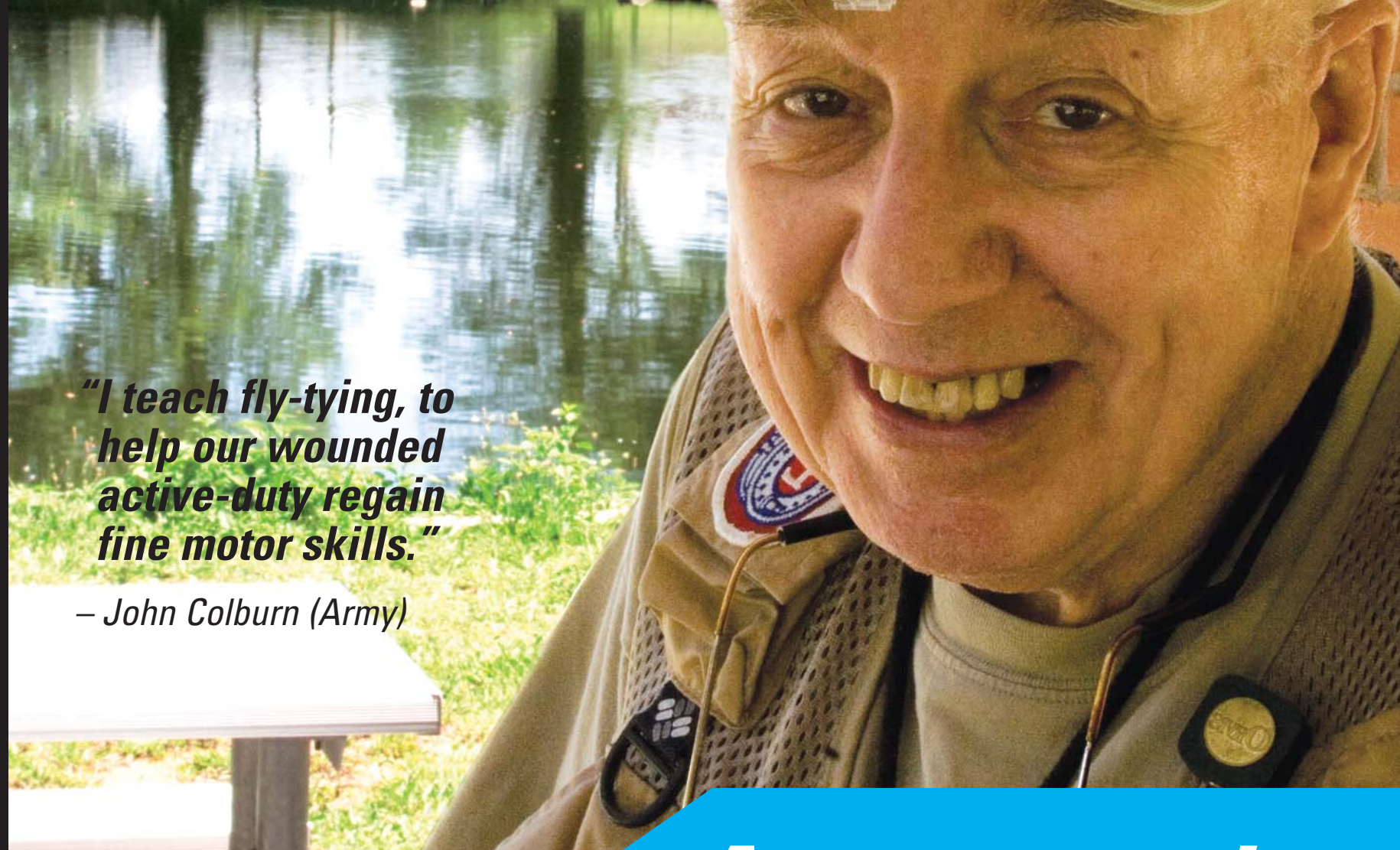


John was born in 1929, just before the Depression. "Biscuits got to hangin' pretty high – so we did a lot of fishing for food. Now, I come down here once in a while to exercise the Bluegills. They put on a tussle! I also teach fly-tying to the wounded at Walter Reed three times a week, through project Healing Waters." This program started in DC and has grown to 25 programs coast-to-coast at military and VA Hospitals. John said it's hard work, figuring out a way for each individual to tie knots with wounded hands – because each person has to be worked with differently. "One guy had 10% fingers and 20% elbow. He was left-handed before he was injured and was having trouble doing a whip finish knot ... what you do at the end of the fly. I sat down and said: OK, lemme try. I learned to tie a left-handed whip finish. When he saw me do it ... he knew what he had to do."



"I teach fly-tying, to help our wounded active-duty regain fine motor skills."

– John Colburn (Army)

In Part 4, we present:

The IG Letter

Management Challenges

Improper Payments

Acronyms

Special Thank You

Accompanying Information



Forging Ahead

IG CHALLENGES

To continue building vitality, the AFRH IG has summarized the most serious management and performance challenges facing the agency. This summation is required by Circular A-136 Financial Reporting Requirements.



*"I had a bird's-eye view from the bridge of the USS Curtis in Pearl Harbor. I watched it all happen."
– Bob Carson (Navy)*



Maurice Swinton, our IG



**Armed Forces Retirement Home
3700 N. Capitol Street
Washington, DC 20011-8400**

November 1, 2008

Memorandum

To: Timothy C. Cox, Chief Operating Officer

Subj: Management and Performance Challenges for FY 2009

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. Many of these issues were the focus of significant work conducted by the Armed Forces Retirement Home's Office of Inspector General during Fiscal Year 2008. Through various AFRH initiatives and programs, significant progress and improvements have been demonstrated as a result of recommendations made by my office and other inspection activities. The management and performance challenges also link directly to the President's Management Agenda initiative.

I am very pleased to congratulate the AFRH on receiving accreditation by the Commission on Accreditation of Rehabilitation Facilities (CARF)/ the Continuing Care Accreditation Commission (CCAC) in August 2008. In FY2007, the AFRH embarked on acquiring a new independent accreditation service to review its healthcare practices. Throughout FY2008, the AFRH worked very diligently to implement new standards in accordance with those set forth by CARF/CCAC International, an independent, nonprofit accreditor of human service providers in the areas of aging services, behavioral health, child and youth services, DMEPOS, employment and community services, medical rehabilitation, and opioid treatment programs. The CARF/CCAC family of organizations currently accredits more than 5,000 providers at more than 18,000 locations in the United States, Canada, Western Europe, and South America. More than 6.5 million persons of all ages are served annually by CARF/CCAC accredited providers. The CARF/CCAC accreditation has replaced the long standing Joint Commission on Accreditation of Healthcare Organizations (JCAHO) accreditation held by AFRH for nursing care only.

In addition to the CARF/CCAC inspection, the National Defense Authorization Act of 2008, changed the manner in which the Department of Defense conducts inspections of the AFRH. No longer will the agency be inspected by the services (Army, Navy and Air Force) triennially. The Department of Defense's Inspector General's Office (DoD OIG) will now inspect the AFRH in the years that the agency is not inspected by an independent accreditation body. The DoD OIG will conduct its initial inspection of the Armed Forces Retirement Home in April 2009.

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 FY2009.

Management Challenges

- Implement and monitor the Scott Project
- Develop a strategic plan for returning residents to Gulfport
- Implement Succession Planning for all strategic areas of operations and management
- Ensure CARF/CCAC accreditation criteria are maintained and quality improvement plans are implemented as recommended
- Continue to educate constituents and congressional oversight committees on the AFRH mission and services that will be needed to support our next generation of heroes

Performance Challenges

- Monitor, track and respond to resident maintenance requests
 - AFRH must continue to improve upon responses to maintenance calls and maintain a minimal backlog at all times.
- Improved customer service delivered to residents
 - AFRH must strive to improve its customer service to residents by reviewing, modifying and implementing procedures and educating staff on the new policies.
- Improved accountability of funds by each department
 - AFRH Service Chiefs, managers and supervisors should implement policies and procedures that track expenditures and hold individual employees accountable for their purchases of good and services on behalf of the AFRH.
- Increase visibility of military heritage
 - AFRH should continue to exhibit displays of military heritage throughout the facility and work with the Department of Defense's Office of Morale, Welfare and Recreation to enhance these displays.
- Adhere to timelines and participate in annual mandatory training
 - AFRH management must 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.

In order to sustain the progress that has been made by the AFRH through its initiatives and programs, we will continue to monitor the outcomes of the areas identified.

Respectfully,

Inspector General

ANSWERING THE CALL

As discussed by our COO in his opening letter, AFRH has aggressively spearheaded the challenges presented by our IG for FY08. With our focus areas as a guide, we engaged contractor support to review the feasibility of reshaping the Washington community in light of emerging national concerns (like rising utility costs, economic factors and the US military posture).

Further, our achievements in health-care have earned us the prestigious CARF Accreditation. With the approval of the Washington Master Plan by the NCPC, and the permission to move forward with our development plans, AFRH has realized great progress in educating constituents.

AFRH is committed, from top management to individual staff, to meet all the challenges presented by our IG for FY09. Doing so will call for us to inspire and energize our staff – so they may contribute to our success and reap the many rewards. Below is management’s response to the various challenges in the IG Letter:

MANAGEMENT RESPONSE

Implement and monitor the Scott Project

Our major 2008 achievement was earning CARF/CCAC accreditation. The Scott Project, one of our four focus areas, is the top priority for 2009. With the completion of our LRFP in FY09, recommendations will be forthcoming on how to manage operating and capital costs – while still keeping the Trust Fund solvent. With this advice, AFRH will be poised to make solid progress in the Washington community next year.

Develop a plan to return residents to Gulfport

The Gulfport move requires oversight and direction. AFRH managers are dedicated to organizing this effort, as well as the Scott Project. AFRH has already begun to make plans for those moving to Gulfport from the Washington community. FY09 will focus on the start-up for Gulfport operations.

Implement Succession Planning for all strategic positions

FY08 saw the establishment of a new CHCO, a manager dedicated to strategic human capital. One of the tasks for this position is to develop succession planning. The Home’s foremost management position, the COO, now has a successor in the new DCOO/CFO position. Additional backup positions will follow.

Ensure CARF Accreditation criteria are maintained

After CARF Accreditation was achieved, we received suggestions for Quality Improvement Plans (QIP) in various areas that include training, billing, military heritage displays and accommodations. Those QIP suggestions will become actions in the ‘09 Business Plan and in individual performance plans. In the coming year, AFRH will keep up with training, make improvements and update policies as required.

Continue to educate Congress and constituents on our mission & needs

One of the most significant challenges is garnering support among stakeholders by outlining the AFRH mission and required services for residents. Stakeholders need the articulation of our vision, too, as it relates to the US military and its future. With constant communication, expansion of partnerships, utilization of volunteers and close associations, AFRH will continue to make inroads wherever possible.

PERFORMANCE RESPONSE

In addition to addressing all the management challenges, AFRH is ready to respond to the first round of performance challenges. Success here will also require the hard work and participation of all staff and contractors.

Monitor, track & respond to resident maintenance calls

With the new automated CMMS system to track resident maintenance requests, AFRH has decreased the backlog. New management in community operations is sought to bring fresh ideas to maintaining AFRH’s outdated facilities.

Delivering improved customer service to residents

AFRH created the “I SERVE” motto to motivate staff to provide great service and we’ll create badge buddies to reinforce it. Indeed, an emphasis on providing optimal service is at the forefront of all changes at the Home – which will help bring our vision of “aging in place” to fruition. Moving forward, managers will be supported by AFRH policies and directives and they must work with staff to maintain great service.

Improving accountability of funds in each department

Managers will continue to guard spending within budget limitations and with sound financial practices through our partnership with BPD. Also, manager-to-subordinate oversight, as well as Internal Controls, will be emphasized.

Increase the visibility of US military heritage

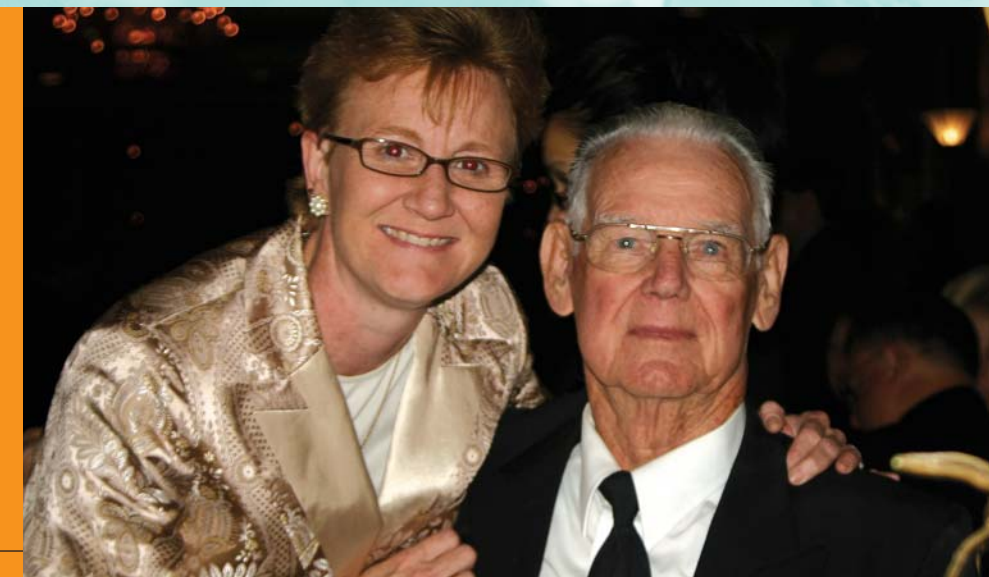
Military camaraderie is a top interest in our resident population – so it is high on the list of managerial action planning. One way to strengthen our heritage is to multiply our contacts with the military. So, we plan to boost cooperation with military service organizations and military volunteers, as well as gain added cooperation with DoD.

Adhere to timelines & participate in mandatory training

Although the Home has not met its goal of 100% for mandatory training classes, more employees were trained this year than ever. AFRH is poised to move even closer to this goal via better planning, optimal class times, results reporting and reviews of our “lessons learned.” Through surveys and schedules, AFRH managers will work with staff to ensure training is completed.

Infusing Resiliency

Sheila Abarr (Public Affairs) and Hugh Wingo (Navy) at the Night of Heroes gala.



Stabilizing Accuracy

IMPROPER PAYMENTS

Improper Payments Information Act (IPIA)

Through our partnership with BPD, each AFRH business program was reviewed to estimate the amount of potential improper and erroneous payments.

In FY08, we had only four erroneous payments out of 3,411 payments for a total amount of \$1,823.36. This margin of error is .12%. These four errors are outlined in detail in the following paragraphs. ▶

AFRH improper payment history:

FY05: 1

FY06: 30

FY07: 4

FY08: 4

The four erroneous Washington Gas (WG) payments totaling \$1,823.36 were discovered in September. These payments occurred between July 08 and Sept 08. In the past, our technician would pay the amount listed as TOTAL DUE on the invoice. Yet, this total due is typically made up of current charges, since payments to prior balances are usually already credited. For some reason on a few invoices, WG was slow in applying payments, so the balance forward was added to current charges. The balance forward, the current charges and a finance charge (which was improperly applied) were all paid. WG has issued AFRH credits for the duplicate payments of the balance forward charges. And those credits should be received on the next cycle of invoices.

Our hard work in this area has truly paid off – because in FY06 we had 30 improper payments. BPD is committed to catching erroneous payments, making the necessary corrections and raising our awareness – especially in terms of resident fees. Fortunately, these improper payments did not affect the outcome of our audit.



Robert Stone (Navy)

“I served in Special Ops. Now people come to me to make special things.” – Robert Stone (Navy)

Robert has been in woodworking for 50 years. “Before retirement, I had a construction company and lived in the country. I had a big shop with a lot of tools and made custom furniture. I do that here too, for the residents. When we open, sometimes we have 8-10 people lined up, waiting for us to fix something. This morning, a guy came in and I built a shelf for him.” Robert showed us an old wood sign he’s making into a platform for a resident’s chair, so he can boost it up six inches. “You can’t buy this stuff at Home Depot,” he joked. Robert also fixes wheelchairs and assembles furniture. “And we don’t charge anything. It’s a free service. We’re here to support the residents. This makes my life better. It makes me feel good and makes everyone feel good.”

ACRONYMS

Acronym	Meaning
AAFES	Army and Air Force Exchange Service
ARC	Administrative Resource Center
AFRH	Armed Forces Retirement Home
BPD	Bureau of Public Debt
C&A	Certification and Accreditation
CARF/CCAC	Commission on Accreditation of Rehabilitation Facilities and Continuing Care Accreditation Commission
CFO	Chief Financial Officer
CHCO	Chief Human Capital Officer
CMMS	Computerized Maintenance Management System
CNA	Certified Nursing Assistant
COO	Chief Operating Officer
COTS	Commercial-Off-The-Shelf
CRA	Continuing Resolution Act
CWOA	Chief Warrant & Warrant Officers Association, US Coast Guard
DAPS	Document Automation and Production Service
DAV	Disabled American Veterans
DCOO	Deputy Chief Operating Officer
DEIS	Draft Environmental Impact Statement
DEOMI	Defense Equal Opportunity Management Institute
DFAS	Defense Finance and Acquisition System
DoD	Department of Defense
EEO	Equal Employment Opportunity
EFT	Electronic Funds Transfer
FAIR	Federal Activities Inventory Reform
FAR	Federal Acquisition Regulation
FASAB	Federal Accounting Standards Advisory Board
FECA	Federal Employees Compensation Act
FEMA	Federal Emergency Management Agency
FEDInvest	Federal Investment (software application)
FFMIA	Federal Financial Management Improvement Act
FISMA	Federal Information Security Management Act
FMFIA	Federal Managers Financial Integrity Act
FTE	Full-time Equivalents
FY	Fiscal Year
GPRA	Government Performance and Results Act
GSA	General Services Administration
HSPD-12 PIV	Homeland Security Presidential Directive 12 – Personal Identification Verification
IPAC	Intragovernmental Payment and Collection System

Establishing Clarity

ACRONYMS (Cont.)

Acronym	Meaning
IPIA	Improper Payments Information Act
IT	Information Technology
IP	Internet Protocol
JCAHO	Joint Commission on Accreditation of Healthcare Organizations
JFMIP	Joint Financial Management Improvement Act
KHC	King Health Center
LPN	Licensed Practical Nurse
LRFP	Long Range Financial Plan
MCOC	Management Control Oversight Council
MEO	More Efficient Organization
NCPC	National Capital Planning Commission
NAVFAC	Naval Facilities
NCOA	Non Commissioned Officer Association
NDAA	National Defense Authorization Act
NFC	National Finance Center
NLT	No Later Than
NPSG	National Patient Safety Goals
OMB	Office of Management and Budget
OPM	Office of Personnel Management
OSD	Office of the Secretary of Defense
OSHA	Occupational Safety and Health Administration
PART	Program Asset Rating Tool
PC	Personal Computer
PPE	Property, Plant and Equipment
QIP	Quality Improvement Plan
RFP	Request for Proposal
RFQ	Request of Qualification
RIS	Resident Information System
RN	Registered Nurse
SAS	Statement on Auditing Standards
Seabees	Naval Construction Battalion
SF	Square Feet
SSG	Service Study Group
STAR	Systems Time and Attendance Report
TREA	The Retired Enlisted Association
U.S.C.	United States Code
USSGL	US Standard General Ledger
VSO	Veteran Service Organization
WG	Washington Gas



Conveying Gratitude

WE WELCOME YOUR COMMENTS

This report is for you to review, enjoy and understand how we're keeping our *Promise* to serve our nation's heroes. Did this PAR meet your expectations? And what can we do to improve upon it? Please let us know by contacting us at:

AFRH

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WE THANK YOUR SUPPORT

Despite the challenges of 2008, AFRH continues to provide exceptional care to its residents. Many thanks are due to the loyal and dedicated supporters of AFRH. You have generously thrown parties, cleaned spaces, given tours, bestowed tickets, aided residents and listened ardently. The devotion of our partners and volunteers has made AFRH a wonderful Home for the residents, who are now ... more than ever ... *Building Vitality*.

Woody Williams (Navy)

"To me, this is the most wonderful place a person could ever want to be." – Woody Williams (Navy)

Woody served on the USS Sea Fox submarine in the South Pacific. "We were constantly in the Japanese backyard. A few times, we chased their subs, which was hair-raising. And we practically slept on top of the torpedos." Today, he finds his quarters at AFRH much more comfortable. "To me, this is the most wonderful place – because we've got everything here. We've got the food, we got the doctors, we got the security. It's marvelous!" Woody works in the Thrift Shop 12 hours a month. And he helps set up the blackjack games and ice cream socials. Plus, he walks every night around the campus. "They're going to mount my 36-inch HD TV on the wall, right near my La Z boy. I've got some great friends here and I can't wait to invite them over," he said.





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