

## **Documents cited in Report**

2.2 COST COMPONENTS

ACS has applied the following ground rules and assumptions to the cost components that make up our prices.

2.2.1 STAFFING

2.2.1.1 Staffing Profile. Our years of business process outsourcing have taught us that detailed planning is one of the most powerful mitigators of risk. Toward this end, we have painstakingly produced a detailed level of effort estimate shown in Figure 2, Staffing Profile, to support our lowest risk Transition→Consolidation→Optimization concept of operations. This staffing estimate not only supports our approach, but also provides top-level customer service to DFAS' customers—retirees, annuitants, military services, interfacing organizations, and other payees—and facilitates the rapid reduction of cost of operations to DFAS. In the discussion that follows, we will describe the rationale for the reductions shown in Figure 2 for the transition period and then for the life of the contract.

Figure 2. Staffing Profile

Position	Transition			Life Cycle Staffing									
	A	B	C	I	II	III	IV	V	VI	VII	VIII	IX	X
Business Analysts/Functional Analysts	63	62	62	62	54	49	46	45	45	44	44	44	44
Clerks (Mail, File, and General)	28	25	21	21	21	11	7	7	7	7	7	7	7
Customer Service (call center) Representatives	155	141	120	99	95	95	81	81	71	71	61	61	61
Document Handling, Records, and Transcribing	25	23	23	23	21	12	2	2	2	2	2	2	2
Member Services (Pay) Representative	258	235	200	199	174	145	145	134	134	122	117	112	112
Program Management, Secretarial, Office Support	22	20	10	10	9	9	7	7	7	7	7	7	7
QA, CM, and Process Specialists	4	4	4	4	4	4	4	4	3	3	3	3	3
Systems Engineers	15	14	11	14	15	14	14	14	14	14	14	14	14
<b>Totals (D)</b>	<b>570</b>	<b>524</b>	<b>451</b>	<b>432</b>	<b>393</b>	<b>339</b>	<b>306</b>	<b>294</b>	<b>283</b>	<b>270</b>	<b>255</b>	<b>250</b>	<b>250</b>

- A. FY2000 authorized DFAS Staff
- B. Assumed DFAS on board at transition based on 9 percent industry vacancy rate (*Human Resources Association*)
- C. On-board with ACS after transition
- D. Note: Lot Year headcounts are averages for each 12 month period

We know from experience on similar programs that we can reduce staffing without operational impact as optimization is achieved. Our specific introduction of organizational restructuring, process improvements, and the infusion of enabling technologies will, for example, reduce customer calls, and therefore the number of customer service representatives required to respond. Optimization activities will increase the efficiency of Pay Operations personnel (member services and customer services representatives), allowing fewer people to accomplish more in less time, and with greater accuracy. Just as important, by reducing workload and rework, the staff will be able to manage their workflow instead of being swept away by it, further enhancing their efficiency. Backlog is an infamous usurper of staff time, so our plans call for further process simplifications and improvements that will clear backlogs in imaging, research, and System Change Requests (SCRs).

From:  
Sent:  
To:

GIEBELHAUS, STEPHEN  
Monday, August 06, 2001 2:16 PM  
ELKIN, LOIS; ANDERSON, MATTIE L; BELL, KAREN; BERMAN, JUDY; BOGARD, CLAUDIA; COOK, ANN; COVINGTON, LORETTA; CRAWFORD, DIANE DEE; DENISE, DOUTRICH, SAM; FERGUSON, CATHERINE; GILEAU, LINDA; GRIESSER, JAY; GROSSPIETSCH, JACKIE; HART, KEVIN; HEJDUK, MARY; HOLLANDER, LEAH; HOVEY, JERRY; JOHNSON, STEVE; KEILING, GREG; KOCZUR, DANIEL (CONTRACTOR); KOENIG, JOHN; KUFELDT, ED; LISENBY, DON; LONG, DENNIS; MADIGAN, JOSEPH; MCAULAY, ANN; MISENKO, JOHN; NAGY, JAMES; NOSETIC, ROSEMARY; NOWLING, ROXANE; RIVERS, MICHELLE; SCHARON, JAMES; SEIL, KAREN; SEIWALD, MICHAEL (CONTRACTOR); SHORT, JOYCE; SIEWERT, BONNIE; SYLVESTER, CAROL; THORNBURG, DENISE; TYMINSKI, WILLIAM; WELLS, NADINE; WESSEL, CAROL; WOOST, AL; ZIU, JOHN  
RUOFF, JOHN; MESTER, JOHN  
RE: ASD R&A Taskers

OF HQ ATTORNEY

Cc:  
Subject:

In support of John's discussion on providing TSO support to ACS:

General Counsel's position is very simple. ACS contracted to provide TSO support. It will now be their responsibility to do so, and if they can't they will be in default. The fact that they may have believed TSO personnel would be affected employees who they could hire relatively easily is a problem for them...and may be a problem for us if they can't perform. Still, at this stage it really is ACS's problem. They will have to either lay out big bucks to attract our TSO folks, or they will have their transition period to develop that necessary expertise. Nevertheless, it is not an acceptable option for us now to amend the contract to delete this contract performance requirement from the PWS and take on that responsibility (the misnomered "subcontracting" option): To do so changes the very nature of the cost comparison that we went through. Neither is it appropriate to significantly extend the transition period for providing TSO support. We need to hold the contractor's feet to the fire...make them perform. If they somehow do need an extension of time, they will need to pay for it with some kind of consideration flowing back to the govt, such as a reduction in contract price.

If we somehow now believe strongly that the contractor can't perform this work when and as required, we should retain some core capability in the TSO (and R&A for that matter) to take back this work should the contractor fail. Someone has to balance the risk of contractor failure to perform against the costs of maintaining some core capability in retired and annuity pay and in DRAS support. Obviously, if we are unwilling to let the contractor fail, then we will for the next ten years always have the option of reducing requirements or bailing the contractor out with more money.

Steve Giebelhaus

-----Original Message-----

From: ELKIN, LOIS  
Sent: Monday, August 06, 2001 8:36 AM  
To: ANDERSON, MATTIE L; BELL, KAREN; Berman, Judy; BOGARD, CLAUDIA; Cook, Ann; COVINGTON, LORETTA; CRAWFORD, DIANE DEE; DECLUETT, DENISE; DOUTRICH, SAM; ELKIN, LOIS; Ferguson, Catherine; GIEBELHAUS, STEPHEN; GILEAU, LINDA; GRIESSER, JAY; GROSSPIETSCH, JACKIE; HART, KEVIN; HEJDUK, MARY; HOLLANDER, LEAH; HOVEY, JERRY; JOHNSON, STEVE; KEILING, GREG; KOCZUR, DANIEL (CONTRACTOR); KOENIG, JOHN; KUFELDT, ED; LISENBY, DON; LONG, DENNIS; MADIGAN, JOSEPH; MCAULAY, ANN; Misenko, John; NAGY, JAMES; NOSETIC, ROSEMARY; NOWLING, ROXANE; RIVERS, MICHELLE; SCHARON, JAMES; SEIL, KAREN; SEIWALD, MICHAEL (CONTRACTOR); SHORT, JOYCE; Siewert, Bonnie; SYLVESTER, CAROL; Thornburg, Denise; TYMINSKI, WILLIAM; WELLS, NADINE; WESSEL, CAROL; Woost, Al; ZIU, JOHN  
Subject: FW: ASD R&A Taskers

John Ziu has prepared this detailed message about ASD R&A taskers. Please review this message and provide any comments or questions back as the point of this is to ensure clarity for all of us. Thanks. Lois

-----Original Message-----

From: ZIU, JOHN  
Sent: Friday, August 03, 2001 6:14 PM  
To: ELKIN, LOIS  
Cc: KUFELDT, ED; LEE, JAMES; MORGAN, SHARON C; SEIWALD, MICHAEL (CONTRACTOR); KOENIG, JOHN; RUOFF, JOHN  
Subject: ASD R&A Taskers

Lois.



# Overview of the

Department of Veterans Affairs Retroactive Awards (DVA Retro) Project

July 9, 2008



# VA Retro Project Description



- VA Retro is a program designed by the Defense Finance and Accounting Service (DFAS) and the Department of Veterans Affairs (DVA) to pay eligible military retirees any retroactive compensation due as a result of increases in their percentage of disability.
- VA Retro payments include retroactive adjustments to Combat-Related Special Compensation (CRSC), Concurrent Retirement and Disability Pay (CRDP) and DVA disability compensation.
- A disabled military retiree may be eligible for both CRSC and CRDP but, by law, cannot receive payments for both during the same period. However, if you are eligible for CRSC and CRDP which cover different periods of retroactive entitlement, you may be entitled to separate VA Retro payments.
- No application or claim is required. The DVA is providing DFAS with the social security numbers of eligible retirees. Both organizations are working together to provide eligible retirees with their full entitlement to both DVA compensation and CRSC or CRDP payments.



# VA Retro Project Implementation Phases



Project implemented in several phases:

- Phase I *— by Task order*
  - ✓ This initial phase required the development of an interim solution to process many of the VA Retro cases. This phase was successfully completed on time with DFAS approval of the computation module. Twelve month plan put in place with nine initiatives to complete 133,057 cases by November, 2007.
- Phase II
  - ✓ March 15<sup>th</sup>, 2007 50% goal to pay 66,529 cases was met.
  - ✓ As of August 2007, the project had processed 102,713 cases and was experiencing data availability problems.
  - ✓ New goal set to complete original 133,057 cases by April, 2008 with automation assumptions.
- Phase III
  - ✓ In December 2007 determined data quality did not support automation. Massive hiring initiated. In March goal set to complete 133,057 original cases and 8,200 additional cases received by May 2008.
  - ✓ This phase was successfully completed by June 6<sup>th</sup>, 2008.
  - ✓ Goal set to complete new and returning backlog by 1 July and maintain a backlog of 30 days or less.
- Phase IV – June / July 2008
  - ✓ Completed ~11,500 New & Returning population by June 26<sup>th</sup>, 2008 – 3 days ahead of schedule



## Backlog Now Less Than Two Weeks



# VA Retro project – Contract Authorization



Task Order <i>under the R+Account</i>	Period of Performance	Funding	Description
TO 0077 	07/12/06 – 09/30/06	\$1.44M	Initial Prototype Phase Cost Plus Fixed Fee
TO 0077 + 13 Amendments	10/01/06 – 05/31/08	\$15.4M	Processing “Original” population Cost Plus Fixed Fee Level of Effort
TO 0148	06/01/08 – 01/31/09	\$1.9M	Remaining “Original” + New & Returning Population Cost Plus <u>Incentive Fee</u>
TO 0148 (Modified)	07/07/08 – 01/31/09	Incremental	Modified to include “Ongoing” population through the end of this contract period. Cost Plus <u>Incentive Fee</u>

*only  
every day  
lets give  
up 2% fee.*



# VA Retro Project - Demographics



## Staffing

- At its peak there were a total of 163 technicians assigned to the Project; After July there will be 120 technicians assigned to “ongoing” cases.
- A total of up to 12 Quality Assurance reviewers support the VA Retro payroll process.
- A team of LM Six Sigma specialists has been assigned the task of evaluating every facet of the project. One major accomplishment of this team was the introduction of Authoritative Sources of Data used to compute and validate manual computations.
- Several Lockheed Martin and DFAS executives have provided routine guidance and oversight to the VA Retro project.

## Productivity Improvements

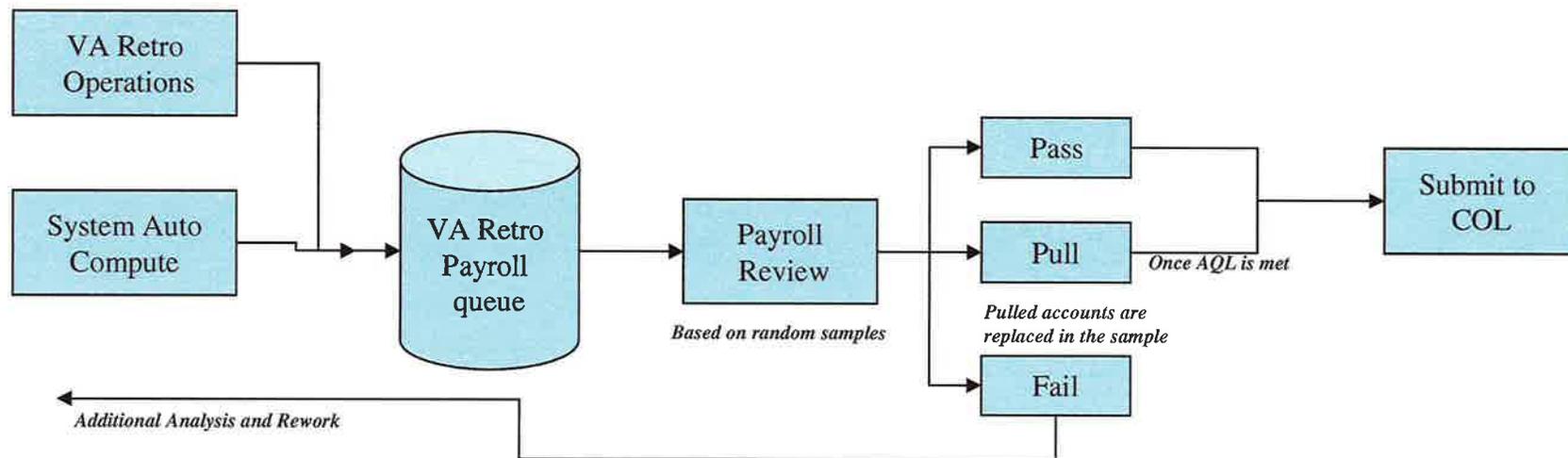
- 12,871 total cases processed off the floor in May
- Average daily processing rate of 585
- 15,934 total cases processed off the floor June
- Average daily processing rate of 755



# Quality Control / Quality Assurance



- LM's quality processes are documented in standard operating procedures (SOPs) The emphasis is on ensuring authoritative sources of data are used in adjudicating VA Retro cases.
- SOPs are reviewed by DFAS' Quality Assurance Officer randomly and regularly for appropriateness—ensuring the process supports payroll production.
- Each payroll produced is certified by LM's program manager, DFAS' assurance officer, and DFAS' certifying officer (CGA). DFAS continuously reviews LM processes as one of their "inherently governmental" responsibilities.



# Going Forward – Permanent Solution Project



- Collaborating with DFAS towards an automated permanent solution
  - ✓ Efficient and Effective Case Processing (Automated Case Resolution with Manual Exception Processing)
  - ✓ Real-Time Integration with all partners and required systems
  - ✓ Case Transparency and Visibility
  - ✓ Agile Business Rules Management
  - ✓ Workflow – Routing, Tracking Touch-Time and Notifications
  - ✓ Address Security and Privacy
  - ✓ Audit History
  - ✓ Metrics and Analytics



## Bourke, Jaron

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**From:** BERMAN, JUDY CIV DFAS [JUDY.BERMAN@DFAS.MIL]  
**Sent:** Friday, February 15, 2008 4:01 PM  
**To:** Edgerton, Vic  
**Subject:** RE: Retro-VA question

Vic- The remaining 4,291 cases to be adjudicated involve deceased applicants. While I can't provide a definitive answer without more extensive research, it's my understanding that of the 4,472 cases adjudicated in the majority of those cases the individuals died before the estate was paid.

Judy

-----Original Message-----

**From:** Edgerton, Vic [mailto:Vic.Edgerton@mail.house.gov]  
**Sent:** Friday, February 15, 2008 3:42 PM  
**To:** BERMAN, JUDY CIV DFAS  
**Subject:** RE: Retro-VA question

Thanks Judy. The question the Congressman had was how many of those 8753 died before they got their checks? Are all the 4291 cases to which you refer involving deceased applicants?

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Vic Edgerton, MPH, MEM  
Legislative Director  
Congressman Dennis J. Kucinich  
(202) 225-5871

-----Original Message-----

**From:** BERMAN, JUDY CIV DFAS [mailto:JUDY.BERMAN@DFAS.MIL]  
**Sent:** Friday, February 15, 2008 3:25 PM  
**To:** Edgerton, Vic  
**Subject:** Retro-VA question

Vic,

Here is the response to Congressman Kucinich's question a while back, sorry it has taken a while, but we wanted to ensure accuracy.

Since enactment of CRSC/CRDP legislation, of the original 133,057 population, 8,763 individuals have died. However, as of February 13, 2008 adjudication has been made on 4,472 of those cases. We are working adjudicate the remaining 4,291 cases by April 2008.

Judy Berman  
Legislative Liaison, DFAS-HAC  
(703)-607-3783

email: Judy.Berman@dfas.mil



## **VA Retro Update to Domestic Policy Subcommittee Staff**

**Ms. Martha Smith  
Director, DFAS Cleveland  
Defense Finance and Accounting Service  
June 24, 2008**



# VA Retro Pay Summary – June 22, 2008



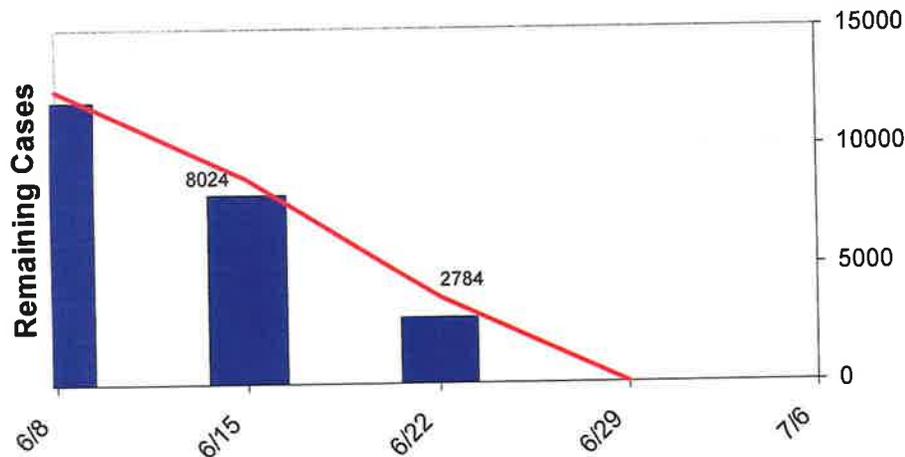
- **New & Returning Cases\*:** **86,310**
- **Cases Paid/Completed:** **83,526**
- **Remaining Cases:** **2,784**
- **Ongoing Cases\*\*:** **6,801**

Note\*: Target Date to Complete Processing is June 2008

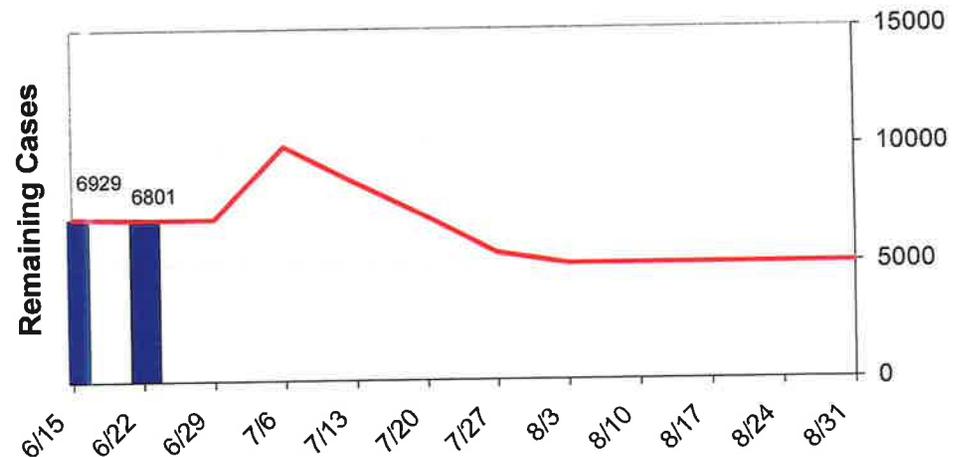
97% of Total 86,310 cases completed

Note\*\*: Complete Backlog June-August 2008  
Target to Reach Steady State is August 2008

**Backlog of New & Returning Cases**



**Ongoing Cases**



**The Week's "New & Returning" Goal was 3,667 Cases: 143% or 5,240 Cases Completed**

# VA Retro Program Commencement



- DVA policy change on retroactivity, not CRSC and CRDP legislation, established VA Retro project requirement.
- Initial CRSC guidance issued by OSD on April 15, 2004, advised against retroactive payments. This was later revised based on legal review.
- Informal discussions to establish VA Retro project commenced December 17, 2004, via email and with formal meetings on February 1, 2005.
- Revised MOU between DFAS and DVA enabling retroactive payments was completed in February 2007.





# Project Contract and Modifications

- Project is within general scope of existing R&A contract.
  - Modified contract to include new process change driven by legislation and modification of MOU with DVA.
  - CPFF contract vehicle most appropriate due to developmental nature of project.
    - ✓ Processes, data sources, and case complexities were not initially fully defined.
    - ✓ Contract had several modifications, including to Statement of Work, as requirements became better understood.
    - ✓ Developmental nature of project primarily contributed to perceived contractor failures.
  - Original developmental contract modification provided no basis for contractor penalties
    - ✓ New task order incorporates incentives for enhanced performance.
- Estimated completion date is June 27, 2008.



# Use of Awards Letters



- Initial procedure used Military Review Board (MRB) Award Letters in conjunction with DVA data.
  - ✓ MRB initially based CRSC start dates on date of DFAS adjustment in retired pay to reflect DVA compensation increase.
  - ✓ These dates were inconsistent with DVA diagnostic percentage increase changes.
- Use of Authoritative Data Sources.
- Error rate using proposed MRB Award Letters as sole source would have been 15-25 percent.



# Confirming Quality Assurance



- Mr. Michael Moxley validated the accuracy of contractor QA process.
  - ✓ Used same payroll sampling used by DFAS Internal Review “Quick Look” team for consistency
    - Cases sampled included CRSC and CRDP accounts
  - ✓ Internal Review was checking for payment accuracy and anomalies not reviewing the process.
  - ✓ He evaluated the multiple party QA process.
- Error rates, statistical data and payment calculations were provided by DFAS CGA.
- Pre-payment hands-on review by CGA personnel at various stages in payment process is ongoing.

*ended*





## Quality Control Officer

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- Appointed by DFAS in February 2008.
- Uses accepted authoritative data sources to compute payment amounts being reviewed.
- Initial sampling process used accounts from payrolls submitted by contractor.
- Reduced redundancy in QA process and improved oversight into LM case adjudication process by CGA selecting accounts while in LM Team Blue review.



## Contract Costs



- Additional contract cost for VA Retro modification is \$13,549,054.01 as of invoice dated April 24, 2008.
- Costs of using government personnel to augment contractor effort were \$464,136.20 as of May 24, 2008.
- Final costs won't be known until after full backlog of new and returning accounts is eliminated (ECD June 30, 2008).



# DFAS “Quick Look” Review



- Review commenced January 2008.
- Final report expected by July 31, 2008.
- Upon conclusion of the review, we will provide a copy of the report.



## WINN, SHARON CIV DFAS

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**From:** MINNICH, STEVEN CIV DFAS  
**Sent:** Tuesday, December 04, 2007 2:07 PM  
**To:** GIEBELHAUS, STEPHEN CIV DFAS; MAJESKI, MICHAEL CIV DFAS; QUINLAN, FRANCIS CIV DFAS; EGGLESTON, JILL CIV DFAS  
**Cc:** LINDSAY, MICHAEL CIV DFAS; KANE, DAVID CIV DFAS; MILLER, ERIC CIV DFAS; MARQUEZ, CHERYL CIV DFAS  
**Subject:** VA Retro Background

I just got done talking to Mike and he asked me to summarize some additional background to better explain where I believe we are contractually.

The VA Retro project was started in July 2006. It involved a prototype/process development phase, an initial processing phase (similar to IOC), an interim processing stage, and a transition to full automation. We've never gotten out of the prototype/process development. The entire project has been done under CPFF (best effort). The proposals were based on known numbers of accounts, but in March of 2007 we "declared victory" at the halfway point by looking at the total number of accounts processed in comparison to the original 133K. In April 07 the contractor proposed continuation of the project based on the 133K original and 8K new records to be process. This was placed on contract with a period of performance ending 31 December. This again is a CPFF effort. As of 15 November the contractor had processed ~ 120K records and still has 48K of the original files to process. These 48K represent the hardest and most complex of the files and each requires significant time and expertise to process, once the record information is received. There are several constraints on availability of the data, but with Martha's help DFAS is working through the DFAS firewall issue on VETSNET, however, this will only cover about 11K of the 48K records. The remaining records are either on older data systems or require paper data pulls from various VA offices.

Based on past practice, the CGA never distinguished between original and new accounts being processed and the labor expended was paid for under the contract.

The Government (Karl, Martha & Chet) do not want the contractor or CGA to stop all efforts on the new files, but want emphasis on the original files. The contractor proposes that they will be able to process 300 records per day starting today (I do not believe they will be able to hit this mark) and based on that, they are projecting a 7 month POP. Further the "shot-off" valve of automation is some undefined date in the future as it is dependent on the VA's 3-in-one data product that has not been fully defined nor do we have a projected delivery for it. We will put the press on these files, set impossible goals and therefore expectations and be the architects of yet another failure. Even if the contractor can meet his goal, the CGA is not able to process this level of workflow due to the reviews mandated to comply with Certifying Officer Legislation and the potential liability therein.

Throughout the project, the processes have undergone numerous changes, the groundrules on what can and can't be done, review and sampling levels, and the sources of data as well as the population of records have all been moving targets. Nothing has stabilized to allow us to move to another form of contract.

I hope this helped, please let me know if you have any specific questions. Thanks

V/R  
Steve



## VA Retro

### **Executive Summary:**

\* Lockheed Martin (LM) committed to completing 133,057 VARetro accounts by November 15, 2007. Additionally, LM committed to completing any additional accounts that were received above this base number by December 31, 2007. As of September 30, 2007 this number was 162,475.

\* Much effort was put into an accelerated development to create an automated solution to potentially pay 45-50% of the CRSC cases. This depended upon the government agreeing that that a DVA file, the SLC06 be the only source on information

\* Once the risk of using the SLC06 file was determined, it was no longer considered a viable option. At least 14%+ of the accounts computed using the solution would be erroneous..

\* COL: the application of COL oversight has made payroll processing challenging. Most VA Retro cases are manually created. Achieving 97% passing is often very difficult..

\* RBA200) a file recently determined to exist. It holds many possibilities, but not fully explored

\* Personnel: Approximately 44 people were hired (per LM invoice). Since inception the government has been invoiced \$464,825. \_

**Issue: What impediments negatively impacted timely completion? Are these issues valid?**

### **Background:**

An In Process Review (IPR) was held on May 8, 2007. A DVA Retro glide Path chart reflected the commitment to November 15 and December 31, 2007. The completion project proposed in several phases ():

- Phase I (7/06 – 9/06)
  - Successfully completed on time and received customer sign off approval on the computation module.
  
- Phase II (10/06 – 6/07)
  - As of April 2007, the project has processed 73,199 cases.
  - March 15th goal to pay 50% of the 133,057 cases was met and exceeded by approximately 200 payments.
  - Current period of performance extended through June 2007

- Phase II-B (continuation of Phase II) (7/07 – 1/08)
  - Completion of 133,057 cases as well as 8,200 new cases received through March 1, 2007
  - Proposal in review between CGA and LM
  
- Phase III - Residual
  - This phase is intended to support the processing of new accounts from March 2007 through the implementation of the permanent solution. A proposal will be submitted in August 2007.

The program was outlined in 3 phases (from the May 8, IPR) :

- Interim Solution: M/S Access  
*Aimed at providing efficiency and stability to the current manual process.*
  - May 11: Verify Conversion to SQL Server
  - May 31: Realize Increased Throughput of Casework – 24 additional technicians processing cases
  - August 15: Deliver Phase III Technical Proposal
  - November 15: Complete processing of original 133,057 cases
  - December 15: Complete processing of 141,300 cases

- Accelerated Development

*Earlier delivery of certain components of the permanent solution; specifically with regards to CRSC cases*

- May 8: Start Funded Work Effort
- July 31: Customer Acceptance Testing Begins
- Sept 13: Implementation Begins – 3 months ahead of original schedule
  
- Permanent Solution
  - June 8: Phase II Technical Proposal
  - Sept 30: Build System Testing Environment

**The Business Rule:**

The interim solution utilized a Microsoft Access data base, and is primarily a manual operation. This process included manual data entry after receipt of entitlement data, diagnostic codes and effective dates from the VA. This is time-consuming and cumbersome, but creates a payment based on all pertinent data.

The accelerated development solution was anticipated to allow much faster processing. It was based on the government accepting a business rule that assumed a particular file



provided by the DVA, the SLC06 file, along with the initial letter from the service authorizing CRSC was all that was required to adjudicate and pay VA retro. Note there is nothing in the may IPR indicating this was a requirement for completing the work effort).

LM provided briefings on July 25, 2007 August 22, 2007 and September 4, 2007. These briefings outlined what cases would be automated, which exceptions were excluded and emphasized the need to approve the "Business rule":.

*The new business rule.....*

- DVA retro payments (DFAS and VA portions) are computed by the DVA Retro database (to be replaced by the DB2 accelerated CRSC permanent solution) through the use of data transmitted on the SLC06 file. For accounts already determined to be CRSC, it is assumed that the retroactive award on the SLC06 file is combat related.
- Through the implementation of this business rule, the SLC06 file data is considered the only source data required for processing. We will not use information on the DVA "Target" or "VETSNET" system to substantiate the SLC06 file data.

*Business Rule Clarifications*

- The SLC06 file data will be used to substantiate the retro-active effective date for award letters received prior to 10/1/06.
- The SLC06 file data **does not reflect individual diagnostic codes and individual effective dates**. The business rule defines that the effective date supplied in the SLC06 file data will be used to determine the retroactive effective date for combat related codes.
- For retroactive effective date changes (subsequent to the initial award), the SLC06 file data will be used to determine the retroactive effective date.
- Processing steps will be:
  1. All cases with retroactive eligibility will be identified using the SLC06 file data.
  2. For combat related diagnostic codes, we will change the effective date to the oldest date with a withholding amount on the SLC06 file.

Throughout the June-July 2007 timeframe LM requested the government approve the business rule. There was no definitive response. In August, when the business rule issue was again raised, the government asked, "what is the risk in improper payments if the business rule was approved?" The answer was not easily obtained. The government was asked to go to the DVA and request they provide information on a number of potential cases. LM pursued this effort on their own, requesting information on 500-600 accounts from the VAROs. The goal was to run accounts through their accelerated development tool and compute via the manual process. The government asked for feedback after a approximately 10 days.. The result was a determination that following the business plan would result in a 14% or greater error rate: Details of the sample accounts:



- 91 accounts where both options identified the same diagnostic effective date. This essentially means that the Gross Pay will be the same regardless of the option.
- 21 accounts yielded a difference in pay.
  - 3 Would become a CRDP recipient
  - 15 would be overpaid (average \$5,183.00 – Max \$17K Min \$37.00)
  - 3 would be underpaid (average \$2,342 – Max \$3.4K Min \$1.7K)
- 21 accounts in the sample have a CRSC award date after 10/01/06 and thus do not effectively test the business rule.
- 16 Additional analysis required

133	Total Reviewed	100.00%
91	Accurate Pay	68.42%
3	CRDP would be more beneficial	2.26%
15	Over Paid	11.28%
3	Under Paid	2.26%
21	Post 10/01/06	15.79%

Sampling (based on 112 accounts - Excludes post 10/01/06)		
112	Total Reviewed	100.00%
91	Accurate Pay	81.25%
3	CRDP would be more beneficial	2.68%
15	Over Paid	13.39%
3	Under Paid	2.68%

Projected results (based on 8,510 CRSC accounts and 13,172 CRSC / CRDP blended)		
18,259	Total Reviewed	100.00%
14,835	Accurate Pay	81.25%
489	CRDP would be more beneficial	2.68%
2,445	Over Paid	13.39%
489	Under Paid	2.68%
3,423	Post 10/01/06	

Average Over Payment Amount	\$5,183.00
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Projected Over payment	\$12,674,517.46
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Average Under Payment Amount	\$2,342.00
Projected Over payment	\$1,145,426.20

After weeks of addressing the business rule, the lack of upfront risk analysis resulted in ultimate rejection of this path forward. Note this issue addresses CRSC, not CRDP. LM advised CRDP accounts were on track for completion by 11/15 and 12/31 as appropriate. accounts

**RBA2000:**

After this effort fell through, contact was made with a senior VA executive. He advised a VA file was available, the RBA2000, which appears to provide the needed information to adjudicate most non-exception cases (and assist with some of the exceptions). To use this file with the automated solution will likely take 3-4 weeks to get started, an automated solution not likely with this file until after processing commitments are met.

It would seem that a readable copy of this file would assist the manual side of processing, allowing faster manual account processing. No commitment from LM at this time.

**Dependency Issues:**

Another issue was raised regarding dependency processing and “color of money (DOD vs. DVA funds)”. This issue came from the government, indicating that although accounts were computed correctly, the correct amount of money to the retiree the funds to the DFAS or the DVA was incorrect. This caused LM to recreate their payrolls, pulling 80% of the accounts. Within 2-3 days, the issue was resolved. And payrolls processed again.

**Certifying Officer Legislation (COL):**

Frustration has arisen several times regarding the issue of COL. The rule is that 97% of the accounts in a payroll must pass the government's review or the payroll has rejected. Payrolls has rejected at various times, but the contractor has reworked the payrolls

**Personnel:**

LM was generally given carte blanche to hire the personnel necessary to complete the VA Retro effort. Roughly 44 personnel were hired. Total expenditure since inception of the VA retro program is \$464,825



The security process (EPSQ) has removed some processors.. The number is not known.

DFAS-CL



## BERNHARDT, KARL H CIV DFAS

---

**From:** SHINE, PAT  
**Sent:** Wednesday, October 11, 2006 5:01 PM  
**To:** TYMINSKI, WILLIAM  
**Cc:** BERNHARDT, KARL H; SWEITZER, KENNETH; STEARNS, MARTHA; HOGE, RITA; BENISEK, GENE; WETZEL, KAREN; COOK, ROBERT T (CONTRACTOR)  
**Subject:** RE: VA Retro cases

Thanks Bill. As you can imagine, this action has a lot of high level visibility so we need to keep a constant eye on it and be prepared to act as soon as we see any slippage in the schedule.

Pat

>  
>From: TYMINSKI, WILLIAM  
>Sent: Wednesday, October 11, 2006 4:54 PM  
>To: SHINE, PAT  
>Cc: BERNHARDT, KARL H; SWEITZER, KENNETH; STEARNS, MARTHA; HOGE, RITA; BENISEK, GENE; WETZEL, KAREN; COOK, ROBERT T (CONTRACTOR)  
>Subject: VA Retro cases  
>  
>  
>Mr. Shine.....I am providing some of the information provided by Robert Cook regarding the VA retro payments for this month:  
>  
>From the pending payroll we removed 89 payments from DFAS, 172 from DVA. The payroll will now be 410--DFAS payments and 1450--DVA.  
>  
>We migrated cases to Level 3. Here is the new breakdown by levels:  
>  
>Level 1 from 53,812 to 47,497  
>Level 2 from 38,195 to 32,127  
>Level 3 from 42,886 to 55,269  
>  
>We will have the revised payroll to the CGA by 1700 today. I have Gene B. talking to Frank regarding the sampling requirements for this payroll---since it is different in size and complexity---the sampling size may change.. We will run the update tomorrow, Thursday, October 12, payment date will be Wednesday October 18.  
>  
>As far as the impact on the 40,000 for the month of October, it is critical that we get this payroll approved and the next large one out to the VA by the 18th or we will not be able to meet the 40,000 processing projections. Going on the premise that this payroll is acceptable, we will work closely with Lockheed to implement sampling plans on the processes for subsequent payrolls.  
>  
>By my estimation, if everyone remains on task, we'll have another payroll to the CGA by Friday. This will get us pretty close to the 40,000 mark.  
>  
>We will continue to monitor this process very closely with Lockheed and keep you apprised of developments.  
>  
>Bill  
>  
>

## BERNHARDT, KARL H CIV DFAS

---

**From:** TYMINSKI, WILLIAM  
**Sent:** Tuesday, March 06, 2007 4:13 PM  
**To:** BERNHARDT, KARL H; KRADLAK, MARTIN  
**Subject:** RE: Retro-VA Project Progress

Karl.....I concur. I too do not feel confident regarding a project completion by the end of September. I thought that we were still due a proposal from Lockheed for the final phase of this process. If that's the case, that would be the time for an update on the remainder of the project. I'll have to defer to Marty's good judgment on this issue.....Bill

>

---

>From: BERNHARDT, KARL H  
>Sent: Tuesday, March 06, 2007 10:31 AM  
>To: TYMINSKI, WILLIAM; KRADLAK, MARTIN  
>Subject: Retro-VA Project Progress

>

>Bill, Marty,

> While I suspect there is a fair likelihood that Lm will successfully achieve the "50% plus one" threshold, I do not have a warm and fuzzy about the remaining project. When I heard that upward of 40% of the remaining cases are within the IU category, I can see where more unexpected difficulties may arise. I also heard that there is a reasonable chance that this effort will be predominantly supported by manual calculation/ technician work vice automated solutions. While Robert alluded to re-training the tax season temporary employees employed in the contact center after April, that means they may not be productive till May or later. I do not see a clear plan that takes us to project completion by Sep 07 with a high degree of certainty.

>

> Would it be prudent to conduct a mid-course IPR on this project with the goal of evaluating the plans and preparations for supporting the remainder of the project work? That could also include the automation/ SCR changes planned for RCPS. This could lead to a mid-course adjustment of the project, if needed, particularly if the desired outcomes are in doubt.

>

>Karl



## WINN, SHARON CIV DFAS

---

**From:** ETTER, LINDA CIV DFAS  
**Sent:** Thursday, January 03, 2008 5:53 PM  
**To:** GIEBELHAUS, STEPHEN CIV DFAS; QUINLAN, FRANCIS CIV DFAS  
**Cc:** BARTA, MARK CIV DFAS; KOENIG, JOHN CIV DFAS; LAFFERTY, SCOTT CIV DFAS  
**Subject:** FW: VA Retro ROM

**Importance:** High

**Attachments:** VA Retro OPS - ROM for 48K cases - 12.27.07 - DFAS.doc



VA Retro OPS -  
ROM for 48K cas...

Steve and Frank,

We have reviewed the VA Retro - ROM. Although you indicated that the CGA will need to determine whether the ROM is a feasible and reasonable approach to completion of the processing of the original VA Retro case, we wanted to share our thoughts on a few of the items. Our comments are set forth in Scott's e-mail below.

Linda

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-----Original Message-----

**From:** LAFFERTY, SCOTT CIV DFAS  
**Sent:** Thursday, January 03, 2008 3:35 PM  
**To:** ETTER, LINDA CIV DFAS  
**Cc:** KOENIG, JOHN CIV DFAS  
**Subject:** FW: VA Retro ROM  
**Importance:** High

Linda -

Per our discussion this morning, I am submitting the following as our comments to the ROM that LM has submitted for processing the remaining VA Retro cases.

- Page 1, under "Approach: Processing", 3rd bullet, item 2, LM refers to receipt of a correct and complete RBA2000 file from the VA by the end of December 2007 to complete certain cases. Then, at the top of page 4, it indicates that a "Detailed Data Analysis" is being conducted on the RBA2000, but no results are suggested. Since the ROM is dated December 27, 2007, it is unclear why an update from the VA is not included regarding the progress in providing access to this file in the near term. Otherwise, it seems meaningless to rely on this data source for completing the remaining VA Retro cases.

- Page 1, under "Approach: Processing", 3rd bullet, item 3, another stated assumption is receipt of 30,000+ "Rating Decisions" from the VA Regional Offices. There are approximately 55 VA regional offices, which DoD has no direct control over. Our earlier comments had alternatively suggested obtaining the Rating Decisions from the 3 individual military service CRSC offices, which with DoD assistance, would offer a more targeted approach. Obtaining the Rating Decisions from the military services is not addressed in the ROM.

- On page 3, "Assumptions/Baseline - Operational", LM projects adjudicating 1,500 cases per week. Even if the project runs from the week of January 7 through the end of April 2008 (16 weeks), at 1,500 per week, LM would process only 24,000 cases, only half of the remaining cases/accounts to be worked.

- Page 4, under "Dependencies/Constraints", the "relief from COL" constraint that Steve Minnich also refers to should more correctly refer to the Improper Payments Information Act that Mark cited in his opinion of December 10, 2007

1 DFAS-CL



to Eric Miller and Doug Smith about the reporting requirement for underpayments. The COL constraint would apply to overpayments.

Scott

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-----Original Message-----

From: GIEBELHAUS, STEPHEN CIV DFAS  
Sent: Friday, December 28, 2007 11:36 AM  
To: ETTER, LINDA CIV DFAS  
Cc: MESTER, JOHN SES DFAS; KOENIG, JOHN CIV DFAS; LAFFERTY, SCOTT CIV DFAS; QUINLAN, FRANCIS CIV DFAS  
Subject: FW: VA Retro ROM  
Importance: High

Linda:

Frank Quinlan just received the Lockheed Martin proposal on how it would meet Mr. Gaddy's deadline for processing VA retro payments.

Please let him and me know if you see problems with this.

Steve G.

-----Original Message-----

From: QUINLAN, FRANCIS CIV DFAS  
Sent: Friday, December 28, 2007 11:13 AM  
To: GIEBELHAUS, STEPHEN CIV DFAS  
Subject: FW: VA Retro ROM  
Importance: High

Steve,

Here is Lockheed Martin's proposal. Steve Minnich apparently thinks there are some issues to work out. I am in the process of reviewing it.

Thanks, Frank

-----Original Message-----

From: MINNICH, STEVEN CIV DFAS  
Sent: Friday, December 28, 2007 10:08 AM  
To: SMITH, DOUGLAS CIV DFAS; BERNHARDT, KARL H CIV DFAS; STEARNS, MARTHA SES DFAS; BOUTELLE, CHET SES DFAS  
Cc: KANE, DAVID CIV DFAS; MILLER, ERIC CIV DFAS; LINDSAY, MICHAEL CIV DFAS; QUINLAN, FRANCIS CIV DFAS; BARTA, MARK CIV DFAS; MAJESKI, MICHAEL CIV DFAS; EGGLESTON, JILL CIV DFAS; BENISEK, GENE CIV DFAS; HOGE, RITA CIV DFAS; KRUSHINSKI, LEE SES DFAS  
Subject: FW: VA Retro ROM  
Importance: High

Doug/Karl,

Attached is the ROM for VA Retro. Please review, provide comment and process funding and Government Estimate. I have extracted significant issues that I'm aware of below:

Salient features:

1. Total projected cost of clearing remaining 48,000 records \$3,387,000 less applicable amount currently on contract leaves \$1,529,000 to be funded
2. ROM is predicated on several assumptions/dependencies:
  - Practices Previously rejected by the Government as unacceptable including:



**WILES, AMY CIV DFAS**

---

**From:** KRUSHINSKI, LEE SES DFAS  
**Sent:** Wednesday, June 04, 2008 9:10 AM  
**To:** WILES, AMY CIV DFAS  
**Subject:** FW: VA Retro Timeline  
**Signed By:** lee.krushinski@dfas.mil

-----Original Message-----

From: KRUSHINSKI, LEE SES DFAS  
Sent: Monday, December 03, 2007 7:14 AM  
To: STEARNS, MARTHA SES DFAS; BOUTELLE, CHET SES DFAS  
Cc: KLUMPH, BUD CIV DFAS  
Subject: FW: VA Retro Timeline

Martha/Chet...I'd like something from the contracting office today on what we can do to require (and pay for) mandatory overtime for the current staff to work these cases. Would like to know how many folks would be capable to help out in this processing, recognizing some contractor personnel may not have the prerequisite competencies and skills to work these. We can discuss at Southbridge. If we get any push back at all from the contractor, I'd like to schedule a meeting with the VP this Friday if possible when we get back to discuss this. I also want to talk to you and Chet about what happened here and what short and long range actions we need to take to square this away. I'm hearing and seeing a lot more problems here than just the VA Retro especially in the customer service arena. Let's see if we can figure out a plan of attack.....Lee

-----Original Message-----

From: KRUSHINSKI, LEE SES DFAS  
Sent: Monday, December 03, 2007 7:03 AM  
To: GADDY, ZACK SES DFAS; STEARNS, MARTHA SES DFAS  
Cc: BOUTELLE, CHET SES DFAS; BERNHARDT, KARL H CIV DFAS; SMITH, DOUGLAS CIV DFAS; ONDER, GARRICK CIV DFAS; MCKAY, TERESA SES DFAS; LOPEZ, LEE CIV DFAS  
Subject: RE: VA Retro Timeline

Zack,  
I have Martha checking with the contracting folks to see what we can do to require mandatory overtime for the full R&A staff to work these cases. Don't see why we can't do that and the people working the cases would already have the basic knowledge needed to work these.....Lee

-----Original Message-----

From: GADDY, ZACK SES DFAS  
Sent: Sunday, December 02, 2007 2:46 PM  
To: STEARNS, MARTHA SES DFAS  
Cc: KRUSHINSKI, LEE SES DFAS; BOUTELLE, CHET SES DFAS; BERNHARDT, KARL H CIV DFAS; SMITH, DOUGLAS CIV DFAS; ONDER, GARRICK CIV DFAS; MCKAY, TERESA SES DFAS; LOPEZ, LEE CIV DFAS  
Subject: RE: VA Retro Timeline

I can tell you right now that 6 more months is unacceptable. I want these cases processed within 3 months. We have already taken far too long and I will not accept the glide path you included. Tell me how many people you need and how much OT is required to make 3 months. Also, if a case is resubmitted it should not count against us since you should have already reviewed it and made an original determination.

Thx,  
Zack



## SMITH, DOUGLAS CIV DFAS

---

**From:** BENISEK, GENE CIV DFAS  
**Sent:** Thursday, January 24, 2008 5:38 PM  
**To:** JAKYMA, DOUGLAS CIV DFAS  
**Cc:** SMITH, DOUGLAS CIV DFAS; BERNHARDT, KARL H CIV DFAS; MYERS, JAYNE CIV DFAS; HOGE, RITA CIV DFAS; WAWIERNIA, PAULA CIV DFAS  
**Subject:** FW: Need the orange chart populated with data today please.

**Attachments:** VA Retro Daily Productivity 23JAN08.ppt; VA Retro 5 Day Report jan22.ppt; new daily production jan22v1.ppt



VA Retro Daily  
Productivity 23...



VA Retro 5 Day  
Report jan22.pp...



new daily  
production jan22v1.p...

Doug J,

Will the majority of the information Karl's requesting be ultimately provided by the contractor - since they trigger and actually feed the process and are cognizant of the requested information? They number the payrolls, are cognizant of the actual data contained therein and have the receipt of our random sampling requests, the dates they provided cases jackets to the CGA. I was under the impression that Brian Clemente was the controller of the numbers.

I agree with Karl that additional information is necessary. Will LMGS be expected to control and balance the numbers based on the submission and review process.

There is a reason for the request.

Maybe you understand these reports that R&A is providing better than I do. For example, look at the first chart attached above. Look at the daily productivity for 1/16/08. The first attachment indicates zero productivity for 1/16/08. Now, look at the first slide in the second attachment going left to right. This chart reflects that 197 accounts were actually processed from the remaining original population. Does the 3rd attachment reflect that 258 cases were worked on 1/16/08. What's the accurate number/

I'll provide and assist where I can, but I would suggest that we try to stay out of harms way in synching up LMGS numbers. Maybe I'm just reading information inaccurately.

Gene

Gene

-----Original Message-----

**From:** SMITH, DOUGLAS CIV DFAS  
**Sent:** Thursday, January 24, 2008 3:54 PM  
**To:** BENISEK, GENE CIV DFAS; JAKYMA, DOUGLAS CIV DFAS  
**Cc:** MYERS, JAYNE CIV DFAS; MYERS, ROBERT CIV DFAS; HOGE, RITA CIV DFAS; WAWIERNIA, PAULA CIV DFAS  
**Subject:** RE: Need the orange chart populated with data today please.

Gene,

Please work with Doug Jakyma to create a report that meets Chet's requirements. I would like to review with ALCON before we publish. Anticipate this will be a daily chart you will produce each day for internal DFAS distribution.

Doug

-----Original Message-----

**From:** BERNHARDT, KARL H CIV DFAS



## **BERNHARDT, KARL H CIV DFAS**

---

**From:** SMITH, DOUGLAS CIV DFAS  
**Sent:** Friday, January 04, 2008 1:10 PM  
**To:** MYERS, ROBERT CIV DFAS; BERNHARDT, KARL H CIV DFAS  
**Subject:** RE: VA Retro Mtg w/ Mr. Gaddy

Bob/Karl,

I have met with LM. They are to create new weekly reports:

1) A bar chart reflecting the cases remaining to be completed for both the "Original Population" and the "new and returning." The chart will begin at 15 Nov 07 and reflect status each week thereafter.

2) A productivity graph. This will begin on 15 Nov 07 and reflect weekly information. LM will project productivity based on 6 cases per tech per day. The projections are to be adjusted as each of the classes complete and deliver new techs. This planned line will move forward until 7 Apr 08. A second point will be noted weekly which is what was actually produced. Any delta will require explanation. The graph is to continue out until the inflow of cases can all be worked within 30 days.

Reports are to be available each week so that the information required for the website can be posted Tuesday morning.

3) They also need to report workable cases. These are cases for which they have the data needed to adjudicate. All other cases would be non-workable. No format discussed for this report.

LM will review the debt cases to ensure all debts are VARetro related. If so, a no pay due letter will be generated.

We owe a response to:

- A) Why productivity is low
- B) Why we have not processed the difference between the ~40,000 data call to the VA and the 43,056 currently on hand.
- C) Status of obtaining VA data to complete by 7 Apr 08.

Corp Comm is to post information on the web regarding progress.

If more, please advise.

Doug

-----Original Message-----

**From:** MYERS, ROBERT CIV DFAS  
**Sent:** Friday, January 04, 2008 12:39 PM  
**To:** BERNHARDT, KARL H CIV DFAS; SMITH, DOUGLAS CIV DFAS  
**Subject:** VA Retro Mtg w/ Mr. Gaddy

I'm no secretary and my shorthand stinks, but here's what I heard:

CB = Chet Boutelle  
DS = Doug Smith  
KB = Karl Bernhardt  
LK = Lee Krushinski  
ZG = Zack Gaddy

CB started by asking ZG how he wanted to proceed; email questions or chart? ZG: Directly to the questions in the email.

#1 What's the status of the contract mod to complete the retroactive work for the original population? DS stated the following for the contract status: we have received the Rough Order of Magnitude (ROM) from LM, we have initiated the appropriate funding document locally, have a completed IGCE and are working on a Statement of Work (SOW). ZG asked if we have an expected date yet? DS stated at least a couple of weeks. CB states hopefully sealed up by week of 1/14.

#2 How many people have been brought on by LM to do this work? Have they been trained? DS stated LM currently has 3 classes for a total of 35 people. In January a new class will start bringing the total number of people to 60, as discussed in Southbridge. ZG asked if any of these people are actually doing any work yet? DS stated no, they are strictly in training mode.

#3 How many additional DFAS resources have been added? DS stated 7 additional to review payrolls provided by LM and to review any entitlements over \$2500

#4 Overall, are you successful at ramping up the number of people we discussed on Dec 6th? DS stated yes

#5 What was the original population of retroactive cases from the original population as of Dec 6, 2007? How many of these cases have been computed since then? DS stated the population on 12/6 was 44,128 and 43,056 remaining for a total of 1,092 completed from 12/6 to current date.

#6 What is the planned daily productivity per person? DS stated 6 cases per person per day X 50 people = 300 per day

#7 What is the actual productivity per person? DS stated 1.4 cases per day because of slow data from the VA. ZG asked what are they doing the rest of the time? DS stated they are doing Congressionals and other items helping to reduce the number, plus the holiday was a slow period. CB stated we are contacting the VA daily and that they are providing the 100% certificates. LK asked if the lack of productivity because of a lack of information provided by the VA? DS stated this was correct. LK stated early next week he will go back to the VA SR guys & ask them to turn it up.

#8 What is the status of the DVA file you were testing back in Dec? DS stated the RBA 2000 test is being reviewed and we will probably get about 30% of data needed from this file. Also, that VETSNET access is close, that DFAS technical have Ok'd and we've asked the VA for a status this morning.

#9 What other steps are you taking to speed up this effort? DS stated we are working with the VA for data identifying the first 35K who signed up continue to coordinate VETSNET availability and are getting as much data as possible from the RBA 2000 report.

ZG then asked why the 5K cases previously identified as not needing data from the VA to compute weren't done yet? DS stated we don't know, we would have to ask LM. ZG then states that LM needs to come prepared to talk about their productivity.

ZG: What does it take to get the right info from the VA? DS: The RBA 2000 test is being reviewed and VETSNET access is close. ZG: When will we have access the data? This week? Next week? The data is critical and we need to work. DS: We will get an answer to that question soon.

ZG: In our letters to the mbrs, do we give them a date to expect pmnt? DS: No, just that we are working the items. ZG: We need to let the customers know when we expect to get things done in order to avoid congressionals. CB: We are going to advertise on the web and have it updated every /Monday to see how many cases done, when we think the 100%ers will be done, and state when we are going to the 90%ers, etc. KB: We also advised corporate comm that they are receiving a smaller pmnt from us and a larger from the VA.

ZG: When will web be updated? CB: Probably Monday, Tuesday at the latest.

ZG: Format of the chart from LM not good, he does not want to have to do the math, only wants current quick snapshot. KB: The total # at the start of the day, the # of people working, # of cases done. ZG: Take the beginning # and the April 7 target date and depict how we're going to get to the goal. 50 people X 6 cases = 300/day. When there is a Delta, identify it and find out why it's there. Stay of track and on top for expected productivity. We should be able to identify daily what is happening. ZG: Are the #s going down as we said they would? What is the productivity with the # of people we have working the cases? He would like a "sand" chart depicting these figures at the same time the new & returning #s that will grow because of the age of the population. He would like this chart weekly stating work in progress, goals in 30 days, etc. He stated we do not want to create a backlog.

DS: 1600 paid, no pay dues ID'd, debts not processed. ZG: Debt ltrs sent? DS: No KB: Lawyers have said not to identify debtors. ZG: Not eligible's contacted? DS: Yes ZG: Keep the customers informed of their status as best we can. ZG asked LK if Philpot was contacted yet? LK: Not yet, trying to get with Rox in the middle of Jan when he'll return from work on the hill. We'll have to carefully craft when we do go out to them.

DUE OUTS: Productivity is low. WHY?  
Update chart to depict only information he wants to identify  
trends/productivity  
Identify what data we need to get from the VA to complete the project by  
4/7/08

Bob Myers  
Finance Operations

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Thursday: 269  
Friday: 382

Sub-total: ~1,331

Our class of 12 is ~ 50% complete. The new folks in house (6) are tackling blended cases, but we are depending on our seasoned personnel to more quickly work these difficult cases.

For the government to keep pace, the letter being worked is clearly needed.

Doug

-----Original Message-----

From: SMITH, MARTHA J SES DFAS  
Sent: Friday, February 22, 2008 11:55 AM  
To: SMITH, DOUGLAS CIV DFAS  
Cc: BOUTELLE, CHET SES DFAS  
Subject: FW: VARetro-021908d.ppt

How many will go out tonight? Thx m

-----Original Message-----

From: GADDY, ZACK SES DFAS  
Sent: Friday, February 22, 2008 11:35 AM  
To: SMITH, MARTHA J SES DFAS; KRUSHINSKI, LEE SES DFAS; MCKAY, TERESA SES DFAS; NOE, NORMAN CIV DFAS  
Subject: Re: VARetro-021908d.ppt

Will you meet the goal to settle 2000 cases this week?

Thx,  
Zack

-----  
Sent from my BlackBerry Wireless Handheld

----- Original Message -----

From: SMITH, MARTHA J SES DFAS  
To: GADDY, ZACK SES DFAS  
Cc: BOUTELLE, CHET SES DFAS; KRUSHINSKI, LEE SES DFAS; SMITH, DOUGLAS CIV DFAS; BERNHARDT, KARL H CIV DFAS  
Sent: Fri Feb 22 08:05:21 2008  
Subject: RE: VARetro-021908d.ppt

Attached are the charts briefed this a.m. They changed the planned productivity to capture the data as the cases leave the QC review, as you requested. For the FTE's they added in the QC review folks (6, ramping up to 9). More discussion this a.m. about bringing the LM technician output up. Rocky reported that a couple of the technicians can output 15 cases a day, others barely 1.

A lot of discussion this morning between Linda Gooden and Rocky regarding workforce efficiency. They said they are bringing in an expert on Sunday to work with them. They have 45 people coming in Saturday and 15 Sunday.

Walked Radha through the report yesterday. Her only comment back to me was that the budget justification paper that went to Tina included the new and returning cases, so she is requesting that information daily, as well. I will work with Rocky to add that to the daily report because I think it's important that only one report be floating around each day.

-----Original Message-----

From: GADDY, ZACK SES DFAS  
Sent: Friday, February 22, 2008 7:15 AM  
To: SMITH, MARTHA J SES DFAS  
Cc: BOUTELLE, CHET SES DFAS; KRUSHINSKI, LEE SES DFAS



Subject: RE: VARetro-021908d.ppt

Keep calling into the morning meetings with Linda Gooden. They aren't making their planned production so it calls into question their ability to meet the April deadline. That will be the subject of the meeting with Tina and Linda on Monday.

Thx,  
Zack

-----Original Message-----

From: SMITH, MARTHA J SES DFAS  
Sent: Thursday, February 21, 2008 10:27 AM  
To: GADDY, ZACK SES DFAS  
Cc: BOUTELLE, CHET SES DFAS; KRUSHINSKI, LEE SES DFAS  
Subject: FW: VARetro-021908d.ppt

Zack, here are the corrected charts. This does not include your change to the productivity numbers (they are working that now).

The "Payroll Queue" is created when the technician finishes a case and presses Submit. The plan is to pull 500 cases per day into QA Queue for review. To walk you through this, let's take Wednesday's plan. The QA Queue number is a product of the previous day's QA Queue (1793) + what was pulled from Payroll Queue Output (500) minus QA Output (501) and minus rejects (86) = 1706.

For the CGA Queue numbers, they just counted what was in there today and for planning purposes they said CGA Output would be the same as what was pushed to them that day (501). We are assuming this will change with the combined review team.

Cumm Remaining is the previous days actual inventory - planned paid (37,211 - 501) for the plan and actual inventory - actual paid for the cumm remaining.

-----Original Message-----

From: Thurston, Rocky [mailto:rocky.thurston@lmco.com]  
Sent: Thursday, February 21, 2008 9:15 AM  
To: SMITH, MARTHA J SES DFAS; BOUTELLE, CHET SES DFAS; KRUSHINSKI, LEE SES DFAS  
Subject: VARetro-021908d.ppt

<<VARetro-021908d.ppt>>



**SMITH, DOUGLAS CIV DFAS**

---

**From:** GADDY, ZACK SES DFAS  
**Sent:** Friday, April 04, 2008 1:56 PM  
**To:** 'rocky.thurston@lmco.com'; BERNHARDT, KARL H CIV DFAS; COOK, ROBERT T CTR DFAS; SMITH, MARTHA J SES DFAS; SMITH, DOUGLAS CIV DFAS; BOUTELLE, CHET SES DFAS; JAKYMA, DOUGLAS CIV DFAS; NOE, NORMAN CIV DFAS; KRUSHINSKI, LEE SES DFAS; MCKAY, TERESA SES DFAS; BERMAN, JUDY CIV DFAS; RAMOS, CARLOS LTC DFAS; 'RADHA.SEKAR@OSD.MIL'; 'rodney.gregory@osd.mil'; MINNICH, STEVEN CIV DFAS; CLYMER, JOHN CIV DFAS; HALAUT, CAROLYN CTR USA DFAS; MORRIS, LARRY LTC USA DFAS  
**Subject:** Re: VA Retro 4/4 - Flash

Rocky:

These results for Thursday are extremely disappointing. As we discussed this morning, I'd like to see all rejected cases cleared this week. By now you should have a handle on why cases are not passing QA and get the quality level to a point where adjudicated cases pass muster.

Thx,  
Zack

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Sent from my BlackBerry Wireless Handheld

----- Original Message -----

From: Thurston, Rocky <rocky.thurston@lmco.com>  
To: BERNHARDT, KARL H CIV DFAS; COOK, ROBERT T CTR DFAS; SMITH, MARTHA J SES DFAS; SMITH, DOUGLAS CIV DFAS; BOUTELLE, CHET SES DFAS; JAKYMA, DOUGLAS CIV DFAS; GADDY, ZACK SES DFAS; NOE, NORMAN CIV DFAS; KRUSHINSKI, LEE SES DFAS; MCKAY, TERESA SES DFAS; BERMAN, JUDY CIV DFAS; RAMOS, CARLOS LTC DFAS; Radha.Sekar@OSD.MIL <Radha.Sekar@OSD.MIL>; Gregory, Rodney Mr OSD COMPT <Rodney.Gregory@OSD.MIL>; MINNICH, STEVEN CIV DFAS; CLYMER, JOHN CIV DFAS; HALAUT, CAROLYN CTR USA DFAS; MORRIS, LARRY LTC USA DFAS  
Sent: Fri Apr 04 12:19:13 2008  
Subject: VA Retro 4/4 - Flash

Please find charts attached.

Rocky Thurston  
Director, Financial Services  
Lockheed Martin  
w: (703) 891-6580  
c: (703) 403-7947  
rocky.thurston@lmco.com



## SMITH, DOUGLAS CIV DFAS

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**From:** GADDY, ZACK SES DFAS  
**Sent:** Monday, May 05, 2008 4:19 PM  
**To:** Ruddell, Howard; SMITH, DOUGLAS CIV DFAS; BERNHARDT, KARL H CIV DFAS; SMITH, MARTHA J SES DFAS; BOUTELLE, CHET SES DFAS; NOE, NORMAN CIV DFAS; KRUSHINSKI, LEE SES DFAS; MCKAY, TERESA SES DFAS; BERMAN, JUDY CIV DFAS; Radha.Sekar@OSD.MIL; Gregory, Rodney Mr OSD COMPT; MINNICH, STEVEN CIV DFAS; Darrell Graddy  
**Subject:** RE: VA Retro Daily Flash 05-05-2008

I appreciate that 698 original and 248 new/returning cases were completed. However, LMCO missed the goal for original cases by 707 for the week. Further, for the period included in the flash report, floor production was 391 vice 590 and the productivity level was 1.49 cases per FTE--nowhere near the level required to meet productivity goals to achieve the revised plan briefed to me and Dave Patterson today. Also, why were 388 cases rejected back to Ops? By now I think LMCO should be able to produce consistently reliable results to avoid the high level of rework that has occurred since the inception of this project.

Zack

-----Original Message-----

**From:** Knachel, John S [mailto:john.s.knachel@lmco.com]

**Sent:** Monday, May 05, 2008 10:27 AM

**To:** SMITH, DOUGLAS CIV DFAS; Thurston, Rocky; BERNHARDT, KARL H CIV DFAS; COOK, ROBERT T CTR DFAS; SMITH, MARTHA J SES DFAS; BOUTELLE, CHET SES DFAS; JAKYMA, DOUGLAS CIV DFAS; GADDY, ZACK SES DFAS; NOE, NORMAN CIV DFAS; KRUSHINSKI, LEE SES DFAS; MCKAY, TERESA SES DFAS; BERMAN, JUDY CIV DFAS; RAMOS, CARLOS LTC DFAS; Radha.Sekar@OSD.MIL; Gregory, Rodney Mr OSD COMPT; MINNICH, STEVEN CIV DFAS; CLYMER, JOHN CIV DFAS; HALAUT, CAROLYN CTR USA DFAS; MORRIS, LARRY LTC USA DFAS; LOPEZ, LEE CIV DFAS; MOORE, KATHLEEN CTR DFAS; MOYER, TOM CIV DFAS

**Cc:** Ruddell, Howard

**Subject:** VA Retro Daily Flash 05-05-2008

Daily Flash for Friday and weekend work.