

They met in a playground where they grew up in Northeast Philly. “I played soccer and she played baseball. We were teenage sweethearts,” said Paul. Eva chimed in, “We went dancing, swimming in Atlantic City, and learned to sail.” Then Paul enlisted in the Marines in 1938, and Eva became a WAVE after WWII started. After the war, they married, and it’s been smooth sailing ever since. “We were retired eight years, and in our 40s, when I said: ‘let’s give this up – we’re going sailing!’ So we sold the house, bought a sailboat and set sail for the Caribbean,” relayed Paul. Eva added, “We lived on the boat six months of the year and became scuba divers and ham radio operators. He learned first. And I said,

“We’re sailors ...  
so we’ve got our  
sights set on Gulfport.”  
– Paul & Eva Downs  
(Marine Corps & Navy)

‘anything he can do I can do better,’” she quipped. In January 2010, they’ll be married 65 years. “We have four children, nine grandchildren and four great-grandchildren,” recounted Paul. “We’ve lived a good life.”



# ACCOMPANYING INFORMATION

Accompanying  
Information Features:

- IG Perspective
- Management &  
Performance Challenges
- Improper Payments
- Acronyms
- Acknowledgements

AFRH  
J. E. SMITH  
RESIDENT

## ASSESS PROGRESS

# IG Perspective

Annually, the AFRH IG identifies the most serious management and performance challenges facing the agency (per Circular A-136 Financial Reporting Requirements). The IG tracks the Home's progress to ensure high-visibility concerns are addressed, and to inspire successful actions.

Throughout FY09 AFRH concentrated on its four High-Priority Performance Goals, which address matters that require immediate attention. Staff members track their own progress through updates to the Business Plan and reports to management.

November 16, 2009  
Memorandum

To: Timothy C. Cox, Chief Operating Officer  
Subject: Management and Performance Challenges for FY 2010

*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 AFRH focused on the primary challenges facing the Agency during the Fiscal Year. Given the numerous AFRH initiatives and programs being conducted and managed, measurable progress and improvements have been demonstrated as a 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 initiatives.*

I am pleased to congratulate the AFRH on the development of its Long Range Financial Plan, Gulfport Stand-up Plan and Washington Scott Project Plan. Each of these plans demonstrates the AFRH strategy to develop, manage and implement the initiatives and processes required to sustain the operations at each campus and the solvency of the Trust Fund to ensure that the next generation of veterans will continue to enjoy the lifestyle and benefits that the Home has to offer.

## Long Range Financial Plan:

The LRFP presents an overall vision for the future for AFRH. Inherent in that vision is how to maintain Trust Fund solvency while completing building transformations at both campuses. The resulting building project at AFRH-W approved and funded is the Scott Project. Within the Scott Project are many major elements: the movement of Assisted Living (AL) residents from the Scott Building to LaGarde and Sheridan as well as to Gulfport, demolition of the Scott Building, construction of a new facility to house common functions and a new Healthcare center, and moves into the new facility, closure of LaGarde, and eventually the renovation of AL rooms and Independent Living (IL) rooms in Sheridan.

## Gulfport Stand-up:

Through two public Laws (PL 109-62 and 109-148) Congress has authorized approximately \$240 million for the rebuild of the Gulfport home. With General Services Administration (GSA) leading the task to rebuild the Gulfport Home, AFRH has been working with them in tandem throughout the entire process. The construction began in January 2008 and is on track for completion in the last quarter of Fiscal Year 2010.

## Washington Scott Project:

In the President's Budget for Fiscal Year 2009, AFRH is highlighted under "Strengthening Infrastructure for the 21st Century" by improving housing for retired veterans and design funding for our Scott Project.

In accordance with the Reports Consolidation Act of 2000, I have identified the most serious management and performance challenges facing the AFRH in FY10.

## Management Challenges

- Initiate Gulfport Stand-up
- Implement, manage and monitor Washington Scott Project
- Continue to educate, define, train and promote resident wellbeing to the resident community and staff

## Performance Challenges

- Implement Human Capital Management Plan
  - AFRH must complete the development of the plan and implement it agency-wide while educating staff on the new polices.
- Implement Human Capital Succession Plan
  - AFRH must complete the development of the plan and implement the procedures while educating staff on the new polices.
- Define Washington & Gulfport Staffing Models
  - AFRH must ensure adequate staffing levels are provided and that parity exists between the staffing models at its two campuses.
- Increase visibility of military heritage
  - AFRH should continue to exhibit displays of military heritage throughout the facility and work with the

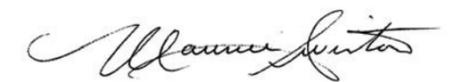
DoD's Office of Morale, Welfare and Recreation to enhance these displays.

- 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 work 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



AFRH IG  
Maurice Swinton

COMPREHEND OBSTACLES

# Management & Performance Challenges

Management Challenge

## 1) Initiate Gulfport Stand-up



## 2) Deploy & manage Scott Project

Agency Response

A major initiative was involving residents in their return to Gulfport. So, focus groups meet monthly to discuss topics like the new building layout, rooms, communications, move transport and more. Plus Q&As were gathered, then compiled in the Communications Plan and posted on afrh.gov.

The Gulfport Startup Committee was formed and holds meetings to share news with residents and staff. They have chosen names for the resident towers and activity spaces.

Agency staff members are monitoring construction progress, which is on schedule. Planning for contracts, campus operations and hiring has begun.

The Scott Project officially began in 2009. Funds for the design were expended, Bridging Architects and Construction Managers contracts were awarded, plus development of the POR began.

A resident focus group commenced, with Q&As compiled in the Communications Plan. Residents now meet monthly to hear about conceptual designs, transition plans and new amenities (like IT, communications and security).

Management Challenge

## 3) Advance wellbeing to residents & staff

Agency Response

Resident wellbeing was singled out as a key High-Priority Performance Goal. Currently the Home is spearheading construction at both communities to fulfill resident wellbeing and Aging in Place – and promote fitness and ADA compliance.

Aging in Place endeavors ramped up this year. We had ongoing management deliberations and staff discussions. Through special presentations, in both Town Halls and Focus Groups, we actively sought resident input to refine preferences and amenities.

Aging in Place is also listed as a key action in our Business Plans. Yet it was identified as a “high risk” in our Risk Management Plan with mitigating actions.

Performance Challenges

## 1) Deploy SHCP

Agency Response

Our SHCP (Strategic Human Capital Plan) was drafted with specific, measurable goals and objectives. Its execution will continue as planned next year.

## 2) Use SHCP “Succession Plan”

Part of the SHCP is an essential succession plan – which outlines backup roles in key management positions, and helps the Home meet Federal guidelines.

## 3) Define Staffing Models

Detailed staffing models were created for future years. The LRFPP was updated with these models – and they verified our forecast for Trust Fund solvency.

## 4) Promote Military Heritage

We continued year-round celebrations that honor military birthdays and key service events. Plus AFRH celebrated its inaugural “Freedom Day.”

## 5) Follow timelines & training

Nearly 98% of staff received required training in 3/4 required classes. And a new course in Performance Management was added as a mandatory class for all staff.

## 6) Manage cost & expenses

Tight controls on spending were implemented, along with extensive oversight. A new Financial Management Notice spelled out details in policy and procedures.

DISCERN ERRORS

# Improper Payments

**Improper Payments Information Act (IPIA)**

Each year, our partner BPD reviews each AFRH business program for improper and erroneous payments. The total number of transactions was 3,285. With 179 erroneous payments, our margin of error was 5.4%.

Number Erroneous Payments FY09:	<b>179</b>
Total Dollar Amount, All Payments:	<b>\$23,411.65</b>

## IP Details:

- |   |   |
|---|---|
| <p><b>1. Washington Gas over-charge</b><br/>\$11.31 and \$5,265.84.<br/>(AFRH got credit for both.)</p> <hr/> <p><b>2. Lankford-Sysco over-charge</b><br/>\$37.50.<br/>(AFRH got credit.)</p> <hr/> <p><b>3. Wrong vendor ID on stipend</b><br/>This was an ARC error.<br/>(Money was repaid.)</p> <hr/> <p><b>4. McKesson supplies over-charge</b><br/>\$17,743.<br/>BPD found 172 invoices paid erroneously.<br/>(AFRH was reimbursed.)</p> <hr/> <p><b>5. Wrong resident was refunded</b><br/>Incorrect info: Feb 09 spreadsheet<br/>(Money was returned.)</p> | <p>BPD catches erroneous payments, makes needed corrections and notifies the AFRH Business Office, Contracting Officer's Technical Representatives (COTRs) and technicians. Fortunately those IPs did not affect our audit outcome.</p> <hr/> <p><b>AFRH IP history:</b><br/>FY05: 1<br/>FY06: 30<br/>FY07: 4<br/>FY08: 4<br/>FY09: 179*</p> <hr/> <p><small>*172 by McKesson; detected in FY09</small></p> |
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DISTINGUISH MEANING

# Acronyms

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



Each spring, the residents and military's finest get to shine at the "Night of Heroes" – a black tie gala sponsored by the Pentagon Federal Credit Union Foundation. This year's ball was the most successful ever – as \$406 thousand dollars was raised. All proceeds go to support programs for wounded soldiers and their families. Emcee Bob Schieffer from CBS News presided. And General Barry McCaffrey (ret.) presented the American Hero award to Bob Feller, decorated WWII Navy veteran and Hall of Fame pitcher. More than 600 people attended on June 4th at the Ritz-Carlton in Tysons Corner, VA. Patients from Walter Reed Army Medical Center and Bethesda National Naval Medical Center were special guests. Honored attendees included corporate supporters, members of Congress, representatives from all branches of the Armed Forces, and those working to support the military. Thanks to our devoted service members, America continues to be a shining city upon a hill ... whose beacon light guides freedom-loving people everywhere.

Night of Heroes:  
the year's most  
radiant event.

ACKNOWLEDGE PARTNERS

# Thanks

We welcome your input.

Each year, many hours are spent gathering required information and resident stories. We strive to cover main events at AFRH and introduce you to our residents and their activities. We hope you find the content of this book valuable. Please tell us if you have suggestions or comments by writing:

**AFRH**

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We value your support.

Our devoted volunteers, families and stakeholders strengthen the Home in so many ways. In these challenging economic times, we treasure your assistance even more. Thank you for helping us move closer to our vision of greater independence and superior amenities for all residents. With your ardent support, AFRH and its partners will continue to ... **Focus Forward.**



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