

Roy: I've been here five years.
 Frank: It's good living here.
 Roy: His golf game's another story.
 Frank: I usually do 18 holes.
 Roy: He goes around the 9-hole twice.
 Frank: Practice makes Perfect. I shot 100.
 Roy: Then you played the second hole.
 Frank: Yep, that ruined my score.
 Roy: At least the greens are in good shape.
 Frank: Hey, I work out every day.
 Roy: This isn't exercise. This is fun.
 Frank: My pleasure.
 Roy: You want exercise you go to the gym.
 Frank: Speak for yourself.
 Roy: We ride in the cart anyhow.
 Frank: The main thing is staying active.
 Roy: Yeah it keeps you thinking.
 Frank: Mentally sharp.
 Roy: You've got to think all the time.
 Frank: Better than looking out the window.
 Roy: That's no good.
 Frank: We're much better off.
 Roy: There's only 25 of us who golf.
 Frank: Not many of us left.
 Roy: I've made my complaints to the IG.



Teeing off: Roy Wheeler (Marine Corps) and Frank McCabe (Army).

ACCOMPANYING INFORMATION

The IG Letter

Management & Performance Challenges

Improper Payments

Acronyms

Acknowledgments

AFRH IG VIEWPOINT

The Appraisal of Advances

The Reports Consolidation Act of 2000 (RCA) (Pub. L. No. 106-531) requires that Inspectors General provide a summary and assessment of the most serious management and performance challenges facing Federal agencies and their progress in addressing them.

Throughout FY10, AFRH pressed ahead with actions aimed at tackling High-priority needs to meet agency goals. A summary of the Home's proactive response to those challenges can be viewed in the MD&A section.

Memorandum

To: Timothy C. Cox, Chief Operating Officer

Subject: Management and Performance Challenges for FY 2011

In accordance with Section 3 of the Reports Consolidation Act of 2000, a statement is provided by the Inspector General which summarizes what is considered to be the most serious management and performance challenges facing the Armed Forces Retirement Home. As in the past, the Inspector General at the Armed Forces Retirement Home focused on the primary challenges facing the Agency during the Fiscal Year. Over the past few years, the initiatives and programs being conducted and managed at the AFRH, have contributed to significant improvements in the operations and management of the agency and increased efficiency and productivity for the programs and staff, a demonstrated result of recommendations made by my office and other inspection and audit activities. The management and performance challenges also link directly to the President's Management Agenda initiative.

I am pleased to congratulate the AFRH on the completion of its new Gulfport facility, the development of its finalized Washington Scott Project Plan, and the migration of its Desktop Support and Hosted Applications services to the National Business Center (NBC). These major efforts are evidence of the AFRH's commitment to improving upon its processes and programs to maintain the operations at each campus and the solvency of the Trust Fund. Another example of the AFRH's goal and intent to provide exemplary services to its current resident population and the next generation of veterans to enjoy the highest level quality of life benefits that the Home has to offer.

Gulfport Stand-up: Through two public Laws (PL 109-148 and 109-148) Congress has authorized approximately \$240 million for the rebuild of the Gulfport home. The construction began in January 2008 and was completed in the last quarter of Fiscal Year 2010. Residents began returning to the facility in October 2010. Maximum capacity expected will be 582 residents.

Washington Scott Project: In the President's Budget for Fiscal Year 2009, AFRH was highlighted under "Strengthening Infrastructure for the 21st Century" by improving housing for retired veterans and design funding for our Scott Project. Through a study appropriated by Congress during 2008, insight into a lengthy and complex process was undertaken to anticipate and plan for the future. Through many internal meetings with staff and stakeholders, and additional discussions with residents the AFRH has finalized its plan to embark upon the renovation of its largest dormitory at the Washington facility. Building design plans have been developed along with additional renovations plans necessary to support the transition during the construction phase to the final completion of the new building.

Desktop Support & Hosted Applications: At the beginning of Fiscal Year 2010, contracted with the National Business Center (NBC) to provide hosting and Information Technology Infrastructure Management for its IT environment. NBC has provided automated administrative services to Federal clients for over 20 years and is an ISO 9001 Certified Shared Service provider. This migration affords the

AFRH to secure all of its applications under a FISMA compliant environment and includes backup data center support to insure a quick recovery in the event of a natural disaster. The migration was completed in the 4th quarter of Fiscal Year 2010.

In accordance with the Reports Consolidation Act of 2000, I have identified the most serious management and performance challenges facing the Armed Forces Retirement Home (AFRH) in FY2011.

Management Challenges

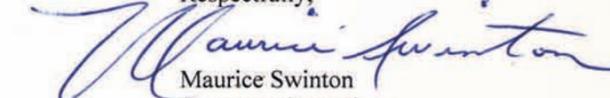
- Return residents to Gulfport and initiate programs and services
- Implement, manage and monitor Washington Scott Project Plan
- Continue to educate, define, train and promote Resident well-being to the Resident community and staff

Performance Challenges

- Implement Scott Project Plan Construction
 - Manage the supporting construction efforts and the relocation of programs and services to ensure that residents do not experience in degradation of services during the construction for the Scott Project.
- Implement Independent Living Plus Program
 - AFRH must implement the ILP program at both facilities (Gulfport & Washington) while educating staff on the new policies and residents on the program's benefits.
- Implement Human Capital Succession Plan
 - AFRH must complete the development of the plan and implement the procedures while educating staff on the new policies.
- Implement e-Records/e-Health Records Systems
 - AFRH must research, select and secure electronic Records/Health Records system(s) to support both facilities (Gulfport & Washington).
- Implement NBC Hosted Information Technology System
 - AFRH must ensure that staff is trained on the NBC network policies and procedures, as well as the access protocols for the hosted applications at both facilities.
- Expand visibility of military heritage
 - AFRH should ensure that displays of military heritage are implemented throughout the Gulfport facility.
- Adhere to timelines and participate in annual mandatory training
 - AFRH management must continue to enforce attendance for its employees for the mandatory training classes outlined by the agency. Tighter constraints and measures must be taken to ensure that employees participate in the mandatory training classes and that participation is timely.
- Financial Management of operating costs and expenditures
 - AFRH management must continue to streamline costs at the Washington campus and seek to bring spending parity between the two campuses (Gulfport & Washington), in as much as possible to ensure that long-range financial goals are met.

Sustaining the progress that has been made by the AFRH through its initiatives and programs is imperative; the AFRH IG will continue to monitor the outcomes of the areas identified.

Respectfully,


Maurice Swinton
Inspector General



Maurice Swinton,
AFRH IG

RESULTS: FY10 CHALLENGES

The Will of Responsiveness

PROGRESS

RESULTS: FY10 Management Challenges

1) Initiate Gulfport Stand-up

Construction managed by GSA was finished on-time and within budget. Gulfport and Washington staff worked in tandem to ensure a smooth transition on grand opening preparations. Plus, all milestones were met. Happy residents began living in the beautiful new Gulfport home. Contracts were in place, food was served in the dining hall on day one, and moving boxes were delivered.

2) Implement, Manage & Monitor Washington Scott Project

The requirement: to build living and activity spaces that promote Aging in Place. So AFRH staff and residents met with architects and GSA to create a design for the new Commons building to replace Scott. While ongoing designs put us behind about three weeks, bids did go out to find a Design / Build contractor at the end of FY10.

Meanwhile, monthly Focus Groups were held to answer questions and present concepts and designs. Postings on afrh.gov also provided easily accessible information.

3) Educate, Train & Promote Wellness to Residents & Staff

A major milestone was met: implement an ILP pilot program. Next, AFRH advanced its plan to transform operations so residents can maintain independence. Staff training reached about 75% in health-care. And brochures were made available to all stakeholders and presented to every resident. At the annual Management Offsite, emphasis was placed on this progressive new model. Pairing Washington and Gulfport staff in these meetings reduced the learning curve for new Gulfport staff – and cemented management's operational approach for all.

PROGRESS

RESULTS: FY10 Performance Challenges

1) Deploy Human Capital Management Plan

Our Strategic Human Capital Plan (SHCP) was successfully updated in Feb 10.

2) Execute Human Capital Succession Plan

This vital Succession Plan is its final draft phase and is awaiting approval.

3) Define Washington & Gulfport Staffing Models

Staffing models are being updated continually by the CFO through the LRF and by Healthcare Services. With Gulfport residents being more independent, their model has evolved with slight differences than the one used for Washington.

4) Increase Visibility of Military Heritage

We opened stored memorabilia saved from Katrina and displayed it proudly in the new AFRH-G Hall of Honors. Washington managers began planning their own Hall of Honors in the new Commons, plus we added an anchor and new cannons in the quadrangle. Year-round celebrations continue to honor military birthdays and key service events.

5) Adhere to Timelines & Participate in Annual Mandatory Training

Much emphasis was placed on mandatory training in FY10. Results were above the stated goal of 70%. Performance Management and Network Security were closely monitored to ensure compliance. Plus 100% of AFRH-G staff received training before the opening of the new Home.

6) Manage Operating Costs & Expenditures

Throughout FY10, financial concerns were top of mind for management. Contracts were renegotiated to yield savings. Scrutiny over spending and savings was increased. Plus the LRF was reviewed and analysis was performed to ensure Trust Fund solvency through 2020.



Hugh Wingo (Navy) and Catharine Deitch (Army) are crowned the King and Queen of Mardi Gras.



IMPROPER PAYMENTS

The Skill of Detection

Improper Payments Information Act (IPIA)

Each year, our partner BPD reviews each AFRH business program for improper and erroneous payments. We're pleased to report only two improper payments during FY10 – truly outstanding results.

Erroneous Payments FY10: **2**

Total amount of Payments: **\$90.90**

1) A number reversal in a stipend payment:

The payment showed \$210.00, but it should have been \$120.00. When \$210.00 was paid, that action created a \$90.00 improper payment. This was corrected by deducting \$90.00 of the next month's stipend payment.

2) Confusion over Washington Gas accounts:

This IP involved multiple accounts and the resulting confusion about payments from those accounts. ARC created the error by making a payment late and thereby owing a late penalty.

IP Details:

BPD catches erroneous payments and makes the needed corrections. Then, BPD notifies the AFRH Business Office, Contracting Officer's Technical Representatives (COTRs), and technicians. Fortunately these IPs did not affect our audit outcome.

AFRH IP History:

FY05: **1** FY07: **4** FY09: **179***
 FY06: **30** FY08: **4** FY10: **2**

**172 were by McKesson over 2 fiscal years (and only detected in FY09)*



Acronyms

AAFES	Army and Air Force Exchange Service	FASAB	Federal Accounting Standards Advisory Board	NCPC	National Capital Planning Commission
ADA	Americans with Disabilities Act	FECA	Federal Employees Compensation Act	NAVFAC	Naval Facilities
AL	Assisted Living	FEMA	Federal Emergency Management Agency	NCOA	Non-commissioned Officers Association
ARC	Administrative Resource Center	FEDInvest	Federal Investment (software application)	NDAA	National Defense Authorization Act
AFRH	Armed Forces Retirement Home	FFMIA	Federal Financial Management Improvement Act	NFC	National Finance Center
BPD	Bureau of Public Debt	FISMA	Federal Information Security Management Act	NLT	No Later Than
C&A	Certification and Accreditation	FMFIA	Federal Managers Financial Integrity Act	NPSG	National Patient Safety Goals
CARF-CCAC	Commission on Accreditation of Rehabilitation Facilities and Continuing Care Accreditation Commission	FTE	Full-time Equivalents	OMB	Office of Management and Budget
CCRC	Continuing Care Retirement Community	FY	Fiscal Year	OPM	Office of Personnel Management
CFO	Chief Financial Officer	GAAP	Generally Accepted Accounting Principles	OSD	Office of the Secretary of Defense
CHCO	Chief Human Capital Officer	GPRA	Government Performance and Results Act	OSHA	Occupational Safety and Health Administration
CMMS	Computerized Maintenance Management System	GSA	General Services Administration	PART	Program Asset Rating Tool
CNA	Certified Nursing Assistant	HSPD-12 PIV	Homeland Security Presidential Directive 12 – Personal Identification Verification	PC	Personal Computer
COO	Chief Operating Officer	IG	Inspector General	PMD	Power Mobility Device
COTR	Contracting Officer's Technical Representative	IL	Independent Living	PPE	Property, Plant, and Equipment
COTS	Commercial-Off-The-Shelf	ILP	Independent Living Plus	QIP	Quality Improvement Plan
CRA	Continuing Resolution Act	IPAC	Intragovernmental Payment and Collection System	RADM	Rear Admiral
CWOA	Chief Warrant & Warrant Officers Association US Coast Guard	IPIA	Improper Payments Information Act	RFP	Request for Proposal
DAPS	Document Automation and Production Service	IT	Information Technology	RFQ	Request of Qualification
DAV	Disabled American Veterans	IP	Internet Protocol	RIS	Resident Information System
DCOO	Deputy Chief Operating Officer	JFMIP	Joint Financial Management Improvement Act	RN	Registered Nurse
DEIS	Draft Environmental Impact Statement	KHC	King Health Center	SAS	Statement on Auditing Standards
DEOMI	Defense Equal Opportunity Management Institute	LEED	Leadership in Energy and Environmental Design	Seabees	Naval Construction Battalion
DFAS	Defense Finance and Acquisition System	LPN	Licenses Practical Nurse	SF	Square Feet
DoD	Department of Defense	LRFP	Long Range Financial Plan	SHCP	Strategic Human Capital Plan
DOI	Department of Interior	LTC	Long Term Care	SME	Subject Matter Experts
EEO	Equal Employment Opportunity	MS	Memory Support	SOP	Standard Operating Procedure
EFT	Electronic Funds Transfer	NBC	National Business Center	SSG	Service Study Group
FAIR	Federal Activities Inventory Reform			STAR	Systems Time and Attendance Report
FAR	Federal Acquisition Regulation			TREA	The Retired Enlisted Association
				U.S.C.	United States Code
				USSGL	US Standard General Ledger
				VSO	Veteran Service Organization
				WG	Washington Gas

Thoughts?

In recent years, we've experienced natural disasters and economic challenges. In the end, AFRH has reemerged as a stronger agency. And our residents and staff have been revitalized. Each success and challenge presented here is for your enjoyment and enlightenment – and we welcome your feedback. Feel free to write or call us:

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ACKNOWLEDGMENTS

The Expression of Gratitude



Words can hardly express our heartfelt gratitude for the many volunteers, families, and stakeholders who help the Home in countless ways. Special thanks also go to the Mayor and City of Gulfport, MS for welcoming back our residents with open arms. Together, you are advancing the care of those who defended our cherished freedoms. This, truly is, ***The Power of Progress.***

Thanks.

"I am glad
 I came to
 Washington.
 It's been a
 great place."

– Curtis Young (Air Force)



He is the epitome of wellness. At age 78 Curt runs, bikes, golfs, lifts, and swims. In April he competed in the Cherry Blossom 10-miler. "I finished fourth in my age group 75 and up at 1:56. I'm happy I ran because I needed something to challenge my speed. He started out doing triathlons. "In Charlottesville I did a 1.25 mile lake swim, a 40 mile bike ride, and a 10K run. They had an unusual cold spell and the water temperature dipped. That was my last tri," he quipped. Curt teaches "Flexibility & Strength Training" at AFRH-W. His favorite time of year is spring and fall in DC. And he says DC has the friendliest biking scene he's ever known. Even so, Curt has transferred to AFRH-Gulfport. "It wasn't an easy decision. The biggest selling points are warmer weather and the ocean. Though I'll miss entertaining my children, grand children, and friends in DC because there's so much to do." Godspeed, Curt.

