

**DEPARTMENT OF THE ARMY
COMPLETE STATEMENT
OF
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DEPARTMENT OF THE ARMY INSPECTOR GENERAL AGENCY (DAIG)**

BEFORE

**THE SUBCOMMITTEE ON CONTRACTING OVERSIGHT
COMMITTEE ON HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS
UNITED STATES SENATE
SECOND SESSION, 112TH CONGRESS
CONTRACT MANAGEMENT AT ARLINGTON NATIONAL CEMETERY**

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INTRODUCTION

Madam Chairman, Ranking Member Portman, and distinguished Members of the Committee, thank you for affording time in your schedule to provide us with an opportunity to update the Committee on the significant progress made at Arlington National Cemetery during the past year.

I assumed duties as the 64th Inspector General of the Army on 21 November 2011. Since then I have reviewed the work that has been done by the Inspector General Agency over the last two years with respect to Arlington National Cemetery. I have also met and engaged in discussions with Ms. Kathryn A. Condon, Executive Director of the Army National Cemeteries Program, and her team as well as the other Army stakeholders who have been involved in correcting the deficiencies found at Arlington National Cemetery since the release of the 9 June 2010 DAIG inspection report. Although I am new to the position of The Inspector General, I believe that my engagements over the last two months afford me a sound basis on which to respond to your questions regarding the Army's efforts to administer Arlington National Cemetery "to standards that fully honor the service and sacrifices of the deceased members of the armed forces buried or inurned" there. Also, it is clear to me that this Committee's oversight and guidance are crucial to the progress achieved at Arlington National Cemetery, and I thank you for your efforts.

DAIG'S SPECIAL INSPECTION OF ARLINGTON NATIONAL CEMETERY

The Inspector General Agency's involvement began in July 2009 when, in discussion with the Acting Assistant Secretary of the Army for Civil Works, a concern arose that significant management issues might exist at Arlington National Cemetery. The

Inspector General was directed to inspect Arlington National Cemetery. Secretary Geren chartered that inspection to assess policy and procedures for operation of the Cemetery; management, administration, and coordination processes and the training of personnel at the Cemetery; and the effectiveness of command and leadership structures relating to other commands, staff elements and agencies involved in the Cemetery's operations.

In November 2009, upon the identification of additional concerns at Arlington National Cemetery, The Inspector General was directed to add two more objectives to the inspection: one to assess information management systems at the Cemetery and another to assess the Cemetery's contracting procedures. The Inspector General was further directed to investigate potential issues related to hostile work environment, inappropriate hiring practices, and improper interment and trans-interment of remains. Teams of Army IGs conducted the inspection and the investigation simultaneously.

My predecessor, LTG Whitcomb, signed the completed inspection report on 9 June 2010. It highlighted 76 findings and made 101 recommendations for corrective action.

ARMY DIRECTIVE 2010-04

On 10 June 2010, after reviewing the IG inspection report, Secretary McHugh issued Army Directive 2010-04: *Enhancing the Operation and Oversight of Army National Cemeteries*. The directive established the Army National Cemeteries Program Executive Director position, reporting directly to the Secretary. In his directive, Secretary McHugh tasked the Executive Director to establish an accountability baseline for all gravesites and inurnment niches at Arlington National Cemetery. He further

tasked agencies and organizations across the Army to accomplish numerous actions to support the improvement of Cemetery processes and procedures.

**THE 2011 RE-INSPECTION OF ARLINGTON NATIONAL CEMETERY:
PURPOSE AND OBJECTIVES**

After the completion of a six-month interim review of Arlington National Cemetery in January 2011, the DAIG conducted an in-depth re-inspection of the Cemetery from May to August 2011. With the enactment of Public Law 111-339, the Secretary decided that our 2011 re-inspection would form the basis of his report to Congress on the Army's execution and compliance with every section of the Army Directive, as required by that law. In contrast to our 2010 inspection of Arlington National Cemetery, which focused on the five objectives cited above, the 2011 re-inspection assessed the progress made by Arlington National Cemetery in correcting deficiencies enumerated in the 2010 report and the Army's compliance with the Secretary's follow-on directive. In accordance with the requirements of the Public Law, the re-inspection also assessed the adequacy of practices at Arlington National Cemetery "to provide information, outreach and support to families of those individuals buried at Arlington National Cemetery regarding procedures to detect and correct current errors" in burials there.

**THE 2011 RE-INSPECTION OF ARLINGTON NATIONAL CEMETERY:
KEY FINDINGS**

Since the Secretary issued Army Directive 2010-04, the Executive Director has led her staff and coordinated with other Army stakeholders to make significant improvements at Arlington National Cemetery, all while still accomplishing its daily mission. Each day,

Cemetery employees work side-by-side with ceremonial and band units from the Army, Navy, Marine Corps, Air Force, and Coast Guard to bury approximately 30 veterans and family members; host an average of seven public ceremonies; and welcome thousands of tourists visiting the grounds.

Of the 76 findings contained in the 2010 report, 61 were categorized as “deficiencies,” defined as serious deviations from an Army standard warranting the attention of the Army’s senior leadership. During the 2011 follow-up inspection, no deficiencies were noted. We did, however, report a number of observations on the substantial progress made and on the work still to be done. The fact that the follow-up inspection found no deficiencies underscores the progress that the Army has made to correct the problems at Arlington.

Improved Organizational Culture and Climate. We found that the new Arlington National Cemetery leadership and staff have made tremendous progress in addressing the Cemetery’s organizational culture and climate. Both the inspection and the investigation conducted in 2010 revealed that the Cemetery’s prior leadership fostered an “insular” environment, effectively disengaged from much of the institutional Army. This insularity prevented the sustainment of functional relationships with Army command and staff elements that could provide support, resources, and oversight to the Cemetery. This insularity also contributed greatly to the mismanagement, impropriety, and ineffectiveness uncovered at the Cemetery.

Upon the establishment of the Executive Director’s position, the new Executive Director and her staff immediately sought to make connections and to collaborate actively with

the Army commands, staff elements, and agencies that Secretary McHugh had directed to provide support in Army Directive 2010-04. In this way, the Executive Director began to eliminate insularity in the Cemetery's organizational climate and culture, paving the way for improvement in all aspects of Arlington National Cemetery's administration, operations, and maintenance.

During its 2011 inspections of the Cemetery, the DAIG administered two Defense Equal Opportunity Management Institute surveys to Cemetery employees—one in January 2011 and one in June 2011. Both surveys reflected improving morale and increasing organizational effectiveness in the year since the Executive Director and the new Superintendent took the reins of leadership. In the five months between the surveys, those who agreed with the survey statement that the overall health and morale at Arlington were better than in June 2010 almost doubled. The number of those who disagreed or felt neutrally about that survey statement dropped sharply.

Improved Information Technology and Processes. The 2011 re-inspection noted that Arlington National Cemetery now possesses a fully-functional information technology infrastructure, with computer systems enabled by the most current software applications, and supported by a comprehensive service agreement with the Army's Information Technology Agency. Starting in December 2010, Arlington partnered with the Information Technology Agency to route all incoming calls to its Consolidated Customer Service Center (CCSC) at Fort Detrick, Maryland. This process significantly improved customer service and enabled a tiered response system that improved responsiveness to burial and inurnment inquiries. This freed Cemetery personnel to focus on supporting funeral scheduling and execution and also ensured callers inquiring

about tourism-related questions were assisted promptly and efficiently by CCSC employees.

Additionally, the CCSC provided Arlington National Cemetery's Interment Services Branch the full capabilities of its tracking system. For example, every call made to the CCSC is now captured in a digital file and assigned a case number in the CCSC's database. This allows collaborative resolution of problems by CCSC personnel and Cemetery representatives from the Interment Services Branch. The Executive Director and other senior cemetery leadership review the CCSC data on a near daily basis to assess staff performance.

Other improvements to Arlington's information technology infrastructure include the replacement of antiquated and vulnerable computer hardware and applications identified in the 2010 report with the most up-to-date and effective hardware and applications the Army can provide. Additionally, the Cemetery and the Veterans Administration are partnering this year to integrate Arlington National Cemetery's Interment Scheduling System and the Veterans Administration's Burial Operations Support System. This enhancement will save the Interment Services Branch considerable man hours.

The Executive Director has partnered with the Army's Chief Information Officer and the Army Data Center-Fairfield to provide Arlington National Cemetery with a computer application for digitizing burial records and headstone photographs. This application has helped the Executive Director's Gravesite Accountability Task Force to establish an accountability baseline of each gravesite and inurnment niche. These efforts are

reflected in the Secretary's September 2011 report to your Committee, a report required by Public Law 111-339.

The digitization of all interment/inurnment records at Arlington National Cemetery is now complete, ahead of the deadlines established by the National Defense Authorization Act for Fiscal Year 2012, and the staff is continuing to digitize all other records at the Cemetery. Representatives are now generating and maintaining digital records for each new interment or inurnment. This digitized database of interment and inurnment records will eventually automatically populate and update a new digital Cemetery map—using the Army's most current geospatial mapping program. Finally, the Executive Director is establishing an on-site Operations Center to ensure 24/7 situational awareness and the sharing of real-time information concerning current and future cemeterial and ceremonial operations with Army, Navy, Marine Corps, Air Force, and Coast Guard headquarters in the National Capital Region, each of which supports the Cemetery every day.

Improvement in Compliance with Army Information Assurance Focus Areas.

During the DAIG's inspection in 2010, Arlington National Cemetery did not meet the Army standard in 12 of 14 Information Assurance functional areas inspected (two additional functional areas were not inspected because they did not apply at that time). In the 12 functional areas, 57 serious Information Assurance deficiencies were identified. The Cemetery's information technology infrastructure was grossly outmoded and vulnerable and the Cemetery's workforce was untrained in critical Information Assurance disciplines and understaffed in qualified Information Assurance personnel. A follow-on Information Assurance compliance inspection of the Cemetery was conducted

in June 2011. Compared to the 2010 inspection, in which none of the applicable functional areas met the standard, in June 2011, Arlington National Cemetery met Army standards in all applicable Information Assurance functional areas. Arlington National Cemetery's improved Information Assurance readiness can be attributed to a strong customer/service-provider relationship, leadership focus, and a proactive staff. Today, I am pleased to report to you that Arlington National Cemetery ranks among the very best organizations in the Army for compliance with Information Assurance requirements.

Improvement in Acquisition and Contracting. During our first inspection, we found the Cemetery's procurement and contracting actions did not comply with Army, Defense Department, and Federal acquisition rules and regulations. Untrained and unqualified personnel on the Cemetery's staff were developing requirements and committing funds to contracts without appropriate oversight. During our 2011 inspection, the DAIG team reviewed 17 contracts generated by the Mission Installation Contracting Command's (MICC) Fort Myer and Fort Belvoir offices and eight contracts served by the Army Corps of Engineers Baltimore District. Most of the MICC contracts were recently-completed service contracts, affording us timely insights into the status of current performance. In our reviews, we focused on Arlington National Cemetery's development of requirements packages, its pre-award compliance, its coordination with supporting contracting agencies, its training of contracting officer's representatives, and its oversight of contract execution. Finally, we looked at MICC and Corps of Engineers management controls and acquisition processes and procedures.

Today, the Cemetery's contracting actions are properly aligned, based on an appropriate scope of work, and serviced by either the MICC (for service contracts), or the Corps of Engineers (for architect-engineering and construction contracts). Previously, contracting procedures at Arlington National Cemetery were monitored by a single contracting liaison officer. Now, both the Contracting Command and the Corps of Engineers are providing support teams to the Cemetery's Contracting Support Element and engaging in appropriate oversight to ensure that quality contracts are produced and monitored. The Contracting Support Element subjects new acquisitions to rigorous requirements determination, pre-award compliance checks, and contract packet reviews for quality assurance. The addition of the current Contract Support Element has greatly improved acquisition lead times and the Cemetery's overall contracting capability.

Active Arlington National Cemetery contracts are consistently awarded and administered in accordance with applicable law, rules, and regulations, a finding corroborated by the December 2011 GAO report, *Additional Actions Needed to Continue Improvements in Contract Management*. These improvements are due in no small part to the emphasis the Secretary of the Army and the Executive Director place on proper contracting practices.

Budget Formulation and Execution. Congress funds Arlington National Cemetery through a MilCon/Veterans Affairs (and related Veterans Affairs agencies) funding line item. The Cemetery receives "no-year" funds. The 2010 Inspection report found that the diversified budget and appropriation structure for Arlington National Cemetery exacerbated the lack of organizational command and control. This unique

appropriations structure also limited the ability of the Secretary of the Army to shift resources to the Cemetery if needed. The Secretary's 2010 Directive mandated the Executive Director to realign budget oversight and execution with more standard Army practices. The Executive Director and her team now work closely with the Administrative Assistant to the Secretary of the Army, the Assistant Secretary of the Army for Financial Management and Comptroller, and the General Counsel, to ensure improved oversight of Arlington National Cemetery's budget formulation and execution. The Executive Director's decision to transition to the General Fund Enterprise Business System, providing full visibility of the Cemetery's expenditures, has been critical to reversing perceived budget shortfalls. This transition enabled the Executive Director and her staff to reconcile unobligated funds from the last several years, something that had not been previously accomplished. As a result, the September 2011 inspection report found that Arlington National Cemetery resource managers had recouped \$15 million of an estimated \$25 million in unliquidated obligations that had been overlooked due to poor accounting processes. These funds can now be applied to future Arlington National Cemetery budgets.

Compliance with AD 2010-04. During the 2011 re-inspection, DAIG inspectors found that Army commands, staff elements, and agencies had complied with Army Directive 2010-04 and are effectively executing the tasks to enhance the operations and oversight of the Army National Cemeteries Program.

The Army Secretariat and the Cemetery's new leadership have initiated several other long-term improvements. One ongoing action is to determine the best alignment of Arlington National Cemetery under the jurisdiction of Headquarters, Department of the

Army, as required by section 591 of the National Defense Authorization Act of 2012. Other actions include the creation of a new public affairs policy for the Cemetery and the establishment of the Army National Cemeteries Advisory Commission. The inaugural meeting of the Advisory Commission occurred on 1 December 2011, and the Committee's report from that meeting soon will be provided to the Secretary of the Army.

To ensure steady progress in correcting Arlington National Cemetery deficiencies in the period between the 2010 and 2011 DAIG inspections, Secretary McHugh directed a series of external reviews. These included an interim review by the DAIG and contract reviews by the Assistant Secretary of the Army for Acquisition, Logistics and Technology and the Army Audit Agency. The Army's Chief Information Officer was directed to conduct a complete review of information technology systems and applications. The Army's Force Management Support Agency and Manpower Analysis Agency also were directed to review Arlington's force structure and make recommendations for improvement. All of these external reviews have been completed. These reviews, combined with the 2011 re-inspection, have ensured that Arlington National Cemetery is currently receiving the necessary external oversight and assessment.

Effective Outreach and Support to Families Regarding Burial Discrepancies.

During the 2011 re-inspection, we found that the Arlington National Cemetery leadership and staff were professional, compassionate, and supportive in providing information, outreach, and assistance to families concerned about possible burial discrepancies. Immediately upon assuming her position, the Executive Director

established a hotline to respond to burial inquiries and developed a tiered system to ensure that proper efforts were made to address family member concerns. In several cases, even though documents confirmed the locations of the deceased, the Cemetery supported family requests for physical verification in order to fully address their concerns.

As of September 2011, the Cemetery had received approximately 1,300 inquiries from family members. Of these, in all but 13 cases (eight of these 13 cases represent the eight urns containing cremated remains found together in one unmarked grave in October 2010), the Cemetery was able to assure family members that there were no discrepancies regarding the burial locations of their loved ones. In the cases of substantiated burial discrepancies, the Cemetery worked closely with each family concerned and invited their participation (at Army expense, when appropriate) in correcting any error and updating records accordingly. In the case of the eight urns found in a single grave, four were positively identified and re-inurned. The Cemetery has reinterred the remaining four unidentified urns as "Unknown" remains, with the full dignity and respect accorded remains at any funeral service.

Equally important, the new Executive Director and Superintendent have thoroughly revised the Cemetery's procedures for interring and disintering remains to incorporate checks and balances as well as oversight safeguards to prevent similar discrepancies in the future. These safeguards were documented in a 20 June 2011 policy memorandum issued by the Executive Director and Superintendent, entitled *Assurance of Proper Casket/Urn Placement*.

This policy addresses a six-step chain of custody procedure that the Cemetery staff must apply, beginning with the receipt of the burial request through interment; specifies training and accountability measures; and provides guidance for correcting the misplacement of casketed or cremated remains. In each step, Arlington National Cemetery Field Operations Supervisors are required physically to confirm the preparation and closure of graves and countersign a "dig slip" to verify that remains are interred or inurned in the correct gravesite. The Cemetery's General Foreman then inspects the process to ensure no deviation from the standard. Cemetery leadership continuously trains the workforce on these procedures and provides consistent, direct supervision and quality control.

DAIG's 2011 RE-INSPECTION OF ARLINGTON NATIONAL CEMETERY:

KEY RECOMMENDATIONS

Although the Army and Arlington National Cemetery staffs have made great strides in correcting deficiencies noted in the 2010 DAIG inspection, fulfilled Secretary McHugh's guidance issued in Army Directive 2010-04, and supported families who inquired about potential burial errors, there remains more to do at Arlington National Cemetery, and the way ahead is effectively documented in the Executive Director's Campaign Plan. In the 2011, re-inspection report, we presented Secretary McHugh with 53 recommendations designed to continue and enhance the progress made to this point. A description of some of our key recommendations follows.

Policy Documentation. Army Directive 2010-04 established immediate oversight mechanisms to improve information technology, information assurance, contracting, engineering support, and force structure. In his directive, the Secretary established the Executive Director as the proponent for all policies related to the Army National Cemeteries Program. In this capacity, the Executive Director is working with the Army Secretariat to update the Code of Federal Regulations as it applies to Arlington National Cemetery.

Additionally, the Executive Director is working closely with the Department of the Army Headquarters Staff to update Army Regulation 290-5, *Army National Cemeteries*. We recommended in the 2011 report that the Executive Director incorporate requirements for long-term, robust, and continuous oversight processes and mechanisms into a revision of Army Regulation 290-5. Incorporating these long-term internal and external oversight processes will be critical to ensuring effective oversight beyond the tenure of the current Secretary of the Army and Executive Director. We also recommended that the Executive Director revise Department of the Army Pamphlet 290-5, *Administration, Operation, and Maintenance of Army Cemeteries*, to provide the Army National Cemeteries, as well as 28 Army post cemeteries, with sound, authoritative, and current guidance on standardized processes and procedures for cemetery operations. In addition, we advised that any policies, processes, and procedures peculiar to Arlington National Cemetery should be removed from the pamphlet and published in Arlington National Cemetery's standing operating procedures.

Creation of a Multi-Service Policy. In the 2011 re-inspection report, we recommended a multi-Service policy be established to mitigate certain factors affecting increased wait times for interment and inurnment at Arlington National Cemetery. We made this recommendation because of the disparity among the Services in their interment/inurnment wait times. Service members and veterans of all five Services (and family members) are eligible for burial at Arlington National Cemetery.

Excluding Service members who are killed in combat operations, wait times for funerals and burial are increasing and vary by Service. For example, in June 2010, it took an average of 74 days (from the day a deceased's interment/inurnment eligibility was determined) before a deceased was interred/inurned with full honors, compared to 87 days in June 2011, with a range of delay of almost 30 days among Services. This disparity in wait times is attributed to the lack of a multi-Service policy for interment/inurnment honors and the different procedures employed by the Services to manage ceremonial and band units.

Partnering with the CCSC has allowed the Arlington National Cemetery leadership to more accurately and more timely identify the demand for burials. This more accurate system has resulted in the receipt and processing of more requests for burial, leading to increased wait times. Accordingly, the Army Secretariat is encouraged to engage the Office of the Secretary of Defense to develop common policy, processes, and procedures to standardize Service support for honors and cemetery operations as one method to decrease disparities in wait time among the Services.

Long-Term Command, Control, and Oversight. The Army must sustain the progress made at Arlington National Cemetery and prevent the Cemetery from returning to the insular organization it once was. We note that the Executive Director and her staff have fundamentally transformed the control mechanisms and oversight of Cemetery operations. However, to ensure this continues in the long-term, the Department of the Army is currently studying the most appropriate organizational and jurisdictional structures consistent with the National Defense Authorization Act for Fiscal Year 2012. Alignment of long-term responsibilities will facilitate effective external oversight and support.

Cemetery Lifespan. During our inspections, we found that the number of interments and inurnments at Arlington is increasing each year. Should this trend continue, the Cemetery is likely to reach capacity in advance of current projections. We recommended that the Secretary of the Army request the Army National Cemeteries Advisory Commission to examine the causes and effects of increasing demand and make recommendations to address this issue. As previously noted, the Advisory Commission met on 1 December 2011. It recommended the formation of a subcommittee to specifically address long-term expansion. Because the impact of this issue extends beyond the Army, the Advisory Commission's recommendations should be considered carefully by our Nation's most senior leaders.

CONCLUSION

As the 2011 re-inspection report indicates, the progress made at Arlington National Cemetery since June 2010 is a “good news” story and shows a significant turn-around in performance at the Cemetery. Our inspection team found that the Arlington National Cemetery Executive Director, Superintendent, and staff are systematically correcting the deficiencies enumerated in the 2010 DAIG inspection report. As Secretary McHugh directed, Army agencies and organizations have completed (or are in the process of completing) the tasks specifically assigned to them in Army Directive 2010-04. Finally, the inspection team also found that Arlington National Cemetery’s efforts at providing outreach, information, and support to family members regarding burial discrepancies were professional and supportive. Simply put, the mismanagement that was found at the Cemetery in 2010 has been relegated to the past, and the focus is on continued improvement for the future.

The progress observed and reported by the DAIG validates the Secretary’s approach to restoring the processes, systems, and management we found to be lacking at Arlington in 2010. This strategy—executed passionately and diligently according the Executive Director’s Strategic Campaign plan, with the support of the Army, the Defense Department, other federal agencies, and Congress—has set the conditions for future success.

With this good news comes a realization that there is still more work to do. The leadership and staff of Arlington National Cemetery must continue to complete the painstaking work required to update the Army’s relevant policy and procedural documents. The recent work establishing the gravesite accountability baseline must

continue to resolve 64,230 discrepancies that remain. The Cemetery must complete its review and documentation of the internal processes, protocols, and controls to ensure future success. Finally, the Army must maintain the support and oversight it provides its National Cemeteries and apply what it has learned to all cemeteries, large and small, under Army control.

Upholding the credibility of Arlington National Cemetery remains a priority for the Secretary of the Army and for this Committee. As a Soldier, I know that each member of the Armed Forces and their families recognize Arlington National Cemetery as “hallowed ground.” I am confident that the Army will succeed in administering Arlington National Cemetery “to standards that fully honor the service and sacrifices of the deceased members of the armed forces buried or inurned” there.