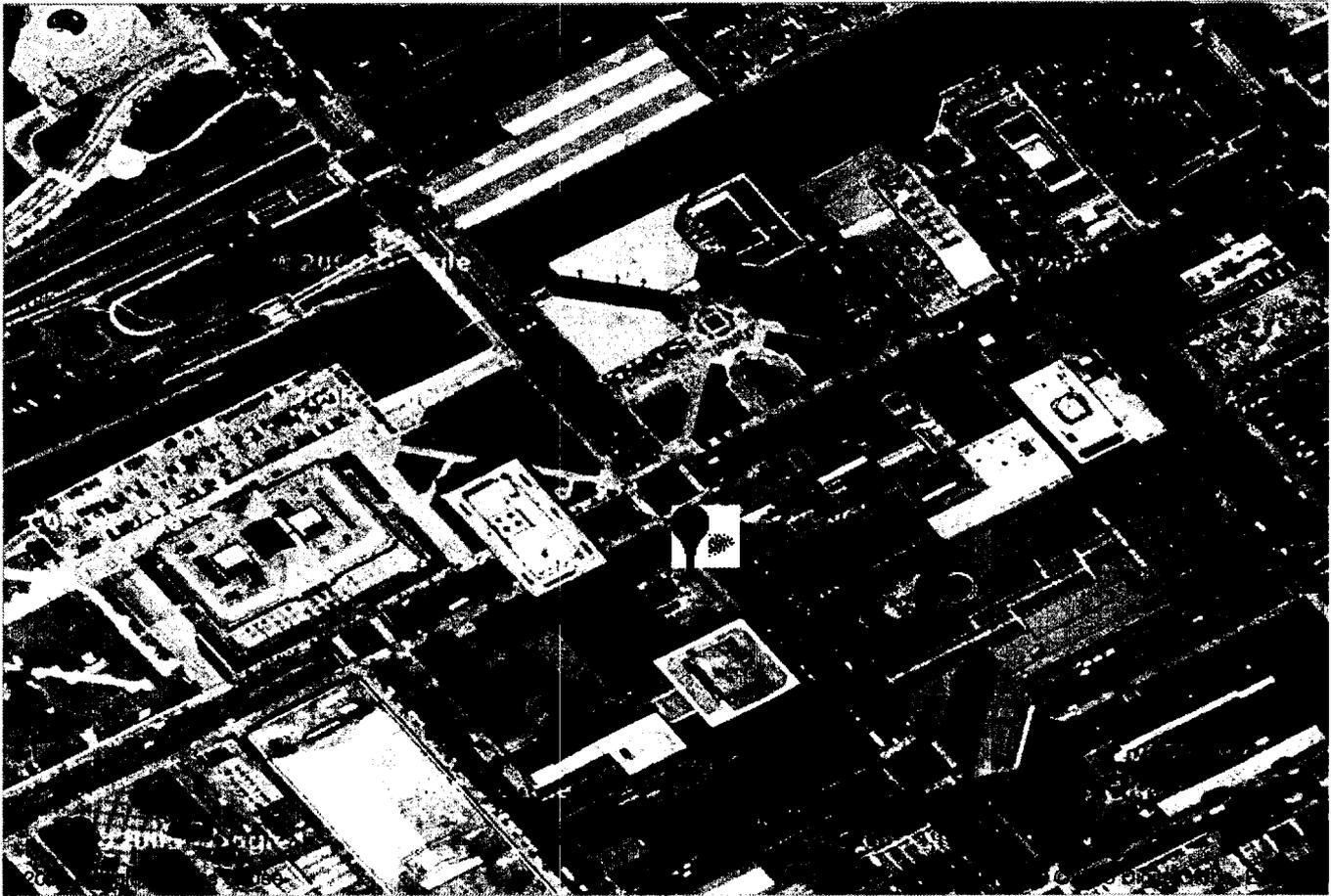
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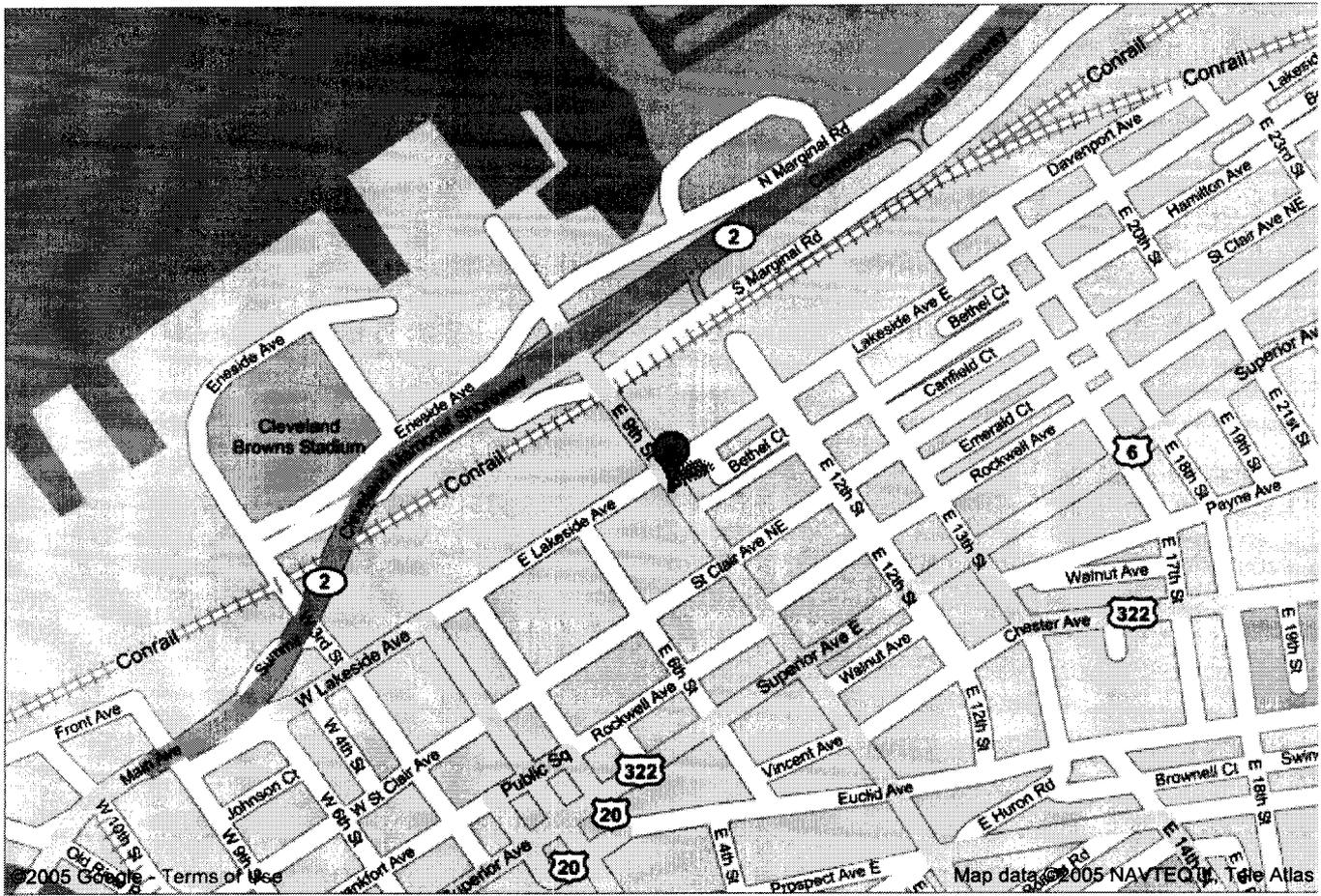
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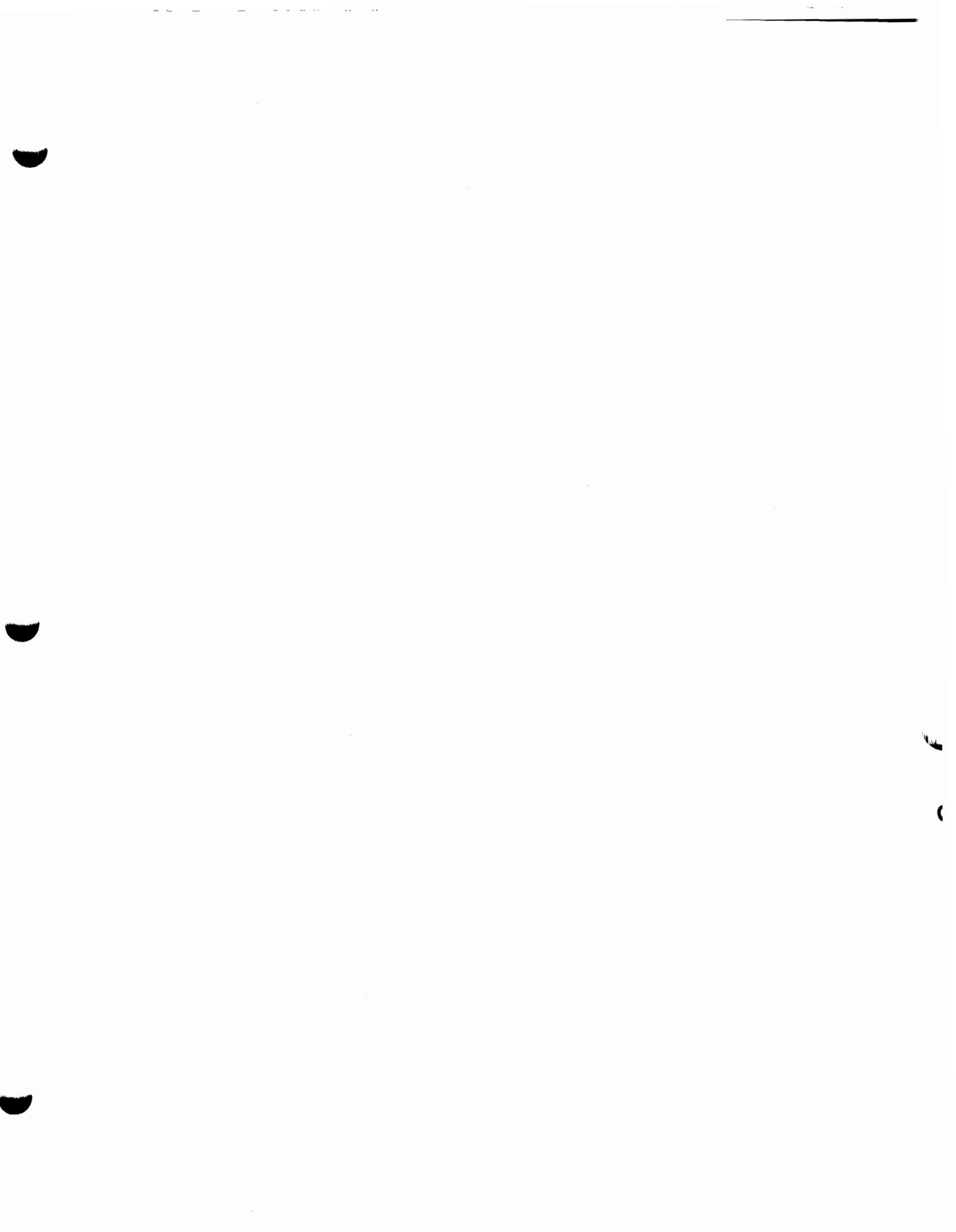
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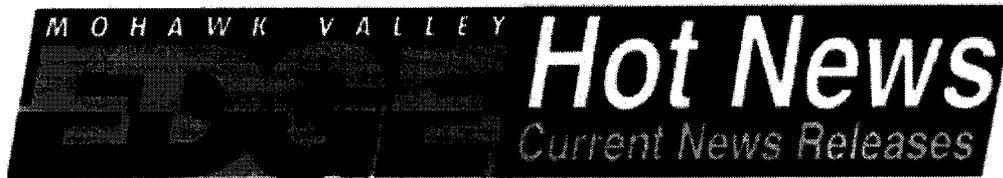


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**For immediate release:  
Friday, February 18, 2005**

### **Many join forces to raise money to keep military functions at Griffiss**

Several local businesses joined forces today to kick off a grass-roots fund-raising effort aimed at helping to keep the Air Force Research Laboratory, Northeast Air Defense Sector and Defense Finance and Accounting Service at Griffiss Business and Technology Park, along with their thousands of jobs, and the hundreds of millions of dollars in economic strength they bring to the Mohawk Valley.

Excellus Blue Cross Blue Shield of Utica hosted today's announcement, and Regional President Cynthia C. Hummel announced Excellus BCBS is donating \$5,000 to the fund-raising effort.

#### **Several groups join forces**

Excellus BCBS is the latest of several companies which have donated toward the effort, and its donation comes a week after the Central New York Labor Council announced it will sponsor a fund-raising "Save the Lab" concert later this month. Others who have contributed include Niagara Mohawk, which has given \$60,000 to the effort, and the Greater Utica-Rome Board of Realtors, which donated \$10,000.

At the same time, the Rome Area Chamber of Commerce and Mohawk Valley Chamber of Commerce put their support behind a fund-raising campaign targeted toward small businesses and individuals.

"The Rome Chamber recently approached GLDC about helping out with a public fund-raising campaign for the effort to save the lab and other facilities," explained Steven J. DiMeo, President of Mohawk Valley EDGE, which provides staff to GLDC. "Building on that initiative, recognizing the mutual interests of the many people and companies involved in the effort, and the timeliness of this donation by Excellus BCBS, we have come together today for this announcement."

"The effort to save the lab is crucial to the economic health of our region," noted Kenneth Tompkins, Regional Manager of Niagara Mohawk, a National Grid Company. "This is not a Griffiss issue, or a Rome issue, or even an Oneida County issue. The lab has far-reaching implications throughout and beyond Oneida and Herkimer Counties. All residents, businesses and organizations should recognize the profound impact AFRL, NEADS and DFAS have on our region's economic prosperity and quality of life. With their employees living throughout our service area, Niagara Mohawk acutely recognizes this impact on our business."

Ms. Hummel stated, "One of Excellus BCBS's key concerns is maintaining employment in the Mohawk Valley. AFRL, NEADS and DFAS are major employers and essential to our region's economic vitality. Excellus BCBS is committed to localism and contributing toward the BRAC effort is one way in which we can participate in working together with these other key organizations in trying to safeguard one of our region's major employment assets. We encourage other Mohawk Valley employers to join us in contributing toward this very important campaign."

#### **Chambers unite on effort**

The Rome and Mohawk Valley Chambers of Commerce were both early contributors to the BRAC effort, and today encouraged their members and others to support the cause.

"I would encourage all businesses in the Mohawk Valley to consider donating to this very worthy project," said Bill Nicholson, Interim President of the Mohawk Valley Chamber of Commerce. "We absolutely need to keep all current Department of Defense operations at Griffiss."

Rome Area Chamber of Commerce Board of Directors Chairman Thomas A. Rahn said, "We appreciate

the contribution made this morning by Excellus BCBS to help fund the effort to protect the remaining military missions at Griffiss. We urge other businesses and organizations to step forward and contribute as Excellus BCBS and we have done, or to create their own fund-raising events, as the Central New York Labor Council is doing with their "Save the Lab" concert featuring Utica native Joe Bonamassa. Thank you Excellus BCBS for again showing your leadership in our community."

#### Benefit concert at Capitol

The Joe Bonamassa "Save the Lab" concert will be at 6 p.m. Monday, February 28, at the Capitol Theatre in Rome. Tickets are available for \$20 at the CNY Labor Council office at 270 Genesee Street, Utica; Rome Area Chamber of Commerce office, 139 West Dominick Street, Rome; Savoy Restaurant, 255 East Dominick Street, Rome; and at the Capitol Theatre box office, 220 West Dominick Street, Rome. The concert is sponsored by the Central New York Labor Council, which will donate all proceeds from the concert to GLDC for the BRAC effort.

"The Central New York Labor Council is delighted to be sponsoring this concert, and to be working with all of these businesses and organizations to generate awareness of the major impact AFRL, NEADS and DFAS all have on the Mohawk Valley, and the importance of keeping these good jobs in our community," said Patrick Costello, President of the CNY Labor Council.

#### Economic impact

AFRL, with more than 800 employees and 600 on-site contractors, and the Northeast Air Defense Sector and Defense Finance and Accounting Service – each with approximately 400 employees – account for more than 2,200 jobs at Griffiss. AFRL, DFAS and NEADS all are subject to action by the Base Realignment and Closure Commission this year.

According to AFRL's Economic Impact Analysis for the fiscal year 2004, the lab has an annual economic impact of \$211.6 million on Oneida and Herkimer Counties alone; the impact continues well beyond the counties' borders. Among facts from the report:

- AFRL's 820 military and civilian employees have combined annual salaries of \$69 million.
- More than 600 non-government civilians worked under Air Force contracts at AFRL during the year; their payroll was nearly \$51 million.
- In addition to these 1,400+ jobs, the lab is responsible for an additional 1,514 jobs in Oneida and Herkimer Counties, with combined salaries of \$47 million

NEADS has an annual economic impact of \$35.9 million on the local area.

#### Budget

GLDC has a \$565,000 budget for BRAC related activities from January 1, 2004, through May 16, 2005, when the proposed closure list is due to be publicly announced. So far, about \$435,000 has been raised for the effort to keep AFRL, DFAS and NEADS off the proposed closure list, with the majority of it coming from the public sector, including New York State, Oneida County, and the City of Rome.

The Secretary of Defense on May 16 will issue to the BRAC Commission his recommendations of what military units should be closed. The Commission will then examine the recommendations and deliberate over the summer, before making its report to the President and Congress.

In 1995, the Secretary of Defense proposed closing Rome Laboratory – as AFRL was then known – but the BRAC Commission unanimously reversed the proposal and kept the lab open following a review of the recommendation.

#### Donations

Donations to help support the effort to keep these missions and their jobs in the Mohawk Valley may be made to Griffiss Local Development Corporation, 153 Brooks Road, Rome, NY 13441. GLDC is a 501(c)3 not-for-profit organization, and contributions to GLDC are tax-deductible.

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**Contact: Rob Duchow (EDGE) at 315-338-0393 (rduchow@mvedge.org)**

**Contact: Donna Skibitski (Excellus BCBS) at 315-798-4229 (Donna.Skibitski@excellus.com)**



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## Local officials trek to Washington for BRAC

### hearings and specifics on cuts

<BR>

What's the Pentagon's rationale for proposing a move of more than 500 defense-related jobs from Griffiss?

Mohawk Valley EDGE President Steven J. DiMeo will be in Washington Tuesday and Wednesday in hopes of gaining a better understanding of why Defense Secretary Donald H. Rumsfeld's wants to shutter the Defense Finance and Accounting Service center, whose employee count is 382, and move the Air Force's Sensors Directorate unit, which employs 137. He'll be attending hearings held by the Base Realignment and Closure commission as it starts its review of the Pentagon's recommendations to close about 180 military facilities across the country, including 33 major bases. The hearings begin today with Rumsfeld as the first witness.

DiMeo will have both a professional and personal interest in the hearings, as his son recently started working for the Air Force lab at Griffiss.

Listening and observing on behalf of the state will be Anthony Picente of Rome, Mohawk Valley regional director for the Empire State Development Corp.

EDGE, which has led the effort to preserve the military facilities at Griffiss, questions if an error was made by Rumsfeld when he recommended moving Air Force Research Laboratory work from Wright-Patterson Air Force Base in Dayton, Ohio, to Hanscom Air Force Base outside Boston, Mass., and not Rome, which is the headquarters of the Information Directorate.

"The proposal to move the Information Directorate jobs from Wright-Patterson to Hanscom instead of to Rome seems inconsistent if it is not a mistake," said EDGE spokesman Rob Duchow. "This is because other than the Propulsion Directorate jobs at Edwards, which is a unique situation, all of the other directorates are proposed for consolidation at their headquarters. The only anomaly is the proposal to move a portion of the Information Directorate from Wright-Patterson to Hanscom instead of to its headquarters at Rome."

Adds state Sen. Raymond A. Meier, "If you're moving like-function with like-functions at the parent organization, it doesn't add up, and I think we need to take a look at it."

There are nine directorates located across the U.S.; the Pentagon has proposed several realignments.

Meanwhile, Fort Monmouth, one of the bases EDGE officials had feared the Pentagon

would direct Rome lab jobs to, is instead on the BRACC list for closure. However, local officials will be watching for any possible move by that base to still try to grab jobs from the lab, as the BRACC process continues.

Furthermore Mohawk Valley EDGE's consultants want to review the Defense Department's numbers and will begin analyzing them as they are available, said Duchow.

In 1995, the commission reversed the Pentagon's recommendation to move the entire Air Force research laboratory from Griffiss after a study of the numbers showed the economic benefits were not as advantageous as the Defense Department initially claimed.

Sam Marchio, spokesman for Rep. Sherwood L. Boehlert, said the congressman wants to know more about whether the sites proposed for the three DFAS super centers satisfy the Defense Department's antiterrorist protection standards.

He said Boehlert was unlikely to attend the commission's hearings this week, but his staff would be at the sessions. The congressman was traveling to Washington today and the Science Committee, which Boehlert chairs, has hearings later this week.

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<http://www.rny.com/archive/localnews/2005/may/16localofficialstrektowash.html>

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held merely for trying to spread freedom and democracy to the Cuban people. I hope that he is one day freed from the shackles of oppression and that the Cuban people can have the opportunity to freely choose their leaders in a democratic system of political pluralism.

Mr. Speaker, what has made this Nation great is that since the signing of the Declaration of Independence, we have been a beacon of freedom and justice. American troops have shed blood confronting tyrants and dictators.

Our belief that there truly are inalienable rights does not end at our borders. We Americans believe that freedom and liberty are rights due all the people of Earth.

I hope to one day soon speak to Félix Navarro Rodríguez and congratulate him on his freedom and thank him for his commitment to justice and democracy.

#### TRIBUTE TO MR. PAUL QUINN

#### HON. JIM COSTA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 17, 2005

Mr. COSTA. Mr. Speaker, I rise today to read into the CONGRESSIONAL RECORD a tribute to my close friend, Mr. Paul Quinn, delivered by former Speaker of the House of Representatives, Tom Foley, on March 16, 2005 at the 13th National Gala of the American Ireland Fund.

They say that on St. Patrick's Day, the 33.7 million Americans who claim Irish ancestry swell to 80 million. As well they should!

And on St. Patrick's Day, we here in Washington celebrate the great day as only Washington can—politically. The Taoiseach pays a call on the President. The Speaker hosts them both at lunch. And the American Ireland Fund holds this dinner, as important a celebration as any of the others, and honors those who have made contributions in advancing peace and reconciliation in Ireland. Like the other events, it has its political side, but with a difference. Here we sometimes honor those whom not everybody knows, although we here know them well.

Tonight I have the honor to introduce a man whom few here can surpass in contributions to peace in Northern Ireland. And almost none of us could surpass him in avoiding praise. Because Paul Quinn keeps out of the limelight. He is one of the most effective advocates on the major policy issues of our times. He has been a tireless and effective friend of Ireland, but he leaves few tracks.

What has he done for Ireland? Twenty years ago, Paul was the first nongovernment figure to invite Northern Irish political leaders to Washington—not to make speeches, because who can stop the Irish from speaking?!

Paul hosted small, informal gatherings with officials, diplomats, legislators and interested Irish Americans to learn what was happening and to exchange views and hopes for an end to the violence we call the Troubles.

Paul was the first to bring John Hume and major Unionist leaders to Washington. He became a tireless lobbyist for peace through dialogue and non-violence. I know, because as Speaker I was frequently the target of Paul Quinn conversations on a brighter future for Northern Ireland.

If there is anyone in this city, from the White House on down, who can claim some small credit for the end of violence that now seems to prevail in the North, it is Paul.

Here at home, of course, he was also a long time Director of the American Ireland Fund, and the national chairman of this gala for many years. There is no Irish American initiative for justice and reconciliation in this city to which Paul has not given both time and strenuous effort. Like everything about which he cares deeply, Paul has made his passion for Ireland a family affair. Besides being a behind-the-scenes advisor to the Clinton Administration, there is brother Tom's service as a U.S. Observer to the International Fund for Ireland, a frequent topic of Paul's friendly lobbying.

Yet, there is always a dark side to every family. Paul and his brothers are Republican in the Irish sense, but there is also the fact, kept from elderly aunts and small children, that brother Gene is also Republican in the Washington sense. Tom believes this is what Paul's grandfather foresaw when he sometimes called the Quinn brothers—minus Paul—the “unholy alliance.”

Besides looking after and reveling in his family—especially his two granddaughters—Paul also doubles as a very effective but unregistered agent for the Irish Tourist Bureau. Many a Senator or Member has asked his advice on where to go and what to see in Ireland.

That advice is rarely limited to political matters. Paul's single-minded determination to play every Irish golf course, his tireless promotion of University College Dublin—where he serves on the board of the Business School—and his limitless fund of stories recommend him as an all-purpose source of essential information.

Everything I have mentioned about Paul is known to many in this room tonight, but few have the whole picture. That is because life long modesty has masked Paul's dedicated commitment of time and treasure, quiet leadership and persuasive powers to the cause of peace in Ireland. Paul inherited great gifts from his Irish family—education, persistent application and a tradition of giving back—but he alone has applied them so effectively and quietly to the cause that we all share and celebrate tonight, as we honor Paul Quinn as a true champion for Ireland and for peace.

#### 108TH ANNIVERSARY OF THE ROGERS BROTHER CORPORATION

#### HON. PHIL ENGLISH

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 17, 2005

Mr. ENGLISH. Mr. Speaker, I rise today to recognize the one-hundredth anniversary of Rogers Brothers Corporation. Having a history filled with many innovative achievements, it is my hope to see this company continue on a path of growth and prosperity.

Located in Albion, Pennsylvania, in Pennsylvania's 3rd Congressional District, Rogers Brothers Corporation was founded by Charles, Louis and Hugh Rogers. They started out fabricating steel for bridges. In 1914, they built their first trailer for commercial use. The production of trailers would go on to become their hallmark. The business of trailer production grew with the continued development of the roadway system and World War I. During World War II, Rogers developed special “tank retriever” trailers for the federal government, earning the Army-Navy “E” Award for excellence in production. They also built a special trailer which was used in the Manhattan Project. Following the war, commercial trailers

were further developed with the creation of the innovative Power Lift Detachable Gooseneck. Under the leadership of Betty Rogers Kulyk, and her husband John Kulyk, the company further developed their trailers, creating new and innovative designs for their customers.

Throughout their century in business, Rogers has overcome many challenging obstacles, including fires, the Great Depression, labor disputes, and a devastating tornado. However, the company has endured the test of time. In addition, it has remained a family-owned and operated business, a trait that makes them unique in the trailer industry. Today, Rogers trailers can be seen in all 50 states and in 65 countries around the world. The company enjoys an outstanding reputation among their customers, a 100,000 square foot facility, and a quality, all-American made product. Now solidly in its third generation, under the leadership of Lawrence and Mark Kulyk, the company looks to expand their customer and product base, and stay the course for the long haul.

America was founded on the principles of hard work and innovation. The very greatness of this Nation is tied to the entrepreneurial spirit of our people. The creativity and innovation of small business, such as Rogers, help to create the very pillars of our economy. Their many achievements and unwavering commitment to excellence in quality production is an outstanding tribute to the very ideals that we hold dear.

Mr. Speaker, I hope my colleagues will join me in congratulating the Kulyk Family and all of the hard working men and women at Rogers Brothers Corporation on their 100th anniversary.

#### IN DEFENSE OF 1,100 CLEVELAND, OHIO JOBS

#### HON. DENNIS J. KUCINICH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 17, 2005

Mr. KUCINICH. Mr. Speaker, Today, I sent this letter in defense of 1,100 Cleveland, Ohio jobs as a result of the BRAC process:

MAY 17, 2005.

Chairman ANTHONY PRINCIPI,  
Base Realignment and Closure Commission,  
Washington, DC.

DEAR CHAIRMAN PRINCIPI: Last week's announcement of the 2005 Department of Defense recommended BRAC closure list has inappropriately targeted the Cleveland area with over 1,100 jobs cuts. Cleveland currently suffers from a severe economic recession. Therefore I find the inclusion of these Cleveland facilities to be a substantial deviation from the selection criteria. These job losses are outrageous, unjust, and unfair.

Specifically, the BRAC list included the following cuts that directly affect the immediate Cleveland area: The Defense Finance and Accounting Service (DFAS) in Cleveland is scheduled to lose 1,028 jobs with approximately 175 jobs being spared, to protect the recent Lockheed Martin A76 privatization of the Military and Retired Annuitant Pay Services contract function. The jobs are being moved to DFAS facilities in Columbus, OH, Denver, CO, and Indianapolis, IN. (BRAC Report: Volume 1, Part 2 H&SA 37-39); The Glenn Research Center is also scheduled to lose 50 civilian military research jobs. The

Army Research Laboratory at Glenn is losing the Vehicle Technology Directorate to the Aberdeen Proving Ground, MD. (BRAC Report: Volume 1, Part 2 Tech-22); The Navy Reserve Center in Cleveland is scheduled to close and 25 jobs will be lost. (BRAC Report: Volume 1, Part 2 DoN-29).

As you know, the BRAC Commission has the authority to change the Department's recommendations, if it determines that the Secretary deviated substantially from the force structure plan and/or selection criteria. (Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005: Title XXVIII—General Provisions: Subtitle C—Base Closure and Realignment: Sec. 2832. Specification of final selection criteria for 2005 base closure round.)

I believe the Department of Defense has clearly deviated from the selection criteria.

The Secretary is required to consider the economic impact on existing communities in the vicinity of military installations. (Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005: Title XXVIII—General Provisions: Subtitle C—Base Closure and Realignment: Sec. 2832. Specification of final selection criteria for 2005 base closure round.) The Department of Defense erroneously states that a 0.1% job loss within the Cleveland Metropolitan Statistical Area (MSA) has minimal economic impact.

However, the Department of Defense failed to take into account the current economic position of the Cleveland area. Cleveland has been labeled as the poorest city in the country today. Its poverty rate of 31.3 percent is the highest in the nation, according to the most recent Census Bureau data from 2003. (Places within United States: Percent of People Below Poverty Level in the Past 12 Months: 2003 American Community Survey Summary Tables: [http://factfinder.census.gov/servlet/GRTTable?\\_bm=y&-geo id=16000US0820000&-box head nbr=R01&-ds name= ACS\\_2003\\_EST\\_G00 &-lang=en&-format=US-32&-sse=on](http://factfinder.census.gov/servlet/GRTTable?_bm=y&-geo id=16000US0820000&-box head nbr=R01&-ds name= ACS_2003_EST_G00 &-lang=en&-format=US-32&-sse=on)) Cleveland's #1 ranking in poverty rate results from the significant job losses in the steel and manufacturing industries over the past several decades. These job losses continue. For example, the current 2006 budget recently passed by Congress would slash up to 700 high paying federal jobs at the NASA Glenn Research Center. The economy around Cleveland is stagnating.

Clearly, a 0.1 percent job loss for Cleveland is far more damaging than such a loss in another city with a better economic base. For example, the three cities scheduled to gain additional jobs from Cleveland's BRAC losses have poverty rates that are half to a third of Cleveland's. The poverty rates (and rankings) are 16.5 percent (35th), 13.6 percent (49th), and 12.6 percent (55th) for Columbus, Denver, and Indianapolis respectively. (Places within United States: Percent of People Below Poverty Level in the Past 12 Months: 2003 American Community Survey Summary Tables: [http://factfinder.census.gov/servlet/GRTTable?\\_bmy&-geo id=16000US0820000&-box head nbr=R01&-ds name=ACS\\_2003\\_EST\\_G00 &-lang=en&-format=US-32&-sse=on](http://factfinder.census.gov/servlet/GRTTable?_bmy&-geo id=16000US0820000&-box head nbr=R01&-ds name=ACS_2003_EST_G00 &-lang=en&-format=US-32&-sse=on)) This BRAC round will secure for the foreseeable future Cleveland's #1 poverty ranking.

This is clear evidence that closures of these facilities in the Cleveland area fall outside the criteria of the BRAC process. I therefore request the BRAC Commission to reverse the job losses in the Cleveland area.

Sincerely,

DENNIS J. KUCINICH,  
Member of Congress.

#### RECOGNIZING THE RECIPIENTS OF THE 2005 ALL-AMERICA CITY CIVIC AWARDS

HON. BRIAN HIGGINS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 17, 2005

Mr. HIGGINS. Mr. Speaker, I rise today to recognize Western New Yorkers whose leadership and service has earned them well-deserved recognition by the Buffalo & Erie County All America City Committee.

In 1995 the Greater Buffalo Region was chosen as one of ten communities nationally to receive the All-America City designation, a lifetime distinction.

Greater Buffalo's All America City Committee has as its 2004–2005 mission to: work with community leaders to strengthen Buffalo's national public image, promote the practice of "civic journalism" by the local media, prompt citizen involvement in their communities to build social capital and enhance community Democracy, and to develop resources to measure social capital and promote intersector civic capacity building activities in the region.

The Committee has recently named Jack Connors, president and publisher of Buffalo Business First; Samuel M. Ferraro, Niagara County Commissioner of Economic Development; Philip L. Haberstro, founder of the Wellness Institute of Greater Buffalo and the Belfast Summer Relief Program as this year's award winners, whose work embodies the spirit of the 2004–2005 mission.

I am proud to stand here today and recognize the many contributions of these great civic leaders who have played a significant role in making Greater Buffalo the fabulous All-America City it is.

#### TRIBUTE TO THE CALIFORNIA ARMY NATIONAL GUARD

HON. JOE BACA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 17, 2005

Mr. BACA. Mr. Speaker, I rise today to pay tribute and welcome home true American heroes. In March of 2004, the soldiers of the 1st Battalion 185th Armor left their homes and families to spread the ideals of freedom and democracy to Iraq. They went, not because they had to, but because they chose to—choosing to restore a society and help a people with which they were unfamiliar.

Throughout the last year, these brave men and women were charged with improving the infrastructure of a new Iraq and building new water systems, roads and bridges. They were a part of history when they helped secure peace during the Iraq elections and have been instrumental in rebuilding relationships between the American and Iraqi people.

The commitment of our men and women in uniform to the ideals of liberty, freedom and peace never wavered. Their steadfast belief in themselves and our Nation remains a beacon of selflessness and sacrifice for all Americans.

For those who still defend our country and those who fight for the principles upon which this nation was founded, the 1st Battalion 185th Armor serves as an inspiration.

Their actions will forever stir our hearts and rouse our belief in the human spirit. It is because of this that we are grateful for their sacrifices.

Mr. Speaker, I am honored that I am able to recognize these American heroes and welcome them back. I hope that others will acknowledge our brave soldiers throughout the world.

#### CONGRATULATING IVANNA EUDORA KEAN HIGH SCHOOL ON REGAINING ACCREDITATION FROM THE MIDDLE STATE ASSOCIATION OF COLLEGES AND SCHOOLS

HON. DONNA M. CHRISTENSEN

OF THE VIRGIN ISLANDS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 17, 2005

Mrs. CHRISTENSEN. Mr. Speaker, I rise today to congratulate the hard working and dedicated team at Ivanna Eudora Kean High School in St. Thomas, U.S. Virgin Islands on regaining their accreditation status from the Middle State Association of Colleges and Schools.

This has been a difficult year for the school in many respects, but strong leadership and team work have pulled them through. On Friday, May 13th, the principal of the high school, Sharon McCollum-Rogers, received word that the high school was re-accredited, which is a vindication of the principled but difficult stands they have taken together.

At a time when school districts around the country are faced with budget cuts and higher standards, our schools have to do more with less, the school's accreditation team comprised of administrators, parents, community and business leaders set a goal of accomplishing this task by graduation date 2005 and have pulled off a minor miracle.

Mr. Speaker, this year's graduation is a doubly joyous and celebratory occasion for Eudora Kean High School. In June, the graduating class will not only be able to proudly say that they have received their diplomas, but they can also once again say that they have received them from an accredited high school.

I applaud and commend the Eudora Kean High School students, faculty, parents, administration, and their private sector supporters for their unwavering efforts in developing and executing a successful strategy for regaining accreditation.

I am proud of their success and wish the Eudora Kean High School family and 2005 graduates continued success as they continue to "Strive for Success."

#### CONGRATULATIONS TO JACLYN EINSTEIN

HON. DEBBIE WASSERMAN SCHULTZ

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 17, 2005

Ms. WASSERMAN SCHULTZ. Mr. Speaker, I would like to congratulate and honor a young Florida student from my district who has achieved national recognition for exemplary volunteer service in her community. Jaclyn

# Agenda

## Commissioner Lloyd W. Newton BRAC 2005 Commission

Visit to DFAS Rome  
June 22, 2005

7:30	Arrive at DFAS Rome	Commissioner Newton / Ms. Wasleski
7:30 – 7:45	Welcome (Director's Office)	Commissioner Newton / Ms. Wasleski / Mr. Runnels / Mr. Higgins / Mr. Kay
7:45 – 8:15	DFAS Corporate Brief	Mr. Al Runnels
8:15 – 9:00	DFAS Rome Mission Brief (Director's Conference Room)	Mr. Roy Higgins
9:00 – 9:30	DFAS Rome Building Tour	Commissioner Newton / Ms. Wasleski / Mr. Higgins / Mr. Kay / Mr. Montana
9:30 – 9:45	Travel to Rome Air Force Research Lab	Commissioner Newton / Ms. Wasleski / Mr. Runnels / Mr. Higgins
9:45 – 10:00	Welcome	Commissioner Newton / Ms. Wasleski / Mr. Sciabica / Ms. Chellette / Mr. Shaughnessy / Mr. Sheehan / Mr. Baldygo / Mr. Pirich
10:00 – 11:30	Rome Air Force Research Lab Mission Brief	Commissioner Newton / Ms. Wasleski / Mr. Sciabica / Ms. Chellette / Mr. Shaughnessy / Mr. Sheehan / Mr. Baldygo / Mr. Pirich
11:30 – 11:50	Tour of Griffiss Technology Park on way to Griffiss Institute Building	Commissioner Newton / Ms. Wasleski / Mr. DiMeo
11:50 – 12:45	Community Brief Working Luncheon (Griffiss Institute)	Mr. DiMeo
12:45 – 13:00	Meet with Press	Commissioner Newton / Ms. Wasleski /
13:00	Depart for Syracuse Airport	Commissioner Newton / Ms. Wasleski



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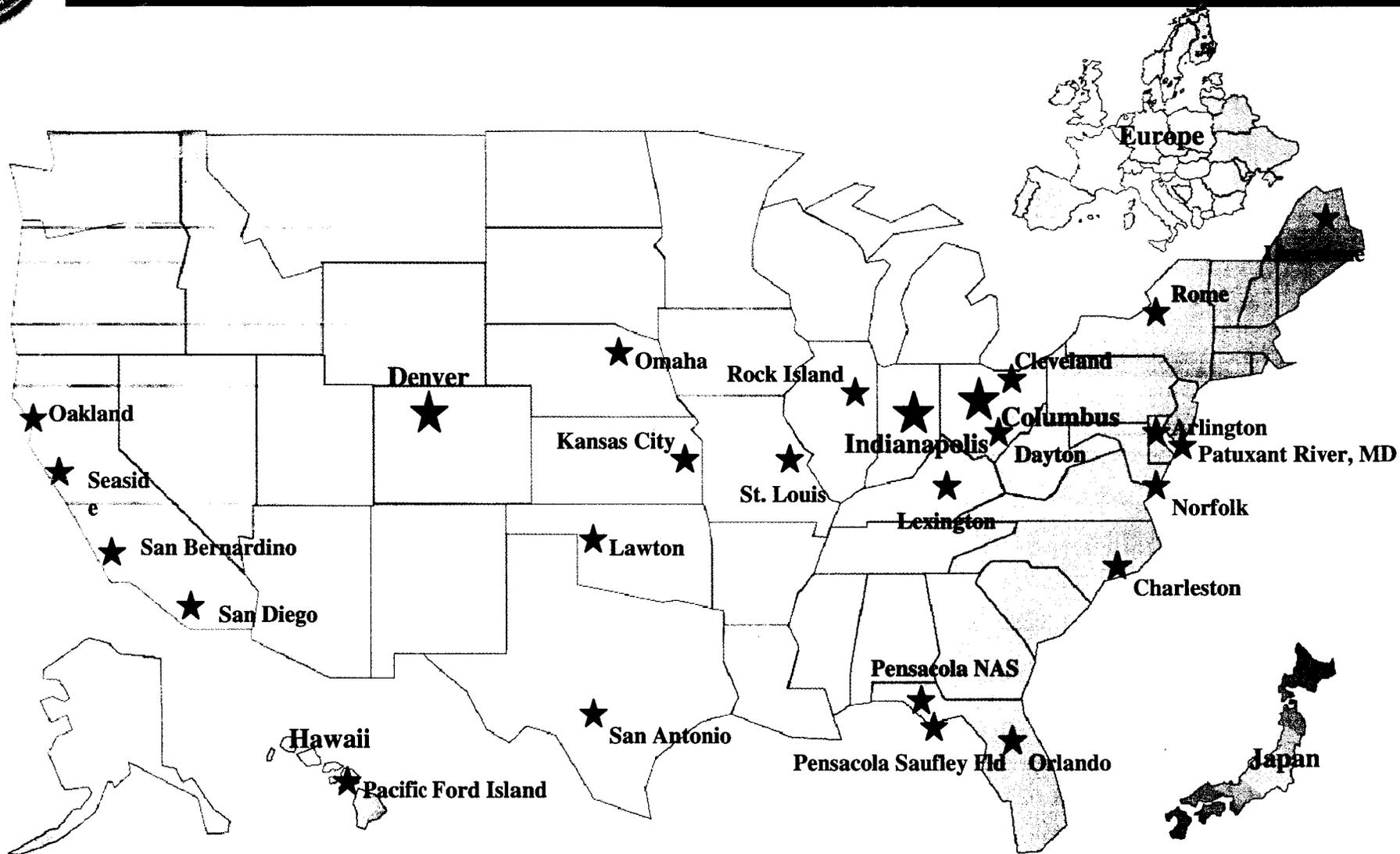
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DFAS



# DFAS -- 26 Locations to 3 Locations



Green – Retained Sites  
Red – Closed Sites



The

# ROPLOC Flyer

Defense Finance and Accounting Service - Rome Field Site

August 6, 2004

## Rome receives another honor

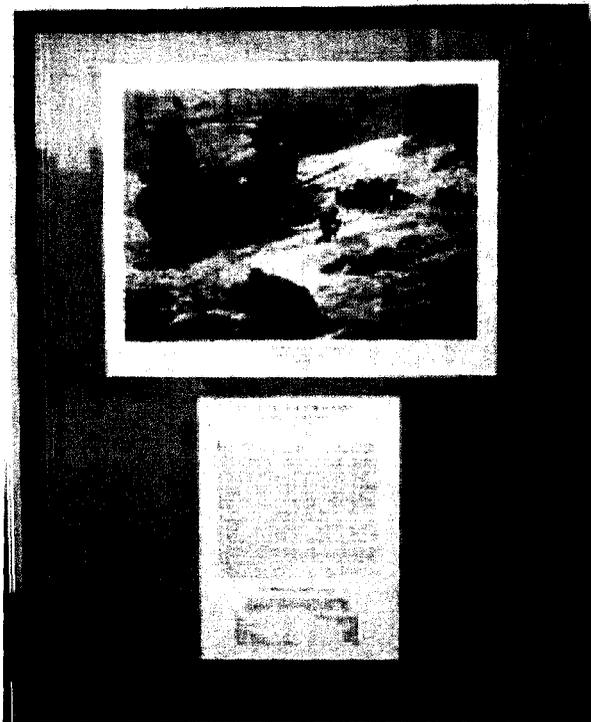
Nancy Egan, accounting

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-

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

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

## 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

**D**DFAS Rome conducted a one-day training session on contingency finance and accounting operations with representatives from three finance battalions. Members of the 82<sup>nd</sup> Soldier Support Group (SSG), Fort Bragg, 3<sup>rd</sup> SSG, Fort Stewart and 101<sup>st</sup> 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

**M**onday 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 Eskan 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.

## 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

**R**esponse: After receiving your action line, we confirmed that some individuals in the east

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.

# 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 - - the Army 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)