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DEFENSE CONTRACT AUDIT AGENCY
DEPARTMENT OF DEFENSE
8725 JOHN J. KINGMAN ROAD, SUITE 2135
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CM 502.4
I-13-040-H

April 1, 2013

This letter is a final response to your Freedom of Information Act (FOIA) request dated March 31, 2013. You are requesting "a digital/electronic copy (such as a pdf file) of each of the ten most recent issues of the DCAA Bulletin."

PDF copies of the ten most recent DCAA Bulletins are on the enclosed compact disc and are released to you without redactions.

Should you have any questions regarding this matter, please contact Mr. Keith Mastromichalis, the DCAA Information and Privacy Adviser at 703-767-1022.

Sincerely,

A handwritten signature in black ink, appearing to read "For Putnick", is written over the typed name.

Duane R. Adens
Chief

Information and Records Management Branch





Enclosure:

1. I-13-040-H Release Compact Disc



DCAA Director's

Keys to Success

-  Cost Effectiveness
-  Responsiveness to Customers
-  Productivity Enhancements
-  Sustained Commitment to
Quality of Work Life



THE DCAA BULLETIN

SUMMER 2005

VOL. 40 NO. 1

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To obtain a subscription (annual cost - \$15.00) to *The DCAA Bulletin*, contact Tish Ortiz at (703) 767-1016 or by e-mail at Letitia.Ortiz@dcaa.mil.

DCAA retiree subscriptions are free upon request.

DCAA employees may visit us via the intranet on the File Libraries page.

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All employees are encouraged to submit articles and other items of interest for publication. Due to space limitations, however, not all submitted articles can be published. For detailed information regarding DCAA policy on this publication, consult DCAAR 5120.1, *The DCAA Bulletin*, dated March 10, 2000. You may send comments or suggestions to:

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DIRECTOR'S MESSAGE

Stretching our Potential

This past November, we conducted the Agency's eighth Quality Conference. As you may have heard, this event provided an exceptional opportunity for participants from all over the Agency to exchange new ideas and share information. The conference theme was "*Stretching Our Potential: Customer Service, Innovation, Leadership.*"

Through this issue of *The DCAA Bulletin*, we'd like to share with you some of the topics that were discussed at that conference. We also hope to reinforce the fact that each DCAA employee has a very important role in helping to enhance our potential as an organization. Faced with new challenges, each of us should constantly be striving to find better ways to accomplish our Agency's mission. And, wherever possible, we need to hold ourselves accountable not only for all aspects of our work, but also for our individual self-development.

In accordance with DCAA's commitment to excellence, our employees and teams continue to place a high degree of emphasis on "Customer Service." In keeping with that principle, a panel of civilian executives from each of the Military Services (Army, Navy, and Air Force) shared their perspectives with us during the Quality Conference. Likewise, several of the workshop presentations helped attendees learn about better ways to respond to customer requests for support.

You might find it interesting to know that in a recent survey, most of our customers rated our Agency as one of the best organizations in the Department of Defense. Given our outstanding reputation in this regard, we intend to expand DCAA's responsiveness even further. We hope to do this by keeping the lines of communication open with our customers, approaching their comments in a positive manner, and ensuring that all issues are addressed. Each region has developed plans to address customer concerns at the FAO level as well as at the command level, to ensure prompt, effective resolution. The bottom-line is that we are committed to providing DCAA's customers with world-class support.

In a similar manner, the concept of stretching our potential for "Innovation," requires us to ask the question: *Can we do better?* As evidenced by the workshops offered at the Quality Conference, it appears that some DCAA auditors have not resigned themselves to the limits of imperfect systems, but are helping us rethink those systems by introducing potential improvements. As a tribute to those "innovators," we are highlighting several Quality Conference presentations in the articles that follow.

You might also find it useful to know that DCAA's Executive Team has authorized development of several new processes for encouraging and rewarding innovative ideas. This includes implementing improvements to DCAA's suggestion programs. Our plan is

to have most of those new processes in place, by the end of this fiscal year.

Likewise, on the subject of “Leadership,” the DCAA Executive Team has taken on the challenge of reinforcing good leadership skills. Most of us realize that a good leader is not comfortable with mediocrity, but oftentimes prefers to reach beyond the norm. He/she may do so by articulating what has been previously unsaid, or by initiating ideas that provide a focus for new approaches. The role of a leader includes setting realistic goals, motivating people, and leading others by example.

To encourage good leadership skills and define expectations, DCAA’s Executive Team has defined the following eight DCAA Leadership Values: *Positive, Involved, Interactive, Professional, Ethical, Flexible, Decisive, and Responsible*.

Since several keynote presentations at the Quality Conference dealt with areas relating to those Leadership Values; we plan to distribute DVDs of those presentations. In so doing, it is our hope that managers and employees will become more familiar with those values, and begin to apply them in their own interpersonal relationships.

One of the key events that took place at the Quality Conference was the *DCAA Director’s Team Excellence Award* ceremony. A segment of this publication has been dedicated to honoring the award recipients. I would like to once again congratulate each of the seven teams for their outstanding accomplishment.

Let me conclude by thanking all DCAA employees for the fine work you are doing for your country. Our hope is to continue to encourage your personal development in achieving your greatest potential as an individual, and as a member of the DCAA family.

A handwritten signature in black ink, appearing to read "William H. Reed". The signature is fluid and cursive, with a large, stylized "R" at the end.

Quality Conference



*April Stephenson, DCAA Deputy Director
(formerly FD Director)*



William Reed, DCAA Director



*Earl Newman,
Asst. Director for Operations*



(Front Row, l.-r.) Regional Directors- Frank Summers, Michael Steen, Barbara Reilly, Edward Nelson, William Serafine; April Stephenson (FD Director), and Terry Schneider (Dep. Asst. Director for Policy), at the Director's Team Excellence Award Ceremony

DCAA

Quality Conference

November 2004

Ontario, California



Concurrent Sessions

Session #1-

- | | |
|--|---------------------------|
| A- Managing Electronic File Sizes | Flinn/ Barajas |
| B- Deltek Data Mining | Dionne/ Dribben-Dickson |
| C- Wrap it Up! | Smith/ Wagner |
| D- A 10 Year Audit & Investigative Support | Steen/ Jonns/ Wittman (G) |

Session #2-

- | | |
|--|-------------------|
| A- Finding True North- A Supervisor's Guide... | De Leon/ Hamilton |
| B- Automated Request Log System | Gonzales |
| C- Achieving Professional Degrees and Certifications | Hehe/ Cologgi |
| D- Teaming with QA: A New FAO Manager's Story | Laloggia/ Weisser |

Session #3-

- | | |
|---|---------------------------|
| A- Application for Pre-Issuance Quality Reporting | Crisp/ Boyles |
| B- Working Together to Achieve Results | Gentry/ Morales (G) |
| C- FD and Source Selections- A Success Story | Lichtig/ Davis |
| D- SAP- Soaring Amidst Possibilities | Smith / Vasbinder/ Menard |

Session #4-

- | | |
|--|--|
| A- Attention: Our Future Leaders Have Arrived! | Brown/ Gilroy |
| B- Power Up! With An Electronic Audit Toolkit | Kugler/ Cannon |
| C- What's Your SPIN? | Klos/ Schatten |
| D- RIE DCAA Managers' Panel | Garcia/ Trueira/ Slining/ Hutchinson (G) |

Session #5-

- | | |
|--|--|
| A- Assess and Test! | Zellman/ delaCantera |
| B- Atlanta Branch's "One-Stop-Shop" Guide | Compton/ Zachery/ Wild |
| C- Fraud Awareness | Keri/ Wright/ Jenkinson/ Smyth (G)/ Schodorf (G) |
| D- Continuous Learning for Small Contractors | Kaeser/ Clark |

Session #6-

- | | |
|---|------------------------|
| A- Small Steps Will Get Us There! | Yee/ Sofinowski |
| B- A-76 - The Good, the Bad and the Ugly | Schneider/ Schnettler |
| C- The ICAPS Coverage Pie & How to Slice It | Niebruegge/ Diefenbach |
| D- Success in Working with Trainees | Wall/ Gallagher |

Session #7-

- | | |
|---|-------------------|
| A- Testifying at the ASBCA | Shattuck/ Bunting |
| B- Supporting Customers in Commercial Acquisition | Dubuque/ Martin |
| C- Managing Electronic Working Papers | Winders/ Chan |
| D- Life at HQ: The Program Manager's Role | Volk/ Brackett |

Session #8-

- | | |
|---|-------------------------|
| A- To Agree or Not to Agree? That is the Question | Arnold/ McNally |
| B- What's New with APPS Tools? | Wild |
| C- Oil for Food: Teaming & Customer Service | Garcia/ Sheley/ Sherman |
| D- The Power of "Dual Purpose Testing" | Altemus/ Windes |

(G) = Guest Speaker



SELECTED WORKSHOPS



The Power of Dual Purpose Testing



Managing Electronic Working Papers



*Internal Control Systems Audit Coverage at
MultiSegment Contractors*



Assess & Test (Performing ICR Tests in Plain English)



Power-Up with an Electronic Audit Toolkit



Supporting Customers in Commercial Acquisitions



APPS (Audit Planning & Perf. System) Tools



Wrap It Up! Teaming for Incurred Cost Productivity

THE POWER OF DUAL PURPOSE TESTING

Thomas Altemus, CPA, Supervisor (Incurred Cost)
Suzanne Windes, RSA, IT Supervisor

Raytheon Missile Systems Resident Office, Central Region

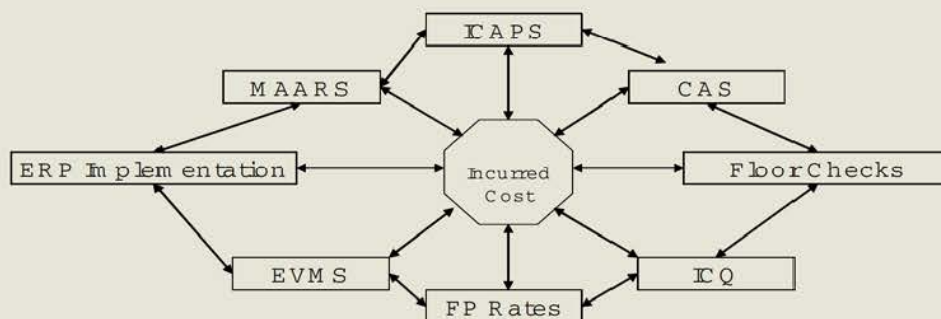
The power of Dual Purpose Testing (DPT) will provide DCAA auditors, performing in a mobile environment or in a resident office, a proven method to overcome limited audit resources and avoid duplicate testing effort. DPT is a technique that will meet resource challenges, improve productivity, and reduce audit hours significantly. It truly is a way to do more with less, by using our audit hours more efficiently. At the Raytheon Missiles Systems (RMS) resident office in Tucson, Arizona, we discovered and harnessed the power of this technique in FY 2003. Let's get an understanding of DPT before we describe the successful implementation of this technique at the RMS resident office on incurred cost and system audits.

Comprehensive Audit Technique

DPT is an integral part of a Comprehensive Audit Technique (CAT), similar to a process previously referred to as the Total Audit Concept Technique (TACT). CAT is a comprehensive philosophy for planning, performing, and managing audit activities that considers all knowledge accumulated about a contractor. CAT ensures that all audit activities are managed on the basis of an integrated concept of the audit requirements pertaining to a particular contractor. While certain parts of CAT can be standardized by incorporating the requirements into an audit program, there is another part that is more elusive and difficult to plan and implement. This part is dependent upon knowledge of not only the contractor, but of all DCAA audit requirements. This knowledge is required in order to coordinate the planning of multiple audits, and to develop audit procedures and testing that support the scope of the various audits. The key is to make sure that **ALL AUDIT REQUIREMENTS ARE CONSIDERED IN THE DESIGN OF DETAILED AUDIT STEPS**. Any time a transaction is selected for detailed review, we need to make sure that the selection procedures and the tests planned address all requirements applicable to that transaction.

Dual Purpose Testing Definition

DPT is defined as developing and performing audit procedures and tests that support multiple audits. Traditionally and naturally, we have considered audits to be somewhat autonomous, independent efforts. But with this singular mentality and approach, many opportunities are missed to take advantage of synergies that can be obtained by planning, designing, and performing audit procedures that satisfy the requirements of multiple audits. DPT avoids duplication of audit effort, increases productivity, and still allows for top quality audits and satisfied customers. DPT is a powerful tool in achieving these often conflicting goals. The diagram that follows shows DPT opportunities surrounding the incurred cost audit and other interrelated audits, if planning and coordination are performed early.

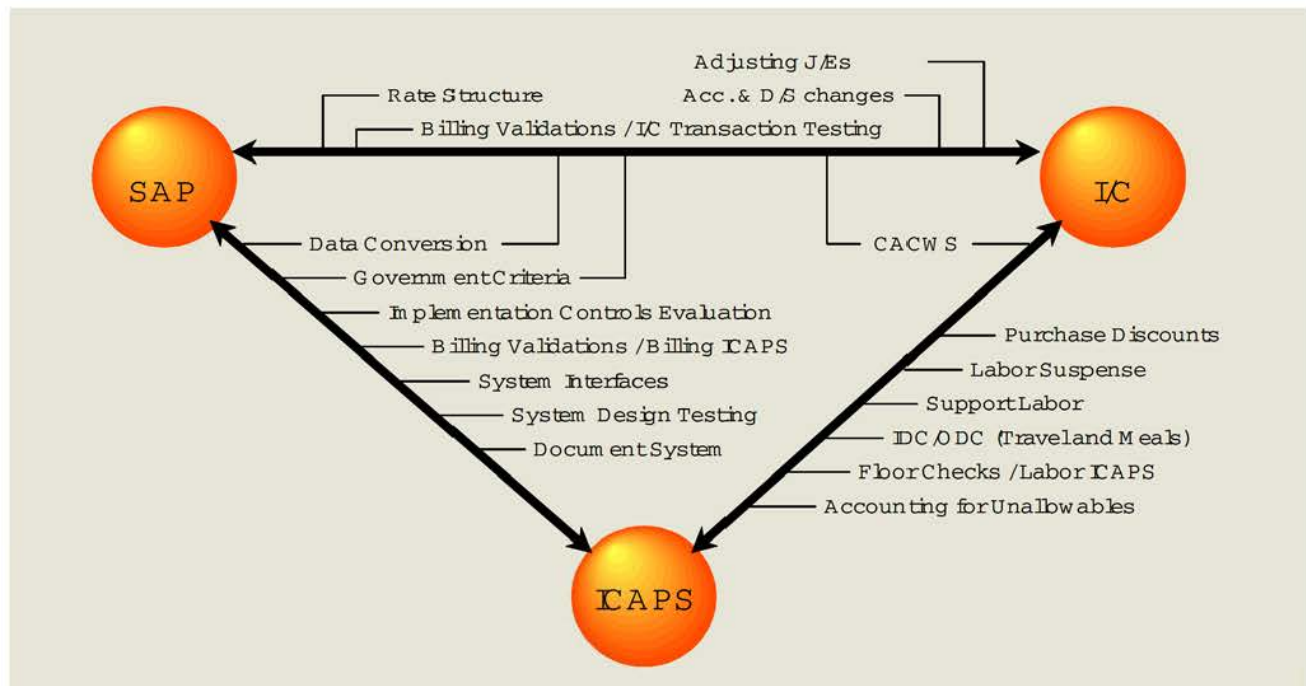


DPT in Practice at RMS Resident Office in FY2003

Our RMS program plan requirements exceeded the resources available within our office in FY 2003. We had planned seven Internal Control System audits of newly implemented SAP systems, and we had a major concurrent incurred cost review to be completed in a three month cycle time. We found the DPT concept to be a lifesaver. Using DPT was the only way we were able to complete the task at hand.

The keys to our success started at the program planning stage. To the extent possible, cyclical audits affecting particular cost elements were scheduled to occur at the same time to maximize the opportunity for DPT. The larger the FAO, the more likely different teams perform duplicative testing. At RMS, we encourage open and frequent coordination of audit planning and audit results among teams to prevent duplicate testing. We used the Agency's audit area matrixes which helped identify potential DPT opportunities. These matrixes are on the DCAA intranet in the Other Audit Guidance section of the Resources grouping. At RMS, we used the "Concurrent Audit of Incurred Cost, Audit Areas Matrixed to MAARs" throughout the year, and we also prepared custom audit steps during audit planning that coordinated the DPT testing. It is important to encourage the audit staff of both resident and mobile offices to use the Agency matrixes when planning audit testing.

At RMS, we identified some excellent DPT combinations in areas such as systems and concurrent incurred cost, CAS and MAARs, Floor Checks and Systems, and Systems and Operations audits. Our office planned and performed incurred cost audits, internal control system audits, and SAP implementation audits throughout the year using this DPT knowledge. We put DPT to use and realized time savings because of the audit synergies among the multiple audits. The picture below shows some of the audit relationships where we benefited from DPT in FY 2003.



An actual DPT example that eliminated duplicative steps was our review of the contractor's asset register in 2003, which supported a review of capitalized asset costs and depreciation methods. After the contractor transitioned to an SAP environment, we designed transaction tests of this asset register that would cover incurred cost requirements, obtain assurance that the new ERP system was operating effectively, forward pricing rates were accurately stated, and the contractor's policies and procedures were compliant with three Cost Accounting Standards (CAS). Using this asset register, after determining its reliability in prior audits, we reconciled the legacy reports to data generated

in the new SAP system and then performed a comprehensive risk assessment of all areas under review. After selecting a sample, we evaluated the capitalized amount, including the application of overhead and G&A for compliance with established policies and CAS 404 requirements. We then reviewed the established depreciation method for compliance with established procedures and requirements of CAS 409. We also verified the accuracy of the calculated expense and traced monthly depreciation amounts into the expense ledger. The asset ledger was then used in our review of CAS 414 compliance review, the FY 2002 Cost of Money rates, and the Cost of Money rates reflected in the forward pricing rate proposal. As a result, we eliminated steps in the review of the incurred cost audit.



Thomas Altemus



Suzanne Windes

At RMS, the overall benefits from using DPT included improved cycle time of our incurred cost audit, successful completion of seven ICAPS audits of newly implemented systems over a period of seven months, the elimination of duplicate audit steps, a significant reduction in audit hours, and a savings in contractor resources to support duplicate audit requirements. The quality of our audits increased because of the high level of staff coordination; moreover, our customers appreciated the timeliness of our audits.

DPT KNOWLEDGE IS POWER

In summary, all audit staff, mobile and resident, can benefit from DPT knowledge by early coordination and planning of audits, and by continuously looking for DPT opportunities when performing required audit steps. As we have proven at RMS, DPT can increase productivity significantly and can eliminate duplicate effort. If you think this technique could benefit your office, additional information and other DPT combinations and examples can be seen in our PowerPoint presentation on the DCAA Intranet at the Quality Conference web page.



MANAGING ELECTRONIC WORKING PAPERS

Paul Winders, A-133 Technical Specialist
Annie Chan, Auditor

San Gabriel Valley Branch Office, Western Region

As we sat down to write this article, we couldn't help but wonder - Have any of the following ever happened to you when working on a large, multiple-auditor audit?

Duplicate working papers?
Lost working papers?
Numerous "final" APPS files?

If so, don't be discouraged because you're not alone. In today's electronic audit environment, the need for effective audit planning, performance, tracking, and management is essential for the timely completion of a quality audit. This is especially true for larger hour audits that involve the participation of multiple auditors. How do we know? That's a good question. You see we work at a suboffice that is responsible for completing a very large A-133 audit. It is not unusual for this audit to have up to 10 auditors working on it simultaneously. Because of this, it was essential that we develop structured audit processes and file management techniques to effectively plan, perform, and manage the audit, not only to successfully complete it by the established due date, but also to avoid the problems noted above.

Over three years, the A-133 team members have developed a structured process to help us achieve success with our audit. The purpose of this article is to share with you the nine areas or "Keys to Success" that we believe are critical to effective audit management and performance. We believe that these "Keys to Success" can be incorporated into any large audit such as A-133, incurred cost, internal control systems, forward pricing, etc., that uses multiple auditors. We believe these nine Keys will help you plan, perform, and manage your audits more effectively. In addition, these techniques can be used to reduce the amount of administrative effort and enhance productivity by consolidating audit effort under a single audit assignment (e.g., a single 10100 assignment, in lieu of multiple 10160 assignments).

Effective management of an audit is a process, so each of the nine Keys builds upon the success of the others. To be successful, it helps to approach the process in a structured manner. This will help ensure that when the working papers are submitted for supervisory review there are no surprises waiting at the end to derail the audit's successful completion. Now let's discuss nine Keys to Success.

1. Initial Audit Design.

As with all projects, initial planning is essential to success. Proper up-front audit planning and design provides a clear, concise and focused direction for scheduling and performing the audit. Proper design and planning helps answer such questions as: What resources are needed to complete this audit? When will the resources be needed? What mandatory annual audit requirements (MAARs) or other audit work needs to be completed and when? Do we have sufficient staff to complete the audit in the programmed timeframe? As you can see, a lot hinges on the performance of proper initial planning, and this process begins with the lead auditor performing a comprehensive risk assessment. Once this is accomplished, the lead auditor, working with the supervisory auditor, can establish audit working paper sections and the individual audit steps to be performed, preliminary budgets for each section, and a time-phased performance schedule. Then, the lead auditor can identify the resources needed to perform the audit. The better the up-front planning, the better the chances are for success at the end of the audit.

2. Distribution of Work.

Once the initial audit design has been accomplished and approved, the individual working paper sections can be distributed to the team members. This can be accomplished in any number of ways, including using the participative work team (PWT). The objective should be to assign the work in a balanced fashion so that all the auditors complete their assigned work in a timely manner. The goal should be to assign the work so that sections are completed throughout the audit time. This process will enable timely and effective interim peer and supervisory reviews. The importance of this will be discussed later in this article.

3. Tracking Audit Progress.

Once the audit work has been assigned, you need to effectively track audit progress. Both the supervisory auditor and the assigned auditors need timely information to assess the overall audit progress and changing risks that could impact the timely completion. Remember how we assigned auditors to work on individual working paper sections? These working paper sections for the most part function as mini audits, each with a budget and due date. However, since we cannot track the progress of the individual working paper sections in the DCAA Management Information System (DMIS), we needed a process to determine their status. We maintain a simple time-phased schedule, which identifies each working paper section and includes such information as: initial budget hours, actual hours, estimate to complete (ETC), estimate at completion (EAC), original due date, revised due date, and auditor assigned. The schedule can be maintained by the lead auditor and is incorporated into the audit file. To update the tracking schedule, applicable tracking information is provided to the lead auditor by each assigned auditor on a pay period by pay period basis. The supervisory auditor provides the lead auditor appropriate DMIS information on a pay period basis so that the lead auditor can reconcile the total hours in DMIS to the information provided by the auditors.

This may sound like a lot of work for all the parties involved. However, once the process is in place, it doesn't require a lot of effort. In addition, once the process starts working, you will find the information provided to be worth the additional effort. You will find that tracking the audit at this level is beneficial to both the auditors and management. The auditors

get real time visibility into their performance which allows them to assess their individual progress and seek guidance or help from their team members or management before performance problems can affect the timely completion of the audit. Management benefits because they receive real-time information regarding the status of the audit at a detailed level. That allows field management to identify potential risks at the working paper section level, which may impact the timely completion of the audit.

4. Use of Standardized Working Papers.

In today's environment of dwindling and/or competing resources, the importance of developing time-saving working paper techniques cannot be over emphasized. The use of standardized working papers can improve productivity and enhance the overall quality of large audits being performed by multiple auditors. Advantages include clear and consistent documentation throughout the audit file and more efficient reviews by both peer reviewers and management officials. In addition, clear documentation expectations can be established early in the audit process. This helps reduce the need for rework of working papers and reduces the number of "surprises" during the management review process.

5. Control of Master APPS File/Designation of a "Master APPSer."

Today's electronic working paper environment poses unique challenges in preparing and controlling audit working paper files. The designation of a single auditor known as a "Master APPSer" to control the master/ final audit working paper file can help solve the potential challenges associated with having numerous auditors working together on large audits. The Master APPSer is the key person in charge of providing, controlling, updating, and maintaining the master/final audit working paper file. It is the Master APPSer's responsibility to provide each auditor a copy of the assignment APPS file.

It is important that all auditors perform their work in APPS. This allows all the auditors to effectively use the APPS import and export features to effectively transfer files to and from the supervisory auditor, as well as among themselves. Also, the Master APPSer operates

as the *single* control point for importing and exporting working papers into the master/final audit file. This helps avoid duplicate working papers being imported into the file, as well as reducing the potential for lost working papers because the master/final audit file is less likely to be accidentally overwritten by the various auditors working on the assignment.

Due to the ease of overwriting files in APPS, the use of a single control point to coordinate and manage the importing and exporting of data into the master/final audit file significantly improves the quality of the audit and reduces the risks associated with multiple auditors and reviewers accessing and using the audit data.

6. *Customize the Master APPS File.*

One challenge in having numerous auditors working on a single audit, is consistency in naming administrative working papers such as 07 - Government Notes, Correspondence, 08 - Contractor Notes, Correspondence, A-2 - Interim Guidance and others. To address this problem, we recommend developing customized naming conventions for controlling and managing these working papers. By using a standard naming convention, you can eliminate inconsistency problems and increase the quality of the audit file. We recommend creating single 07, 08, A-2, etc. working paper sections in the master/final audit file and then assigning/identifying the applicable working paper section to which they relate to the applicable 07, 08, or A-2 working papers. For example, an A-2 applicable to working paper section F would be labeled A-2(f). All of the A-2 comments for the audit are filed under the A-2 working paper section in the master/final APPS file. However, since you assigned a specific naming convention to the individual A-2 working papers [i.e., A-2(f)], both the auditors and management can identify specific A-2 comments and the working paper section to which they relate.

7. *Working with APPS.*

When working on large audits in APPS with multiple auditors, effective communication is a must. To effectively control the master/final audit working paper file, it is essential that the auditors, supervisor and Master APPSer communicate and work together within APPS. This includes all parties having a copy of the APPS working paper file and working within the file. As stated before,

this simple procedure ensures the effective use of the APPS import and export functions to avoid duplicating or overwriting working papers. This process is further enhanced by both the auditors and the supervisor coordinating with the Master APPSer and using the custom label function to specifically identify the working papers being imported and exported from the file. The auditors and the supervisor should clearly identify the respective working paper sections and their initials in the custom label. When working papers are approved, the supervisory auditor needs to coordinate/communicate with the Master APPSer so that only approved working papers can be incorporated (imported) into the master/final file. Once the supervisory auditor has approved the working papers and the Master APPSer has imported them into the master/final APPS file, those working papers are in effect locked away and should not be retrieved except for final management approval.

8. *Structured Management Review Process.*

We have spent a lot of time discussing the auditor's role in designing, tracking, sharing, and controlling the audit file. However, we all know that management also has a key role in the success of completing and issuing an audit report in a timely fashion. That role is a timely review of the audit file. Imagine if you will, receiving an audit file at the end of the audit containing the work of 10 separate auditors. You can imagine the size and complexity of the audit file and the daunting task of trying to perform a complete and effective review at the end of the audit. In our experience, timely interim reviews on a scheduled basis enhance the timeliness and effectiveness of the overall review process. We have found that by performing timely interim reviews, the supervisory auditor is able to perform more



Annie Chan



Paul Winders



thorough in-depth reviews, thus improving the timeliness and quality of the review comments. In addition, timely communication of supervisory auditor concerns *during* the audit generally provides the auditors with additional time to make any necessary corrections to the working papers.

For extremely complex or large audits, this process can be extended beyond the supervisory auditor to also include the Branch Manager or Resident Auditor, and even the Regional Audit Manager. The supervisory auditor and the manager agree on a schedule by which the manager will perform interim/final reviews of individual working paper sections during the performance of the audit. By extending this process to include the Branch Manager or Resident Auditor, you will experience greater benefits due to the additional timely feedback by the manager. You will also experience a simpler and more streamlined final review process at the end of the audit.

9. Maintenance and Completion of the Master/Final APPS Working Paper File.

Now that we have completed the audit, including the appropriate management reviews and approvals, final maintenance and completion steps to finalize the master/final APPS audit package are performed. These steps include having the Master APPSer perform a final sanity check of the file. This includes a final review to ensure that the file includes proper headers, footers, auditor and supervisor initials and dates, hyperlinks, etc. Once this final sanity check is complete, all that's left is to secure the master/final APPS file for archiving in accordance with office and agency policies.

In Conclusion:

As you can see, the advantages of a structured audit design, performance, tracking, control and review process can enhance the productivity, quality and overall success of any large complex audit. We have been successful in improving productivity while concurrently improving our audit quality. This is supported by a January 2005 Headquarters quality review in which the reviewer stated that our A-133 audit working papers were the "best documented w/ps" he had seen to date. As we stated earlier, each process builds upon the success of the others. We recommend that you give the process a try in your next large audit and see the improvements for yourself!



Internal Control Systems Audit Coverage at Multi-Segment Contractors

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Central Region

Have you ever been involved in planning internal control systems audits at a multi-segment contractor and felt like you were in the middle of an Abbott and Costello's "Who's on First" comedy routine?

With these types of audits, it's... "Which FAO is responsible for which system?"

Everybody steps up to the plate – Right?

Well – No. Our scenario went something like:

- ☞ Small FAO #1 points to Large FAO #1.
- ☞ Large FAO #1 points back to Small FAO #1.
- ☞ Small FAO #2 points to themselves (guess they need the work).
- ☞ Large FAO #2 points to Home Office FAO.
- ☞ Home Office FAO points to Corporate FAO.
- ☞ Corporate FAO ... Well, you get the picture.

That worked for a few years until we were "struck out" by the PCIE Quality Review Team and sent back to the warm-up bench.

After hours of discussions and numerous reiterations (and a little more finger pointing), we developed a process for planning, coordinating, performing, and reporting internal control audits at contractors with multiple segments. The objective is to ensure adequate audit coverage at all contractor segments, while avoiding duplication of audit effort.

Although the process was developed for large contractor networks, it has applicability to any contractor where two or more segments share common:

- *Management,*
- *Systems or parts of a system,*
- *Policies & Procedures, or*
- *Technology.*

Getting Started -

Our biggest hurdle was recognizing that "ownership" of EDP processing is not synonymous with "ownership" of an internal control system. For example, FAO segments assumed our FAO

"owned" the Accounting System because the contractor's Core EDP Accounting Group is centralized at our location. The Accounting System control objectives, however, are not just about EDP controls. But they're a big enough piece that one segment could "own" a system – Right? So, we assessed whether a single segment could perform sufficient testing to form an opinion on the adequacy of a system for all segments.

The relational database supporting the EDP application has over 100 tables. However, the contractor's Core Group is responsible for only 20 tables; the remaining 80 tables governing pools and bases, direct and indirect rates, etc. are main-tained at the segment level. Just because a contractor's network has integrated software, doesn't mean it isn't influenced by different tables, rates, applications - even people. We also looked closer at the control/audit procedures (and underlying GAGAS). To properly test a system requires a working knowledge of the segment's operations, business base, disclosure statement, etc., and access to critical source information.

We concluded:

No segment owns an entire system.

We next looked at the control objective as the level for dividing responsibility. We reviewed the descriptions and related control procedures to assess how/where to perform substantive tests and came to a similar conclusion:

No segment owns an entire control objective.

Ultimately, responsibility had to be assigned at the control activity/audit procedure level. That led us back to our Internal Control Audit Planning Summary (ICAPS) beginnings and the Internal Control Matrix (ICM), which became our "tool" for:

- *assessing where control activities reside and where testing should be performed,*
- *assigning FAO responsibility, and*
- *documenting source reliance.*

The Process - Our process involves:

1. Developing Responsibility Matrix-

The ICM is used to determine where control activities for specific audit procedures reside. Our FAO took the lead in developing the ICM, which was developed jointly with our contractor (see sample on next page). Allow plenty of time for coordinating because our standard audit programs do not always align with the contractor's organizational structure. For instance, the Billing System may involve Accounts Receivable, Accounts Payable, Procurement, Financial Accounting, Contracts and Pricing, etc.



Jody Niebruegge



Ernst Diefenbach

2. Coordinating/Confirming Understanding -

We coordinated our completed ICM with the other segment FAOs (not just those we thought were impacted). Each FAO then needs to work with its contractor to get an understanding of their segment's role and also to get buy-in on areas of responsibility. It is imperative to achieve agreement on the Responsibility Matrix and ensure all parties have a clear understanding of expectations and what they will be receiving/providing from and to other segment FAOs, i.e., "Who's on First." In addition, agreement before the program planning cycle ensures resource requirements are identified.

3. Executing -

Since several months pass between program planning coordination and the start of fieldwork, it's a good idea to have an initial coordination meeting, especially given the likelihood of turnover in supervisors, auditors, and teams – not to mention contractor organizational and system changes. The "kick-off" meeting should ensure everyone is on the same page.

Regularly scheduled status meetings throughout the audit provide a forum for discussion of issues as they arise. The focus should be on real-time sharing of information, which may disclose a systemic problem impacting all segments and/or it may disclose problems at specific segments. For example, if the Home Office FAO's review of company-wide policies and procedures identifies a weakness, this needs to be communicated to segment FAOs so they can consider expanding detail testing in related areas. Two of the most significant process changes involved review of written policies and procedures (P&Ps) and substantive testing. Often the Corporate or Home Office FAO reviews P&Ps (for adequacy and compliance) to avoid duplication of audit work. However, actual testing generally needs to be performed at the segment level. As such, review of P&Ps is a shared responsibility. (Note: Current President's Council on Integrity and Efficiency [PCIE] reviews are finding FAOs are still not testing P&Ps against actual practices.)

Our biggest process change involved the level of substantive testing required and which FAOs needed to perform those tests. Smaller FAOs were often relying on larger FAOs for coverage of their internal control systems ("assuming" the larger FAO "owned" the system). The PCIE Team found this reliance was not documented. In fact, the larger FAOs were generally testing only their own local FAO transactions. A ground rule under the new process (to ensure other FAOs could rely on our results) was to test other segment transactions or include those transactions in a universe using sampling techniques.

4. Reporting -

So now that you have a "mixed bag" of different FAOs performing different audit procedures, how do you report this? We considered a consolidated report for all segments, but concluded a single report would be awkward and cumbersome. We considered the use of assist audits or whether the FAO performing the largest number of audit steps should issue the report. However, since no FAO owned an entire system or control objective, "who" needed to report to "whom" became problematic. How do you address the scope with multiple FAOs involved? What if a deficiency is site-specific, rendering an inadequate opinion for one segment, which doesn't apply to other segments? To whom does the report go (with multiple customers)?

Our solution was eventually driven by our customer, i.e., who could disposition a deficiency? For our contractor network, it made sense for each individual FAO to issue a separate report to its cognizant

contracting officer. This provides one opinion on the adequacy of the system for that segment. The results from other FAOs, including Suggestions for Improvement or Significant Deficiencies, are communicated via memorandum (and sometimes working papers) to appropriate FAOs. Receiving FAOs incorporate the results and reference this information as documentation of reliance. The working papers clearly document work performed by local versus other FAO auditors. To make this solution work, FAOs must prioritize completion of steps impacting other FAOs and commit to FAO due dates.

The Benefits - This process offers benefits to all stakeholders:

DCAA

- Ensures adequate coverage at all segments
- Avoids duplication of audit effort
- Documents areas of responsibility
- Assists in planning and resource allocation
- Reduces audit hours/increases incurred cost productivity
- Emphasizes transferability (e.g., coordinating EVMS audits)

Customer

- Roadmaps system responsibility
- Identifies segments/systems covered and where assessment is performed
- Communicates reliance regarding contractor's assertions
- Facilitates resolution of issues

Contractor

- Reduces overall level of required support and assists in resource allocation
- Reduces transaction testing when performed on a consolidated universe
- Identifies opportunities for Best Practices among segments

The Results - The end result is not quite as entertaining as Abbott and Costello's "Who's on First?" but provides a thoroughly documented:

- *understanding and assessment of a contractor network's system of internal controls;*
- *assignment and agreement of FAO network responsibility and reliance; and,*
- *a customer-oriented report.*

Who's on first? No problem-
Just check the Internal Control Responsibility Matrix for your ICAPS Lineup!



Control Environment and Overall Accounting Standards

Internal Control Responsibility Matrix

Control Objective	Control Activities	Audit Procedures	Corporate	Site #1 (Local)	Home Office	Site #2	Site #3
7. COST ALLOCATIONS							
Management ensures that an item of cost or a group of items of cost are assigned to one or more cost objectives ... cost pool.	The contractor maintains a current disclosure statement.	a. Determine that the contractor's disclosure statement is current and adequately describes its accounting practices.	Site #1 (Local) and sites	STL and Sites (DS @STL)	STL and Sites (DS @STL)	STL and Sites (DS @STL)	STL and Sites
		b. Document, if applicable, any CAS non-compliance that may impact the internal control structure.	Site (STL)	Site (STL)	Site (STL)	Site (STL)	Site
		c. Verify that adequate written policies and procedures exist for the identification and exclusion of unallowable costs... (CAS 405)	STL Company wide PRO and STL procedure	STL Company wide PRO and STL procedure	STL Company wide PRO and STL procedure	STL Company wide PRO and STL procedure	HSV Company wide PRO and HSV procedure
	Written procedures prescribe approvals required in establishing contract charge numbers.	d. Verify that adequate written procedures exist to ensure that charge numbers are based.... authorizations.	Site STL)-Program Cost Accounting sets-up JOS	Site (STL) Program Cost Accounting sets-up JOS	Site (STL) Program Cost Accounting sets-up JOS	Sites - Program Cost Accounting sets-up JOS	Sites - Program Cost Accounting sets-up JOS
	Written procedures ensure that the Government receives its share of any income credits.	e. Verify that adequate written procedures exist for adjusting costs...	Corporate and Home office	Company wide PRO and STL	Company wide PRO and STL	Company wide PRO and STL	Company wide PRO and STL

Assess & Test

Performing Internal Control Review Tests in Plain English

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Reviewing contractors' internal control systems can be overwhelming. With the proliferation of complex computer systems, these reviews can be daunting to auditors with little or no computer system audit experience. The purpose of this article is to present Templates that the Mid-Atlantic Region has developed that can assist the auditors in testing these systems.

What are the Templates?

The Templates are detailed audit program steps that are keyed to the five primary steps within each Section E, of an Internal Control Review (ICR) Program. Section E corresponds to *Information and Communications*. The five primary steps under CAM 5-1406, are:

- Access Controls
- Input Controls
- Processing Controls
- Error Correction and Resubmission
- Output Controls

Each part (i.e., step) of the Section E templates includes a preliminary section which shows the overall audit control objective (of that part) and the data that should be requested to complete that portion of the template. Below is a picture of that section for the Input Controls part of the template.

Contractor Name xxx System Input Controls				
Control Objective	Adequate	Inadequate	Inadequate in part	Reference
Input Controls				

Condition:

Recommendation:

Overall Audit Control Objective:

Written procedures for originating, authorizing, collecting, preparing, and approving input transactions to the contractor's system should be in place to ensure integrity of data inputs. Input controls are designed to provide reasonable assurance that data received for processing by IT have been properly authorized, converted into machine sensible form and identified; and that data has not been lost, suppressed, added, duplicated, or otherwise improperly changed. Input controls include controls that relate to rejection, correction, and resubmission of data that were initially incorrect. Examples of data input are entering one's time into an automated timekeeping system or entering invoices into an accounts payable system.

Data /Information Required /Request

1. Flowchart of the system being reviewed.
2. Policies and procedures for entering data into the particular system.
3. Organization charts for all Accounting and IT Personnel. (May have been previously requested. Refer to WP E-4a (1/4)).
4. Listing of month's worth of transactions for the system being reviewed.
5. Job descriptions for all Accounting and IT personnel.

The *Input Control Section Template* below, shows one (Step 3) of six steps, within the Input Controls section of the template.

Internal Controls	Yes	No	W /P Ref	Notes
3. Are there established procedures for maintaining data input integrity. The contractor should have written policies and procedures that include the following:				
a) There are established authorization procedures for all source documents feeding the system				
b) All input data is properly authorized, validated and recorded.				
c) All authorized data remains complete, accurate, and valid through the source document origination process.				
d) Source documents are periodically reviewed for proper completion and approval				
e) All input data is transmitted in a timely manner.				
<u>Control Tests:</u> Request a sample of input transactions (timesheets and/or invoices). Ensure that these transactions include the following:				
a) Identification of sources document originator				
b) Identification of source documents approver.				
c) All necessary fields on the form are properly completed.				
d) Compare origination date/time of the source document with the processing time of the transaction to ensure that any time lags between creation and recordation of these transactions are kept to a minimum.				

When would you use the Templates?

The templates can be used when performing any ICR. Since these templates can be easily incorporated into an APPS packages, integrating them into the standard electronic working paper package is simple.

Why we developed the templates?

The objectives of the templates are:

- *To provide the auditor with specific audit control tests to perform in reviewing an internal control.*
- *To provide the auditor with additional information on auditing advanced IT systems.*
- *To provide increased audit quality (better assessment of control risk).*
- *To provide increased reliance on the internal controls which will impact the scope of other related audits.*

What are the control tests?

These are tests that support each audit step listed in Section E, Step 4 of the ICR Audit Program. These steps are not in CAM or found in any other guidance. The tests were developed by a group of Mid-Atlantic Region auditors with over 15 years experience auditing contractors' internal control

systems. These steps should be performed on an as-needed basis based on the risk assessment and auditor judgment. These tests provide a foundation for verifying and confirming the specific internal control objectives. They provide examples of specific procedures which can be performed to confirm compliance and verify an auditor's understanding of the control objective.

Why would you use a control test?

You would use a control test when.....

- There is an indication from a prior audit that a control is weak.
- During the audit, the contractor's response to a policy and procedure question is vague.
- The policy and procedure related to an internal control was recently created.
- The auditor must verify their understanding of the implemented control.
- The auditor must verify contractor compliance in addressing the control objective.

The control tests will actually determine whether the contractor's internal controls are operating in compliance with their policies and procedures. Experience has shown that many contractors have developed well-written policies and procedures, but in some instances, the actual practices are not implemented and the documented controls are not operationally effective. In such cases, these policies and procedures are virtually worthless.

The Template tests are elementary and are designed not to be overwhelming to the non-IT Auditor. The tests are generic enough to be used on any type of contractor system. Historically, these control tests for the Section E of Systems Audits were never maintained in one single document. Our Templates have accumulated all of these control tests into a working section document. The tests capture information that we already have and/or can be easily requested from the contractor and use this information to test the system.

Here are some examples of the control tests:

Control Test 1

One of the Access Controls listed in CAM 5-1406.1d states: "*Terminated employees are removed from the registry of valid and authorized users defined to the system.*" A simple control test would be to obtain the list of terminated employees and ask the contractor to note those employees that had logical access into the system being reviewed. Select a sample of terminated employees and verify that their logical access has been terminated. Ensure that the date the employee's access was terminated coincides with his/her last work date. (*Easy enough?*)

Control Test 2

Another control test that could be used applies to Error Correction and Submission Controls. CAM 15-1406.4a states: "*Ensure that the contractor has written processing control policies and procedures related to the identification, correction, and resubmission of rejected data.*" A simple control test to use would be to review any error reports generated. If the contractor does not have any error reports, there's a good chance that they're not following the procedure related to this. (*Anybody can do it!*)

The above test examples are very straightforward and non-technical. An auditor should be able to perform these steps without any IT training and can help determine whether the contractor's internal controls are working as designed.

Control Test 3

A control test that can be used in reviewing the Processing Control relates to ensuring "*All authorized transactions are processed accurately and properly. Controls typically include: programmed routines that check the input data and processing results for completeness, accuracy and reasonableness are in use* [(CAM 5-1406.3.a.(4))." A reasonableness test would be to request the contractor demonstrate that an employee cannot charge more than 80 hours a week or some other limit. (*Simple Test!*)

Control Test 4

The second control test related to Input Controls asks “Are there established procedures for maintaining data integrity?” This procedure includes reviewing for authorized and accurate source data. A simple procedure to test this control would be to review some input documents, e.g., timesheets, for all of the steps listed in the audit program. (*Control tested!*)

Although all of these procedures appear elementary, having a reference for this “common sense” approach to auditing can help auditors actually test the system, rather than relying on the contractor’s policies and procedures.

Section E, Information and Communications, contains seven audit steps related to Information Technology internal controls. The fourth audit step in Section E has steps for reviewing the automated system controls including: Access, Data Input, Processing, Error Correction and Resubmission, and Output. Each of these five sections has multiple audit steps to review. We have developed control tests for each audit step listed in this section. These control tests are generic and can apply to any type of contractor system. These tests are also simple tests that are written in everyday language, not “computer ease.”

In addition to the audit steps and the control tests listed in the Audit Work paper Template, we also have two other sections to this package which include:

1. Section E Template Risk Assessment Checklist
2. Section E General Guidance

1. Section E Template Risk Assessment Checklist



John Zellman

The purpose of the *Section E Template Risk Assessment Checklist* is to assess risk by reviewing:

- *Prior General Internal Control Reviews*
- *Other ICRs*
- *Any recent internal/external system audits*
- *The potential system review with Supervisor/ Tech Specialist for any special areas of concern.*

The risk assessment can also help determine which, if any, of the control tests to perform. An internal control weakness noted in the risk assessment checklist can indicate that the auditor should perform a control test in that area. Due to risk considerations, audit scope and budgeted hours, not all of the tests can or should be performed.

2. Section E General Guidance

The *Section E General Guidance* section includes reference materials, background information and control area guidance.

In summary, this entire package can be used on any ICR audit. The control tests used should be based on a solid risk assessment to actually test the internal controls. These templates are designed to provide a foundation for reviewing and conducting audit procedures for the basic IT control objectives. With this background information and resource, any auditor should be able to apply these tests to any type of contractor system using information easily available from the contractor. These template steps and controls procedures are a resource which should be used and considered in performing any audit of the Section E Information and Communication ICR control objectives.

The whole package, including the Risk Assessment Checklist, General Guidance and the Templates, was issued to all FAOs in the Mid-Atlantic Region in a memo entitled “Standard Work paper Template for Internal Control Reviews (ICRs) Section E, Information and Communications,” dated December 1, 2004. *Go get ‘em!*



POWER-UP WITH AN ELECTRONIC AUDIT TOOL KIT!

Jason Kugler, Senior Auditor

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It is time to unlock the power of Microsoft Office features that we have been using for years. Quality Conference 2004 introduced us to many technologically based tools and innovations in the DCAA audit process. Many of these tools, and the innovations underlying them, were created using features in Microsoft Office that we use on a daily basis. Our team's presentation at the Quality Conference focused on a tool kit we created using many of the common and easy to use features in Microsoft Excel.

Our tool kit found its genesis in FY 2004, when our team determined that we needed several tools to assist in our audits. We found that our office was performing multiple analyses in areas common to our FAO and the Agency as a whole. We wanted to combine these reusable tools into a single convenient location. Among these, we noted that executive compensation evaluation and lease cost evaluation needed a more consistent and user-friendly audit approach. We found that Excel was a natural choice as the program to create our tools because it can easily be used to create flowcharts, diagrams, and perform calculations, such as present value of future lease payments.



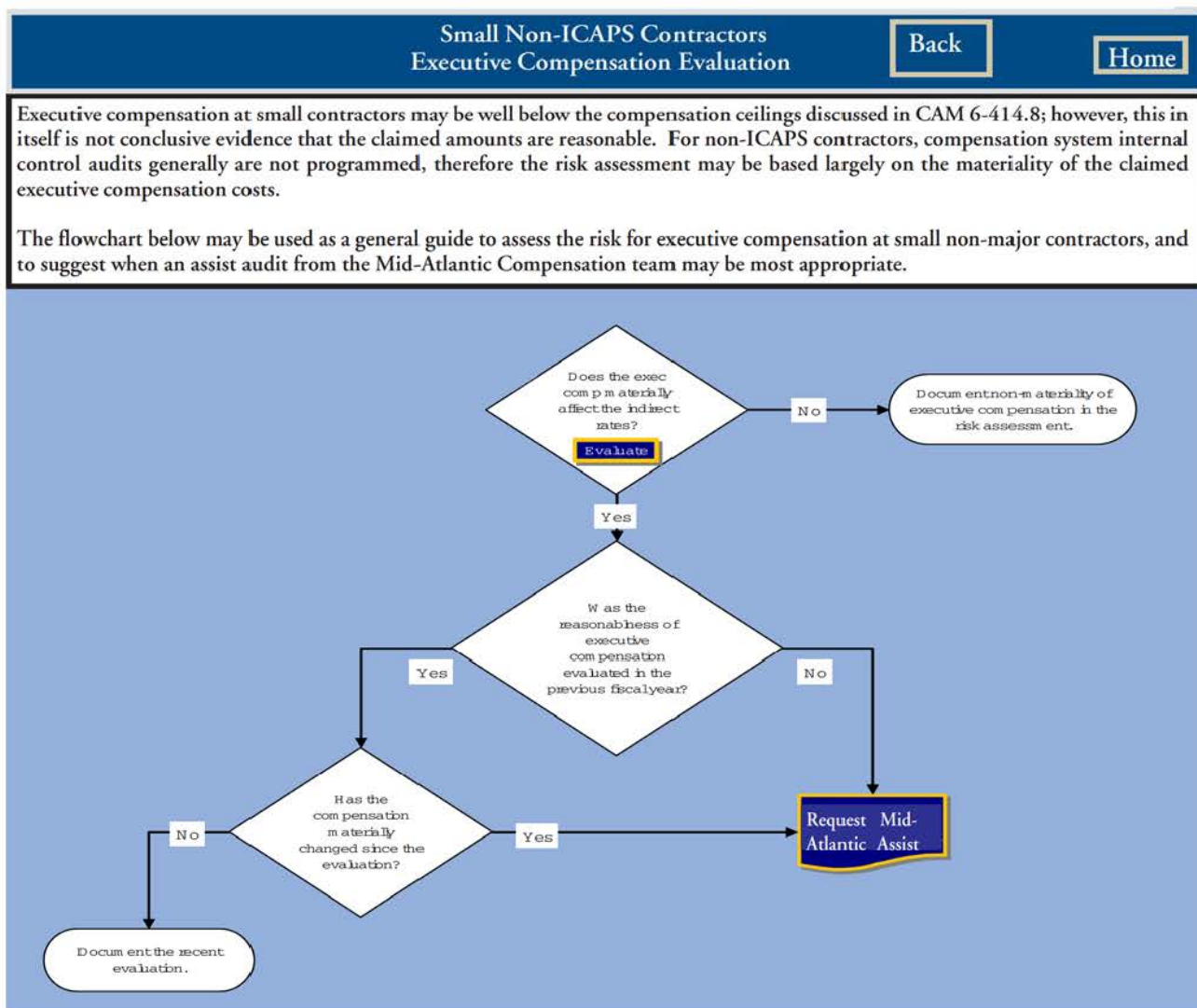
Jason Kugler

We also found that other Microsoft Office programs have similar, and in many cases, identical features to Excel. These features enable you to add flowcharts, diagrams, text (instructional) boxes, and even create macros for commonly performed tasks. The commonality of features is valuable because we all use both Word and Excel on a daily basis. We often use them in concert to write audit reports, edit working papers, manipulate spreadsheets, and analyze contractors' submissions. To further enhance the usefulness of our tool kit, we created a few simple macros so that output from our Excel spreadsheets could easily be copied into our electronic working papers created in Word. Let me provide a brief demonstration of our tool kit and walk you through some of the Microsoft features we used during its creation. Below is the interface to our tool kit.

You may notice that the design is not original; after all, auditors are not known for their creativity. We borrowed the design from DMIS. We found this interface to be useful because we can add items for each new tool we develop, instead of having to create a new workbook for each and every tool. This makes the process of updating tools for current guidance easy because there is only one location to update all of the tools. Every item on the page is created with auto shapes, textboxes, pictures and hyperlinks. The hyperlinks take you to various areas of analysis.



Below is an example of the analysis flowcharts which assist auditors through the various decision points in the evaluation of executive compensation. Like the menu page, all items on this page were created with auto shapes, textboxes, flowcharts and hyperlinks.



The above illustration is just a small part of our tool kit and serves only as an example of the possible tools you can create to serve your needs, and address the risk areas within your FAO. With a basic knowledge of how to create textboxes, hyperlink worksheets, and use Excel's analytical functions, you can create a tool to effectively analyze almost any commonly encountered audit issue. With a little effort spent learning how to protect your data and worksheets, you can make Excel function as a customized program rather than just a spreadsheet. This will allow the users in your office to simply input data and generate output that can be used to support audit conclusions.

How many times have you asked someone in the office if you can borrow a certain spreadsheet, or a template for a memo? How many times have you used another auditor's analysis as an example when creating your audit approach? Most of you will say many times. That is because we often deal with audit issues similar to those of our peers. Every office has the proverbial "computer guru" that can assist with some of the more complex computer issues; however, every person in the office can be a contributor to a tool kit such as the one discussed here. I hope that each of you will unlock the power of the tools already available to you and use these tools to keep improving on the great work produced by this agency!



Supporting Customers in Commercial Acquisitions

Donald Dubuque, Supervisory Auditor
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Commercial pricing practices have become a prevalent means of procurement in the acquisition community. Although DCAA can *NOT* render an opinion on the determination of commerciality or price reasonableness, our experience has shown that we can play a critical role in this exciting acquisition process. However, there are lessons to be learned relative to buying command expectations and the contractor's willingness to support its commercial pricing proposal. We hope that our varied experiences with the commercial acquisition process will assist you if you are asked to participate in a commercial pricing acquisition. In this article, we will provide you with:

- An overview of commercial pricing regulatory requirements/CAM guidance
- Lessons learned relative to:
 - o *Financial Liaison Advisor (FLA) involvement,*
 - o *Unique contractual barriers,*
 - o *The auditor's role in the commercial acquisition process,*
 - o *The types of information that can be provided,*
 - o *Sensitive commercial practices.*

Regulatory Requirements and CAM Guidance

FAR Part 12 prescribes the policies and procedures unique to the acquisition of commercial items. It implements the Federal Government's preference for the acquisition of commercial items contained in the Federal Acquisition Streamlining Act of 1994 (Public Law 103-355). Based on the provisions of FAR Part 12, the PCO determines whether an item is commercial, as defined by FAR 2.101. Once an item is determined to be a commercial item, it is exempt from the requirement for cost or pricing data; and the PCO must determine price reasonableness. DCAA can assist PCOs in their determination as to commerciality or price reasonableness, but we do NOT render an opinion on either issue.

FAR Part 12.209, *Determination of Price Reasonableness*, incorporates by reference FAR Subpart 15.4, *Contract Pricing*, which establishes the PCO's responsibility to determine price reasonableness. FAR 15.403-1, *Prohibition on Obtaining Cost or Pricing Data*, establishes the exception to cost or pricing data requirements under commercial acquisitions. FAR 15.403-3, *Requiring Information Other Than Cost or Pricing Data*, establishes the PCO's responsibility for obtaining information adequate for the evaluation of price reasonableness; addresses conditions which assist in determining the sufficiency of the information used; presents a hierarchy for the minimum requirements to support price reasonableness; and limits the scope of information that can be requested to support the commercial pricing. We quickly learned that we were on new territory and needed to obtain a strong working knowledge of these FAR provisions and Agency guidance to support the PCO during the commercial acquisition process.



Nancy Martin



Donald Dubuque

CAM References

CAM 14.907.5, *Commercial Items*, specifically identifies the types of support DCAA can provide the PCO in the pre-solicitation and price analysis stages of commercial acquisitions.

- *Verification of sales history to source documentation,*
- *Identification of special terms and conditions for the commercial item,*
- *Identification of customarily offered discounts for the item,*
- *Verification of the item to an existing catalog or price list, and*
- *Verification of historical data for an item not determined commercial that the offeror is now trying to qualify as a commercial item.*

CAM 9-207, *Audits of Proposals Based on Information Other Than Cost or Pricing Data*, dictates that in assisting the contracting officer in such a case, the auditor should perform an application of agreed-upon procedures, and provide guidance on the conduct of the engagement.

CAM 1-403.5, *Signing of Certificates of Non-Disclosure and Statement of Financial Interest*, provides guidance to FAO auditors and FLAs participating on Source Evaluation Boards on the signing of certificates.

Lesson 1. The DCAA Financial Liaison Advisor is your key for opening the door

Financial Liaison Advisors (FLAs) are absolutely critical to the success of DCAA's involvement in the commercial pricing process. FLAs are the focal point for coordination between PCO needs and Field Audit Office (FAO) assistance. Consequently, we urge you to coordinate with the cognizant FLA as soon as you are requested to participate in a commercial acquisition. It is vital that the PCO understand the limitations of the support that we can provide under this type of engagement. (Restated for emphasis: the DCAA auditor should not render an opinion on the commerciality of an item or the reasonableness of its price.) FLAs can explain what information DCAA can provide to assist the contracting officer. Our involvement with commercial acquisitions was directly attributable to the support and persistence of the FLAs located at the buying command. The FLAs convinced the PCOs that DCAA's FAO audit staff maintained a wealth of contractor knowledge that could be utilized by the PCO in the determination of price reasonableness. We provided the PCO with the benefit of our experience, and familiarity with the contractor's systems and operations. CAM 9-207, *Audits of Proposals Based on Information Other Than Cost or Pricing Data*, dictates that DCAA will conduct an application of agreed-upon procedures engagement in support of a commercial acquisition. In addition, FLAs can provide support to the PCO in the determination of commerciality through market research, which in addition to other activities, includes the identification of competitors and the competitors' prices.

Lesson 2. Beware of unique contractual requirements

Non-Disclosure Agreement:

As a condition of granting the Government access to commercial information, contractors will sometimes request the auditor to sign a Non-Disclosure Agreement (NDA). Needless to say, you should not sign any agreements without discussing the matter with management and obtaining legal advice. We had an experience where the PCO requested DCAA assistance, and after considerable FLA coordination, it was agreed that FAO auditors would initiate an agreed-upon procedures engagement to assist the PCO in her determination of price reasonableness. The PCO had already determined that the proposal met the definition of commerciality. The contractor indicated that it had used sales order data and other data to support the reasonableness of the price available for Government review. The Government maintained that under FAR Part 12, it had the right to evaluate contractor documentation necessary to support the determination of price reasonableness. However, prior to performing the agreed-upon procedures, FAO management forwarded the NDA to DCAA Headquarters Legal Counsel (DL) for advice. One of the most significant aspects of the contractor-prepared NDA was a clause prohibiting disclosure under Freedom of Information Act (FOIA). Headquarters advised

the FAO not to sign the NDA without the removal of the FOIA restriction. The contractor was not willing to amend the NDA. Consequently, the FAO was never granted access to the contractor's sales data. However, we did provide the PCO and the FLA with factual information available in our office permanent files, including contractor rates and historical sales quantities by engine class.

Commercial elements within a FAR Part 15 proposal/contract:

Our contractors have proposed a commercial FAR Part 12 line item as a bottom-line adjustment to a proposal submitted under a Part 15 contract. It was the contractor's contention that the commercial line item was not cost based, though its elements were derived from cost information. Furthermore, the contractor advised the PCO that it would not provide the Government with the cost data that purportedly supported the proposed adjustment. The buying command's legal representative advised the Contracting Officer not to enter into such a contract, since the legal department had considerable concern as to its legality.

The PCO inquired as to what audit services DCAA could provide in evaluating the proposed adjustment. Prior to making a decision on commerciality, the contracting officer requested the FAO to perform an evaluation of the cost data that supported the elements of the proposed bottom-line adjustment.

Our evaluation identified four elements that comprised the proposed adjustment. Three of the four elements were found to be in noncompliance with CAS 401 and CAS 402 or CAS 405 provisions. The fourth element was found to be in compliance with CAS and could be directly charged to the contract, provided the contractor agreed to certify the cost data. The buying command subsequently did not accept the proposed line item adjustment as a FAR Part 12 commercial item. The PCO disallowed the three elements found to be in non-compliance with CAS but did accept the proposed fourth element. The PCO required the contractor to certify the proposed cost.

The lesson learned was that any proposed contracts that include FAR Part 12 line items within a FAR Part 15 proposal should be considered sensitive and brought to the attention of your region and Headquarters for guidance.

[Lesson 3. Look for opportunities to help without rendering an opinion](#)

Contracting officers are struggling with the requirements of the commercial acquisition process. Procuring Contracting Officers (PCOs) are often uncertain of DCAA's role, if any, in the commercial pricing acquisition process. However, our experiences with commercial acquisitions found that any assistance we could provide was readily accepted and greatly appreciated by the PCO.

We have been requested to provide an agreed-upon procedure on a commercial acquisition, again after considerable coordination efforts by the FLA, involving a multi-year buy of sole source items. The determination of commerciality had already been made by the PCO, but we were requested to provide information to assist the PCO in the determination of reasonableness. The procurement was sensitive because a DoDIG report had been issued which was critical of the contractor's pricing practices on a commercial acquisition under a separate program. The DoDIG also expressed concern that sufficient steps had not been taken by the buying command to ensure that a commercial market place existed for sole source parts, and adequate documentation had not been obtained to support the reasonableness of the commercial prices.

The contractor provided the DCAA auditor with access to its various forms of supporting documentation, including but not limited to, sales history, catalog prices, and cost data (not certified). We assisted the PCO by providing the following types of information:

- *Facts about the contractor's rate composition. For instance, material escalation had just been built into the material variation rate; therefore, the contractor's application of an escalation factor to the material base represented a duplication of costs.*
- *Facts about the contractor's systems. For example, a number of the plant sites were just beginning to operate under a standard cost system, and they did not have the standard labor hours computed correctly.*
- *We were also able to inform the requestor that the contractor's proposed prices for each quantity range were based on the lowest quantity per range; and, we were able to re-compute the prices using the mid-range quantity for each part.*

The PCO was very appreciative of our support and expanded our involvement. We were originally requested to provide assistance on a limited number of parts; but as the procurement progressed, the buying command continually updated and expanded the list of parts that they thought were critical and required DCAA evaluation. We continue to receive follow-up calls from the buying command, asking us to look at specific contractor documentation supporting what were considered key driver parts.

We have learned that although we cannot render an opinion on price reasonableness, the DCAA auditor can advise the PCO of the existence of other available factual contractor data which might better assist the PCO in the determination of price reasonableness.

Summary

Contracting Officers are looking to DCAA for help with the requirements and restrictions of the commercial acquisition process. We hope by sharing our experiences, you recognize that DCAA can provide information and analysis that helps the PCO determine price reasonableness. Thus, we play an important role in the commercial acquisition process.



APPS Tools

Tim Wild

Information System Auditor

RSA-IS, Eastern Region

The APPS Tools are a suite of macros designed to increase productivity, proficiency and quality by automating routine working paper tasks in Microsoft Word and Excel after working papers are generated by APPS.

The APPS Tools came into existence not long after APPS was introduced. The name "APPS Tools" is a bit of a misnomer as the tools automate certain processes auditors typically encounter when editing their working papers after they have been generated by APPS. The user does not have to access the working papers through APPS in order to use the APPS Tools. So a more accurate name would be "Working Paper Tools."

The first of these "tools" was developed by Peter Carlo, Eastern Region EDP Technical Specialist, in November 1999. It was a macro to modify the audit program table and was designed to assist auditors at the Lockheed Martin Orlando Resident Office. The audit program delivered by APPS accounted for hours at the audit program level. But, a supervisor at the FAO was requiring auditors to account for their hours at the audit step level as had been done in the Pre-APPS audit programs. This meant the auditors had to manually modify each audit program in the working paper package so the hours could be accounted for by audit step. The macro developed by Peter Carlo automated this process resulting in time savings for the auditor.

From that small macro, Peter and I have developed a growing number of "tools" — approximately fifty in all — all designed with the user in mind. Many of the tools were developed as a result of suggestions from auditors who were looking for better and faster ways to accomplish repetitive tasks in the performance of their audits. Below is a quick reference guide that identifies all of the APPS tools that are available in Word

WORD APPS TOOLS

APPS Tools																													
No.	Tool Name																			What It Does									
1	Expand Audit Steps																			Inserts "Hours" and "Date" columns in an audit program table									
2	Insert Bookmark																			Inserts bookmark (selected text used as bookmark name)									
3	Insert Cross-Reference																			Inserts a hyperlinked page number (referenced to bookmark)									
4	Insert On Page Note																			Inserts a P/S/S/C note on a detailed workpaper									
5	Quick Link																			Creates a hyperlink to another file in the workpaper package (based on stated references)									
6	iLink																			Creates a hyperlink to a location within the same document (based on bookmarks)									
7	Excel Hyperlink Assistant																			Creates a hyperlink to an Excel file outside the workpaper package									
8	Create Listing of Electronic Files																			Creates a document listing all files in the selected assignment folder									
9	Excel File Indexing Tool																			Opens an Excel Workbook that can be used to create an electronic Working Paper File Index .									
10	Inserts Initials																			Inserts user's initials or name (either at the current cursor location or in the footer)									
11	Insert Current Date																			Inserts current date (either at the current cursor location or in the footer)									
12	Watermark																			Inserts a watermark in the active document (Draft, Contractor Provided, Superseded)									
13	Cell Shader																			Shades a selected cell or cells in a Word table.									
14	Strikethrough																			Inserts a line through the selected text									
15	Checkmark																			Inserts a checkmark at the cursor location									
16	Crossfooter																			Inserts a crossfooter tick mark at the cursor location									
17	Footer																			Inserts a footer tick mark at the cursor location									
18	Hard Copy																			Inserts a HC tick mark at the cursor location (referenced file is not available electronically)									
19	Delete Hyperlinks																			Deletes hyperlinks from the audit report (all at once or walks through the document)									
20	Delete Comments																			Deletes comments from the audit report									
21	Link Breaker																			Breaks link to linked Excel objects (object converts to a picture)									
22	Excel Converter																			Converts embedded Excel objects to a picture									
23	Remove Watermarks																			Remove watermarks from the active document									
24	Unlink Fields																			Converts APPS-related fields to regular text									
25	Print Page																			Prints the page where the cursor is currently located									
26	Add Document Properties																			Uses APPS document variables to populate the document properties of the audit report									
27	Link Inspector																			Locates broken hyperlinks (user can then fix, highlight or remove the broken hyperlink)									
28	Audit Quality Checklist																			Reviews selected workpaper package and creates a document listing potential problems									
29	Agreed-Upon Procedures																			Reviews AUP reports for specific words that should not be used in AUP reports									
30	Recycle It																			Allows user to send active document to the Recycle Bin									
31	APPS Tools Help																			Provides detailed information/instructions on each of the APPS Tools									


with a brief explanation of their function. This reference guide can be found on the APPS Tools web page on the Eastern Region web site. Recent additions to the APPS Tools in *Word* include:

- *iLink*
 - o *What* - A tool to simplify the process of creating internal hyperlinks. A comparable tool exists in the Excel APPS Tools. Although designed with the audit report in mind, the tool can be used on any Word document or Excel workbook.
 - o *Why* - Per CAM 10-203.16: "Auditors are encouraged to incorporate hyperlinks from the Exhibit to the explanatory notes in moderate to highly complex (lengthy) reports, to facilitate quick navigation to the specific areas of interest."
- *Link Inspector*
 - o *What* - A tool to detect and repair broken or external hyperlinks. A comparable tool exists in the Excel APPS Tools. The tool locates broken hyperlinks and walks the user through the document or workbook where the user can: repair the broken link using Quick Link, remove the hyperlink, highlight the hyperlink for further review, or skip the selected hyperlink and move on to the next one. In Excel the user is given the option to have all of the broken hyperlinks listed on a new worksheet in the active workbook.
 - o *Why* - Hyperlinks are the key to document navigation in a paperless environment; therefore, it is essential that hyperlinks work at all times.
- *Link Breaker*
 - o *What* - A Word tool designed to explicitly break all links to Excel workbooks when the user has pasted Excel data in a document using the *Paste Special>Paste Link as Microsoft Excel Object* method. The user can choose to convert linked data to a picture or to a Word table.
 - o *Why* - If links to Excel workbooks are not explicitly broken, the customer may be prompted for the linked (source) workbook when opening the audit report.
- *Excel Converter*
 - o *What* - A Word tool to convert all embedded Excel objects to Word tables or pictures.
 - o *Why* - When Excel data is pasted into a Word document using the *Paste Special>Paste as Microsoft Excel Object* method, a copy of the entire workbook is inserted into the document. While only the copied range is visible, a copy of the entire original workbook is accessible to the reader by double-clicking the Excel object within the Word document. Using this tool prevents the user from accidentally providing the customer information that was not intended for them to see. It can significantly reduce the size of the host document (typically the audit report).
- *AUP (Agreed Upon Procedures)*
 - o *What* - a Word tool to check reports issued with a disclaimer of opinion for specific words that might be inappropriate for such reports. The user can replace the "hit" word, highlight it for further review or skip to the next "hit" word.
 - o *Why* - For certain types of reports the user must determine if the words *audit*, *review*, *examine*, *question*, *significant*, *reasonable*, *accept*, and *recommend* are being used in an inappropriate manner.
- *Excel File Indexing Tool*
 - o *What* - A tool developed by Myron Antoniw of the Dayton Branch Office that can be used to create an Excel index of all files in an assignment folder. The index has built-in buttons to easily sort and/or filter the data.
 - o *Why* - APPS no longer delivers a W/P 99 Index of Audit Working Papers. Instead, in accordance with CAM 4-403k.(2) auditors are to use the APPS Tools to generate an index of electronic files and edited to include references to any hard copy documents.

A similar reference guide, as shown below, also exists for *Excel*, and can be found on the web site.

EXCEL APPS TOOLS

APPS Tools



No.	Tool Name	What It Does
1	Worksheet List	Inserts a Table of Contents worksheet at the beginning of the workbook
2	Create Listing of Electronic Files	Creates a document listing all files in the selected assignment folder
3	Quick Link	Creates a hyperlink to another file in the workpaper package (based on stated references)
4	iLink	Creates a hyperlink to a location within the same workbook
5	Word Hyperlink Assistant	Creates a hyperlink to a Word file outside the workpaper package
6	Insert Header	Inserts header on active worksheet (assgn. #, K name, K location, title & description)
7	Insert Auditor's Name/Date	Insert the auditor's name and current date in the selected cell position
8	On Page Note	Inserts a text box with a P/S/S/C note at the selected cell position on the worksheet
9	Insert Supervisor's Name/Date	Insert the supervisor's name and current date in the selected cell position
10	Watermarks	Inserts a watermark on the selected worksheets (Draft, Contractor Provided, Superseded)
11	Tick Marks	Insert various tick marks by selecting the desired tick mark from the drop down list
12	Remove Watermark	Remove watermarks from the selected worksheets
13	Delete Hyperlinks	Deletes hyperlinks from the active workbook (all at once or walks through the document)
14	Error Checker	Reviews the active workbook for formula errors and formulas with broken links
15	Formula Link Converter	Converts formulas with broken links to values
16	Link Inspector	Locates broken hyperlinks (user can then fix, highlight or remove the broken hyperlink)
17	Recycle It	Allows user to send active workbook to the Recycle Bin
18	APPS Tools Help	Provides detailed information/instructions on each of the APPS Tools

Recent additions to the APPS Tools for Excel include:

- *Worksheet List*
 - o *What* – An Excel tool that creates a worksheet in the active workbook with a hyperlinked list of all of the worksheets in the workbook.
 - o *Why* – Improve navigation of a workbook with a large number of worksheets.
- *Insert Header*
 - o *What* – An Excel tool that inserts a header on the active worksheet containing standard assignment information.
 - o *Why* – Puts typical assignment information at the top of the worksheet comparable to the assignment information found in APPS-created Word documents.
- *Error Checker*
 - o *What* – An Excel tool to check the active workbook for formula errors and broken formula links (i.e., when a formula references another workbook that you either don't have a copy of or has been renamed or deleted).
 - o *Why* – Reduce the number of computational errors in a workbook.
- *Formula Link Converter*
 - o *What* – An Excel tool to convert formulas with broken formula links to values. A formula link is when a formula in one workbook references a cell or range of cells in another workbook. A broken formula link occurs when a user does not have a copy of the source workbook referenced in the formula.
 - o *Why* – Allows user to preserve the values of the formulas when the source workbook is not available.



Tim Wild

Slated for a future version of the APPS Tools is a tool for Outlook to simplify the process of saving multiple e-mail messages to an assignment folder as individual files in either the Word or MSG (Outlook) format.

More detailed information on the APPS Tools can be found in the APPS Tools Help file which can be accessed by clicking the "?" button on the APPS Tools toolbar. An online version of the Help file is located on the APPS Tools web page on the Eastern Region web site.

If you have an idea for a new tool or a suggestion on how to improve an existing one, send an email to tim.wild@dcaa.mil or pete.carlo@dcaa.mil.



Quality Conference - Discussion during a Plenary Session



William Serafine, RD



Bonnie St. John (Speaker) and USAF Chaplain, L. Witherspoon



Workshop - Fraud Awareness (l-r.) C. Jenkinson, P. Wright, D. Smyth (DCIS)



Workshop - Oil for Food (l-r.) M. Sherman, S. Sheley, J. Garcia

WRAP IT UP!

A TEAMING APPROACH FOR INCURRED COST PRODUCTIVITY

Todd Smith, Supervisory Auditor

Elaine Wagner, Auditor

Field Detachment

As part of our process of team empowerment for the successful completion of its program plan, the Valley Forge Branch Office (VFBO) incurred cost team developed processes which not only empowered the team, but increased productivity and interaction among team members.

During FY 2003, our incurred cost team developed a new concept to address team productivity challenges. The team's mission was to create a climate where individual auditors work as a unit through the process of interactive controls resulting in an effective and efficient work product. While the team was performing incurred cost audits for contractor Calendar Year (CY) 2001, certain areas were identified that needed to be improved to achieve team goals. In order for our team to achieve program plan expectations, the team decided that the current process for managing audit assignments needed to be improved.

First, the team developed a "bank statement" to track program hours expended during the course of our audits. The bank statement's opening balance represented total programmed hours. These hours were allocated to individual programmed audits leaving a balance for unanticipated audits that may require attention. As each assignment closed, the balance was adjusted highlighting the running balance of hours. If assignments went over budget, the bank statement would show a decreasing effect to available hours that were addressed at monthly team meetings. Assignments completed under budget added to the available balance of hours the team could use for any audits not originally planned, or to reallocate hours to assignments where additional hours were required in the pursuit of questioned cost and complex issues.

The team also developed a concept called Rapid Audit Wrap-up Team (RAWT) to provide input prior to the completion of each audit. At the discretion of the Supervisor, the team would perform an interim review of audits reaching 75 percent of total budget hours to ensure the audit was not in jeopardy of overrunning the budget. The supervisor selected two to three auditors from the team to perform this RAWT review. The RAWT would assess whether the audit would be completed within budget or whether additional team resources were required to do so. This concept not only ensured that assignments did not exceed budgets, but it allowed the team to share ideas for the successful completion of the audit.

Background

- The team was faced with a history of incurred cost assignments running over budget.
- Individual team members were not aware of how each assignment affected the team's overall productivity. Auditors needed to become aware of how individual audits and overruns affected the overall team productivity.
- Team members needed to change their thought process to individual audit ownership thinking (MY Audit) to understanding that all audits reflect on the team as a whole.
- The normal interaction between the supervisor and auditor was not teaching the auditor how individual assignments affected the entire incurred cost productivity. Auditors were not aware of how budgets on individual assignments were determined and how individual assignments affected hours available for other programmed assignments.
- To make improvements, the team developed an action plan to accept ownership of all team assignments and develop tools which would improve team productivity.

Setting Team Goals

- The team set a hard goal to control assignment overruns. It was decided that the team would be empowered with the responsibility of monitoring assignments and determining resources required to ensure that assignments stayed within program plan parameters.
- The team determined that utilizing the collective wisdom and experience of the entire team would result in successful completion of assignments.
- Each team member had an opportunity to “touch” each assignment.
- The team determined that sharing ideas regarding the successful completion of individual audits would not only result in successful completion of the audit, it would also provide an excellent source of training.
- Our team is comprised of diverse individuals who come from different auditing backgrounds, along with auditor trainees from the GS-7 to the GS-9 level.



Elaine Wagner



Todd Smith

RAWT steps

To standardize the format, we developed the following steps which would initiate the RAWT process:

- The supervisor reviews the open assignments on a bi-weekly basis and determines which assignments are at 75 percent.
- The supervisor then discusses, with the auditor, the status of the audit and the steps needed for completion. If the auditor has the assignment under control, no further action is taken. However, if the auditor seems to require assistance, or the assignment shows signs of significant budget overrun, the audit is entered into the RAWT process.
- At this point, the RAWT reviews the assignment and completes the RAWT checklist to determine what further field work is required to wrap-up the audit.
- If there are potential questioned costs, the RAWT breaks up the effort and completes this effort in minimal time by assigning work to the RAWT member with the skills in that area.
- After completion of the checklist, the RAWT meets with the supervisor and explains findings. A budget is set for completion of the RAWT work.
- A plan is developed by the RAWT, utilizing necessary team resources, and the remaining work is completed.
- After completion, the RAWT drafts a memo to the supervisor, detailing findings and additional work performed.

The RAWT consists of 2 to 3 auditors, and performs audits that display warning signs of budget overrun. The results of the RAWT actions and improvements are communicated at team meetings. The acceptance and implementation of the process improvements by the team was a key element in the success that we have experienced. As a result of the implementation of RAWT and the incurred cost bank statement, the team improved productivity by facilitating the successful completion of programmed audits. We have already experienced significant results from these processes, and anticipate significant savings in the future.



Stretching our Potential

Quality Conference Keynote Speakers

Professionalism



The conference opened with a "State of the Agency" address given by Mr. William Reed, DCAA Director

Decisiveness



Ms. Bonnie St. John, 1984 Olympics (Paralympics) Silver Medalist for downhill skiing, spoke on *"Choosing to be Extraordinary"*



Mr. Danny Cox, former US Air Force test pilot and successful businessman, gave a presentation on *"Leadership when the Heat is On!"*

Customer Service



A panel of DoD executives shared the customer's perspective:
(l.-r.) Mr. Edward Elgart, Director, CECOM Acquisition Center; Mr. Bruce Sharp, Naval Air Systems Command; Dr. David Ganger, USAF Space and Missile Systems Center

Stretching our Potential Quality Conference Keynote Speakers



Mr. Jack Ratcliffe, Executive Director- Federal Executive Board (Philadelphia), explained the "*Six Thinking Hats*" technique



Ms. Anne Gilbert, professor and private consultant, discussed the topic of *Critical Thinking*



DCAA Employees (l.-r.): Mr. Dennis Lowrey, Ms. Andrea Bowling, and Mr. Ron Meldonian, reflected upon their experiences in support of *Operation Iraqi Freedom*



Mr. Robert Tucker, author, professor, and businessman, spoke on *Innovation and Managing Change*



Mr. Norman Bodek, expert on Lean Manufacturing (author of *Kaikaku: The Power and Magic of Lean*), addressed the topic of *Innovation*



Lt. Colonel Michael Zupan, USAF, PhD, Director, USAF Academy for Human Performance Laboratory, presented "*The Exercise Prescription*"



Defense Contract Audit Agency

2004

DIRECTOR'S TEAM EXCELLENCE AWARD

RECIPIENTS
of the
DIRECTOR'S TEAM EXCELLENCE AWARD

Southern New Jersey Branch Office, NOVA Team
Mid-Atlantic Region

**Tampa Bay Ad-Hoc Team
on Pre-Issuance Quality Reporting**
Eastern Region

**Red Team
General Dynamics Resident Office**
Northeastern Region

Information Technology Division, RSA-4
Western Regional Office

**FD Fairfax Suboffice
Mid-Atlantic Branch Office**
Field Detachment

**Systems Team
Raytheon Missile Systems Resident Office**
Central Region

**Audit Quality Assurance Division (PQA)
Management Team**
Headquarters

Southern New Jersey Branch Office, NOVA Team

Mid-Atlantic Region



G. McClure-Nelson



Norman Wall



Chris Reilly



Kelly Gallagher



Joe Curnew



William Mejia



Pat Higgins

The Mid-Atlantic Region's, Southern New Jersey Branch Office, NOVA Team has performed in an exemplary manner. The basis of the team award is Excellence in Auditing, resulting from extensive and continuous cooperative effort among team members. This team has established an environment where every member contributes greatly toward team objectives. They consistently assist each other in various aspects of the audits, regardless of their own individual responsibility in those audits. Although every auditor except one, is a relatively new DCAA employee, each demonstrates proficiency in at least one audit area and shares this knowledge and experience with other team members. This creates an atmosphere of continuous learning that has resulted in audits that are well performed and that produce solid findings.

The team has been instrumental over the past year in ensuring that the Fairfax Branch Office and other Northern Virginia FAOs met their requirements in completing incurred cost audits. Most recently, this team has taken the responsibility to complete high priority U.S. Agency for International Development (AID) audits. To accomplish their objectives, this team must travel frequently to Washington, D.C. and Virginia. Their willingness to consistently and independently plan and perform work in outlying geographic areas demonstrates their dedication to their work and to the Mid-Atlantic Region's need to address problems wherever they arise.

During the past year this team has, via continuous interaction and PWT meetings (held as training sessions), developed unique ways of assessing risk and performing transaction testing. At least two of these methods have been recognized for further review by DCAA Headquarters Policy personnel for possible inclusion in standard audit guidance. In addition, the team has identified questioned cost issues (subcontract labor hours charged as direct labor on T&M and GSA contracts), the discussion of which contributed (through RST-6) to DCAA's understanding of burgeoning contract costing dilemmas. It is this team's fresh approach to auditing contract costs that has resulted in creative and interesting ways of performing audits.

The team's supervisor recognizes that what this team lacks in experience, it makes up for in assertiveness and willingness to learn. Each member of the team has consistently conducted himself/herself in a very professional manner and has been extremely responsive to customer requests. In addition, despite their relative inexperience, most of the members on the team are already CPAs, or pursuing certification.

This team is a tribute to the Agency's reputation as a strong, independent resource in the Government contracting arena.



(l.-r.) B. Reilly (RD), K. Gallagher, N. Wall, W. Reed

Tampa Bay Ad-Hoc Team on Pre-Issuance Quality Reporting

Eastern Region

The goal of this team was to create peer review tools designed to save time and furnish participative work teams (PWTs) with valuable, up-to-the-minute information on audit quality. With no duplication of data entry, the tools produce results-oriented summary reports aimed at measuring audit report, working paper, and specialized audit quality. This information can be used to better identify training and process improvement needs at either the team or FAO level. It also provides management with a means to accurately measure the peer review value built into our work product. The tools consist of two components: (1) Automated Checklist, and (2) Results Reporter.

Automated Checklist. In addition to improving quality, this tool saves time throughout the peer review data collection and data reporting process. First, it streamlines checklist retrieval. All questions from five separate checklists are available in a single electronic file, sorted by standard source file, to reduce the chance of accessing the same working paper more than once. Second, time is saved through less reading. Based on responses to some background questions, the program records an entry under the "N/A" box for any question that does not apply. Simultaneously, the question/response screen is streamlined. Questions that do not apply remain visible but are lined through, while those that apply are highlighted. Although it varies with each audit, "N/A" is automatically entered for typically two-thirds of the total possible DMIS accuracy and working paper quality questions. Additional questions may also be subsequently lined through, depending on responses to other checklist questions. The program also offers an opportunity to eliminate questions identified and approved in advance as being low risk. Total time saving estimates attributed to the question-elimination features range from 15 to 30 minutes per peer review. Finally, time is saved through quicker access to certain electronic source files. The standard source file index has already been entered next to each question to facilitate one-step access to the file. This index is hyperlinked to source files with one click of the Auto-Link button. When all applicable questions are completed, the unanswered display tally will turn to zero and an option is provided to print any or all of the checklists. With one more click, results are posted to the LAN-based database and instantly available for summary reporting.

Results Reporter. Summary reports of the various peer-review checklists, including results of the HQ Quality Audit Checklist (for audit reports), may be generated for any time period. This feature allows easy comparison to prior periods in order to assess performance trends. Each checklist has its own summary page displaying the percentage of error-free assignments and an overall score for all applicable questions. An exception page follows which shows the success percentage for any question with at least one "no" response. Beside each score, the question is displayed to facilitate discussion. Used by PWTs, this page is a valuable information source for evaluating the need for process improvements or training.

Before the database was developed, each team in the FAO tracked peer review results on an informal basis. Some manually input the results into team files, others used less formal or audit assignment collection of data. No FAO level data was available, and there was no sure way of identifying auditing processes in need of attention. Although post issuance reviews indicated few systemic problems, no one was sure how much of this success could be attributed to peer, supervisory, and other reviews. Considering that "no" answers take more time for peer reviewers, the team recognized that additional time could be saved with pre-peer improvements. To accomplish this, PWTs needed to identify the error-prone questions. As a result, each PWT began to adopt a variety of data collection methods; most required checklist answers to be recorded twice: once during the actual review, and again for reporting purposes. The ad-hoc team recognized that it was unnecessary to enter the same responses twice, with the development of an electronic bank of working paper checklist questions and the creation of an FAO central database. The next step was to form a similar database and link for the audit report quality checklist results. The end result is accurate and timely data on pre-issuance quality, while experiencing significant time savings through a more streamlined peer review and reporting process. Now, armed with baseline data, we soon expect to see quality improvements as we more accurately focus our attention on error-prone areas.



Peter Carlo



Jim Boyles



Mark Owen



Michael Crisp



(l-r.) M. Steen (RD), M. Crisp, J. Boyles, W. Reed

Red Team - General Dynamics Resident Office Northeastern Region

The General Dynamics – Electric Boat Red Team has been responsible for audits of price proposals, forward pricing rates, operations audits, ICRs, and EVMS. Over the past two years, proposal effort far exceeded program expectations. Due to the high level of proposal effort and temporary loss of a team member to military active duty, the team faced significant workload management challenges.



Warren Flug



Candy Vorra



Frank Cometa



Patti Dufour



Robin Ramirez



Madeline Miller

Through increased communication and process improvement, the team was able to meet the challenge and still provide exceptional audit services to contracting officers on large procurements. The team's most significant achievements include an \$8 billion proposal for construction of the 2nd flight of Virginia Class submarines, a \$1.6 billion proposal for five years of planning and engineering work in support of various submarine programs, and several multi-million dollar proposals for the Navy's program to convert Trident SSBN submarines into cruise missile submarines capable of multi-mission purposes. The team met weekly to evaluate audit progress and customer needs. They addressed changing demands by using a DMIS-based weekly work status summary and team input to modify the initial operating plan. In addition, the team sponsored joint team meetings with other FAO PWTs to ensure all members of the FAO were aware of changing demands, emerging issues and shifts in audit workload. The audit effort on these significant proposals included reviews of all major cost elements. The team used an FAO-established tailored audit program for price proposals incorporating Headquarters standard audit program steps, and additional steps specific to the requirements of the contractor and FAO operations. Use of the tailored program facilitated timely and well-planned audit effort. To ensure working paper and audit report accuracy, the team designated one auditor as the working paper/report coordinator.

Forward pricing rates were an integral and significant part of the pricing actions. The audit team participated on a forward pricing rate IPT with the ACO and contractor. The impact of changing congressional and funding requirements resulted in numerous forward pricing rate submissions. The audit team used the FAO-created forward pricing model to provide timely cost impact analyses to the PCO. In addition, one team member was assigned to an IPT dedicated to computer rates. The IPT included DCAA, ACO, contractor and IT subcontractor representatives. The requested pricing actions required extensive coordination and negotiation support with NAVSEA and SUPSHIP representatives throughout the proposal examination. Auditors communicated with the contracting officers through e-mail and daily telephone contact. To enhance the timeliness of audit results, the audit team coordinated with the contractor to ensure proposals and supporting data were submitted electronically. Several team members attended fact-finding sessions and negotiations to assist the contracting officers throughout the procurement process.

The Red Team's contribution to the Flight 2 contract award process was recognized with an award by the Commander of SUPSHIPS – Groton on behalf of NAVSEA. This unusual award emphasized the importance of the team's efforts to the entire procurement process. In a related letter of appreciation, the Contracting Officer noted *"This audit and real-time feedback from the auditors were essential in allowing the negotiating team to rapidly develop a negotiating position...the auditors exhibited extensive corporate knowledge and the utmost professionalism in several instances working late and even on scheduled days off... providing quick responses to even the most complex questions and requests for information. The assistance provided was invaluable."*



Darryl Bourassa



Mike Bianchi



(l-r.) E. Nelson (RD), D. Bourassa, P. Dufour, W. Reed

Information Technology Division

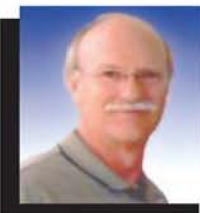
Western Regional Office

The RSA-4 team works in a dynamic environment in which priorities and projects are constantly changing. This environment requires a group of individuals who are able to adjust their priorities and manage numerous special projects simultaneously.

During FY 2003, this team worked in an exceptional manner to accomplish Agency and Regional special projects. The team accomplished all of their team goals in an outstanding manner. The following are examples of projects this team worked on that resulted in process improvements Region-wide. The RSA team provided EAC training to all managers and supervisors. This training was tailored to each office using FAO specific data. RSA made extensive use of NetMeeting to train offices that otherwise would have required travel. This approach saved the region approximately \$3,000 in travel and minimized disruption to the staff. Another team goal was to provide Regional and FAO management with quarterly metrics, updated data accuracy reports, and reimbursable reports using a roadmap. The roadmap approach provides managers an easy to follow method to monitor their progress of Agency and Regional goals. One unique tool was a reimbursable roadmap that was developed to assist offices to manage their reimbursable effort. Using this approach, the Region came within 1 percent of meeting its reimbursable targets. The approach was so successful it was showcased as a best practice at the November 2002 Quality Conference and written up in a *DCAA Bulletin* article.

Also, several team members were track assistants at both the 2002 and 2004 Quality Conference. Track assistants work with Quality Conference presenters to ensure they are comfortable with their materials and equipment. The Region received many compliments on the professionalism of the track assistants and many presenters personally indicated their workshops were improved by the feedback and insight these individuals provided.

Another project was providing DPAS training to all FAO property custodians. Budget constraints required the training to be conducted without travel, and again the team made effective use of NetMeeting to accomplish this task. This training helped reduce the time which was being spent by the regional property custodian since FAO custodians could now run their own reports and FAO reports no longer had to be mailed. The team also supported the Western Region's Administrative Conference by providing training on DMIS, network issues, and inventory control. Other projects included hosting two EDP Technical Specialist conferences and participating in a Headquarters Agency workshop for EDP Technical Specialists. Finally, the team converted all Regional office, FAO, and sub-office servers from Dell to IBM, managed the conversion of 290 Dell 800 laptop computer hard drive replacements, and managed and monitored the installation of Agency identified patches required for network security.



Phil A. Cosby



Christine A. McDonald



Michele A. Fratus



Shai Noam



Janet R. Lamprecht



(l -r.) W. Serafine (RD), C. McDonald, M. Fratus, P. Cosby, D. Clausen, W. Reed



Duane Claussen

FD Fairfax Suboffice - Mid-Atlantic Branch Office

Field Detachment

During the period July 2003 to June 2004, the Fairfax Suboffice Team of the Field Detachment Mid-Atlantic Branch Office performed exceptionally well in auditing a contractor that provided linguist services to the U.S. Army in Iraq and related geographic areas. As a result of an increase in the need for linguist services during the post-war reconstruction efforts in Iraq, a non-major contractor at the Fairfax suboffice increased to a large major contractor practically overnight. The rapid growth of the contractor necessitated performing internal control audits, forward pricing audits, and other such audits, in a relatively short period of time. Complicating the situation, the linguist contract was comprised of over 80 delivery orders with about 23 delivery orders for the Iraq and related geographic areas. Each delivery order had its own requirements, including ceiling limitations, necessitating each delivery order to be treated as a separate contract for auditing purposes. Some of the team's audit accomplishments include:

- The FAO cited the contractor's labor system and system for tracking and paying consultants as inadequate and noted 14 significant deficiencies with these systems. The contractor agreed with the findings. At the recommendation of the FAO, the contractor officer instituted a 10 percent withhold on billings. The FAO also removed the contractor from direct billing.
- During the billing system audit, the FAO determined that the contractor was not adjusting year-end rates on a timely basis, and as a result, had an overpayment of \$937,000. The contractor agreed and made restitution to the Government.
- The team performed four proposal audits during the period totaling about \$1.4 billion in an average of about 16 days.

Throughout the audits, the team made use of technical specialists where appropriate (labor system audit and billing system audit) which contributed to the high quality of the audit reports. The Technical Programs Division was also extensively involved throughout the audits to ensure the technical aspects were appropriate and that the audit reports complied with GAGAS. Lastly, given that the audit effort involved steps that needed to be accomplished on-site in Iraq and related geographic areas, the team coordinated extensively with the Iraq Branch Office.



Pauline J. Young



Carmen Munoz-Pedrogo



David E. Johnson



David F. White



James A. Scott



TaIna A. Muñoz-Mulero



Joseph R. Jonik



Robert J. Issa



Sally F. Felder



Shawn M. Coyle



(l-r.) A. Stephenson (FDD), E. Weisser, J. Scott, T. Munoz-Mulero, W. Reed



Edward A. Weisser



Debra M. Caw

Systems Team
Raytheon Missile Systems Resident Office
Central Region



Sandra Gerlach



Dave Thomas



Gordon Eeten



Gloria Ortiz



Matt Dito

The Raytheon Missile Systems FAO Systems/Operations Audit Team N is responsible for ICAPS, operations audits, SAP Implementation audits, progress payments, EVMS and other contract reporting. In addition, significant assistance is provided to the FAO Proposal and Incurred Cost Teams.

While dealing with these varied responsibilities, the Team's recent focus has been centered on Raytheon Missile Systems implementation of a new Enterprise Resource Planning (ERP) system, SAP R/3. Prior to the new system's implementation, the Team participated heavily in system testing, data conversion, and interface design activities. Through coordination with the contractor, customer, CAC, and team members, the Team performed an implementation audit, billing voucher audit, and seven ICAPS – all essential elements of a successful implementation. After system implementation, the Team's activities centered on post go-live billing validations, testing in the production environment and ICAPS. These in-depth and complex audits further tested the adequacy of this new system.

Beyond the system implementation, the Team was determined to share their experiences. To that end, they developed a white paper outlining best practices and suggestions for successful implementation. That paper was presented during the 2004 Quality Conference.



Larry Garbett



Glade Stott



Tina Smith



Rosemary Herrell



Brian Alubowicz



(l-r.) F. Summers (RD), T. Smith, W. Reed

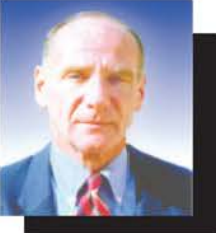
Audit Quality Assurance Division (PQA)

Management Team

Headquarters



Henry Simpkins



Jim Carrera



Kalle Lepiksaar



Marc Parvin



Ken Saccoccia

The award recognizes the contribution of each member of the Quality Assurance Division Management Team (PQAMT), to the successful management and implementation of DCAA's comprehensive audit Quality Assurance (QA) program, and completion of the first cycle of the internal President's Council on Integrity & Efficiency-based (PCIE-based) QA reviews. This effort, and the high level of reliance now being placed on that program by the DoD Inspector General (DoDIG), is a major unprecedented accomplishment. Such a program for assuring the quality of DCAA audits had never been implemented within DCAA before. The Team's efforts were a major influencing factor when the DoDIG rendered an unqualified or "clean" opinion in its external review report of DCAA for the 3-year period that ended September 30, 2002. In addition to the unqualified opinion, the report presented the following statement under "Noteworthy Accomplishments:"

Over the last 4 years, the quality assurance staff has gained extensive experience and demonstrated a highly professional approach to performing the internal quality assurance function. Their efforts in identifying deficiencies, formulating and expediting corrective actions, briefing management, and following-up on deficiencies have significantly improved the DCAA quality control system and DCAA audits.

Without question, the successful accomplishment of DCAA's QA program goals and objectives, and the PQAMT's significant role in this accomplishment, have solidly placed the Agency in good standing with not only the DoDIG, but also with all of the organizations [e.g., USD(C/CFO), NASA, GAO] that rely on DCAA's firm adherence with GAGAS and implementation of sound contract audit policies/procedures.



(l -r.) T. Schneider (Deputy for Policy), M. Parvin, K. Saccoccia, W. Reed

Field Detachment

Pawlak, William J. President of Institute of Management Accountants (IMA), South Bay chapter, 2004
 “DCAA and Auditor Responsibilities” was presented at an Accounting Symposium at Loyola Marymount University, Los Angeles, CA, November 11, 2004

Sheets, Fredrick S. “Government Independence & Audit Documentation” was presented to the Brevard Country Chapter, Florida Institute of CPAs, Cocoa, FL, October 26, 2004

Headquarters

Truesdell, Donna “Defense Contract Audit Agency - Keys to Hiring Success” was presented at the Office of Personnel Management Federal Workforce Conference, Baltimore, MD, September 9-10, 2004

Central

Bayless, Bruce A. “East Texas Oil Field” was published in American Past & Present, Seventh Edition, Volume 2, Copyright 2005 by Pearson Education

Kelley, Paul G. “Beans, Bombs, and Bullets in Iraq” was published in The Journal Entry, Utah Association of CPAs, October 2004

Pilgrim, Craig A. Taught Statistics and Accounting classes online at Park University, Houston, TX, from January 10 – March 7, 2005

Summers, Francis P., Jr. “Audit Support in the Acquisition Process” was presented to the Association of Government Accountants and National Contract Management Association, San Antonio, TX, February 9, 2005

“The Balanced Scorecard” was presented to the University of Texas, San Antonio, TX, February 9, 2005

Eastern

Donovan, Jeffrey M. “Negotiation – Brokering Better Business Deals” was presented to the National Contract Management Association, Fort Walton Beach, FL, March 16, 2005

Yenchus, Mary Ann “The Audit Activity on the DoD Mentor – Protégé Agreement – Semi-Annual Report” was presented to DoD Mentor Protégé Conference (primary contractors-mentors protégés), Orlando, FL, March 16, 2005

Mid-Atlantic

Hetrick, Jeffrey W. “Developments in Government Procurement - DCAA Perspective” was presented to the Small and Emerging Contractors Advisory Forum (SECAF)

Mylod, Elaine B. “Agents and Auditors – Working Together” was presented to the Inspector General Criminal Investigative Academy, Arlington, VA, October 28, 2004

Trump, Joan K. “Federal/State Tax Update – 2005” was presented to the Association of Government Accountants, Philadelphia Chapter, PA, December 3, 2004

Northeastern

Liborio, Joaquin Participated in Old Dominion University Department of Accounting Annual 5 K Run and placed 3rd in his age group, September 11, 2004

Western

Doherty, John Provided instruction in accounting, payroll, and auditing to the Iraqi Ministry of Interior in Baghdad, Iraq on October 3, 5, and 9, 2004

Epstein, Gary F. Appointed to City of Foster Audit Committee, Foster City, CA, May 2004 and was elected Vice-Chair on November 2004 for calendar year 2005

Appointed to Executive Board, Association of Government Accountants (AGA)—Silicon Valley Chapter, December 2004 for calendar year 2005

Gentry, Stephen S. Taught “Contracting Auditing” at Government Auditor Training Institute, Graduate School, USDA, Kansas City, MO; September 20-24, 2004

Smith, Curtis “Tips For Constructing a Data Warehouse” was published in the Sands of Time, San Diego SAS Users Group Newsletter, Volume 8.3, July 2004; Volume 8.4, October 2004; and Volume 9.1, January 2005

Field Detachment

Austin, William J.	Certified Public Accountant, Colorado, December 30, 2004
Duncan, Monique B.	Passed CPA exam, California, February 28, 2005
Talley, Angie M.	Passed CPA exam, Texas, December 29, 2004

Central

Bear, Billy J.	Certified Public Accountant, New Mexico, December 6, 2004
Kerr, Rebbecca A.	Certified Public Accountant, Oklahoma, October 7, 2004
Klein, Bettina K.	Master of Business Administration / Finance & Accounting emphasis, Regis University, Denver, Colorado, November 5, 2004
Kline, Eric G.	Master of Business Administration, University of Texas at Arlington, December 11, 2004
Lamb, Eden	Certified Public Accountant, Texas, October 2, 2002
Montgomery, Francine W.	Certified Public Accountant, Oklahoma, March 3, 2005
Riggins, Sacooya B.	Master of Business Administration, Fontbonne University, October 31, 2004
Sallee, Marilou P.	Certified Public Accountant, Illinois, December 16, 2004
Smith, John C.	Certified Public Accountant, Arizona, September 30, 2004
Tansey, Andrea M.	Certified Public Accountant, New Mexico, December 4, 2004
Vaill, Angie M.	Certified Public Accountant, Colorado, April 23, 2004
Vasbinder, Destiny M.	Master of Business Administration, University of Phoenix, November 30, 2004
Walker, Michael D.	Certified Public Accountant, Minnesota, October 2003
Wheeler, Anita K.	Certified Public Accountant, Texas, November 24, 2004

Eastern

Adams, William D.	Certified Public Accountant, Ohio, November 15, 2004
Adams-Nelms, Robin R.	Master of Business Administration, Nova Southeastern University, June 30, 2004
Fikes, Cynthia A.	Certified Public Accountant, Florida, December 6, 2004
Handy, Marshall A.	Master of Science in Accounting, Old Dominion University, December 19, 2004
Johnson, Dodie F.	Master of Business Administration, University of Central Florida, December 12, 2004
Kragenbrink, Bruce F.	Certified Public Accountant, Indiana, January 24, 2005
Muniz, Sheila E.	Master of Business Administration, Thomas More College, December 21, 2004
Myres, S. Brandon	Certified Public Accountant, New Mexico, September 17, 2004
Rhodes, Shaun N.	Master of Business Administration, University of Central Florida, December 12, 2004
Stewart, Misty S.	Passed CPA exam, New Mexico, October 1, 2004
Wilson, Ryan Kelly	Master of Science in Accounting, University of Central Florida, July 31, 2004

Mid-Atlantic

Blake, Lisa C.	Passed CPA exam, Virginia, October 2004
Chaffin, Kevin L.	Master of Science in Administration, Central Michigan University, December 18, 2004
Gonzalez, Joel	Passed CPA exam, Maryland, November 6, 2004
Muller, Joann M.	Passed CPA exam, Delaware, December 18, 2004
Navarro, Yanira	Certified Fraud Examiner (CFE), Virginia, January 7, 2005
Owens, Daniel P.	Passed CPA exam, Pennsylvania, October 12, 2004
Ruiz, Juan A.	Passed CPA exam, Virginia, November 17, 2004

Northeastern

Barredo, Rita M.	Certified Information Technology Professional, July 1, 2004
Bradley, Emmanuel	Passed CPA exam, Mississippi, November 12, 2004
DeCourcy, Jill S.	Certified Public Accountant, New Hampshire, February 17, 2005
Maerten, Wayne A.	Certified Public Accountant, Virginia, December 22, 2004
Moritz, Lynne C.	Master of Science, Acquisition and Contract Management, Florida Institute of Technology, December 10, 2004
O'Leary, Nancy R.	Master of Business Administration, University of Massachusetts Lowell, February 15, 2005
Prendergast, Robert	Certified Public Accountant, Virginia, January 28, 2005
Stacy, Ricky A.	Certified Information System Auditor (CISA), January 21, 2005
Szegda, Helen	Certified Public Accountant, Virginia, October 12, 2004

Western

Chau, Cuong B.	Certified Public Accountant, California, August 24, 2004
Gelejian, Lusine	Certified Public Accountant, California, October 1, 2004
Lu, Jiang Yun	Certified Public Accountant, California, August 24, 2004
McDonald, Christine A.	Certified Public Accountant, California, October 1, 2004
Ortiz, David A.	Master of Science in Accountancy, San Diego State University, January 3, 2005
Schulte, Robert B.	Certified Public Accountant, California, September 1, 2004

PROMOTIONS

Headquarters	Grade
Behrends, Glenn J.	13
Dowell, Robert C.	13
Grebner, Gary A.	13
Grudzinskas, Robert C.	13
Hunt, Jones Claudia	13
Jordan, Tisha M.	13
Owen, R. Jean	08
Reedy, Christine A.	13
Roselli, Joan M.	11
Teer, Deborah J.	13
Wilson, Aaron A.	13

DCAI

Harker, Samuel J.	15
Jackson, Harold E.	13
Sullivan, Michael D.	14

Central

Altemus, Thomas E.	13
Barranco, Conrado S.	12
Becker, Stephanie N.	12
Carlson, Karen W.	12
Chanay, Larry K., Jr.	13
Cherry, Belinda H.	09
Cosmas, Julie A.	12
Crevar, Carole	12
Degenhart, Chad C.	11
Dopke, Troy A.	11
Gerlach, Sandra L.	12
Green, Cornesia N.	09
Gross, Heidi M.	13
Hladky, Donald L., Jr.	13
Ho, Ying H.	12
Holt, Angela M.	11
Jones, Christy D.	11
Kelley, Paul G.	12
Krishnamurthy, Lakshmi	12
Lamb, Eden	12
Lopez, Michael J.	13
McKune, Martha E.	13
Nguyen, Tuyet T.	12
Permsookjit, Jayne M.	12
Pikla, Andrew C., Jr.	09
Quilantan, Jesus A.	12
Reynolds, Stephanie L.	11
Rich, Craig M.	11
Rivera, Amber T.	11
Sader-Nichols, Dolores	12
Sahlin, William A.	09
Schoen, Janet K.	09
Shorter, Brenda M.	12
Siegellak, Herman S.	12
Steger, Janet P.	07
Sumway, Spencer J.	12
Taylor, Michael D.	12
Trujillo, Anthony L.	12
Vaill, Angie M.	11
Valley, Stephanie A.	11
Waldera, Jennifer J.	11
Wheeler, Anita K.	12

Field Detachment	Grade
Aleman, Reginaldo	12
Alvis, Cynthia Suzanne	12
Anderson, Jeffrey R.	11
Austin, William J.	12
Bartz, Bobbie	09
Baysinger, Danielle M.	11
Bowers, Tarsha C.	13
Bryant, Adam D.	11
Caffee, William R., III	09
Camponelli, Melissa A.	11
Chang, Christopher C.	11
Cox, LaWanda	12
Cubbison, John L.	12
Desmond, Edward F., Jr.	09
Ermels, Richard J., Jr.	13
Garnish, Daniel G.	12
Giuffreda, Nancy C.	12
Hall, Chinele L.	12
Hart, Tabitha C.	12
Hembree, Michael A.	11
High, Casey J.	11
Hirsch, Lorraine A.	11
Hoelscher, Greg A.	12
Houston, Nichole M.	12
Howell-Watson, Bridget L.	11
Hylaman, Roy E., Jr.	06
Klimowicz, Nicole Lynne	11
Larsen, Richard D.	11
Lathrom, Jason W.	12
Lavorante, Paul V.	12
Livingston, Roger J.	13
Machione, Lawrence E.	12
McNamara, Kevin P.	11
Montalbano, Michael, Jr.	09
Munoz-Mulero, Taina A.	12
Munoz-Pedrogo, Carmen	12
Pandya, Sagar K.	11
Post, Charles T.	12
Rathfelder, Linda M.	11
Riddle, Joe M.	12
Rigg, Scott A.	11
Rodriguez, Doreen E.	13
Roman, Jorge L.	11
Saunders, Angelia Y.	12
Shirey, Sharon L.	09
Sholar, Michele Lynn	11
Springer, Jessie E.	11
Subin, Allison B.	11
Torres, Javier	12
Wagner, Elaine K.	11
Webb, Benton R., III	12
Williams, Linnette D.	11
Wilson, Richard L.	12
Yates, Kenneth P.	12

Northeastern	Grade
Armand, Timothy J.	13
Beaudreault, Deborah	11
Cassidy, Kevin J.	09
DeMange, Julie	11
Hale, Lauren L.	11
Hardy, Valerie S.	12
Hernandez, Jaclyn H.	12
Hu, Jenny	11
Kao, Yanwen G.	11
Laskey, David J.	12
McElvoy, Diana M.	11
McOsker, Allyson P.	09
Montagnino, Amy E.	06
Napier, Jacqueline E.	02
Nixon, Wayne E.	13
Peltomaki, Donna R.	14
Powell, Anita D.	07
Prust, Beverly A.	13
Robbins, Lynn M.	12
Sanchez, Ivelisse	09
Shaw, Robert S.	14

Western

Alvarez, Kimerly M.	11
Annabell, Edna J.	09
Baey, Luke S.	09
Brown-Hood, Katherine L.	11
Bunch, Krista A.	12
Chen, William W.	11
Cruz, Adrian B.	09
Eason, Robert C.	11
Eastmond, Gregory B.	09
Eddy, Robyn R.	11
Ehlert, Raynee H.	09
Fraser, Kusinee	11
Gonzalez, Carolyn A.	11
Henderson, Tracy L.	12
Hicks, Will W., Jr.	11
Lantz, Wade M.	12
Levens, Christopher P.	11
Lowrey, Delphine J.	12
Lu, Jiang Yun	12
Machida, Nancy J.	11
Maes, Mary Anne	11
McKabney, Steven M.	09
Ogden, Debbie M.	09
Ostovari, Shahin	11
Reyes, Adelaida M.	11
Rico, Daniel	11
Rivera, Voltaire B.	12
Roman, Rocio A.	12
Shiira, Lisa A.	12
Shiira, Mark T.	12
Staudinger, Aimee K.	09
Stone, Somchith L.	12
Storms, David J.	11
Tenn, Sharon Y.	09
Terral, Steven R.	11
Thomas, Lanisha T.	12
Tong, Jianguo	09
Valdez, Estelle D.	12
Wang, Hsin Hsiang	12
Yakes, Kellie E.	11
Yee, Debora A.	13

Mid-Atlantic

Ahmad, Mohammad Z.	11
Appiah, Emmanuel A.	12
Austin, Kenneth R.	11
Berkey, Lisa M.	09
Bialy, Kelly M.	11
Burgerss, Arthur Lee, Jr.	11
Burnside, Scott G.	07
Cavallaro, Sharon	12
Chan, Victor	11
Chrissinger, Lisa	13
Cianci, Michael C.	09
Clark, Brenda M.	12
Curnew, Joseph T.	11
Cutolo, Arthur D.	11
Daly, Debra M.	12
Desai, Rena M.	09
Dickerson, Angelina M.	07
Dillingham, Nathan D.	09
Doane, Donald Lee	13
Dzik, Michelle L.	05
Ellis, Angela R.	11
Fatemi, Zina M.	11
Fisher, Tara J.	11
Frank, Ann Marie	13
Gentry, Nathan B.	06
Goetz, Kevin J.	11
Griffin, Barry O.	09
Henderson, Richard A.	13
Herbert, Martin J., IV	12
Higgins, Patrick J.	11
Jackson, Patricia A.	11
Jay, Evelyn M.	06
Kensinger, Kristy N.	11
Kreit, Joseph P.	12
Lloveras, Ronald B.	11
Massey, James A.	11
McClure-Nelson, Gabrielle	13
McKean, Kerry A.	07
Navarro, Yanira	11
Newitt, Lynne M.	11
Nguyen, Thao Thi	12
Noel, Kathryn Brandon	11
Parsons, Glenn E., Jr.	11
Peiffer, Lanette S.	12
Petrie, Brian Keith M.	11
Porter, Sandra M.	11
Porter, Therese M.	11
Quinones, Joel A.	11
Redclift, Jill D.	07
Reilly, Christopher J.	11
Roche, Radames	11
Roe, Staci J.	09
Root, Carol M.	11
Rosario, Michelle	13
Sattar, Ferozan	09
Saul, Brandy R.	12
Sauter, Nicole M.	11
Schirf, Dennis M.	12
Scruggs, Jerilee	09
Selis, Mariann	06
Slattery, Edmond E., Jr.	15
Small, Anne	11
Smith, Cicely E.	09
Smith, Erin K. H.	11
Smith, Maya K.	11

Grade

Stickel, Joseph W.	12
Stine, Jay R.	09
Stone, Elizabeth A.	11
Szelong, Tekla M.	09
Taylor, JoAnne	12
Tumminia, Christopher	12
Turley, Charles L.	09
Wilk, Erin K.	11
Winkel, Michael J.	11
Zakuto, Marc M.	13
Zaremski, Edmond A.	15

Eastern

Alejandro, Amanda J.	09
Baker, Beverly L.	09
Bazemore, Jennifer L.	09
Beard, James D., Jr.	09
Benton, Olivia C.	09
Boutwell, William A.	13
Brown, Doreatha B.	13
Calderon, Zelma	12
Cline, Morgan S.	11
Copen, Michelle R.	11
Cvetnich, Erica G.	11
Evanoff, Jeff R.	13
Glover, Susan L.	09
Gorman, Justin E.	11
Harkleroad, Scott D.	11
Hehe, Kim J.	11
Hensley, Kimley C.	13
Ivery, Marilyn E.	09
Johnson, Marietta W.	12
Kelly, Jana L.	11
Knotts, Irreka M.	11
Lanes, James R.	11
Line, Joe P.	11
Liptak, Lorianne J.	09
Lisseveld, William D.	09
Malott, Lisa C.	06
McDougal, Jamaal A.	11
Myres, S. Brandon	11
Netherton, Lana Gay	07
Newman, Jack A.	11
Nguyen, Jacklyn N.	09
O'Shaughnessy, Nancy L.	11
Pardew, Kelly A.	09
Paulus, Eric R.	11
Petty, Diannah L.	13
Rhodes, Shaun Nicholas	09
Serrano, Lucelly	11
Silleh, Nadim D.	11
Smith, LaShea L.	09
Sprinkle, Sherry A.	13
Stott, Glade C.	14
Trussell, Salesha K.	09
Tsai, Huei-Ching	11
Van Dingenen, David L.	11
Van Fleet, Chad D.	11
Vaughan, Gina L.	11
Walker, Arthur M.	09
Wandelt, M. Dawn	11
White, Christine M.	11
Williams, Gail C.	11
Wilson, Ryan K.	11
Worth, Elyse M.	11

Grade

AWARDS

2005 Distinguished Civilian Service Award

Earl J. Newman, Jr.
Assistant Director for Operations

2005 Meritorious Civilian Service Award

Thomas J. Pawlowski
Regional Special Programs Manager
Northeastern Region

Thomas F. Trefry
Columbia Branch Office Manager
Mid-Atlantic Region

Duane L. Claussen
Chief, Information Technology Div.
Western Region

William B. Petty Award (2004)
William F. Daneke
Arlington Branch Office Manager
Central Region

EEO Performance Award (2004)
Francis H. Gilroy
Technical Specialist
Northeastern Region

**Outstanding Administrative/Technical
Employee of the Year Award (2004)**
Martha (Gail) Wall
Human Resources Specialist
Eastern Region

**Outstanding Clerical Employee of
the Year Award (2004)**
Lisa C. Malott
Office Automation Assistant
Eastern Region

20 Years

Headquarters

Intravia, Ann J.
Lepiksaar, Kalle
Liberto, Joseph E.
Lindenbaum, Jenny L.
Lower, Ronald V.
Miller, Cheryl A.
Reichel, Ronald S.
Thompson, William D.
Valenzuela, Theodore A.

Field Detachment

Dixon, Mark A.
Echols-Bande, Doris A.
Gaitan, Steven M.
Greel, Tracy B.
Matsuda, Selina S.
May, Betty M.
Muranaka, William T.
Parr, Scott M.
Pi, Evelyn
Tominaga, Timothy T.

Central

Altemus, Thomas E.
Campton, Keith A.
Carnes, Brenda K.
Darby, Carol A.
Dyrdahl, Sandra U.
Englert, John R.
Langner, Robert F.
Larose, Michael S.
Lee, Mark A.
Luster, Phillip, Jr.
Priestly, Dwayne L.
Robinson, Mary M.
Wick, Roland E.

DCAI

Carpenter, Linda J.
Dobson, Susan M.
Fletcher, David G.
Jue, Johnny H.
Labadie, Ronald
Lanzrath, Susan D.
Popelka, Rebe A.
Tarver, Karen

Eastern

Bailiff, Dean E.
Cornelius, Karin B.
Cregan, Margaret C.
DelRey, Mario
Driskell, Jabe B., Jr.
Fix, David G.
Griffin, Vanessa
Leon, Carlos
Line, Joe P.
Miller, Lynn Ann
Petty, Diannah L.
Robinson, David W.
Smith, Amy E.
Watz, Cynthia M.

Mid-Atlantic

Bakaysa, Ronald D.
Chrin, Adelle E.
Crowson, Drexel D.
Cunningham, Kathleen M.
Donovan, Kerry F.
Gudknecht, Denise M.
Hahn, Scott C.
Healy, Thomas J.
McCrea, Donna L.
Metz, Steven P.
Samios-Uy, Arbiendo S.

Northeastern

Anderson, Gail L.
Cunningham, Audrey A.
Fiorini, Mary A.
Fletcher, Cathy A.
Fusco, Cynthia A.
Geary, Joan E.
Gilroy, Francis H.
Huempfer, Linda P.
Mandel, Joseph
Monda, Richard L.
Passatempo, Steven A.
Sheley, Seay A.
Silva, Michele A.
Ward, Michael F.

Western

Anoc, Amelia F.
Barreto, Rafael
Blais, Richard G.
Chess, Jeffrey L.
Evans, Delois
Flanigan, Janis Hawney
Fratus, Michele A.
Fujikuni, Brenda M.
Gabriel, Esther W.
Garrett, Larry P.
Garry, Michael J.
Herk, Paul E.
Mather, Tammy J.
McGary, Gregory G.
Miller, Maryann
Ngo, Anthony H.
Nguyen, Susan U.
Reynolds, William W.
Robison, Antoinette
Robison, Rory D.
Sonoda, Curtis K.
Williams, Kevin O.
Winders, Paul D

30 Years

Headquarters

Perry, Roland H.
Phillippe, Michael L.
Schneider, Patricia W.

Field Detachment

OGrady, John R.

DCAI

Ghant, Patricia M.
Keene, Bonnie L.
Smith, Donald E.

Central

Basalla, Mark A.
Bryson, Leonard C.
Burlleigh, Heidi A.
DeCristofaro, Lawrence
Duran, Beverly A.
McElfresh, Michael F.
Merz, Patricia L.
O'Connor, Paul J.
Peterson, Brad L.

Eastern

Croy, Richard L.
Howard, Willie Jr.
Klein, Carolyn J.
Smith, James R.

Mid-Atlantic

Crossley, George W.
Dowd, George B.
Mayer, Richard D.
Mergenov, Michael S.
Samuels, Jo Ann
Swanson, Thomas
Tatem, Larry

Northeastern

Chatel, Natalie M.
Levesque, Elaine M.
Lipari, Alan
Marquart, Bryce R.
Meldonian, Ronald C.
Young, Malcolm D.

Western

Bolkcom, Neil G.
Guilbault, Louise E.
Makell, Barbara A.

40 Years

Eastern

Frasher, Garland, Jr.
Johnson, Wilfred R.

NAME

FROM

TO

Cordero-Yordan, Brenda	MA	HQ
Dowell, Robert C.	EA	HQ
Fulmer, Gregory A.	EA	HQ
Grebner, Gary A.	EA	HQ
Grimes, John Patrick	DCAI	HQ
Hilerio, Eric S.	MA	HQ
Howe, Suzanne	CE	HQ
Jones, Claudia	EA	HQ
Kasperick, Mark J.	CE	HQ
King, Betty J.	EA	HQ
McCormick, David F.	FD	HQ
Prust, Beverly A.	NE	HQ
Dixon, Mark A.	MA	FD
Shire, John C.	HQ	FD
Benfield, Donnie J.	DCAI	DCAI-Technical Support
Jackson, Harold E.	CE	DCAI
Ross, Sandra J.	HQ	DCAI
Sullivan, Michael D.	DCAI	DCAI-Training
Teal, Alan T.	DCAI	DCAI-Course Development
Agosto, Olga M.	NE	CE
Altemus, Mark D.	NE	CE
Becerra, Patricia S.	FD	CE
Cantu, Leticia G.	NE	CE
Guenther, Mark J.	NE	CE
Khalil, Nouhad M.	WE	CE
Pinales, Johanna	EA	CE
Tran, Hivi	WE	CE
Donovan, Jeffrey M.	DCAI	EA
Edenfield, Gary J.	NE	EA
Harris, Mecia G.	FD	EA
Kosier, Sharon T.	HQ	EA
Mejia, William A.	MA	EA
Metheny, Allison W.	HQ	EA
Rivera, Edward	MA	EA
Sokol, Dorothy A.	MA	EA
Stott, Glade C.	CE	EA
Traynham, Donald M.	FD	EA
Vaughn, Demetta J.	FD	EA
Henderson, Richard A.	HQ	MA
Jones, Robert C.	HQ	MA
McKenzie, Donald J.	HQ	MA
Treloar, Gordon H.	FD	MA
Zakuto, Marc M.	NE	MA
Bordenrader, Charmian V.	MA	NE
Bowden, Thomas M.	WE	NE
Fontaine, David J.	FD	NE
Horton, Deborah Thompson	EA	NE
Salvador, Estelita G.	HQ	NE
Vittoria, Caterina A.	FD	NE
Arenas, Alex A.	CE	WE
Baker, Pamela I.	FD	WE
Dias, Edward O.	FD	WE
Doherty, John	HQ	WE
Farthing, Mei W.	EA	WE
Juliano, Mark W.	MA	WE
Said, Shahzad	MA	WE

ON THE MOVE

RETIRES

	<i>Years of Service</i>
Headquarters	
Barnes, Dolores K.	28
Childress, Frances S.	30
Douglas, D. Anthony	33
Gannon, Grace B.	25
Hardiman, Dennis R.	32
Hornsleth, Ronald C.	30
Simpkins, Henry J.	33

Field Detachment

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Hereford, Jerry L.	34
Hoffman, Gary M.	36
Loshbaugh, James D.	17
Murakami, Larry G.	32

Central Region

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Bisbee, James D.	34
Brown, L. Jon	19
Clifford, Barbara A.	38
Harvey, Joyce C.	30
Higgins, Paul C.	38
Nuenomosby, Evangeline	18
Shelton, Mary Sue	17
Shipley, Larry G.	32
Thoma, Vaudeana C.	37
Walker, Bill E.	27

Eastern Region

Andresen, Paul L.	23
Fuller, Doran G.	33
Gilbert, Thomas I	34
Grablow, M. Bruce	36
Hampton, Donna J.	25
Harden, Gregory W.	34
Kirkman, Steven L.	33
MacDonald, Anne E.	25
Niggeler, Rue N.	23

	<i>Years of Service</i>
Mid-Atlantic Region	
Bennetta, Anthony J., Jr.	21
Ciancarelli, Robert J.	35
DelRossi, Charles J.	40
Disanto, Thomas J.	36
Donato, Carol A.	35
Eastridge, Donald C.	35
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Bobek, Joseph A.	36
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Western Region

Byrd, Raymond A.	37
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Retirement
MICHAEL J. THIBAUT
DEPUTY DIRECTOR



(l.-r.) W. Reed with DCAA's Deputy Director, M. Thibault

On June 3, 2005, Mr. Michael J. Thibault, retired after 32 years of outstanding service to the Agency. A luncheon and retirement ceremony were held in his honor at the Fort Belvoir (VA) Officer's Club. He began his Federal career in 1973 (with DCAA) in Seattle, Washington and was selected as Deputy Director in 1994. Since 1973, Mr. Thibault held increasingly responsible positions in DCAA field, regional and Headquarters offices. Prior to his selection as Deputy Director, he served as the Assistant Director, Policy and Plans, Headquarters, and prior to that, Deputy Regional Director, Mid-Atlantic Region. He also served as a Regional Audit Manager and Special Programs Manager in the Northeastern Region, and as Chief, Advanced Audit Techniques, in the former San Francisco Region.

Throughout his career, Mr. Thibault's contributions to the Agency were truly exceptional. He was a dynamic champion for DCAA's Quality Management initiatives such as Quality Conferences, Participative Work Teams, and team awards and helped lead the implementation of our formal strategic planning process. The improved business practices resulting from those initiatives enabled DCAA to deliver more timely and cost effective service to its military contracting customers. More recently, he provided outstanding leadership to the DCAA Audit Committee responsible for planning and coordinating the audit of DCAA Financial statements. In 2003, DCAA was requested to perform mission-critical audit support for DoD's Iraq Reconstruction efforts (e.g., establishment of the DCAA Iraq Branch Office, review of the UN Oil for Food Program and development of an audit universe to identify all contract audit activities in Iraq). Mr. Thibault provided exceptional leadership to these very substantial undertakings, and participated in related congressional briefings and testimony. At his retirement ceremony, his contribution to the Iraq Reconstruction efforts were recognized with the DoD Meritorious Civilian Service Award.

In prior years, Mr. Thibault was at the forefront of DoD initiatives to strengthen working relations between oversight organizations and contractors. He was DCAA's representative during development and implementation of the Contractor Risk Assessment Guide in 1988, and DCAA's executive representative in planning numerous professional forums (e.g., Institute of Internal Auditors) intended to eliminate duplicative oversight through programs such as Coordinated Audit Planning and Audit Cycle Time Reduction. He was a member of the 1999 congressionally established Cost Accounting Standards Board Review Panel, which significantly streamlined CAS thresholds and requirements. His accomplishments were recognized with numerous awards including the DCAA Meritorious Civilian Service Award, the DCAA Distinguished Service Award, the Presidential Meritorious Rank Award, and the Secretary of Defense Meritorious Civilian Service Medal. In 1995, he received a career recognition award from the International Society of Parametric Estimating for his outstanding contributions to Parametric Cost Estimating. He was a member of the Association of Government Accountants (AGA) National Executive Committee; and previously chaired the AGA's Emerging Issues Committee. Mr. Thibault holds a B.A. in Accounting from Southern Oregon University and a Master's Degree in Management and Supervision from Central Michigan University. He is a Certified Public Accountant and has been an active speaker for various professional organizations. He served with the U. S. Army from 1965 - 1968. His principal assignment as a forward observer with A Company, 2nd Battalion, 173d Airborne Brigade (Southeast Asia), resulted in several military commendations including the Purple Heart and Bronze Star (V) Medals which he earned on 29 June 1966 at Bao Binh. His battalion received a Presidential Unit Citation on 16 March 1966 in War Zone D during Operation Silver City. He has served as National Secretary and a Chapter Vice-President to the Society of the 173^d Airborne Brigade.

With gratitude for his dedicated service, we wish him continued success in his future endeavors.

DCAA

Leadership Values

- *Positive.* We must exhibit a positive attitude and approach in all aspects of our supervisory and management responsibilities.
- *Involved.* We will seek to be sufficiently familiar with issues to gather necessary information, perform comprehensive analyses, and make reasonably supportable decisions.
- *Interactive.* We should clearly communicate up and down the chain of command.
- *Professional.* We strive to reflect Agency values in a continuing process of self development, being worthy models for employees to emulate.
- *Ethical.* We seek to consistently demonstrate highly ethical behavior, both personally and professionally.
- *Flexible.* We must respond to situations according to the circumstances and to individuals according to their needs.
- *Decisive.* We should act whenever necessary in the interest of the organization and its people.
- *Responsible.* We strive to adequately prepare our workforce to accomplish the mission, learn from our mistakes, and build on what is right versus what is wrong.



WINTER 2005

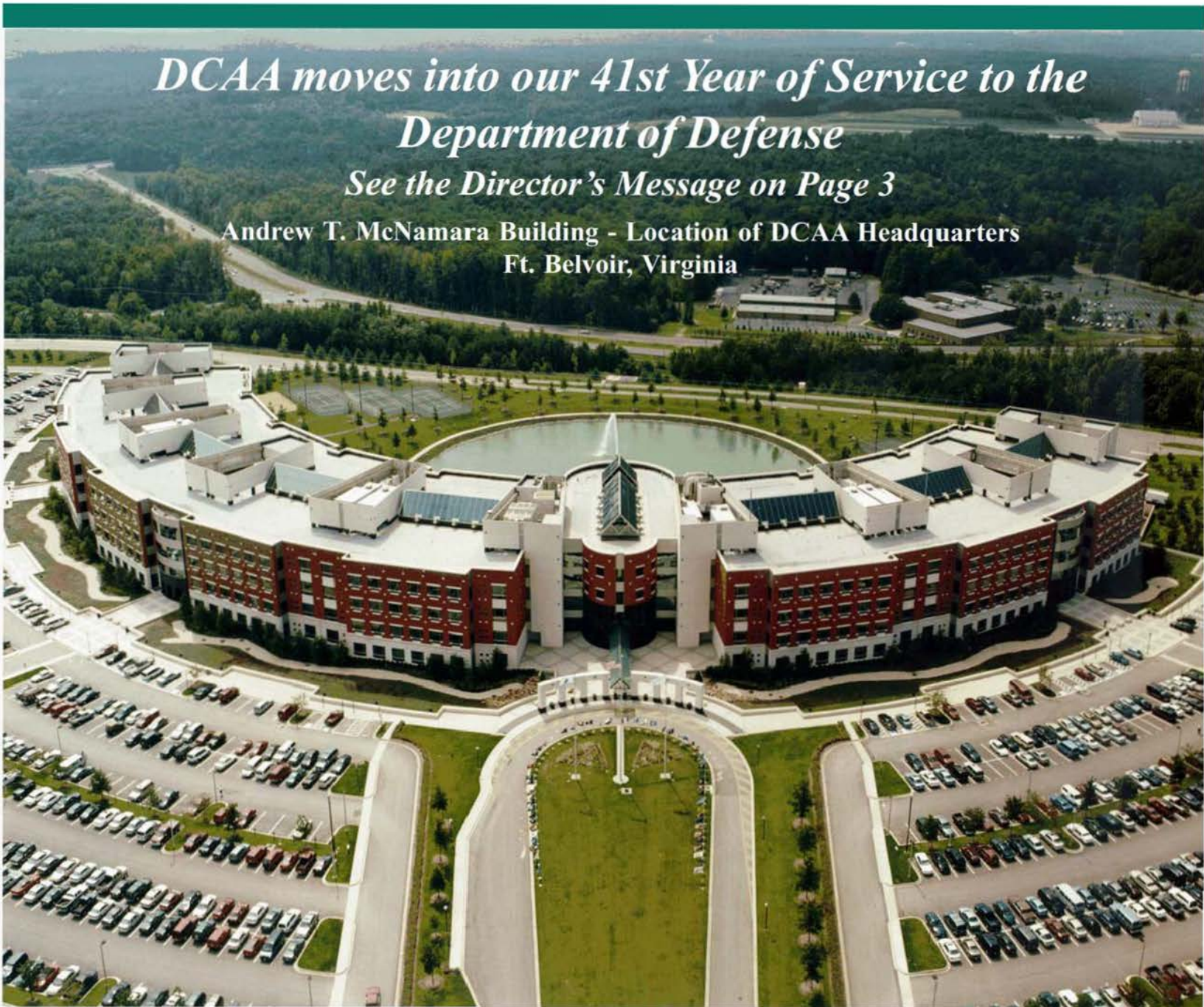
THE DCAA BULLETIN

VOL. 40 NO. 2

*DCAA moves into our 41st Year of Service to the
Department of Defense*

See the Director's Message on Page 3

Andrew T. McNamara Building - Location of DCAA Headquarters
Ft. Belvoir, Virginia





**DEFENSE CONTRACT AUDIT AGENCY
EQUAL EMPLOYMENT OPPORTUNITY (EEO)
STATEMENT OF COMMITMENT**

I welcome this opportunity to reaffirm the Defense Contract Audit Agency's commitment to the principles of equal employment opportunity. In keeping with this commitment, I and my management staff will assure that:

1. All employees and applicants for employment will be afforded equal employment opportunity and the freedom to compete on a fair and level playing field without regard for their race, religion, color, sex, national origin, age, or disability. This policy extends to all employment practices and decisions including, but not limited to recruitment, hiring, promotion, appraisal, reassignment, training, career development, awards, and separation.
2. Discrimination will not be condoned or tolerated. Individuals who believe that they have been discriminated against are encouraged to consult with their Regional EEO Manager. DCAA supports the prerogative of all employees to exercise their rights under the civil rights statutes. Reprisal against any employee who engages in protected activity will not be tolerated. Prompt, appropriate action will be taken when this policy is found to have been violated.
3. Affirmative employment efforts will have the goal of attaining a diverse workforce in which minorities, women, and persons with disabilities are fully represented throughout the Agency.
4. Training in equal employment opportunity issues will be provided to employees, with particular emphasis on training our leaders in their EEO responsibilities.
5. Managers and supervisors are critical to the successful implementation of the EEO Program. As such, their performance appraisals will include an element on meeting equal employment opportunity objectives.

One of DCAA's most valuable assets is its diverse and talented staff. I expect each manager and supervisor to fully support the goals of the EEO program and to set an example by which we can attain and maintain a work environment of mutual respect and appreciation for the diverse experiences and talents that each employee brings to DCAA.

William H. Reed, Director
September 2005

THE

WINTER 2005



DCAA

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All employees are encouraged to submit articles and other items of interest for publication. Due to space limitations, however, not all submitted articles can be published. For detailed information regarding DCAA policy on this publication, consult DCAAR 5120.1, The DCAA Bulletin, dated March 10, 2000. You may send comments or suggestions to:

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End of Article



#1 Employee Article

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DCAA'S 40TH ANNIVERSARY CHALLENGE



As DCAA moves forward into our 41st year of service to the Department of Defense (DoD) and our country, I am extremely proud to have been part of our Agency's accomplishments and advancements during our first 40 years. We have remained relevant in a rapidly changing world and have participated in many significant events that affected our country. I believe that we will continue to do so for many years to come.

Auditor trainees walking through the door of any of our Field Audit Offices today have tremendous resources at their disposal in the performance of their audit mission. Many of these tools are now automated, such as the electronic CAM, automated working papers, APPS, and standard audit programs; and of course, everyone has a laptop computer. Today, technology can move very quickly, and we must continue to move with it or run the risk of being left behind.

I would like to give you a flavor of the way things were in the beginning, how we remain an effective Agency, and encourage you to picture the years ahead and how you might contribute to the future of DCAA.

Back in 1965, DCAA was formed by consolidating the various military service contract audit organizations. The purpose was to be more efficient and effective in auditing for DoD. Through 40 years, we accomplished that and much more. As you look at the old photographs, you can't help but notice that the workforce was mainly white males wearing white shirts, ties, and dark suits; women were just starting to break into the auditing field. Today, if you look around your office, you can easily see the diversity of DCAA's workforce. DCAA's workplace was also quite different in the early days. Most of our staff worked five days a week in less than desirable office space at either a branch office or a contractor's location. Today, DCAA employees have the option of alternate work schedules; they work in up-to-date modern offices, contractor locations, on site with our customers, and many take the opportunity to occasionally telework out of their homes.

In 1965, contract auditing was also quite different than it is today. Our new hires came on board, read the CAM for a couple of days and were sent out to do an audit – with pencils, 13 column paper, green legal pads, and a green folder. There were no computers and there were no standard audit programs. Auditors wrote their own. If you were lucky, someone in the FAO had performed a similar audit, and you could use their working papers as a guide. If not, you had to plan and write the audit steps yourself. It was a lot of work, but the job was challenging and exciting as well. The journeyman level was a GS-11, and you had to wait for a vacancy and be "promoted" to become a GS-12. But some things haven't changed. Contract auditing, Cost Accounting Standards, and the many acquisition regulations are still not taught extensively in college; so most of our auditors continue to learn on the job and through the Defense Contract Audit Institute, which was also established in 1965. Back in 1965, we also operated as teams, maybe not quite as effectively as we do today, but we always had good, effective leaders at all organizational levels that set the Agency on the path that resulted in the DCAA you see today.

Today DCAA is a much more cohesive organization and has achieved unprecedented levels of customer service and audit effectiveness. How did we get there? By having a great workforce and performing quality audits. When we implemented Total Quality Management (TQM) in the early 1990s, DCAA involved the entire organization in identifying ways to satisfy our customers. Through PWTs, we empowered our employees and unleashed tremendous creativity and innovation. As part of TQM, we also agreed on a vision that DCAA would be the “best” audit organization with the foremost reputation for competence, integrity, and customer satisfaction. Through our Strategic Plan, we began the hard work of making that a reality by improving our work environment and audit processes. There is more to be done, but progress has been outstanding.

Recently, I re-emphasized the importance of audit effectiveness. As part of that, I want all the auditors to sharpen their auditing skills to ensure each audit is performed with diligence and professional competence that serves our customers and the public interest. I also want to encourage everyone to be ambitious and unwavering in utilizing their talent and ability to the maximum. DCAA has unlimited opportunities for those who will step up to the plate and grab these opportunities. There are numerous leadership and audit opportunities throughout the Agency – both in the traditional contract audit environment as well as the extraordinary opportunities like the work we are doing in Iraq, Afghanistan, and supporting hurricane relief efforts along the Gulf Coast of the United States. In the next 40 years, the opportunities and possibilities for the Agency and our auditors are limited only by a weakening of resolve to be the best and to serve our country.

You should all be proud of what you and the Agency have accomplished. The Agency plays a key role in the defense of our country. Our audits have saved billions of dollars which have been reinvested to improve the capabilities of our military services. In closing, I would like to congratulate each of you on our 40th anniversary and thank you for your efforts. I have every confidence that the next 40 years will continue this fine tradition and reach even higher levels of service to our country.



How New Managers Deal with FAO Challenges and Experiences

By Gary Spjut, Salt Lake Valley Branch Manager and
Sherri Takahashi, Chicago Branch Manager
Central Region

Being notified that you have been selected for an FAO manager position brings many emotions to the forefront. First, you feel excited about the opportunity and are looking forward to the change. Then reality sets in. You think, “What did I get myself into?” Or, “I have no clue how to do this job.” After the apprehension, you begin to think, “Snap out of it. You were selected from a list of very qualified applicants, and a lot of people have confidence in your abilities or you wouldn’t have been selected.” So, you begin to feel better about the job and are ready to tackle it head on. And then, you begin the job. Almost immediately your thoughts go back to “What did I get myself into?”

With these thoughts in mind and because of the number of relatively new FAO managers we, as two new FAO managers, provided a presentation at a recent FAO managers’ workshop entitled “How New Managers are Dealing with FAO Challenges and Experiences.” It was a “reverse” panel discussion in which the new managers were the panel and solicited feedback on various issues from the audience of more experienced FAO managers. The presentation elicited a lot of responses from the group, and we thought we’d like to share the feedback so that other FAO managers might benefit from the information.

By way of background, Sherri Takahashi became an FAO manager after spending the last 10 years as a Technical Specialist. Likewise, Gary Spjut was a Technical Specialist for 3 years before working as a Financial Liaison Auditor (FLA) for the past 5 years prior to his promotion to the position of FAO manager. For both, it had been many years since our Supervisory Auditor days. Words like Balanced Scorecard, Staffing Assessments, Impromptu, Languishing Assignments, and Runaway Assignments seemed foreign. Both of us had been bargaining unit employees and were suddenly now “Management.” Needless to say, it was a more drastic change for us both than the usual case of a Supervisory Auditor’s promotion to FAO manager. Even for Supervisory Auditors, the FAO manager position poses significantly different challenges.

Our workshop presentation focused on four topics—Regional Processes, Personnel Processes, New Roles, and Super FAOs. As noted, the “reverse” panel format allowed us to identify specific topics and concerns and then solicit feedback from the experiences of other FAO managers and regional personnel in the audience. The following summarizes several of the topics and the feedback received.

Regional Processes

Having been out of management for nearly a decade, our prior supervisory experience was of little help for the onslaught of regional requests and seemingly endless supply of Impromptu reports generating data to formulate responses and to help us manage our offices. The feedback we received from the experienced managers was invaluable. Experienced managers made it clear “the region is a manager’s

priority customer.” Just as we provide timely and quality audit service to our outside customers, managers need to provide the same timely and quality response to regional requests. With that in mind, the following recommendations were provided for managing special requests and for having the needed Impromptu reports readily available to help manage the office resources:

- Post requests to an FAO calendar which can be accessed by administrative staff and supervisors.
- Set up old mail folders by topic, request and date.
- Use reminder Pop-Ups in Outlook.
- Set up and assign a task in Outlook for each request.
- Don’t limit yourself to using the computer. Post each request on a White/Black board and use a three-ring binder to file each request and response.
- Have the administrative staff run critical reports after every pay period and put them on the FAO LAN drive.
- Review the list of recurring reports located on the region webpage (under DMIS/Reports).

Personnel Processes

As auditors and supervisors, we have all been impacted in one way or another throughout our careers by personnel issues, whether by simply filling out insurance forms and getting them to the correct individuals or making sure time sheets are properly completed and certified. As managers, when a new issue comes along, we find ourselves saying, “This seems like a simple task; we should know what to do.” After some research and a few calls, we ask ourselves, “Why didn’t we, as an auditor or supervisor, take the opportunity to volunteer for some of the special projects required of the FAO?” Or, “Why didn’t we accept assignments like recruiter?” Maybe it’s because, as auditors, we never thought we would be in the position we are today. Well it’s today. It’s past time to learn how to deal with all those circumstances and there just don’t seem to be enough hours in the week to research and learn all we need to know. On top of that, tomorrow will bring something new!

Although each manager provided advice for topics related to staffing, hiring, union issues, TDY, etc., in summary the advice was simple. When you are not sure about an approach, contact your regional Human Resources personnel to discuss the issue. It’s best to realize that while most issues are unique within an FAO, there is likely guidance and someone with experience to keep you on the right path to resolution. You can do all the research you want, but even when the decision seems apparent, it is smart management to contact Human Resources to confirm the soundness of your chosen course of action.

New Roles

As new FAO managers, we found ourselves in new roles for interacting with the administrative staff, supervisory staff, regional personnel, and customers.

Interaction with Administrative Personnel. Prior to becoming FAO managers our interaction with the administrative staff involved asking them to prepare travel orders, order supplies, and send out memorandums, etc. We were not concerned with issues such as whether the FAO's property records matched the region's, managing the budget, disposing of excess computers, ensuring travel vouchers and cost vouchers were accurate, ensuring files were being put into iRIMS, etc. Now, as responsible FAO managers, we must be concerned not only with whether these types of functions are being performed accurately, but we must also ensure they are performed in a timely manner. In many instances, a manager walks into a new FAO with a seasoned administrative staff that is used to doing things a certain way. How does a new manager go about balancing the assessment of the operations and possible corrective action without alienating the administrative staff?

The experienced managers let us know that the administrative staff can make you or break you. Establishing a strong rapport with the administrative staff is crucial to ensuring the manager's and FAO's success. The following summarizes responses on how to go about developing and maintaining a good relationship with the FAO's administrative staff:

- If they are doing it right – leave them alone.
- They can train you.
- Develop their trust and confidence first.
- Encourage them.
- Make them know how important they are.
- Make sure supervisors and auditors support them.
- Be as flexible as possible.

Interaction with Supervisory Staff. As new managers, we were very concerned with how to interact with the supervisory staff. It is one thing to supervise auditors—it is quite another to supervise supervisors. We were concerned with: (i) how involved we should be with their audits, (ii) how to interact with their auditors, and (iii) how to achieve the right amount of empowerment, especially if you don't know the supervisors well.

The experienced managers considered involvement with the auditors as one of the more significant concerns when interacting with the supervisory staff. The majority of the managers seemed to feel it was all right to talk to the auditor directly; but, in most circumstances, only if the supervisor was not available. However, they recommended to always follow up with the supervisor when speaking to an auditor directly.

Most managers agreed that the ideal situation is to discuss issues with both the auditor and supervisor together.

Interaction with Regional Personnel. Supervisory auditors have relatively little interaction with the regional staff. In the past, it seemed like when we got a phone call from the region, we thought to ourselves, “Oh, no. What have I done now?” As an FAO manager, there is considerable contact with regional personnel. FAO managers are concerned with what support should be expected from the regional staff and how to establish/maintain a good working relationship with regional staff members. The level of trust produced by those relationships goes a long way toward facilitating quick and responsive regional support.

Communication is a vital prerequisite in obtaining regional support, according to the experienced managers. They suggested getting to know the regional staff and finding out what support they can provide to the FAO. A good practice is to learn the organization of the regional staff—the regional website is a great resource—then pick up the phone and call up the heads of each division, i.e., RSA, RSI, RST, etc. Introduce yourself and encourage them to discuss the services they provide to the FAOs and how you can best utilize those services. Also, it was suggested that FAO staff members who have an established rapport with regional personnel can be a real advantage in addressing a number of issues. The regional staff attending the workshop indicated they encourage FAO managers to come to the regional staff for advice. It was emphasized that FAOs are customers to be supported in a timely manner with quality advice. We were encouraged to pick up the phone and ask the question.

Interaction with Customers. Prior to becoming FAO managers, our interaction with customers was restricted to those few dealing with our contractor or program. Now we have responsibility for all FAO customers along with ensuring good working relationships with PCOs, ACOs, DACOs, FLAs, and contractors. These working relationships are also usually at a much higher management level than previously experienced.

“GO SEE THEM” was the overwhelming advice. Meet with them often to discuss the quality of our audit services and what we can do to improve those services. Make sure you are responsive to their requests and concerns. Follow up with them so they know the concerns are important to you.

Super FAOs

A number of workshop attendees manage offices that have informally come to be known as “Super FAOs.” This is not because they are fabulous, but rather because they are offices with attached suboffices located a considerable distance from the main branch office. Many times there are several suboffices that are located hundreds of miles away, and spread over several different states. This makes frequent, meaningful, one-on-one discussions with supervisors, auditors, and administrative personnel a very significant challenge. It is difficult to keep on top of the issues when managers must coach and lead from a distance. Face-to-face meetings are necessary to instill comradeship among the staff, but are also very costly. The leadership values of being involved and interactive become difficult to attain in these types of FAOs.

Easy to say, difficult to fit it into your schedule, but it is absolutely necessary to personally interact with the staff at the outlying suboffices. The bottom-line advice from experienced managers is: you must make time to visit the suboffices. It is crucial that you make the suboffices feel like they are truly an integral

part of the branch. Also, frequent telephone conversations rather than e-mail communication are key to successful management. While e-mail may be easier, there is a lack of critical interaction with the staff. Managers must set the tone for personal attention if we expect field visits by supervisors. Another suggestion was to request that FLAs make presentations for and represent FAO managers at major buying commands that are a substantial distance from the branch.

All in all, we received excellent feedback from the more experienced managers and have incorporated many of the suggestions into our daily routine. As we completed this article and reviewed it, we made an additional observation. The advice we received is “framed” by many of the DCAA Leadership Principles. Coincidence? We don’t believe so. Successful managers (and leaders) have a knack for doing the right things. In any event, we are grateful for their willingness to share their considerable knowledge and expertise with those of us who still need some experience under our belts. The only thing we need now is a 40-hour DAY!!!



RETIREE’S CORNER - BARBARA IRVIN

On January 3, 2006, Ms. Barbara J. Irvin retired after 32 years of outstanding service to the Agency. Ms. Irvin joined our Agency in January 1971 as a GS-7 Auditor Trainee at the Eastern Region’s Litton System Division Resident Office in Pascagoula, Mississippi. In December 1979, Ms. Irvin was promoted to Supervisory Auditor at the New Orleans Branch Office. In June 1982, she was promoted to a GS-14 Program Manager at DCAA Headquarters, Policy and Plans, Policy Formulation Division. She then continued her career as an FAO Manager at the Pascagoula, Mississippi, Ingalls Shipbuilding Resident Office and at the Gulf Coast Branch Office in Ocean Springs, Mississippi. In May 2002, Ms. Irvin was promoted to a GS-15 position as Division Chief, Policy and Plans, Auditing Standards Division. She was then promoted in May 2003 to a Senior Executive Service (SES) position, Deputy Regional Director, Mid-Atlantic Region.



Ms. Irvin has consistently demonstrated her leadership and willingness to take on new challenges. She has distinguished herself as a leader who has accomplished mission and strategic goals in an exceptional manner. Her abilities were evidenced by her receipt of the William B. Petty Special Achievement Award for Management Excellence for 2001. During her tenure as the Deputy Regional Director of the Mid-Atlantic Regional Office, she assisted in the resolution of numerous complex technical and non-technical issues that have resulted in improved efficiencies throughout the entire Region. Her effective style of leadership and management has been vital in the Region’s efforts to accomplish both its local and the Agency’s overall mission.

Ms. Irvin’s retirement plans include returning to Mobile, Alabama, to spend time with her family. With gratitude for her dedicated service, we wish her continued success in the future.

Electronic Submissions in the Pacific Rim

By Robert R. Kratochvil, CPA
Branch Manager, Pacific Branch Office Japan
Western Region



Is your FAO overcoming its barriers to obtaining contractor submissions and supporting data in electronic format and using them to improve productivity? Fantastic!! Now imagine the additional barriers that exist when performing audits in an overseas environment. Welcome to the Pacific Branch Office!!

The Pacific Branch Office (PACBO) is located in Yokohama, Japan, with suboffices in Seoul, Korea and Honolulu, Hawaii. The FAO has cognizance over contract audits in Asia, Australia, Hawaii, and the Pacific and Indian Oceans. Approximately 50 percent of the FAO's audits are performed at contractors where English is not the primary language; in countries such as Japan, South Korea, Taiwan, Mongolia, Vietnam, Cambodia, and Hong Kong. Audits performed where English is the primary language include contractors in the U.S. Hawaiian Islands, Guam, Australia, Singapore, New Zealand, the Philippines, and the British Indian Ocean Territories. Approximately 98 percent of the audits performed by PACBO are at small- to medium-size contractors (privately held) with Government sales of less than \$10 million per year.

Improvement Opportunities

The PACBO, like all stateside FAOs, has focused much attention over the past year on obtaining contractor submissions and supporting data in electronic format and using them to improve audit productivity. The PACBO efforts include using PWT processes to: identify perceived barriers, perform statistical analysis in order to identify areas of greatest improvement opportunity, seek solutions to overcoming the barriers, initiate actions and monitor improvements. The PACBO efforts resulted in the same conclusions that most other DCAA FAOs have realized -- there are two interrelated steps to the electronic initiative:

1. Obtaining submissions and supporting data electronically.
2. Effectively using the electronic submissions and data to improve audit productivity.

Obtaining Electronic Submissions

Even though there is a perception that contractors in Asia do not utilize electronic formats as much as stateside contractors, most contractors in Asia are computer literate and use Microsoft products and/or commercially available accounting software. Therefore, similar to stateside FAOs, the PACBO has been able to obtain a higher amount of contractor submissions and supporting data in electronic format by simply communicating better with contractors and contracting officers to inform them of DCAA's desire for

electronic submissions and data. Some of the most successful techniques used at the PACBO to communicate DCAA's desire include:

- Sending "awareness" memos to contractors and contracting officers advising of DCAA's desire for electronic submissions.
- Including a request for electronic submissions (including CACSs) in incurred cost reminder and past due letters.
- Having auditors ask contractors, during or before the entrance conference, for submissions and supporting data in electronic format (if not already provided).


Using Electronic Submissions to Increase Productivity

Obtaining contractor submissions and data in electronic format is one thing, but actually using the electronic formats to increase audit productivity is quite another. Like stateside FAOs, the PACBO discovered that the most common barrier to using the electronic formats to improve audit productivity is the lack of auditor training; in both converting electronic data formats and using the advanced spreadsheet and database functions in Microsoft software (pivot tables, lookup functions, autofilters, etc.). The FAO determined that some of the best solutions to overcome these barriers include:

- Have contractors provide submissions and supporting data in an electronic format that is already used by DCAA, regardless of whether the source data format is company-proprietary software, commercial software, PDF, or other types of files (i.e., let the contractor do the converting).
- Determine which employees on staff at the FAO or Regional Office possess electronic conversion skills, and use these skilled labor resources as necessary when contractors can not convert to formats used by DCAA.
- Train the audit staff in using advanced functions in Microsoft software.

Lessons Learned

The most important lessons learned at the PACBO in obtaining contractor submissions and supporting data in electronic format and using them to improve audit productivity are:

- Being an "overseas" FAO didn't present any unique barriers to obtaining and using electronic data.
- Good communication with contractors is the most important aspect of obtaining contractor submissions and supporting data in electronic format, regardless of country or language.
- Significant audit productivity gains can be realized by a staff that is trained in the advanced functions of Microsoft software.
- Obtaining supporting data in electronic format is just as important to increasing audit productivity as is obtaining initial contractor submissions in electronic format.
- These lessons learned are not found in fortune cookies. 

Five Consecutive Unqualified Audit Opinions A Defense Contract Audit Agency Success Story

By Bill Torrick, Chief
Financial Management Division, Headquarters

The Department of Defense is frequently criticized for preventing the Federal Government from getting a clean audit opinion. The Department has a myriad of financial and management information systems, which are incompatible, are not transaction based, and are non-compliant with Federal financial management systems requirements. As a result, the Department continues to receive a disclaimer on its annual financial statements. Currently, the Department is working toward a goal of correcting the deficiencies and producing auditable financial

statements by Fiscal Year 2007. However, despite the issues at the Department level, a few Defense Components have been able to overcome the system problems and achieve a clean audit opinion—DCAA is one of them.



In fact, DCAA is one of only a very few Defense agencies to have been able to get an unqualified audit opinion on our annual financial statements. Furthermore, we have earned five consecutive unqualified audit opinions (Fiscal Years 2001-2005), and in all 5 years the auditors found no material weaknesses in internal controls. Not only were we able to achieve this, but we were also one of the first. In Fiscal Year 2001, only DCAA and the Defense Finance and Accounting Service (DFAS) received unqualified opinions. By 2005, the

number had grown to only four Defense Agencies and the military retirement fund that were able to accomplish this. In our first try in Fiscal Year 2000, we got a qualified opinion because the auditors were not able to verify the beginning balances; significantly, the auditors found no material weaknesses in DCAA's internal controls.

We started our journey during the spring and summer of 2000 when, in response to Department of Defense direction, we began studying the feasibility of having our financial statements audited. DCAA's audit committee was established in July 2000, and an expert consultant was hired to advise on the formation and framework. The audit committee is comprised of Agency executives, is chaired by the Deputy Director, and reports to the Director. The committee also has non-member representatives from the Department of Defense Inspector General and the Office of the Secretary of Defense, Comptroller. This committee is key to our success, providing top-level oversight and top-level commitment to all aspects of the audit process.

Under the direct oversight of the audit committee, we began the process for the competitive selection of an independent CPA firm to provide audit services to DCAA. The firm of Leonard G. Birnbaum and Company, LLP was selected, and has audited our financial statements from Fiscal Year 2000 through 2005. Working with the auditors, we prepared flowcharts and cycle memos documenting all financial processes. In addition, we identified the primary areas of possible concern as accounts payable and reimbursable accounts receivable.

An Agency team was formed to validate and correct overaged accounts payable. The team significantly reduced the overaged accounts payable, and support was obtained for those accounts that remained on the books. DCAA Headquarters and DFAS researched the overaged reimbursable receivables. We aggressively pursued collection of the reimbursable receivables that we could validate, and reversed those receivables that were invalid or unsupported. Subsequent to these initial efforts, we have continued our emphasis in these areas, which has contributed not only to the annual audit efforts, but also to the financial health of the Agency. As a result, today DCAA's numbers in both of these areas are among the best in the Department.

Another area which we strengthened was the internal management control review program. We now review selected financial program areas at all DCAA components annually. Approximately 50 percent of the entire financial program is now reviewed each year, so that the entire program is covered every second year. The areas covered include payroll, accounts payable, travel, and charge card usage, etc. Due to the vulnerabilities related to the Government charge card, this program is reviewed each year. After each review, a report including any findings is prepared, and copies are provided to Agency management and our CPA firm.

One of the most important contributors to our audit success is that DCAA financial management staffs at both the regional and Headquarters level have always worked closely with the DFAS staff in managing and monitoring their accounts. The diligence of DCAA financial managers and their partnership with DFAS has meant that DCAA has always managed our financial accounts carefully, and kept Negative Unliquidated

Obligations (NULOs) and Unmatched Disbursements (UMDs) to absolutely minimal levels. NULOs and UMDs remain serious problem areas for many of the Defense Components and the Services.

The DCAA and DFAS partnership continued from the normal day-to-day operations to the generation of quarterly and annual financial statements. DFAS, as the owner of our payroll and accounting systems, prepares our financial statements. The DFAS staff works closely with the DCAA staff and our CPA auditors both during the audit and during the preparation of the annual statements to ensure the statements are accurate and supportable. Without these close working relationships, we would not be able to achieve a clean audit opinion.

Despite the good working relationships and perseverance, we will have to continue to be vigilant in managing our financial resources in order to maintain our current status and get an unqualified opinion in Fiscal Year 2006. Each year will bring new challenges, new financial statements and a new audit. ✓



The Journey to Retirement

By Patricia Ferrer, CPA
Regional Audit Manager
Western Region

An old Chinese proverb states: The journey is the reward. My journey to retirement after 31 years of Federal service (24 with DCAA) has been a rewarding one. I have witnessed significant growth and change in DCAA. The thoughts below are to help those who traveled with me remember our journey to where we are now. And for those on the journey to where we will be—to understand where we came from. From my perspective, our customer satisfaction, electronic, and quality journeys have been the most striking.

Customer Satisfaction. In the past, we did the audit we thought was best and provided it when we got it done. As a result, some of our customers, especially those from the buying commands, were not always happy with our customer service. At times, they could not get a needed audit report in time to put an item on contract. The Agency's emphasis on customer satisfaction began with establishing the 30-day report issuance metric. Do you remember when we thought it would be impossible to issue 210 audits in an average of 30 days? Now, as an Agency, we issue our 210 reports in an average of 28 days. We also reinvigorated the FLA (then PLA) program and delineated customer satisfaction as one of our Strategic Plan goals. We provided audit guidance on auditing parts of a proposal and performing agreed upon procedures. As a result of these actions, our level of customer satisfaction soared. I believe that the focused attention on our customers ensured the very existence of DCAA. It was our customers' positive testimony in outsourcing hearings that kept us, and still keeps us, alive as an organization. We do not exist without our customers needing, *wanting*, and preferring our services. As customer satisfaction is one of our Strategic Plan goals, we will, as an organization, continue to make changes in our processes that

will help us assure customer satisfaction by providing timely and responsive audits and financial services that meet or exceed customer requirements and expectations.

The Transition from Paper to Electronic.

When I started with DCAA, we were preparing our working papers on legal-size paper (8 ½" by 14") and had just eliminated the use of Government-size paper (8" by 10 ½") and started using letter-size paper (8½" by 11") for our audit reports. The only thing we did "electronic" was on a timeshare service that required using paper tapes and significant input time, and oftentimes resulted in overall frustration because if the input had even one tiny error (e.g., misplaced comma or period, much less the wrong numbers [amounts]), the entire process had to start over again. My first experience with a personal computer was with a TRS-80 that our progressive RAM convinced the region to buy for each of his offices. I was the lucky primary user! Although I had used many mainframe applications in the past, this was the first time I had the power of personal computing. The speed and ease in doing working papers and preparing, editing, and producing audit reports was amazing, even with the limited capabilities of the hardware (remember how S-L-O-W the dot matrix printers were?) and software at the time. Although the journey to everyone having their own laptop computer had bumps and twists and detours—look where we are now! We all have laptops from a well-known manufacturer that has a great reputation for reliability and customer support. We get a new laptop every three years—something many people in private industry and other Government agencies can only wish for.

Electronic Working Papers. With the personal computers, we were on our way to electronic, not paper, working papers. MultiMate and MultiPlan gave way to Microsoft Word, Excel, and Access. The functionality and flexibility of these

programs are amazing. Our auditors that use the full capability of Excel and Access can analyze data in less than an hour that we would have never even attempted to consider in the paper and 10-key calculator days. How the administrative personnel ever typed all of those original “cut-and-paste” reports is difficult to imagine now. Converting to electronic working papers and developing our electronic networks and iRIMS, made for a significant quality of work life improvement for me as a Regional Audit Manager. Prior to having the electronic working papers and an efficient way to transmit them, if I needed to review working papers, I would either have to pack up and drive or fly to them, or they would have to be packed up and shipped to me. Now I have access to all of my offices’ X drives and K drives. I can download a file to review in just minutes while I am working on something else. Going to an office just to review working papers has become a thing of the past. And iRIMS! What an improvement from the paper files, diskettes, and CDs. If a question arises about an assignment performed by one of my offices, in less than 5 minutes I can have the report and the working paper file on my hard drive ready for review. No more calling; no more faxing; no more corrupted or lost electronic files!

Our “electronic” journey is not over. Through continuous process improvements with enhanced software and increased user proficiency, we will be supporting Strategic Plan goals 3 and 4 by attaining the highest level of professional competence and providing best value audit services.

Quality. Our quality journey has also been impressive. I vividly remember the reaction at the FAO staff conferences where I presented a new DCAA Strategic Plan objective: In 1999, increase the number of error-free reports to 75 percent. *How unreasonable! We could never do that! Has the Agency lost its mind?* Those comments sound pretty silly in light of today’s almost 93 percent error-free rate Agency-wide. Although not formally measured and monitored, I know after 15 years of reviewing working papers as a RAM that our working papers are of much higher quality today

than ever before. The use of APPS and hyperlinks and bookmarks and compliance with the guidance in CAM 4-403, ensure a complete package with easy-to-trace working papers. Reviewing working papers has never been so easy! Our quality journey continues with improved guidance, enhanced standard audit programs, more rapid deployment of CAM updates and related APPS changes, and more knowledgeable and competent staff through better and timelier training.

What do our customer satisfaction, electronic, and quality journeys have in common? Innovation. As a result of innovative ideas from our own employees, we have APPS, APPS Tool Bar, ICE, ICAPS, ICRS, TRAIN, electronic permanent files, CACWS, and Web-metrics. Management’s willingness to embrace innovation has kept DCAA on its journey to be THE audit organization with the foremost reputation for competence, integrity, and customer satisfaction by: creating an environment of teamwork, open communication, trust, and mutual respect, and developing highly qualified employees dedicated to the concept of continuous improvement.

DCAA—continue on your rewarding journey.

Bon voyage! 



We All Have A Hard Job

By Ben Bulder, CPA
Supervisory Auditor, West Coast Branch Office
Field Detachment

There are days when I wonder how everything is going to get done. Reports needing to be reviewed, e-mails needing responses, requests for information, meetings with the contractor, hiring activity, program plans, training, quality reviews, personnel issues, etc., and it all needs to be done ASAP! You do the best you can and hope that you haven't missed anything. When my daughter asked me what I do at work, I told her that when I come into my office I turn a switch and all these papers fly over my desk. I grab one at a time to work on, and at the end of the day I turn off the switch and the remaining papers fall back down. The next day it starts over again. Although lately, it seems there are more and more papers flying in the air. For every task that is completed, two or three more take its place. We are bombarded with information and data. You want to do a good job, so you put in the extra time and productivity increases; but what about job stress and morale?

As managers we need to be aware of the stress that our employees are under, too. We need to consider the pressure on auditors and supervisors who have as much or more work to do, but less say so over how and when it's done. The answer is to recognize the situation, let employees know that they are not alone, and reward them for their extra efforts. According to author and consultant Tim Moore, it's a question of leadership. "Good leadership isn't giving senior management big compensation and pretending everything is okay. Good leadership is empathy—that they're aware their employees are fighting traffic, staying later, working longer." (Siegel, 2004).

The key is communication, and being able to communicate what is important, such as the mission, strategic goals, and ethics, while also listening to understand the needs of the employee. Starting a morale-building effort can be as simple as holding a staff meeting. Ask the staff about balancing their work and personal life and what we can do to support them. The ideas and programs developed may help reduce absenteeism and turnover. Other ways to improve morale can be as simple as bringing bagels or buying lunch for the team that completed that big proposal or system review on time.


Employees can also become frustrated when they see they are the only ones making sacrifices, or when other employees are perceived as not doing their share of the workload. On-the-spot cash, time-off, and other awards and recognition can offset this situation. However, we should be telling employees what is going on and why they were assigned to certain assignments or teams. Employees may be more willing to attain team goals and objectives if they are plugged into the decision-making process. We also need to deal with employees who are not performing, which can cause problems with morale when others believe they are the only ones doing the work.



In addition, the audit work in itself can be stressful where we constantly strive for increased performance, improved quality, and lower budgets. Auditors can experience contractor delays for information or technical problems with computer equipment. This environment can test the auditors' patience and cause them to lose confidence. In this case, more frequent feedback is important. We should be straightforward in telling employees how they are performing and what we think are their strengths and weaknesses. In their article on Talent Management, authors Handfield-Jones and Michaels

say that talking to employees about strengths builds self-confidence, while talking about their weaknesses helps them grow. We expect employees to complete their assignments on time, and meet all the quality and regulatory standards while doing what's right for the customer. The development of employees depends not only on new skills and knowledge, but on changes in insight, behavior, and work values that are acquired by frequent feedback (Hanfield-Jones and Michaels, 2001). As leaders, we should do more than merely meet the metrics. To effectively implement strategy and be successful, we must put people first and continually connect with and motivate our employees (Molding Global Leaders, 1999).

Employees who are constantly under pressure and who do not feel appreciated sometimes give up and leave the organization or stay and resign emotionally. In the latter case, they just go through the motions, having lost the enthusiasm for work. We often refer to them as having retired in place. DCAA needs employees who are energized and excited to achieve a high level of performance. Yet this is a difficult task unless employees are frequently praised and the organizational climate encourages and supports self-renewal (Manion, 2000). This is accomplished by focusing on the positive, or as my co-worker says "catching someone doing something right." As an organization, we can not afford to constantly train employees and then watch as they leave or become emotionally resigned.

With the increasing turnover and influx of new hires, the importance of developing a strong staff of motivated and appropriately rewarded employees is important to remain competitive. The key is to inspire employees with energy, insight, and initiative. Motivation is ultimately enhanced by rewarding success versus criticizing failure, and encouraging continued growth or improvement. The organizational benefits may include less job stress, increased cohesiveness, and lower turnover and absenteeism. 



Go East Young (?) Auditor

Janis A. Lang, Program Manager
Policy Quality Assurance Division
Headquarters



I never thought that moving to another state would be like moving to another country, except they speak the same language, sort of. Nor did I think that DCAA Headquarters would be so different from the field experiences of the DCAA auditor. Since my first year as a Headquarters program manager, I have been involved in such a wide variety of audit activities that have exposed me to a whole new world of auditing. I have been involved in cutting-edge audit and procurement processes that have proven to be excellent learning experiences.

I am a California native who was raised a few blocks from the beach in Santa Monica. I have lived in the West all of my life. So when I left Southern California for DCAA Headquarters, located in Northern Virginia, I knew I was in for an adventure. However, I didn't know so many of my basic beliefs about life would be turned upside down. In California you usually can't feel the weather, shoes are always a viable option, and snow is best viewed on the mountains from the coast. I thought that is the way life should be. I also thought that:

- The sports report on the evening news was just a segment of the news. Sports on the evening news in California lasts only a few minutes and is never the lead story. Not so in Northern Virginia. Sports news can take a full half-hour news broadcast and be almost exclusively on the Redskins' new coach, quarterback, or parking problems.
- Road construction projects ended. Road construction projects in Northern Virginia are measured in decades, not years.
- The inside lane on the Interstate was the fast lane. In Virginia, all the lanes can be either the fast lane or the slow lane. Most of the time they are all the same slow-speed lanes.

Joining the Headquarters staff also made me realize that some of my basic DCAA beliefs were also challenged. I thought it would take about a week to draft and issue an MRD. I soon found out that due to extensive coordination efforts and the technical nature of the subject, it may take up to 6 months to perform the necessary effort to ensure the new guidance is accurate, effective, and helpful to the auditors.

I thought the CAM revisions could be made with a stroke of a pen. Well, yes, the pen-and-ink changes can be made that fast, but the substantive changes are a different story. Every major Policy change is coordinated with all Headquarters directorates, including the Director himself.

Being a field auditor, I didn't fully understand where all the Headquarters memorandums originated. I noted that these memorandums contained different acronyms like PPD, PAC, CMR, etc., but I was confused as to what these acronyms represented. My former branch manager, who had spent 2 years at Headquarters, tried to explain it to me, but my eyes just glazed over. This is the story. The DCAA Headquarters staff is comprised of the Director's Office, Policy and Plans Directorate, Operations Directorate, Resources Directorate, and the Defense Legal Staff. The P is for Policy, O is for Operations, C is for Resources, and DL is for our Defense Legal support staff. Now I will concentrate on Policy and Plans, since this is where I am assigned. The Policy and Plans Directorate is comprised of five divisions: PSP, PQA, PPD, PAC, and PAS. Generally, to find out the responsibilities of each division, drop the P and

concentrate on the other letters. The PSP stands for Policy Special Projects. Special Projects works on executive briefings, NASA property audits, forward pricing audits, CAC program, acquisition initiatives, and audit policy relating to Iraqi audits. PQA is the abbreviation for Policy Quality Assurance. PQA's major effort relates to performing the President's Council on Integrity and Efficiency (PCIE) reviews. PPD (Policy Program Division) covers program areas such as incurred cost, material audits, labor audits, universities, not-for-profits, and financial capability audits. PAC (Policy Accounting Cost Principles) works primarily on FAR and CAS. PAS (Policy Auditing Standards Division) is responsible for the CAM, the Yellow Book, the APPS, and legislative liaison. More detailed information can be found on the Policy website.

Upon arrival to Headquarters in June 2003, I was assigned to the PSP Division. After 23 years with DCAA, I thought I had seen and experienced most of what DCAA does and has to offer. Was I wrong! What an eye opener! Just in the first months I performed extensive research on Other Transactions and revised the applicable CAM section. Before June 2003, I had never performed or supervised an Other Transaction assignment. In the first months, I also edited the proposal adequacy training course, issued a new risk assessment model for Other Transaction engagements, attended meetings sponsored by DoD regarding various types of acquisition initiatives, worked on the NASA property audit, and reviewed and responded to numerous suggested APPS and CAM changes that came in from the field.

After 6 months, I had an opportunity to move to PQA (remember that this is Quality Assurance) and immediately went to Seattle for a PCIE review on internal control audits. My QA team also went to the Melbourne Branch Office in Florida to perform a PCIE-based review. This experience allowed me to better understand the GAGAS requirements and the need to ensure our audits comply with the Government standards. In my current position, I am able to see the extensive effort that is expended to support a change in audit guidance when we find an audit process that is not fully in compliance with the standards, or requires a change because the standards have changed or a new law has been enacted. Specifically, I have worked on making changes to our audit guidance based on findings by the Department of Defense Inspector General (DoDIG). As part of my duties, I keep track of the reviews performed by the DoDIG and other Government audit organizations that are related to DCAA audit activities. Recently, I was asked to review the DoDIG's report on our A-133 audits. Last week I knew nothing about A-133 audits. This week, I'm ready to hit the road sharing with others some of the issues that were identified by the DoDIG to help our auditors perform their audits more effectively. It is amazing what a program manager can experience in a week.

Am I glad I applied for a program manager position? Yes. I do not believe I could have had the variety of experiences anywhere else. Not only have I grown personally by living near our nation's capital and being able to sit in U.S. Senate subcommittee hearings, observe the Supreme Court in action, enjoy the fireworks over the Washington Monument, and attend the 2005 Presidential Inauguration; I have also grown professionally. As a program manager, I am empowered to make a difference in our audit policy and processes.

If you like continuous learning, consider applying for a program manager position. If variety is what you are looking for and you would like to broaden your knowledge base, consider joining our Headquarters family. The lessons I have learned will be of value to me for a lifetime. Do I like the Virginia traffic and weather? No. The winter has been brutal and the traffic is irritating. In California, although we have some

traffic problems, the weather is usually perfect and the surf is always up. However, I believe this is one of life's opportunities you don't want to pass up.

Another advantage to being a program manager is that I won (at our annual Holiday auction) the opportunity to choose the color of the July 2004 CAM. Isn't it great!



Code RG – but Beyond “Regular”

By Rod Clary, Auditor
General Electric Aviation - Evendale Suboffice
Eastern Region

I was just finishing with the paperwork when I heard my name spoken behind me. I turned and accepted the proffered hand. “I’m Jack,” he said, “welcome to DCAA.” Jack’s easygoing manner and friendly smile helped put me at ease my first day on the job. He chatted easily, and our conversation was of inconsequential matters. There would be time enough to officially orient the NEW HIRE when the time was right.

The first day at a job is a new and exciting adventure, kind of like that proverbial first day back to school after summer vacation -- hair neatly combed and wearing a new shirt with just-shined shoes, hoping to make a good first impression. Alas, it is an adventure fraught with unknown dangers in the form of unfamiliar faces, strange surroundings, and perhaps even unreachable expectations.

Reason dictates it will go fine, but what if I am held up in traffic my first day of work? Do I have food in the corner of my mouth? What if I can’t remember anyone’s name? An overactive imagination is likely to ponder these types of questions, which is why it is important to provide the NEW HIRE with the friendly assistance of another auditor.

As I followed this likable extrovert to his

car, I could not help but notice the suspenders, but reserved the question of fashion statement or functionality for later. The office was several hundred meters away from the guard station where I obtained my temporary entry pass, so Jack considerably drove over to get me. Jack did not want the NEW HIRE to become sweat-soaked on his first day in that clammy weather that is typical of the Midwest at the end of June. Jack is just that kind of guy.

Jack first showed me the important things. He showed me the location of the bathrooms, microwave, fridge, and coffee pot. Jack had brought in an abundance of muffins and donuts as a welcome gesture for the NEW HIRE. Jack denied it was because it was his anniversary of 30 years of Government service. (My suspicions were aroused, however, when I overheard Jack tell the new auditing supervisor that he brought the goodies in to welcome him, since it was his first day as well as mine.) With donut in hand and me in tow, Jack’s tour of the facility continued.

My new hire advisor introduced me to his family by way of the photographs adorning his cubicle and commandeered a chair for me – not just any chair but one that adjusts three ways. He fixed me up with pencils, paper, sticky notes, keys to boxes containing other keys, and offered what is

probably the most vital element a NEW HIRE needs – the offer of support. The operative word here is offer – or is it support? – or is it both? Anyway, to know that there is someone willing to help – someone to call on if needed – is very reassuring to the new person. In fact, everyone in the office was very gracious and helpful, and it wasn't even their responsibility. Jack claimed it was because I was under his counsel, but I don't know about that. Support of the NEW HIRE in all jobs is not just helpful; it is an absolute necessity. NEW HIRES often occupy space alone, ignored and forgotten until magically, days or weeks later, someone notices there is a person using that desk that sat lonely and vacant for so long. Photographs hang on the wall that could be somebody's family. Then the question arises, "Why isn't that person getting any work done?"

Fortunately, it does not work that way at DCAA. DCAA has a new hire orientation process that allows a limited amount of time to be allocated to a particular assignment number described as "making the NEW HIRE feel at home." Not really, but it is an apt description. Last year the number of hours for OJT training of new hires increased from 200 to 300. It sounds like a lot of time, but beware – there is a lot for a trainee to learn in the first year! Jack told me I would know when he had used his allotment of hours because at that point he would stop talking to me. (I am sure that he was just kidding!) Jack felt compelled to provide an explanation on some not-so-essential matters, such as how to enter hours and codes into the timesheet, where to access benefit and payroll information online, and who to call about what. "It is not as important as going to lunch, but we should probably look at it anyway," Jack would say. By the way, Jack knows every restaurant within an hour driving distance and can provide a complete report, including its history, at a moment's notice.

Jack is an experienced new hire advisor. He told me the story of a young man just out of college to whom he was giving the grand tour. Jack would look over his shoulder frequently and exercise extreme caution at all intersections in the plant to

make sure his charge did not come in contact with one of the many electric vehicles that frequent the area. This had the effect of making the young man quite nervous, and his first day became his last. Jack still wonders if it was because he scared the poor guy so badly that he could not bring himself to return, but then Jack is quite the storyteller, too.

Interestingly, Jack led me to the office, showed me around and made introductions before he was officially appointed or, as Jack would prefer, anointed my new hire advisor. It was a particularly hectic day with not just one NEW HIRE auditor, but it was the supervisory auditor's first day in his new position as well. Since Jack had me in tow already, there was no need to make the official designation until a couple of days later. Since Jack agreed, it came to be, so trademark suspenders ("chick magnets" Jack explained when questioned) and all, Jack found himself once again wearing the multi-faceted new hire advisor hat.

My intention is to recognize, Mr. Anthony J. (not Jack but John) Hussey, as a new hire advisor and representative of these advisors throughout DCAA. For all coworkers, administrative people, tech support personnel, supervisors, and yes – even managers who provide support and ensure that an effective support program exists – are in effect new hire advisors when sharing knowledge and experience and exhibiting a willingness to assist the NEW HIRE. So remember – whether an act that assists the NEW HIRE takes a moment or a week, it is the act that is much appreciated by the new hires. Official designation or not, it is a deed that reaps benefits far beyond the efforts required.

Addendum: Mr. A. J. Hussey decided a few months after my first day that 30 years of Government service, was, at least for the moment, enough. Jack decided he was ready to start smelling the roses on a full-time basis and began his retirement. Friends, family, and coworkers gave Jack a heartfelt and humorous sendoff. After living the retired life for about a month, Jack reports one disadvantage of retirement – he cannot take a day off.





Electronic Fraud Detection Using Benford's Law

By Tom Skinner, CPA
Supervisory Auditor, South West Branch Office
Field Detachment

Does anyone know who Dr. Benford was, and why a statistical law is named after him? Some of us have either heard or read about him, possibly through articles in *The DCAA Bulletin*, but many have not. With that in mind, I'd like

to introduce his work to those who have not encountered it, and reinforce it for those who have. In addition, I will address audit steps that could be employed if fraud indicators are encountered through use of Benford's Law. Finally, a demonstration of Benford's Law is posted at <https://infoserv.dcaaintra.mil/files/CAATs/>.

Introduction to Benford's Law. In 1938, GE physicist Dr. Frank Benford researched a discovery by an astronomer in 1881 that logarithm tables were more worn in the first pages than the last. He extrapolated (correctly) that he was looking up logs for numbers with small first (or leading) digits more frequently because there were more numbers with low first digits in the world. He manually tested this theory on several databases and found that 30 percent of the numbers had 1 as the leading digit, 18 percent had 2 as the lead or leftmost digit, and 5 percent had 9 as the initial digit.

Benford divided numbers up between: (1) "natural" numbers, which are not sequential or random (e.g., payables journal amounts, income tax data, stock exchange, sales figures, check and invoice amounts, and demographics), and (2) "non-natural" numbers, which are systematic (e.g., phone numbers, invoice numbers, zip codes, SSNs, bank account numbers). Logic tells us that each available digit (1 - 9), should randomly occur 1/9th of the time as the leading digit, on average. Contrarily, Benford discovered that distribution of lead digits was not random for natural numbers, but rather, followed a predictable pattern.

From this predictable pattern, Benford derived a formula, now known as Benford's Law, to predict the distribution of initial digits in any table of naturally occurring numbers, and demonstrating that the first position is skewed toward low digits:

$$\text{Probability (that } x \text{ is the first digit)} = \text{Log}_{10}(x+1) - \text{Log}_{10}(x)$$

Benford's Law is incorporated into Digital Analysis, the study of abnormal duplications of specific digits, digit combinations, specific numbers, and round numbers in corporate data. Because it was cumbersome to perform without computers, Benford's research lay dormant until the early '90s, when powerful software became cheap. At that time, Dr. Mark Nigrini and Dr. Bruce Busta realized that Benford's Law could be used to detect anomalies in financial data. Additionally, MS Excel was the only software both powerful and cheap enough in 1994 for the average Digital Analysis user to do these tasks.

Through further Digital Analysis, it was proven that the same concept applies to the leading two digits. Importantly, the following discoveries were made: (1) accounting data is one type of data which is

expected to follow the pattern predicted by Benford (Carslaw '88; Thomas '89); (2) manufactured or manipulated numbers do not have digit patterns which follow a Benford pattern (Hill '88); and (3) therefore, in theory, the more an observed digit pattern in certain accounting data sets deviates from the expected Benford pattern, the more a data set is suspected to have been manipulated (Dr. Busta) (Source: Busta at <http://condor.stcloudstate.edu/~harv/papers/benfdMA.doc>).

Why Did These Patterns Emerge? One reason it happens is the analog nature of how numbers grow in economics and science. Growing at 10 percent a year, it takes an asset value 7.3 years to go from \$100 to \$200. By the time the amount is \$500, it takes only 1.9 years to reach \$600; \$900 to \$1000 takes only 1.1 years; \$1000 to \$2000 takes another 7.3 years. The persistence of the lead digit 1 occurs whether growth is constant or erratic, and across currencies.

True Scenario #1. A “model employee” submits fake invoices for dummy companies he “owns.” Using Benford’s Law, an auditor notices a high occurrence of leading digit 4 (and an equally low incidence of digits 1, 2, and 3). Further analysis showed that the model employee was submitting all claims in the high \$400 range. He named one vendor AFAB, which he later admitted to be “Anything For A Buck.” The company manual required a \$500 threshold for signature approval. The scam was confirmed when he couldn’t produce anything that was “purchased” by him for the firm (a simple MAAR 13). A sum of \$100,000 was stolen over 10 years. *This was caught by using Benford’s Law.*

True Scenario #2. A facilities manager at a large aerospace firm used a similar technique. He had purchasing signature authority up to \$10,000 and began processing \$9,990 purchase orders and invoices for bogus vendors set up by him. This ploy was used to finance his new kitchen, patio, and rock wall. Because he was such a “giver,” he began doing it for eight subordinates. In addition, he gave kickbacks to the contractors doing the work. The ruse was discovered during his 5-year background check update when a neighbor was asked about whether he lived within his means. She liked him well enough, but mentioned in passing that things must be going well, what with the new kitchen and rock wall. The Government agent ran with it; they were all caught, including his wife, who lied to investigators. *This could have been caught by using Benford’s Law.*

How Might You Catch This Con? Analyze disbursements using Benford’s Law. Look for anomalies. Further analyze lead digits with many occurrences (i.e., lead digit 9 is the target data here). Using Excel, Access, or SAS, summarize the data by various fields: Vendor, Job Number, Department, Buyer Code, etc. You detect that a certain Buyer Code has several transactions in the \$9900 range. Find out the buyer’s name and title. Get an organization chart. Sample and request support for those items. Who are the vendors? Check CCR and DCAA’s online lookup. Review company manuals regarding signature approval thresholds. Where does this person’s title fit in the approval hierarchy? Make inquiries regarding the nature of purchases. Can one person have more than one Buyer Code? Perform a MAAR 13 on several of the items. Who knows, you may find something that could turn out to be working paper fraud! Or you may further satisfy yourself that things look good.

Where Does This Tool Fit In Our Audits? Our working paper Bs require auditors to assess the risk of material misstatement due to fraud (as outlined in CAM 4-702.3), and if anything comes to our attention regarding them, pursue it accordingly. That paragraph is a good place to mention our fraud risk analysis, and hyperlink to where we are conducting the test, e.g., B-4. Why do we do this? GAGAS 6.15 requires the auditor to design the audit to provide reasonable assurance of detecting fraud.

How Will It Affect My Scope? Analyze results of your Benford's Law test in combination with all risk factors. Let's say that you are working an incurred cost audit where all risk factors are favorable. Run this test to provide further assurance. Limit transaction testing to anomalies in the Benford graphs. Or maybe close out with reduced fieldwork if, given low overall risk, no abnormalities are noted. Maybe probe testing of the "usual suspects" would be advisable.

Why Should I Use This Tool? First, it's an excellent analytical procedure. Second, because of the predictability of auditing procedures: successful perpetrators of fraud are familiar with the audit procedures external auditors normally perform, and use this to conceal the fraud in accounts where auditors are least likely to look. Third, it can be used for MAARs 6/13, incurred cost, financial capabilities, efficiency audits, etc.

Other Findings. These methods also have been used to find: errors such as transactions that have been inadvertently repeated by faulty software or employee mistake; duplicate payments; strange patterns; fraudulent customer refunds under certain thresholds, as perpetrated by a register clerk; processing inefficiencies from high quantity/low dollar items; and anomalies in estimations in the general ledger. Moreover, companies can ensure that their controls are working. For auditors, this tool can provide some assurance that the data is current, accurate, and complete.

Limitations And Conditions. *Limitation:* Small data sets can't be used. Use your judgment, but this should be a company with at least \$40 million in revenue. *Conditions:* Numbers must be part of a data set and depict values of similar occurrences (e.g., payables, sales figures, labor, or travel); the data cannot have assigned minimum and maximum values. The numbers themselves cannot be arbitrarily assigned by someone (Source: *The DCAA Bulletin* / Spring 2000 "Analyze This" by Catherine Cullen).



Why Don't Fraudsters Learn Benford's Law? Dr. Nigrini: "The problem for fraudsters is that they have no idea what the whole picture looks like until all the data are in. Frauds usually involve part of a data set, but the fraudsters don't know how that data set will be analyzed: by quarter, department, or region. Ensuring that fraud complies with Benford's Law is going to be tough—and most fraudsters aren't rocket scientists."

Excel has been mentioned throughout the article. How does the tool work? In Excel, simple formulas, pivot tables, and charts are used to summarize the data.

See <https://infoserv.dcaaintra.mil/files/CAATs/> for easy examples.

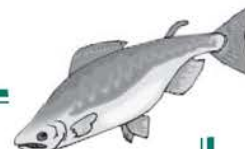
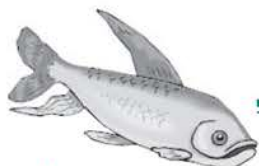
See <http://www.auditlearning.org/home/> for training courses with NASBA-accredited CPE for MS Excel and Access.

For SAS, see the SAS Library on our intranet. A plethora of papers can be found using searches on the intranet or Internet.



Sources:

- Demonstration slides by Mike Morgan and Hal Green
- *DCAA SAS Library* contains code for this tool and is easy to use
- http://www.nigrini.com/benford's_law.htm - dozens of resources
- *Dr. Busta and other research at* <http://condor.stcloudstate.edu/~harv/papers/benfdMA.doc>
- <http://www.auditlearning.org/home/> - training courses with NASBA accredited CPE for use in MS Excel and Access
- *The DCAA Bulletin* / Spring 2000 "Analyze This" by Catherine Cullen
- The White Paper 9/99 / *Internal Auditor* 2/99
- *Journal of Accountancy* 5/99 / *IIA Audit Wire* 5/99
- *New Scientist* 7/99 www.newscientist.com/ns/19970710/thepowerof.html
- <http://www.aicpa.org/antifraud/risk/38.htm> - Appendix to SAS No. 99, Fraud Risk Factors
- www.itaudit.org



Phishing Scams

Recently Air Force personnel were the victims of an attempted phishing scam directed at the myPay Web Site. Phishing is defined as the act of sending an e-mail to a user while falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft. In this case Air Force personnel received e-mails directing them to click on links that lead to sites that attempted to mimic the myPay Web Site. These sites were designed to steal the user's personal information. The correct address for the myPay Site is <https://mypay.dfas.mil/mypay.aspx>. If you receive any suspicious e-mail or suspect a phishing scam, contact your Regional Information Assurance Officer (IAO) or the DCAA Lead IAO at 703-767-1720.

Audit Coordination in the Northrop Grumman CAC Network

By S. Scott Gentry, CPA, MSA
Northrop Grumman Resident Office
Western Region

As DCAA's Contract Audit Coordinator (CAC) for the Northrop Grumman Corporation, I have a number of responsibilities which are discussed in CAM 8-104.3 and 15-200. Perhaps the most important of these assigned responsibilities is to assure that consistent and compatible audit conclusions are reached by all field audit offices (FAOs) involved in auditing organizational units of Northrop Grumman. Ensuring that audit results are consistent at multi-segment contractor locations is no easy task, and it takes a lot of team work and coordination by those involved. In this article, I will describe some of the practices/methods that the Northrop Grumman CAC network uses to accomplish this responsibility. Giving credit where it is due, I should clearly state that few if any of these practices/methods are unique to the Northrop Grumman CAC network. In fact, many were adopted as a result of their success in other large CAC networks (e.g., Boeing, Lockheed Martin and Raytheon).

In order to appreciate the extent of the challenge at the Northrop Grumman Corporation, I provide the following background information obtained from DMIS:

2003 Government Sales	\$23 billion
Number of Business Units	53
Number of FAOs	19

While Lockheed Martin and Boeing had greater Government sales than Northrop Grumman, somewhat surprisingly, Northrop Grumman has the most auditable dollar volume (ADV), more business units, and participating FAOs.

I'd like to highlight four ways that the Northrop Grumman CAC Network promotes audit consistency: review of draft reports, network and business sector teleconferences, process teams, and coordinated audit teams. After reviewing the four methods you will see that we believe that it is extremely important for early and frequent communication/coordination to occur.

Review of Draft Reports

The first way in which we try to ensure consistency is to review certain draft reports before they are released to the contractor. Rather than look at all draft reports, we focus our effort on the reports that are more sensitive and significant, such as CAS compliance and disclosure statement reports, operations audit reports, and system (ICAPS) reports with findings. By reviewing the draft reports we can identify potential inconsistent treatment before the report is issued. However, it would be more efficient and effective to identify inconsistent audit treatment/results much earlier in the process. Many of the methods/tools that follow are used in an attempt to do just that. In fact, the goal is to avoid or eliminate inconsistencies before the draft audit reports are prepared.

Network and Sector Teleconferences

A second method of ensuring consistent audit results is through CAC network and sector teleconferences. Approximately every 2 months we hold a CAC network-level teleconference. Given the size of the network and number of FAOs involved, we limit participation to representatives from the CAC office, corporate suboffice and FAOs cognizant of the seven sector offices. The participants include managers, supervisors and technical specialists. The purpose of this teleconference is to discuss emerging issues (e.g., Sarbanes Oxley) and reach consensus on audit risks and approaches. During network-level teleconferences, we lay the groundwork for consistency by obtaining buy-in from the managers and supervisors on general audit approaches. For example, it was during this type of teleconference that we reached agreement on forming the three process teams and two coordinated audit teams discussed later in this article.

At Northrop Grumman, two of the seven business sectors have numerous business units, each with their own cognizant FAO. For these two sectors, we hold individual teleconferences shortly after the network-level teleconference to flow down the information from the network teleconference. The participants for these sector teleconferences typically include supervisors, technical specialists and auditors. More important from an audit consistency standpoint, since Northrop Grumman is not a highly centralized organization, the sector-level teleconferences are excellent vehicles to discuss sector specific issues and ensure consistent intra-sector audit results.

During these sector-level teleconferences, systems reviews are typically discussed. The initial discussions are focused on audit program development and division of responsibility. This upfront communication enables the participants to reach consensus on the audit approach and helps to reduce the potential for the inconsistent treatment of audit issues, since for the most part everyone is reviewing the same areas using the same criteria. Furthermore, given the frequent communication/coordination, inconsistent results are detected and resolved early in the process.

Process Teams

The third way that we help to ensure consistency is through the use of process teams. The network has formed three process teams, one for Cost Accounting Standards (CAS), one for systems (ICAPS) review, and one for operations audits. The CAS and ICAPS teams are made up of a representative (usually a technical specialist) from the CAC office, corporate suboffice and FAOs cognizant of the seven Northrop Grumman sectors. The operations audit process team is made up of representatives from the CAC office, each region and the Field Detachment. A champion is appointed for each team to assist the CAC in highlighting and working areas of emphasis. The current process team champions are:

- CAS - Doreatha Brown, Gulf Coast Branch Office
- Operations Audits - Mette Tchu, Western Region Operations Audits
- ICAPS - Cornell Carpenter, Newport News Resident Office

Each team holds monthly teleconferences. During these teleconferences, the team members share audit leads, risk assessments, best practices, develop common audit approaches and audit programs, and share interim audit results. The improved audit planning and communication that results from these process team teleconferences means that the CAC is less often “surprised” at the last minute with inconsistent audit

opinions. Given the frequency of the teleconferences, potential inconsistencies are normally identified and resolved early in the process.

Network Coordinated Audit Teams

A fourth way that we help to assure consistency is by establishing teams for network-coordinated audits. When I say network-coordinated audit, I mean an audit that will require work to be performed at numerous locations across the network, but is centrally coordinated by the CAC office. In any given year, we have one or two audits that require more extensive coordination than can be accomplished in our process team forum. In these instances, we establish a special team with members representing the FAOs that will be participating in the coordinated audit. This year we have formed a compensation system audit team and an Interdivisional Audit Transfer (IAT) team. Just as with the process teams, the compensation audit team and the IAT team have champions. They are John Delahunt and Helen Chen, both technical specialists with the South Bay Branch Office.

Each team has teleconferences on an as-needed basis (every 2 to 6 weeks) throughout the course of the audit. In the early phases, the teams focus on sharing audit leads and risk assessments. The next phase is development of a common audit program and a division of audit responsibilities. While not always possible, our goal is to have a joint entrance conference linking all the participating locations and players (DCAA, Northrop Grumman and DCMA). We find face-to-face meetings at the individual sites linked via teleconference and Netmeeting are very effective. After the joint entrance conference, regular teleconferences occur to share interim findings. In doing so, we can ensure that issues found at one location are pursued at other locations. This also increases the likelihood for consistent recommendations. Furthermore, differing opinions regarding audit conclusions are highlighted and resolved early.

Summary

In the Northrop Grumman CAC Network, we believe the key to achieving consistent audit results is early and frequent communication/coordination, with at least as much attention given to initial audit planning as to the ultimate audit report. We have a number of forums to foster this early and frequent communication/coordination. Obviously, the extent of communication/coordination will differ based on the size of the multi-segment contractor. FAOs auditing smaller multi-segment contractors may not require quite as elaborate a system of coordination. However, the principles of early and frequent communication definitely apply.



Central Region's CFC Gold Award

The Austin Suboffice was recently presented with the CFC Gold Award for increasing their per capita gift by 10 percent from the previous year. The Suboffice has established a tradition for supporting the annual Combined Federal Campaign (CFC) fund raiser. A lunch buffet was cooked and served by the Suboffice staff for employees in the J.J. Jake Pickle Federal Building, which is located in beautiful downtown Austin, Texas. Employees from several Federal agencies, such as the IRS, Secret Service, and the Immigration and Naturalization Service, were served a choice of two entrees with all the trimmings. The response was excellent with over \$300 in ticket sales and several suggestions for additional entrees next year. The event has become a popular way to benefit the community and bring the employees of several different agencies together as part of the Federal Family.



Shown preparing for the crowd are (left to right): Bob Hardy, Carmen Reeder, Charles Dewees, Edna Presley, Ray Katzaman, and Gary D. Esters.

U.S. Army Achievement Medal for Civilian Service Sandra S. Bess

Ms. Sandra Bess, Central Region Investigative Support Division, received the Army's Achievement Medal for Civilian Service from the United States Army Criminal Investigative Command at a ceremony held on April 21, 2005, in San Antonio, Texas. The award was presented for her exceptional meritorious duty and achievements during the Army's Annual Training Seminar with the presentation being made by the Director, Major Procurement Fraud Unit, Army CID, Mr. Wesley Kilgore.

Ms. Bess provided key support during an investigative case in which a Colorado contractor utilized complex and elaborate criminal schemes to defraud the United States Army. Ms. Bess was directly responsible for identifying approximately \$1 million of inflated and fraudulent invoices presented for payment. Additionally, Ms. Bess provided outstanding assistance to Special Agents of the Army CIDC Southwestern Fraud Field Office that are involved in many complex procurement fraud investigations. Sandra shared her knowledge and experience freely, and was a valued member of the criminal investigative team. She could always be relied upon to provide valuable and innovative ideas in the development of successful investigative and prosecutive strategies. Sandra certainly distinguished herself, our Agency, the Department and the U.S. Government. Mr. Frank Summers, Regional Director, and Mr. Kenneth Finley, Sandra's supervisor, attended the ceremony as special guests of the Army Criminal Investigative Command.



From left to right: Kenneth Finley, Sandra Bess, and Frank Summers, Regional Director

Patriotic Civilian Service Award

Jim Montgomery

On April 5, 2005, Eastern Region RSI Auditor Jim Montgomery was presented with the Patriotic Civilian Service Award from the Director of the MPFU (Major Procurement Fraud Unit), Army Criminal Investigative Command (CID). The award is in recognition of the outstanding audit-investigative support provided by Mr. Montgomery in the settlement of allegations of mischarging by a major defense contractor on the MLRS (Multiple Launch Rocket System) contract. The issue involved complex change order pricing and subsequent cost charging involving a mix of CPFF and FFP contracts. Working with the U.S. Attorney's Office in the Northern District of Alabama, the Army CID, the Defense Criminal Investigation Service, the Department of Defense Procurement Fraud Branch and the DCAA Arlington Branch Office, Mr. Montgomery provided assistance both during the investigation and during the voluntary mediation. As a result of the mediation, the contractor, while admitting to no wrongdoing, agreed to pay the United States \$1.4 million to resolve the allegations.



From left to right: Mike Steen, Eastern Regional Director; Jim Montgomery, Eastern Regional Investigative Support; Wesley Kilgore, Director, Major Procurement Fraud Unit, Army CID

Northeastern Region Investigations Support Division (ISD) Receives Recognition for Their Outstanding Contribution in the Prosecution of a Defense Subsidiary

The *U.S. Department of Justice Award for Public Service* was awarded on April 29, 2005, to Supervisory Auditor Gregg Bernard and Senior Auditor Ann Huntington in recognition of meritorious service and acts that have materially contributed to the attainment of the highest standards of cooperative law enforcement and justice in the United States of America.

On October 7, 2004, RFI Corporation and its parent, Del Global Technologies, Inc. of Valhalla, New York, pled guilty in the Eastern District of New York to one count of conspiracy to defraud the United States by means of wire fraud and Securities Exchange Act fraud.

RFI manufactures and sells electronic radio frequency filters to the Department of Defense. The plea was the result of an investigation that disclosed that RFI falsified test results and falsely certified they performed the Hermetic Seal Test and Solderability Test in accordance with the required military specifications. The ISD audit team identified the products sold to the DoD that required the subject testing and computed the damages to the U.S. Government as a result of their failure to perform these tests. The contractor claimed to be in financial distress, which delayed the settlement process. ISD performed an analysis of their ability to pay that enabled the Department of Justice to expedite a criminal/civil settlement payment of \$5.3 million dollars.



From left to right: Defense Criminal Investigative Services Agent Ken Siegler, Assistant U.S. Attorney Richard Hayes, Supervisory Auditor Gregg Bernard, and Senior Auditor Ann Huntington

President's Council on Integrity and Efficiency Award Frank Whitley



On October 27, 2004, Frank B. Whitley, Investigative Support Division Senior Auditor, received an Award for Excellence in Investigations from the President's Council on Integrity and Efficiency (PCIE). The award was presented at the Andrew W. Mellon Auditorium in Washington, DC, "in, recognition of outstanding accomplishments in the successful prosecution of Zhan Gao for the unlawful export of technology to China." Mr. Whitley received this award as part of a team which included Special Agents from the DoD Office of the Inspector General - Defense Criminal Investigative Service, the United States Customs Service, and the Internal Revenue Service.

Auditor Trainee of the Year 2004

Lucelly Serrano, Auditor at Lockheed Martin Orlando Resident Office, was named Auditor Trainee of the Year 2004.



Award being presented to Lucelly Serrano
by Paul Phillips, Deputy Regional Director, Eastern
Region



Left to Right: Jeffery Chess, Senior Auditor, Santa Ana Branch Office,
and Gary Simpson, Deputy Assistant Director, Resources, HQ

DCAA Outstanding Employee With A Disability 2004

Jeffery Chess, Senior Auditor in Western Region's Santa Ana Branch Office, was recognized as DCAA's Outstanding Employee with a Disability for FY 2004 during a ceremony at DCAA Headquarters and also at the 24th Annual DoD Disability Awards Ceremony. Mr. Chess received this award in recognition of his determination and ability to perform his duties in an exceptional manner in spite of limiting physical factors.

Mr. Chess was born with severe hearing loss. Without the assistance of hearing aids, he can barely hear noises as loud as a jackhammer or emergency siren. Therefore, he utilizes powerful hearing aids that allow him to communicate effectively with individuals that he interacts with on a daily basis, and he uses an amplifier when communicating telephonically.

Mr. Chess began his Federal career with DCAA in 1984 as a GS-7 Auditor Trainee at the Hughes Aircraft Resident Office in Fullerton, California, and quickly progressed to the GS-12 Senior Auditor level. In 1989, he was reassigned to the Western Region MMAS team, before transferring to the Loral Aeronautics Resident Office, which later became a part of the then Anaheim Branch Office. After the merger of the Anaheim Branch Office and the Santa Ana Branch Office in 1994, he was reassigned to the Fluor Suboffice of the Santa Ana Branch Office until 1998, when he was reassigned to the mobile team with the Santa Ana Branch Office.

Mr. Chess is a team player and a professional. He works well with his colleagues by communicating with them frequently and by fulfilling all of his duties to the team. Regardless of the assignment, he is always responsive to the requestor's needs. He works to gain customer and contractor cooperation and provides quality audit services by ensuring that the customers' special requirements are considered in planning his team's audits.

Mr. Chess also engages in a variety of other activities. He has been an active member of Toastmasters International for the past 21 years, a member of the Association of Government Accountants since 1986, and has held a variety of offices in both local organizations. He is a member of Self Help for Hard of Hearing, whose mission is to open the world of communication to people with hearing loss by providing information, education, support and advocacy. He is also a member of the Fountain Valley, California, chapter of the Jaycees.

Mr. Chess was one of four individuals nominated to receive this honorary award. The other nominees, all of whom are deserving of recognition, were: Ms. Sandra K. Guest, Office Automation Assistant, Northern Ohio Branch Office, Eastern Region; Mr. Paul J. Konner, Office Automation Assistant, Greater Connecticut Branch Office, Northeastern Region; and Ms. Sandra Sui, Office Automation Assistant, Alexandria Branch Office, Mid-Atlantic Region.

Computer Incident Reporting

A computer attack may be defined as actions directed against computer systems to disrupt equipment operations, change processing control, or corrupt stored data. Follow these important steps to defend the DCAA network.

- Report ALL suspicious computer events/incidents to the Help Desk/System Administrator (SA) or Network Administrator (NA).
- Initiate an Incident/Event Log when suspicious activity is detected, or proceed as directed by the Help Desk/SA or NA/Information Assurance Officer (IAO).



DCAA Commendation Awards

Headquarters

The DCAA Commendation Award is an honorary award given to employees for exceptional contributions over an extended period of time, or for a single act or service of such significance that it warrants recognition over and above that received by others. The award consists of a certificate, a bronze medal, and a lapel pin.

The Bronze Medal was presented to Ms. Carolyn Nancy Lee for her outstanding career achievements and dedication to DCAA throughout her 30 years of Federal Service.

The Bronze Medal was presented to Mr. James R. Mitchell in recognition of his numerous contributions to effective Human Resources Management within DCAA.



Left to Right: Gary Simpson, Deputy Assistant Director, Resources; Jim Mitchell, Human Resources Specialist; and Jody Trenary, Assistant Director, Resources (Now Retired)

Left to Right: Gary Simpson, Deputy Assistant Director, Resources; Nancy Lee, Security Specialist; and Jody Trenary, Deputy Director, Resources (Now Retired)



Western Region

Ms. Sandra Erickson, Mr. Robert Kane, Ms. Acacia Rodriguez and Mr. Terry Slauson were presented Commendation Awards in recognition of their outstanding achievements. The awards were presented on February 16, 2005, at the Western Region FAO Managers' Conference. Ms. Erickson is the Administrative Supervisor at the Peninsula Branch Office, Mr. Kane is now Chief of the Financial Management Division at the Western Region Office, Ms. Rodriguez is a Quality Assurance Auditor in the Regional Quality Assurance Division, and Mr. Slauson is a Technical Specialist at the Rainier Branch Office.



From left to right: Terry Slauson, Rainier Branch Office; Bob Kane, Western Region; Christopher Andrezze, Regional Director, Western Region; and Acacia Rodriguez, Western Region

Eastern Region



Steven G. Gregg, Auditor
Tampa Bay Branch Office



Klemence M. Adamski Jr., Auditor
Lockheed Martin - Orlando Resident Office



Sharon W. Horne, Technical Specialist
Northrup Grumman Newport News
Resident Office



David W. Swartzell, Technical Specialist
Regional AM/EDP/DIIS Division



Cynthia L. Tisdale, Secretary to
Regional Resources Manager

Recipient of the DCAA Meritorious
Civilian Service Award
Thomas F. Trefry

Mr. Thomas F. Trefry, Program Manager, Headquarters, OTS, has been awarded the Defense Contract Audit Agency Meritorious Civilian Service Award. This is DCAA's second highest career service award, and is granted for outstanding or exceptional contributions by the employee.



Left to right: Thomas Trefry and
William Reed, Director



Defense Meritorious Service Medal
John M. Farenish

Colonel John M. Farenish, United States Army Reserve, distinguished himself by exceptionally meritorious service while serving as Deputy Legal Counsel to the Chairman of the Joint Chiefs of Staff, Office of the Chairman of the Joint Chiefs of Staff, from July 2002 to January 2005. Colonel Farenish provided invaluable legal support in the area of fiscal law during the War on Terrorism.

PROMOTIONS

Headquarters

Alvarado, Ascencion, Jr.	13
Anderson, Sandra G.	14
Blackburn, Mary L.	13
Felkel, Deborah L.	13
Goebel, Ernest J., Jr.	13
Lee, C. Nancy	13
Smith, James R.	13

DCAI

Bocian, Gene W.	13
Burningham, Alan H.	13
Burns, Bruce C.	13
Garner, LaTrenda S.	13

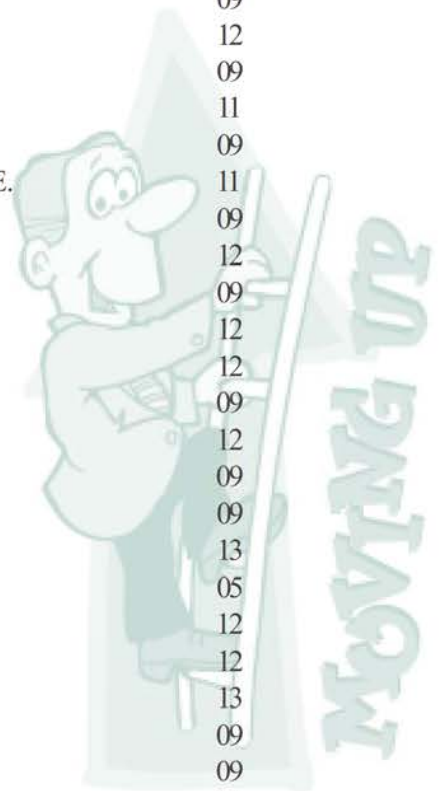
Field Detachment

Aguiling, Lilia M.	09
Alston, Angie M.	13
Baysinger, Danielle M.	12
Beckers, Randy	09
Brown, William E.	13
Campbell, Tina Marie	09
Camponelli, Melissa A.	12
Cleary, Mary M.	09
Cubbison, John L.	13
Daigle, Kellye B.	13
Desmond, Edward F., Jr.	11
Dillon, Michael R.	09
Duncan, Monique B.	09
Ferrante, Rachel	09
Goldizen, Ryan S.	09
Greel, Tracy B.	06
Gynnip, Jennifer L.	09
Hah, Josephine Wei Fong	11
Hansen, Ronald L.	13
Jarrell, Jerry W., III	09
Jeffris, Mary	12
Kasprzak, Amy M.	11
Kelly, John P.	09
Lattman, Adam M.	09
Love, Kenneth O.	12
Montalbano, Michael J., Jr.	11
Roberts, Janeen A.	09
Rodriguez, Jose G.	13
Springer, Jessie E.	12

Talley, Angie M.	12
Vaccaro, Michelle L.	09
Williams, Linnette D.	12

Central Region

Allen, Lawrence J.	09
Armijo, Carey E.	12
Barrett, Jon D.	09
Chambless, Rani K.	09
Chavez, Sally E.	12
Chiles, Russell S.	11
Coker, Jennifer J.	09
Crawford, Timothy J.	09
Cripe, Michael A.	12
Deantonis, Joseph M.	12
Degenhart, Chad C.	12
Dennick, Adam E.	09
Diaz, Angel L.	09
Dopke, Troy A.	12
Dyer, Carissa A.	09
Eeten, Gordon A.	14
Ellison, Terri E.	09
Esplin, Brent W.	09
Fiquet, Bonnie Lynn	12
Gard, Kristy L.	09
Gibbons, Paul J.	11
Goodwin, Neal R.	09
Grimes-Davis, Bobbi E.	11
Hartman, Darrin J.	09
Havican, Kristin M.	12
Hearne, Marie	09
Henry, Douglas A.	12
Hicks, Walter R.	12
Holweger, Anna	09
Holt, Angela M.	12
Horowitz, Yve E.	09
Howland, Shirley L.	09
Hunter, Cyneathia K.	13
Hust, Jered R.	05
Jenkins, Cami V.	12
Johnson, Melissa F.	12
Jones, Allen J.	13
Kaltenbach, Laura N.	09
Kemp, David C.	09
Ketchum, Bill G., Jr.	11
Klein, Bettina K.	12
Kugler, William L.	11
Lamon, Amanda J.	09



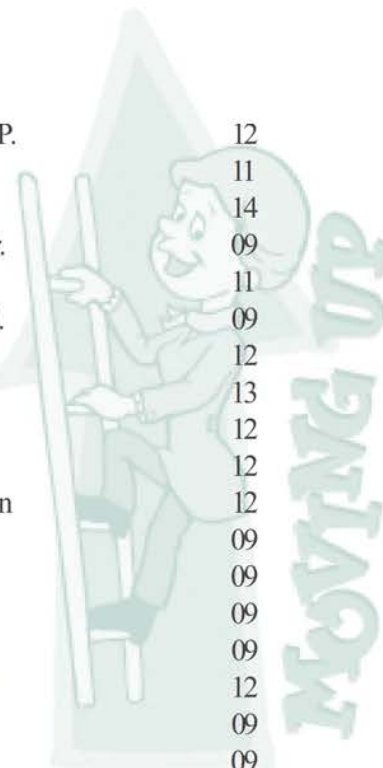
PROMOTIONS

Lancaster, Mark R.	09
Lane, Alisa M.	09
Maestas, Tracy V.	09
Makan, Steven J.	07
Martin, Todd H.	12
McIlroy, Laura K.	12
McLaughlin, Maxwell J.	09
McNew, Michael R.	11
Medill, George T., IV	12
Michaels, Laura L.	13
Miller, Marlene L.	11
Moore, Vernon, III	12
Moore, Melissa K.	12
Mullens, Shelly D.	05
Munoz, Avelino A.	09
Nunez, Alicia	12
Overman, Herbert L.	09
Parks, Kirk C.	11
Peterson, Madeleine G.	12
Pikla, Andrew C., Jr.	11
Popelka, Rebe A.	11
Priba, Kevin P.	11
Rich, Brent A.	09
Rich, Craig M.	12
Riggins, Sacoyya B.	09
Robak, Kristin A.	12
Rodriguez, Cesar	07
Ruby, Linda Duncan	11
Russ, Cindy	11
Russell, Debra C.	12
Schliesman, Andrew J.	12
Selke, Georgia A.	06
Shaening, Susan L.	05
Sill, Christine K.	09
Slanta, Jennifer A.	09
Smith, Dana L.	14
Smith, Emma	11
Smith, Phillip A.	09
Spjut, Gary B.	14
Swarts, Norman J.	09
Tong, Hyongkyu	12
Tran, Oanh H.	09
Tuttle, Daniel D.	09
Vahalik, Dorothy K.	12
Vaill, Angie M.	12
Webb, Jason A.	05
Wilbers, Jennifer P.	09
Woodall, Michelle D.	11
Wright, Terri Jo	09

Youngberg, Joni H.	13
Zadro, Cindy M.	11
Zhou, Wen	12

Eastern Region

Antoine, Marguerite P.	12
Ashley, Anna Leigh	11
Behrends, Glenn J.	14
Blythe, Dennis W., Jr.	09
Boyles, Kathleen C.	11
Breeden, Candace C.	09
Brinegar, Wyona G.	12
Brooks, Andrew R.	13
Cline, Morgan S.	12
Copen, Michelle R.	12
Cousin, Terina Lashun	12
Gibson, William F.	09
Gilmore, Jason D.	09
Greer, Poppy V.	09
Handy, Marshall A.	09
Harkleroad, Scott D.	12
Harris, Erin Quinley	09
Hasan, Jameel A.	09
Henlon, Jennifer M.	09
Hensley, Jason D.	11
Hopkins, Lynn M.	09
Johnson, Dodie	12
Kesler, Janet L.	09
Kintzler, Batina J.	09
Laney, Tonja L.	09
Lynam, Roxann Faye	09
Macy, Francene Louise	12
Masters, Theresa M.	09
Mejia, William A.	12
Miller, Shirleen D.	06
Modi, Manish N.	09
Mosimann, Michael J.	09
Newman, Jack A.	12
Oh, Samantha	12
Oldnettle, Christopher P.	13
Papp, Mary E.	12
Parks, Cynthia G.	11
Paulus, Eric R.	12
Petrella, Virginia L.	09
Pranke, Raymond P.	09
Ramsey, Michelle L.	12
Raper, Diane	12
Riddell, Timothy E.	09



PROMOTIONS

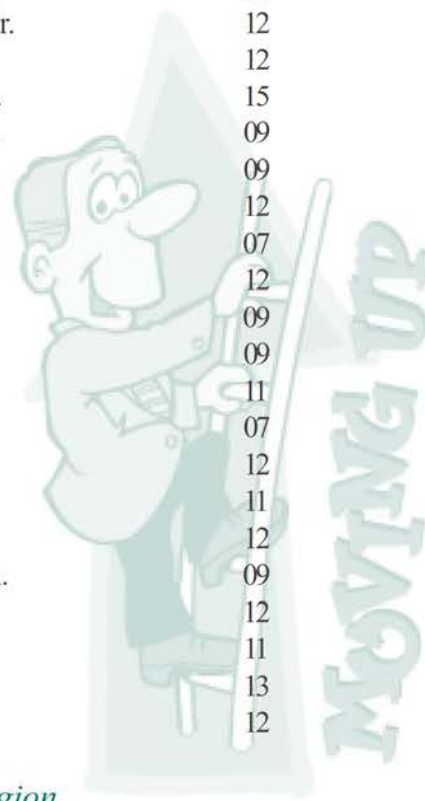
Rigsby, Matthew B.	09	Honer, Joseph S.	04
Schrandt, Stephanie R.	12	Jackson, Patricia A.	12
Serrano, Lucelly	12	Jeon, Bruce Yooseok	13
Simmons, Jane B.	06	Johnson, Sandra C.	13
Sturm, Jennifer A.	09	Kauffman, Susanne P.	05
Tadt, Kerri L.	09	Kensingler, Kristy N.	12
Thomas, Charlotte N.	13	Kim, Jae Ho	11
Tsai, Huei-Ching	12	Kirschner, Curtis J.	11
Van Dingenen, David L.	12	La Bouyer, Michelle M.	06
VanFleet, Chad D.	12	Landgrover, Heather A.	06
Vaughn, Michael J.	12	Lloveras, Ronald B.	12
Wandelt, M. Dawn	12	Luyando, Noraida	12
Weigandt, Jody E.	12	McLarney, Catherine L.	13
Wilson, Ryan K.	12	Mejia, Sheilymar	12
Wood, Patricia F.	09	Mento, Ronald J.	12
Zwick, Nicole A.	09	Meredith, Towanda N.	09

Mid-Atlantic Region

Alvarez, Luisa M.	12	O'Connor, Kelly R.	12
Austin, Kenneth R.	12	O'Donnell, Thomas A.	15
Bakhshi, Talat	13	Oliver, Annette Y.	09
Bebee, Isam M.	09	Okal, Christopher J.	09
Bellocchio-Jugo, Caroline S.	11	Otterstein, Neil W.	09
Bialy, Kelly M.	12	Parsons, Glenn E., Jr.	12
Blake, Lisa C.	11	Perez, Richard	12
Burgess, Arthur Lee, Jr.	12	Peterson, Robert M.	15
Coveney, Teresa L.	05	Pitoniak, Michael A.	09
Craig, Ronald T.	14	Richon, Barbara H.	09
Cubbison, Dona R.	11	Rios, Jorge M.	12
Curnew, Joseph T.	12	Roberts, Sherita M.	07
Cutolo, Arthur D.	12	Roche, Radames	12
Deans, James P.	11	Schatz, Philip L.	09
Dribbendickson, Susan M.	13	Schultz, Carrie S.	09
Ellis, Angela R.	12	Scott, Jeremy D.	11
Falls, Kelly A.	09	Selis, Mariann	07
Faulkner, Nicole C.	11	Shaffer, Daniel T.	12
Freund, Michael J.	12	Skinner, Melanie L.	11
Fuertes, Pedro H.	13	Smith, Maya K.	12
Gallagher, Kelly Anne	12	Thomas, Melondy A.	09
Garay, Mayra	09	Torres, Omar V.	12
Gentry, Nathan B.	07	Turner, Michele A.	11
Goetz, Kevin J.	12	Turney, Mark S.	13
Gonzalez, Joel	13	Yee, Willie Lee	12
Greger, Joseph F.	12		
Griffin, Barry O.	11		
Higgins, Patrick J.	12		
Hlavin, Jacqueline A.	14		
Hollinger, Deborah Oshea	13		

Northeastern Region

Allawi, Debra A.	11
Aniballi, Paula C.	12
Barrett, Kathleen	12

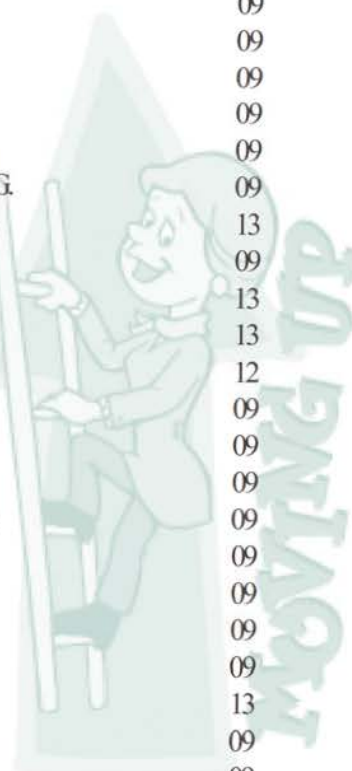


PROMOTIONS

Beck, Jeffery C.	13	Jimenez, Blanca I.	09
Bobola, James J.	09	Jones, Eric M.	09
Brown, Jeffrey A.	12	Kawamoto, Sharon L.	13
Burke, Kelly M.	12	Kranbuhl, Terri D.	13
Dwojak, Steven Michael	12	Lambert, Ralph J.	09
Fisher, Kenneth I.	12	Lambert, Ralph V.	09
Fleming, Edward T.	11	Marsh, Kim D.	09
Gosselin, Matthew M.	11	Medina, David J.	09
Hanbury, Jodi M.	06	Methasongkij, S. Ju	09
Johnson, LaTonya N.	12	Morris, Christopher G.	09
LaFlamme, Paul G.	12	Newsome, Daniel P.	13
Major, Cynthia A.	09	Nguyen, Vivian Y.	09
McOsker, Allyson P.	11	Otsuka, Derek T.	13
Meadows, Edna I.	11	Porter, Naadia L.	13
O'Brien, Ruth E.	12	Powers, John M.	12
Pepin, Marie E.	06	Real, Vanessa D.	09
Sanchez, Ivelisse	11	Ross, Grace O.	09
Schirching, Donna E.	12	Sakurai, Sara J.	09
Sharpe, Dianne M.	11	Schroeder, Melody J.	09
Skiba, Wieslaw J.	12	Skaggs, Robert L.	09
Beaudreault, Deborah	12	Stock, Melissa W.	09
Tomec, Heather M.	09	Svendsen, Kjersti B.	09
Travers, Jason M.	09	Terry, Patricia C.	09
Truong, Kevin K.	09	Thomas, Angela M.	13
Whitaker, Tameeka L.	12	Tran, Gin C.	09
Winefield, Hannah E.	12	Tsai, Pinying C.	09
Wong, Faye K.	12	Vo, Robin N.	12
		Woods, Stefan W.	09
		Yakes, Kellie E.	12
		Yoshida, Jodie K.	09

Western Region

Alonzo, Malcolm A.	09
Arenas, Alex A.	11
Blair, Dedrick	06
Blanchflower, James E.	09
Barajas, Susan K.	15
Butler, Lisa P.	12
Chau, Quyen M.	09
Chavers, Kristine E.	09
Dafonte, Lisa A.	11
Daves, Judy A.	09
Dawson, Veronica R.	11
Dias, Edward O.	13
Disbrown, Barbara C.	13
Doherty, Patty P.	13
Faelschle, Danielle C.	13
Gale, Laura L.	13
Germuska, Paul D.	09
Gharibian, Carmen	09
Giors, Christine M.	13



Retirees

	Years		Years		Years
Headquarters					
Arnold, Stanley D.	33	Cocke, Thomas R.	35	Duarte, Isabel	18
Conley-Mueller, Susan C.	35	Croy, Richard L.	30	Ho, Roland E.	32
Dickson, Gary D.	22	Duncan, Mary E.	28	Lambert, John E.	33
Gisvold, Diane E.	37	Edwards, John M., Jr.	34	Lantz, Wade M.	5
Henson, Martha W.	38	Leon, Carlos	21	Merschdorf, Sharon K.	23
Hickey, Virginia L.	30	Shepherd, Garry L.	31	Minehart, Charles R.	10
Jones, Janet J.	28	Tuttle, Allen L.	40	Mooberry, David B.	34
King, Betty J.	38	Welton, James A.	32	Moore, Frank L.	33
Slobodzian, David J.	38			Murrell, Ingrid N.	32
Thibault, Michael J.	35			Nakasuji, Naomi	15
Field Detachment					
Cote, Norman	32			Rios, Juan C.	27
Jones, Patricia S.	16			Trevennen, John, II	35
Llata, Raul A.	20			Westermeyer, Donald H.	19
Lovaas, Beverly Ann	29			Wicklman, Roy E.	26
Madison, Elbert, Jr.	24				
Mix, Dennis E.	38				
Samuel, Ronald J.	37				
Smith, Michael E.	31				
Central					
Anderson, Rodney K.	30				
Christofferson, Arthur Allen	34				
Coorssen, Harriet B.	26				
Havens, Mary Ann	26				
Lamkin, Nancy R.	31				
Larson, David J.	32				
LePage, Gary S.	33				
McGeary, Kathy H.	19				
Montgomery, Adrienne L.	28				
Saxton, Candyce A.	30				
Eastern					
Barcus, Terry L.	33				
Braun, Herbert C., Jr.	28				
Bristow, Kay P.	30				
Burdick, Alden H.	23				
Campos, Jose A.	35				
Mid-Atlantic					
		Archibald, William C.	40		
		Baker, Michael J.	35		
		Dingman, Merle J.	23		
		Dougherty, Paul J.	30		
		Fisher, Robert J.	32		
		Green, F. George	38		
		Klein, Earl W., Jr.	31		
		Johnson, Brenda K.	30		
		Rubin, Edie S.	28		
		Swanson, Richard J.	37		
Northeastern					
		Balthazar, Kenneth F.	30		
		Colli, James C., Jr.	32		
		Couture, Marilyn A.	33		
		Decena, Jose G.	26		
		Evans, Grace E.	35		
		Kazakaitis, Alvydas V.	35		
		Lajoie, George R.	33		
		Martin, Thomas J.	30		
		McGregor, John D.	41		
		Morin, Richard L.	31		
		Obuchowski, Joseph	33		
		Regan, George A., Jr.	33		
		Teeling, Robert L.	30		
Western					
		Campbell, Guadalupe	27		
		Case, Judy A.	18		
		Cruz, Michael G.	30		

A decorative graphic celebrating retirement. It features three balloons (two light blue, one dark blue) floating above a banner that reads "Retirement". Below the banner is a large, ornate clock face. In front of the clock is a wrapped gift box with a bow.



On The Move

Alvarado, Ascencion, Jr.
 Blackburn, Mary L.
 Bowers, Andrew C.
 Cordero-Yordan, Brenda
 Dowell, Robert C.
 Ducceschi, Anne M.
 Felkel, Deborah L.
 Goebel, Ernest J., Jr.
 Fulmer, Gregory A.
 Grebner, Gary A.
 Grimes, John Patrick
 Kasperick, Mark J.
 McCormick, David F.
 Manasseh, Stephen
 Robinson, Olivia P.
 Smith, James R.
 Stephenson, April G.
 Taylor, Minnie E.
 Thorsted, Stephen L.
 Toops, Ronald D.
 Trefry, Thomas F.
 Whitaker, Connie M.

Daigle, Kellye B.
 Hansen, Ronald L.
 Lopez, Angelica M.
 Shire, John C.

Benfield, Donnie J.
 Bocian, Gene W.
 Burningham, Alan H.
 Burns, Bruce C.
 Garner, LaTrenda S.
 Jackson, Harold E.
 Ross, Sandra J.
 Sullivan, Michael D.
 Teal, Alan T.

Agosto, Olga M.
 Altemus, M. Daniel
 Becerra, Patricia S.
 Brown, Jeffrey A.
 Burnside, Scott G.
 Fernandez, Tanny S.
 Jefferson, Wendy
 Park, Adaline
 Pinales, Johanna
 Sawyers, Haskell L.

FROM

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 DCAI
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 DCAI
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CE
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 CE
 HQ

DCAI
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 CE
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 DCAI
 DCAI

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DCAI-Technical Support
 DCAI
 DCAI
 DCAI
 DCAI
 DCAI
 DCAI
 DCAI -Training Branch
 DCAI-Course Development

CE
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 CE



On The Move

	FROM	TO
Willis, Donna Lynn	WE	CE
Youngberg, Joni H.	NE	CE
Behrends, Glenn J.	HQ	EA
Donovan, Jeffrey M.	DCAI	EA
Edenfield, Gary J.	NE	EA
Ehlert, Raynee H.	WE	EA
Esrey, Valarie C.	CE	EA
Kosier, Sharon T.	HQ	EA
Metheny, Allison W.	HQ	EA
McCord, Norman P.	HQ	EA
Richards, Mark A.	HQ	EA
Silva, Michele A.	HQ	EA
Thompson, William D.	HQ	EA
Vasbinder, Brian P.	CE	EA
Vasbinder, Destiny M.	CE	EA
Faith, Catherine J.	EA	MA
Henderson, Richard A.	HQ	MA
Hsieh-Loy, Helen	HQ	MA
Jones, Robert C.	HQ	MA
McKenzie, Donald J.	HQ	MA
Zakuto, Marc M.	NE	MA
Altman, Benjamin J.	WE	NE
Beck, Jeffery C.	CE	NE
Bowden, Thomas M.	WE	NE
Fontaine, David J.	FD	NE
Hanbury, Jodi M.	EA	NE
Hazlewood, Robert C.	CE	NE
Horton, Deborah Thompson	EA	NE
Klos, Georgina A.	WE	NE
Lee, Darren E.	WE	NE
Mistler, Barbara E.	MA	NE
Ortiz, David A.	WE	NE
Rabang, Tita M.	CE	NE
Sabga, John R.	FD	NE
Salvador, Estelita G.	HQ	NE
Thorndike, Randy W.	WE	NE
Vittoria, Caterina A.	FD	NE
Weisz, Michael G.	HQ	NE
Arenas, Alex A.	CE	WE
Doherty, John	HQ	WE
Johnson, Dale E.	HQ	WE
Lavorante, Paul V.	FD	WE
Miller, Sherrie N.	NE	WE



YEARS OF SERVICE

<u>Name</u>	<u>Region</u>	<u>Name</u>	<u>Region</u>
Benson, Tony Ray	HQ	Payne, Rebecca L.	EA
Clark, Robin A.	HQ	Powell, Michelle S.	EA
Katterheinrich, Susan E.	HQ	Stehura, William	EA
Lahti, Paula B.	HQ	Taylor, Kathryn D.	EA
McCord, Lynda S.	HQ	Trejo, Richard F.	EA
Ochoa, Joe A.	HQ	Vega, Carmen A.	EA
Parikh, Kaushik V.	HQ		
Prust, Beverly A.	HQ	Auyeung, Lisa	MA
Schneider, Terry M.	HQ	Brown, Esau	MA
Toops, Ronald D.	HQ	Campbell, Michael H.	MA
		Cholewiak, Stephen A.	MA
Renken, James E.	FD	Coyle, Michael S.	MA
		Crisp, Michael M.	MA
Barriga, Ramiro D.	CE	Davey, Maria A.	MA
Buckwheat, Mark J.	CE	Daviews, Karen S.	MA
Epps, Rosemary L.	CE	Helmick, Cynthia M.	MA
Geist, Mary E.	CE	Hill, Michele	MA
Jenkinson, Catherine L.	CE	Leschak, Linda Ann	MA
Langseth, Richard J.	CE	Morgan, Carol C.	MA
Lesnewski, Jacqueline M.	CE	Perry, Terry L.	MA
Martinez, Anne L.	CE	Rapp, Wilhelm A.	MA
Michaels, Laura L.	CE	Scruggs, Greg	MA
Park, Adaline	CE	Shattuck, Joseph H.	MA
Payne, Geraldine	CE	Van Hekken, Clark J.	MA
Ridley, Jessie C.	CE	Wasser, Mark D.	MA
Robinson, Richard D.	CE	Wells, David A.	MA
Sorensen, Gregg M.	CE	Western, Juanita P.	MA
Sutton, Cynthia A.	CE		
Taylor, Bruce A.	CE	Barredo, Rita M.	NE
Urban, Sharon L.	CE	Bulson, Beverly M.	NE
Walker, Michael D.	CE	Callahan, Wimonmat	NE
Whitefoot, David P.	CE	Case, Richard L.	NE
		Corso, Robert R.	NE
Abbottlemmons, Carolyn	EA	Dunbar, Sonia M.	NE
Gott, Hugh W.	EA	Fitzgerald, David J.	NE
Holcomb, Joyce P.	EA	Masotta, Charles A.	NE
Hunter, Beverly J.	EA	Miller, Madeline V.	NE
Jonns, Elizabeth L.	EA	Misiorek, Lorraine A.	NE
Livaccari, Andrew J.	EA	Myers, Florence M.	NE
Marshall, Norma J.	EA	Ohrenberger, John C.	NE
McIntyre, Jimmy N.	EA	Parsons, Judith L.	NE
Murphy, Laura K.	EA	Rea, Norman S.	NE
Navin, Noreen A.	EA		

YEARS OF SERVICE

Name

Region

Abbott, Peggy A.	WE
Aurelio, Judith W.	WE
Bharania, Ramesh L.	WE
Blakkan, Lisa M.	WE
Chang, Suyong	WE
Cox, Robert W.	WE
DeLisle, Kristine N.	WE
Giors, Christine M.	WE
Hansbrough, Raymond V.	WE
Kelsey, Vonda R.	WE
Lamprecht, Janet R.	WE
McDonald, Christine A.	WE
Sedrak, Abdel Z.	WE
Siltman, Kurt E.	WE
Snyder, Virginia T.	WE
Thai, Yim Ling	WE
Wong, Yick C.	WE
Yen, Jonathan H.	WE
Zaugg, Karen B.	WE

Canard, Tricia	HQ
Hickey, Virginia L.	HQ
Lee, C. Nancy	HQ
Stevenson, Bruce G.	HQ
Weber, Eric J.	HQ

Brecese, Alan P.	FD
------------------	----

Bingham, Janice J.	DCAI
Sullivan, Michael D.	DCAI

Earl, Wayne R.	CE
Fassi, Vincent P.	CE
Hughes, Michael L.	CE
Saxton, Candyce A.	CE
Stebbins, Kenneth K.	CE
Stelmach, Colleen M.	CE
Syrus, Larry D.	CE

Brooks, Clarence E.	EA
Bushell, Billy J.	EA

Name

Region

Chappell, Ronna E.	EA
Dacosta, Carole A.	EA
Hussey, Anthony J., Jr.	EA
Kosier, Sharon T.	EA
Poirrier, Timothy J.	EA
Temples, Ronnie J.	EA
VanDyke, Diane C.	EA
Wall, Susan L.	EA

Bradley, Cynthia	MA
Beegle, Charles F.	MA
Heasty, James D.	MA
Melody, David M.	MA
Tusman, Richard S.	MA

Eisenman, Patrick C.	NE
Kluczynski, Dennis F.	NE
Martin, Thomas J.	NE
McDermott, James P.	NE
Pensak, Robert A.	NE
Prendergast, Robert M.	NE

Artusi, Patricia B.	WE
Gruner, Dieter	WE
Manlove, Mark W.	WE

Reed, William H.	HQ
Steele, William J.	EA

Getting To Know You....

Supervisory Auditor Advisory Council (SAAC) Central Region



Collen Stelmach
Minneapolis Branch



Cynthia Cannon
Arizona Branch

This team of seven supervisory auditors was formed to promote effective and efficient audit and administrative processes throughout the Central Region. The group serves as an avenue for supervisory input into regional executive management decision making, providing suggestions for process improvement and comments on regional practices. The team is comprised of supervisors assigned to FAOs from throughout the Central Region. Monthly teleconferences facilitate discussion of a wide variety of topics of interest to supervisory auditors and management. Periodically, concerns, suggestions and barriers to efficiency are solicited from all supervisory audits and prioritized by the SAAC. This feedback is utilized to identify improved tools or changes in procedures or processes. Suggestions are then provided to regional management for consideration. One suggestion was developed into a Supervisor's Handbook to give field supervisors a quick reference guide to use in accomplishing day-to-day duties efficiently. The Handbook was subsequently placed on the Central Region Intranet for easy access. Current members of the Council are shown: Brad Peterson is not pictured.



Vicki DeLeon
Denver Branch



Ernie Diefenbach
Chicago Branch -
St. Louis Suboffice



Steve Hamilton
Chicago Branch



Dana Smith
Lockheed - Ft. Worth

NAG, NAG, NAG! Seattle Has A New NAG! Western Region

The Seattle and Rainier Branch Offices are starting a new auditor group, otherwise known as a NAG, to help meet the challenges of 23 new auditor trainees who have been hired over the past 7 months. The focus of the new NAG is very similar to the original NAG, which was started back in 2000. It will provide the forum for open, free-flowing discussion among the new hires for sharing ideas, concerns, and audit experiences. Although the new NAG is just gearing up, the NAG has benefited from such training presentations as Labor Floor Checks, Conducting Contractor Conferences, Working Papers, and Wrapping Up the Audit. In addition, the NAG has enjoyed such visitors as Mr. Christopher Andrezze, Western Regional Director; Ms. Susan Barajas, Regional Audit Manager; Mr. Paul Cederwall, Rainier Branch Manager; and Ms. Debora Yee, Seattle Branch Manager. Future NAG topics will include writing audit reports, structured notes, statements of conditions and recommendations, best practices for working papers, overview of other DCAA offices and region operations, and performing risk assessments. The NAG is looking forward to participation from all levels of DCAA management as they progress throughout the year.

So who are these new auditor trainees and what do they have to say about their NAG?

Seattle Branch Office

“The NAG meetings we have are a good way to share and express ideas.”

“The thing I like most about the NAG is being able to ask the questions and share experiences with coworkers that are at your level that know what you are going through, and being able to brainstorm and share different ideas and opinions.”



Pictured left to right: (Front Row) Loi Pham, Robert Skaggs, Patti Brush, (Back Row) Casey Koeppel, Greg Taylor, Damon Anderson, Donald Cummings; Not Pictured: Michelle Salisbury and Phil Dennis

“I like the NAG because it gives us a voice, and a place for trainees to meet, and share experiences (and frustrations).”

“What I like about the NAG is that it provides a forum for open communication between auditors with a similar level of experience.”

“The reasons that the NAG meetings have been beneficial for me are because it’s wonderful to be apart of a group who shares the same struggles and experiences as new hires.”

“I feel I have benefited greatly by being part of the NAG meetings held in the three months I have been with the Agency...It is my hope that the NAG meetings will continue to assist new auditors in thier transition to becoming highly effective and efficient long-term auditors.”

Washington Group International Suboffice



Pictured left to right: Katherine Fastenau, James Madden, and David Bottom; Not pictured: Douglas Banfill and Elizabeth Gonzales

“The NAG provides a forum for auditors to share experiences of learning and training.”

“The NAG group has been helpful in reinforcing knowledge gained or touched upon during actual audits and training time in Memphis.”

“The NAG has provided me a better understanding of the Government’s audit process, as well as how DCAA works and the additional benefits of working for the Government and DCAA.”

Alaska Suboffice

“I have gained knowledge through the NAG sessions because it addresses specific issues at work, compared to what you learn from the Institute which is designed to address more general issues.”



Pictured left to right: Clinton Wight and Bill Berki; Not pictured: Judy Daves and Jay Tong

“I like the support and effort extended by NAG collectively to new auditors like myself to help us in getting started.”

“The NAG is a very good place to get a grasp of what I am supposed to be doing in order to develop myself as an auditor. The exchange of ideas and training serve to get a well rounded grasp of what DCAA’s overall mission is and what I can do to support the mission.”

Rainier Branch Office (Boeing Kent and SSG Suboffices)

“The NAG is an excellent opportunity for entry level auditors to share knowledge and ask questions in a comfortable setting.”



Pictured left to right: Frank Pedraza, Kjersti Svendsen, and Dave Borowski;
Not pictured: Sharon Tenn, and Amy Harris

“I appreciate the additional training and support that the New Auditor Group provides for us.”

“The NAG provides me with a casual atmosphere and a positive learning environment which has made the transition to DCAA even more enjoyable.”

“I like the NAG because I get to hear other new auditors’ experiences as well as a variety of information that will help me get through these first few years on the job.”

“Having participated in two NAGs, I can say it is a great tool for disseminating information that new hires want to know about.”

“The greatest benefit I derived from NAG was learning that other new auditors had as many questions and felt as lost as I did. This knowledge gave me more confidence.”

Richland Suboffice



Pictured left to right: Holli Ruark, Brianna Quigley, Brian Kostenko, Margaret Driggers, and Jacob Bertram; Not pictured: Patricia Terry

“I have been given the opportunity to be involved in a group called NAG which provides me the opportunity to interact with other trainees and received additional training on topics of my choice.”

“The NAG is beneficial to all new auditors because it allows you to interact with people who have a similar amount of experience as you. Training and discussion topics are presented from the perspective that it is the first time that members of the group have heard of them.”

“The NAG group helped me the most by just allowing me to talk to other new auditors and realize that I wasn’t the only one who felt lost the first couple of months.”

Professional Activities Winter 05



Headquarters

Reed, William H. "Achieving Superior Government Performance and Accountability" was presented at a PAGA/NCMA Meeting, Denver, Colorado, October 12, 2005

Central Region

Dito, Matthew T. "Careers With DCAA" was presented to Northern Arizona University Auditing Class, Flagstaff, Arizona, March 16, 2005

Hazlewood, Robert C. "Elements of an Adequate Proposal" was presented to Oklahoma City Small Business Administration 8a Conference, Oklahoma, February 23, 2005

Green, J. Michael "Wide Area Work Flow (WAWF)" was presented to Oklahoma City Small Business Administration 8a Conference, Oklahoma, February 23, 2005

Niebruegge, JoAnn E. Taught as a guest instructor on "Government Contracting" at St. Louis University, Missouri, June 14, 2005

Puetz, Mitchell D. and Rojas, Edna I. "An Overview of DCAA's Role in Supporting Investigations of Medical Care Providers" was published in TRICARE's Monthly Newsletter, TMA Program Integrity Spotlight, on October 15, 2005

Eastern Region

Aleong, Allan A. "Adequate Incurred Cost Proposal and the Audit Process" was presented to DCMA Conference on "Transitioning for Warfighter," Huntsville, Alabama, May 18, 2005

Burleson, Gary E. Guest instructor on the subject of "Inspector General Procurement, Contract, and Grant Fraud Training Program" at the Inspector General Criminal Investigator Academy, Georgia, May 2005

Donovan, Jeffrey M. "Negotiation - Brokering Better Business Deals" was presented to the National Contract Management Association, Fort Walton Beach, Florida, March 16, 2005

DuBois, Virginia M. Named editor of AGA Newsletter, Peninsula Chapter for FY 2005-2006, March 1, 2005

Freeman, Charles W.	Administration and Proctor of the May 2005 Certified Internal Auditor's Examination at the Institute of Internal Auditors, Florida West Coast Chapter, Tampa, Florida, May 18, 2005
Grimes, Karen A.	"Prime Contractor Responsibilities of Subcontractors" was presented to DCMA Conference on "Transitioning for Warfighter," Huntsville, Alabama, May 18, 2005
Owen, Mark S.	Gave a presentation "The Forward Pricing Rate Audit Process" to DCMA in St. Petersburg, Florida, August 14, 2005
Schminky, Walter A.	Participated in a panel discussion on the subject of "Doing Business With The Federal Government" at the Tampa Bay Technology Forum, St. Petersburg, Florida, July 27, 2005
Yenchus, Mary Ann	"The Audit Activity on the DoD Mentor-Protégé Agreement-Semi Annual Report" was presented to the DoD Mentor Protégé Conference, Orlando, Florida, March 16, 2005


Mid-Atlantic Region

Miller, Robert B.	Taught "Acquiring and/or Operating Small Businesses" at Wayne State University, Pennsylvania, 1995 to present
Schirf, Dennis M.	Taught "Auditing Theory and Practice" at Montgomery College, Rockville, Maryland, April 28, 2005

Northeastern Region

Cook, Joseph A.	"Federal Contract Processes" was presented to Rochester PTAC Members, Rochester, New York, October 20, 2005
Daigle, Raymond, G.	"Federal Contract Processes" was presented to Rochester PTAC Members, Rochester, New York, October 20, 2005

Western Region

Gentry, S. Scott	Was elected Regional Vice-President of the Association of Government Accountants, California Region, May 1, 2005
	Taught "Contract Auditing" class at the United States Department of Agriculture, Graduate School, Government Auditor Training Institute, San Francisco, California, March 14-18, 2005

Smith, Curtis A.

“Common Vendor WAWF Errors Impacting DCAA” was presented to DCMA Santa Ana area contractors, Anaheim, California, April 15, 2005

“Tips for Constructing a Data Warehouse” was published in the SANDS of Time, San Diego SAS Users Group Newsletter, Vol. 9.2 in March and Vol. 9.3 in July 2005

Trevennen, John

“Earned Value Management System—Plan, Budget, Account for Costs & Measure Contract Performance” was presented to AGA, Los Angeles Chapter, 2005 Educational Conference, El Segundo, California, February 15, 2005

Field Detachment

Sheets, Fredrick S.

Board Officer of the Florida Institute of CPAs, Brevard County Chapter, April 2005

“Assessing Internal Controls - Governmental A&A” was presented at the Brevard Chapter of Florida Institute of CPAs, December 6, 2005

Pawlak, William J.

“Auditing: A Government Practitioner’s Perspective” was presented to an auditing class at California State University at Dominguez Hills, May 3, 2005



Common Access Card

By July 2006, DCAA will implement the mandatory Common Access Card (CAC) for all DCAA network users. The CAC logon implementation will be managed by OIT. The schedule of CAC implementation has already begun and will utilize a phased-in approach. The CAC will be a key factor in better securing DoD’s networks and will be used to facilitate digital signature and e-mail encryption as well as the DCAA network logon.

Professional Certifications and Degrees Winter 05



Headquarters

Duncan, Monique B. Passed CPA exam, California, February 28, 2005

Field Detachment

Coyle, Shawn M. Certified Public Accountant, Virginia, September 8, 2005

Jones, Chanae N. Master of Arts in Organizational Management, University of Phoenix, August 28, 2005

Wagner, Elaine K. Master of Business Administration, University of Phoenix, July 31, 2005

Wideman, Evelyn F. Master of Business Administration Management, Amberton University, May 20, 2005

DCAI

North, P. J. Paul Passed CPA exam, New Mexico, June 6, 2005

Central

Billingsley, Julia A. Bachelor of Business Administration-Accounting Major, McKendree College, Illinois, May 31, 2005

Bowling, Andrea B. Certified Public Accountant, Colorado, May 13, 2005

Casey, Stephanie M. Passed CPA exam, Colorado, April 28, 2005

Chanay, Larry K. Certified Public Accountant, Texas, April 18, 2005

Flyge, Sharon R. Master of Business Administration, Utah State University, May 7, 2005

Garbett, Larry Certified Public Accountant, New Mexico, August 25, 2005

Hagen, Thomas M. Certified Public Accountant, Minnesota, April 29, 2005

Hamilton, Steven K. Certified Public Accountant, Illinois, September 17, 2005

Hemanes, Derek B.	Master of Business Administration, Texas Southern University, May 14, 2005
Kaltenbach, Laura N.	Master of Business Administration, University of Houston Clear Lake, May 14, 2005
Leonard, Betty A.	Certified Public Accountant, New Mexico, March 30, 2005
Lefevor, Gary K.	Certified Public Accountant, New Mexico, August 25, 2005
McKune, Martha E.	Master of Business Administration, Fontbonne University, May 14, 2005
McFarland, Leanne M.	Certified Public Accountant, Texas, February 28, 2005
McGrew, Brian D.	Certified Public Accountant, Missouri, August 25, 2005
Penuelas, Flor L.	Master of Business Administration, The University of Texas at El Paso, May 7, 2005
Sapp, Kristina L.	Certified Public Accountant, Colorado, April 23, 2004
Smith, Anne R.	Certified Public Accountant, Illinois, August 19, 2005
Smith, Emma	Certified Public Accountant, Texas, June 11, 2005
Valley, Stephanie A.	Master of Business Administration, University of Phoenix, April 30, 2005
Wilkins, Craig A.	Master of Professional Accountancy, Weber State University, August 5, 2005
Zadro, Cindy M.	Certified Public Accountant, Arizona, August 4, 2005

Eastern

Albright, Brenda L.	Certified Public Accountant, Virginia, February 16, 2005
Cologgi, Leticia F.	Certified Public Accountant, Virginia, May 3, 2005
Handy, Marshall A.	Master of Science in Accounting, Old Dominion University, December 19, 2004
Harris, Mecia G.	Master Degree of Accountancy, University of Alabama in Huntsville, May 15, 2005



Howard, Willie Jr.	Passed CPA exam, New Mexico, June 18, 2005
Johnson, Dodie F.	Master of Business Administration, University of Central Florida, December 12, 2004
Kosier, Sharon T.	Master of Science, Florida Institute of Technology, August 31, 2005
Kragenbrink, Bruce F.	Certified Public Accountant, Indiana, January 24, 2005
McPherson, Robert L.	Passed CPA exam, Virginia, September 15, 2005
Ramsey, Michelle L.	Certified Public Accountant, New Mexico, June 6, 2005
Rivera, Juan M.	Passed CPA exam, Virginia, May 31, 2005
Rhodes, Shaun N.	Master of Business Administration, University of Central Florida, December 12, 2004
Sandahl, Jason M.	Master of Business Administration, Indiana Wesleyan University August 13, 2005
Berens, Theresa L.	Passed CPA exam, Virginia, September 29, 2005
Smith, Carol F.	Certified Public Accountant, March 8, 2005
Steward, Misty S.	Certified Public Accountant, New Mexico, August 25, 2005
Tadt, Kerri L.	Passed CPA exam, August 30, 2005
Vandingenen, David L.	Master of Business Administration, NOVA Southeastern University, April 30, 2005
Walker, Arthur M.	Passed CPA exam, Mississippi, August 9, 2005
Wandelt, Meta Dawn	Certified Public Accountant, Florida, August 1, 2005
<i>Mid-Atlantic</i>	
Alston-Dowdy, Heather R.	Master of Science in Accounting, Strayer University, Manassas, Virginia, October 8, 2005
Austin, James	Certified Public Accountant, Pennsylvania, August 24, 2005



Avery, Dawn D.	Master of Science in Professional Accounting with concentration in Federal Taxation, Strayer University in Camp Springs, Maryland, March 20, 2005
Bellocchio-Jugo, Caroline	Passed CPA exam, New Jersey, May 31, 2005
Bertels, Christopher	Certified Public Accountant, Virginia, February 20, 2005
Campbell, Michael H.	Certified Public Accountant, Virginia, July 15, 2005
Connolly, Katherine L.	Certified Public Accountant, New Jersey, August 31, 2005
Cox, Joseph A.	Master of Science in Management, University of Maryland University College, Adelphi, Maryland, August 30, 2005
Craig, C. Shannon	Master of Business Administration, Frostburg State University, Frostburg, Maryland, August 18, 2005
Figueroa-Trinidad, Merari	Passed CPA exam, Puerto Rico, February 28, 2005
Gonzalez, Joel	Certified Public Accountant, Maryland, April 26, 2005
Homburg, Erin K.	Passed CPA exam, Virginia, February 15, 2005
Houghtaling, Charles C.	Certified Public Accountant, Delaware, July 20, 2005
Jonke, Mary A.	Master of Business Administration, Mt. St. Mary's University, Maryland, May 18, 2005
Nolan, Melissa D.	Master of Science in Management, University of Maryland University College, Adelphi, Maryland, May 14, 2005
Olin, Ann Marie	Master of Business Administration, Strayer University, December 19, 2004
Owens, Daniel	Certified Public Accountant, Pennsylvania, March 7, 2005
Rivera, Ismael	Master of Business Administration, Troy State University, Alabama, May 5, 2005
Stine, Jay R.	Passed CPA exam, Pennsylvania, August 15, 2005



Northeastern

Ackley, Alfred Lewis	Certified Public Accountant, New York, September 6, 2005
AhKao, Richard J.	Certified Public Accountant, New York, April 28, 2005
Bradley, Emmanuel J.	Certified Public Accountant, Mississippi, April 29, 2005
Hauenstein, Phillip L.	Master of Business Administration in Accounting, Canisius College of Buffalo, May 19, 2005
Innes, George R.	Certified Public Accountant, Virginia, August 2, 2005
Lee, Darren E.	Certified Public Accountant, California, July 12, 2005
McGowan, Peter A.	Master of Business Administration, University of Massachusetts Dartmouth, May 22, 2005
Marshall, Ann S.	Master of Business Administration, Anna Maria College, Pennsylvania, May 15, 2005
Nixon, Wayne E.	Certified Public Accountant, New York, April 28, 2005
Smillie, Susan K.	Certified Public Accountant, New York, May 7, 2005
Vazquez, Cheryl J.	Certified Public Accountant, Massachusetts, June 16, 2005
Vegelante, Anthony G.	Certified Public Accountant, Massachusetts, October 3, 2005

Western

Baey, Luke S.	Business Management Training Certificate from Northrop Grumman, January 28, 2005
Bastawros, Akmal A.	Master of Business Administration, University of La Verne, May 2005
Baxley, Vilma C.	Master of Business Administration, Webster University, December 18, 2004
Buchanan, Jeannie C.	Certified Public Accountant, California, February 25, 2005
Henderson, Tracy L.	Master of Business Administration, National University, February 26, 2005
Hinton, John R.	Certified Public Accountant, California, March 7, 2005



Kan, Cleo	Certified Public Accountant, Hawaii, May 10, 2005
Kothe, Patricia J.	Master of Business Administration, University of Phoenix, March 30, 2005
Lee, Bryan Y.	Master of Business Administration, Webster University, March 6, 2004
Loza, Viridiana	Associate of the Arts in Business and Speech Communication, Ohlone College, May 26, 2005
Morrison, Deborah G.	Master of Business Administration, University of Phoenix, May 24, 2005
Rataczak, Mark H.	Certified Public Accountant, California, March 17, 2005
Reisdorf, James D.	Certified Public Accountant, Washington, July 8, 2005
Reyes, Adelaida M.	Certified Public Accountant, Hawaii, May 10, 2005
Schimmeyer, Charles A.	Certified Public Accountant, California, February 14, 2005
Schroeder, Melody J.	Passed CPA exam, California, February 28, 2005





RETIREE'S CORNER OLGA CHANG

Olga Chang, Senior Auditor, Central Regional Operations Audit Team, retired from the United States Marine Corps Reserve on November 1, 2005. During her 24-year career as a Marine, Master Gunnery Sergeant Olga Chang earned the highest enlisted rank of E-9 and served on active duty in support of Desert Shield/Storm, 9-11, and Operation Enduring Freedom. Upon her retirement, she received a Certificate of Appreciation from President Bush and Letters of Appreciation from the Commandant and the Sergeant Major of the Marine Corps.

Brian Alubowicz - Hero Among Us

Brian Alubowicz, DCAA auditor at the Raytheon Missile Systems Office, helped to rescue a baby girl from a car wreck that killed the baby's mother on October 31, 2005. Brian put himself at great personal risk to evacuate the child from a badly damaged vehicle that was leaking fuel onto the ground. A local news station in Tucson, Arizona, aired a report highlighting his quick-witted actions. KGUN News quoted Brian as saying, "When you hear a baby cry, that's pretty tough, and the only thing you want to do is help her out."

Running to the wreck immediately after impact, Brian forced open the car with the help of another man. Brian reported that as he was getting into the back seat of the car, he heard cries for a fire extinguisher from the crowd outside. As he was working to free the child, someone used the fire extinguisher to spray the engine down. He could not immediately remove the child from the safety seat because the straps were hidden from view, but he was able to cut the straps with a knife and to free the baby from the vehicle. Brian told reporters that he was motivated by thoughts of his own wife and children and memories of two previous accidents he was involved in. "That part of it has given me a real different perspective on life, and I've unfortunately had to witness other accidents too, where my brother and I were the first on the scene to another fatal accident." Brian acted instinctively to save the child's life.

All of us at DCAA can be proud that one of our own responded with a selfless act when faced with a split-second decision.



REMEMBERING DR. DALE R. COLLINS
1942 – 2005

We were saddened by the death of Dr. Dale R. Collins, who was the Chief of the Headquarters Human Resources Management Division from 1985 to 2005. Dale died on August 30, 2005, after a relatively short but hard-fought battle with pancreatic cancer.

Throughout his twenty years of service with DCAA, Dr. Collins approached his assigned duties with courage of conviction, never hesitating to tackle sensitive issues or situations characterized by a divergence of opinion. He achieved numerous accomplishments during his distinguished career with DCAA and was also the recipient of many performance and service awards. Holding a doctorate in Public Administration from the Maxwell School, Syracuse University, he also taught evening classes at The George Washington University and the University of Maryland, blending the practical with the theoretical.

Dale leaves behind his wife Lisa Collins, and son Dillon. Dale will be especially remembered by his family, friends, and co-workers for his good humor, graciousness, and generosity of spirit.

The DCAA Vision



COMMITMENT TO EXCELLENCE

In support of the National Interest, we are dedicated to providing timely and responsive audits, reports, and financial advisory services to Department of Defense contracting officers and other customers.

Our aim is to be **THE** audit organization with the foremost reputation for competence, integrity, and customer satisfaction by:

- Creating an environment of teamwork, open communication, trust, and mutual respect, and
- Developing highly qualified employees dedicated to the concept of continuous improvement.

William H. Reed
Director



THE DCAA BULLETIN

SUMMER 2006

Vol. 41 No.1

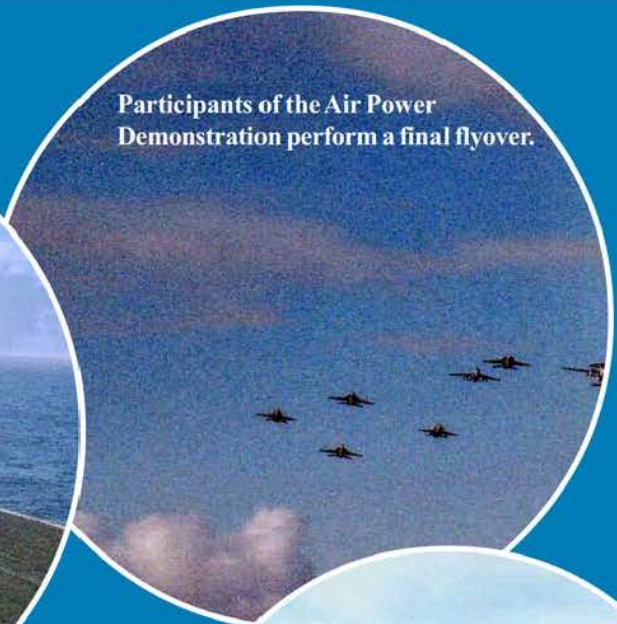
*Operation Tiger: An Auditor Aboard the USS Nimitz
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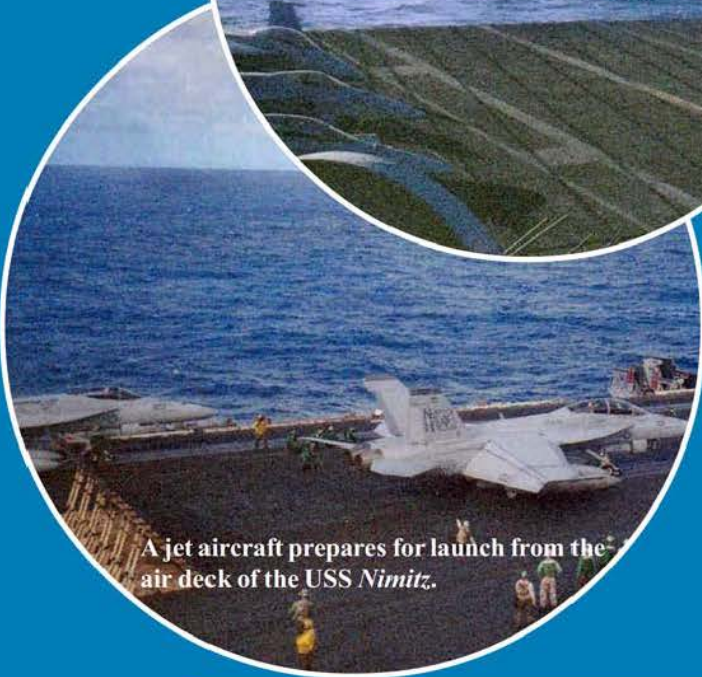
A jet approaches the deck of the USS *Nimitz*.



Participants of the Air Power Demonstration perform a final flyover.



A jet aircraft prepares for launch from the air deck of the USS *Nimitz*.



Loren Merchant with his daughter, EM2 Christine Merchant



The USS *Nimitz* pulls into its home port of San Diego, California.



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The following symbols may be used throughout the publication:



End of Article



#1 Employee article

EDITOR'S COMMENTS

All employees are encouraged to submit articles and other items of interest for publication. Due to space limitations, however, not all submitted articles can be published. The DCAA Bulletin staff reserves the right to edit articles. For detailed information regarding DCAA policy on this publication, consult DCAAR 5120.1, *The DCAA Bulletin*, dated March 10, 2000. You may send comments or suggestions to:

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DCAA and the DoD Budget

The Director discusses management of Agency resources in the reality of today's funding environment.



DURING THE PAST FEW YEARS, DCAA has successfully met increasing challenges in funding our authorized workyear levels. We have continued to accomplish our mission in a complex financial environment through flexibility and creative management of our resources. While the DoD budget has increased in recent years, this does not necessarily translate to increased funding for DCAA. DCAA resources are a result of the Planning, Programming, Budgeting and Execution (PPBE) system. The PPBE concept was established over 40 years ago to provide an approach for determining long-range objectives and establishing programs to meet those objectives through cost-benefit analysis and long-term projections. It is the process that is used to acquire, allocate, account for, and analyze personnel and financial resources throughout DoD. I would like to briefly provide an overview of the processes that determine what resources will be available to us in accomplishing our contract audit mission.

In August or September of each year, we submit our budget requirements within the Total Obligation Authority (TOA) limitation to the OSD Comptroller's office. At every opportunity throughout the budget process, we make our case for the real resource funding level that we think can be justified by our estimated workload for the year. The Comptroller reviews our requirements and makes decisions concerning our proposed resource levels. OSD then incorporates our revised budget request into its overall submission to Congress as part of the President's budget. Congress reviews the OSD budget request, holds hearings, and appropriates funding to the Department. Congress can specifically reduce funding directed at DCAA or direct general reductions assessed at the OSD level. OSD then allocates the general reductions on a pro rata basis.

This year, DCAA did not receive any congressionally mandated reductions directed specifically at us, but our share of the OSD proportional across-the-board cuts resulted in a \$6.3 million reduction against our funding requirements. Across-the-board reductions help fund Department priorities such as ongoing operations in Iraq and Afghanistan, Homeland Security requirements, and disaster relief efforts such as those for Hurricane Katrina. The bottom line is that there are a lot of programs competing for scarce resources, and we continue to work within the Department's constraints by taking our share of funding reductions in order to provide support to the warfighter.

We have continued to accomplish our mission in a complex financial environment through flexibility and creative management of our resources.

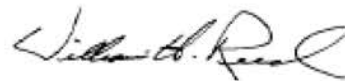
We had great success both in FY 2005 and again this year convincing OSD to support our additional funding requirements, in no small part due to our exceptional efforts in general, but especially because of our outstanding work in Iraq. These positive results allowed us to execute our FY 2006 employment plan. Congressional reductions, OSD reductions, and the mandate to finance cost-of-living pay raises within our existing funding all affect our funded workyear levels. Our initial FY 2006 budget of \$430.2 million, including \$57.6 million in reimbursable work, represented a net decrease of 1.2 percent compared to last

year's funding. Within that authorization, we are financing a significant Iraq workload as well as the audit services we are providing in support of the Corps of Engineer's Hurricane Katrina efforts. In other words, based on the initial authorization, our challenge was to support a larger workload with fewer resources.

The bottom line is that there are a lot of programs competing for scarce resources, and we continue to work within the Department's constraints by taking our share of funding reductions in order to provide support to the warfighter.

As we prepare for the upcoming FY 2008/2009 budget submission, our strategy will be to continue to request additional funding in order to maintain our current workyear levels – which we fully expect to execute. Although we are a small agency within the Department (less than .1 percent), our mission is critical to supporting the warfighter. Additionally, DCAA is an asset to the taxpayer, providing a return on taxpayers' investment of approximately \$6 for each dollar invested.

As we look to the future, we need to be prepared for the reality of today's funding environment. I have every reason to be optimistic that we will receive sufficient resources for the Agency. What is the best way to ensure continued success in obtaining these funds? As individuals, we must be mindful of DCAA's Commitment to Excellence in meeting the needs of our customers and serving the public interest. As an Agency, we must continue to provide outstanding audit services and promote the acquisition of professional credentials within DCAA. These factors set us apart from other organizations and help to underscore the importance of DCAA and our key role in the accomplishment of the Department's mission. DCAA employees should concentrate on the mission, and I will continue to work with the DoD Comptroller and the Headquarters Resources staff to make sure that you have the resources to do your job.



Operation Tiger:

An Auditor Aboard the USS *Nimitz*

Loren Merchant, Supervisory Auditor, Denver Branch Office, spends an exhilarating 2 weeks at sea with his daughter Christine Merchant, Petty Officer Second Class, U.S. Navy. (See his photos inside front cover).

By Christine Frank, Administrative Assistant, Denver Branch Office, Central Region

SUPERSONIC JETS, brash pilots, beautiful blondes: the popular 1986 movie “Top Gun” had it all, and more. The movie put the Navy in the spotlight as it introduced millions to the danger and excitement of fantastic aerial dogfights and breakneck landings on pitching aircraft carriers. Hollywood’s portrayal of Navy pilots in that popular film made Navy life look fast and glamorous. But what is Navy life really like? Supervisory Auditor Loren Merchant (Ball Aerospace Suboffice, Denver Branch, Central Region) has an idea or two. Starting on November 5, 2005, Loren spent 5 days at sea aboard one of the Navy’s largest and most impressive aircraft carriers, the USS *Nimitz* (CVN 68).

The USS *Nimitz* is the lead ship in the *Nimitz*-class fleet, the first of 10 nuclear-powered aircraft carriers of the class named for Fleet Admiral Chester W. *Nimitz*. Displacing over 90,000 tons of water, the *Nimitz*-class carriers are the largest warships in the world. At over 1,000 feet long, the *Nimitz* is almost as long as the Empire State Building is tall. The carrier is over 250 feet wide, boasting an air deck with an area of about 4.5 acres. When deployed, she’s a massive, floating city that is home for months at a time to over 3,000 crew members, 2,500 airwing personnel and 60 aircraft. And last November she hosted 1,272 civilians on a 5-day voyage from Pearl Harbor, Hawaii, to San Diego, California, a trip known as a Tiger Cruise.

EM2 Christine Merchant, Petty Officer Second Class, is Loren’s daughter. A nuclear operator aboard the *Nimitz*, she was one of many crew members who participated in “Operation Tiger.” “Operation Tiger” is the Navy’s code name for a special guest program that allows crew members serving on ships returning from deployment to invite family and friends to embark for an introductory

“Tiger Cruise.” This relatively rare excursion gives the civilians, or “Tigers,” a chance to experience and participate in daily life aboard ship. The guests are provided with orientation materials and a schedule of events and encouraged to familiarize themselves with the vessel. During their stay last November, *Nimitz* Tigers had the opportunity to attend several tours and events, observe training exercises and gather at the railings for an unobstructed view of a fantastic Air Power Demonstration.

Not many civilians get the chance to witness naval air operations from the deck of an aircraft carrier. “It was definitely a highlight of the trip,” Loren said. With speed and precision, the eight squadrons of Carrier Air Wing 11 put on a show that the Tigers would not soon forget. Two rescue helicopters were the first to take to the air. Their crews used a dummy to demonstrate a water retrieval and then proceeded to keep watch during the rest of the exercise. Carrier personnel clad in a variety of jersey colors moved about in a constant state of motion, extremely coordinated and well-rehearsed. Almost 20 aircraft launched from four catapults in rapid succession, just seconds apart. Once they reached a safe distance, some of the jets dropped several bombs along a straight line, which created an impressive “Wall of Water.” Overhead, other jets flew tight formations and performed awe-inspiring aerobatic maneuvers. Combat helicopters hovered over the carrier as figures in black rappelled onto the deck. Close by, three of the *Nimitz* Strike Group ships, the guided missile cruiser USS *Princeton* (CG 59), the destroyer USS *Higgins* (DDG-76) and the replenishment ship USNS *Bridge* (T-AOE 10), also watched the display.

The USNS *Bridge* is a fast combat support ship that carries fuel and provisions for the *Nimitz* during deployment operations. She receives these supplies from shuttle ships and then distributes them to the

other Strike Group ships while underway. Loren and the other Tigers witnessed one of these underway replenishments during their cruise. Demonstrations like this one, and many other tours and activities, kept the *Nimitz* Tigers occupied during their stay.

Loren participated in several informative tours while he was aboard the *Nimitz*. Two of his favorites were tours of the medical and dental facilities and the ship's galley. The magnitude of the galley operation made a big impression on Loren. Galley personnel served four meals a day to almost 6,000 crew members from giant, 90-gallon stockpots. "I wanted to work in the galley—I thought that'd be really fun," Loren said with a smile. "But they wouldn't let me."

Loren also took a tour of the Weapons Magazine, where he watched a practice bomb assembly demonstration. "Those things were heavy," Loren said. "They represented 500-pound bombs, which is a quarter ton of explosives." Crew members finished assembling the model, inspected it and then sent it up an elevator to the hangar or flight deck where the real thing would be attached to an aircraft. Not all of Loren's experiences, however, had such a serious tone.

One night during the cruise, the crew put on a lively variety show in which the participants sang, danced and performed short skits. On other evenings, crew members showed movies on a wall in one of the hangar bays. In between the busy schedule, Loren familiarized himself with the ship and crew. "People were very willing to talk to you," Loren said. "You could just sit in the galley and have some great conversations."

On the morning of the fifth day, the *Nimitz* swiftly approached her Coronado Island base.

The crew, with their Tigers standing proudly behind them, manned the rails as the *Nimitz* passed Point Loma and entered San Diego Bay. A cheering crowd greeted them at the pier with a heroes' reception. Even the Budweiser Clydesdales turned out for the occasion. "It was quite impressive to be standing out on the hangar deck and see hundreds of people and two bands playing and all the balloons," Loren said. "It was inspiring." Despite the ensuing chaos of families and friends reuniting, the sailors retained their discipline and disembarked in an organized, predetermined order. Since nuclear engineers have to remain on board until shore power is established, Christine was among the last of the crew to disembark.

U.S. Navy Captain Ted N. Branch, Commanding Officer of the USS *Nimitz*, was proud to have returned home with all crew members and aircraft intact. He congratulated his crew on their successes during their previous deployment, which included support for Operation Iraqi Freedom and an historical exercise with the Indian Naval carrier INS Viraat. Captain Branch also commended his crew for their flawless performance during the Tiger Cruise. For the Tigers, it was an unforgettable week. For Loren in particular, it was an eye-opening experience. Auditors rarely see the products and services that they audit being put into use by the warfighters. Loren experienced the inner workings of an aircraft carrier, witnessed some fantastic exercises and demonstrations and brought back some valuable memories, including daily visits with his daughter and watching the sun set in the ship's wake from the fantail deck. "I have a great respect for the hard-working young people that serve on these carriers, from flight operations to the galley crew," Loren said.



Did You Know?

- The Northrop Grumman Newport News shipyard is the only supplier and refueler of nuclear-powered carriers. Their construction provides DCAA auditors at the Northrop Grumman Newport News Resident Office in Virginia with a steady workload.
- From the planning stages to delivery, it takes about 10 years to turn out one aircraft carrier. The last aircraft carrier in the *Nimitz* class, the USS *George H. W. Bush* (CVN 77), is scheduled for completion in GFY 2009.
- The new CVN 21, the next and most technologically-advanced class of aircraft carrier, is already in its early construction stages. Mr. Terry Depp, Northrop Grumman Newport News Resident Auditor, expects to receive the CVN 21 main construction proposal by June 2007.

FY 2006 Strategic Plan Update Process

By Clayton B. Dean, CPA

Special Assistant to Regional Director, Eastern Region

DCAA's Strategic Plan is a living, dynamic document that reflects DCAA's commitment to customer satisfaction, professional competence, cost effectiveness, productivity enhancement, and a quality work-life environment. The Plan is used to: (1) keep employees and management focused on our overall mission of providing the Department of Defense (DoD) with high-quality audit and financial advisory services; (2) increase our awareness of customer needs and expectations; and (3) implement DoD initiatives such as the Department's Balanced Scorecard Report and the President's Management Agenda. The Executive Steering Committee (ESC) actively manages the Strategic Plan by reviewing milestones, revision reports, closure reports, status reports, and proposed new objectives at each quarterly meeting. In addition, every 2 years the ESC uses a focused approach to update the Strategic Plan. In this article, I will discuss the FY 2006 update of the Strategic Plan and describe the process the Eastern Region used from July through October 2005 to solicit ideas from Regional employees and develop the ideas into Strategic Plan proposals.

July-October 2005: Solicitation of Ideas and Development of Proposals by Eastern Region.

During July 2005, the Eastern Regional Director sent a message to FAO Managers and Heads of Principal Staff Elements informing them of the FY 2006 Strategic Plan update process. He requested input for potential Strategic Plan proposals from all employees in the Eastern Region and suggested that participative work team meetings could be used as one approach to solicit ideas. He further noted that we were interested in "succinctly stated" ideas with the implication that very broad, general proposals are difficult to sell and/or subject to unintended reinterpretation. A total of 50 ideas were submitted by FAOs and Regional Principal Staff Elements. A Strategic Plan brainstorming meeting was held at the Regional Office on September 1, 2005. Participants at the brainstorming meeting included Regional

Principal Staff Elements, three Regional office supervisors, two FAO Managers, and one FAO Supervisory Auditor. During the meeting, participants reviewed the 50 ideas submitted this year and the 17 proposals submitted to Headquarters during the FY 2004 Strategic Plan update cycle. They also brainstormed new ideas and discussed/combined ideas to arrive at a revised list of 31 Strategic Plan proposals. The group multi-voted the 31 proposals, which led to the conclusion that 11 proposals should be developed further by the Region. Participants volunteered to further develop and refine the 11 proposals using the following ground rules applicable to Strategic Plan objectives:

- A Strategic Plan objective is a specific, measurable, attainable, and time-bound initiative describing activities, projects, or tasks that lead to the successful completion of Strategic Plan goals. It is more specific than the goal and typically begins with a due date and an action verb such as reduce, implement, initiate, create, develop, improve, or design.
- Objectives should be written to be accomplished in the FY 2007, 2008, and/or 2009 timeframe since the publication date for the FY 2006 Plan is August 2006.
- Only one responsible element (i.e., Headquarters element or Regional Director) should be assigned for each objective.
- Objectives should not be easy to accomplish (i.e., a challenge) and the completion date should be at least 6 months out.

During the final development of the 11 Eastern Region proposals, 4 of the proposals were withdrawn, leaving 7 proposals which were submitted to Operations on October 31, 2005, for initial consideration by the ESC during their December 2005 meeting.

December 2005: Review of Proposals by ESC.

During the December 2005 ESC meeting, ESC members reviewed the 69 new Strategic Plan proposals submitted by Headquarters elements and Regions. Of the 69 proposals submitted, 18 proposals were for Goal 1 (Quality of Work Life Environment), 2 were for Goal 2 (Customer Satisfaction), 23 were for Goal 3 (Professional Competence), 13 were for Goal 4 (Best Value Audit Services), and 13 were for Goal 5 (Integrated

milestones. The FY 2006 Strategic Plan is scheduled to be placed on DCAA's Intranet in August 2006, with the expectation that subsequent FAO staff conferences will overview the updated Strategic Plan.

Your Role in the Strategic Plan Process. You (yes, *You*) will be important in terms of accomplishing one or more objectives within the Strategic Plan. Not every objective will directly

Dates

Action

June 2005:

Executive Steering Committee Meeting—During the June 2005 ESC meeting, ESC members approved the following timeline for the FY 2006 update of the Strategic Plan:

July-October 2005:

Solicitation of ideas and development of proposals by regions/Headquarters

December 2005:

Review of proposals by ESC

January-March 2006:

Development of proposals into proposed objectives

April 2006:

Review of proposed objectives by ESC

July 2006:

Final editing of new objectives by Headquarters

August 2006:

Publication of FY 2006 Strategic Plan on DCAA's Intranet

Information Technology Structure). During the review session, the sponsoring ESC members provided explanatory and/or background information on their respective proposals and the ESC members provided feedback. Proposals were neither approved nor disapproved at this stage; however, similar proposals were consolidated, some proposals were recommended for further development and, in some cases, the proposals were voluntarily withdrawn.

January to August 2006: From Development of Proposed Objectives to Publication of Plan.

From January through March 2006, Regional Directors and Headquarters further developed and/or refined proposed objectives with the required metrics, milestones, due dates, and responsible elements. During the April 2006 ESC Strategic Plan meeting, ESC members reviewed, discussed, edited, and approved/disapproved proposed objectives. (Proposed objectives not covered during the scheduled Strategic Planning Meeting would be reviewed during the following ESC meeting). During July 2006, Headquarters completed final editing of the goals, objectives, responsible elements, and

involve every employee, but all employees will have some impact given the broad range of the objectives and the fact that no DCAA goal or initiative can be fully accomplished without its primary resource—its auditors and administrative employees. Additionally, every employee has the continuing opportunity to provide innovative Strategic Plan ideas (or employee suggestions) through their regional office or Headquarters to further DCAA's vision of being THE audit organization with the foremost reputation for competence, integrity, and customer satisfaction.



Managing the Home Team While the Boss is Away

By Jane Davis, CPA, Western Region RST Chief

A VARIETY OF SITUATIONS may require supervisors and managers to be away from their home team for an extended period. Participation in a special project team, a temporary assignment in Iraq, and extended leave for a family medical emergency are only a few such circumstances. I had an opportunity to participate in an Agency-wide special project, along with several other DCAA supervisors and managers, that required us to be intermittently absent from our home offices for nearly 2 months. We relied on acting supervisors to manage our home teams during our absence. Supervisors can employ several techniques to insure that the acting supervisor will be successful.

Managing the Home Team. As supervisors or managers, we occasionally need to rely on acting supervisors. We cannot be at work every day. We may be out of the office for training, take annual or even sick leave, or accept the opportunity to participate in an important TDY assignment. The periodic assignment as acting supervisor is an inherent part of career development and training. These assignments provide an opportunity for the subordinate to learn and experience the responsibilities of the higher grade, while the supervisor can assess the acting supervisor's promotion potential as well as training and career development needs.

Developing a PWT. Managers and supervisors should start by ensuring that they develop their PWTs into self-directed work teams that are the building blocks of our organization. A self-directed work team will manage their day-to-day activities with a minimum of direct supervision. The development of the PWT follows a natural progression; the supervisor's role changes from manager and decision maker for the team to that of coach, coordinator and facilitator of the team's activities and decisions within the context of the larger organization. A highly effective PWT will need minimal amounts of direct supervision. Supervisors should ensure that PWT members are required to learn a variety of jobs or tasks, including how to obtain and manage the resources to accomplish a range of tasks not specifically assigned to them. The benefits for the team are increased productivity, streamlined processes, flexibility, quality, employee commitment, and customer satisfaction. In developing our PWTs, we should address three major categories of required skills: technical expertise, critical thinking, and interpersonal skills. We should also develop the essential team members' attributes of commitment, cooperation, communication, and contribution. As team leaders, supervisors must lead and develop their teams to be able to manage and be responsible for their own activities during the supervisor's absence.

Selecting an Acting Supervisor. Management can rotate or distribute the supervisory responsibilities among the team members or the supervisor can select "the best person for the job." The first thought may be to look for a highly productive auditor who is ready, willing, and able to step into the supervisor's shoes. However, even if available, this auditor may not be the best choice, perhaps because of involvement in a high-priority task. We need to be flexible and respond to situations according to their circumstances and to individuals according to their needs. In some circumstances, the "better" choice may be to provide a learning experience for a less experienced subordinate. The selection should be based on the circumstances related to the supervisor's absence and the abilities of the candidate for acting supervisor. Consider factors such as:

- ◆ Assignment length
- ◆ Ability to communicate with the acting supervisor
- ◆ Support available within the office from other supervisors and managers
- ◆ Ability of the PWT to perform as a self-directed team
- ◆ Experience and qualifications of the potential acting supervisor

Coaching Subordinates. It is in the best interest of the supervisor to coach subordinates to perform acting supervision duties. The supervisor needs some assurance that, with planning and coaching, his/her staff can perform and provide service to customers while the supervisor is absent. The supervisor must coach subordinates to perform effectively, beginning with allowing individuals to serve as acting supervisors in order to build confidence and skills and develop trust. As subordinates strengthen their capabilities, responsibilities and expectations will necessarily increase. However, the success or failure of the acting supervisor depends on the support of the entire team. Because the acting supervisor is a temporary role and involves directing the activities of peers, the acting supervisor requires coaching on how to address a variety of challenges while gaining the team's support. For instance, a significant challenge often faced by an acting supervisor is dealing with differing individual performance levels. The supervisor also has a responsibility to communicate in advance with the acting supervisor on the team activities and expectations; and to discuss afterward the activities and actions taken during the supervisor's absence. As part of the discussion of expectations, the supervisor must clearly articulate that the acting supervisor is accountable for the assigned responsibilities. To encourage team members to perform as desired, the acting supervisor should give praise or rewards for doing a good job. Conversely, the acting supervisor should provide redirection if expectations are not met. The supervisor should evaluate the acting supervisor's performance with both positive reinforcement and feedback for improvement soon after returning to the office. It is especially important to provide positive feedback and express appreciation when the acting supervisor performs well.

Assigning duties. The duties performed will vary depending on the assignment length and capabilities of the acting supervisor. At a minimum, the acting supervisor will monitor team member attendance and respond to inquiries or new requests for action. In some circumstances, the acting supervisor may perform most of the supervisor's duties except for those not delegated in accordance with FAO, regional or Agency policy (e.g., signing sensitive or significant reports). Supervisors are participants in at least two teams—they are leaders of the PWT and members of a management team. It is important that the acting supervisor understand management's expectation and his or her own responsibility to be interactive. This involves setting and maintaining the proper direction for subordinate staff during the supervisor's absence; and consistent and timely consultation to keep higher management informed regarding program accomplishment, potential problem areas, and possible solutions or workaround plans. Just as with the selection of the acting supervisor, assignment of duties will involve an assessment of the particular circumstances surrounding the supervisor's absence and the PWT's stage of development.

I expect that most supervisors and managers developed their knowledge about the acting supervisor function from their personal experiences: as a subordinate employee, by working under an acting supervisor, or by being an acting supervisor. With proper planning and supervisory involvement, the experience can be a positive one for the acting supervisor as well as the supervisor. I returned to my home team at the completion of the Special Project Team with feelings of accomplishment, satisfaction and pride in my personal activities on the project team; and pride in my acting supervisor, my team and their ability to function successfully in my absence. Of course, perfection is an ideal, but with each absence, the team and I learn from our missteps and strive to build on what went right for the next time. The knowledge and skills of our teams and individuals are DCAA assets; with commitment and support, our teams will get the job done even when the boss is away.



A Staff Conference Presentation in 4 Easy Steps

Michelle R. Schaefer, Auditor, Dayton Branch Office, Eastern Region, offers expert solutions to everyone's dilemmas with presentations.



Michelle Schaefer, Auditor, Dayton Branch Office

You have just been tapped to give a presentation at the upcoming FAO staff conference. It's a month away. Competing for your time are two customer-requested assignments, a 1-week course at DCAI, and your cat's teeth, which have to be cleaned at the veterinarian's office next week. Life is stressful to say the least. Will you live through it?

We all remember taking that one speech class in college only because it was required. We had to dress up (a challenge for a college student), and there was always one person in the class who did such a great job that everyone else looked bad—especially the person slated to present immediately after. There was often some sort of prop-driven show-and-tell for adults. For some of us, “volunteering” for the staff conference presentation will conjure up memories of other past presentations, some pleasant but others not so pleasant!

My first presentation occurred at the age of 16 with major potential consequences. I had entered a competition where the “winners” were to have their respective science experiments completed aboard a future Space Shuttle flight. My first presentation was to a board of NASA scientists and officials in a large

boardroom with the projectionist in the next room. I could not even see the person turning my slides! (In fact, until that moment, I thought I would be turning my own slides). Following the presentation, I was grilled like a well-done steak, but amazingly, I lived! My presentation was not selected for a space shuttle experiment, but I share this story and my reference to the college speech class to illustrate that we all have and will survive these experiences.

While you are reminiscing (and also contemplating your rotten luck), the Branch Manager comes to provide you with the materials received from DCAI for your presentation. At least you're not starting from scratch. There's a video, a PowerPoint presentation, a facilitator's guide, and a student guide. Your first reaction is to just read the PowerPoint slides. Your second reaction is “absolutely not,” remembering a painful presentation where the presenter merely read the slides. Having ruled out this approach, your dilemma becomes how to borrow some preparatory time from your “real work.” You have audits due, and everyone agrees they take priority. The time crunch and fear of public speaking can equate to out-and-out panic. However, take a deep breath and relax, focus and apply some critical thinking:

1. What is your main focal point? This presentation was chosen for the staff conference. Therefore, there must be a reason for it beyond the fact that it is required training. Is it a quality issue or an emerging policy issue? Is it information that must be retrieved and considered routinely, or is this a non-recurring “niche” topic? Once you answer these questions, you have most likely identified the main focus of your presentation. While you must show all of the slides and incorporate all of the details, keep the main focus in mind. Summarize it in one or two sentences and memorize it. If you are ever at a loss

for words during the presentation, repeat the main focus. Other than the presenter who merely reads his/her presentation, no one (including the most experienced presenter) makes it through a presentation without being at a temporary loss for words at least once. Your strategy is to reinforce or repeat your focus, drive the point home, and leave your audience with “nuggets” of information to remember.

2. What is the audience’s point of view? Are the majority of them junior or senior? Which aspect of this topic will be the most interesting to them? Consider that they will most likely be bombarded with information throughout the staff conference. To use your limited time wisely, start with a brief outline of your presentation. Glancing quickly at your outline, determine what you think are the most important aspects that would help you in your day-to-day audit work. If this aspect of the presentation would be the most helpful to you, it’s logical that this would be the most helpful to your audience. After

presentation by relating your presentation topic to examples of audit situations you have encountered. In retrospect, would this newly acquired knowledge have been beneficial in a specific situation, with a certain contractor, or at a particular event? Make this presentation your own story (without divulging any confidential information) while reinforcing the main points to remember.

4. Finally, what conclusions can be drawn from this information? Although you may believe you’ve spent minimal time on this presentation, you’ve undoubtedly invested more time in this subject than most, if not all, of your audience. It’s up to you to bring it all together and summarize the main points for your audience. You are the translator who explains why the topic is important to them and what is expected of them. The objective is to bring your presentation full circle by converting it into useful information for your audience. When the above four steps are completed, set it aside for a while. Return to those two audits with imminent due dates. Enjoy

The time crunch and fear of public speaking can equate to out-and-out panic. However, take a deep breath and relax, focus and apply some critical thinking.

all, they are your co-workers, and they do similar work!

3. What information and data are in the facilitator’s guide? What are the broad, overall concepts that need to be covered? Reviewing this will provide some reinforcement of these concepts since you have already briefly outlined the presentation. Congratulations! At this point you will already have seen the information to be covered twice. Another time-saver is to review the facilitator’s information before reviewing the student guide. You should then be able to just skim the student guide to familiarize yourself with the information your audience will receive. At this point, you most likely know more about this specific topic than your audience. However, it’s now time for the most important step: to customize or personalize the

your time at DCAI. Take your cat to the vet. Everything (most importantly you) will be fine.

The typical staff conference presentation will not likely involve NASA space-shuttle experiments or major life-changing consequences. However, it should be a learning experience for you and your co-workers, who will be empathetic to your plight in part because they are grateful they are not in your place! Most know their time will come, so they will at least be silently encouraging, outwardly patient, and reasonably attentive during your presentation. So relax! You will not only live through your staff conference presentation and the preparation time it requires, you will make it a positive and beneficial experience for yourself and your audience. Good luck!





DCAA DISTINGUISHED CIVILIAN SERVICE AWARD



April G. Stephenson

APRIL G. STEPHENSON, Deputy Director, DCAA, received the Defense Contract Audit Agency Distinguished Civilian Service Award. The award was presented on March 8, 2006, at the ESC Award Ceremony. This is the highest DCAA award for Agency employees and is granted for outstanding career achievements or exemplary accomplishment of duties over a long period of time.

Ms. Stephenson has demonstrated the highest levels of operational and managerial expertise, ethics, and integrity while repeatedly distinguishing herself as a valued member of the DCAA executive management team. As Director of the Field Detachment, Ms. Stephenson made significant improvements in the area of audit execution through changes in the balanced scorecard, including productivity, exceeding the Agency goal for error-free audit reports and notably improving the completion of audits in a timely manner. The Field Detachment also improved its accountability and fiscal spending under her leadership. In FY 2004, the Field Detachment had a highly visible contractor working in Iraq come to the attention of Congress. Ms. Stephenson motivated her employees to concentrate on high-risk areas that resulted in significant findings involving this contractor and resulted in the withholding of millions of dollars in payments. This contractor has subsequently implemented many of the Field Detachment's recommendations, which has, in turn, strengthened the internal controls and accountability of the Department's funds expended on Iraq reconstruction activities.

As Deputy Director, DCAA, Ms. Stephenson is personally involved in assuming oversight responsibility for DCAA resources including personnel, budget, financial statements, and other resources management functions. She has also continuously promoted effective communications within all elements of DCAA by ensuring audit guidance and other work products are coordinated within and reviewed by Agency stakeholders.

April G. Stephenson, Deputy Director; William H. Reed, Director



April G. Stephenson, Deputy Director; William H. Reed, Director

DCAA ANNUAL EEO PERFORMANCE AWARD

Otis Hightower



ON MARCH 7, 2006, OTIS HIGHTOWER received the DCAA Annual EEO Performance Award, which was presented at the ESC Conference. The award recognizes outstanding contributions in the area of Equal Employment Opportunity. Since Otis Hightower started his career with DCAA in March 1985, he has worked as a supervisor of the Operations Audit Team, the Compensation Review Team, and the Executive Compensation team; and as a Supervisory Auditor at several branches in the Mid-Atlantic region. He currently supervises a mobile team in the Baltimore Branch Office, Delaware Valley Suboffice.

Among Otis's many EEO contributions are his work as a minority recruiter, traveling as far as Puerto Rico and visiting a host of Historically Black Colleges and Universities to address their campus accounting clubs, attend college career fairs, and interview prospective college students. He has recommended numerous candidates for employment.

As a DoD-certified mediator, Otis has applied his personal touch of down-to-earth communication throughout the region, resolving day-to-day problems and helping to avoid EEO complaints by assisting Branch Managers in sensitive situations. As a supervisor, he encourages respect, trust and fairness on his teams and takes pride in the advances made by women and minorities who have worked for him. One auditor under his supervision earned the Mid-Atlantic Trainee of the Year Award.

Otis has an impressive record of public service in several programs in the Philadelphia area: as an instructor of volunteers who prepare tax returns for low-wage workers with the Campaign for Working Families; as Chairman of the Toys for Tots Program for the Women's Shelter of West Philadelphia; and as a Registered Mentor for minority youths at the James Rhodes Elementary School.

Awards

DCAA MERITORIOUS CIVILIAN SERVICE AWARD

Seay Anne Sheley

Ms. Seay Anne Sheley, Regional Special Programs Manager, Northeastern Region, has been awarded the Defense Contract Audit Agency Meritorious Civilian Service Award. This is DCAA's second highest career service award, and it is granted for outstanding or exceptional contributions by the employee.



From left: Ed Nelson, Northeastern Regional Director; Seay Anne Sheley, Regional Special Programs Manager; William H. Reed, Director, DCAA



NORTHEASTERN REGION

DCAA COMMENDATION AWARD

*William Faanes
&
John I. McDonough*

The DCAA Commendation Award is an honorary award given to employees for exceptional contributions over an extended period of time, or for a single act or service of such significance that it warrants recognition over and above that received by others. The award consists of a certificate, a bronze medal, and a lapel pin.



Ed Nelson, Regional Director; William Faanes, Branch Manager, Iraq Branch Office



John I. McDonough, Supervisory Auditor; Seay Anne Sheley, Regional Special Programs Manager

WESTERN REGION DCAA COMMENDATION AWARD RECIPIENTS



Janet Lamprecht, Technical Specialist, Regional IT Division; Chris Andrezze, Regional Director

JOHN HINTON, JANET LAMPRECHT AND PAUL WINDERS were presented Commendation Awards in recognition of their outstanding achievements. The awards were presented on February 22, 2006, at the Western Region FAO Managers' Conference. Mr. Hinton is a Supervisory Auditor at the San Gabriel Valley Branch Office, Ms. Lamprecht is a Technical Specialist in the Regional Information Technology Division, and Mr. Winders is a Technical Specialist at the San Gabriel Valley Branch Office.



John Hinton, Supervisory Auditor, San Gabriel Valley Branch Office; Chris Andrezze, Regional Director



Paul Winders, Technical Specialist, San Gabriel Valley Branch Office; Chris Andrezze, Regional Director

2005 PRESIDENTIAL RANK
AWARD
FOR MERITORIOUS EXECUTIVE

Barbara C. Reilly

Barbara C. Reilly, Regional Director, Mid-Atlantic Region (retired), was named a recipient of the 2005 Presidential Rank Award for Meritorious Executive. This award recognizes and rewards career Senior Executive Service members who demonstrate exceptional performance.

Entering the Senior Executive Service in May 1994, Ms. Reilly continually distinguished herself as a valued member of the DCAA executive management team by imparting organizational vision and engaging the workforce in accomplishment of performance goals. Of note is her innovative use of the balanced scorecard to track and monitor progress against goals, which contributed greatly to the Mid-Atlantic Region exceeding all performance goals for the past 4 fiscal years.

Ms. Reilly exhibited an extraordinary ability to balance changes and continuity and demonstrated this with the Mid-Atlantic employment plans. These plans equalize hiring to consistently produce or exceed required workload demands within budget constraints and provide solutions to staffing imbalances to ensure work is done on a priority basis. She demonstrated exceptional leadership in providing cost containment recommendations for major programs for her acquisition customers. Under her management, the Mid-Atlantic Region formulated new processes that resulted in the closure of thousands of contracts. One innovation implemented as a result of this effort was the development and widespread use of cumulative allowable cost worksheets.

Ms. Reilly's functional knowledge, executive leadership, integrity, vision, and spirit of innovation are well known and highly respected throughout the Agency, the Department of Defense, the public sector, and private industry.





WILLIAM B. PETTY AWARD 2006

Ronald C. Meldonian

RONALD C. MELDONIAN, Regional Audit Manager, Northeastern Region, was presented with the William B. Petty Special Achievement Award for Management Excellence for 2006. This award recognizes a DCAA supervisor, manager, or management official who demonstrates unusual management or leadership capabilities that result in more efficient, effective, or economical accomplishment of the Agency's mission.

Mr. Meldonian handled the unique challenges in planning and programming of auditor workspace and budget issues in staffing the European Branch Office in an outstanding manner. The Iraq Branch Office offered totally separate and unique issues, requiring constant planning to address changing conditions involved in staffing an office in a war-torn country, and Mr. Meldonian kept the operation running smoothly. Under Mr. Meldonian's leadership, the European Branch Office and the Iraq Branch Office exceeded their incurred cost productivity goal, as well as the planned number of audits in incurred cost, CAS compliance and defective pricing. These offices exceeded electronic submission and CACWS goals, and delivered \$193 million in net savings last fiscal year. Mr. Meldonian was also personally involved with the DCAA support of the award fee boards in Iraq. He participated in a high-level independent review of the U.S. Army Europe Support Contract source selection at the request of the Deputy Secretary of the Army (Policy and Procurement).

Recent OGE Form 450 News

Good news for those of you who dislike filling out the OGE Form 450s—you can put it off a little longer this year. The Office of Government Ethics (OGE) recently published in the Federal Register a final rule amending the confidential financial disclosure rule at 5 CFR Part 2634. The final rule will become effective on January 1, 2007. Under the new regulation, the reporting period is changed to a calendar-year cycle, and the filing date is changed to February 15. Because OGE expects that the proposed amendments to the Form 450 will be finalized this summer, OGE is waiving this fall's incumbent Form 450 filing. Therefore, instead of

submitting their next reports by October 31, 2006, those employees required to file will do so by February 15, 2007. These reports will cover the 15-month period from October 1, 2005, to December 31, 2006.

Remember, you are required to file a Form 450 if (1) you are an auditor at a GS-13 level or higher; (2) you make decisions affecting government contracting or procurement; (3) you are an IMPAC card holder with spending authority greater than \$2500; or (4) you are a new entrant into a covered position.



NAME

FROM

TO

Baker, Pamela I.	Western Region	Headquarters
Cash, Karen K.	Field Detachment	Headquarters
Domanico, James P.	Mid-Atlantic Region	Headquarters
Hilerio, Eric S.	Mid-Atlantic Region	Headquarters
Neilsen, Michael J.	Mid-Atlantic Region	Headquarters
Popovic, Daniel J.	Northeastern Region	Headquarters
Reichel, Gerard E.	Mid-Atlantic Region	Headquarters
Rivera, Ismael	Mid-Atlantic Region	Headquarters
Schulze, Bruce A.	Field Detachment	Headquarters
Skinner, Cathy A.	Field Detachment	Headquarters
Williams, Patty L.	Mid-Atlantic Region	Headquarters

McFarland, Leanne M.	Central Region	DCAI
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DiMucci, Robert	Headquarters	Field Detachment
Gatlin, Patricia A.	Northeastern Region	Field Detachment
Girod, Jack Edward.	Mid-Atlantic Region	Field Detachment
Lee, Patricia L.	Headquarters	Field Detachment
Manlove, Mark W.	Western Region	Field Detachment
Sakuda, Terry L.	Western Region	Field Detachment
Smith, Aida G.	Western Region	Field Detachment

Alvis, Cynthia Suzanne	Field Detachment	Central Region
Carsillo, Gary S.	Mid-Atlantic Region	Central Region
Gransberry, Latasha D.	Field Detachment	Central Region
Misiorek, Lorraine A.	Northeastern Region	Central Region
Moomand, Angela L.	Northeastern Region	Central Region
North, Philip James Paul	Field Detachment	Central Region
Starks, Robert L.	Western Region	Central Region
Sterling, Debra A.	Eastern Region	Central Region
Williams, Ella M.	Eastern, Region	Central Region

Hale, Lauren L.	Northeastern Region	Eastern Region
Johnson, Scott A.	Western Region	Eastern Region
Murdock, Stephen W.	Field Detachment	Eastern Region
O'Donnell, Paul D.	Western Region	Eastern Region
Partin, Kevin E.	Northeastern Region	Eastern Region
Porter, Therese M.	Mid-Atlantic Region	Eastern Region
Steimer, John E.	Mid-Atlantic Region	Eastern Region

NAME

FROM

TO

Anderson, Kenneth W.	Headquarters	Mid-Atlantic Region
Harris-Vernon, Patricia	Headquarters	Mid-Atlantic Region
Hernandez, Charles S.	Northeastern Region	Mid-Atlantic Region
Hilerio, Eric S.	Headquarters	Mid-Atlantic Region
Phillips, Randall R.	Field Detachment	Mid-Atlantic Region
Regulski, Michael A.	DCAI	Mid-Atlantic Region
Sheeran, Kathleen M.	Field Detachment	Mid-Atlantic Region

Blue, Pamela I.	Eastern Region	Northeastern Region
Grudzinskas, Robert C.	Headquarters	Northeastern Region
Hehe, Kim J.	Eastern Region	Northeastern Region
Martineau, John J.	Headquarters	Northeastern Region
Porter, Naadia L.	Western Region	Northeastern Region
Tack, Keith A.	Headquarters	Northeastern Region
Weigandt, Jody E.	Eastern Region	Northeastern Region

Abesamis, Carolina L.	Field Detachment	Western Region
Almogela, Ronald D.	Field Detachment	Western Region
Froehlich, Anita J.	Headquarters	Western Region
Gerlach, Sandra L.	Central Region	Western Region
Matsuda, Selina S.	Field Detachment	Western Region
Schulteis, Sonmi	Central Region	Western Region
Venable, Leroy L.	Northeastern Region	Western Region
Weppler, Ricky A.	Central Region	Western Region

ON THE MOVE

Promotions

Headquarters

Baker, Pamela I.	13
Bazemore, Irmina C.	07
Cooper-Smith, Carolyn L.	08
Cordero-Yordan, Brenda	13
Harrell, Gloria B.	08
Kaiser, David P.	14
Kelly, Susan G.	12
Lindenbaum, Jenny L.	14
Mitchell, James R.	14
Weber, Eric J.	14
Whitaker, Connie	13

DCAI

McFarland, Leanne M.	13
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Field Detachment

Ancheta, Diana C.	09
Barnes, Liberty I.	09
Bartz, Bobbie	11
Boisvert, Brandon W.	12
Bruce, Jason A.	07
Bryant, Adam D.	12
Caffee, William R., III	11
Dratler, William	13
Garcia, Andrea L.	06
Giese, Deborah A.	13
Grant, Michelle Y.	09
Hart, Tabitha C.	13
Hembree, Michael A.	12
Herrington, Lori L.	14
Hirsch, Lorraine A.	12
Howell-Watson, Bridget L.	12
Jensen, Zachery N.	13
Jones, Chanae N.	13
Larsen, Richard D.	12
McNamara, Kevin P.	12
Pawlak, William J.	13
Rathfelder, Linda M.	12
Reedy, Michelle M.	09
Roman, Jorge L.	12
Romero, Carmen J.	09
Shirey, Sharon L.	11
Skinner, Cathy A.	11

Supplee, Shannon	09
Taketa, Ronald M.	09
Tam, Yancy Yat-Yue	09
Varrell, Theresa A.	09
Wagner, Elaine K.	12
Yee, Cheryl L.	09
Zastrow, June C.	06

Central Region

Burnside, Scott G.	09
Cherry, Belinda H.	11
Corbin, Jill D.	09
Frazier, Trasondra L.	09
Green, Cornesia N.	11
Hansen, Kaleb D.	09
Hemanes, Derek B.	09
Howcroft, Stephen Bret	09
Janus, Glen D.	09
Jones, Stacey M.	05
McMinn, Hubert W.	09
Mueller, Judy A.	06
Mullen, Cynitra S.	05
Niebruegge, Joann E.	15
Puetz, Mitch D.	13
Sahlin, William A.	11
Sims, Latania L.	05
Stennis, Chalea M.	09
Trevino, Shannon D.	09
Valley, Stephanie A.	12
Vo, Tram Thanh.	05
Workman, Scott C.	05

Eastern Region

Alejandro, Amanda J.	11
Baker, Beverly L.	11
Bazemore, Jennifer L.	11
Beard, James D., Jr	11
Benton, Olivia C.	11
Berry, Jamie L.	09
Boyles, James W., Jr	13
Bristow, Joan R.	13
Coffinbarger, Michelle T.	09
Compton, Tammy Y.	13
Cvetnich, Erica G.	12

Duncko, Joseph T.	13
Ehlert, Raynee H.	11
Gorman, Justin E.	12
Hehe, Kim J.	12
Ivery, Marilyn F.	11
Jargowsky, Kathryn C.	09
Johnson, Scott A.	13
Kantz, David J.	13
Lanes, James R.	12
Line, Joe P.	12
Liptak, Lorianne J.	11
Lisseveld, William D.	11
Myres, S. Brandon	12
O'Shaughnessy, Nancy L.	12
O'Shaughnessy, Paige H.	11
Pham, Jacklyn Ngoc	11
Rhodes, Shaun Nicholas	11
Rondeno, Keisha L.	11
Smith, La Shea L.	11
Trussell, Salesha K.	11
Vaughan, Gina L.	12
Walker, Arthur M.	11
Wall, Martha Finley	11
Wallis, Pamela S.	09
White, Christine M.	12
Williams, Gail C.	12

Mid-Atlantic Region

Ahmad, Mohammad Z.	12
Aloush, Andrew M.	13
Chiavetta, Elizabeth C.	09
Chu, Bernice V.	12
Covone, John A.	14
Delgado, Douglas R.	11
Desai, Rena M.	11
Diaznegron, Pedro J.	13
Dillingham, Nathan D.	11
Fisher, Tara J.	12
Guckin, Andrew G.	09
Harris, Brandon N.	12
Homburg, Erin K.	12
Kauffman, Susanne P.	06

Promotions

Mid-Atlantic Region

Labouyer, Michelle M.	07
Lam, Tina N.	11
McKean, Kerry A.	09
Newitt, Lynne M.	12
Notar, Jennifer A.	09
Patterson, Kevin S.	09
Pierce, Robert R.	12
Porter, Sandra M.	12
Porter, Therese M.	12
Redclift, Jill D.	09
Roe, Staci J.	11
Root, Carol M.	12
Ross, Talica E.	09
Ruggia, Arthur	14
Sattar, Ferozan	11
Scruggs, Jerilee	11
Sheppard, Alisa R.	05
Smith, Cicely E.	11
Smith, Lance A.	09
Szlong, Tekla M.	11
Terrell, Juanita M.	05
Tran, Tam M.	13
Travers, John G.	14
Wilk, Erin K.	12
Winkel, Michael J.	12
Zeuke, Troy A.	11

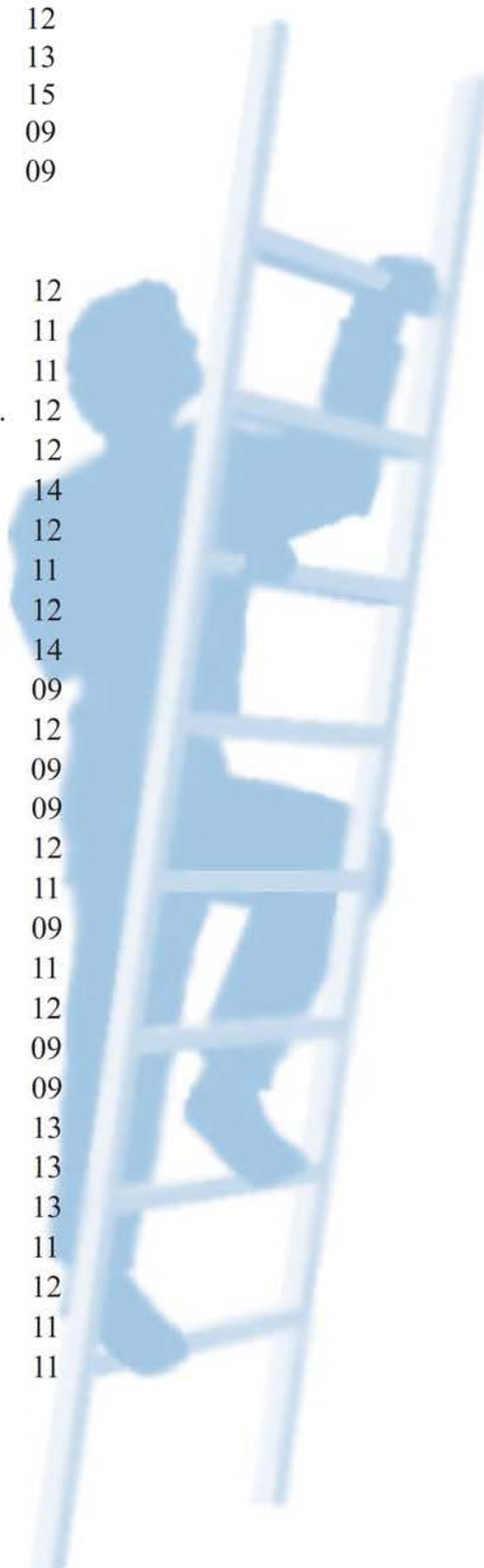
Northeastern Region

Armand, Timothy J.	13
Benavides, Mario E.	09
Bernard, Teresa	13
Bood, Jeffrey C.	09
Cassidy, Kevin J.	11
Ciametaro, Matteo M.	12
Hale, Lauren L.	12
Hu, Jenny	12
Kao, Yanwen G.	12
Kapaldo, Diana M.	12
Landry, Robert J.	14

Patullo, Anthony	14
Redmond, Karen K.	13
Robinson, Laura A.	12
Sall, Arnold B.	13
Sheley, Seay A.	15
Stuart, Anthony S. A.	09
Waller, Teresa M.	09

Western Region

Alvarez, Kimberly M.	12
Annabell, Edna J.	11
Baey, Luke S.	11
Brown-Hood, Katherine L.	12
Chen, William W.	12
Doherty, John	14
Eason, Robert C.	12
Eastmond, Gregory B.	11
Fraser, Kusinee	12
French, William E., Jr.	14
Goetschel, Jessica L.	09
Gonzalez, Carolyn A.	12
Lang, Jeffrey P.	09
Langford, Shioui C.	09
Machida, Nancy J.	12
McKabney, Steven M.	11
Nigl, Mary A.	09
Ogden, Debbie M.	11
Ostovari, Shahin	12
Penny, Joanne E.	09
Robateau, Andrea Y.	09
Rumsey, Carol I.	13
Said, Shahzad	13
Shih, Michael F.	13
Staudinger, Aimee K.	11
Storms, David J.	12
Tenn, Sharon Y.	11
Tong, Jianguo	11



Field Detachment

Cash, Karen K. Presented “How to Calculate Penalties on Unallowable Costs” to DCMA ACOs, Manassas, Virginia, March 23, 2006

Central Region

Eeten, Gordon A. “NCMA—DCAA Perspective” on the subjects of DCAA Products, Staffing, Customers and Major Initiatives was presented at the NCMA-Twin Cities Monthly Meeting, Fort Snelling, Minnesota, October 18, 2005

Kelley, Paul “Federal Contract Audit Efforts in Operation Iraqi Freedom” was published in *The Journal Entry*, January 2006, the monthly journal of the Utah Association of CPAs

Massah, Cherilyn Was included in *Who’s Who of American Women 2006-2007*, Marquis Who’s Who publisher, New Providence, New Jersey, November 10, 2005

Eastern Region

Donovan, Jeffrey M. Presented “How to Allocate Costs in Compliance with CAS and FAR 31” to the ASMC/NCMA Joint Conference, Ft. Walton Beach, Florida, March 3, 2006

Losh, John J. Presented “Operations Audits” at Naval Sea Systems Command, Washington Navy Yard, Washington, DC, February 21, 2006

Cologgi, Leticia F. Presented “Operations Audits” at Naval Sea Systems Command, Washington Navy Yard, Washington, DC, February 21, 2006

Grimstead, Kimberley M. Presented “Operations Audits” at Naval Sea Systems Command, Washington Navy Yard, Washington, DC, February 21, 2006

Mid-Atlantic Region

Davey, Maria A. Presented “Current DCAA Initiatives and Most Important Changes in Audit Guidance,” to the Institute of Management Accountants (IMA), Potomac Chapter, Tysons Corner, Virginia, January 10, 2006

Western Region

Blanchflower, James E. Elected Secretary to Board of Directors of the Institute of Management Accountants, San Diego Chapter, San Diego, California, April 13, 2006; has acted as Webmaster since July 2006

Smith, Curtis A. Presented “Documenting Your Data Using the Contents Procedure” on the subject of Data Warehousing to the Western Users of SAS Software Users Group 2005 Conference, San Jose, California, September 23, 2005

Smith, Curtis A. “Tips for Constructing a Data Warehouse” was published in *SanDS*, San Diego SAS® Users’ Group newsletter, Volume 9.4, October 2005

Headquarters

Anderson, Sandra G.
Fletcher, Debra W.
Harris, Kristine A.

Certified Defense Financial Manager, Virginia, October 2005
Bachelor of Business Administration, Averett University, Virginia, December 10, 2005
Master of Arts in International Commerce and Policy, George Mason University, Fairfax, Virginia, January 14, 2006
Certified Fraud Examiner, October 2005

Rivera-Guzman, Javier

Field Detachment

Hah, Josephine W.
McKenzie, Donald J.
Wagner, Elaine K.
White, David, F.

Certified Public Accountant, Texas, September 16, 2005
Certified Public Accountant, August 25, 2005
Master's Degree Business Administration, University of Phoenix, July 31, 2005
Certified Public Accountant, Virginia, February 10, 2006

Central Region

Casey, Stephanie M.
Holweger, Anna M.
Howcroft, Bret
Rich, Brent Andrew

Certified Public Accountant, Colorado, November 11, 2005
Passed CPA Exam, North Dakota, November 21, 2005
Passed CPA Exam, Arizona, November 17, 2005
Master of Business Administration, Fontbonne University, St. Louis, Missouri, December 16, 2005

Rodriguez, Isabel M.
Rojas, Edna I.
Shumway, Spencer J.
Webb, Jason A.

Passed CPA Exam, Vermont, November 14, 2005
Passed CPA Exam, New Mexico, October 31, 2005
Certified Public Accountant, Utah, September 8, 2005
Master of Science, Accounting, University of Houston-Clear Lake, Houston, Texas, December 12, 2005

Eastern Region

Esrey, Valarie C.
Greer, Poppy V.
Griffin, Barry D.
Howard, Willie, Jr.
Lawton, Marcus
Masters, Theresa M.
McPherson, Robert L.
Ramos, Maia E.
Rivera, Juan M.
Selig-Berens, Theresa L.
Tadt, Kerri L.
Winkle, Philip Kelvin

Certified Public Accountant, Virginia, March 7, 2006
Certified Public Accountant, Virginia, March 30, 2006
Master of Business Administration in Finance, December 23, 2005
Certified Public Accountant, New Mexico, October 25, 2005
Certified Public Accountant, Virginia, October 26, 2005
Passed CPA Exam, Virginia, February 21, 2006
Certified Public Accountant, Virginia, November 3, 2005
Master of Science in Accounting, University of Central Florida, December 13, 2005
Certified Public Accountant, Puerto Rico, December 16, 2005
Certified Public Accountant, Virginia, November 3, 2005
Certified Public Accountant, North Carolina, January 23, 2006
Certified Public Accountant, Kentucky, March 23, 2006

Mid-Atlantic Region

Bentz, John J.
Ingram, Cassandra M.

Passed CPA Exam, November 28, 2005
Master of Arts in Management, College of Notre Dame of Maryland, Baltimore, Maryland, December 31, 2005

Jones, Erika K.
Richon, Barbara
Weitner, Eric J.

Master of Business Administration, University of Phoenix, November 13, 2005
Passed CPA Exam, Virginia, November 29, 2005
Master of Business Administration, Montclair State University, Montclair, New Jersey, January 31, 2006

Northeastern Region

Hehe, Kim J.
Higgins, James J.

Passed CPA Exam, Virginia, October 14, 2005
Certified Public Accountant, Massachusetts, January 19, 2006

Western Region

Baey, Luke S.
Kinney, Emery E.
Quigley, Brianna L.

Certified Public Accountant, California, October 27, 2005
Certified Public Accountant, Washington, June 30, 2005
Certified Public Accountant, Washington, November 16, 2005

*R*ETIREE'S CORNER

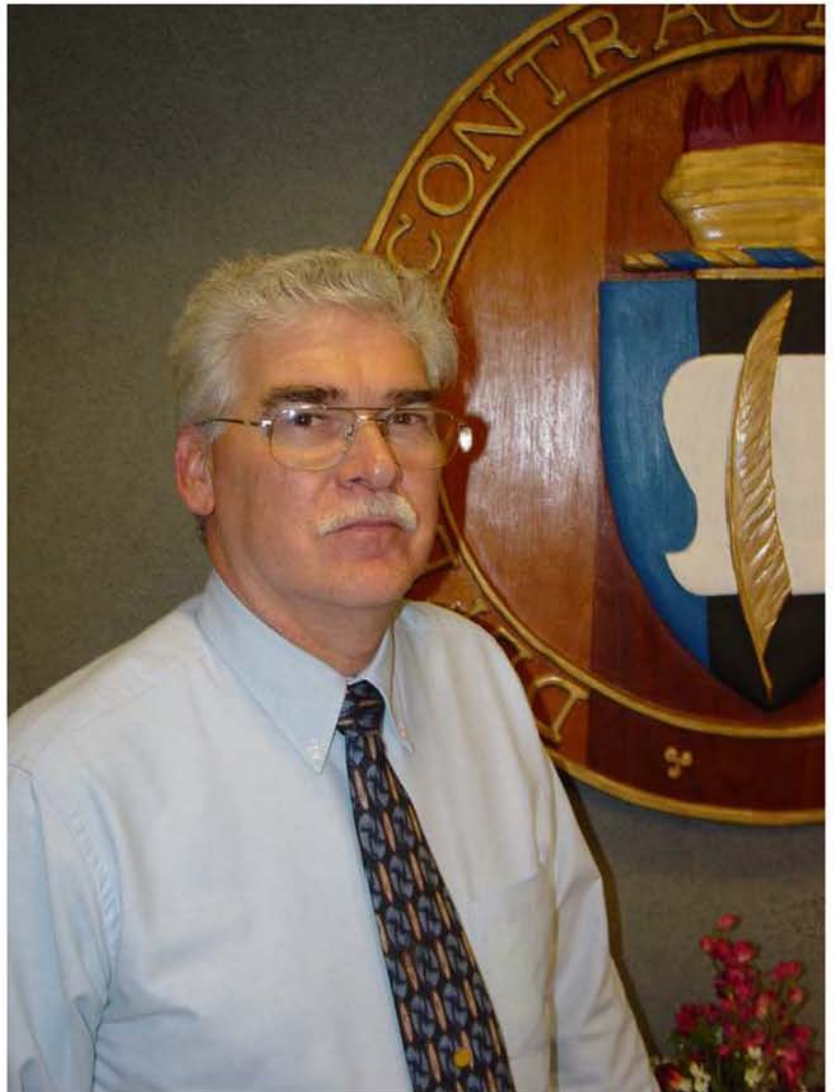
Earl J. Newman
Assistant Director, Policy and Plans

Earl J. Newman retired in June 2006 after more than 33 years of a productive and wide-ranging career with DCAA. Earl started in July 1973 as an auditor trainee at the Alexandria Branch Office in Virginia. After holding several positions at branch offices and several major contractor locations, he served as the Branch Manager of the DCAA Buffalo Branch Office and as the Senior Procurement Liaison Auditor at Kirtland Air Force Base in Albuquerque, New Mexico. Positions held at DCAA Headquarters included Chief, Workload & Trends Analysis Division, and several as Program Manager. He also served as the Deputy Assistant Director, Operations, from 1994 until 1998. At that time he entered the ranks of the Senior Executive Service when he was selected as the Assistant Director, Operations. After serving over 7 years in that position, he was reassigned as the Assistant Director, Policy & Plans, in October 2005.

Earl earned a CPA and was a graduate of the Director's Fellowship Program in Management. He also participated in OPM's LEGIS Fellows Program, working with the Senate Subcommittee on Oversight of Government Management. He was the recipient of numerous awards throughout his career, including the DCAA Distinguished Civilian Service Award and the Presidential Rank Award of Meritorious Executive.

Earl will be much missed at Headquarters and throughout the Agency. We will remember him as a supportive and communicative executive of tremendous knowledge and ability. Fair-minded and encouraging as a supervisor, he was a strong supporter of DCAA as well as his employees.

Earl and his wife, Rose, plan to spend their retirement in North Carolina. "We intend to relax, learn to play golf, travel, and enjoy life," Earl said.



*R*ETIREE'S CORNER

Daniel J. Tucciarone
Executive Officer

After more than 32 years with DCAA, Dan Tucciarone, DCAA Executive Officer, decided to retire. Dan started in the old New York Region in 1973 and moved to the Washington D.C. area early in his career. He served in a number of different positions, from trainee, auditor-in-charge, supervisor, Headquarters program manager, and then as division chief of several different divisions in Headquarters. Dan obtained his CPA early in his career and a Master's Degree through the Director's Fellowship program. In 1998 he became the Executive Officer, working directly for the Director and Deputy Director. He has been noted as saying that the job of Executive Officer is unique (literally since DCAA has only one Executive Officer); but it is a hybrid job requiring a little bit of knowledge about everything everyone does at DCAA. Dan says it was the best job he has had with the Agency, encompassing press and public relations, the Executive Steering Committee, and the DCAA Bulletin. Dan was always willing to do the extra things that it takes to bring a task together. He used his creative talents to great effect in creating some memorable celebrations at Headquarters, including holiday parties, picnics and award ceremonies.



"I may be retiring, but as far as I am concerned, life will start over," Dan said. He will be pursuing his artistic side—art, music, language and design. Dan said he has met and worked with some great people in DCAA throughout his career and will miss them. Dan did excellent work no matter what he tackled, but at Headquarters he will be remembered most for his good nature and sense of humor. "If you can see the humor in something, you can get through the day. But sometimes it is best not to let your boss see you laughing!" he says. Good luck Dan, and let us know what you are doing in your new life!

Dan and Tom Sabal, his partner of 25 years, plan to stay in the Northern Virginia area after retirement.

RETIREE'S CORNER

William S. Torrick
Chief, Financial Management Division



William S. Torrick retired on March 31, 2006, after 30 years of Federal Service, 20 of which were with the Defense Contract Audit Agency.

Mr. Torrick began his Federal career in 1972 as a Disaster Loan Assistant for the Small Business Administration in Wilkes Barre, Pennsylvania. He also worked as a Budget Analyst for the Consumer Product Safety Commission and Naval Sea Systems Command before coming to DCAA in 1985 as a Budget Analyst for the Budget and Manpower Branch (CFB).

In 1989, he was selected as the Chief, Budget and Manpower Branch. In that position, Mr. Torrick directed DCAA's Agency-wide budget and manpower programs, with primary responsibilities in the areas of budget formulation, presentation, and execution. During his tenure in this position he was highly successful in defending the Agency's budget requirements, enabling DCAA to successfully execute its mission.

In 2000, he was selected as the Chief, Financial Management Division (CF) and was responsible for the formulation, development and direction of DCAA's programs and activities relating to budgeting, accounting, financial management reporting, and analysis.

We will miss Bill, and wish him the best in retirement.

Years of Service

Headquarters

Autmon, Rose Mary	32
Bartholio, Ray J.	29
Berry, Martin S.	30
Filio, Jose P.	26
Keri, Robert S.	41
Newman, Earl J.	33
Southerland, Robert A.	35
Torricks, William S.	30
Trenary, Jody A.	33
Tucciarone, Daniel J.	32

Field Detachment

Brubaker, David C.	26
Chandler, Rodney W.	34
Etz Korn, John R.	28
Forshee, Walter W.	32
Olinger, Lou L.	35
Smith, Rita A.	35

Central Region

Duran, Beverly A.	31
Dyrdahl, Sandra U.	21
Finley, Kenneth A.	34
Fraling, Jewel E.	15
Hughes, Michael L.	31
James, Larry H.	39
Katzaman, Ray S.	30
Nail, W. Roland, Jr.	35
Sorial, Afaf Y.	18
Sorial, Youssef W.	18

Eastern Region

Boutwell, Alton B., Jr.	21
Challender, Jack A.	23
Gonas, Judith	35
Gott, Hugh W.	20
Henry, Herman G.	30
Hume, Paul R.	29
Hussey, Anthony J., Jr.	30
Laderer, David K.	36
Mitchell, Walter R.	38
Morgan, Harvey L.	32
Parker, Larry F.	33
Russell, Janice K.	26
Sandquist, Carl Edwin	39
Temples, Ronnie J.	30
Trimble, Douglas K.	34
Weisheit, William J.	32
Whatley, William T.	30

Mid-Atlantic Region

Barthlow, June D.	20
Davis, Newton H.	35
DeStefano, Anthony P.	14

Years of Service

Mid-Atlantic Region

Irvin, Barbara J.	35
Lang, Fred R.	35
Li, Grace P.	24
Reily, Barbara	32
Seibert, Ann	16
Smith, Robert W.	30
Weikel, Nancy P.	21

Northeastern Region

Bell, John W.	23
Carpentieri, William R.	36
Dompkowski, Mary Lou	18
Eisenman, Patrick C.	30
Evangelidis, Paul	17
Evans, Regina M.	23
Ferretti, Robert L.	34
Gatehouse, Woodrow C.	38
Hahn, Charles G.	32
Harron, William F., Jr.	32
Haynes, Thompson P.	36
Haynes, Francis E., Jr.	34
Hirst, Joseph E.	24
Lennon, Michael E.	39
Macchia, Margaret	39
McEachern, Margaret M.	37
McHale, Sandra S.	50
McNally, Patrick J.	31
Nichols, Douglas S.	34
O'Brien, James P.	32
Pawlowski, Thomas J.	33
Rankin, John R.	26
Ringenbach, Roger Leon	35
Robertson, George P.	33
Robinson, Erskine G.	19
Rucinski, Elda	21
Rydstrom, Frank A., Jr.	35
Szykula, George	31

Western Region

Cameron, Clifford D.	35
Cederwall, Paul D.	32
Epstein, Gary F.	38
Ferrer, Patricia A.	32
Fiorelli, Linda R.	17
Fraga, Arturo	36
Fujikuni, Glenn K.	32
Guilbault, Louise E.	31
Harris, George E.	35
Hohmann, Ronald W.	28
Lee, Wai Ling	26
Nguyen, Susan U.	22
O'Donnell, Mary J.	24
Peters, Robert W.	37
Slining, Thomas C.	37
Story, Mary L.	36
Vermie, William F.	34

20 YEARS

Headquarters

Marsh, Bobby E.
Medlin, Marianne
Ransom, Jeanette
Ruffalo, Michael J.
Webb, Landis B.

DCAI

Redeemer, Melvin T.

Field Detachment

Franklin, James D.

Central

Bushly, Diane M.
Carsillo, Gary S.
Herrell, Rosemary E.
McAfee, Jerry L.
Perez, Roberto

Eastern

Bosworth, Dorothy Ann
Gallagher, Kathleen Ann
Gonzalez, Julianne
Hickey, Thomas G., Jr.
Hoggarth, Sandra Lee
Puckett, Michael F.
Read, Lynne F.

Mid-Atlantic

Armstrong, Linda G.
Faith, Catherine J.
Gilio, Clement F.
Hunt, Denise M.
Jackson, Patricia H.
Larock, Jeffery W.
Morley, Joseph B.
Turney, Mark S.

Northeastern

Ahkao, Richard J.
Bertman, Theresa A.
Christian, Jane M.
Colasanti, Melinda S.
Cuozzo, Robert E.
Duggan, Jayne R.
Dyer, Ronald H.
June, Karen A.
Kilburn, Robert G.
Medeiros, Kellie J.
Meekins, Angellena R.
Moritz, Lynne Carol
Muench, William A.
Simonds, Kenneth J.
Stacy, Ricky A.
Swensson, Emil J.
Varhue, William T.
Wigant, Christy M.

Western

Ahmed, Omar A.
Allen, Betty E.
Arnold, Kathleen M.
Bergstrand, Joan F.
Bhatti, Amir U.
Buchanan, Jeannie C.
Friesen, Colleen J.
Kim, Raynard R.
Kwan, Beverly L.
Lescoe, Linda A.
Loo, Francis A.
Peterson, Nancy D.
Reynaga, Elizabeth S.
Wang, Donna C.

30 YEARS

Headquarters

Bates, Donald T.
Torrack, William S.

DCAI

Humulock, Alexander A.
Youngblood, Brenda J.

Field Detachment

Spires, Spencer P.

Central

Eck, David S.
Gibbs, David K.
Kanaga, Robert H.
Takahashi, Sherri E.
Trempe, Thomas J.

Eastern

Conklin, Marie T.
Greig, Stephen J.
Hinote, Noel Claude
Reece, Kay H.
Wright, Evelyn L.
Young, Martha A.

Mid-Atlantic

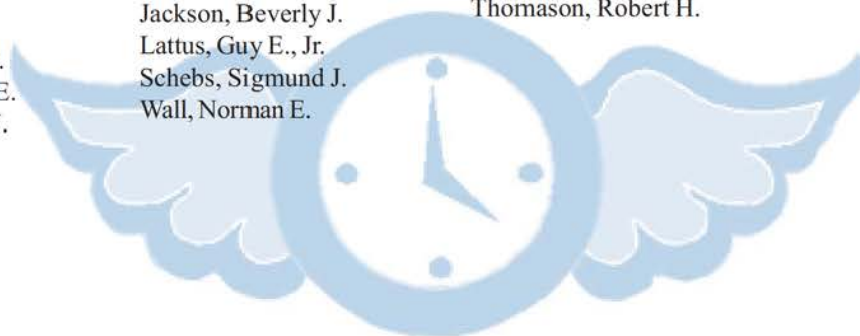
Brennan, James F. Jr.
Brody, Alan
Cale, Thomas J.
Frazier, Roland D.
Jackson, Beverly J.
Lattus, Guy E., Jr.
Schebs, Sigmund J.
Wall, Norman E.

Northeastern

Bonnici, Chester A.
Haberle, Ernest J.
Jordan, Keith M.
Maerten, Wayne A.
McLynch, Evan A.
Mednick, Norman J.
Pesce, Richard L.
Pumphrey, John P.
Savageau, Ronald J.
Schmitt, Mary E.

Western

Thomason, Robert H.



Getting to Know You...

Human Resources Management Division Headquarters, Defense Contract Audit Agency Ft. Belvoir, Virginia

The Human Resources (HR) Management Division is one of four divisions reporting to the Assistant Director, Resources. The Division is divided into two branches: the Human Resources Management Branch (CPP), which is responsible for personnel policy across the Agency; and the Human Resources Management Office (CPO), which serves as the operating personnel office for Headquarters, the Defense Contract Audit Institute (DCAI) and field activities.

Rita Blakeslee has served as the Chief, Human Resources Management Division since December 2005. Prior to coming to DCAA, Rita served as the Human Resources Officer for the U.S. Fish and Wildlife Service (FWS), U.S. Department of Interior (DOI). She was responsible for Service-wide HR policy and guidance for an organization of over 9000 employees located in over 700 duty stations across the country. In addition to the HR policy function, she oversaw an operational HR office and the Diversity and Civil Rights function. Prior to working for the FWS, Rita spent the first 25 years with the Department of the Air Force. While with the Air Force, she held various HR positions, both supervisory and non-supervisory, at the operational, major command and Department level. She has functional experience in staffing/recruitment, classification/compensation and served as a Program Manager for both the Senior Executive Service (SES) Program and the AF Civilian Personnel Career Program.

Saveria (Val) Grimaldi is the secretary for the Human Resources (HR) Management Division. Val comes to DCAA with more than 8 years of prior Government service. From March 1970 until August of 1979, Val worked for the Federal Bureau of Investigation (FBI), and the Department of Housing and Urban Development (HUD), in Washington, D.C. She spent 18 years in the telecommunications industry working at AT&T and MCI/Worldcom in their Sales and Global Markets Division.

HR Management Branch (CPP)

The primary responsibility of the HR Management Branch is to implement HR policy for the Agency. To accomplish this, the staff of CPP interprets Office of Personnel Management (OPM), Department of Defense (DoD) and Washington Headquarters Service (WHS) guidance and policy and determines potential impact on broad Agency policy objectives and program goals.

Marie Nazari serves as the Chief, HR Management Branch. She began her Federal career in January 1980 with OPM. She spent 15 years with OPM, working in both their headquarters operating personnel office and in the Washington Area Service Center. Marie came to the DCAA, HR Management Branch in November 1994 as an HR Specialist and was promoted to the Branch Chief position in January 2000. Marie enjoys spending time with her children, gardening and gourmet cooking.

Christine Bero is an HR specialist on the policy staff and is responsible for a variety of HR resource issues relating to employee and labor-management relations. Before joining the DCAA policy staff, she served as the Labor Relations Officer for OPM. Prior to working for OPM, Christine was an HR specialist with the Civilian Personnel Management Service (CPMS) where she provided advisory assistance/guidance on employee and labor relations to DoD Human Resources Offices (HROs) world-wide. Christine has also worked for the Department of Agriculture, the Department of Defense Education Activity (DoDEA), Defense Logistics Agency (DLA), and the Departments of Air Force and Navy. Christine is into scrapbooking, golf, spending time with her granddaughter, and taking ballroom dancing lessons. [Christine transferred from DCAA to DLA on May 28, 2006]

Teresa Hart began her Federal career in February 1991 with the Department of the Navy. She spent 5 years with the Naval Air Systems Command (NAVAIR), working in the headquarters personnel office. She transferred to DCAA in January 2006 and is responsible for pay and compensation.

Jim Mitchell serves as the HR specialist responsible for information systems. Jim began his Federal career in June 1989 with the Defense Information Systems Agency (DISA) where he spent 13 years at DISA headquarters working HR policy, HR operations, payroll, travel operations and managing the Agency automated HR systems.

Brenda Richie began her Federal career at the Corpus Christi Army Depot as a student hire. She has functional experience in staffing, classification, has served as the Chief of the Employment Operations Branch, Technical Services Division, and was responsible for transitioning the Civilian Personnel Service Center from a Civilian Personnel Office into a regional environment. Prior to transferring to DCAA in January 2006, Brenda worked for the Defense Finance and Accounting Service (DFAS). Ms. Richie currently serves as the HR specialist responsible for the Senior Executive Service (SES) Program, the Presidential Management Agenda and DCAA Auditor Intern Program. Brenda enjoys gourmet cooking, working in her garden, and riding motorcycles with her husband. [Brenda transferred from DCAA to the Department of Commerce on July 8, 2006]

Karen Ryan has been with the DCAA since September 2002 and is the senior action officer for staffing, which includes merit promotion, hours of duty, leave and workers' compensation. She provides employee relations advice and guidance to three regional HR offices and serves as the liaison for employee development. Prior to DCAA, Karen worked for the DOI, Bureau of Land Management, as an HR Manager, Personnel Officer, Supervisory Personnel Management Specialist, and Employee Relations Officer. In her spare time, Karen is the Treasurer for the Greater Springfield Volunteer Fire Department, and the recording secretary of her community association.

Paul Wolstenholme has been with DCAA since November 1999. Prior to DCAA, Paul worked for the DoD Inspector General as a Position Classification Specialist. He began his Federal career in February 1980 and has been responsible for the full range of HR programs over the past 26 years.

Nancy Veldhuis began her Federal career with the U.S. Surgeon General's Civilian Personnel Office. She served at both the operating and staff levels at the Office of the Secretary, DOI. After 14 years of living in South America and East Africa and gaining experience as a freelance writer and editor, she returned to the Federal service with the U.S. Patent and Trademark Office and DFAS. She joined the DCAA HR policy staff in January 2001. Her experience includes position classification, compensation, program evaluation, general staffing, recruitment, and SES performance management. Nancy is co-founder of Educate the Girls, a non-profit organization established to raise funds and participate in income-producing projects in host countries. She also is a member of the Board and Secretary of the non-profit Central Buganda Foundation. This foundation raises funds and provides volunteer support to a Central Buganda University established in rural Uganda, East Africa, which provides affordable college course work.

HR Management Office (CPO)

The primary responsibilities of the HR Management Office are to plan, develop and conduct a comprehensive human resources program designed to meet Agency program objectives and Headquarters and Field Detachment management goals. The HR Management Office provides operational service to DCAA Headquarters, Defense Contract Audit Institute, and field activities.

Tona Braxton serves as the Chief, HR Management Office (CPO). She assumed her current position in September 2005. Prior to coming to DCAA, she worked for the Defense Intelligence Agency (DIA), working policy issues as an HR specialist. Tona has also worked for the Defense Information Systems Agency (DISA), the Washington Headquarters Service (WHS) and the Department of Army.

Jackie Barker began her Federal career in January 1974 with the Defense Logistics Agency (DLA). Jackie started work with DCAA in July 1985 as a personnel clerk. Jackie currently serves as an HR specialist with staffing responsibilities for positions assigned to the Director's Office, Assistant Director of Operations (O), the Equal Employment Office (EEO) and the General Counsel (DL). Jackie enjoys gardening and doing volunteer work at her church.

Cynthia Beckett began her Federal career in December 1987 at Cameron Station in Alexandria, Virginia, with the Department of Defense, Office of the Inspector General. Cynthia joined the DCAA HR operational staff in December 2005, where she serves as a Staffing Specialist. Prior to coming to DCAA, she worked at the DoDIG, WHS and DoDEA.

Celesta Hines began her Federal career in January 1984 at Arlington Hall Station. She joined the DCAA operational staff in September 2000 as a Classification Specialist. Celesta currently performs both classification and staffing-related duties at the operational level and also serves as the Program Manager for the DCAA Workforce Program for Students with a Disability. Celesta enjoys arts and crafts, making stuffed rabbits and singing in her church choir.

Claudia Sanborn began her Federal career in August 1970. She transferred to DCAA in June of 2000, where she serves as a Staffing Specialist servicing HQ's organizations. Prior to coming to DCAA, Claudia worked for the Civilian Personnel Office (CPO) at Fort Belvoir, the DoDEA, and several different U.S. Army Civilian Personnel Offices. Claudia and her husband enjoy motorboating and have a 31-foot SeaRay docked in Virginia.

Field Detachment HR Office

While the Field Detachment HR Office does not report to the Assistant Director for Resources, there is a support relationship between the two operating personnel offices because of the nature of the work and the fact that they are colocated (See FD article).



Top Row (l to r): Jim Mitchell, Cynthia Becker, Jackie Barker, Karen Ryan, Brenda Richie, Rita Blakeslee, Paul Wolstenholme, Nancy Veldhuis, Chris Bero

Lower Row (l to r): Marie Nazari, Celesta Hines, Val Grimaldi, Claudia Sanborn, Teresa Hart

Getting to Know You...

FD Headquarters

Field Detachment (FD) oversees the overall planning, management, and execution of worldwide DCAA audits of compartmented programs. Because of its geographic span, the FD interfaces with all of the DCAA Regions and many of the FAOs. The organization of FD Headquarters (FDHQ), located in Northern Virginia, is similar to that of a DCAA Regional Office, but with some exceptions. Much like the Regions, FD has a Director, Robert DiMucci; a Deputy Director, Thomas Peters, and three Detachment Audit Managers (DAMs).

Robert DiMucci has been Director, FD since October 2005. Bob began his DCAA career in 1973 at the Westinghouse Resident Office in Baltimore. Since then he has held positions as a Program Manager, Branch Manager and Division Chief. He has served as Chief of the Policy Liaison Division, the Deputy Assistant Director of Policy and Plans, and was admitted to the Senior Executive Service in 2003 as the Assistant Director of Policy and Plans. Bob received a Master of Business Administration degree from the University of Maryland. He is a CPA in the State of Maryland, and is a member of the Association of Government Accountants (AGA) and the American Institute of Certified Public Accountants (AICPA).

Thomas Peters has been Deputy Director, FD since January 2006. Prior to joining DCAA, Tom served more than 5 years of active duty with the U.S. Navy. Since 1982, he has served in the U.S. Navy Reserve; his last assignment was with the Logistics Directorate at The Joint Staff. Tom retired with the rank of Captain after 27 years of military service. He is a graduate of the Director's Fellowship Program in Management, receiving a Master's Degree in Administration from Central Michigan University. Tom and his wife, Kathy, reside in Aldie, Virginia, and he has one grown daughter, Jennifer, who resides in Hartford, Wisconsin. In his spare time, Tom enjoys travel and is an amateur astronomer.

Thomas Young is the Special Assistant to the FD Director. His duties include Strategic Planning and implementation, TQM, management internal control planning and reporting, and various special projects and assignments. He is also the alternate DMIS

Regional Administrator for FD. Tom resides in Loudoun County, Virginia, with his wife and 16-year-old triplets (two daughters and one son). In his spare time he enjoys walking, reading, antique cars, bluegrass music and American history.

FDHQ secretarial support is provided by **Betty May** and **Stacey Midson**. Betty is the FD Director's Secretary. Betty started with DCAA in 1987 and has been at FDHQ since 1993. As the key administrative support employee, she performs a wide range of secretarial and administrative functions in support of the FD Director and FDHQ in general, providing guidance to the administrative staffs of the Detachment's FAOs as required. Betty enjoys camping with her husband and stepdaughter, playing softball and bowling. There is another person who looks exactly like Betty—her identical twin sister!

Stacey Midson started with DCAA in August 2005 and joined the FDHQ staff in February 2006. Stacey's responsibilities include processing SF-52 requests for personnel actions and travel requests, and updating the FD telephone directory and the Task Tracking System. In addition, she has been assisting the FD Security Division. Stacey enjoys reading, camping and hiking with her family.

Detachment Audit Managers (DAMs)

Each of the three DAMs, David Arnold (DAM A), John Shire (Acting DAM B), and Don McKenzie (DAM C) is assigned a group of three FAOs, and the DAMs' responsibilities include:

- ◆ directing the preparation of annual audit plans and requirements
- ◆ providing technical direction and guidance of audit operations
- ◆ assisting FAO managers in resolving significant problems
- ◆ developing and maintaining effective liaison and working relationships with regional/ Agency Headquarters offices, procurement officials, and contracting officers of DoD and other Government agencies
- ◆ assuring implementation of DCAA personnel management and career development programs

- ◆ performing reviews, testing, and monitoring of management internal controls at FAOs

David Arnold has been with the FD and DCAA since 1986. He is a DAM responsible for two Southern California FAOs and one in Upstate New York. He has a Master's Degree in Public Administration from Central Michigan University. Dave resides in Brockport, New York with his wife Karen and their two sons, Ken and Dan. In his spare time, David enjoys boating, sailing, camping, and various other outdoor activities with his family.

John Shire (not pictured) has been with DCAA since 1987 and with FD since 2004. He is responsible for two FAOs in Texas and one in Northern California. John has his MBA degree and is a CPA and a Certified Information Systems Auditor. John resides in Haymarket, Virginia, with his wife, son and mother. In his spare time, John enjoys golfing, snow skiing, and traveling.

Don McKenzie began his DCAA career in 1989 and joined FD in April 2006. Don is a DAM with management responsibility for three branch offices, two in Northern Virginia, and one outside of Philadelphia, Pennsylvania. Don is a licensed CPA and has an MBA degree from Frostburg State University. Don and his wife Rebecca reside in Manassas, Virginia, with their two daughters, Jacquelyn and Kelsey. In his spare time, Don enjoys learning about American history and horseback-riding with his family.

Technical Programs Division

The Technical Programs Division (TPD) performs the same functions as the Regional TPDs. TPD has the primary responsibility for supporting FD FAOs on audit technical areas, including CAS, internal control audits, incurred costs, forward pricing, financial capability, FAR cost principles, EVMS, investigative support, and audit issues unique to the classified environment. TPD is comprised of a Division Chief and five Special Programs Auditors located throughout the country.

David White (not pictured) is the temporary Division Chief of TPD. Dave has been with TPD since 2002. He joined DCAA/FD in 1989 and has worked a variety of assignments as Auditor,

Technical Specialist, and Supervisory Auditor. He is a CPA licensed in the Commonwealth of Virginia.

Advanced Programs Division

The Advanced Programs Division (APD) functions are similar to those of the Regional RSA, but APD also performs some resources functions. APD staffing consists of a Chief, three Special Programs Auditors, and a Management Analyst. APD is responsible for coordinating contractor moves between offices or Regions, DMIS, WAWF/EDA, computer support management, program planning and performance, equipment and purchases, DPAS inventory, and IMPAC/CARE. FD does not have a Regional Special Programs Manager, so the TPD and APD chiefs report directly to the FD Deputy Director. Since FD does not have a Resources Manager, this function is shared by the Chief, APD and the FD Deputy Director.

Joseph Stewart is Chief of APD. He has been with DCAA since 1984. Joe was previously with DCAA Headquarters Policy Directorate and with FAOs in Mid-Atlantic and Western/Los Angeles Regions. Joe also represents the FD on the Agency's IT Steering Committee. In his spare time, Joe enjoys racquetball.

Security Division

Unlike the DCAA Regional Offices, FD has its own FD Security Division (FDSD). The FDSD is responsible for the FD security support of Sensitive Compartmented Information (SCI) and Special Access Programs (SAPs). FDSD consists of a Chief and five security professionals supporting over 40 secure sites located nationwide.

Lori Herrington is Chief of the FD Security Division. Lori has been with DCAA since 1999 and with the FD since 2000. She is a Certified Information Systems Security Professional (CISSP) by the International Information Systems Security Certification Consortium (ISC2). She is currently pursuing a Master in Business Administration (MBA) degree with the University of Maryland University College (UMUC), which occupies most of her spare time.

Sue Thompson is the Security Assistant. She began her DCAA career in 1987 and transferred to FD Headquarters in 1994. Sue has a certificate from the

Department of Criminal Justice Services and works part time as a Security Officer for Pinkerton Government Services. She also helps her daughter take care of her Golden Retriever dog, Georgia.

Audit Liaison Division

FD also has its own Audit Liaison Division. ALD has a Chief and a staff of 15 Financial Liaison Advisors (FLAs) located at multiple customer sites nationwide. The division is responsible for management of the FD's customer field support program. FD ALD is very similar to the DCAA Headquarters Operations Audit Liaison Division (OAL).

Helen Sutter (not pictured) is Chief of FDALD. She began her DCAA career in 1989 and transferred to FDHQ in 2002. She is a licensed CPA in the Commonwealth of Virginia. Helen resides in Fairfax, Virginia, with her husband, Patrick, and their 16-month old daughter, Michelle. In her spare time, Helen enjoys spending time with her family, gardening, and traveling.

Quality Assurance

The FD Quality Assurance (QA) Division is organized like the Regional QA Divisions; however, since the FD has no geographical boundaries, the reviews are conducted at FAOs nationwide. The Chief is located in the Dallas area and heads a staff of four QA Auditors located at various FD offices throughout the country. His team is responsible for performing PCIE reviews of FD FAOs, participating with the Regional and Headquarters QA teams in Agency-wide projects, and performing reviews of FD FAOs for the FD Director.

Mike Picard has been the Chief of the FD's QA Division since 2003 and began his career with DCAA in 1979. Mike runs (sometimes walks) a minimum of 4 miles every day. He has not missed a day since June 12, 1998. That's over 2,900 straight days! He competes in many road races and has completed over 30 marathons.

Resources Office

The FD's Budget Officer and Human Resources Officer (HRO) are located at DCAA Headquarters, Fort Belvoir, Virginia. HRO staff includes a Human Resources Specialist.

Budget

As Budget Officer, **Evelyn Pi** is responsible for FD's budget formulation and execution. She works closely with the FD Deputy Director and the HRO to project and execute FD's authorized workyears and to achieve the program plan goals. She processes all of the claims and miscellaneous reimbursements for FD. Evelyn contributes to the formulation of the Agency's budget, which is submitted to the Office of the Secretary of Defense (OSD) and is the Headquarters budget liaison for two DCAA regions. Evelyn Pi is the FD's Budget Officer and has been with DCAA since 1986. Evelyn has two daughters, Angela and Dorie. Dorie and her husband are expecting this summer, and Evelyn and her husband eagerly anticipate becoming grandparents!

Human Resources

The primary responsibilities of the Field Detachment HR Office are to plan, develop and conduct a comprehensive human resources program designed to meet Agency mission objectives and the Field Detachment's management goals and objectives. The HR Management Office provides operational and advisory services to professional auditors, administrative and clerical personnel that are widely dispersed throughout CONUS.

Jo Howard is responsible for planning, developing and conducting human resources programs to meet the FD's management goals. Jo has been with DCAA since 1992 and the FD Human Resources Officer since 2004. She has a certificate in Dental Hygiene from the University of Louisville. Jo is a grandmother of four, an amateur photographer, an avid reader, and loves junking!

Mary Cleary (not pictured) started her Federal career as a Payroll Technician in Germany. She has worked for the DoDIG and the Marine Corps Base at Quantico. She began her career with the Field Detachment in August 1999 as a Customer Service Representative. Mary now supports Field Detachment management and employees as an HR Specialist.



F

ield Detachment Headquarters



Row 4 (left to right): David Arnold, Thomas Young, Joseph Stewart

Row 3 (left to right): Mike Picard, Stacey Midson, Evelyn Pi, Betty May

Row 2 (left to right): Don McKenzie, Lori Herrington, Sue Thompson, Jo Howard

Row 1 (seated, left to right): Robert DiMucci, Thomas Peters

HURRICANE KATRINA

and its *Aftermath*

By Patricia A. Smith, Senior Auditor, Gulf Coast Branch Office



I AM PATTY SMITH, an auditor at DCAA's Gulf Coast Branch Office in Pascagoula, Mississippi. We are located directly on the Gulf Coast between Biloxi, Mississippi, and Mobile, Alabama; and about 115 miles east of New Orleans. We are surrounded by water, with a river to the west and bayous all around.

I first heard there was a possibility of Hurricane Katrina striking the Mississippi Gulf Coast on Friday afternoon, August 26, 2005. People at work began to talk about it, warning me to watch it. I've lived in Pascagoula most of my life, and I know the drill. By the wee hours of Sunday morning, Katrina had become a dangerous Category 5 hurricane. Locally, they were telling us to get in our cars and drive—to sleep in our cars if we had to—but to get off the coast. If you do not evacuate when advised to, the police in our part of town go door to door asking for your next-of-kin and

the name of a funeral home. It's a sobering experience. Reluctantly, I agreed to evacuate.

I say reluctantly because evacuation is always a road trip from hell. We'd just made a similar trip a few months before for Hurricane Ivan.

While we had damage (from Ivan), the damage was caused by wind and was not extensive. However, for Ivan we had been on the west side of the storm. This time we'd be in the northeastern quadrant, the deadliest side of the storm because the counterclockwise winds can bring in a storm surge, a wall of water. It is storm surge, primarily, which kills and brings significant destruction. Pascagoula experienced a storm surge in Hurricane Camille in 1969. However, the area where our home is located, about a block and a half from the beach, did not flood. Hurricane Camille had been a Category 5 hurricane and was the benchmark by which we measured all other storms. Based on my prior experience, I had no reason to believe a storm surge would make it as far inland as our home. I packed a few irreplaceable items such as pictures to take with us and put others in the wall ovens; but I did not prepare nearly as much as I had the previous fall for Ivan.

I did take pictures before leaving home just in case the unthinkable happened.

Sunday afternoon, August 28, our family (including three dogs) evacuated to Destin, Florida, about 150 miles east of Pascagoula. We were told to go east versus north as New Orleans was also evacuating, and the interstates through Mississippi were already bumper to bumper. We lost power in the first motel where we stayed; the next day we moved to another motel, which also lost power. It was late Monday when we found out we had water in our home. We found out later that 90 percent of all the homes in Pascagoula were either nonexistent or flooded.

If there's a silver lining to all this, it is the army of people, both paid and unpaid, who have come to our rescue and who are our heroes.

One daughter and her husband came home on Tuesday, the day after the storm made landfall, and somehow got a cell phone call out. It became a common sight to see many people lining the tops of overpasses and bridges and trying to get a cell phone signal. My daughter tried to prepare us for what we'd see

at our home. We had 3½ feet of water. They told us to bring anything we might need with us, as there was nowhere to buy anything. They also said to bring tents. We shopped, replenished our supply of cash, and returned with the rest of the family on Wednesday.

We arrived home that Wednesday at dusk and, frankly, I had prepared myself for much worse, especially after seeing the houses turning onto our street that were just shells or nonexistent. We passed a flight of stairs lying on its side as we turned onto our street. There was a neighbor's playhouse and part of a bed in the front yard, an ottoman in the backyard, and a wave runner and Barbie car just across the property line. There was plenty of other stuff too: pictures, soccer balls, potted plants, medicines, shingles, sheetrock—you name it, it was there. There were remnants of clothing and plastic in the trees. Someone in the office said he never knew there were that many Wal-Mart bags in the world. We climbed over a refrigerator and potted plants, etc., which had been pushed from the garage into the house, jamming the back door open. Then we took a look around. While the first-floor interior was chaos covered in a foul-smelling mixture of mud, sewage and petroleum products, our basic structure appeared sound. The upstairs primarily had ceiling damage. The reality of the situation just doesn't translate well into print media or video. Perhaps you need the ambiance—the stench of the mud, the heat, and

the thousands of flies—to get a true picture of the place. We took a look, picked up a few things, secured the house as best we could and headed to Mobile, where we lived with our son-in-law's relatives for the next few days.

The Agency has been so good to me throughout all this...It was the one stable thing in my life.

Let me just say that housing was and continues to be an issue. After those first few days in Mobile, we moved into a borrowed travel trailer in our daughter's driveway. Finally, we were able to lease an apartment in Mobile. We moved out of our apartment in Mobile on October 29, thinking we would have a FEMA trailer by then. We were wrong. But I was ready to come "home."

DCAA people looked after and continue to look out for each other.

Our trailer arrived before Thanksgiving, and we are very thankful for it. It is *clean*. It has a kitchen—something our home won't have until perhaps fall. There simply aren't enough contractors to go around. The trailer is supposed to sleep eight very friendly people, but two truly constitute a crowd. Soap on a rope was a thoughtful Christmas gift for disaster-trailer dwellers because the showers are too

small to bend over and pick up a dropped bar. I asked one of the other auditors in the office how she liked her FEMA trailer. She said she'd tell me, but she couldn't do it without cursing. Some of us did have fun decorating those trailers for Christmas. Waste of money? Perhaps; but I just needed to do it. I have two rope-light palm trees accompanied by a flock of pink flamingos by our trailer. For Christmas, I put a red ribbon around each flamingo's neck. The palm trees light my way home every night.

The spirit evidenced by people throughout all this has been amazing. Plywood that previously had another life now was reincarnated as sign material. At first, the sign might be propped at the beginning of a street saying, "Reynolds family okay." Next came variations on the ever popular "looters will be shot" theme. There was a sign in front of almost every house displaying the house number, FEMA number, and insurance carrier and policy number. But there was humor (gallows humor, perhaps) as well: "Spring Pilgrimage Tour" and an arrow pointing to a house with every piece of furniture from the house in a pile in the front yard. Another said, "If you thought Katrina was bad, just wait 'til you meet your insurance adjuster." American flags flew everywhere. Now there are different signs: signs offering roofing services, debris removal and lot-clearing services; signs

saying a business will return or has relocated; No Trespassing signs; Condemned signs; For Sale signs; and building permits.

Regional personnel called and checked on us periodically, taking care to make sure we knew what services were available to us.

If there's a silver lining to all this, it is the army of people, both paid and unpaid, who have come to our rescue and who are our heroes. Most of them continue to live in accommodations worse than ours while they are here. The National Guard brought ice, water, shelf-stable milk, and Meals Ready to Eat (MREs). They also patrolled our neighborhoods and rounded up the looters who were a fact of life. The Red Cross brought ice, hot meals, and tetanus shots. The USS Comfort docked, and crew members went door to door offering medical care. The week of the storm, we had our first visit from FEMA. That man had slept in his truck for 3 days. Before he left, he said he had worked every hurricane in the past 20 years except Andrew, and Katrina was the worst he'd ever seen—and he had not yet been west of Pascagoula. Another day that first week, three realtors from Vero Beach, Florida, drove up pulling a trailer loaded with generators, gasoline, extension cords, and window air conditioners, which they were GIVING AWAY to anyone who needed them. They made it possible for my pregnant

daughter and her young children to get out of the oppressive heat. They just asked that she pass the items along to someone else in need when she was through with them. They were three guys just doing what they could do to help total strangers. And there are more: the DCAA employee who came from Virginia and worked with a church group, offering assistance to DCAA employees and to anyone else who needed help; the contractor employees who handed out Christmas presents to the children in the FEMA trailer park behind our church; the law firm in West Virginia that shipped two truckloads of furniture to allow my husband's law firm to get up and running sooner rather than later; the volunteers from California who are hanging sheetrock in my daughter's house this week. Through January 22, 2006, our small church received \$660,000 from individuals and church congregations from all over the country. Each week our church is filled with volunteers here to help restore not only the church, but people's lives. The faith-based organizations have truly been remarkable.

You may wonder why we need so many volunteers, why we are seemingly so dependent on "the kindness of strangers." First of all, we're all in the same boat. It's hard to help your neighbor when your own home and business are also flooded. Why aren't we insured for such things as wind-driven water? A few of us are, but most of Pascagoula does not lie in a flood zone. Even

our house, as close to the beach as it is, isn't in a flood zone. All this leads me to the financial repercussions of this storm. One of the employees in our office says she cannot afford to pay a mortgage on a house she cannot live in. Could you? If so, for how long? She needs that money to provide a roof over her head.

The Agency has been so good to me throughout all this. First of all, I have a job; and when I came back to work, I didn't have to go TDY. I stayed in my same job. It was the one stable thing in my life. Second, the Agency gave me time to deal with getting my life somewhat back in order before I had to come back to work. Then, a leave bank was established to assist those who had to take leave or leave without pay as a result of the storm. And last but certainly not least, the Safe Haven orders were a godsend and a welcome surprise. We could not work in our offices initially, but our customer provided us space in which to work. While our office did not flood, the first floor of the building we are located in did. Power was restored to the office on September 13, but air conditioning was not restored until much later.

We are among the lucky ones. Those near and dear to us are alive.

DCAA people looked after and continue to look out for each other. On Sunday night, August 28, we all received an e-mail from

the Branch Manager beginning, “Well, it is 10:45 p.m. on Sunday and it doesn’t look like Katrina wants to be anything other than a Category 5 hurricane. Hopefully, all of you stay out of harms way...” Through it all, although he and his family suffered significant damage, our FAO Manager worked on the local hurricane recovery effort, having cognizance not only over the Pascagoula office but the New Orleans offices as well. Early on, two fellow auditors tried to get to our home to make sure we were okay but could not get past the checkpoints. A retired DCAA supervisor tried to get to us but was discouraged by the “You Loot, We Shoot” sign a neighbor had posted at the entry to our street. One auditor shared precious gasoline in those early days with a co-worker. Another auditor’s husband helped a single auditor change out the propane tanks on her FEMA trailer.

Regional personnel called and checked on us periodically, taking care to make sure we knew what services were available to us. A network of text messages and cell phones helped us to check on each other. On September 4, an auditor sent me a text message about another auditor in Pascagoula whom no one had heard from. I checked on him and passed the word along that he was okay.

We are among the lucky ones. Those near and dear to us are alive. We have a home—well, the hope of a home—and a roof over our heads. But this has been a life-changing experience. Let me tell you what it feels like: It feels like grief. On August 28 life was normal. Then on August 29, as though someone flipped a switch, life completely changed—like a sudden death. Something you’re not prepared for. And it’s not over the loss of the “stuff.” We

didn’t really need most of the “stuff” we had anyway. That’s a lesson learned. I think it’s the loss of community. Our office’s workers have scattered, some never to return. Our home was flooded, as were the homes of all of our family. Our drugstore, grocery store, gym—everything that made up the fabric of our daily routine changed overnight. I look around, and so many have left. Older people have been moved elsewhere by their children. So many have died and not just in the storm but in the days and weeks after the storm. There are four houses for sale on my short street. Even natives have moved away, saying they can’t do this again. Well, we’re staying and hoping we won’t have to do this again. If we must, then I guess we’ll reassess the situation at that time. For now, as before Katrina, this is home.



Be Prepared for Disasters

Maintain a stock of emergency supplies at home. Store items you are likely to need in a large plastic container that is easy to transport. Recommended basic items include:

- Water—one gallon per person per day; 2 quarts for drinking, and 2 quarts for cooking and sanitation
- Food—a 3-day supply of non-perishable food and utensils
- First aid supplies
- Tools and emergency supplies—a radio, flashlights, batteries, matches, plastic bags and drop cloth
- Clothing and bedding
- Medical supplies—prescription and non-prescription drugs
- For a complete list, visit www.redcross.org



Patty will have a long wait before restoration of her home is complete. Contractors are both scarce and in great demand.



A sign of hope: "Twas grace that brought us safe this far, and grace will lead us home."



Christmas decorations helped keep Patty's spirits up and lit her way home at night.



The remains of a home on a Pascagoula beach front are scattered on the ground and in the treetops.



Despite the stench, mud and swarms of flies, Patty says the damage to her home wasn't as bad as she feared.



Patty says American flags are seen everywhere. This one flies at the site of what was once a home.

War Memorial Stadium, just around the corner from the Gulf Coast Branch Office.



See Hurricane Katrina and its Aftermath on Page 37



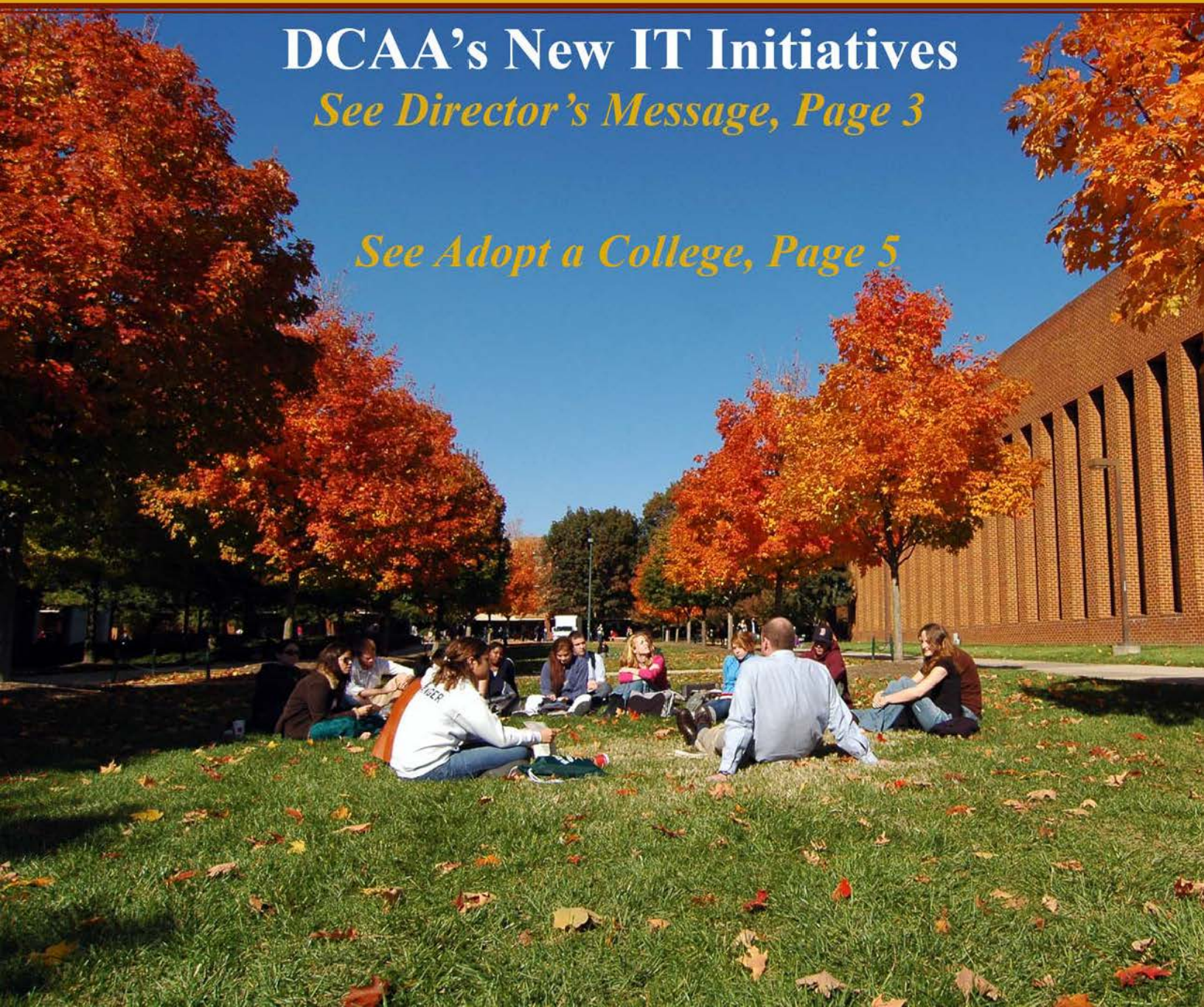
THE DCAA BULLETIN

FALL 2006

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DEFENSE CONTRACT AUDIT AGENCY POLICY STATEMENT ON SAFEGUARDING PERSONAL INFORMATION

The Defense Contract Audit Agency (DCAA) considers the protection of personal information a serious matter and the responsibility of every DCAA employee whether civilian or contractor. Personal information will not be disclosed by any means of communication to any person or to another agency, except pursuant to a written request by, or with the prior written consent of, the individual to whom the record pertains, or unless disclosure is authorized under the Privacy Act of 1974, (5 U.S.C. § 552a), or otherwise authorized by law.

The Privacy Act of 1974 prescribes a framework for the collection, maintenance, use, and dissemination of information on citizens of the United States or permanent resident aliens. Collection of personal information in a system of records is limited only to information that is relevant and necessary to complete the Agency's mission. Records containing personal information may include, but is not limited to, information on education, financial transactions, medical history, and criminal or employment history that is identifiable by a person's name or an identifying number, symbol or other identifying particular assigned to the individual, such as a fingerprint or a photograph.

Technology has made information widely accessible and mobile creating an even greater need for the protection of personal information. DCAA employees and contractors are responsible for the security and confidentiality of all official data and protection of any Government-furnished equipment and property whether at their duty station or alternate worksite (e.g., personal identifying information should not be contained on the hard drive at your workstation or laptop unless necessary to fulfill management or supervisory responsibilities). Individuals shall immediately report any unauthorized disclosure of personal information from a system of records or compromise of official data or property to the appropriate officials.

Criminal penalties may be brought against any employee or contractor, who by virtue of their employment or official position, willfully discloses personal information in any manner to any person or agency not entitled to receive it or maintains an unauthorized system of records, and can be found guilty of a misdemeanor and fined not more than \$5,000.

I am committed to ensuring that personal information collected by DCAA, under the framework of the Privacy Act, is safeguarded and expect all DCAA staff to do the same. Everyone should treat and protect information about any person in the same manner they would treat their own information. I encourage all of you to become familiar with your rights and responsibilities under the Privacy Act and learn what you can do to safeguard personal information.

William H. Reed, Director
August 2006



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Photo courtesy of George Mason University.

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The following symbols may be used throughout the publication:



End of Article



#1 Employee article

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All employees are encouraged to submit articles and other items of interest for publication. Due to space limitations, however, not all submitted articles can be published. *The DCAA Bulletin* staff reserves the right to edit articles. For detailed information regarding DCAA policy on this publication, consult DCAAR 5120.1, *The DCAA Bulletin*, dated March 10, 2000. You may send comments or suggestions to:

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DCAA's New Information Technology Initiatives



The Director outlines DCAA's strategy for keeping pace with new technologies while maintaining security levels that meet the requirements of the Department of Defense and our customers.

CAN YOU IMAGINE COMING TO WORK TODAY and not having a computer at your desk? Of course not. We have come to rely on Information Technology as an integral part of our daily lives. We have been making significant investments in Information Technology over the years to assist you in performing audits effectively and efficiently, along with other process improvements. Unfortunately, the widespread adoption of technology and the relative ease of access to data from virtually anywhere have led to security breaches of personal information, as I am sure most of you have learned from media reports. With this in mind, I will explain some of the Information Technology initiatives currently underway along with some of the challenges they present with regard to Department of Defense (DoD) security requirements.

For years we have provided Agency personnel with notebook computers, which provide the flexibility to perform audits and other work wherever necessary, including teleworking from home. We have remained diligent about keeping the computers up to date with security patches and anti-virus software updates. In addition, all employees complete annual Information Assurance awareness training to remind us of our computer responsibilities. These actions form the first line of defense to keep sensitive DCAA and contractor data safe.

I am committed to ensuring that we meet the challenge of implementing value-added technology while safeguarding information from compromise.

But it doesn't stop there. The DoD continually issues new or updated policies concerning Information Technology. One recent example would be the requirement to use encryption on the USB flash drives. These small devices can hold more information than a CD-ROM but can be easily lost or stolen. The information on the flash drive can be much more valuable than the cost of the device itself, which is why the DoD has issued a policy to cover this particular risk. The proper use of USB flash drives was covered in MRD 06-OITN-038, dated August 18, 2006.

Of course, encryption is an issue with other storage devices as well. Our computer hard drives often contain sensitive information, so we have been implementing encryption on specific folders containing this type of information. While using encryption reduces the risk of the data being compromised if our

computers are lost or stolen, it also increases the risk that we could “lock ourselves out” of our own data if the encryption keys are lost or damaged. We have been thoroughly testing hard-drive encryption to ensure we do not implement a process that could jeopardize access to our own data. The concept of a “master key” locked away in a secure location is the best way to describe how we are approaching the encryption recovery process.

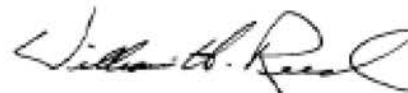
As I mentioned earlier, having a notebook computer has given us the ability to work from virtually anywhere, but we still have a requirement to connect to the DCAA network to transmit an audit, check our e-mail, or complete our timesheets. For years remote users have relied on the dial-up connections located in the Memphis and HQ LAN rooms for this connectivity. These dial-up connections have served us well. However, the need to transfer and receive large data files (e.g., APPS packages) dictated that we explore other options. A major initiative was undertaken this year to allow remote connectivity to the DCAA network using high-speed DSL and cable-modem technology. This initiative will open up the possibility of using a high-speed internet connection at your home for telework, at a hotel while TDY, or at any of the contractor locations where they offer this type of connection. Use of these high-speed connections will significantly increase the speed of data transmission, allowing all of us to be much more effective and efficient when working from alternate locations.

The Virtual Private Network, or VPN, technology has been around for several years. One of the main concerns with using VPN technology was ensuring that DCAA computers would be properly protected while connected to the commercial internet. We have secured our internal network over the years by investing in firewalls, ensuring physical security at our office locations, and implementing frame-relay circuits to ensure that we have a reasonably secure, closed network for our notebook computers and servers. With the introduction of VPN, we need to ensure that we do not inadvertently bypass all the protective measures mentioned above.

We have invested in two state-of-the art software components to ensure your DCAA notebook computer is authorized to use the VPN and is compliant with the current security policy. These two products will work together to ensure that we continue to improve on the security measures we have put in place over the years while dramatically increasing the connection speeds. I am confident that these components along with the VPN technology will enhance our productivity without sacrificing our security measures.

We also work at locations that do not offer a high-speed connection, so we are carefully researching the use of wireless broadband cards. The cards are inserted into your computer and allow you to wirelessly connect to the VPN at various speeds, but typically at much faster speeds than dial-up.

Many of these initiatives are discussed in more detail elsewhere in this issue. I am committed to ensuring that we meet the challenge of implementing value-added technology while safeguarding information from compromise. And while implementing technology and safeguarding assets are not mutually exclusive, striking a balance between the two requires comprehensive planning, commitment, and discipline. Our longstanding practice of taking a deliberate approach to implementing new technology will ultimately result in the highest possible levels of both security and operating efficiency.



Adopt a College

By John A. Covone, Regional Resources Manager, Mid-Atlantic Region

Where can DCAA find the next generation of auditors to meet the demands of the Agency's challenging mission? The Mid-Atlantic Region has developed a creative, effective program to seek and recruit the best and brightest young talent at its source.

AS THE AGENCY MOVES INTO the 21st century, the changing face of the Federal Workforce and the competition with the private sector for attracting and retaining top accounting graduates required the Mid-Atlantic Region to reevaluate its current recruiting efforts. Within the Mid-Atlantic Region, in addition to the normal and recurring recruiting issues that many Regions experience, we have an added dynamic with competition for personnel from contractors and Federal Agencies in the Northern Virginia (i.e., Washington DC Metro) area. The implementation of Sarbanes-Oxley and other Federal Agencies' hiring has increased our competition for top accounting graduates; this has skewed our hiring efforts to the point where over 75 percent of our planned new hires this fiscal year will be in our Northern Virginia (NOVA) geographical area. Within the Mid-Atlantic Region, recruitment of the best and brightest auditors has been and will continue to be one of the highest priorities of the Human Resources (HR) Division. Our view is that recruiting the right staff will assure DCAA's continued mission success, including performance of effective audits.

Traditionally, the Mid-Atlantic Region's recruiting efforts consisted of five or six FAO supervisors/technical specialists who performed region-wide recruiting and interviewing with the support of the Regional

HR staff. These select few individuals played a significant role as DCAA ambassadors/recruiters for most of the interfacing with potential new hire applicants prior to the FAO receiving the applicant's package. Due to the high demand for quality talent and the sheer volume of new hires needed, the mission became too large for a small group: hence the need to obtain additional help within the area. Through the cooperative efforts of both the FAO and the Regional HR Division, we have expanded our recruiting/interviewing staff and processes for each FAO through the implementation of our Adopt a College initiative.

The foundation of the Adopt a College program is the pairing of an FAO with a college within its geographic area that would become its exclusive "charge" for building a relationship and recruiting. The goal of the program is to brand DCAA on the adopted college's campus as the employer of choice for new accounting graduates. The program began with each FAO being given an opportunity to select their adopted college from a list of potential schools. The RCP Division's list was built from an analysis of potential accounting graduates within our highly targeted geographic areas (i.e., Northern Virginia and Southern Maryland). Our goal was to select only schools that had 10 or more accounting program graduates in any given year. We also factored in prior College Fair recruiting event successes as

a gauge for future efforts. Additionally, we allowed the FAO Managers the option of selecting their own alma mater as their adopted college if it fell within our parameters for inclusion.

In addition to selecting a college, each FAO was required to appoint dedicated recruiters/interviewers for their FAO. Since much of the recruiting effort would be centered on college campuses, HR recommended that in establishing the FAO's recruiting team, consideration should be given to appointing an auditor who had graduated in the past 2-3 years along with a more seasoned supervisory auditor. Having a member on the recruiting team with such recent college experience would help in relating how a DCAA career would be beneficial to the new graduate. As Adopt a College evolved, most FAOs designated the lead member as a supervisory auditor with several years of supervisory experience; the second team member normally was someone who was a more recent graduate, but with sufficient DCAA experience to be able to relate that experience to a college student. However, four FAOs included the Branch Manager on the team, which assured that recruiting efforts and ultimately hiring had a high priority. The primary responsibilities of the Adopt a College representatives include:

- Attending fall, spring and interim Alumni Fairs, etc.
- Giving presentations at Student Accounting Associations, Business Associations, etc.
- Developing a relationship with the College Accounting Program Director and faculty in order to draw attention to the benefits of a career with DCAA and encourage them to share this information with their students
- Serving as their respective FAO's primary interviewer for all potential new hire candidates whether through a College Fair, USAJOBS, or any other recruiting event

We began our program by holding a "kickoff" meeting with recruiters from our highest priority target areas. All attendees were FAO-appointed Adopt a College recruiters/interviewers. Several of our more experienced recruiters and interviewers spoke on topics such as best practices and lessons learned. During this meeting, we discussed the process of attending a College Fair and demonstrated the standard display setup and literature that would be available for distribution. Since we started the program midyear, we plan to have another meeting prior to the Fall College Career Fair events to reevaluate and discuss lessons learned and new approaches, etc.

Our efforts and initiative received further support from a recent study performed by the Partnership for Public Service, a nonpartisan, nonprofit organization that works to revitalize the Federal Government by inspiring a new generation of civil servants. The organization released a report titled "Back to School: Rethinking Federal Recruiting on College Campuses." The report also addressed what Federal recruiters should be focusing on in their college recruiting efforts. Several key findings cited in the report, which we are addressing through our Adopt a College initiative, are highlighted below.

Interest Is High, Knowledge Is Low

The study's findings debunked some common perceptions that interest in Federal service is not high among college students. Based on the study, college juniors and seniors rated interest in learning more about Federal career opportunities only slightly less than their interest in large private sector companies. Also based on the study, one of the major obstacles with attracting recent college graduates is related more to their lack of knowledge of the opportunities versus any preconceived biases toward Federal service. The study did show that the majority of students who feel at least somewhat

knowledgeable of government careers did express interest. The Adopt a College program provides a means to intensify this interest and direct it toward a specific goal: a career as a DCAA auditor.

Teach the Teachers

Another finding from the study is the need to not only educate the students, but also their teachers. University faculty and advisors can be vital recruiting partners, and they overwhelmingly (94 percent) believe there are good jobs in the Federal Government for students; however, in the study less than one-fifth reported being very knowledgeable about Federal opportunities. The efforts of the Adopt a College representative to develop cordial relations with college faculty and staff help to establish a conduit for communicating information on Agency careers to our targeted student groups.

High-Touch Is as Important as High-Tech

The study also addressed common methods that students used and preferred when seeking career opportunities upon graduation. While most students use the Internet and their college's Career Counseling centers, once their interest is piqued, the most effective recruiting efforts come from people to whom students can relate: parents, friends, professors and advisors. This area is where having a highly visible FAO representative for Adopt a College has proven valuable. In the Mid-Atlantic Region we also use a tool called Family and Friends (F&F) announcements. The F&F is an issuance of an e-mail to all Mid-Atlantic Region staff announcing that we are currently recruiting for a pool of new hires with the request to pass it on to their family and friends who may be interested. Historically, we have had good success with this approach. Our latest F&F announcement produced several new hires that are of outstanding quality. In some cases, recent graduates (1 or 2 years out) and their friends who may not have considered Federal service have now been "sold" by their direct link to DCAA via their Agency friends.

Red Tape Is the Biggest Red Light

Another result from the study indicated that the greatest deterrent to Federal service is the widely held perception that the Federal Government is overly bureaucratic and stifles individuality and creativity in the workplace. As part of our Adopt a College program, pairing of the newer staff member with a more experienced staff member allows us to present a wide range of experiences on how and why we work the way we do. The new team member can provide a fresh perspective on the work, while the more seasoned staff provide the "war stories" that allow many younger candidates to see both the diverse opportunities and challenging work that the Agency can provide. In numerous cases, the FAO Adopt a College representative who had the initial contact with the potential new hire will stay in contact with the applicant as he or she is going through the process of being hired. These personal touches help to dispel the perception of an overly bureaucratic environment.

In summary, we believe that the Mid-Atlantic Region's efforts and successes of today will produce highly qualified new hires and reap future rewards with respect to higher retention and increased commitment by our new staff. Moving forward, we are going to continue to work at building the relationships with accounting majors as early in their program as possible (i.e., sophomore level). One way we plan to do so is by increased use of the Student Career Experience Program in order to excite interest in the Agency and its mission among potential candidates. As stated earlier, our ultimate goal is to have DCAA branded on the adopted college campus as the employer of choice for all new accounting graduates!



Defense Federal Acquisition Regulation Supplement (DFARS) and Procedures, Guidance and Information (PGI)

By David Johnson, CPA, Program Manager, Policy and Plans, Headquarters

HAVE YOU NOTICED OVER THE last couple of years that the Defense Federal Acquisition Regulation Supplement (DFARS) has been going through some fairly dramatic changes? In fact, these changes are a direct result of a transformation initiative undertaken by the Department of Defense (DoD) to identify improvements and reductions to its acquisition regulations. An outgrowth of this transformation has been the creation of a DFARS companion resource which contains Procedures, Guidance and Information and is commonly referred to as the "PGI."

DFARS Transformation

In February of 2003, the then Principal Deputy Under Secretary of Defense, Mr. Michael Wynne, announced DoD's intent to change the purpose and the content of the DFARS. Mr. Wynne tasked the Director, Defense Procurement and Acquisition Policy, to create a task force to lead this transformation initiative. This task force is led by the Deputy Director, Defense Acquisition Regulation Systems (DARS), whose organization has direct responsibility for the implementation and maintenance of the DFARS. According to DoD, the DFARS transformation initiative is dramatically changing the purpose and content of the DFARS; its objective is "to improve the efficiency and effectiveness of the acquisition process, creating an environment that allows the acquisition workforce greater flexibility in meeting customer mission needs." The current Deputy Director, DARS, has been tasked to continue with this transformation initiative

with a goal to reduce the content of the DFARS by at least 40 percent.

Why is a Transformation Necessary?

DoD has acknowledged that the DFARS has been increasing in volume for 20-plus years. An overall assessment of the DFARS was last conducted in the late 1980s; therefore, DoD concluded that the timing was ripe for a cover-to-cover review and assessment. Prior to formalizing the transformation initiative, a DoD internal assessment had determined that roughly 60 percent of the DFARS was "driven by internal policies and procedures and not driven by statute or federal policies." DoD has further noted that while most of these internal policies and procedures are sound practices, they may not be the most efficient and effective approach for each and every contracting situation. Therefore, DoD has determined that these internal policies and procedures should no longer be codified in the regulations as they may stifle the flexibility that is often needed within the acquisition community.

Why the PGI?

Once the transformation initiative is complete, the DFARS will contain only requirements of law, mandatory DoD-wide policies, delegations of FAR authorities, supplements to FAR requirements, and policies and procedures that have a significant impact on the public. However, as noted above, DoD had acknowledged that roughly 60 percent of the language in the DFARS was simply an outgrowth of the development of sound

internal DoD policies and procedures. Some might argue that these internal DoD policies and procedures were misplaced in the DFARS because they are not regulations governing contracting parties. However, rather than completely eliminating these internal DoD policies and procedures, the Department determined that they should be retained as guidance and information to be used, as appropriate, by the contracting officer. This is where the PGI has its role.

What is in the PGI?

DoD has determined that the role of the PGI will be that of a repository of all mandatory and non-mandatory internal DoD policies and procedures. For those mandatory policies and procedures, the DFARS will reference the PGI with language similar to “follow the procedures at PGI xx.xxx.” For those non-mandatory policies and procedures contained in the PGI, the DFARS simply references or points to this guidance and/or information for use at the discretion of the contracting officer. As a result, existing DFARS text that does not fall within the categories noted above for retention in the DFARS, but which is still useful to the contracting officers, will be relocated to the PGI. In the current stage of the DFARS transformation initiative, the subject text will typically be relocated with minimal edits. However, DoD has committed to eventually revising the relocated text into simpler language while refining the content to be even more useful for the contracting personnel. The organization of the PGI will mimic that of the DFARS, providing ease of referencing back and forth between the two publications. In fact, the online version of the DFARS provides extensive links to the applicable sections of the PGI.

Example: A clear example of the DFARS transformation initiative has occurred at DFARS 231.205-70, External Restructuring Costs. Beginning in August of 1994, Congress enacted legislation which restricted the reimbursement of costs associated with business combinations. Most auditors will

recognize that legislative requirements enacted in September of 1996, as implemented in the DFARS, generally provide that a 2 to 1 savings-to-cost ratio must be demonstrated in order for the contractor to recover external restructuring costs. DoD implemented these legislative requirements; however, DFARS coverage also included an additional paragraph devoted solely to the responsibilities of the ACO at DFARS 231.205-70(d), Procedures and ACO responsibilities. Prior to the changes implemented as a result of the DFARS transformation, this DFARS paragraph directed the ACO to perform certain activities which include adjusting forward pricing rates, executing a novation agreement, notifying major buying activities, seeking a restructuring proposal from the contractor, and instructing the contractor to segregate restructuring costs. This DFARS paragraph entirely reflects DoD internal policies and procedures that contracting officers are to follow. Therefore, in keeping with the initiative, DoD published a change to the DFARS by removing this paragraph and related subparagraphs and placing them, in their entirety, within the PGI. The current DFARS still retains 231.205-70(d); however, this paragraph simply states that “the ACO shall follow the procedures at PGI 231.205-70(d).”

What does this mean to the auditor?

DoD has established over 90 DFARS cases as a result of the transformation initiative; however, the majority of these changes have little, if any, impact on DCAA and the audits which we conduct. According to information published on the DARS Directorate website, the PGI is intended to be a one-stop shop for contracting officers to get information that they need to do their jobs. Therefore, while the auditor needs to be sensitive to the guidance published in the PGI, the auditor will continue to conduct audits which test for compliance with contract terms, CAS, FAR, and, where applicable, the DFARS, using the guidance contained in the Defense Contract Audit Manual.



Financial Reporting and Information: *Performance Measures and Metrics*

By Sandra G. Anderson, CPA, CDFM, Chief, Finance & Accounting, HQ

MANY OF YOU may not know that DCAA is required to prepare and submit financial statements to be audited every year by an independent audit firm. Yes, DCAA's financial statements undergo much the same audit process as the publicly traded contractors that we audit. I am proud to say that DCAA is one of only a very few Defense Agencies to have achieved an unqualified audit opinion on its annual financial statements. Furthermore, we have earned five consecutive unqualified audit opinions (Fiscal Years 2001-2005), and in all 5 years our independent auditors, Leonard G. Birnbaum and Company, LLP, found no material weaknesses in our internal controls. This is quite a success story. However, as important as achieving and maintaining a "clean" audit opinion is to DCAA, it is not the whole measure of financial management success for the Agency. Federal Financial Reporting and operating performance metrics are additional measures used by the DoD to measure financial management success.

The Federal Financial Reporting process evaluates the financial management of Government agencies such as DCAA and demonstrates the agencies' accountability. Federal Financial Reporting includes: operating performance information, budgetary information and financial status information.

Operating performance information discloses the gross costs of entity operations, earned revenues, net costs of operations, and appropriations received and used to fund the net cost of operations.

Budgetary information reports the budgetary resources made available through appropriations and other

sources, obligations incurred, outlays and reconciliation of obligations incurred to the net cost of operations.

Financial status information discloses assets, liabilities,

cumulative results of operations, and unspent funds.

The achievement of five consecutive unqualified audit opinions is our measure of success in Federal Financial Reporting. Various Federal Financial Reports are generated from the same set of books and records to present financial information from different perspectives. It is important that it be timely, accurate, and useful for making day-to-day operating decisions thereby ensuring that accountability is ongoing.

Operating performance metrics are additional measures of financial management success used by DoD. The Government Travel Card Program and accounts receivable under the reimbursable program are examples of

The achievement of five consecutive unqualified audit opinions is our measure of success in Federal Financial Reporting.

operating performance metrics monitored by the Agency and DoD. How do we measure success? How successful is DCAA in these areas? What is the value of the information provided?

In August 2006, DCAA received a Certificate of Appreciation for Delinquency Management of its Government Travel Card Program. There are a total of 34 independent agencies in the Department of Defense, and this is the first time this award has been presented. The Defense Supply Service is the only other independent agency to receive this recognition. The certificate of appreciation is in recognition of DCAA's management of Government travel card delinquent accounts and our success in maximizing split disbursements. These are the metrics/goals that DoD and Bank of America use as the criteria for recognition:

Number of Cardholders Delinquent:

1 percent or less

Number of Dollars Delinquent:

2 percent or less

Split Disbursements:

80 percent or more

In the past, DCAA's Government Travel Card has been described as "Best in Class." However, by June 2006, we did even better, meeting all three of the metrics mentioned above. The number of accounts delinquent at 60 days was only .33 percent, the number of dollars delinquent at 60 days was only .68 percent, and the number of split disbursements was 80 percent. This achievement indicates that DCAA knows the best practices that lead to superior performance and financial management success.

DCAA's FY 2006 reimbursable program was \$58.3 million. This is the amount

we receive for audits performed for reimbursable customers such as NASA, the Department of Energy, and the State Department. The funds received from billings to reimbursable customers are in addition to our Department of Defense funding. What are our financial management responsibilities in managing the program? The ability to manage the reimbursable program is driven by the information that is in the DCAA Management Information System (DMIS). Our customers provide funding for individual audits or they provide funding based upon the total estimated amount of audit effort for the fiscal year. These funding amounts are loaded into DMIS. As the reimbursable audit work is performed, costs are accumulated in DMIS, and once a month the Headquarters Finance and Accounting Branch (CFA) downloads the billable hours from DMIS and manually loads the information into the Defense Finance and Accounting Service's (DFAS) Automated Billing System (ABS). DMIS also creates the billing files that CFA sends to the DFAS-Columbus to support the amounts they will collect from our customers on our behalf through an automated collection system. Using information from the ABS, DFAS will process updates to our accounting records to show the amounts billed as earnings by the Agency. These are the amounts that flow to our financial reports and financial statements.

The operating performance metrics for financial management of our reimbursable program are positive overall. DCAA is meeting the Department's goal that none of the accounts receivable be more than 2 years old. However, we are working to improve collection on billings in two areas. First, customers will reject (not pay) bills that exceed the funding authority given to us. Second, they will reject the bill if they cannot match it to the job authorized. Using DMIS as a

management tool to monitor the status of funds on individual reimbursable audits helps to minimize if not eliminate both of these billing issues.

When regularly and appropriately used, the recently introduced DMIS FDN Ceiling

Amounts report is a valuable tool to monitor billing on reimbursable assignments. It provides the customer-funded ceiling amount, the

actual hours and amounts billed to date, the hours charged but not billed, and the FY estimate at completion for each reimbursable assignment. This report provides all the information necessary to monitor the status of reimbursable assignments and determine whether to request additional funding from the customer.

In the matter of bill tracking, a signed Annual Financial Agreement and funding document must first be obtained before we perform reimbursable audit services. In addition, each reimbursable customer gives specific information that we must annotate on their bills to track to the job they authorized, such as a subcontract ID number or a task order number. In order for the billings to contain the information required by the customer, the information needs to be input in DMIS by the FAO. At the end of FY 2006 we had approximately \$100,000 in reimbursable work which we performed but have not yet been able to collect for the reasons given. This impacts our financial operations and performance metrics and is clearly an area where we can continue to improve.

We need to ask ourselves whether our impact on financial management results is positive or negative. Good

financial management is important to the efficient and economic delivery of desired results, and it begins with and is the responsibility of each individual in the Agency. Are we accruing hours to reimbursable assignments that we will not be able to collect from our customers?

We need to ask ourselves whether our impact on financial management results is positive or negative.

Are your individually billed Government travel card charges appropriate, and is the invoice paid on time? Are

we submitting invoices for the centrally billed travel and individual purchase card accounts appropriately? Are we providing accurate and complete bills to our customers? Answering yes to all of these questions will greatly enhance the Agency's operating performance metrics and overall financial management success.

Measures and metrics increase the credibility of Federal financial information and ensure compliance with rules and standards. Federal Financial Reporting measures complemented with operational measures provide a complete and balanced picture of where DCAA stands within the Department; provide management insight into our financial operations and our use of resources; and aid Agency managers to make informed decisions. This visibility of financial performance and efficiency allows the Director to make informed business decisions that will maximize the Department's return on its investment in DCAA. In the end, what is important is that we are good stewards of taxpayer dollars and that we make the most effective and efficient use of the Defense resources allocated to us so that DCAA can provide the best support possible to the warfighter.



Stay Tuned!

A Proactive Management Approach to Identifying and Responding to Risk

By Roy L. Gustavson, FAO Manager, Northeastern Region

Plan. Monitor. Analyze. Roy Gustavson describes how sustained awareness of factors that heighten the audit risk environment can expose high-risk audit issues and produce high-quality audit results.

THIS YEAR THE DCAA Executive Steering Committee (ESC) has placed special emphasis on audit effectiveness. The ESC initiated action item ESC 05-12-2 with an objective for leadership to focus on playing a more aggressive and proactive role in identifying and facilitating audits in high-risk cost areas. In response to that challenge, Northeastern Region FAOs have taken a variety of approaches to address risk, not only at the program-planning stage but throughout the management year in order to better align our audit resources with the ever-changing audit-risk environment.

The typical planning process identifies, on an annual basis, the audits to be performed in the upcoming year. Those audits are based on a number of factors including regulatory requirements, Mandatory Annual Audit Requirements (MAARs), cycling of internal control and Cost Accounting Standards (CAS) compliance reviews, anticipated demand in forward pricing, risk-based selections for post-award audits, and many other factors.

DCAA's planning processes normally rely heavily on history when developing baseline audit risk. However, the contractor risk assessments we perform at program-planning time need to be continually monitored for changes from prior history. The baseline can often change in a manner

which is unpredictable. We must remain alert to factors that impact risk—and therefore impact where we need to devote our audit resources—and rapidly respond to those changes. During the first half of this fiscal year, a Northeastern Region FAO noted two significant trends that had an immediate impact on audit risk: a significant increase in off-site labor and a new contract awarded that had a manufacturing plan significantly different from those in the past. These changes, and the FAO's response to them, are discussed below.

Off-Site Work

At one location, the FAO noted a significant upward trend in off-site labor. This is a change in circumstance; previously there was very little significant off-site work performed by the contractor. Historically, most of the work was done at the contractor's main facility with minor exceptions. Therefore as off-site work has increased, the risk associated with accounting for off-site work has also increased. In response, the FAO intensified their efforts on the current incurred cost audit and used detailed analytical procedures on the related off-site expenses. Their analysis disclosed disproportionate increases in off-site indirect fringe benefit allocations in proportion to off-site direct costs. The contract mix was also different at the off-site locations, thus creating the possibility of a significant

impact to Government contracts. The analysis performed by the FAO led them to review compliance with CAS 418.

Role As Contract Integrator

An FAO noted in a recent news article the award of a large prime contract to a contractor under their cognizance. In further discussion, they found that the prime contractor was going to function as the lead systems integrator on the design of a complex weapons system. Of interest was that virtually no direct work would be done at the prime contractor facility and that all construction work would be done at the subcontractor's location in a different state. The subcontractor would construct the entire weapons system. This non-traditional approach had certain benefits to the Government with regard to the overall program; however, it also had consequences with regard to General and Administrative (G&A) cost allocations from the prime contractor. The prime contractor uses a direct-labor base for allocating G&A expenses. Their prior CAS compliance reviews concluded that this was acceptable because it represented the total

activity of the business unit as required by CAS 410. However, the award of this large new contract, with a manufacturing plan completely different from other work, changed the risk environment at this location. Although the FAO cognizant of the prime contractor had not programmed a CAS 410 review, the changing conditions caused them to initiate a review of compliance with CAS 410.

A flexible risk management plan, through data analysis and increased management attention, can contribute to meeting the DCAA ESC objective for leadership to focus on playing a more aggressive and proactive role in identifying and facilitating audits

We must remain alert to factors that impact risk—and therefore impact where we need to devote our audit resources—and rapidly respond to those changes.

in high-risk cost areas. Risk assessment is not a one-time-only event, but must be continually monitored; and management must remain flexible to respond to changes in the contractor's environment that impact audit risk. By taking a more aggressive and proactive approach to audit planning throughout the management year, we can target audit opportunities as they emerge and make the most effective use of our audit resources.



FYI

Goal Achieved! A 10 % Increase in CPAs and Advanced Degrees

Agency Results	Audit Staff	CPAs	%	Advanced Degrees	%
March 2006	3,352	1,281	38.2	862	25.7
March 2005	3,397	1,266	37.3	814	24.0
March 2004	3,423	1,237	36.1	776	22.7
March 2003	3,526	1,177	33.4	748	21.2
Agency Goal			36.7		23.3

(Strategic Plan Objective 3-03-04: As of 3/31/2006, a 10% increase over 3/31/2003 levels).

Information Technology Initiatives

By David Kaiser, Information Technology (IT) Division, Headquarters

The Director has laid the foundation for the basic structure of DCAA's IT plan (see page 3). Now for the nuts and bolts. David Kaiser, the Agency's Enterprise Architect, is responsible for the design of our network and hardware/software configuration control. He is a Certified Information Systems Security Professional (CISSP), a Microsoft Certified Systems Engineer (MCSE), and a Microsoft Certified Database Administrator (MCDBA).

I've worked for the Department of Defense (DoD) in the Information Technology field for the past 20 years, the past 8 with DCAA, and one thing has remained the same—constant change! Ironical as it sounds, it is true, and the coming years won't be any different.

Imagine if you were required to move out of your office space every year and move to another location (okay, for some of you, this might actually happen)! Think about all the logistics involved with finding new space, packing, unpacking, notifying everyone of your new phone number, and the list goes on and on. What a hassle! Well, in information technology, we are continually doing these types of "moves," and our goal is to perform these moves and upgrades as quietly and quickly as possible so you can continue to perform your mission without interruption. One example within the past year was the **upgrade of the e-mail infrastructure** to Microsoft Exchange Server 2003. We implemented new servers at the Headquarters (HQ) and Memphis locations with data being replicated in real time to the other locations to provide a Continuity of Operations Plan (COOP) in the event of a disaster at either the HQ or Memphis location.

As you know, the DoD has been issuing guidance and policy to ensure we are all using our **Common Access Cards (CACs)** for network logon and to gain access to Government websites. Again, a lot of work has been going on in the background to ensure you are able to log on with the CAC without creating an additional burden on you, the user. We

strive to make implementation of technological changes invisible to you the user.

Remember the DIIS Update? Seen one lately? Hopefully the majority of you will be answering "no" to both of those questions. We still create a few CDs for the users who are remote most of the year, but as you read further, you will discover that too will be changing. For those of you who do remember the DIIS update, you know this was a CD-ROM that was issued every 3 months for the purpose of updating your computer. Typically, a technician would walk up to you and ask you to hand over your computer for at least 30 minutes. The majority of the time the DIIS update accomplished its mission to keep your computer patched and up to date, but on some occasions—well, let's just say it was less than perfect, and you might have been required to have a lobotomy (as in the computer being reimaged, not you personally)! All kidding aside, we always strived to make the DIIS Update as flexible as possible to update all the Agency computers in the fastest time possible.

So, now you're probably thinking back to those DIIS Update days wondering, What *did* happen to those DIIS updates? Is my computer *still* being patched? The answer to the latter question is yes, and the technology taking care of this is **Microsoft Systems Management Server (SMS)**. When a security patch, new application, or new version of an application needs to be deployed, SMS sends the files one time to all the file servers in the Agency, and all the computers at each location can receive

the updates locally at very high speed. The majority of personnel will never even know when this happens, so you can think of this process as a silent DIIS update constantly running in the background to ensure your computer is up to date and protected from the most recent security vulnerabilities.

So now you're thinking "This is great! I'm being protected on a continual basis with SMS, my e-mail is being saved to an alternate location for COOP purposes, life is good!" Well, almost. It's a nice start, and certainly necessary, but we still have a few more things to worry about, like those trendy new **USB thumb drives** (also known as flash drives, jump drives, smart drives and, by the time this article is printed, two or three more flashy names). These compact little devices can hold more information than a CD-ROM, but pose a security risk if they are lost or stolen. Sure, the Government or employee might take a loss on the price of the device, but it's the data on the device that is much more valuable if it lands in the wrong hands. To counter this potential loss of sensitive information, the DoD has issued guidelines on the proper encryption technology that must be used on the USB devices in the event they are lost or stolen (see MRD 06-OITN-038[R], dated August 18, 2006).

Okay, you've received contractor information on an encrypted USB device and transferred it to your notebook computer, so you're "good to go" right? I think you already know the answer—Maybe. Maybe? You were hoping for a simple Yes-or-No answer and you get a non-committal Maybe? This answer depends on whether or not you are using the proper encryption on your notebook computer hard drive. Oftentimes we do not think about the **data at rest** on our computers. The term "data at rest" refers to the data on your computer, on a USB device, etc., when you are not actually accessing that information or transmitting it across the network. For most of us, this means we all have a lot of data at rest on our computers. If our computers are lost or stolen, the data can be accessed by several easy techniques unless, of course, the proper **encryption** is used to protect this sensitive information. We have been encrypting

the "My Documents" folders on those hard drives where personally identifiable information on DCAA personnel and contractors is stored, and the "Audit Working Papers" folder was the next folder identified for encryption after thorough testing with APPS. By now, you have probably been exposed to encryption on your hard drive at some level.

Another initiative everyone is excited about is the ability to use home **high-speed internet connections** for telework; hotel high-speed connections while on travel; or other high-speed connections at contractor or Government facilities where available. Our dial-up capability to Memphis and HQ (formerly Atlanta) has served us well over the past years, and with advances in security technology to protect these types of connections, we are moving to ensure this high-speed option is made available wherever it makes sense. So, what is this security technology? Using **Virtual Private Networking (VPN)** is not exactly brand-new, so why now? Think of it this way. Most of us just use a lock and key in our doors at home, right? We feel safe in our homes, knowing there is a low risk of a break-in and secure in the knowledge that we have a police force we can call on if necessary. But what if you knew a burglar was standing at your front door, turning your doorknob every 60 seconds hoping that you would unlock the door? You might invest in a home security system, install security bars on the doors and windows, or do whatever it took to protect your home. The same is true when you connect your Government computer to the public internet. There are worms and viruses on "autopilot" all over the internet, and some gurus have stated that it takes less than 60 seconds for your computer to become infected once connected to the public internet. Since we are aware of this threat, although you cannot see it, we need to ensure your Government computer is protected, much like putting a security system in your home.

The Agency security system for high-speed remote connectivity is composed of two new products—one to ensure your computer is protected wherever it connects, and one to ensure any computer attempting to connect to the Agency meets

minimum security standards. The first product, **eEye Digital Security's Blink**, is an intrusion-prevention software component installed on all Agency computers. Blink's main purpose is to act as a personal firewall and complement existing anti-virus software to detect and prevent intrusions. Blink fills the gap when security patches have not yet been issued or installed and when anti-virus signature files are not up to date. If this gap in protection is not covered, we are in danger of a "zero day attack," where a new worm or virus hits the internet before any type of patch or anti-virus solution can be deployed. Blink has been proven to detect and prevent this type of attack. Of course, no software product can guarantee 100 percent success, but we do feel confident we are minimizing the risk to an acceptable level with this type of software.

The second product, **Cisco Systems Network Access Control (NAC)**, combined with a **Cisco Clean Access Agent** installed on each computer, ensures only DCAA computers can connect to the VPN connection. NAC enables us to verify whether computers connecting from virtually anywhere on the planet belong to the Agency. Cisco NAC does not allow a VPN connection to be made until the computer connecting is verified to be compliant with all security policies and, more generally speaking, is a computer that belongs to the Agency. Cisco NAC has the added ability to be able to protect computers inside the DCAA office space as well. The NAC will ensure that if any non-DCAA computers are connected inside our office space, the computers will not be allowed to communicate beyond the local office.

There will be times when you are unable to obtain a high-speed connection or even a standard telephone line for dial up. To help in these circumstances, we are researching the use of **wireless broadband cards**. These cards would allow work at locations that do not offer a high-speed connection. The wireless cards are inserted into your computer and allow you to wirelessly connect to the VPN at various speeds, but typically at much faster speeds than dial-up.

The use of these high-speed technologies will also help us further reduce the number of DIIS CD's we are sending out to remote users since SMS

will allow us to push DIIS updates through VPN at much, much faster rates. As mentioned earlier, the IT staff is trying to keep a low profile while providing timely updates to your computers!

In addition to the initiatives mentioned above, the HQ Resources, Administrative Management Division (CM), has taken the lead on two highly visible projects designed to improve workflow and is working closely with the Information Technology Division.

The first project deals with the **conversion of Formflow forms** to Adobe PDF forms. DoD forms and others have already been converted, and DCAA is in the process of converting our Agency forms currently in Formflow. We are also researching the possibility of using your CAC to provide **digital signatures** in signature block fields on the PDF Forms.

The second project deals with the **conversion of iRIMS records management** to a web-based Livelink Records Management solution. iRIMS has served the Agency well over the years, but it is clear to us and the DoD that the future of workflow and records management is Livelink. The two products are owned by the same company, and we are currently working on a transition plan to ensure minimal disruption for the users. Livelink improves workflow through **intelligent routing**. It allows us to track documents as they are routed through different offices during the finalization process as well as the electronic filing process. In addition, we are investigating the possibility of using the workflow features of Livelink to route the new Adobe PDF Forms, where applicable, to further enhance our business processes by allowing us to track forms such as training requests.

As you can see, the opportunity for change never ends! However, you can also see we do not take on a change for the sake of change itself. Each technology or software product is evaluated against the business needs of the Agency, briefed at various levels, and ultimately approved or disapproved by senior Agency officials. The future brings challenges along with change, and we are ready to deal with whatever comes our way!



Peer Reviews

SURVEY SAYS:



Peer Reviews Add Value to the Audit

By Carol Ann Williams, Headquarters, and Charles Freeman, Eastern Region

THINK BACK TO YOUR schoolteacher's voice saying, "Time is up. Put down your pencils and hand your paper to the neighbor on your right." For many of us, this was the earliest form of peer review. Welcome to the world of auditing, where a quality product and outstanding customer service are our primary concerns! For many years, DCAA auditors have had the same opportunity to have peers provide supportive evaluations of their work product before it is reviewed at the supervisory level. The primary instruments used for peer reviews have been the working paper and audit report quality checklists. These checklists are a series of questions designed to focus on the most critical components of our working papers and audit reports to help ensure a quality product produced in compliance with Generally Accepted Government Auditing Standards.

What are the benefits of a peer review? Are they really necessary? Do they add value to the audit process? These and many other similar questions have often been voiced by our co-workers and perhaps you at various times over the past several years. This article will provide a clear answer to these questions and reinforce the vision of the peer review process as an integral element of a quality audit.

To examine the value of peer reviews, the Executive Steering Committee (ESC) wanted to hear from you—the users of peer reviews. The ESC established Strategic Plan Objective

(SPO) G3-05-01, which states, "By FY 2006, assess the Field Audit Offices (FAO) peer review processes. Develop and implement improvements, as appropriate." The Headquarters Policy Quality Assurance (PQA) division and Regional QA divisions established an ad hoc team to perform an assessment of FAO peer review processes. The assessment plan had two components: (1) the qualitative analysis, and (2) the quantitative analysis.

The primary purpose of the **qualitative analysis** was to obtain feedback on the peer review process from all levels of the audit workforce through the use of interviews and/or surveys. In addition to gathering the auditors' views on the value of the peer review process, the team also solicited recommendations for process improvements. The RQAs conducted interviews or received responses to surveys from 755 participants Agency-wide, representing 45 FAO managers, 132 supervisors, and 578 auditors.

SURVEY SAYS: Approximately 90 percent of respondents believe peer reviews add value.

The interview and survey results show a very positive opinion on the value added to our work product by conducting peer reviews. Approximately 90 percent of respondents believe that the peer review of audit reports adds quality to the product. The majority of those interviewed/surveyed also believed that working paper peer reviews added to the quality of the final product. The vast majority

of the respondents believe peer reviews of audit reports and working papers are worth the time and effort spent and should be continued. In response to the statement, "Given the option, I would continue peer review of audit reports," 90 percent of auditors, 89 percent of supervisors and 82 percent of FAO Managers either agreed or strongly agreed.

SURVEY SAYS: Analysis of President's Council on Integrity and Efficiency (PCIE) results showed overall improvement for reports and working papers when peer review is performed.

The primary purpose of the **quantitative analysis** was to assess the effectiveness of peer reviews, looking at the results of the PCIE-based reviews. The QA organization compiled data from the results of the second round of PCIE reviews performed during FY 2003 through FY 2006, which included reviews of Forward Pricing, Internal Control, Incurred Cost, and All Other assignments. The analysis compared the number of noncompliances on assignments where peer reviews on the working papers and the audit report were conducted to assignments with no peer review. The Agency-wide results showed improvement for both working papers and audit reports when a peer review was performed.

So, what *are* the benefits of peer reviews? Bottom line, peer reviews improve the quality of our work product. Peer reviews are an integral part of the Agency's overall quality assurance system. Quality improvements ultimately reflect positively on the Agency as a whole. When we asked if team members benefited from discussions of peer review results, the survey results were very positive and indicated that peer reviews generated a feeling of empowerment by showing a professional responsibility and willingness to produce a quality work product as part of a team effort. The interview/survey results suggest that the peer review process instills an increased sense of ownership of the work product. Auditors willingly accept responsibility for providing a quality work product to the customer, which reflects positively on the auditors as professionals and individuals.

SURVEY SAYS: Over 80 percent have recommended changes to their peers, adding value to the audit.

The peer review process strengthens the PWT process. The peer review process is not about the individual, but about the audit team providing the customer with a quality work product and ensuring our audits are performed in accordance with the Generally Accepted Government Auditing Standards. Peer reviews provide the auditor with an opportunity to have a co-worker (another set of eyes) review the draft report and working papers prior to supervisory review. This process provides the auditor with opportunities to discuss and correct potential errors or possible oversights with the peer reviewer, often facilitating learning, improvement, and increased quality. Over 80 percent of the respondents commented that, based on their review, they have recommended changes to their peers, adding value to the product.

SURVEY SAYS: Auditors believe it is their professional responsibility to conduct a peer review.

The peer review process enhances our competence and professional development as contract auditors. The process does require some constructive critique in order to be effective as a tool for improvement of the work product; however, these comments should always be productive and focus on the primary objective (i.e., quality of the work product). Auditors responding to the survey generally believe it is their professional responsibility to conduct a peer review.

Internal peer reviews are not unique to DCAA. As part of the ad hoc team, we had the opportunity to discuss the subject of internal peer reviews with a representative from a major accounting and consulting firm. A partner with the firm indicated that the internal peer review is a major part of their firm's quality assurance program (similar to DCAA's). These reviews are performed by auditors throughout the profession as a part of the overall quality control/assurance program. Peer reviews are

a necessary tool used in our profession to facilitate the quality of our work product and fulfill our Commitment to Excellence.

SURVEY SAYS: Approximately 90 percent of the supervisor and auditor respondents believe that team members benefit from discussion of peer review results at team meetings.

The peer review process can be used as a learning tool for the auditor. The empirical evidence clearly shows that the PWT benefits from the sharing of peer review results at PWT meetings. Approximately 90 percent of the supervisor and auditor respondents believe that team members benefit from discussion of peer review results at team meetings. These discussions provide for timely resolution of systemic issues and problem areas identified by the PWT.

As part of the interviews and surveys, we solicited suggestions for improvement and identified best practices. Two suggestions for improvement were to (1) formalize the peer review process by adding structure to the process and (2) tailor or reevaluate the checklists to more clearly define the expectations in responding to the checklist questions. Both of these suggestions are currently being considered through SPO G3-05-01 as a result of your input on the surveys and interviews, so watch for the results.

We also believe it is important to disseminate best practices that were identified as part of this project. We recommend these best practices as ways to improve the effectiveness of peer reviews in your office.

*** Establish a peer review monitor.**

Some PWTs designate a peer review monitor to track and report results. Discussions on the peer review results facilitate learning and timely and effective resolution of systemic issues. The monitor accumulates the data for the team, presents the results at

PWT meetings, and provides to FAO management the resulting process improvements.

*** Rotate peer reviewers.** Given that one of the values of the peer review is to facilitate learning, performance of peer reviews should be rotated among the audit staff. Everyone, even highly experienced auditors, can learn something from their peers.

*** Tailor checklists.** Peer reviews become even more effective if they are tailored to meet the specific issues that an FAO or audit team may be facing.

Internal peer reviews are a key component of DCAA's quality assurance program. They are the responsibility of each and every auditor as a member of our chosen profession. They should be viewed as an opportunity to improve the overall quality of our work product. The process also contributes to our individual growth as professional auditors. The survey results indicate that the vast majority of DCAA's professional staff believes that a process for conducting peer reviews increases audit quality and is worth the time and effort expended. The analysis of the results of PCIE reviews also indicates that peer reviews do improve the quality of our work product both for compliance with GAGAS and for overall customer satisfaction. Bottom line, peer reviews do add value to our work product and will continue to be a key component of DCAA's quality assurance program.



Getting to Know You

European Branch Office (EBO) Non-Proliferation Audit Team



From left:: Keith Cullum, Debbie Horton, Georgina Klos, Kim Hehe, Gene Seiler, Barbara Mistler, John Sabga (Not pictured: Alice Kennedy).

REMEMBER THOSE OLD NAVY slogans? *Join the Navy and See the World* and *It's not just a job. It's an Adventure*. Who would ever think you could substitute DCAA and have it apply just as well? *Join DCAA and See the World* and *DCAA: It's Not Just a Job. It's an Adventure!* But for auditors at the EBO, those slogans are quite fitting.

For the Non-Proliferation Audit Team at the EBO, it really can be an adventure. Non-Proliferation in this team's title relates to non-proliferation of weapons of mass destruction in the Commonwealth of Independent States (CIS). On this team one can experience -40 C degree temperatures, snow so

deep in Siberia that you grow taller as you walk, hotels that may or may not have water, constant travel and endless overnight train rides, and the opportunity to sleep in a bed so short that even a person of average height would hang off the end. Hey, nobody ever said adventure was easy, right? But for most auditors who join this team the benefits far outweigh the negatives: The opportunity to see Red Square, the Kremlin, and Lenin's tomb in Moscow; haggle with outdoor market vendors over the price of Russian souvenirs; walk past the grave of Nikita Khrushchev; see the Bolshoi Ballet; try different foods (borscht and compote come to mind); and experience and meet people from an entirely different culture than you could ever hope to

living in the States. As an auditor once said, "It's all about the stories."

The Non-Proliferation audit team performs audits of projects in the CIS, primarily for reimbursable customers (Departments of State; Agriculture; Energy; and Health and Human Services) and also for the Defense Threat Reduction Agency. With the collapse of the Soviet Union in the 1990's, a large pool of weapons scientists and engineers found themselves unemployed. In order to ensure the redirection of these scientists' expertise to peaceful efforts, the United States and other partner countries provide funding via coordinating science centers in Moscow, Russia and Kiev, Ukraine, for research projects on a diverse range of subjects. DCAA's role is to conduct oversight audits of selected projects in order to verify that:

- Project funds are being accounted for properly
- Appropriate timekeeping controls are in place and operating
- Participants (the scientists/engineers) are in fact being paid
- Authorized equipment exists and is properly accounted for
- The project work is on schedule and following the project agreement (verified with the help of accompanying technical experts)

Our work takes place at two primary coordinating science centers (Moscow and Kiev) and at various individual institutes in Russia, Ukraine, Kazakhstan, Georgia, Armenia, Kyrgyzstan, and Uzbekistan where we conduct interviews of project participants through interpreters.

Meet The Team

KIM HEHE: Kim arrived at the EBO in October 2005 after 3 years with DCAA at the Hampton Roads Branch Office in Virginia.

She has a Bachelors degree in business administration from Northern Arizona University, a Master's degree in accounting from Old Dominion University in Norfolk, Virginia, and she passed the CPA exam in December 2005. In her short time at the EBO, Kim has already traveled far and wide, including Istanbul, Doha in Qatar, Amsterdam, Rotterdam; Berlin; Paris, Copenhagen, Moscow, Kiev, and various locations in the CIS. She will also be traveling to the States soon to attend her daughter's wedding.

DEBBIE HORTON: Debbie joined the Agency in August 1974 as a clerk-steno for several years, during which time she began taking accounting courses at night. She left the Agency to complete her undergraduate degree work in accounting and business administration, and then returned in 1985 as an auditor at the AT&T Resident Office in North Carolina, where she worked until her 1995 transfer to the North Carolina Branch. In 2002 Debbie participated in a 6-month A-76 study at Fort Bragg and then worked at the Iraq Branch from August 2003 to January 2004. Debbie joined the Non-Proliferation team at the EBO when she arrived in October 2004. She notes that working on this team has been very rewarding because of the opportunity to see and experience other cultures and the conditions in which scientists in Russia and other former Soviet states manage to operate.

ALICE KENNEDY: Alice transferred to the European Branch in 2002 from the San Gabriel Valley Branch Office in California, where she had worked since joining DCAA in 1986. Her first impression when she arrived in Germany was of very cold weather, and she thought a trip in May to South Africa would provide an opportunity to warm up. Little did she expect snow in Johannesburg. She has worked primarily on the Non-Proliferation Team during her EBO tour and she recognizes that diplomacy skills can be put to the test on this team. "The opportunities of representing DCAA and other United States

Federal departments (State, Energy, USAID and Health and Human Services, etc.) in these countries certainly make you feel like an Ambassador of your country.”

GEORGINA KLOS: Georgina has been on the Non-Proliferation Team since she arrived at the EBO in July 2005. Her career with DCAA began in April 2000 as a co-op for the San Diego Branch Office in California. She became an auditor in May 2001 at the Santa Ana Branch Office. Prior to her assignment to EBO, Georgina attended and made a presentation on implementing a “Suggestion Process Improvement Network” at the 2004 Quality Conference. She survived some frigid trips to Siberia last winter and is looking forward to additional new experiences during the remainder of her tour at the EBO. Georgina was married in July.

BARBARA MISTLER: Barbara joined the Non-Proliferation Team when she arrived at the EBO in April 2005. She began her career with DCAA in 2000 at the Rosslyn Branch Office in Virginia after auditing with the Department of Labor and IRS for approximately 15 years. She has accounting degrees from the State University of New York Albany and George Washington University, and a biology degree from the University of Maryland. She is a CPA in the state of Maryland. She enjoys traveling and is glad for the travel opportunities provided by EBO.

JOHN SABGA: John has an accounting degree from the University of Southern California. He began his career with DCAA at Field Detachment in 1999, later moving to a suboffice in San Diego, California. After spending a year at the Iraq Branch Office, John joined the European Branch in June 2005. John’s first trip on the Non-Proliferation Team was to the former Ukrainian “closed” city of Dnipropetrovsk, which according to John, “...was the most interesting place I have ever visited.” While Dnipropetrovsk was a key center of the old Soviet nuclear, arms, and space industries, John’s fascination may

have something to do with the fact that it is also the birthplace of Olympic champion figure skater, Oksana Baiul.

GENE SEILER: Gene is in his second tour at the EBO, having previously worked a 3-year tour from 1989 to 1992. He started with the Agency at the Northrop Aircraft Division in Los Angeles, California in 1983. Gene returned to this office after his first EBO tour, then transferred to the Hughes Electronics El Segundo office in Los Angeles, and then in 1996 to the Dallas Branch Office. Gene joined the Non-Proliferation team when his second EBO tour began in October 2003. Gene has a MBA degree from the University of Wisconsin and is a licensed CPA.

KEITH CULLUM: Keith is the Supervisory Auditor for the Non-Proliferation Team. He arrived at the European Branch Office in October 2003. He began his career with DCAA at the Richardson Branch Office in Texas after graduating from the University of Texas at Arlington in 1987. His work took him to the Dallas Branch; the Arlington Branch; two stints at the Central Region Office working for RSI and for RST; and came full circle with a promotion to Supervisory Auditor at the Richardson Branch in 2000. Keith is a CPA in the State of Texas. Keith and his wife and two young daughters (the 6-year old a fluent German speaker now, and a 3-year old learning fast) will return to Texas later this year.



Getting to Know You

The General Counsel's Office (DL)

Headquarters, Defense Contract Audit Agency



Seated, from left, Barbie Schulze, Susan Lovell. Standing, from left, David Hoffman, John Greenlee, John Farenish, Paul Mitchell, Travis Elliott. Not shown, Joan Roselli, Shelley Turner.

THE DCAA OFFICE of General Counsel was established by and remains part of the Defense Legal Services Agency (DLSA), a DoD agency under the DoD General Counsel that provides legal advice and services for all Defense Agencies, Field Activities, and Components. The DCAA General Counsel is responsible for providing advice to the DCAA Director, Deputy Director, and all Regional and Staff Elements of DCAA regarding any legal matters and services performed within or involving DCAA, including coordinating all significant legal issues and litigation involving DCAA with the Department of Justice, Department of Defense, and all Government and DoD agencies.

JOHN M. FARENISH, General Counsel: Mr. Farenish has served as DCAA General Counsel since 2003. Prior to becoming General Counsel, John served as DCAA's Deputy General Counsel from 1998 to 2003, served as Counsel, Procurement Integrity Office of the Navy Office of General Counsel from 1991 to 1998, was a Legal Remedies Advisor for the Inspector General, Department of Defense, from 1989 to 1991, and was a Contract Attorney/Procurement Fraud Advisor for the U.S. Army Criminal Investigation Command from 1988 to 1989. He also served on active duty in the U.S. Army Judge Advocate General's Corps from 1980 to 1988 as a Trial Attorney, Labor Counselor, Contract

Attorney, and Special Assistant U.S. Attorney. Mr. Farenish earned a Bachelor of Arts Degree in Political Science from Villanova University, a Juris Doctor from the Delaware Law School of Widener University, and his Masters in Strategic Studies from the Army War College. He is admitted to practice before the Supreme Court of the United States; the Pennsylvania Supreme Court; U.S. Court of Federal Claims; U.S. Court of International Trade; and the U.S. Court of Military Appeals. Mr. Farenish is a Vice-Chair of the American Bar Association Accounting, Cost & Pricing Committee; Section of Public Contract Law. Additionally, Mr. Farenish is a Colonel in the U.S. Army Reserve, where he is the Director, Combat Developments, at the Judge Advocate General Legal Center and School. As General Counsel, he serves as the chief legal advisor to the Agency, responsible for providing all legal services as well as for the management of operations in the Office of General Counsel. He also serves as Designated Agency Ethics Official (DAEO) and is a member of the ESC.

DAVID C. HOFFMAN, Deputy General Counsel:

Mr. Hoffman has served as DCAA Deputy General Counsel since October 2005. Prior to arriving at DCAA, he served from 1998 to 2005 as a Trial Attorney for the Department of Justice, Civil Division. He also served over 13 years on active duty in the U.S. Army Judge Advocate General's Corps. While with the Army, he served from 1997 to 1998 as a Civil Law Attorney at the U.S. Army Training and Doctrine Command; from 1994 to 1997 as a Trial Attorney and Procurement Fraud Advisor at the U.S. Army Missile Command; from 1990 to 1993 as a Trial Attorney at the U.S. Army Contract Appeals Division; from 1988 to 1990 as an Attorney/Instructor at the Army Logistics Management College; and from 1985 to 1988 as an Appellate Defense Counsel in the U.S. Army Defense Appellate Division. He is also a Lieutenant Colonel in the U.S. Army Reserve and serves as Chief of the Contract Law Section for the 10th Legal Support Organization. Mr. Hoffman earned a Bachelor of Arts Degree in Political Science from Cleveland State University, a Juris Doctorate from the Cleveland-Marshall School of Law (Cleveland State), and a Master of Laws Degree (Military Law) from the Army Judge Advocate

General's School. He is admitted to practice in the State of Ohio, and is licensed to practice before the Supreme Court of the United States, the Ohio Supreme Court, the U.S. Court of Federal Claims, the U.S. Court of Appeals for the Federal Circuit, the U.S. Court of Military Appeals, and the U.S. District Court, Northern District of Ohio. As DCAA Deputy General Counsel, he supervises the three DCAA Personnel Attorneys; provides litigation and discovery support for all litigation involving DCAA; advises the DCAA FOIA Final Denial Authority and FOIA Chief Public Liaison; serves as Alternate DAEO; and advises on all other General Administrative Law matters including security issues.

CONTRACTS AND ADMINISTRATIVE LAW PRACTICE GROUP

PAUL C. MITCHELL, Senior Assistant General

Counsel: Mr. Mitchell has served as DCAA Senior Assistant General Counsel since September 1995. He was Assistant General Counsel and Regional Counsel in Central Region from February 1991 to September 1995. Prior to arriving at DCAA, he served as Deputy Counsel for Litigation from 1990 to 1991 at DCMC Atlanta, as Air Force Contract Management Division (AFCMD) Special Counsel from 1985 to 1990, as Assistant General Counsel AFCMD from 1979 to 1985, as Assistant Counsel for ERDA/DOE in Los Alamos from 1975 to 1979, as Assistant General Counsel AFCMD from 1974 to 1975, as Assistant Staff Judge Advocate, AFCMD, from 1971 to 1974, as a full-time graduate student on Air Force active duty from 1970 to 1971, and as Assistant Staff Judge Advocate at Duluth IAP, Minnesota, from 1967 to 1970. Additionally Mr. Mitchell served in various assignments in the Air Force JAG Reserve from November 1974 until he retired as a Lieutenant Colonel in 1991. Mr. Mitchell earned a Bachelor of Science Degree in Mathematics from the University of Washington, a Juris Doctorate from the University of Washington School of Law, and a Master of Laws Degree (LLM) in Taxation from George Washington University. He is a member of the Washington State Bar. As Senior Assistant General Counsel, Mr. Mitchell is a Contract Law Advisor, provides legal advice on audit mission and policy issues, provides litigation support to the Department of Justice and

all DoD and outside agencies, and advises on other General Administrative Law matters.

SHELLEY P. TURNER, Assistant General Counsel:

Ms. Shelley Turner has been a member of DCAA's legal staff since June 2005. Prior to joining DCAA, Ms. Turner served as a full-time Professor of Law for the Defense Acquisition University (DAU) from 2000 to 2005, where she taught Contract Law, Acquisition Law, and developed two CAS courses to be taught to the DoD community. Ms. Turner also served as the Counsel for DCMC-San Diego from 1997 to 2000 and served as an Assistant Counsel for Defense Contract Management Command (DCMC) in San Francisco from 1992-1997. While working for DCMC, she litigated CAS issues, personnel cases, and served as legal advisor on contract administration matters. From 1989 to 1992, Ms. Turner served on active duty as a U.S. Army JAGC officer at the Trial Defense Service and General Legal Services. She has taught Contract Law at San Diego State University and is currently a Professor of Law at George Mason University School of Law. Ms. Turner was born and raised in the San Francisco Bay Area. She graduated from the University of Puget Sound in 1984 with a Bachelor of Arts Degree in English Writing and Communications and in 1988 with a Juris Doctorate. She is currently a member of the Washington State Bar Association and the ABA Public Contract Law section. Ms. Turner is a Contracts Advisor on audit mission and policy, Ethics Counselor, GAGAS coordinator, provides litigation support to the Department of Justice and all DoD and outside agencies, and advises on other General Administrative Law matters.

PERSONNEL AND LABOR LAW PRACTICE GROUP

SUSAN L. LOVELL, Assistant General Counsel:

Ms. Lovell has been a member of DCAA's legal staff since November 2001. Prior to joining DCAA, she spent 8 years as an attorney with the U.S. Office of Special Counsel, where she practiced Employment and Personnel Law, including enforcement of the Whistleblower Protection Act and the Hatch Act. From 1990 to 1993, she held positions in private practice specializing in Employment and Labor Law. She graduated from LeMoyne College in 1987 with a Bachelor of Science degree in Industrial and Labor

Relations. She received her law degree from the Catholic University of America's Columbus School of Law in 1990, and a Masters of Law in Labor Law from Georgetown University Law School in 1991. Ms. Lovell is admitted to practice in the Commonwealth of Virginia, and is licensed to practice before all Virginia courts, the U.S. District Court, Eastern District of Virginia, and the U.S. Court of Appeals for the Fourth Circuit. She provides legal services for all regions within DCAA and currently serves as the primary personnel attorney for Northeastern Region, Headquarters, and Field Detachment. Ms. Lovell's responsibilities include advising management, personnel staff and EEO staff on personnel and EEO matters and representing the Agency before the U.S. Merit Systems Protection Board and the U.S. Equal Employment Opportunity Commission. She also serves as DCAA's Deputy Designated Agency Ethics Official (DDAEO). In this capacity, she is responsible for DCAA's Ethics Program, including responding to ethics questions from auditors and management, coordinating the OGE Form 450 review, and providing ethics training to new supervisors at DCAI.

JOHN A. GREENLEE, Assistant General Counsel:

John A. Greenlee joined DCAA in November 2001 as Assistant General Counsel. Prior to arriving at DCAA, Mr. Greenlee worked on the staff of Member (later Chairman) Beth S. Slavet at the U.S. Merit Systems Protection Board in Washington, D.C., served as Assistant Attorney General for the North Carolina Department of Justice from 1992 to 1998, maintained a private practice in Raleigh, North Carolina from 1989 to 1992, and served judicial clerkships with the North Carolina Court of Appeals in Raleigh, North Carolina, from 1987 to 1988 and in the U.S. District Court, Middle District of North Carolina, from 1988 to 1989. He received a Bachelor of Arts Degree, with honors, from the University of Arkansas at Fayetteville in 1976, and received a Juris Doctor Degree from Wake Forest University School of Law in 1987, where he was a member of the Law Review. Mr. Greenlee was also a member of the U.S. Marine Corps Reserves from 1975 and 1976. He is a member of the North Carolina Bar and admitted to practice in the U.S. District and Bankruptcy Courts for the Eastern and Middle Districts of North Carolina, and the U. S. Court of Appeals for

the Fourth Circuit. At DCAA, he concentrates in personnel and labor matters, representing DCAA before the MSPB, EEOC, and FLRA, in addition to advising all the Regions on related matters. He currently represents the Central and Western Regions. He also handles assignments in FOIA and Privacy Act matters and has been involved in developing procedures and notices to assist the Agency in improving the safeguarding of Agency or proprietary information from disclosure. Mr. Greenlee has periodically conducted training sessions in personnel issues at Regional FAO Managers Conferences and at Personnel and EEOC staff conferences.

TRAVIS Q. ELLIOTT, Assistant General Counsel:

Mr. Elliott began his tenure at DCAA as Assistant General Counsel in February of 2005. Prior to arriving at DCAA he served from 2000 to 2005 as a Senior Attorney at the U.S. Office of Special Counsel, where he investigated and prosecuted prohibited personnel practices and violations of the Hatch Act. He also served as Assistant Counsel at the National Treasury Employees Union, where he represented Federal employees in arbitration hearings, matters related to Unfair Labor Practices, and contract negotiations from 1998 to 2000. From 1996 to 1998 he held positions in private practice specializing in employment, civil rights and corporate law. Mr. Elliott, a native of Denver, Colorado, received his Bachelor of Arts degree from Bucknell University in Economics (cum laude) in 1992 and his law degree from the George Washington University in 1995. He is admitted to practice in Colorado, the District of Columbia, and Virginia. He provides legal services for all regions within DCAA and currently serves as the primary personnel attorney for DCAA's Eastern and Mid-Atlantic Regions. Mr. Elliott's responsibilities include advising management, providing guidance on labor law, and representing DCAA before the Merit Systems Protection Board, the Equal Employment Opportunity Commission, and the Federal Labor Relations Authority. He is also responsible for DCAA's mediation program.

PARALEGAL AND ADMINISTRATIVE SUPPORT STAFF

JOAN ROSELLI, Paralegal Specialist: Ms. Roselli has been the Paralegal Specialist in the DCAA General Counsel's Office since 2003, but began her career with DCAA as the secretary to the General Counsel,

a position she held from 1992 to 2003. Prior to working at DCAA, Ms. Roselli worked from 1989 to 1992 at the State Department's Deputy Secretary's Office for Policy and Resources (DP&R), including providing administrative support from 1989 to 1990 for the State Department Interpreters during the START treaties in Geneva, Switzerland. She also provided administrative support from 1987 to 1989 for the Joint Chiefs of Staff, Pentagon; served as a Military Personnel Staffing Technician from 1985 to 1987 and 1975 to 1982 at the U.S. Army Military Personnel Center; served as a Military Personnel Staffing Technician from 1983 to 1985 at the office of the Assistant Chief of Staff for Intelligence, Pentagon; and was assigned from 1971 to 1974 at the Bureau of Medicine & Surgery, Department of the Navy. Ms. Roselli also provided administrative support in 1974 to the Air Force Recruiting Office in Butler, Pennsylvania. As the Paralegal Specialist for DCAA, Ms. Roselli plays an integral part in the management and review of over 1200 Confidential Financial Disclosure Statements (OGE 450s) received at the Office of General Counsel yearly. Ms. Roselli is also responsible for all publications and subscriptions received and maintained in the DCAA Law Library.

BARBIE SCHULZE, Administrative Assistant:

Barbie Schulze is the administrative assistant for the General Counsel. She is a native of Annandale, Virginia, and first began working for DCAA in 1972 in the Security Division at Cameron Station. Between 1980 and 1985, Barbie took a short hiatus from DCAA to raise her family, but returned to DCAA in 1985 to work part-time. She began working full-time again in 1999. Over the years, she has worked at Headquarters in the Security, Operations and Policy Divisions.



AWARDS

Northeastern Region

Robert Grudzinkas

Exemplary Civilian Service Award



ROBERT GRUDZINKAS, Technical Specialist at the Raytheon DSN Resident Office, received the Exemplary Civilian Service Award from the U. S. Air Force in recognition of his distinguished performance as Financial Liaison Advisor to the Joint STARS Joint Program Office and Electronic Systems Center, Hanscom Air Force Base.

John Haberle

The Greater Boston Federal Executive Board's Excellence in Government Awards



JOHN HABERLE, Northeastern Region Information Technology Administrator, won the 2006 Excellence in Government Award for Professional Employee of the Year, Technical, Scientific or Specialty Category. He was recognized for his outstanding support of the Northeastern Region's computers and networks, including his visits to the European Branch Office and Iraq Branch Office locations during 2005.

Darren M. Hardy

The Bronze Star Medal



DARREN M. HARDY, Senior Auditor, Western Region, received The Bronze Star Medal on July 12, 2005, for service in Iraq from October 27, 2004, to October 26, 2005. In July 2004, at the age of 46, Mr. Hardy was already making preparations to go to Iraq for the Agency when he was called to active duty. As a U. S. Army Staff Sergeant, he was selected for the position of Senior Route Analyst for the S3 section of his battalion. The citation reads:

For exceptionally meritorious service while assigned as the Route Intelligence Analyst for the 484th Transportation Battalion during the time of hostilities in support of Operation Iraqi Freedom. Staff Sergeant Hardy's outstanding performance, technical expertise, and unwavering commitment to mission accomplishment in a hostile environment were vital to successful combat operations in Iraq. His contributions and dedication to duty are in keeping with the highest traditions of the Army and reflect great credit upon him, the 1st Corps Support Command, and the United States Army.

Although the Senior Route Analyst position is usually held by a senior NCO or officer, Mr. Hardy was selected for his leadership ability and technical proficiency. His team's mission was to minimize attacks on convoys. He developed and implemented a Standard Operating Procedure including battle drills and safe haven procedures; continually transmitted vital information on alternate routes that enabled convoys to evacuate to safe areas; and communicated attack information to all levels of command. The information he provided gave leaders an improved understanding of the battlefield and allowed development of alternate plans for transportation operations. The Multi National Corps Iraq verified that in the first 5 months of 2005, he and his section contributed to a 29 percent reduction in deaths due to Improvised Explosive Devices. All of us in the Agency can be very proud of Mr. Hardy's outstanding service to the U. S. Army and our nation.

Field Detachment

Pawlak, William J.

Presented "DCAA and Auditor Responsibilities" to the Accounting Symposium at Loyola Marymount University, Los Angeles, California, December 6, 2005

Sheets, Fredrick S.

Was elected Board Director, Brevard Chapter, Florida Institute of Certified Public Accountants (AICPA) for the period of May 2006-April 2007

Eastern Region

Glover, Glenice D.

Presented "Career as a Government Auditor" to Fifth Grade Students on Career Day at Forest Park Elementary School, May 18, 2006

Mid-Atlantic Region

Beebe, Isam M.

Presented "Consultants and Lobbying Costs" to the Staff at the Northrop Grumman Historical Electronics Museum, February 23, 2006

Cohen, Jeffrey M.

First Place, Toastmaster's International Division, Evaluation Speech Contest; Club, Division D, and District 38 Levels, Trenton, New Jersey, April 8, 2006

Schirf, Dennis

Taught Cost Accounting, Montgomery College, Rockville, Maryland, January-May 26, 2006

Northeastern Region

Delcore, John P.

Presented "Small Business Compliance Requirements" on DCAA reviews of accounting and billing systems at the Regional Conference of the Society of American Military Engineers, Boston, Massachusetts, June 27, 2006

Delcore, John P.

Presented "Auditing in Adverse Environments" on DCAA involvement with disaster clean-ups to the Association of Inspectors General, Alexandria, Virginia, November 3, 2005

Nelson, Edward F.

Presented "DCAA's Audit Experience in Iraq" to the Boston Chapter of the National Contract Management Association, Burlington, Massachusetts, April 13, 2006

Western Region

Bernacchi, William P.

Taught Financial Auditing and Intermediate Accounting, at Mission College in Santa Clara, California, January-May 2006

Blanchflower, James E.

Received a "2006 Extreme Makeover Award" from the Institute of Management Accountants, San Diego Chapter, for work on their web site, San Diego, California, June 24, 2006; chapter was awarded a silver medal by the national organization for the web site

Mather, Tammy J.

Co-instructed CAS Fundamentals Course at Defense Acquisition University, San Diego, California, June and July 2006

Wall, Darleen L.

Presented "Developments in Procurement—DCAA Prospective" to the National Contract Management Association, Richland, Washington, February 15, 2006

Field Detachment

Arutyunyan, Hakop, J.
Bartz, Bobbie J.
Caffee, William, R.
Duncan, Monique B.
Herrington, Lori L.

Kasprzak, Amy M.
Montalbano, Michael J.
Valdez, Marisa P.

MBA, Woodbury University, May 6, 2006
CPA, Virginia, July 21, 2006
MBA, University of Maryland University College, January 1, 2005
CPA, California, December 15, 2005
Recertified by International Information Systems Security Certification Consortium (ISC)2 as a Certified Information Systems Security Professional (CISSP), February 2006
CPA, Virginia, April 4, 2006
Passed CPA exam, Pennsylvania, May 25, 2006
Master of Public Administration, California State University, December 31, 2005

Central

Allsopp, William
Dyer, Carissa
Hunter, Cyneathia
Limon, Veronica

Penuelas, Flor
Rojas, Edna I.
Zhou, Wendy

Passed CPA Exam, Colorado, May 26, 2006
MBA, Park University, May 7, 2006
Certified Defense Financial Manager Certificate, Texas, June 30, 2006
MS in Accounting, University of Texas at San Antonio, December 17, 2005
CPA, Texas, July 1, 2006
CPA, New Mexico, February 6, 2006
MS in Accounting, University of Texas at Arlington, May 13, 2006

Eastern

Davis, Ruby M.
Farquer, Robert A.
Masters, Theresa M.
Morse, Steven G.
Salerno, Mario F.
Smith, Curtis E.
Walker, Arthur M.

MBA, Southeastern Louisiana University, May 13, 2006
MS in Accounting, Old Dominion University, May 6, 2006
CPA, Virginia, May 5, 2006
CPA, Virginia, June 6, 2006
MBA, Indiana Wesleyan University, April 29, 2006
CPA, Virginia, May 30, 2006
CPA, Mississippi, May 1, 2006

Mid-Atlantic

Beebe, Isam M.
Bellocchio-Jugo, Caroline S.
Reilly, Christopher J.
Richon, Barbara H.

Passed CPA Exam, Delaware, January 31, 2006
CPA, New Jersey, January 1, 2006
Passed CPA Exam, New Jersey, March 29, 2006
CPA, Virginia, February 23, 2006

Northeastern

Leung, Simon W.
Maglathlin, Lorna W.
Schirching, Donna E.

MBA, Johnson & Wales University, May 19, 2006
MBA, Southern New Hampshire University, June 13, 2006
Passed CPA Exam, New York, February 24, 2006

Western

Stevens, Mark
Wall, Darleen L.

CPA, Washington, June 8, 2006
MBA, City University, June 17, 2006

NAME	FROM	TO
Blevins, Richard C.	WE	HQ
Chu, Bernice V.	MA	HQ
Fenn, Mark J.	NE	HQ
Gentry, S. Scott	WE	HQ
Hylaman, Roy E., Jr.	FD	HQ
Lagreca, Ana Maria	MA	HQ
Maerten, Wayne A.	NE	HQ
Provost, Jeffrey J.	NE	HQ
Williams, Carol Ann	EA	HQ
Boynton, Shawn R.	MA	FD
Faanes, William K.	CE	FD
Kerns, Linda C.	MA	FD
McKenzie, Donald J.	MA	FD
Tynes, Heather M.	EA	FD
Holbert, Raymond A.	NE	CE
McIntosh, Vickie L.	MA	CE
Goldizen, Ryan S.	FD	MA
Lepiksaar, Kalle	HQ	MA
Popp, Nichole M.	FD	MA
Saunders, Angelia Y.	FD	MA
Steen, Michael E.	EA	MA
Williams, Samuel	HQ	MA
Wolfe, Julie A.	HQ	MA
Donahue, Stephen F.	FD	NE
Gray, Loretta A.	WE	NE
Hoggarth, Sandra Lee	EA	NE
Lahti, Paula B.	HQ	NE
Martis, Jean M.	EA	NE
McIlroy, Laura K.	CE	NE
McQuay, Carol A.	EA	NE
Shumway, Spencer J.	CE	NE
Benavides, Mario E.	NE	WE
Wolfe, Bradley G.	NE	WE

Headquarters

Benfield, Donnie J.	34
Brinkman, Daniel C.	28
Ohmes, Donald E.	39
Schmitz, William C.	34

Mid-Atlantic Region

Ahmad, Mukhtar	20
Bridges, James C.	31
Keitt, Levester	08
Worsinger, Harrison T.	27

Field Detachment

Peterson, Edward G.	39
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Northeastern Region

George, Ipe	19
Kelley, John C.	36
Prygocki, Kathleen L.	33
Silverman, Lawrence D.	43
Toloczko, Paula H.	36

Central Region

Banik, Gregory H.	35
Blome, Julia K.	33
Butler, Thomas R.	25
Greco, Joyce A.	26
Hadfield, Colin K.	33
Kongevick, James P.	35
Low, Dennis E.	35
McCaffrey, Thomas	24
McKinley, Jeanette	36
Meyers, Gerald E.	34
Ray, Anita L.	19
Weil, Stephen J.	30

Western Region

Abesamis, Carolina L.	22
Allen, Betty E.	21
Cox, Robert W.	21
Fernandez, Matilde P.	27
Sharp, Keith M.	30
Thomason, Robert H.	31
Zhang, Jerome Cg	17

Eastern Region

Davids, Steve J.	32
Dean, Clayton B., Jr.	40
Dobbs, Pamela S.	32
Hickey, Thomas G., Jr.	20
Kragenbrink, Bruce F.	17
McCracken, Robert F.	27
Young, Martha A.	31

Retirees

20 YEARS

Headquarters

Barker, Debora E.
Carpenter, Gladwin K.
McCoy, Robert A.
Young, Jana M.

Field Detachment

Cook, Patricia J.
Garcia, Andrea L.
Humpherys, Dee
Wall, Anita K.
Zubovich, Michael P.

Central Region

Hall, Katherine S.
Kugler, William L.
Lustig, Terri L.
Nguyen, Tuyet T.
Tite, Debra S.

Eastern Region

Bristow, Joan R.
Green, Eletta M.
Quinlan, Brad A.

Mid-Atlantic Region

Christ, Connie A.
Gillespie, Darla K.
Myers, Elizabeth V.
O'Meara, Jean F.
Ridpath, Richard A.
Sauter, Pamela R.

Northeastern Region

Arnold, Irvin E.
Clemente, Antonietta
DeMange, Julie
Gillespie, Richard J.
Huntington, Ann F.
Konner, Paul J.
Ramirez, Robin A.
Robbins, Lynn M.

Western Region

Collaso, Laura L.
Hwang, Grace
Lebental, Melinda G.
Macias, Joseph A.
Munger, Terrie J.

30 YEARS

Headquarters

Carpenter, Stephen K.
Neville, Deborah E.

Central Region

Anderson, Joan M.
Byrd, Irene
Holmgren, John D.
Sircoulomb, Clair W.

Eastern Region

Ebersole, Linda D.

Mid-Atlantic Region

Levin, Larry L.
McNulty, Charles J.
Wierzba, Harry P.
Zakuto, Marc M.

Northeastern Region

Berardi, Janice A.
Din, Shahab Ud
Manning, James M.

40 YEARS

Headquarters

Larkin, Cheryl A.

Eastern Region

Sack, John J.

Northeastern Region

Baker, Robert L.
Soares, Richard M.
Sullivan, Lewis R.

Promotions

Headquarters

Fenn, Mark J.	13
Gentry, S. Scott	15
Grechanik, Karen N.	15
Juric, Ivan A.	14
Lagreca, Ana Maria	13
Provost, Jeffrey J.	13
Valenzuela, Ted A.	14

Field Detachment

Boynton, Shawn R.	14
Carmona, Jeffrey Alan	13
Cleary, Mary M.	11
Coyle, Shawn M.	13
Druar, Brian W.	09
Faanes, William K.	14
Garcia, Carlo D.	09
Kelly, John P.	11
McKenzie, Donald J.	15
Merritt, Cara L.	11
Roberts, Janeen A.	11
Sicker, Kenneth B.	14
Stephens, Jeremy J.	09
Sutter, Helen M.	14
Thompson, Tanya N.	09
Tynes, Heather M.	11
Vaccaro, Michelle L.	11
Valdez, Marisa P.	13
Vasilou, Agathie	09

Central Region

Chambless, Rani K.	11
Cole, Adam M.	11
Hearne, Marie	11
Jennings, Anita F.	09
Langton, Jennifer L.	09
Manning, Jerrie A.	13
Miller, Michael G.	12
Murphy, Matthew L.	09
Overman, Herbert L.	11
Parks, Kirk C.	12
Popelka, Rebe A.	12
Rhodes, Wanda J.	12
Richardson, Kendra J.	09
Waldera, Jennifer J.	12
Waybourn, Cherie H.	09
White, Barnard Brent	11

Eastern Region

Antoniw, Myron S.	13
Ashley, Anna Leigh	12
Bone, Jovan J.	09

Cable, Daphne J.	14
Crochet, Franklin D.	11
Dupree, Camara C.	09
Eubanks, Brandon K.	09
Foster, Ashley A.	09
Guest, Bonita S.	07
Hall, Deborah H.	13
Handy, Marshall A.	11
Harris, Erin Quinley	11
Hawkins, Jin N.	11
Hoke, Kristy N.	09
Hopkins, Lynn M.	11
Hughett, Debra S.	09
Johnson, Johniece B.	11
Lynam, Roxann Faye	11
Marn, Donald D.	13
Masters, Theresa M.	11
McCann, Dianne Sue	11
McCann, Kimberly A.	11
McKamey, Jan E.	09
Parks, Cynthia G.	12
Poling, Matthew E.	09
Schaefer, Michelle R.	09
Smith, Edward Curtis	11
Tatman, David P.	11
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Testifying at the ASBCA

Joseph H. Shattuck, CPA

Technical Specialist, Southern New Jersey Branch Office, Mid-Atlantic Region

How does an auditor prepare to face grueling sessions as a witness at the ASBCA?

This article approaches testifying from the viewpoint of Joseph Shattuck's real-life experience and his understanding of the legal process. He offers helpful tips to prepare you for the opposing counsels who put the *test* in testimony.

YOU HAVE JUST RECEIVED the proverbial tap on the shoulder from your supervisor:

"Remember that ...

- a) defective pricing
- b) cost impact
- c) Form 1
- d) claim
- e) termination
- f) CAS noncompliance

...that you did:

- a) 4 months ago?
- b) last year?
- c) 3 years ago?
- d) 5 years ago?
- e) 10 years ago?

Well, the contractor appealed it to the ASBCA and you have to testify. Here is the Government attorney's phone number. Please give him a call after you have reviewed your audit report and working papers." You feel as if somebody just punched you in the stomach, and you have to remind yourself to breathe.

According to numerous surveys, many Americans rank speaking in public higher than death on the list of their greatest fears. Now, not only do you have to speak in public, but you have to do it with an opposing lawyer asking artfully worded questions about events that happened months or even years ago. What have you gotten yourself into? After catching your breath, try to relax because help is available.

The good news is that there are tried and true rules of the road, the do's and don'ts of testifying in any court-

room-type situation. However, no one will ever suggest that this will be a walk in the park. It will be a very intense mental and psychological experience as well as physically challenging due to the high stress levels. You can not only survive this but actually excel, once you figure out your role in the proceedings and the expectations you must meet. Of course, your experience may differ. And it is the lawyers assigned to your case and in the Agency who will deal with the legal processes. Always look to them for direction on the legal aspects.

Background

The ASBCA (Armed Services Board of Contract Appeals) has been designated as the authorized representative of the Secretary of Defense for hearing, considering and determining appeals by contractors related to decisions of contracting officers or other authorities on disputed questions. Members of the Board are designated as Administrative Judges and are equivalent to those of the Federal District Court. All appeals (if any) of ASBCA decisions go directly to the United States Court of Appeals for the Federal Circuit. The Circuit Court in effect has the last word on the merits of the case because the Supreme Court rarely hears appeals on contract administration matters.

Every case has two major components: Entitlement and Quantum.

Entitlement is quite simply the Government liability (if any) because of Government action or inaction.

Quantum represents the damages (costs/profits) requested because of the related Entitlement issue(s). Obviously, as auditors we are normally in the Quantum game; however, we may be able to help the Government on Entitlement issues. Because of the nature of our job we have access to all of the contractor's documents, not just their accounting records: e.g., job diaries;

production schedules; certified payroll records; daily inspection reports; correspondence; subcontract and vendor files; and bills of lading. We have a fairly comprehensive knowledge of what actually happened. This unique specific knowledge may become important as the case develops.

Although every case has different facts, the witness format is always the same. The two types of witnesses of concern to us are **Expert Witnesses** and **Fact Witnesses**. As the auditor of record, you are considered to be a Fact Witness. If the Government attorney wants to designate you as an expert in the fields of accounting and auditing in addition to being the Fact Witness, you as Expert Witness will lose your attorney-client privilege. The loss of attorney-client privilege means that everything related to your workpapers—telephone conversations, e-mails, correspondence, and even draft copies—is now open to discovery by the other side. There are advantages to just being a Fact Witness. In most ASBCA cases, you will be the only Quantum witness for the Government. Your Quantum “opponent” could be the contractor’s controller, contracts manager, program manager, outside CPA firm, or outside consultants.

The next step is your actual testimony. Generally, there are six ways to elicit witness testimony:

- ◆ **Direct Examination**
- ◆ **Cross-Examination**
- ◆ **Redirect Examination**
- ◆ **Recross Examination**
- ◆ **Rebuttal Testimony**
- ◆ **Sur-Rebuttal (Rejoinder) Testimony**

Direct Examination is conducted by a friendly Government attorney to basically “tell your story.” The direct examination typically begins with identifying your name; address; current occupation; background, including education and professional certifications; and a line-by-line march through your audit report. If your workpapers are admitted as evidence, there will likely be another journey through them as well. Finally, you will give your overall conclusions about the Quantum issues. This examination should be planned and coordinated between you and the Government attorney to avoid any surprises. You should have plenty of time to practice.

Most Government lawyers will request your input as to which questions and answers should be included in

your direct examination. Government attorneys will try to avoid asking leading questions during direct because, all other things being equal, the judge will give greater weight to the witness who answers questions in his or her own words. A leading question embeds the answer into the question—for example, Isn’t it a fact that you performed a statistical sample using a confidence level of 95 percent and critical error rate of 2 percent during your audit of claimed direct labor?—rather than seeking the answer: How did you audit the claimed direct labor?

Cross-Examination is the examination by the contractor’s attorney. During this testimony, you won’t know the questions unless you developed a similar question during your preparation. Always remember that the primary objective of the contractor’s lawyer is to gain ground back from your direct testimony. To use a football analogy, you are in a “prevent defense” mode, meaning that you can afford to give up the short stuff but try to prevent the “Hail Mary” pass. The good news is, most cases are generally won on direct and not on the cross-examination.

Redirect Examination is conducted by the Government lawyer to “cure” any misstatements or forgotten facts during your cross and it can be used to “refresh” your delinquent memory. Think of this as a safety net for your cross-examination.

Recross Examination is yet another opportunity for the opposing attorney to question you. This is typically only on the issues that your Government attorney chooses to highlight during the redirect.

All over? Not quite yet. Now, the other side gets a chance to challenge all of your testimony with their witnesses.

Rebuttal Testimony: Fortunately, the funnel narrows significantly during rebuttal. The contractor’s witness can only address your specific testimony. They cannot introduce any new evidence, new documents, or new legal theories about their case. They can only rebut what you stated on the stand.

Sur-Rebuttal (Rejoinder) Testimony: You’re back on the stand! Again, the funnel narrows even more during your rejoinder testimony. You can only discuss the issues addressed during their rebuttal testimony.

And so on and so on. This rebuttal-rejoinder pattern can go on for two, three or even four rounds before ending. Now, you can sit and relax. It is all over!

Suggested DO's and DON'Ts of Testifying

DO dress for success. There is no business casual at the ASBCA. The judge will be wearing a full fraternal robe and witnesses should dress professionally. Men and women should be well groomed and wear a business suit with conservative accessories. Reasons for this dress code: ASBCA judges always demand, and consequently will always receive, respect in their courtroom. I have seen witnesses and observers get thrown out of courtrooms because of inappropriate dress. In the courtroom judges are the kings and queens of their universe.

DON'T be nervous (or try not to be). It is perfectly natural to be nervous. Outward signs of nervousness: Speaking more rapidly than normal; softer voice; slumping; and, inability to catch your breath. A suggested solution to combating nervousness:

DO fold your hands! What do your hands have to do with your mouth? Psychologists have long recognized the connection between the hands and speech. We all know people who seem to talk with their hands in perpetual motion. By folding your hands when talking, you naturally slow down speech patterns, producing a natural calming effect by allowing your breathing to get under control. Proof of this biological effect is on the Sunday morning talk shows: All of the good speakers sit there with hands folded and field all types of inflammatory questions. In 1993, Hillary Clinton testified in Congress about health care reform for 3 days without any counsel or even notes. She had her hands folded the entire time. Remember the Public Speaker's Little Secret: Fold Your Hands.

DON'T guess or conjecture. If you do not know the answer, it is perfectly acceptable to say "I don't know."

DO speak slowly, clearly and audibly; don't merely nod your head for a yes-or-no answer. The court reporters are trying to record every word of your testimony. It is not like TV with a court stenographer frantically typing your every syllable. It is just a recording system and then at night, the transcribers type out your testimony based on the tapes.

DON'T talk or even whisper during the proceedings when not on the stand. If you have to communicate with someone, just pass them a note.

DO answer every question honestly. Falsehoods will come out even on minor and irrelevant points. These "half-truths" will come back to haunt you and will destroy your credibility with the judge.

DON'T bring any personal notes or "cheat sheets" up to the stand with you. Anything that you take up to the stand becomes admissible to the record.

DO make sure that you understand the question. If you don't understand the question, ask the attorney what he or she means. There is no problem with asking the meaning of their questions.

DON'T try to be "helpful" by explaining yourself, especially during cross. It is human nature in attempting to get people to understand your point of view. A simple Yes or No can be an appropriate response. Answer only the question that is asked. Don't volunteer any additional information. Sometimes, they won't even ask a real question but instead will make a seemingly random comment and wait for you to fill the silence. Don't be afraid of silence. After all, silence cannot be recorded on the transcript.

DO pause a moment or two before answering cross-examination questions to give the Government attorney time to object. They may object just to send you an underlying message such as, "Tread very carefully with this question." In addition, pausing indicates that you are very thoughtful and serious about your answer.

DON'T ever argue with opposing counsel while on the stand! He or she may try to provoke you. Keep your temper in check. It is an argument that you will never win, and you could lose credibility with the judge.

DO try to express the facts in clear, straightforward terms. Make your workpapers come alive. For example, tell the court if you have specific firsthand details about what people knew and what they did with the information. Do not sugar coat any lack of cooperation or problems with access to records. Keep a list of documents requested but never furnished.

DON'T be influenced by the contractor's attorney's apparent friendliness, cooperativeness or courtesy. Again, he or she is not your friend. Do not be concerned about convincing them of the merit or creditability of your testimony. It is the judge that you need to convince.

DO beware of compound questions. If you are asked several questions rolled up into one, it will be impossible to answer them unless you break them down. You can say something like, “That question contains a few different aspects which I will try to answer one by one.”

DON'T be concerned as to whether their attorney understands or seems to understand what you are saying. As long as you are satisfied with the answer, just stop talking and keep quiet. However, if the Government attorney indicates some problem with your answer, rethink it and rephrase accordingly.

DO beware of leading questions by opposing counsel containing half-truths. Witnesses are frequently asked leading questions by opposing counsel suggesting information which is only half true and, therefore, half false. There is a temptation to answer them Yes or No just to get off of the stand. Don't allow them to put words into your mouth. It is your job to tell your “story” correctly—not the way that they want it presented or “spun” for the record.

DON'T be upset by their attorney's accusation that your testimony is inconsistent with some document, or with another person's testimony, or even with your own prior testimony. It is a common tactic used to rattle you. You may qualify your answers with acceptable phrases such as: To the best of my recollection, As far as I can recall, and I believe.

DO be careful of cross-questions which start “Isn't it a fact that...” These are leading questions designed for you to simply answer with Yes or No. Your professional skepticism antennae should be raised when hearing this type of question.

DON'T hesitate to say that you do not know. Acceptable answers include: Yes, No, I don't know, and I don't remember. Stay within your area of expertise. Stick with the facts that you know. Do not volunteer names of people who might know the answer to the question.

DO be aware that you may be interrupted by opposing counsel during your responses to their questions. Let them finish their interruption and then, bring everyone back to your previous unfinished answer by saying, “Before I answer that, I want to finish my answer to your last question.”

DON'T assume that everyone understands what DCAA's role is and isn't within the Department of Defense. For example, you do not work directly for the Army, Navy, Air Force, etc., but for a separate civilian agency within the DoD. You do not have any financial stake in the outcome of this case, and do not hesitate to say so.

DO pay very close attention to any question or comment that the judge directs towards you while on the stand. Listen very carefully because he or she obviously did not understand your answer or explanation. Consider rewording it, and try extra hard to be clear and concise. After all, they want you to help them understand the facts.

DON'T forget your fundamentals. Because you are a Government auditor, you had better be ready for cross-questions like “If you are a Government auditor, then can you name all of the Generally Accepted Government Auditing Standards? After all, you referenced them in the scope paragraph of your audit report!” or “If you are a CPA, then can you describe the revenue recognition methods for construction contracts?” Remember the Boy and Girl Scout motto: Be Prepared.

After all of the witnesses testify both sides will rest their cases. Then, the judge will establish a post-briefing schedule. Each side gets one last chance to summarize their case in writing to the judge. After reviewing the briefs, exhibits and transcripts, the judge will render the decision. This post-trial process leading up to the decision could take up to a year or more depending on the complexities of the case. It's not like TV at all.

Your post-trial responsibilities will be to review your testimony transcript and help with the post-brief. The reason for this review is twofold: First, to identify your key quotes about the facts and documents supporting the Government's case for the post-brief; and second, your own personal development. Look for the strengths and weaknesses of your testimony—what worked and what didn't work for you up on the stand. After all, you never know when that tap on the shoulder will come again!



CARNAC

And a Whole Lot More

By Jeffrey Cohen, CPA, Lockheed Martin Resident Office, Mid-Atlantic Region

Jeffrey Cohen shares the steps he and his team took to transform a conference from ordinary to invigorating—with a little help from a well-known, yet mysterious visitor from the East.

HAVE YOU EVER ATTENDED a staff conference where your attention level waned fairly quickly despite your best efforts (including lots of caffeine)?

It has probably happened to all of us. Wouldn't you rather attend an exciting staff conference with action videos, enthusiastic audit presentations, and even a mystical visitor from the East? Then an auditor-run staff conference is just the ticket for your office.



Cherry Hill team of the Lockheed Martin Mt. Laurel Resident Office was tasked, and we did accept the mission to prepare the staff conference, soup to nuts.

We held a PWT meeting to discuss topics, roles, and speakers. We recognized that there were some mandated topics that needed to be covered. However, we also wanted to have some input since this was **Our Staff Conference**. Therefore, we decided to postpone some of the non-time-sensitive mandated

After sitting through another routine staff conference with the requisite number of PowerPoint presentations for the umpteenth time, I decided to take some action. I spoke to our Resident Auditor about empowering our audit team to plan, run and present a future staff conference. Numerous studies have shown that when employees are empowered they take a greater interest in their work environment, and that is certainly what happened with our staff conference.

Our Resident Auditor asked the audit team if we wanted to accept this mission; then his e-mail message self-destructed. The

topics to a future date, in order to have more presentations related to what really interested the auditors. We brainstormed in order to collect ideas on various topics and then multi-voted to fit the number of topics into our time allotment. We came up with a wide range of topics, including audit-related, personnel, and self-development issues.

There was no shortage of volunteers to give the presentations. Other teams in the resident office were asked to participate by presenting short topics on audit-related issues their sub-offices had been working on. Our office party planner had

the responsibility for securing the room, organizing the agenda, contacting outside speakers, and making sure we had plenty of Philadelphia soft pretzels to eat on the day of the conference. The Master of Ceremonies accepted the responsibility of opening the conference, introducing the speakers, and making sure we had timely breaks on the big day.

The big day came quickly and we were prepared! The Master of Ceremonies got us off to a rousing start with a joke, displaying lots of energy. Our Resident Auditor encouraged us with his opening remarks and made us feel especially proud with our mostly “green” balanced scorecard. The first presenter had us put on our thinking caps with a presentation on Critical Thinking, using the six-hat approach. It was during this presentation that we came up with the idea of continuing to have auditor-run staff conferences, and our Resident Auditor embraced the idea.

Our outside speaker was a Human Resources Specialist who gave us an overview of Agency policy on merit promotions. A member of our team gave a presentation on leadership values. This presentation included an inspirational video, featuring Bonnie St. John, who spoke about overcoming

her disability to win three medals in the Paralympics and go on to work in the White House.

To provide us with a break in the action, we even had some comic relief from a mystical visitor from the East, who had not been seen for 15 years: Carnac the Magnificent. One of the auditors played the Ed McMahon role and another, as Carnac, provided the questions to answers about the history of DCAA. Carnac had the questions to such gems as the answer below.

Overall, it was a fun, interesting and informative day. Some of the written comments included:

- Excellent Presentations
- The staff seemed very much into the presentations—a lot of participation/interaction. Recommend more staff-led conferences.
- Thought overall the presentations were excellent, and the presenters were very prepared. Great conference!

We formed a PWT between the three suboffices after this staff conference to plan future auditor-led conferences. If this is not a practice at your office, I highly recommend trying auditor-led conferences.



Answer: A slide rule, a calculator, and a No. 2 pencil.

Question: Name two antiquated instruments we no longer use and one antiquated instrument we still use.

Support Your Local FLAs *(But What Do They Do?)*

By Suzanne Howe, FLA and Marc Parvin, Senior FLA

A COUPLE OF YEARS AGO over dinner Suzanne told some DCAA friends—two branch managers and a supervisor—that she had just accepted a Financial Liaison Advisor (FLA) position. Their response truly surprised her: “Congratulations! Maybe you can tell us what they do.” Although the FLA program has been in existence for almost 8 years, you may find it interesting to know that the results of the DCAA FY 2005 Morale/Communication Survey revealed that this knowledge gap is Agency-wide. The survey respondents rated the effectiveness of sources of information available to DCAA personnel, and the conclusion drawn was that overall, many auditors are unfamiliar with what FLAs do or how FLAs support the Field Audit Office (FAO) staff.

The Operations Directorate, through the Audit Liaison Division (OAL), provides 105 full-time GS-13 FLAs at major buying commands. These positions have gone through the process involving a command request for an FLA and a justification of its needs based on acquisition criteria. Final approval to place an FLA at a command lies with our Director. Each selected FLA is an experienced and highly qualified DCAA auditor serving in a liaison capacity.

One of the best resources for information on the roles and responsibilities of an FLA is CAM 15-300, which provides policies and procedures applicable to the performance of the FLA. Additional information may be found at the OAL link on DCAA’s intranet and Section I of the Directory of DCAA Offices (DCAAI 5505.2), accessible on DCAA’s public website. So you see, even the public community can become familiar with the everyday responsibilities of an FLA.

The program started as an outgrowth of the Procurement Liaison Position and now reflects the result of DCAA’s analysis of customer needs over time. The program’s success can be measured by customer satisfaction. The Agency has allocated a significant amount of resources to the program because we recognize the value of the program to DCAA and to our customer. By working together, the FAO and FLA help the customer effectively utilize DCAA services and contribute to the overall acquisition process.

Primarily, the FLA is a communicator between the buying command (our customer), the FAO, and DCAA Headquarters. We maintain good working relations by helping the command understand and make better use of our audit services and conversely by helping DCAA FAOs become familiar with and support the command’s needs. We are often involved in the acquisition process both prior to requests for DCAA services and subsequent to issuance of DCAA reports. To be successful at all of this, the FLA must be well-informed, persuasive, and reliable.

So what specifically do FLAs do to support our customers and our FAOs? The FLA's job, which is advisory in nature, includes, but is not limited to, the following activities:

Inform FAOs of large future procurements: One of the challenges FAOs continually face is balancing the large number of requests for audit services with available staffing. When FLAs learn of significant future buys early in the procurement process, we pass this information as well as the anticipated type of award, expected number of proposal submissions, and other available data to your FAO. This information provides management the opportunity to more efficiently program audit resources within the FAO in order to maintain operational effectiveness.

Obtain specific cost/price information when an audit is not necessary. In situations where the potential award is under the FAR/DFARS dollar threshold, the FLA may obtain existing data from your office, such as rate checks, labor rates, previous audit reports on an accounting system, an estimating system, or CAS. Using this information, the FLA can provide on-the-spot consultation and advice in connection with contractors' cost representations. By taking this approach, the FLA provides a valuable service to the customer with minimal FAO involvement, allowing auditors the time to focus on the high-risk, large-dollar procurements.

Provide real-time feedback on your audit services. Since FLAs are on site at the major commands, we are DCAA's primary point of contact to the acquisition community and have the opportunity to receive customer feedback firsthand. We in turn take the information and feedback received from procurement personnel as to the adequacy, responsiveness, and timeliness of your audit services and share it with your FAO. This information can be used by the auditors as we all strive for continual improvement.

Coordinate DCAA attendance at fact finding and/or negotiations. Based on the complexity of the audit findings, magnitude of dollar amounts questioned, and potential savings to the Government, the customer often asks the auditor to attend and provide support at contract negotiations. The FLA will assist the customer in coordinating attendance by FAO personnel. Since the FLA is on site, he or she may be a substitute for the auditor at negotiations, resulting in savings of valuable FAO audit resources and travel costs. With the auditor's help, the FLA becomes a strong member of the acquisition team that supports the contracting officer.

Recommend and coordinate command requests for DCAA services. I am sure that sometime during your career you received a request where the language appeared to have been copied from a prior request, possibly because the requestor wasn't sure what to ask for. Confusion still exists about DCAA services, with the word "audit" being the catch all for anything DCAA does. FLAs help alleviate this situation by (1) providing training to command personnel about the different services DCAA offers and; (2) performing real-time screening of individual price proposals upon customer request and providing advice on the appropriate DCAA service needed in the circumstances.

Explain and clarify DCAA policies, procedures, and actions. In the past, disagreements and misunderstandings between some commands and FAOs created impediments to the procurement process. Through our day-to-day contacts, FLAs are very attuned to the needs of our customers and which of the FAO's products can best assist them in meeting those needs and arriving at a successful solution. The FLA can provide an in-depth explanation of the services and capabilities available from the FAO; this helps the contracting officer and the FAO plan a mutually agreeable course of action. Our customers are more receptive because they better understand how their needs will be met and can rely on the FLA working with the FAO to help make that happen.

Interpret DCAA reports. Within DCAA we are familiar with audit report language and the related Generally Accepted Government Auditing Standards that are being considered. Outside of DCAA and the accounting profession, some of this reads like a different language. The FLA effectively communicates and interprets the audit report language and the complex audit findings so that the customer understands the area well enough to make informed decisions.

Participate on Source Selection Evaluation Boards (SSEBs). FLAs often participate as advisors on SSEB cost teams analyzing cost proposals. We must abide by the two overarching principals of providing advisory services: (1) do not perform management functions, and (2) do not make management decisions. For these reasons, FLAs are not allowed to be cost team leaders or the only member of the cost team. We can analyze proposals and provide the results of that analysis, but it is the cost team leader who has the responsibility to decide what to do with that information.

Assist in closeouts. Many commands are making a concerted effort to close contracts. We assist the closeout specialist/team in identifying and contacting the cognizant DCAA office for the status of the final incurred cost submission, final rate audit, final voucher status, or to obtain copies (or expected release dates) of reports the specialist may require. We also explain the 6-12-6 and 6-24-6 initiatives and Cumulative Allowable Cost Worksheets (as well as the detail involved in an incurred cost audit) so the specialist will better understand why it could take a year or more to receive the report.

To locate an FLA, go to the Financial Liaison Advisor Locator on the home page of the DCAA intranet. You can search by DoDAAC or buying command name to obtain all the contact information for the respective FLA. Feel free to contact an FLA anytime because we truly are here to help.

In addition, think about including the FLA experience as part of your career progression. As an FLA, you enhance your understanding of the acquisition process by working side by side with procurement and contract administration personnel. For those of you who aspire to reach the middle and senior ranks, FLA experience helps you to develop your existing skills and acquire additional special skills that will be valuable as you prepare for advancement.



OAL

Army Team 1

1 – Chang Ford
2 – Marc Parvin
3 – Keith Tack
4 – Doug Black
5 – Mike Greene
6 – Mike Palmisano
7 – John Chopyk
8 – Mike Philippe

9 – John Wessels
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11 – Mike Grenier
12 – Dan Popovic
13 – Suzanne Howe
14 – Debi Parrish
15 – Paula Lahti
16 – John Martineau





Front and back of the Operations Audit Liaison Division coin, awarded to DCAA auditors and customers for extraordinary procurement service.

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The DCAA Bulletin

Spring 2007

Vol. 42 No. 2

Ethics and DCAA Auditors

See the Director's Message



Director's Fellowship Program in Management

See Page 9

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- DCAA: The Next Generation
- Writing Audit Program Steps
- Ethics Rules for Outside Employment



"The Iraq Branch Office has been one of the most inspiring things that I've seen in my career with DCAA, in the way that our folks have stepped forward in this important activity."

William H. Reed



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EDITOR'S COMMENTS

All employees are encouraged to submit articles and other items of interest for publication. Due to space limitations, however, not all submitted articles can be published. The DCAA Bulletin staff reserves the right to edit articles. For detailed information regarding DCAA policy on this publication, consult DCAAR 5120.1, The DCAA Bulletin, dated March 10, 2000. You may send comments or suggestions to:

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The following symbol is used throughout this publication:

■ End of Article



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Ethics and DCAA Auditors

The Director discusses the importance of the Agency's commitment to ethics.



AS YOU ARE PROBABLY AWARE, there have been numerous recent procurement ethics scandals involving Federal Government employees. These scandals demonstrate the strikingly wide range of ill effects of even a single individual's unethical actions on Government, industry, and the public. Ethical practices by Government employees ensure impartiality and integrity within the Government decision making process and foster public confidence in the process. It is our duty as Government employees to promote an ethical culture that asks "Should I do it?" instead of "Can I do it?" and to raise the level of discourse about ethical practices within the Government.

As such, ethics is everyone's business, and it is my expectation that all DCAA employees conduct themselves with the utmost integrity. Our goal is to be THE audit organization with the foremost reputation for competence, customer satisfaction, and INTEGRITY. Our mission at DCAA is to perform all necessary contract audits for the Department of Defense (DoD) and to provide accounting and financial advisory services on contracts and subcontracts to all DoD components engaged in procurement and contract administration. The integrity of DCAA's work product is critical to our customers in their negotiation, administration, and settlement of contracts and subcontracts. It is also critical to the firms doing defense work and to the taxpaying public.

I am proud of the fact that DCAA and its employees have a well-known reputation for ethical behavior. There can be no integrity in our work absent professionalism and, more fundamentally, absent a total commitment to ethical standards. Since our commitment to high ethical standards cannot be compromised, it is important to periodically reinforce some key considerations for translating our commitment to ethics into action. Therefore, I would like to briefly discuss some of the rules of ethics and independence that DCAA auditors must follow.

As Federal employees of the Executive Branch, DCAA employees must follow the Joint Ethics Regulations (JER) of the Office of Government Ethics (OGE). In addition, as Government auditors, we are required to comply with the independence provisions of Generally Accepted Government Auditing Standards (GAGAS). The concept of accountability for public resources is important in both the ethics regulations and GAGAS independence rules. They provide a framework for ensuring that Government employees maintain integrity, objectivity, independence and impartiality in conducting their work. The rules cover similar topics, but are not identical. Therefore, when both the JER and GAGAS apply to your situation, you must comply with the more stringent of the two. Some specific areas that you may encounter as a DCAA employee and some highlights regarding the applicable ethics and GAGAS rules for each follow. These and other areas are covered in detail in the annual ethics training and annual independence training that all DCAA auditors are required to complete. In addition, I encourage you to read the article in this edition of the Bulletin on Rules Regarding Outside Employment While Working for the Government.

Financial conflicts of interest: Under both the ethics regulations and GAGAS, you are precluded from having a direct financial interest in a contractor that you audit (such as owning the contractor's stock). In addition, you must avoid any appearance of a conflict of interest or the appearance of the lack of independence. In other words,

you should avoid anything that would cause a reasonable third person with knowledge of the relevant facts to question your impartiality or independence in a matter. As agents of the Federal Government, it is incumbent upon us to be above reproach in our own personal actions. There must never be an occasion where a DCAA auditor is conflicted between his own personal financial assets or liabilities and his audit mission.

Seeking employment: Under both the ethics regulations and GAGAS you are not permitted to be involved in any audit of a company in which you are seeking employment, including any time you are involved in employment negotiations or communicate with a potential employer about the possibility of employment. At that time, you must notify your supervisor. Obviously, the simplest way to resolve a potential conflict of interest or impairment to independence would be to expressly decline any employment discussion.

Post-employment restrictions: GAGAS does not address post-employment issues. Under the ethics regulations, there are two main rules that you need to consider when you are preparing to leave your Federal Government position to work for a contractor: (1) If you conducted DCAA audits at a specific contractor, then you may not “switch sides” and work on those same audit issues as an employee for the contractor; (2) If you supervised someone who conducted DCAA audits at a specific contractor, then you may not communicate to the Government or appear on behalf of a contractor on those same audit issues for 2 years after leaving that supervisory position. The rationale here is that DCAA auditors may not represent the Government on an audit issue/matter and then immediately turn around and represent the contractor on the same issue/matter.

Gifts & gratuities: Under the ethics regulations, the general rule is that you may not accept anything of value, such as a gratuity, discount, favor, or entertainment from any Government contractor who does business with DCAA or who is audited by DCAA, regardless of whether or not your particular FAO audits that source. There are exceptions to the ethics rules, the most common of which allows you to accept unsolicited gifts within specific dollar thresholds. However, to avoid the appearance of an impairment to your independence under GAGAS, generally, you should not accept gifts of any value from a contractor that you audit.

Finally, I would like to emphasize the importance of the annual ethics and independence training to the integrity of our mission. This training keeps you up to date on the most current ethics and GAGAS rules and helps you to be vigilant regarding your ethical obligations and the need to remain independent and impartial in the performance of your duties. You will receive the annual independence training at a staff conference sometime before June 30th. The annual ethics training is available on the DCAA web site and must be taken by everyone no later than December 31st of each year. If you have any additional questions, there are a number of other valuable sources available to you. I encourage you to read through the General Counsel (DL) ethics web page on the DCAA intranet, which has links to both the Office of Government Ethics and the DoD Standards of Conduct Office. The rules, regulations, and statutes governing ethical behavior can be a legal minefield for employees to negotiate in order to reach the right ethical conclusion. Further, some of these rules carry criminal penalties. Hence, in the event you have any ethics questions, I encourage you to contact the Headquarters Office of General Counsel by using the DL mailbox at DCAA-DL@dcaa.mil or call 703-767-3219. The office of the DAEO is available to help answer any and all ethics questions and will coordinate with Policy and Plans on any questions that also involve potential GAGAS independence issues.

As stated in the Principles of Ethical Conduct, “Public service is a public trust, requiring employees to place loyalty to the Constitution, the laws, and ethical principles above private gain.” I am confident that each and every one of you will continue to conduct DCAA’s mission with the utmost integrity. As individuals, we must be mindful of DCAA’s obligation to protect the public purse and continue to earn the public trust. ■



DCAA: The Next Generation

How can we ensure that new auditors start out on the right foot? Central Region has developed an exciting program to guide their first steps.

By **Sherri Takahashi**, Branch Manager, Chicago Branch Office, Central Region
In collaboration with **Martha McKune**, Supervisory Auditor, Chicago Branch Office

HIRING is a continuous process experienced by each region. In the Central Region, we have developed a strategy to help retain our new hires by providing the tools necessary to allow the new employees to perform effective audits and have an impact from day one.

During the fourth quarter of fiscal year 2006, Central Region welcomed 71 trainees into the world of DCAA. Our management team's goal was to provide our trainees with meaningful audit work and the tools to perform that work as soon as possible. Our experience has shown that new employees want to start out on short-term assignments that provide them with a feeling of accomplishment early on in their careers. Examples of these types of assignments are non-major incurred cost audits; audits of specific accounts in major incurred cost proposals; small forward pricing proposals; accounting system surveys and Mandatory Annual Audit Requirements (MAARs) 6 and 13 audits. We found that this strategy builds trainees' self-confidence and makes them feel like a contributing part of the FAO.

In order to make these initial audits successful, we developed a 3-day quick-start orientation with training sessions for the new hires. These sessions focused on immediate needs and addressed Agency policy and guidance for the types of assignments identified above. It provided detailed examples of audit techniques and working papers, many of which came from audits performed throughout the Region. Further, the training gave the new hires a chance to interact with the Regional Director, a Regional Audit Manager, a Contract Audit Coordinator, and a Branch Manager. As evidenced by the positive feedback received from the trainees, the quick-start training sessions were a success. The new employees appreciated the opportu-

nity to meet and hear from the Regional Management team and found the introductory audit guidance useful when they returned to the field.

The management team developed and tested the orientation sessions with new auditors from selected FAOs. The intent of the sessions is to provide training and tools so that new auditors can undertake audits immediately and to complement and reinforce the Defense Contract Audit Institute training. The list of attendees at the first session included new auditors from the Boeing St. Louis Resident Office, Chicago Branch Office, St. Louis Suboffice, Kansas City Suboffice, Boeing World Headquarters Resident Office, and Denver Branch Office.

The decision to develop and provide the training raised questions. How would the training be developed and by whom? Who would provide the training? Which topics, not already covered by the Defense Contract Audit Institute, would the management team incorporate in the training? How would the training differ from on-the-job training and Technical Indoctrination course work? Finally, would the trainees leave the training feeling more knowledgeable and confident in their abilities?

Training Development Process

A Regional Audit Manager stepped in as the project leader; he immediately enlisted the aid of a Branch Manager and Supervisory Auditor to form the team that developed the training modules and coordinated with other Central Region Field Audit Offices. He asked for input from all levels of the Central Region management team, including the Regional Director, the Boeing Contract Audit Coordinator, Branch Managers, and Supervisory Auditors. Based on their input,

the Regional Audit Manager, Branch Manager, and Supervisor brainstormed to create a draft agenda. The team reviewed and revised the initial agenda several times over a 2-week period and incorporated input from all involved. The team did not want to duplicate the Defense Contract Audit Institute's training efforts; instead, it wanted to set a foundation and prepare the new hires for Technical Indoctrination. Therefore, the new hire training was specific to the Region's guidance on the covered topics; in many instances, it included results of President's Council on Integrity and Efficiency (PCIE) reviews and Regional Audit Man-

Our experience has shown that new employees want to start out on short-term assignments that provide them with a feeling of accomplishment early on in their careers.

ager and Branch Manager reviews of working papers. Ultimately, the agenda included topics covered in previous staff conferences; items of concern resulting from PCIE reviews; and other topics perceived as important by all levels of management.

The next step in the process involved determining who would provide the training. This task was easily accomplished. Interest in participating was high because of the excitement and anticipation generated during the planning of the prospective training sessions, and management team members

were eager to sign on as instructors for the sessions. The level of excitement and interest is evident from the list of presenters, which included Frank Summers, Regional Director; Ron Long, Special Assistant to the Regional Director; Tim Carr, Regional Audit Manager; Ron Labadie, Boeing Contract Audit Coordinator; Martha McKune, Supervisory Auditor; and me, as FAO Manager.

Once the presenters were in place, the team turned to preparing and presenting the topics. The focus was on providing critical basic knowledge and started with a presentation by the Regional Director. In his presenta-

tion, Mr. Summers provided the auditors with a brief history of the Agency, a synopsis of the strategic plan, and a discussion of the importance of audit effectiveness; and he reinforced the DCAA leadership values. Following Mr. Summers' discussions, the Regional Audit Manager (Mr. Tim Carr) discussed the Total Audit Concept, which included an introduction to contractor's internal control systems as well as discussion of the 10 systems reviewed by DCAA and how those systems work together. But there was much more to come.

Quick-Start Training Sessions

- *Understanding the Accounting System* introduced the concepts of an adequate accounting system, including elements of Generally Accepted Accounting Principles, direct costs, indirect costs, allocation bases, and the job cost ledger.
- *The Incurred Cost Submission & Determining Adequacy* included topics such as the elements of the contractor's incurred cost submission, due dates as prescribed by the Federal Acquisition Regulation (FAR), DCAA reminder letters, delinquent submissions, and adequacy reviews.
- *Mandatory Annual Audit Requirements (MAARs)* identified and defined the four classes of MAARs, introduced the basic requirements for major contractors, and provided sample audit working papers describing and demonstrating the performance of the MAARs.
- *Labor Floor Checks* defined and discussed the floor check audit, why it is necessary, and how often DCAA performs the audit; and highlighted steps to complete the audit successfully, including the impact of the results on other audits.
- *Contract Briefs* introduced current guidance for contractor-prepared contract briefs, including why they are necessary; what to look for, such as contract type, period of performance, and contract provisions affecting the allowability of costs (e.g., indirect rate ceilings, level of effort); and how the results may affect the audit scope and risk.
- *Coordination with the Customer* presented Agency guidance on coordination, including when to co-

ordinate, what to include (such as the assignment number, the audit scope, an invitation for the customer to contact the auditor if his needs change or he requires further clarification, the need for technical assistance, and the due date for our final report); and how to document the coordination.

- *Reliance on Computer-Generated Data* introduced the Generally Accepted Government Auditing Standards (GAGAS) and Contract Audit Manual guidance relating to the auditor's reliance on contractor data generated by computer systems.
- *Performing Desk Reviews* discussed the requirements for desk reviews of incurred cost submissions, including lessons learned from the Regional Audit Manager's evaluation of prior reviews, such as ensuring the appropriate management official signs the Certificate of Indirect Costs.
- *FAR Part 31 Cost Principles* introduced the new auditors to FAR Part 31 Cost Principles and procedures, including providing introductory cases that allowed the students to apply the cost principles in simulated audits of incurred cost submissions.
- *Participative Work Team (PWT) Training* introduced the concepts and expectations of PWTs and reinforced the concepts through experiential training.
- *Executive Compensation* reviewed Agency requirements and included areas of Regional and Headquarters emphasis on ensuring sufficient review of executive compensation for non-major incurred cost assignments, documenting the need to determine the reasonableness of the costs during the risk assessment, and emphasizing the availability of Mid-Atlantic Regional Compensation Team in providing assistance. We also discussed the required audit steps to ensure compliance with the Agency guidance and some common misconceptions such as using the FAR 31.205-6(p) senior executive allowability limitation as a measure of reasonableness for the executive compensation. Reasonableness is evaluated using the criteria in FAR 31.205-6(b).
- *GAGAS Independence Training* provided Headquarters training material on GAGAS.

Because this training process was new, the management team wanted to determine if the trainees felt they were more knowledgeable after completing their training and therefore had greater confidence in their abilities. We requested feedback from the participants, and the response was overwhelmingly favorable. Some of the comments received included:

The training was a great success, and I certainly enjoyed all the classes and meeting my peers. Of course, it was a pleasure to sit for a training that was actually instructed by our own supervisors, managers and directors. During some class sessions, I even sensed some friendly competitive synergy among the instructors, which made me feel proud to be part of DCAA Central Region.

I just want to let you know how much I (and I'm sure I speak for all others) appreciate this past week. I feel much more optimistic about actually performing an incurred cost audit.

The New Hire Training has put us at an advantage at TI [Technical Indoctrination]. It's only been 3 days of training so far, and I haven't taken the first test, but I don't feel completely lost. I think the New Hire Training was a really good program, and they should continue it in the future.

In conclusion, the Central Region New Hire Training was very successful. The topics covered during the training were pertinent to real-world auditing and offered a good foundation for Technical Indoctrination. Further, upon completion of the training the auditors were better prepared for both Technical Indoctrination and for working on their assigned audits. The future appears bright for our New Hire Training program, and the next generation of DCAA employees will be well prepared to become highly skilled and effective employees. ■

FYI

Advanced Degree Candidates

(Figures from 6-month period ending 3/31/07)

Civilian Academic Advanced Degrees	169
Individual Course	38
Director's Fellowship Program	<u>26</u>
Total Sponsored Candidates	233*

*Goal is 200 by 9/30/07.

Rules Regarding Outside Employment While Working for the Government

A discussion of ethics and GAGAS rules regarding employment outside the Government.

By **Shelley Turner**, Assistant General Counsel, Headquarters

DURING THE RECENTLY COMPLETED tax season, many DCAA auditors prepared the tax returns of others. Their involvement in this and other non-DCAA business enterprises raises ethics issues regarding outside employment while working for the Federal Government. This article will provide the relevant ethical and Generally Accepted Government Auditing Standards (GAGAS) rules regarding outside employment and limitations on what you can do as a Government employee who has an outside job. Also, if you are a DCAA employee considering a part-time job, this article will help you understand the ethics and GAGAS rules.

According to the GAGAS regarding independence, unless the firm for which you, a DCAA employee, work part-time has clients that include companies that are under the audit cognizance of DCAA, there is no impairment to independence. The GAGAS requires auditors to be independent in fact and appearance (GAGAS 3.03). An impairment to independence in fact will occur if, as a part-time employee of the firm, you perform accounting, tax, bookkeeping or auditing services for a company that you currently or subsequently may audit as a DCAA employee (GAGAS 3.07d). You will have an impairment to independence in appearance if contractors under the audit cognizance of DCAA are clients of the firm in which you work part-time. Independence in appearance is based on this question: Would a reasonable third party with knowledge of the relevant facts think that there is impairment in independence because of the relationship in question (GAGAS 3.04)?

The ethics rules address Conflicting Outside Employment at 5 C.F.R. 2635.802, and Prior Approval for Outside Employment at 5 C.F.R. 2635.803. The former states that an employee shall not engage in outside employment or any other outside activity that conflicts with his official duties. An activity conflicts with an employee's official duties if it would require the employee's disqualification from matters so central or critical to the performance of his official duties that the employee's ability to perform the duties of his position would be materially impaired. Hence, so long as the firm does not have clients audited by DCAA, there is no direct conflict with your official duties. However, pursuant to 5 C.F.R. 2635.803, you will need to obtain Agency approval before engaging in outside employment.

Furthermore, under the ethics rules, pursuant to 5 C.F.R. 2635.501, as a Government employee of the Executive Branch, you must avoid an appearance of loss of impartiality in the performance of your official duties. Impartiality comes into play when your official Government duties impact upon your own financial interests. You may not participate personally and substantially in a particular matter in which you have a financial interest. Because being employed by a specific firm creates a financial interest in that firm, you may not participate in any of that firm's work as a Government employee. So long as that firm does not handle any companies audited by DCAA, you will not have an impartiality problem.

Finally, 18 United States Code 205(a) does not allow Government employees to act as an agent for prosecuting a claim against the United States. Therefore, even if you do some work in your part-time job, for example a tax business, you may NOT represent your customer in an IRS hearing or in any matter against the Government.

In summary, before working outside your Government job, it is your duty to obtain approval from your supervisor to have outside employment. It is also your duty to be diligent in ensuring the firm you work for does not have or obtain clients that are audited by DCAA, and you may NOT represent any clients against the Government. If you have any further questions, contact the DCAA General Counsel's office at (703-767-3219). ■

Director's Fellowship Program In Management

For over 33 years the Director's Fellowship Program in Management has provided Agency auditors with an outstanding opportunity for post graduate education and career development.

By Joseph Burton, Ph.D., Education Specialist, Defense Contract Audit Institute

THE DIRECTOR'S Fellowship Program in Management (DFPM) began in 1974 as a management development program. At that time the opportunities for formal development programs were very limited for civilian employees in the Department of Defense. After an assessment of the possibilities for a formal management development program, Agency officials decided to pursue a specialized program provided by an accredited university that would expedite pursuit of a graduate degree. The overall educational approach and outcomes were deliberated, and a program of study offered by Central Michigan University (CMU) was selected. This new program was named the "Director's Fellowship Program in Management" to emphasize the special nature of the program—allowing a set group of DCAA employees to work together toward pursuit of a graduate degree. The method selected, often referred to as cohort training, was a relatively new concept when DCAA first began its involvement. This approach encourages networking and sharing of experiences among the participants while they earn credit towards a graduate degree.

DFPM participants attend a college course delivered in a 1-week session during duty hours rather than in the regular college format. The shortened time frame requires participants to dedicate significant off-duty time between classes in order to successfully pass the week-long courses. The DFPM focuses on providing knowledge and skills in supervision, management and administration. Until recently, regulations prohibited Government agencies from completely paying the costs of a master's degree program, but the DFPM always provided most of the formal course work required for a master's degree. The regulations have changed, and graduates of the DFPM are now awarded a Master's Degree from CMU.

Selection for the Program

Participants for the DFPM are nominated by their region, the Field Detachment, or Headquarters Principal Staff Element. Each of these Agency elements is assigned a maximum number of nominees for each cycle of the DFPM. Nominees who have demonstrated potential for performance at higher levels are usually at grade levels 13, 14 or 15. It is interesting to note that the vast majority of Agency executives are graduates of the DFPM. The nominees, with a short biographical sketch, are submitted to the Agency's Career Development Board (CDB). The CDB reviews nominations and recommends approximately 26 participants to the Director for approval. The "typical" nominee is a CPA, mobile, and has demonstrated a high level of performance on the job.

The Program

The program is usually kicked off by the Director with a dinner and welcoming speech for participants. The expectations and rigors of the program are explained. The current program (Cycle X) consists of 12 courses required for completion of the Master of Science in Administration degree by CMU, the current vendor for the DFPM.

Participants must apply for admission to the graduate school since selection to the DFPM does not automatically mean acceptance by CMU's graduate school. Participants must also meet prerequisites to administrative core courses, but this has not posed an obstacle for DCAA participants. To fulfill the requirements for the master's degree at CMU, participants must complete 15-21 semester hours of administrative core courses, 12-18 semester hours of elective or concentra-



Director's Fellowship Program in Management, Cycle 10, January 12, 2007: (From left, front row)

Row 1: J. Burton, W. French, C. Lathan, R. Labadie, S. Takahashi, J. Losh. **Row 2:** J. Parkes, D. Potts, T. Fletcher, J. Bowman, K. Chanay, D. Johnson, M. Cole. **Row 3:** E. Goure, C. Williams, K. Griffith, E. Wang, G. Stott. **Row 4:** K. Palermo, R. Landry, M. Ruffalo, E. Fischer, G. Spjut. **Row 5:** D. Claussen, M. Morgan, K. Lepiksaar, T. Valenzuela, J. Rivera-Guzman.

tion courses, and an integrating experience of 3 hours. Completion of the DFPM fulfills these requirements. Most of the courses are held in Memphis, Tennessee, at the Defense Contract Audit Institute, but usually two courses are conducted on the main campus of CMU in Mount Pleasant, Michigan. Most DFPM participants believe that holding some courses on campus is valuable because it completes the academic experience and conveys a sense of identity with an institution of higher learning.

Culminating Experience and Graduation

The DFPM requires completion of a mini-thesis as part of the last course or integrating experience in the program. This mini-thesis is considered the culmination of all the other courses in the program. The topics for the research paper must be approved by the Agency before approval by the CMU faculty advisor and the Institutional Review Board of CMU. Agency

approval is required to ensure that topics will provide benefit to the mission and strategic plan of the Agency and will also provide a challenging learning experience for the participants. Surveys are the most common approach to obtaining data for the research that provides the basis for analysis, conclusions, and recommendations on the topic selected for the mini-thesis. The final experience for participants is sharing the results of their research by presentation of their findings to the Executive Steering Committee (ESC).

The current DFPM participants will be graduating at the June ESC meeting in Atlanta, Georgia. The formal graduation ceremony is conducted by CMU with short speeches from Agency personnel and the Director as well as officials of CMU, who confer the master's degree. There is a procession, complete with caps and gowns, and formal presentation of the diploma. Participants who complete the DFPM, and therefore the Master of Science in Administration

degree program, are awarded eight points toward promotion and are eligible for a \$1,500 special award. Any Agency employee willing to earn a post graduate

degree is eligible to receive these incentives, as well as the deep sense of accomplishment that comes with the attainment of higher learning. ■

DCAA Senior Management-Level Graduates of the DFPM

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<u>Mgt Level</u>	<u>Number of Managers</u>	<u>Number of DFPM Grads</u>	<u>% DFPM Grads</u>
SES	16	8	50%
GS-15	<u>44</u>	<u>21</u>	<u>48%</u>
Total	60	29	48%

Annual EEO Conference Looks to the Future

By **Charles Upchurch**, EEO Officer, Central Region

THE AGENCY HELD ITS annual Equal Employment Opportunity (EEO) Conference in Philadelphia, November 28 to 30, 2006.

The conference provides a great opportunity for the Agency's EEO Officer and Regional EEO Officers to meet with the Deputy Director and Deputy Regional Directors to share not only best practices from each region, but also some of the lessons learned during the year. More importantly, the Conference provides an opportunity for the agency's EEO officers to meet with Senior Leadership and to continue working toward achieving a Model EEO Program.



From front left, Row 1: Dwan Buford, April Stephenson, Vicki O'Donnell (retired), Ron Meldonian. Row 2: Debbie Cruz, Rachel Taylor, David Eck, Tom Peters, Mary Delaney. Row 3: Josephine Flinn, Chris Carpenter, Steve Hernandez, Travis Elliot, Albert Ware, Charles Upchurch.

Throughout the conference, participants also receive insights from various presentations and discussions to stay abreast of the significant cases and recent policy guidance concerning discrimination and complaint processing.

This conference also provided an opportunity to say good-bye to the Agency's EEO Officer, Vicki O'Donnell, who retired in January 2007. Our new Agency EEO Officer is Christine Megee (not pictured). ■

The Lost Art of Writing Audit Program Steps

One of the Agency's most experienced auditors imparts her special brand of wisdom on audit programs.

By **Josephine Flinn**, Regional Special Programs Manager, Western Region



LET ME START by stating that I have worked for DCAA for over 37 years, almost as long as the Agency has been in existence. I have a long corporate memory. I remember when auditors prepared working papers using actual pieces of paper and pencils. I remember the first electronic calculator—it took up half my desk it was so big!! I remember when reports were prepared on typewriters with eight carbons. *And* I remember when there were very few or no “canned” (standard) audit programs.

In the early days of DCAA, we had a few simple audit programs, mostly for forward pricing proposals. To the extent there were any other standard audit programs; they were mostly shells with a few beginning and concluding steps. The detailed audit steps had to be written by the auditor. We did risk assessments even then. We considered the objective of the audit; looked in the permanent files (first implemented in 1970) to see if there was any information useful to our audit; reviewed the contractor's policies and procedures, if they had any, noting critical control points; read CAM for any guidance that might be available (sometimes there was only a paragraph or two); and then we wrote the audit program from scratch. We wrote down each detailed step we planned to perform. Once the audit program was written and approved by the supervisor, the auditor priced it out—i.e., determined how many hours they thought it would take based on the audit program steps, personal knowledge of their abilities, and knowledge of the contractor. Early Zero-Based Budgeting! I note that we were expected to complete the audits in the budgeted hours. Budget increases were only granted if we could demonstrate that we

needed to perform additional work not contemplated in the original scope of audit.

Today, of course, we still perform risk assessments. The Agency has spent significant effort providing training on how to perform effective risk assessments. Most of the risk assessments I see today are well performed. The risk assessments usually identify areas where the scope of the audit can be curtailed or where the audit needs to be expanded. The supervisor approves the risk assessment, the auditor pushes the APPS buttons, and, in most cases, out pops a standard audit program for the audit area to be examined. These standard programs represent a framework for the auditor to work with in preparing steps appropriate to the audit scope and risk. They are designed to assure that we consider significant audit steps that may be needed to assess the particular audit area being reviewed. Standard programs can be a tremendous time-saver for auditors because standard steps and techniques are provided.

You don't have to reinvent the wheel each time you do an audit. But they are not intended to be inflexible or cast in stone. Because they are designed to cover a wide range of audit steps associated with a given audit area, the standard programs frequently include steps that are not relevant to a particular audit. Likewise, they may not include all the steps that should be performed based on the risk assessment. Prior to performing the audit, the auditor must critically assess the standard audit program to determine which steps need to be performed, which steps need to be modified, and which steps need to be added. The steps must be tailored to appropriately address the specific facts and circumstances of your audit.

During my reviews of audit assignments, I find very few cases in which the auditor actually adjusts the standard audit program to reflect the results of the risk assessment. What I usually see are steps that have been eliminated because they do not pertain to that particular audit. Only rarely do I see assignments where the auditor has added steps, and, unfortunately, even in those cases the audit steps are very general. The audit program should be tailored to address the specific element being examined, and the objective of the examination.

Well-prepared audit program steps are the auditor's vehicle to a reasonable budget and an effective audit.

Prior to performing the audit, the auditor must critically assess the standard audit program to determine which steps need to be performed, which steps need to be modified, and which steps need to be added.

with a better, or at least different, idea, consider it the next time you do the audit.

If it's because we have forgotten, or don't know, how to tailor an audit program, consider the following. A good audit program requires that you have a good understanding of the audit objectives and knowledge of the system or cost elements being examined. The audit program should be viewed as the road map for performing the audit. If you were planning a trip across

country and you had limited time to get there, you would want to have a detailed map showing the most direct route. You wouldn't want a map that showed your starting point and your destination with only major cities (no roads) in between. Likewise, if an auditor doesn't know what steps are needed, how can they possibly perform an effective audit? If you have trouble determining the steps you need to perform, there is a great deal of help available to you.

The Defense Contract Audit Manual (CAM) and Agency guidance memorandums are essential tools to preparing a good audit program. They can provide you with guidance on which elements (internal controls, costs, etc.) should be reviewed and how to review them (detail steps). But it is very important to carefully read the relevant sections, and you also need to apply critical thinking skills in deciding which steps are applicable to your specific audit.

To prepare an effective audit program, you need to ask yourself these questions:

Based on your assessment of risk, what are your objectives in examining a particular policy, procedure or cost, and what is the result you want to achieve?

Answer: Your risk assessment is the first step in preparing a good audit program. It should tell you what you need to do to determine your objectives and the desired result.

To achieve the objective, what information do you need and what criteria are you going to use?

Answer: The CAM; audit policy and guidance memorandums; and your personal knowledge are the resources that should provide the information and criteria you will use.

To which data will you apply the criteria, and how will you apply it?

Answer: Your risk assessment should also provide the answers to identifying data and applying the criteria.

Bottom Line: The standard audit programs are a great help, but don't hesitate to tailor them. Remember, they only provide a framework to get you started. To complete the job, you need to exercise sound auditor judgment. ■

Getting to Know You

Human Resources Office Eastern Region

The Eastern Region HRO is located in Smyrna, Georgia, and functions as a seven-member team committed to providing the best possible HR service to its clients.



Top, left to right: Cindy Tisdale, Gail Wall, Jana Kelly, Melody Adams
Bottom, left to right: Sol Putzel, Debbie Humphreys, Susan Wall

THE PRIMARY RESPONSIBILITIES of the Human Resources Office (HRO) are to plan, develop, and conduct a comprehensive human resources program designed to meet Agency program objectives and management goals. The HRO provides operational and advisory personnel services to employees, supervisors, and managers situated in the Southeast, Indiana, and Ohio. These services include, but are not limited to, recruitment, staffing, and placement (auditor and administrative); Reduction-in-Force (RIF); merit promotion; auditor rotation; position management and classification; performance management/appraisal; employee recognition; employee training, development and education; employee relations; labor relations; general employee benefits and services; leave; hours of duty and alternate work schedules (Maxiflex); personnel records; initiation of personnel actions; payroll

liaison support, including time and attendance; and human resource accountability to outside entities (e.g., Office of Personnel Management and Office of the Secretary of Defense). The Eastern Region HRO is located in Smyrna, Georgia, and functions as a seven-member team committed to providing the best possible HR service to its clients.

Debbie Humphreys serves as the Chief of the Human Resources Office and has held this position since October 1995. Debbie has been with DCAA since June 1975, and prior to that time she worked for the U.S. Department of Labor. Before coming to work for the Federal Government, she worked in private industry. Earlier in her DCAA career she was also the owner of a video store and an antique shop which she occasionally worked in part-time. Debbie oversees the HR

operation, which is comprised of two Personnel and Payroll Assistants and four Human Resources Specialists.

Melody Adams serves as one of the two Personnel and Payroll Assistants. She entered into her current position in November 1991. She has held various other Human Resources positions with DCAA since July 1986. Melody also worked in private industry. Currently, Melody provides customer support services on payroll matters; acts as an intermediary with DFAS Pensacola and Indianapolis on payroll and personnel issues; advises clients on leave administration, including time and attendance; and manages the administrative details associated with performance management, personnel actions, and personnel records to an assigned group of FAOs.

Cindy Tisdale serves as one of the two Personnel and Payroll Assistants. She is the newest addition to the Human Resources team and arrived in December 2005. Prior to that, Cindy served as a secretary to the Regional Special Programs Manager and the Regional Resources Manager in the Eastern Regional Office. Cindy began her career with DCAA in March 1989. Cindy performs essentially the same functions as Melody, but to a different group of FAOs.

Jana Kelly serves as a Human Resources Specialist and has been in her most recent position since October 2004. She came from private industry to begin her career with DCAA in January 1989. She has held various personnel positions with Human Resources. Currently, Jana provides program oversight and advisory services in areas such as recruitment, staffing, and placement of administrative personnel and auditors in GS-11 and GS-12 positions; operation of various other specialized placement programs, such as the Priority Placement Program; auditor rotation and reassignment; merit promotion including HAPS, the Supervisory Development Program, and performance management.

Sol Putzel serves as a Human Resources Specialist. He came to DCAA in June 1996 from DCMA, where he worked for 28 years (24 of which were in Human Resources), and has served for more than 4 years as the Chief of Employee and Labor Relations Division. Today, Sol provides program oversight in the areas of employee relations; leave; hours of duty and alternate work schedules; DAWIA; and general employee

benefits and services. He also provides general advisory services in all Human Resources areas to an assigned group of FAOs.

Gail Wall serves as a Human Resources Specialist and has been in her current position since October 2005. She has held various other Human Resources positions with DCAA since she came to work in 1984. She was formerly with the U.S. Fish and Wildlife Service. Gail provides program oversight and advisory services in the areas of employee recognition and honorary awards; training and development; and professional development. Gail serves as the Regional Training Coordinator and acts as an intermediary among DCAI, students, supervisors, and local training coordinators. She also tracks the Region's Professional Development statistics and handles all submissions to the DCAA Bulletin.

Susan Wall serves as a Human Resources Specialist and has been in her current position since August 1999. Prior to DCAA, she worked for the Department of Army for 24 years (20 of which were in Human Resources). For 13 years, Susan's primary duties included staffing, recruitment, placement, and RIF. Later, she became a generalist because of DoD consolidations. Today, Susan provides program oversight in the areas of entry-level auditor hiring, including college-relations activities and interface with OPM; special-emphasis hiring; position management and classification; RIF; and new-hire probationary/trial periods and assimilation. She also provides general advisory services in all Human Resources areas to an assigned group of FAOs. ■

FYI

Telework Update

The number of employees teleworking increased by over 50 percent from FY 2002 to CY 2006.

	<u>FY 2002</u>	<u>CY 2006</u>
Ad Hoc	721	1,178
Regular & Recurring	672	912
Total	1,393	2,101

Getting to Know You

Defense Contract Audit Institute Training Branch

Meet the busy instructors who deliver training courses to auditors throughout the Agency.

DEENSE Contract Audit Institute (DCAI), located in Memphis, Tennessee, is the training facility for the Defense Contract Audit Agency. DCAI is charged with training the Agency's contract audit staff, offering a full range of audit-related courses at the Memphis campus, on-site roadshows and seminars, and self-study. All DCAI courses are NASBA-accredited.

The DCAI Training Branch (OAIT) delivers DCAI classroom courses, road shows, and seminars; self-study courses are delivered by the Course Development Branch (OAID). The OAIT Branch Chief assures the programs of instruction, course outlines, and training materials are appropriate. The Branch maintains established courses; supports the development of new classroom courses and seminars; and assures that appropriate technical content of courses and instructional methods and techniques are used. OAIT also performs cost-effectiveness analysis for new or existing training and identifies the selection of appropriate training delivery systems. The branch maintains a program for the selection and scheduling of guest instructors at DCAI and conducts instructor training workshops. Each year we conduct an Agency-wide survey of organizational training requirements; analyze survey results; coordinate budget requirements; and develop the Agency's Annual Training Plan. The Branch also supports strategic plan objectives that directly impact its mission and function.

Mike Sullivan has over 31 years service as a Federal employee. He began his career with DCAA in 1981 as an auditor at the Eastern Region's Jackson, Mississippi,

Suboffice of the New Orleans Branch Office. He has also worked in a variety of other positions for DCAA. In 1989, Mike was promoted to Supervisory Auditor at the New Orleans Branch Office. In 1995 he transferred to DCAI, where he gained experience as an instructor and course developer. Mike followed his DCAI experience with an assignment to OTST in Memphis, Tennessee, as a CAATs Technical Specialist. He was promoted to his current position, DCAI's Training Branch Chief, in December 2004. Mike is a licensed CPA in Louisiana.

Keith Carpenter has worked for the Federal Government since May 1986, and made his start with DCAA in January 2005 as an instructor at DCAI. Keith came to DCAI after serving as a bank examiner for 12 years and an employee development specialist for 8 years with the Federal Deposit Insurance Corporation. Among the courses Keith teaches are DDI Leadership and DCAA Personnel Management Policy.

Prior to joining DCAA, **LaTrenda Garner** worked as a staff accountant in Washington, D.C. She started her DCAA career in January of 2000. LaTrenda served as a senior auditor at the Lockheed Martin Aeronautics-Fort Worth Resident Office in Fort Worth, Texas, where she performed a variety of assignments. She became an instructor at DCAI in June of 2005. LaTrenda teaches several courses, including Effective Report Writing, and Intermediate Contract Auditing.

Bruce Bayless came to DCAI after 20 years of experience in the field. He started his DCAA career in August 1986 at the Texas Instruments Resident Office



From left, front row: Mike Sullivan, Bruce Bayless, Gene Bocian, Leanne McFarland. Row 2: Bruce Holbrook, Alan Burningham, LaTrenda Garner, Keith Carpenter. Row 3: Harold Jackson, John Gemma, Joyce Kokoska.

in the Central Region. After moving to the Richardson Branch in the Central Region in 1993, Bruce worked at the Rockwell Suboffice and on the mobile team; he also taught American history at night for 6 years at Richland College in Dallas, Texas. In January 2005 Bruce won the Richland College Innovation of the Year Award for having an article he wrote published in the history textbook. Bruce is a CPA licensed in Texas and holds a master's degree. Bruce is currently instructing Technical Indoctrination and Forward Pricing Rates.

John Gemma embarked on his career with DCAA in June 1976 at the Lockheed Missile and Space Resident Office in Sunnyvale, California. John became a Certified Information Systems Auditor in 1986 and was an EDP audit guest course instructor for DCAI during

the early 1980s. Throughout his career, he worked as a QM/EDP Specialist for the Western and Central Regions. John supervised audit teams at the FMC Resident Office in San Jose, California, and in Arizona at the McDonnell Douglas Helicopter Resident Office in Mesa; the Motorola Resident Office in Scottsdale; and the Arizona Branch Office in Tempe. John joined DCAI as a non-resident instructor in March 2003. He currently teaches several courses, including Accounting & Auditing Update and Administration and Management of Audits.

Bruce Holbrook began his career with DCAA in 1984 after 10 years of experience with public accounting firms and private industry. Bruce launched his DCAA career at the Pratt & Whitney Resident Office in West Palm Beach, Florida. He transferred to the

Palm Beach Suboffice of the Tampa Bay Branch in order to obtain experience in the mobile audit environment. He then transferred to Orlando, Florida, where he worked at the Lockheed Martin Missiles and Fire Control Suboffice and the Lockheed Martin Service Center Suboffice in Lakeland, Florida. Bruce is a Certified Public Accountant in the state of Florida and belongs to the American Institute of Certified Public Accountants. He joined the staff at DCAI in June 2004. He currently teaches Financial Capability and Cost Impact Proposals.

Harold Jackson began his career with DCAA in April 1988 at the TRW Resident Office in the Southwestern Region, which is now the Northrop Grumman Space Technology Suboffice, in the Western Region. Harold transferred to the Oklahoma City Suboffice under the Richardson Branch Office in 1991. While in Oklahoma City, he worked on the mobile team, which had coverage of the entire state of Oklahoma, Arkansas, and northern Louisiana. Harold came to DCAI in 2004 after 16 years in the field. Harold is a CPA licensed in Oklahoma. Among the courses he teaches are Intermediate Contract Auditing and Computer Assisted Audit Techniques.

After working for the Veterans Administration Office of Inspector General, **Gene Bocian** began his career with DCAA in July 1985 at the Pratt & Whitney Resident Office in East Hartford, Connecticut. He transferred to the Pennsylvania Branch Office in September 1987. He served as the Corporate Home Office Auditor at Unisys Corporation, performing the various audits associated with the merger of the companies which formed Unisys. He also transitioned a non-major contractor to major status, worked on an award-winning incurred-cost functional team, and performed various audits at numerous mobile contractor locations. Gene served on the Mid-Atlantic Regional Operations Team from Nov. 2000 through August 2005, when he joined DCAI as a resident instructor. Gene earned his CPA license in 1990. Gene really enjoys instructing and meeting all the people who attend his classes, which include Internal Control Assessment and Statistical Sampling.

Alan Burningham received his Bachelor of Science Degree in Accounting from the University of Utah in 1981. His experience with private industry spans retail marketing and stocks-and-bonds trading as an

account executive for a major brokerage firm, corporate mergers and acquisitions, initial public offerings, and contract negotiations. He joined DCAA in 1989 where he was assigned to the DCAA Hercules/Alliant Techsystems Aerospace Suboffice. He has participated in several successful Integrated Product Teams involving contractor and Government personnel. In October of 2002 he was assigned to Central Region's Technical and Special Programs Division. Working out of the Salt Lake Valley Branch Office he traveled to major contractors to perform CAS 412, CAS 413, and CAS 416 audit evaluations. In 2005 Mr. Burningham was assigned to DCAI as an instructor. He and his wife Diane together have nine adult children who are currently seeking their bachelor's or master's degrees or who are recent graduates pursuing their careers. Mr. Burningham is an avid skier, golfer, hunter, fisherman, motorcycle enthusiast, and marksman. His instructing responsibilities currently include Financial Capability and COGNOS Impromptu.

Joyce Kokoska joined DCAA in June 1971. During her career she has worked in resident offices, the mobile branch environment, the Northeastern Regional Office and DCAI. Joyce collectively spent 11 years overseas in the former Israel Branch Office and the European Branch Office, which afforded her the opportunity to visit both Western and Eastern Europe and several countries in the Middle East. Joyce is both an MBA and a CPA. She enjoys teaching at DCAI and instructs both resident CAS and CAATs classes and seminars such as Regression Analysis, Improvement Curves and CAS Cost Impacts.

Leanne McFarland began her federal career as a Ward Clerk with the Department of Veteran's Affairs in 1990, where she advanced to a Staff Accountant during her 10 years of service. In 2000, she joined DCAA as an auditor at the Central Region's Lockheed Martin Aeronautics-Fort Worth Resident Office in Fort Worth, Texas. Leanne was promoted to her current position as a DCAI instructor in October 2005. Leanne is a licensed CPA in Texas. She currently teaches GAGAS/FAR Part 31 and MAARs, among others. ■



Stitch by Stitch

By **Marietta Johnson**, Senior Auditor, Gulf Coast Branch Office, Eastern Region

Attention to detail. Discipline in finishing long, complex projects. Understanding how small pieces fit into larger patterns. These are qualities that quilters and auditors have in common. And, along with creative talent and a generous spirit, they add up to an uncommon volunteer.

MY LOVE OF SEWING began at the age of 7, when my sister taught me how to make doll clothes. I began my DCAA career in 2001, and just as I use my auditor skills to serve the Federal Government, I use the sewing skills I acquired as a child to serve the Mississippi Gulf Coast community.

After moving to the Mississippi Gulf Coast from New Orleans, Louisiana, I started a class in sewing and quilting for children and adults at the Ina Thompson Library in Moss Point, Mississippi. I thoroughly enjoy seeing the students' faces when they complete a quilt or finish a garment. The Jackson-George Regional Library System selected me as the Flora S. Scholtes Volunteer of the Year for 2005-2006. During this period I volunteered over 200 hours at the library.

I am also the Project Linus chapter coordinator for Pascagoula/Jackson County, Mississippi. Project Linus is a volunteer organization headquartered in Bloomington, Illinois, that donates blankets to ailing or traumatized children. To date, with the help of a group

of sewers called Blanketeers, the Pascagoula/Jackson County chapter has provided over 230 blankets to children in Jackson County. Each blanket I make takes 8 to 10 hours to complete.

In addition to sewing classes and Project Linus, I'm also involved with three quilting guilds in Jackson County, Mississippi, and one quilting guild in New Orleans, Louisiana. In 2006, I entered five quilts in the annual Jackson County Fair and won four first-place ribbons and one second-place ribbon.

In the aftermath of Hurricane Katrina, I donated my quilts to the community.

My co-workers enjoy seeing my workmanship, and I often bring new designs into the office to share with my co-workers. ■

Ed. Note: See back cover for photos of Ms. Johnson's work.



Retirements

<i>Region</i>	<i>Name</i>	<i>Years of Service</i>
<i>HEADQUARTERS</i>	Deane, Nancy	37
	Galiatsos, John	34
	Hines, Celesta	25
	O'Donnell, Vicki	36
	Soto, Jess Jr.	33
<i>FIELD DETACHMENT</i>	Neely, David	37
<i>CENTRAL</i>	Jenkins, Linda	13
	Keller, Jerry	30
	Sawyers, Haskell	16
<i>EASTERN</i>	Klein, Carolyn	32
	Netherton, Lana	22
	Smyth, Wanda	25
	Stephens, Frances	13
<i>MID-ATLANTIC</i>	Freidhoff, Robert	36
	Jubb, Gerald Jr.	10
	O'Donnell, Thomas	39
<i>NORTHEASTERN</i>	Moursi, Anwar	28
<i>WESTERN</i>	Arnold, Kathleen	21
	Gruner, Dieter	31
	Mitchel, Mark	35
	Taylor, Karen	29

Professional Activities

HEADQUARTERS

Gentry, Scott

Taught *Contract Auditing* for the USDA Graduate School, Government Audit Training Institute, October 16-20, 2006, Columbia, Maryland

Reed, William

Presented *Defense Contract Auditing* to the DoDIG Association of Defense Auditors Conference, August 22, 2006, Arlington, Virginia

MID-ATLANTIC

Wasser, Mark &
Wiles, Julie

Presented *Preparing for Your First DCAA Audit* at the National Center for Defense Robotic Federal Government Contracting Seminar, November 9, 2006, Pittsburgh, Pennsylvania

NORTHEASTERN

Fletcher, Cathy

Presented *Recruiting Minorities and Women in the Federal Workforce*, to the U.S. Department of Agriculture Government Agencies and Civil Rights Committee, November 21, 2006, Lincoln, Nebraska

WESTERN

Andrean, Yong-Hee

Presented *Inside Look at Defense Contracting and Defense Contract Audit Agency* to Military Officers Association of America, Orange County Chapter, January 18, 2007, Santa Ana, California

Smith, Curtis

Tips for Constructing a Data Warehouse was published in SanDS, San Diego SAS ® Users' Group newsletter, Vol. 10.3, August 2006 and Vol. 10.4, November 2006

*If you would thoroughly know
something, teach it to others.*

—Edwards (1809-1894)

FIELD DETACHMENT

Campbell, Tina

Ferrante, Rachel
Peters, Thomas
Tam, Yancy

MS, Accounting and Information Management,
University of Texas at Dallas, December 9, 2006
Passed CPA Exam, November 28, 2006
Passed CPA Exam, November 28, 2006
Certified Public Accountant, October 30, 2006

EASTERN

Benson, Charles
Hinds, Alexa
Joseph, Michael
Kimball, Valerie

Rivera, Juan

Certified Public Accountant, November 27, 2006
MBA, University of Phoenix, October 3, 2006
Passed CPA Exam, October 13, 2006
MBA, University of South Florida,
December 17, 2006
Certified Fraud Examiner, December 8, 2006

*An education isn't how
much you have committed to memory,
or even how much you know. It's being able
to differentiate between what you do know and
what you don't.*

—Anatole France (1844-1924)

MID-ATLANTIC

Collins, Junli
Popek, John
Reilly, Christopher
Smith, Judice

Certified Public Accountant, September 28, 2006
Certified Public Accountant, July 31, 2006
Certified Public Accountant, September 28, 2006
MBA, University of Phoenix, September 11, 2006

WESTERN

Andrean, Yong-Hee
Dioso, Jericho
Mayers, Bernadette
Papini, Giancarlo
Staudinger, Aimee
Upshaw, Tonya

Certified Public Accountant, September 29, 2006
Passed CPA Exam, August 14, 2006
MBA, University of Phoenix, September 21, 2006
Certified Public Accountant, August 16, 2006
Passed CPA Exam, November 13, 2006
Certified Public Accountant, October 4, 2006

Name	From	To
Konzman, Sherry	Mid-Atlantic Region	Headquarters
Kujawski, Joseph	Western Region	Headquarters
Pitzner, Mary	Northeastern Region	Headquarters
Schaefer, William	Eastern Region	Headquarters
Trejo, Richard	Eastern Region	Headquarters
Diefenbach, Ernst, III	Central Region	Field Detachment
Gray, Jerry	Central Region	Field Detachment
Wendell, David	Mid-Atlantic Region	Field Detachment
Cullum, Keith	Northeastern Region	Central Region
Jones, Eric	Western Region	Central Region
Kao, Yanwen	Northeastern Region	Central Region
Rondeno, Keisha	Eastern Region	Central Region
Allsopp, William	Central Region	DCAI
Vincent, Patrick	Western Region	DCAI
Guimond, Thomas	Field Detachment	Eastern Region
Lamontagne, Donald	Northeastern Region	Eastern Region
McCord, Lynda	Headquarters	Eastern Region
Schmidt, Larry	Headquarters	Eastern Region
Turner, Michele	Mid-Atlantic Region	Eastern Region
Ford-Moss, Tanya	Field Detachment	Mid-Atlantic Region
Taylor, Minnie	Headquarters	Mid-Atlantic Region
Vaccaro, Michelle	Field Detachment	Mid-Atlantic Region
Bellocchio-Jugo, Caroline	Mid-Atlantic Region	Northeastern Region
Juliano, Mark	Western Region	Northeastern Region
Kimbrow, Linda	DCAI	Northeastern Region
Kennedy, Alice	Northeastern Region	Western Region
Yap Diangco, Emelina	Field Detachment	Western Region

Years of Service

20 Years

Headquarters

Blevins, Richard
Corey, Sandra
Grosso, Jerry
Juric, Ivan
Pitzner, Mary
Simon, Mark

Field Detachment

Boynton, Shawn
Bumpass, Mary
Cox, LaWanda
Pugsley, Rebecca
Sawyer, Sandra

Central

Chanay, Kelly
Flyge, Sharon
Hoff, Lynnette
Hurley, Eloise
Lucht, Roger
Mrdjenovic, Sui-Chan
Norman, Dennis
O'Neill, Terence
Richardson, Michael
Sampson, Ronald
Skaggs, Mary
Smith, Anne

Eastern

Compton, Scott
McIntyre, Martha
Prichard, Peter
Vaughn, Demetta

Mid-Atlantic

Abruzzi, MaryAnn
Hallowell, Bernadette
Inthasoroth, Kal
Johnson-Lanham, Pamela
Marinacci, Christine
Matoska, Joyce
Olin, Ann
Parkes, Jordan

Northeastern

Branstetter, Larry
Bussiere, Donna
Callerame, Alfred
Clark, Timothy
Doyon, David
Epstein, Doris
Grudzinskas, Robert
LaPan, Terri
Lemon, Robert
Levesque, Janet

Western

Berger, Clarissa
Carpenter, Debra
Galinis, Karen
Gandhi, Kiran
Hansen, Jens
Hines, John
Jocson, Angelina
Lew, Gilbert
Pedersen, Todd
Pena, Anna

30 Years

Headquarters

Harrison, Robert
Sanborn, Claudia
Teer, Deborah

Field Detachment

Gatlin, Patricia

Central

Wilson, Mike

Eastern

Dery, John
Guest, Bonita
Metheny, Allison
Morse, Steven

Mid-Atlantic

Ballmann, Dieter
Bedros, George

Northeastern

Pasquale, Jeannette
Patullo, Anthony
Smith, Kenneth

Western

Akers, Russell
Famiglietti, Joanna
Witt, Glenda

Promotions

Headquarters

Buford, Dwan	11
Bush, Theresa	13
Fritzsche, Thomas	13
Pitzner, Mary	13
Reichel, Gerry	15
Ryan, Karen	14
Schaefer, William	14
Veldhuis, Nancy	14
Wolstenholme, Paul	14

Field Detachment

Aguila, Peter	07
Barnes, Liberty	11
Bartz, Bobbie	12
Bruce, John	11
Chung, Ivy	09
Fish, Julia	09
Grant, Michelle	11
Gray, Jerry	15
Lathrop, Alan	13
Lewis, Shawn	09
Magruder, Jennifer	09
Midson, Stacey	06
Porter, Naquishba	11
Romero, Carmen	11
Shinsato, Wendee	09
Shirey, Sharon	12
Tam, Yancy	11
Wanis, Mary	07
Wendell, David	13
Yee, Cheryl	11

Central

Chambers-Collins, Ruby	13
Howcroft, Bret	11
Hansen, Kaleb	11
Harris, Kevin	06
Hemanes, Derek	11
Stennis, Chalea	11
Hust, Jered	09
Richardson, Brenda	11
Trevino, Shannon	11
Welschmeyer, Diane	08
Sellers, Daniel	13
Webb, Jason	11

Eastern

Adamski, Klemence Jr.	14
Alejandro, Amanda	12
Baker, Beverly	12
Bazemore, Jennifer	12
Benton, Olivia	12
Berry, Jamie	11
Cothran, Glenda	13
Ehlert, Raynee	12
Gilbert, Karyn	13
Henstock, Michelle	11
Ivery, Marilyn	12
Jargowsky, Kathryn	11
Liptak, Lorianne	12
Montgomery, James	13
Peery, Beverly	13
Pham, Jacklyn	12
Rhodes, Shaun	12
Smith, LaShea	12
Supplee, Shannon	11
Thompson, William	14
Trussell, Salesha	12
Walker, Arthur	12
Wallis, Pamela	11
Wood, Patricia	11

Mid-Atlantic

Aguirre, Louise	13
Bakaysa, Ronald	13
Bunting, Diana	13
Chiavetta, Elizabeth	11
Delgado, Douglas	12
Desai, Rena	12
Dillingham, Nathan	12
Eggleston, Karen	09
Flinchbaugh, Dawn	09
Guckin, Andrew	11
Hickey, Joel	11
Hsieh-Loy, Helen	13
Lam, Tina	12
McKean, Kerry	11
Notar, Jennifer	11
Patterson, Kevin	11
Pope, Michael	09
Roe, Staci	12
Rok, Matthew	11

Ross, Talica	11
Sambuco, Richard	13
Sattar, Ferozan	12
Small, Anne	12
Smith, Cicely	12
Smith, Lance	11
Taylor, Minnie	13

Northeastern

Bood, Jeffrey	11
Cassidy, Kevin	12
Drapeau, Sean	05
Preston, Nadine	07
Stuart, Anthony	11

Western

Abarientos, Jason	09
Alonzo, Malcolm	11
Baey, Luke	12
Benavides, Mario	11
Blanchflower, James	11
Brady, Margaret	13
Bumpass, Dianne	13
Chan, Annie	13
Chau, Quan	11
Dafonte, Lisa	12
Eastmond, Gregory	12
Easton, Kevin	09
Enslow, Sarah	09
Goetschel, Jessica	11
Lang, Jeffrey	11
McKabney, Steven	12
Nguyen, Vivian	11
Nigl, Mary	11
Ramirez, Guillermo	11
Real, Vanessa	11
Reynaga, Elizabeth	13
Robateau, Andrea	11
Sakurai, Sara	11
Sellenraad, Jennifer	12

Retirees' Corner

Karen Taylor

Regional Special Programs Manager, Western Region

Pictured from top right:
Karen Taylor;
grandsons Bryce and Kyle.



KAREN TAYLOR retired on January 3, 2007, after more than 29 years of dedicated service with DCAA. After earning a bachelor's degree in Accounting and Finance at California State University, Fullerton, Karen started her Agency career at the McDonnell Douglas Resident Office in March 1978. In 1983 she obtained an M.A. degree in Business Administration from Claremont Graduate University and became a Certified Public Accountant in the State of California. From 1986 to 1989 she worked as a program manager at Headquarters in the Policy & Plans Directorate. In 1989 she moved on to assignments as Resident Auditor at General Dynamics, Pomona; McDonnell Douglas, Huntington Beach; and Hughes Aircraft, all in California. In 1998 Karen was promoted to the position of Regional Audit Manager in the Western Region. She was Regional Special Programs Manager for the Western Region from 2003 until her retirement.

Karen plans to stay in Southern California to be close to her much-loved, 7-year-old twin grandsons, Bryce and Kyle; they have season tickets for baseball at her alma mater, California State University, Fullerton. She also has an active agenda slated for her other interests: grassroots politics, charity work, and some long-anticipated home improvements. "The list of things I am interested in is very long," Karen said.

We wish Karen many happy years of retirement and beautiful baseball weather. ■



Stanley Wenger

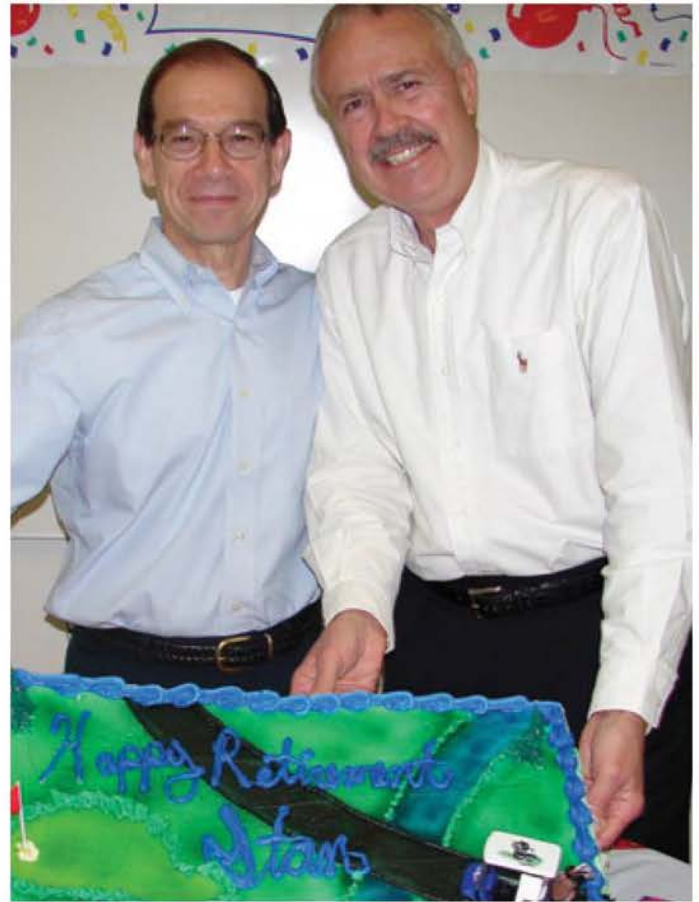
Branch Manager, Denver Branch Office

Pictured from left:
William Reed, Director;
Stanley Wenger

STAN WENGER'S retirement celebration was held during the Central Region's March 2007 FAO Managers' Conference. The highlight of the celebration was a standing ovation given to Stan after the Director presented him with an Honorable Career Service Award recognizing his 44 years of exceptional service to the Federal Government, including military service and more than 42 years with DCAA.

Stan began his Federal career working for the U.S. Navy as an accountant trainee at the Collins Radio Resident Office in Cedar Rapids, Iowa, on March 15, 1965. He was part of a mass transfer into DCAA in January 1966 shortly after the Agency was created in July 1965. Stan progressed upward in his career and in 1979 was promoted to Supervisory Auditor at the Minneapolis Branch Office. He also served as a Supervisory Auditor on the Operations Audit Team, San Francisco Region. In October 1983, Stan was promoted to Resident Auditor at the Hughes Aircraft Company Resident Office in Tucson, Arizona. Later Stan served in the Phoenix and Tucson metropolitan areas as the FAO Manager at the McDonnell Douglas Helicopter Resident Office; Arizona Branch Office; Desert Valley Branch Office; Scottsdale Branch Office; and Raytheon Missile Systems Resident Office. During the period of January 1988 through August 1989, Stan served as Regional Audit Manager for the Central Region. Since August 2004 Stan has been the Branch Manager of the Denver Branch Office.

Throughout his career Stan received numerous awards recognizing his outstanding performance and professionalism. In addition, he received the DCAA Meritorious Service Award in 2002 and the Central Region EEO Award in 2001.



While working for DCAA, Stan exemplified the management skills and leadership values present in today's successful organizations. He cared about his staff professionally and personally. Stan typically began his day by walking around the office to "meet and greet" his staff to ensure they had the necessary guidance and tools to accomplish their audits. He was an involved manager.

Stan recognized the importance of developing a new generation of auditors and is well-known in the Central Region for creating the "5-Day Plan" for integrating new hires into the Agency. One of the key aspects of the Plan included him personally taking new hires out to lunch during their first week with DCAA. Stan had a knack for making people feel comfortable and maximizing their potential. While he worked hard, he also played hard. He loved basketball and was frequently seen playing a game of H-O-R-S-E with his staff after hours. The shots he could make were amazing. Few, if any, could beat him.

Stan is retiring in Las Vegas, Nevada, and will be sorely missed by those he leaves behind. We wish him well as he begins a new chapter in his life. ■

William B. Petty Award

Fran Cornett

*Chief, Accounting and Cost Principles Division
Policy and Plans, Headquarters*

FRANCES CORNETT, Chief, Accounting and Cost Principles Division, Policy and Plans, Headquarters, was presented with the William B. Petty Special Achievement Award for Management Excellence. This award recognizes a DCAA supervisor, manager or management official who demonstrates unusual management or leadership capabilities that result in more efficient, effective or economical accomplishment of the Agency's mission.

Ms. Cornett demonstrated her outstanding leadership and commitment to excellence as a Division Chief in Policy and Plans by accomplishing a wide variety of activities throughout the year in an outstanding manner. Ms. Cornett's noteworthy accomplishments and contributions included: (1) working closely with the Department of Defense and Department of Justice attorneys providing accounting support on various high-profile litigation and discovery requests, such as UTC-Pratt Whitney on cost accounting changes and several ongoing pension cost adjustment cases with major contractors such as General Electric, General Motors, and Viacom; (2) providing comprehensive guidance on contractor-specific issues—those issues that are significant and extremely complex in nature involving a set of specific facts and circumstances; and (3) leading her team to fully understand the potential magnitude of the effects on Government contracts from the recently enacted Pension Protection Act of 2006, and to work with the DoD Acquisition community to develop guidance for addressing these costs.

Under Ms. Cornett's leadership, the Accounting and Cost Principles Division provided solid, well supported positions representing DCAA on a variety of FAR Acquisition Finance Team and DFARS Committee issues. This input greatly enhanced the performance of the teams in protecting the Government's interest through the issuance of proposed/final regulations. An example includes a final regulation issued on the appropriate accounting for the



From left: Fran Cornett; William Reed, Director

buy-back of assets that have been involved in sale-and-leaseback transactions. Ms. Cornett's team also performed comprehensive reviews of various CAS issues, including CAS 412 and 415 revisions related to employee stock ownership plans, CAS exemption for time and material contracts for commercial items, and use of the term "catastrophic losses" in CAS 416. Ms. Cornett's efforts contributed greatly to the CAS Board's publications on these issues. ■

DCAA Meritorious Civilian Service Award

Gary Ricketts

*Branch Manager
Tampa Bay Branch Office, Eastern Region*



From left: Michael Steen, Regional Director; Gary Ricketts; William Reed, Director

GARY RICKETTS, Branch Manager, Tampa Bay Branch Office, Eastern Region, has been awarded the Defense Contract Audit Agency's Meritorious Civilian Service Award. This is DCAA's second highest career service award and is granted for exceptional contributions by an employee.

Throughout his 36-year career with the Agency, Mr. Ricketts has excelled in each position held. He began his career as a GS-7 Auditor Trainee, and progressed up the career ladder to serve as the Branch Manager of the former Akron Branch Office from 1991-1995. He served as Senior Financial Liaison Auditor at Wright Patterson AFB from 1995-2002. During his work as a Senior FLA (formerly PLA) at Wright Patterson AFB, he was instrumental in helping OAL grow from an organization of 19 liaison

auditors to the present staff of 119. Mr. Ricketts aggressively pursued establishment of new FLA positions by visiting the command sites, meeting with customer personnel, and developing well written justifications for decisions by the Director. In 2002, he was selected as the Branch Manager for the Tampa Bay Branch Office.

Mr. Ricketts achieves a near optimum balance among individual, organizational, and customer needs. A highlight in his career achievements has been his active support of a rapid response initiative with the U.S. Army Corps of Engineers (COE). DCAA is now a key member of these rapid response teams who react to natural and man-made disasters. This rapid response initiative was first introduced with Hurricane Mitch (Central America) and secondly Hurricane Georges (Puerto Rico). The rapid response team was heavily relied on during audit support provided to the COE emergency repairs and clean-up effort due to damage caused by the last seven major hurricanes (Charley, Frances, Ivan, Jeanne, Wilma, Katrina, and Rita).

Mr. Ricketts recently led his FAO to provide the COE with 6,900 audit hours concerning contracts issued by the COE to repair and restore homes and facilities. He was directly involved in terms of joining his auditors at various audit sites, even in instances when travel conditions were treacherous. Although the hurricane support activities did not result in traditional contract costs questioned, the COE's e-mails documented \$14M in sustained cost savings due to recent Tampa Bay Branch audit support. These actions demonstrate Mr. Ricketts' commitment to the DCAA mission and leadership principles.

Mr. Ricketts' FAO established an Ad Hoc team that developed a database system to store and retrieve workpaper checklist responses for consideration and analysis during audit PWTs. It was demonstrated during the 2005 Quality Conference and used throughout the Eastern Region. ■

DCAA Outstanding Employee With a Disability Award

Kenneth Austin

*Senior Auditor
CSC Resident Office, Mid-Atlantic Region*



From left: Dr. David Chu, Under Secretary of Defense (Personnel and Readiness); Kenneth Austin; Gary Simpson, Deputy Assistant Director of Resources

KENNETH AUSTIN, Senior Auditor, CSC Resident Office, Mid-Atlantic Region, has been selected as DCAA's Outstanding Employee with a Disability for 2006. Mr. Austin was recently recognized at the annual Department of Defense Disability Awards ceremony.

Deaf since the age of 2, Mr. Austin is often faced with the challenge of how to do tasks that a person with hearing takes for granted. Despite the challenges posed by his disability, Mr. Austin has been a valuable contributor to the Department of Defense. Mr. Austin graduated from Gallaudet University with a Bachelor of Science Degree in Accounting in 2001. He began his Federal career with the Department of Defense Education Activity in 2001 as an Accounting Technician until July 2002, when he began his career as an auditor with DCAA.

Since joining DCAA, Mr. Austin worked diligently and progressed to his current position as a senior auditor. He never perceived his disability as an impediment to accomplishing his responsibilities. His can-do attitude and initiative resulted in successful performance of all audits and tasks assigned to him. For example, one audit he performed disclosed questioned executive compensation costs in excess of \$35,000. In another audit, Mr. Austin determined that the \$64 million incurred cost submission was overstated by over \$10 million. As a knowledgeable senior auditor, he is a valuable member of his PWT, often working with other team members to meet challenges and help achieve the team's goals. ■

DCAA Annual EEO Performance Award for 2006

Susan Wall

*Human Resources Specialist
Human Resources Division, Eastern Region*



From left: Susan Wall; Paul Phillips, Regional Director

SUSAN WALL, Human Resources Specialist, Human Resources Division, Eastern Region, is the recipient of the DCAA Annual EEO Performance Award. This Superior Accomplishment Award is presented annually to DCAA employees for notable performance and significant contributions to the Agency's Equal Employment Opportunity Program.

Ms. Wall's achievements include her exemplary service as a collateral duty Special Emphasis Program Manager for Persons with Disabilities, as well as her efforts regarding the hiring and retention of women, minorities, and

the disabled. Ms. Wall made significant contributions to our recruiting effort by targeting untapped colleges and universities to reach a diverse group of college students. She was very proactive in recruiting and hiring persons with disabilities, and gave a very well-received presentation at the DCAA's November 2005 EEO Conference on lessons learned and her success in recruiting people with disabilities. In addition, Ms. Wall represented the Agency at the Perspectives on Employment of Persons with Disabilities Conference. She worked closely with management, the employee, and the CAP program to ensure the new hires with disabilities received the necessary reasonable accommodations. Ms. Wall also participated in a number of EEO activities and has been very effective in resolving potential complaints.

Ms. Wall began her Federal career in 1975 with the Department of Army and joined DCAA's Eastern Region Office in 1999. ■

DCAA Auditor Trainee of the Year Award for 2005

Shaun (Nick) Rhodes

*Senior Auditor
Orlando Resident Office, Eastern Region*

SHAUN RHODES, Senior Auditor, Orlando Resident Office, Eastern Region, was presented with the DCAA Outstanding Auditor Trainee of the Year Award for 2005. This award recognizes trainees who exhibit superior ability and outstanding achievement during their first 12 months of service with DCAA.

Mr. Rhodes exhibits outstanding job performance as demonstrated through the assignment of complex audits normally assigned to more experienced auditors. He is capable of performing independently or as the lead of technically challenging assignments. He has performed complete proposal reviews, assisted on other proposals, served as lead on IPTs and on a complex forward pricing proposal. The techniques employed are exemplary and provide a sound basis for other auditors to use as a guide in accomplishing their work.

Mr. Rhodes excels in the areas of audit planning and performance. He consistently prepares moderate to fully complex audit programs with little supervisory assistance and provides assistance to other auditors on his team. He is able to manage multiple assignments simultaneously and generate quality audit working papers and audit reports within budgets and due dates. His detailed working papers are well organized, clearly demonstrate an understanding of the audit objective, and adequately support audit conclusions.

Mr. Rhodes demonstrates a willingness to work as part of a team, exhibits both a professional and a friendly demeanor, and fosters cooperation and respect from co-workers, management, customers, and contractor personnel. Government customers on the two IPTs in which Mr. Rhodes was lead auditor were very complimentary of his audit ability and team participation.



From left: Shaun Rhodes; Paul Phillips, Regional Director

Since starting with DCAA, Mr. Rhodes received his CPA certification in the state of Florida. He also graduated with a Masters of Business Administration degree from the University of Central Florida. ■

DCAA Outstanding Administrative/Technical Employee of the Year for 2005

Kay Reece

*Support Services Specialist
Financial Management Division, Eastern Region*

KAY REECE is the recipient of the DCAA Outstanding Administrative/Technical Employee of the Year for 2005. Ms. Reece is a GS-12, Support Services Specialist in the Financial Management Division in the Eastern Region.

Her accomplishments in coordinating space initiatives for the Eastern Region over the past year have been outstanding. Her involvement was not only with the Regional Management and FAO's, but also other agencies such as DFAS, Army, Marine Corps, DCIS, and the Corps of Engineers, and has resulted in a significant cost savings for the Agency. Specifically, she negotiated with DFAS to acquire space to relocate the Lockheed Martin-Orlando Suboffice and saved the Government \$47,000 per year in rental and moving costs. She was also able to acquire space with no lease costs for the new Lexington Suboffice in Lexington, Kentucky, which amounts to a savings of \$10,000 annually. Additionally, the San Juan Suboffice was established at Fort Buchanan, Puerto Rico, through coordination with the Corps of Engineers to acquire space. Within the year, she had telecommunications lines established, furnished the office and moved them in.

As a result of Hurricane Katrina, Ms. Reece was faced with numerous situations regarding temporary space allocations and establishing alternate duty sites, which required decisions to be made with no established precedence. She was intimately involved in numerous discussions with management in determining if temporary space was required to ensure continued work in the affected area of Gulf Coast Branch Office. She also assisted with finalizing reports in support of the Katrina effort and worked directly with evacuees to record their status so regional databases would be



From left: Paul Phillips, Regional Director; Kay Reece

maintained with the most current information on each evacuee.

Ms. Reece's contribution, dedication, and commitment to process improvements in DCAA clearly meets the criteria to be recognized by the Agency as the Outstanding Administrative/Technical employee of the year. ■

DCAA Outstanding Clerical Employee of the Year Award for 2005

Luz Flores
Office Automation Assistant
North Branch Office, San Diego



LUZ FLORES, Office Automation Specialist, North Branch Office, San Diego, is the recipient of the 2005 DCAA Outstanding Clerical Employee of the Year Award. Ms. Flores began her career with DCAA in 1980 at the San Diego Branch

Office. She is currently assigned to the North County Branch Office in San Diego. During her 25-year career with DCAA, Ms. Flores has received numerous special act and performance awards and has distinguished herself as a committed employee with a professional demeanor.

As the FAO's Office Automation Assistant, Ms. Flores' primary duties include DMIS input and processing, timekeeping, audit report preparation, distribution, and file management. However, due to a temporary assignment as the North County Branch Office's Administrative Support Services Supervisor for six months during 2005, Ms. Flores performed the duties of the supervisory position, supporting a staff of more than 45, while continuing many of the duties of her permanent position. Due to Ms. Flores' diligence, proactive approach, attention to detail, teamwork, and successful hiring and training of two stay-in-school students to assist the administrative staff, all administrative work proceeded in a timely manner and was completed with a high degree of quality.

As part of her responsibilities as the acting Administrative Supervisor, Ms. Flores assumed the responsibility of the FAO's property administrator. Ms. Flores quickly learned the duties and responsibilities related to property administration, ensuring that all paperwork was completed timely for additions, deletions, and movements of the FAO's inventoried property. In addition, Ms. Flores trained the FAO's stay-in-school students to perform the complete property inventory during FY 2005. While under the supervision of Ms. Flores, the students completed all the required procedures and documentation with a 99 percent overall accuracy rate well in advance of the due date for the FAO. ■

DCAA Commendation Awards Eastern Region

Robert (Bob) Einfalt
*CAS Technical Specialist
Indianapolis Branch Office*



From left: Robert (Bob) Einfalt; Paul Phillips, RD

Michael (Mike) Habali
*Supervisor Auditor
Investigative Support Division*



From left: Paul Phillips, RD; Michael (Mike) Habali;
Gary Burleson

Gary Rosetti
*Branch Manager
Gulf Coast Branch Office*



From left: Michael Steen; Gary Rosetti; Paul Phillips, DRD

Sandra Wimer
*Accounting Technician
Regional Financial Management Division*



From left: Michael Steen, RD; Sandra Wimer; Paul Phillips, DRD



Remembering Susan Katterheinrich

WE WERE SADDENED by the death of Susan E. Katterheinrich, who was a Program Manager in Headquarters, Policy and Plans from 1993 to 2007, and most recently worked in the Pricing and Special Projects Division. Susan died on March 24, 2007, after a very short but hard-fought battle with mesothelioma cancer.

Susan made many outstanding contributions throughout her 22 years of service with DCAA, including her 14 years at Headquarters. Susan demonstrated her exceptional capabilities throughout her time at Headquarters, including serving as the subject matter expert for commercial pricing. In the mid-1990s, Susan served as the program manager responsible for providing audit guidance relating to environmental clean-up costs when significant costs were being claimed by defense contractors. Susan consistently demonstrated

her resourcefulness, meticulous attention to detail, and a practical, responsible approach in carrying out her responsibilities. Susan's extraordinary dedication and exemplary work ethic in performing her duties contributed significantly to the success of DCAA. She achieved numerous accomplishments during her career with DCAA and was also the recipient of many performance and service awards.

Susan will be remembered by her family, friends, and co-workers for her good humor, generosity of spirit, and positive attitude. She always put others' needs before her own and had a kind word to say about every person she encountered. She never hesitated to help a friend in need. Whether it was caring for a sick friend, pet-sitting, a lift home, or just making you laugh after a hard day, Susan was there. She will be missed. ♣

If you like constant change and a chance to be part of history in the making, volunteer for this TDY. I made many Iraqi and American friends while working on assignments that made a difference "doing what we do best".



Teamwork and leadership are in demand and you'll be surprised at how much impact we have by just doing what we do best.



I went to Iraq for a small adventure but I found more than I asked for - friends, war stories, and happiness.




I hope that some of you will apply for the job here. It is not easy and you will be making sacrifices, but it will be worth it.



Thank you for allowing your professionals to assist us in an exemplary manner.
Outstanding support from DCAA! **"Satisfied Customer"**

For More Information: Visit the Northeastern Region Web Site



Gifts from the Heart

An auditor in the Eastern Region devotes her talent and skills to her neighbors in the Gulf Coast area.
See Stitch by Stitch, Page 19.



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NSPS Update

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What Makes a Leader?

See Page 17

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The Iraq Branch Office:
Auditors at Their Best!
See Page 11

"...provide for the common defense..."

We the People

September 17th

CONSTITUTION DAY
and CITIZENSHIP DAY

Department of Defense Constitution Website

<http://constitutionday.cpms.osd.mil>



September 17th has been proclaimed as Constitution Day and Citizenship Day.

To learn more about the U.S. Constitution, visit the DoD website at <http://constitutionday.cpms.osd.mil>





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The DCAA Bulletin is an authorized publication for members of the Defense Contract Audit Agency (DCAA). Contents do not necessarily reflect the official views of, nor are they endorsed by, the U.S. Government, Department of Defense, or DCAA.

Defense Contract Audit Agency

Director

William H. Reed

Deputy Director

April G. Stephenson

Executive Officer

S. Scott Gentry

EDITOR'S COMMENTS

All employees are encouraged to submit articles and other items of interest for publication. A superior accomplishment award of \$500 is given to authors whose voluntary articles are selected for publication. Due to space limitations, however, not all submitted articles can be published. The DCAA Bulletin staff reserves the right to edit articles. For detailed information regarding DCAA policy on this publication, consult DCAAR 5120.1, The DCAA Bulletin, dated March 10, 2000. You may send comments or suggestions to:

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The following symbol is used throughout this publication:

■ End of Article



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The National Security Personnel System



The Director discusses the latest developments in the National Security Personnel System and what the Agency is doing to prepare for its implementation.

■ WOULD LIKE TO PROVIDE YOU WITH AN UPDATE on the status of the National Security Personnel System (NSPS) within DCAA and the Department of Defense. As you may know, the NSPS is a new personnel management system that is being rolled out to help provide the Department with the tools necessary to recruit, retain, and manage the civilian workforce in a more effective and efficient manner. At its most basic, NSPS is a pay-for-performance system. While this may be a new concept to some in the Federal Government, DCAA has had a pay-for-performance system for many years. That focus on performance is ingrained in today's DCAA culture, and will continue as the basis for performance management under NSPS. NSPS will not change your performance expectations, although the format will be different. In general, NSPS-covered employees who receive a higher rating will receive more money in salary and/or bonus than lower-rated NSPS employees in the same position.

We have established a NSPS Senior Steering Group (SSG) which is actively planning the conversion to NSPS. We will accomplish this with minimum disruption to the mission and to you, the DCAA employees. We are taking a common sense approach to the NSPS conversion, and will make sure that our decisions make sense for the way DCAA operates. We also have the luxury of lessons learned from organizations that have already transitioned to NSPS. We are using this feedback to ensure our NSPS deployment is efficient, resulting in an effective and flexible system which is fair to all employees. An important aspect of the planning for NSPS was the SSG's development of a detailed milestone plan for accomplishing this effort. A high-level version of that milestone plan is on the Agency's NSPS website and is intended to give employees a picture of the road ahead.

To date, the Department has deployed over 100,000 non-bargaining unit employees into the NSPS. DCAA is part of Spiral 2, and our non-bargaining unit employees are scheduled to convert to NSPS in February 2008. When employees convert, they will experience **no loss in pay**. Many employees will have an increase in their salaries if they are eligible for a one-time, prorated, Within-Grade-Increase (WGI) buy-in based on time earned toward their next step increase.

NSPS includes an enhanced Human Resources (HR) system covering staffing, workforce shaping, classification, compensation (pay banding), and performance management (performance-based pay). NSPS also includes a labor relations system and new adverse actions and appeals processes. These two components of the system are currently on hold because of a lawsuit filed by the unions. On May 18, 2007, the D.C. Circuit Court of Appeals released

its decision in *AFGE vs. Gates* and ruled in favor of DoD and the Office of Personnel Management regarding NSPS adverse actions, appeals, and labor relations. The Court found that the manner in which NSPS was designed and implemented provided appropriate due process and employee protections. Although the DC Circuit Court of Appeals issued its ruling on NSPS and ruled in favor of DoD, the Department is evaluating the ruling prior to making any decisions on the next steps. At this time, the Department is continuing with its current path for bringing in additional non-bargaining unit employees to NSPS in FY 2008.

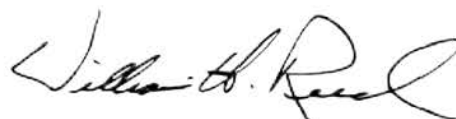
The stated objective of NSPS is to stimulate an environment where all employees can excel, can be challenged with meaningful work, and can be recognized for their contributions. Highlights of the system include:

- A simplified pay banding structure, allowing flexibility in assigning work; pay increases based on performance, not longevity
- A performance management system that requires supervisors to set clear expectations and employees to be accountable
- A streamlined and more responsive hiring process

Merit system safeguards, such as protection from discrimination, ensuring merit-based selection, and Veterans' preference, will remain under the NSPS. There will be no changes to employee benefits (leave accrual, insurance and retirement). Retirement calculations will also continue to be determined as they are today with any base salary increases counting toward an employee's "high three" (three highest earning years).

One of the most fundamental changes is a pay banding structure to replace the General Schedule. Under NSPS, pay increases will be based on performance—not on time in grade. Compensation will also be based on market conditions—providing for increases based on occupation and locality, rather than assuming that all occupations should be compensated equally. Quality of experience under NSPS, similar to the General Schedule system, relates to how closely or to what extent an applicant's background and recency of experience; education; and training are relevant to the duties and responsibilities of the announced position. Current auditor merit promotion evaluation factors such as CPA and advanced degrees will not change under NSPS. We are currently developing DCAA's compensation policies under NSPS. These policies will ensure that employees covered under NSPS will be eligible for the same career progression that non-NSPS employees currently follow.

NSPS will change some of the rules we work with on a daily basis, and so it is important for all affected employees to understand the new personnel rules under NSPS and the effect these changes will have on us. In the coming months, DCAA employees will have more opportunities to learn about NSPS. As an Agency, we will insure that you receive all of the necessary training and have a forum through which your questions can be answered. An NSPS Guide for Employees will also be developed and distributed to NSPS-covered employees in the November timeframe. As bargaining unit employees are not scheduled to convert to NSPS in February 2008, for those employees curious about NSPS, an optional awareness NSPS briefing will be available. This briefing will probably take the form of computer-based training that will be available on the Agency's NSPS website. In the meantime, I encourage you to periodically review the DCAA NSPS website at <https://infoserv.dcaaintra.mil/hr/nsps.html> and the official NSPS website at www.cpms.osd.mil/nsps/ to find out more about the new personnel system. ■



The Defense Travel System: Quicker, Easier, Better

By **Debra Fletcher**, Management Analyst, Resources, Headquarters

WHETHER TRAVELING TO a distant contractor location or DCAA Field Audit Office in the States or overseas, DCAA employees must make travel reservations prior to starting the trip and submit vouchers for reimbursement after the trip is complete. Rather than drown in a sea of paper and manual procedures, DCAA has streamlined its travel process. The Agency has implemented a sophisticated Department of Defense (DoD) electronic business solution that eliminates the need for paper handling: the Defense Travel System (DTS). Similar to internet travel sites, DTS provides an automated avenue for the DCAA traveler to make and coordinate temporary duty travel arrangements. In our fast-moving world, the DTS initiative has all but eliminated the unacceptable length of time spent on preparation of travel documents and waiting for reimbursement to employees and the travel card vendor. As we approach the completion of Agency-wide deployment, I'd like to provide background on the creation and deployment of DTS, discuss the benefits, and provide some guidance for travelers and Approving Officials (AOs).

Background

A modernized DoD travel system was a long time coming. In September 1993, the National Performance Review (NPR) called for the overhaul of the entire DoD travel system. A travel-reengineering task force was subsequently formed and charged with the responsibility for taking a fresh look at DoD's travel system and for developing a fair and equitable approach for temporary duty travel (TDY) within DoD. As a result of the DoD travel-reengineering task force recommendations, DTS, a new way for DoD to travel, was born.

DoD agencies began implementing DTS in June 2001. The system is now operating at approximately



268 major DoD sites and has been deployed at more than 8,700 sites worldwide. As of November 2006, more than a million users were registered for DTS, and approximately 13,000 users log into the system every day.

How DTS Works

DTS is a continuously evolving travel management system. As a financial management system, it is seamless, high-speed, secure, web-based and user-friendly. DTS transforms the costly and burdensome paper-based processes formerly used in TDY travel into an integrated, paperless system, leveraging the power of the internet to speed up travel processing and reduce costs. It is currently linked to approximately 41 DoD partner systems, approximately 30 of which are financial systems. DTS automates authorizations, travel arrangements and reservations, voucher processing, payment, and archiving for DoD travel transactions. It incorporates Public Key Infrastructure (PKI) digital

signatures and Electronic Funds Transfers (EFTs) to manage accounting and disbursing of funds, settling travel vouchers via transfer directly to the traveler's bank account.

DTS Vision

Develop a seamless, paperless, automated system to meet the needs of individual travelers, AOs, and finance and accounting services. The system will support defense mission requirements, provide superior customer service to the traveler, commands, services/agencies, and reduce costs to the Government.

In FY 2006, there were 13,430 DCAA manual vouchers submitted to DFAS via fax/mail at a cost of \$524,307, and a total of 8,346 DCAA DTS electronic vouchers submitted at a cost of \$13,437. With a cost of \$1.61 to process an electronic voucher compared to \$39.04 for a manual voucher, DCAA saved \$312,390 in FY 2006 on the vouchers submitted electronically through DTS. As we complete Agency-wide implementation in FY 2007, we will see the numbers increase significantly

for electronic vouchers, which will result in even greater savings.

Benefits of DTS

In addition to financial savings to the Agency, there are other equally important benefits associated with using DTS. This web-based system gives Government travelers a consolidated place to meet all their travel needs. The system is available 24 hours a day, 7 days a week, and allows users to do everything from checking airline flight availability and creating a travel order to submitting a travel claim for reimbursement. Other benefits associated with using DTS include:

- Reimbursement to the traveler within 5 days or less of Authorizing Official approval instead of the

usual 4 to 5 weeks for some services/agencies.

- Electronic document routing, which saves time and manpower.
- System notification to authorizing official when there is a DTS action that requires his/her attention.
- Split disbursement capability—a portion of the claim can be sent via EFT directly to the traveler's personal bank account and the rest directly to the Government credit card vendor.
- Elimination of mailing or faxing vouchers to DFAS for processing.
- DoD policy is built into the system for assistance to AOs as simplified user entitlements and compliance checks embedded in DTS enable travelers and AOs to better understand the rules governing travel.
- A reservation module with automatic booking capability
- Self-registration for new users, training demos, how-to guides, quick-reference guides and much, much more.

Deploying DTS

DCAA began deploying DTS in August 2004. In analyzing the system and user requirements, we immediately realized that a smooth implementation was going to be important and challenging. We were going from a manual travel system that had been used for many years to an end-to-end electronic travel system. The learning curve was steep for all involved, which is why we decided to use a phased implementation approach Agency-wide, beginning with Headquarters. We also decided to be proactive and mandate (i) the use of the Government travel card for frequent travelers (those who travel three or more times a year); and (ii) split disbursement. The advantage of using DTS is that split disbursement is automatic. Split disbursement and EFT facilitate on-time payment of credit card debt. Split disbursement reduces the cardholder's burden and the cost of writing and mailing personal checks for travel payments.

Working with DTS

Despite the successful deployment of DTS, we are still experiencing a few of the same problems with electronic vouchers that we experienced with paper vouchers. In order to avoid payment delays, travelers and AOs should check claims for the items below prior to final submission through DTS.

- ✓ Submit receipts for items \$75 or more.
- ✓ Include all receipts for lodging and airfare regardless of cost.
- ✓ Do not claim or approve baggage tips for other than portage of Government equipment.
- ✓ Do not claim or approve mileage for rental cars.
- ✓ Do not claim or approve expenses that are not travel-related.
- ✓ Only those travelers who do not have a Government Travel Card can request and be approved for a travel advance in DTS. Travelers with a Government Travel Card may obtain an ATM cash advance to pay for "out-of-pocket" travel-related expenses.

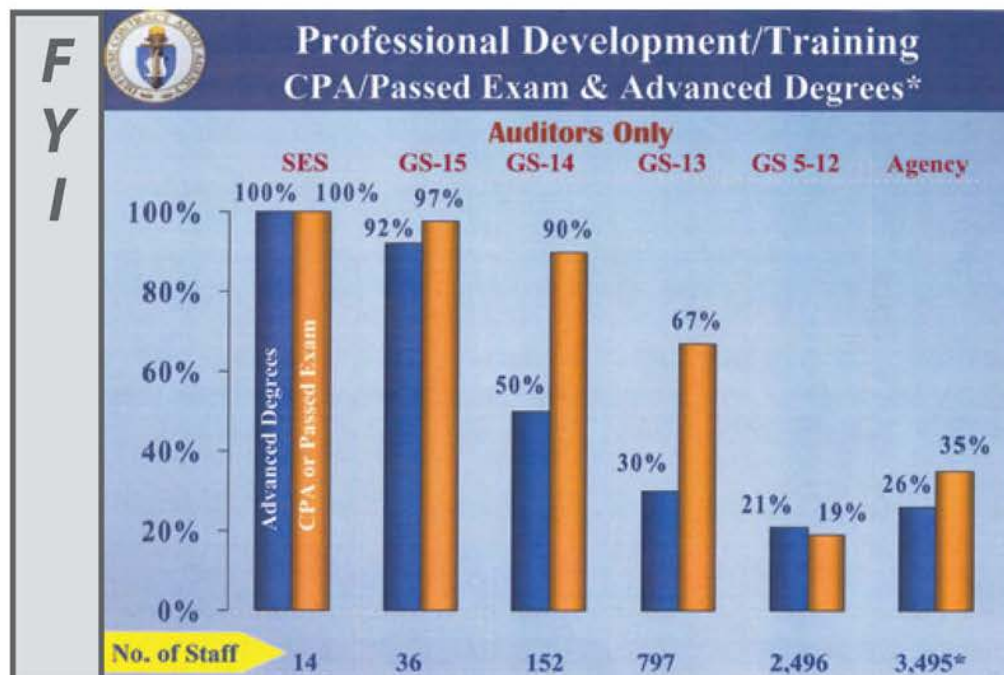
Travelers/users who experience problems with DTS or need clarification on travel policy have several options. DCAA has set up its own system to provide technical assistance with DTS. Each organizational element where DTS has been fielded has a Defense Travel Administrator (DTA) who can provide assistance. DTAs have been established at each FAO and are available to answer questions. Lead DTAs have been established at each region and are available to assist FAO DTAs. The Headquarters DTS Help Desk supports Headquarters personnel and Lead DTAs and provides technical and training support Agency-wide. In addition, the DTS web site, www.defensetravel.osd.mil, provides an array of resources and information.

DCAA's Travel Card Program Success

One feature of DTS that has been especially advantageous to the Agency and management of our travel card program is its automatic default to split disbursement of funds to the traveler and the Government credit card vendor. The management and oversight of our travel card program was recognized as "Best in Class" in June 2006, having met all of DoD's criteria for such recognition. The criteria included the overall payment delinquency rate for Government travel cards used by Agency employees. Thanks to the conscientious efforts of our employees, and DTS's automatic default to split disbursement, our travel card delinquency rate consistently remains below DoD's goal of 1 percent.

Outlook for the Future

We are proud to say that DCAA is among the active sites currently using DTS. Our deployment of DTS is nearly complete, and we expect to increase our savings on electronic voucher-processing while providing a quality online service to our DCAA travelers. ■



* Based on staffing as of July 2, 2007.

Where Do the Rules Come From?

The Regulatory Process

By David Johnson, CPA, Program Manager, Policy & Plans, Headquarters

HAVE YOU EVER WONDERED WHERE exactly the procurement rules and regulations come from and who makes all those changes to the Federal Acquisition Regulations (FAR)? Many auditors may be surprised to find out that DCAA actually plays an important advisory role in the rule-making process. While DCAA's role is not to establish public policy, we are uniquely positioned to act in our advisory capacity in this process, especially for those regulations which govern the allowability, allocability and reasonableness of costs charged to Government contracts such as the provisions of the cost principles at FAR Part 31. This article provides basic background on the FAR regulatory process to provide you some insights on how the rules you work with day-to-day are established.



Where Exactly Did the FAR Come From?

The Constitution of the United States provides that Congress shall “**provide for the common defense** and general welfare of the United States...” [*Emphasis added*]. Due to these constitutional powers, Congress has always played a significant role in shaping and managing the Department of Defense (DoD) and its predecessors. We can look as far back as 1809 when Congress issued the first Government-wide procurement statute, which mandated executive/legislative appointments of officials whom we would consider to be contracting officers today. In fact, Congress continued to play a direct and significant role in the acquisition and support of the national defense up to and through the end of World War II, when the modern era of defense procurement through regulations began.

Defense procurement changed dramatically when Congress passed the Armed Services Procurement

Act of 1947. The primary purpose of this law was to standardize the contracting methods used by all of the military services and was accomplished when the Armed Services Procurement Regulations (ASPR) were promulgated. Two years later, in 1949, Congress passed similar legislation governing civilian agency acquisitions, which were promulgated as the Federal Procurement Regulations (FPR). The DoD regulations were renamed the Defense Acquisition Regulation (DAR) in 1978. Finally, in 1984, both the DAR and FPR were combined to create the Federal Acquisition Regulation (FAR) as a standardized set of Government procurement rules and regulations, which is still in effect today.

Who Maintains the FAR?

In 1974, Congress established the Office of Federal Procurement Policy (OFPP) and placed it within the Office of Management and Budget. OFPP was cre-

ated with the primary purpose of providing overall direction and coordination for Government-wide procurement policies, regulations and procedures. As a Presidential appointee, the OFPP Administrator provides valuable input into the formulation of the Executive Branch position on procurement legislation. In addition, it is the OFPP Administrator who chairs the Federal Acquisition Regulatory Council (the OFPP Administrator also chairs the CAS Board), which oversees virtually all Government procurement regulatory activities.

While the Administrator of OFPP plays a significant role in the regulatory process, the primary responsibility for preparing, issuing and maintaining the FAR rests jointly with the Secretary of Defense, the Administrator of the General Services Administration, and the Administrator of the National Aeronautics and Space Administration. Representatives from these organizations (referred to as the FAR Principals or FAR Signatories) join the OFPP Administrator on the FAR Council. It is the FAR Council that maintains the FAR through the coordinated efforts of two councils: the Defense Acquisition Regulations (DAR) Council and the Civilian Agency Acquisition (CAA) Council.

The Two Councils

Changes to the FAR are prepared and issued through the coordinated, but independent, actions of the DAR Council and the CAA Council. Primary responsibility for the FAR is apportioned between the two Councils; however, agreement must be reached between the Councils before any change is made. The Councils' memberships are made up of individuals who are there to represent their Agencies' positions on rule-making issues; they include representatives from the following:

- **DAR Council:**
 - Chair: Deputy Director, Defense Procurement and Acquisition Policy (DPAP)
 - Military Services (Army, Navy, Air Force)
 - Defense Agencies (DCMA and DLA)
 - NASA
- **CAA Council:**
 - Chair: General Services Administration
 - Eighteen civilian agency members (e.g., EPA, Social Security, Energy, Transportation, Labor, Homeland Security) excluding NASA

To assist the Councils in making their decisions on complex procurement issues, the Councils rely heavily on advice received from various working groups organized into five FAR Teams.

The FAR Teams

FAR Principals appoint the FAR Team representation from a cross section of DoD and civilian agencies. The FAR Team participants, as selected by their respective Agency, are generally considered to be the subject-matter experts in a particular area of Government procurement. The FAR Teams have the following primary areas of responsibility:

- Acquisition Finance Team (Chaired by NASA – FAR Parts 15.4, 28 and 30-32)
- Acquisition Strategy Team (Chaired by DoD – FAR Parts 5-8, 10-19, 26, 34 and 35)
- Acquisition Law Team (Chaired by DoD – FAR Parts 3, 9, 22-25, 27, 29, 33 and 50)
- Acquisition Implementation Team (Chaired by GSA – FAR Parts 4, 42-49 and 51)
- Acquisition Technology Team (Chaired by GSA – E-Commerce and Information Technology Issues)

Changes to the FAR are often necessary as the procurement, accounting and political environment change.

General Process for FAR Changes

There are several sources for FAR changes, which include legislation, Inspector General and Government Accountability Office recommendations, court decisions, executive orders and recommendations from Agencies, industry or individuals.

Other than changes required by Federal legislation, FAR changes are often initiated through requests or recommendations directed to one of the Councils. If the change proposal has merit or a change is required by Federal legislation, a FAR case is established and is generally assigned to the appropriate FAR Team. After a detailed in-depth analysis, the FAR Team will issue a report addressed to both the DAR and CAA Councils that includes the Team's recommendations and, if applicable, appropriate FAR language and a draft Federal Register Notice. Upon receipt of the Team report, the Councils will make their independent assessment and

determination. Once agreement is reached between the Councils to revise the FAR, the case goes through additional reviews. Depending on the nature of the revisions, multiple additional reviews may be required that generally include a legal review, OFPP review, and small business impact review. Once these additional reviews have been completed and any issues resolved, the rule (proposed, interim, or final) is forwarded to the FAR Secretariat for publishing in the Federal Register.

There are rules to be followed in the rulemaking process as well.

The Rules of Making the Rules

In 1947, Congress passed the Administrative Procedures Act (APA) as a way to regulate the rule-making process. The APA is alive and well today, still providing the process by which rules and regulations are promulgated. In general, the APA requires that all changes to the regulations be published in the Federal Register, allowing interested parties to comment and have their comments considered before the FAR changes become final. As a result, when a proposed or interim rule is published, the Federal Register notice requests comments from interested parties. The comment period is generally 60 days. Once public comments are received, the process essentially starts over with the FAR Team evaluating all public comments. As you can imagine, the rule-making process takes time, often several months or more. It is worth noting that the DFARS change process is very similar to the FAR's, with the exception of the civilian agency involvement.

What is DCAA's Role?

You may have noticed that DCAA was missing from membership on either of the Councils. Yet DCAA plays a significant and active role in the rule-making process as a member of both the FAR Acquisition Finance Team and the FAR Acquisition Implementation Team. Several program managers from the Headquarters Policy and Plans Directorate are the DCAA representatives on these Teams; and these FAR Teams generally deal with issues that are of significant interest to DCAA due to our role in the acquisition process. For example, these FAR Teams deal with promulgation of the Contract Cost Principles and Procedures at FAR Part 31; Contract Financing at FAR Part 32; Cost Accounting Administration at FAR Part 30; Acquisition of Commercial Items at FAR Part 12; Contracting by Negotiation at FAR part 15; and Contract Administration and Audit Services at FAR Part 42.

In addition to participating on the FAR Teams, DCAA will also formally propose recommendations for FAR changes. Since DCAA is at the forefront of ensuring contractor compliance with the rules and regulations, especially the cost principles of FAR Part 31, we are uniquely positioned to determine when certain rules are not achieving the consistent and desired objectives as they were initially drafted. However, as previously mentioned, we must keep in mind that DCAA's role is not to establish or create public policy on cost allowability issues; instead, our role as contract auditors is to ensure that the rules and regulations are faithfully and consistently followed by all Government contractors. ■

FYI

DPAP maintains a public listing of all ongoing FAR and DFARS cases. The listing can be viewed at the following links:

FAR Cases – <http://www.acq.osd.mil/dpap/dars/opencases/farcasenum/far.pdf>

DFARS Cases – <http://www.acq.osd.mil/dpap/dars/opencases/dfarscasenum/dfars.pdf>

The Iraq Branch Office: Auditors At Their Best!



Why have so many DCAA auditors volunteered to serve in Iraq? Learn the facts from Northeastern Region's Human Resources Branch—and from the dedicated auditors who have worked at the IBO. Are you ready for the experience of your career?

By John Pumphrey, Human Resources Specialist, Northeastern Region, and **Emily Makrez**, Office Automation Assistant, Northeastern Region

SINCE ITS INCEPTION IN 2003, over 200 DCAA employees have volunteered for TDY assignments at the Iraq Branch Office (IBO). The mission of these employees is to support the DoD warfighter and related contingency contracting initiatives that support our troops. TDY mission-related duties at the IBO have been performed by all levels of DCAA employees, and volunteers have come from every region and Headquarters. Ninety-eight percent of the individuals who were deployed completed their initial tour requirement. Presently, the IBO staff includes a branch manager, 4 supervisors, 21 auditors, and 1 administrative employee. The branch has cognizance over audits performed in Iraq, Kuwait, Afghanistan, United Arab Emirates, and Djibouti. Since IBO tours last 179 days, staffing turnover of approximately 50 employees per year is the norm, with 15 percent of our employees volunteering for an additional tour. This willingness to repeat the tour of duty is a tribute to the quality of our IBO employees and their understanding of the important mission DCAA performs in Iraq.

Why We Do It

The most commonly asked question is, “Why do individuals volunteer for the IBO?” We know that there are many different reasons why people request an IBO tour, but what better way to learn these reasons than

ask our volunteers? Surveys and numerous testimonials have revealed that patriotism, financial benefits, and the excitement of the experience were the most significant influences. A common theme is the opportunity to experience a once-in-a-lifetime occurrence.

Patriotism: This is truly exhibited by the fine individuals who have volunteered to work at the IBO. Their own words describe the feelings of accomplishment that these volunteers have for making a significant contribution to their country. Following is a sample of their words to give an idea of what it is like to be an IBO team member.

My Iraq experience is the highlight of my DCAA career. Nothing else comes close. Living and working alongside the brave men and women in the U.S. Armed Forces is something I shall never forget. Working at the IBO is an opportunity to do something far beyond the ordinary and be a part of something much bigger than yourself.

— Geary Auer, Western Region





I don't have a military background, so it was an eye-opener in working with them [the military] and dealing with the constant changing of procedures and priorities. Plus I learned a different vocabulary—their jargon and acronyms. Working and associating with the

military and being in this environment gave me a different perspective. One of being more grateful for the country that I live in and the freedoms that I have and knowing that we are there fighting for the freedoms for others. I feel very fortunate to have been able to experience this time in history. It was a great opportunity and very rewarding in all aspects of my tour.

— Adaline Park (2 tours), Central Region

I'm glad that I made the decision to work for IBO to support our mission. Though I'm not in the front lines as our soldiers [are] to fight with the terrorists, I feel that I'm part of the team to support our mission.



I'm working right alongside the service men and women, contractors, and DoD Civilians. When I see the long convoys of trucks with tanks and supplies going out the gate heading up to Iraq, I feel like I had a small part in making it happen. I've gained valuable work and personal experience that have added value to my career and personal well-being. I learned how to work well with colleagues and contractors in a harsh environment. It requires an understanding of others' cultures and religions and, most importantly, respect of the individual in order to have peace.

— Ginny Liu, Western Region



The Iraq Branch Office was a community like no other. The auditors and superiors I worked with were such a tight knit group. We kept an eye on and looked out for each other. We considered that part of our job. It was a labor of love because we were

not "just" teammates, we were friends, and we were family. It was darn good to know, without a doubt, that I'd never be alone. It is true what they say, the bond between those that serve their country is like no other. Ours was a special and unshakable brotherhood that can never be fully understood by anyone in my world. It was a relationship that held us together during a time of war, and was characterized by the laughter we shared, the things we accomplished, and what we endured together. We do not want to let it go. We cannot let it go. In fact, we are already planning mini-get-togethers so we won't lose touch.

— Carol Smith, Eastern Region

The well-deserved financial rewards play an important part in the decision-making process to volunteer for an IBO tour. The pay scale on page 14 shows the significant boost in pay associated with an IBO tour. The regular 80-hour biweekly pay is boosted for normal overtime, a 25-percent Sunday premium, a 35-percent danger pay adder and a 35-percent post differential payment. It is not uncommon to realize a compensation increase of 2 ½ times an employee's normal salary. Since this is a TDY assignment, grade, step, and locality pay will be the same as the individual's current duty station pay.

Also not far from the minds of our employees when applying for the IBO is the sense of adventure and personal growth that results from assisting in the accomplishment of this very important mission. More than a few have returned calling it "the experience of a lifetime." In the words of one of our supervisory auditors, Rick Pesce, Northeastern Region, "The experience was very positive for me—one that was exciting, challenging and probably will never be duplicated."

The following are other comments from DCAA employees who have represented our Agency in Iraq.

I spent a year at Camp Victory near the Baghdad International Airport, with brief visits to the Green Zone, Camp Anaconda, and Talil in the South. Each is a little different. Traveling to another base by



C-130 plane or by helicopter was a great experience. I enjoyed eating at the DFACs, walking to work without the stress of traffic rush hour. I also enjoyed working with DCMA people, who are a great source of information. It is a different environment there. We worked every day, so marking time is different with no weekends off. Coming home from the gym at night, I would see the phases of the moon. And on each full moon, I knew another month had passed. I would do it again.

— David Fisher, Western Region



The 6 months I spent in Iraq was one of the most rewarding and challenging experiences in my life. The day I demobilized was bittersweet. It's true you want to return to your friends and family back home; but at the same time you

start to think about your new "family" that you will be leaving behind. The assignment numbers may be the same, but the actual audit is unlike anything you will come across back in the States. My experience in Iraq made me a better auditor, and a better person. I enjoyed every moment (some better than others)! To include the hot days (120°+), times spent sleeping in tents, and the all-night Rhino rides! It is an experience you won't want to forget!

— Caroline Bellocchio-Jugo, Mid-Atlantic Region



I was a supervisory auditor at Camp Victory, Baghdad, from February through August of 2006. I was fortunate to have a great team of auditors and we were involved in one of the largest proposal

audits that most auditors will ever see. The audit experience is like no other. Job satisfaction at such a high level is rarely blended with excitement and increased financial compensation. However, the adrenalin rush comes from other events. There was an occasional need to travel within Iraq, and Black Hawk helicopter was the typical method. Leaving Baghdad, I traveled to Balad in the north where Camp Anaconda

serves as a landing field for dozens of Black Hawks and F-16 jets; Tallil in the south, where we climbed the 4,000-year-old Ziggurat; and Al Assad in the west—which the camp population refers to as the "wild, wild west"! The Black Hawk flew low so as to confuse heat-seeking enemy missiles with the earth's energy—so low we could see the kids playing in the streets and rubble-strewn, bombed-out buildings in the city. Outside the city limits, flying over the Tigris and over small villages of mud huts, camel herds, and fields of vegetables growing in the amazing 125-degree heat fed by mile-long irrigation ditches. It was a privilege to go there, and a gift to come home to what we have here.

PS: I'm going back!

— Rick Pesce, Northeastern Region



Loved it...and would go again in a heart beat!!!! Duties at the Palace in Baghdad are very challenging but rewarding. You are given the opportunity to be a part of history...to help mold Iraq into a new country during its infancy. When you find the occasional opportunity to

relax, there is so much to do in the palace area, including a large gymnasium, a swimming pool, and plenty of organized activities. The quality of life is pretty good...the trailers are small but cozy, they offer free laundry, and excellent meals...so don't plan on losing weight!!!!

— Stephanie Barry (3 tours), Northeastern Region

What We Do

The IBO workload consists of a full range of audit services. IBO often carries out audit liaison functions to help in-theater customers understand DCAA's role in performing contract audits and financial services. Most of the audit services are for DoD customers; however, the IBO also performs audit and advisory services for reimbursable customers such as the U.S. Agency for International Development and the Department of State. A large part of the IBO workload is associated with performing labor floor checks and material verifications. The IBO performs significant proposal work in support of the contingency contracting effort. The

IBO auditors work on claim and termination audits as well as a variety of services that are unique to the IBO environment. The contingency contracting effort represents services and purchases to support the thousands of military and civilian personnel stationed in Iraq. The contingency contracting services and purchases exceed \$4 billion and include food, fuel, housing, transportation, and various other infrastructure items.

Where We Do It

Auditors normally live and work on large U.S. Army installations or within the Baghdad Green Zone. They are assigned living quarters which are normally in trailers that include two-person bedrooms and a shared bathroom. Meals are provided at large military dining facilities (DFACs), and exercise facilities are provided;

e-mail is available through DCAA Outlook. Climate conditions are very hot and arid for much of the year.

Should You Do It?

A tour of duty in the IBO is not for everyone, but if you have an adventurous spirit and a desire to be part of history while helping our soldiers (accompanied by a significant financial reward), you should contact the Northeastern Region Human Resources Division. You can reach Bill Oelfke at (978) 551-9771 or John Pumphrey at (978) 551-9773; or by e-mail at boelfke@dcaa.mil or jpumphrey@dcaa.mil. Human Resources can answer your questions or put you in contact with auditors from your region who have worked or are currently working in the Iraqi Branch Office. ■

Sample Pay Chart, Washington, D.C., Locality

Biweekly Pay for GS-12, Step 5
150-Hour Pay Period, Effective January 2007

Regular Hours	Pay Rate	Hours	Total Pay
	\$36.26	80	\$2,900.80
OTHER PAY			
Overtime Hours	\$36.44	70	\$2,550.08
25% Sunday Premium	\$ 9.06	16	\$ 144.96
35% Danger Pay	\$12.69	80	\$1,015.20
35% Post Differential	\$12.69	80	<u>\$1,015.20</u>
Total Other Pay			<u>\$4,726.16</u>
Total Per Pay Period			<u>\$7,626.96</u>

Audit Effectiveness: See CAM Chapter 7

By Alfred Riedel,

Financial Liaison Advisor,
U.S. Army Aviation and Missile Command



WHEN I WAS a supervisory auditor, I routinely handled technical questions from my colleagues that inevitably started with, “What do you think about the contractor claiming this cost?” My common response was, “Did you look it up in the Contract Audit Manual (CAM)?” The common answer was, “No.” At that point, I would pick up my copy of CAM, provide a reference for the auditor to review, and ask that they read the section and come back with their question. After reading the CAM, most of the auditors answered their question on their own or only needed a little more technical guidance. CAM is an invaluable tool when doing research and is a prudent step for all audits. Proper use of CAM greatly increases audit effectiveness.

CAM Chapter 7, Selected Areas of Cost, is a power-filled chapter as it provides additional clarification of the cost principles in FAR 31.205, Selected costs. This chapter of CAM can really make an auditor’s eyes sparkle and their mental acuity gel and is a must when reviewing costs for allowability. For many types of cost, it provides examples and in-depth information that are not provided in the FAR cost principles. Given the importance of performing effective audits, auditors should not miss possible questioned costs because they have not consulted information readily available in the CAM. Although we cannot use CAM references to question costs, we can utilize the information in CAM to further understand the applicable FAR Cost Principle.

I recently transferred to a mobile branch from a resident office. In reviewing incurred cost submissions, I noticed that several small contractors were including the full costs of company aircraft in their claim. When I asked several auditors if we had questioned

these costs in the past, they said there was no FAR cost principle regarding aircraft. However, they were incorrect since costs associated with company aircraft fall under FAR 31.205-46, Travel costs. In CAM Chapter 7-1003, Travel Costs on Contractor Aircraft—Owned, Leased or Chartered, there are four pages of additional information on determining the allowability of aircraft costs. By reviewing this cost principle in conjunction with the information in CAM Chapter 7, one auditor questioned a significant amount of costs on a contractor’s incurred cost submission. Another auditor reduced the contractor’s indirect rates (G&A and Cost of Money) on a forward-pricing submission by removing unallowable aircraft cost from their G&A pool and Cost of Money calculation. Talk about audit effectiveness!

Chapter 7 really helps in clarifying the FAR cost principles. For example, a contractor claims \$1,000 for dues for the Navy League of the United States and \$500 for attending a seminar provided by the Air Force Association. The seminar was to inform its members of various Air Force Association initiatives and activities while also providing a forum for the participants to display their products and services. The contractor charges these expenses in their Professional Activity Account. Are these costs allowable under FAR 31.205-43, Trade, business, technical, and professional activity costs?

The answer is, both are unallowable. If you read the FAR cost principle FAR 31.205-43, general guidelines are provided, but not the specific names of organizations such as the Navy League and Air Force Association. However, in CAM Chapter 7, Section 11, Dues, Membership Fees and Professional Activity Costs, these, and other associations for which the purpose does not meet the allowability criteria in the FAR, are identified.

Another example of the value of CAM Chapter 7 is in dealing with FAR 31.205-52, Asset valuations resulting from business combinations. This FAR principle contains only two paragraphs. That is not a lot to go on when dealing with major business combinations. However, CAM Chapter 7, Section 17, Business Combination Costs, provides eight pages of additional information on these types of costs for help in determining allowability. Wipe your brow, now; see how Chapter 7 enchantment happens.

Chapter 7 also is a boon when dealing with unusual or infrequently occurring items that occasionally cross our radar. The contractor closes their plant due to a hurricane and places all employees on administrative leave. I know our auditors dealing with contractors involved in the areas struck by Hurricane Katrina are reviewing these costs. Are these costs allowable? Yes, they are allowable per FAR 31.205-6(m)(1), Compensation for personal services, and as noted in CAM Chapter 7, Section 7-2124, Administrative Leave Due to Weather-Related Closures. This section of Chapter 7 goes on to identify the reasonableness factors in determining allowability that are not listed in the cost principle, but

which may mitigate the allowability of all these types of costs.

Are costs of participation in disaster assistance allowable? What is the FAR Cost Principle that is applicable? Answer: FAR 31.205-1, Public relations and advertising costs. The costs are allowable as discussed in CAM Chapter 7 1202.2d, Community Service Activities, which identifies FAR 31.205-1(e)(3) as the citation. But Chapter 7 also lets the auditor know that if these costs are a donation or contribution per FAR 31.205-8, then they are unallowable. Wow—that does make auditing and reaching the appropriate conclusion easier!

I trust the examples shown above have whetted your appetite for using CAM Chapter 7. We are all trying to perform the most effective audits possible. As a former supervisor and FLA, I would like to see all my colleagues propelled into the spotlight because of their effective audits and relevant findings. Use the cornucopia of information provided in CAM Chapter 7, and an audit finding should be right around the bend. ■

Department of Defense-Government of Israel Security Conference

On June 13, 2007, DCAA Headquarters hosted a meeting with representatives from the Government of Israel (GOI), DCMA's DoD Central Control Point (DoDCCP) and the Defense Security Cooperation Agency (DSCA). Discussions focused on foreign military financing of direct commercial contracts (CAM 14-908). At the request of GOI, DoDCCP, with DCAA's assistance, provides field pricing support and monitors contractor compliance with DSCA Certification and Agreement. DCAA's annual audit effort for GOI is approximately 5,000 reimbursable hours. ■



First Row, from left:
Gail Daniels, Country Specialist, DoDCCP; Gil Melamed, Director, Economics & Cost Analysis Dept., GOI; Robert Dowell, Program Manager, DoDCCP; Frank Perrone, Country Manager, DoDCCP; Nina Kissinger, Chief, OAL, DCAA; Sherry Konzman, FLA, DCAA.

Second Row from left:
Chip Leon, Country Program Manager, DSCA; Kay Cannon, General Counsel, DSCA; Victor Mintz, Legal Counsel, GOI; Martin Brown, Sr Cost Analyst, GOI; John Pasquale, Director, Intl & Federal Business Div, DoDCCP; Joseph Garcia, Assistant Director, Operations, DCAA; William Bing, Program Manager, DCAA; Marc Parvin, Sr FLA, DCAA.

The Leader in All of Us

By Jeffery (Jeff) E. Fuller, CPA, Regional Special Programs Manager, Eastern Region

IN HIS RECENT BOOK TITLED *The First Men In*, an account of American paratroopers on D-Day, Ed Ruggero relates a story about General Dwight D. Eisenhower. Shortly after his decision to launch the invasion into Normandy on June 6, 1944, Eisenhower took out a pencil and paper and drafted the following message:

Our landings in the Cherbourg-Havre area have failed to gain a satisfactory foothold and I have withdrawn our troops. My decision to attack at this time and place was based upon the best information available. The troops, the air and the navy did all that bravery and devotion to duty could do. If any blame or fault attaches to this attempt it is mine alone.

Obviously, Eisenhower never had to send this message, as everyone knows the invasion was successful and the rest, as they say, is history. Ruggero points out that this message shows Eisenhower's acceptance of personal responsibility and, despite his many successes, may have been his finest moment as a leader. This acknowledgement of responsibility goes to the root of Eisenhower's character. The General's many years in the military provided the background and training for his historic role in World War II. The military prides itself in training future leaders. Cadets at West Point, for example, are taught leadership skills from the first day they arrive.

Winning organizations have also learned that their success is based on the ability to train future leaders. A professor at the University of Michigan's Business School, Noel Tichy, specializes in leadership and organizational transformation. In his book *The*

What does it take to be a leader? Are people naturally born to lead, or are these skills obtainable for everyone?



Leadership Engine, Tichy states that the key ability of a winning organization, and those in leadership positions, is to create and train future leaders, those who can carry on the vision, goals and objectives of the organization. More importantly, these leaders can create new visions, directions, goals, and objectives that will carry an organization into the future. This is one reason why organizations stress leadership skills and why leadership is such an important topic of discussion in executive training courses, advanced degree programs, and on the lecture circuit. Just search the internet using the word leadership, and you will find a myriad of books, tapes, and courses for sale on the topic as well as the many professional lecturers and trainers who make a living conducting workshops or seminars on the value of leadership and what it takes to be a leader.

So what does it take to be a leader? Are people naturally born to lead, or are these skills obtainable for everyone? People automatically think of military generals, such as Eisenhower, or successful athletic coaches and business executives as individuals with born leadership skills. But did leadership skills come naturally, or did each of these people hone their skills over the course of time? What did it take to make them great leaders? Warren Blank, a leadership

consultant, believes that no one is actually born a leader. He professes that the qualities displayed by those we look up to as leaders are attainable by everyone.

I'm sure you have worked for someone or observed someone in the workplace who has those qualities which make others want to follow, but have you really sat down to think about what those qualities were or what skills that person possessed? Did this person have a great attitude, appear upbeat and energetic? Was this person able to make quick and sound decisions after

Successful leaders live by the highest standards of behavior. They understand that a person's actions are many times far more important than their words.

taking the counsel and advice of others? Could he or she adjust their thinking or opinion after listening to all options? Take responsibility for decisions even when things didn't go exactly as planned? Show interest in the issues at hand and empower others to get the job done? Lead by example in following the rules and regulations? Show interest in learning new skills and constantly try to improve? If you can answer yes to most of

these questions, then that person probably possessed many of the attributes or skills identified with a leader.

More importantly, in answering the questions above you should recognize these essential attributes because they are the very attributes DCAA has identified as the leadership expectations for all of us. Of course I'm referring to the eight attributes you are already familiar with: Positive, Decisive, Flexible, Responsible, Involved, Interactive, Ethical, and Professional. These top attributes were identified by the Executive Steering Committee (ESC) in September of 2001 as those traits employed by the most successful supervisors and managers. Are these the only attributes found in great leaders? Of course not, but, as recognized by the ESC, they are some of the most important. Many of you have taken professional development training aimed at raising the awareness of these values. If not, DCAI has created four training packages, each addressing two

of the leadership attributes. They are designed to be presented in a live format with team discussion. A CD accompanies the training, usually highlighting one of the past speakers from the DCAA Quality Conference.

Noel Tichy concludes in his book that winning organizations possess a "Leadership Engine," a proven system for creating leaders at every level. One way executives of successful organizations accomplish this is by living the values which they have embraced. Leaders of successful organizations understand that the values they set forth are keys in driving people's behavior. As a result, they embody these values in their own actions and encourage others to continuously examine these values and apply them in their day-to-day activities as well. This is why DCAA has provided training on the leadership attributes and has encouraged discussion and interaction related to the application of these values to the DCAA work environment. We all have the ability to lead, but leadership begins from within. You cannot transform others unless you are willing to change yourself. I encourage each of you to work on improving your leadership skills. Typically, we associate leadership with executives, managers and supervisors but everyone in an organization can and should provide a leadership role.

Leadership, as shown by General Eisenhower, is built on a strong character foundation. How people view you is important in how they will respond; after all, you can't lead if no one is willing to follow. Successful leaders live by the highest standards of behavior. They understand that a person's actions are many times far more important than their words. In fact, the easiest way for leaders to disenfranchise themselves from those they lead is to say one thing, yet practice another. We should all strive to be the barometer by which others judge their own behavior. Setting high standards of behavior lays the foundation for all the other leadership attributes and creates an environment that fosters cooperation, respect, creativity and achievement. We should keep the eight leadership attributes in the forefront of our daily activities. Refer to them often and take steps to model yourself using these values. Leadership is not easy. Sometimes it is tough to make the right decision when an easier way may present itself, but I know all of us have the ability to be great leaders. Go forth, and lead the way! ■



Staff Recruitment and Development

By David G. Arnold, CPA, Detachment Audit Manager, Field Detachment

EACH NEW FAO MANAGER occupies a challenging position with multiple demands on his or her time. One critical role of all managers is the recruitment and development of the audit staff. Nothing is more important than getting the right people and developing them into effective auditors. The development continues beyond the GS-12 level in developing the best employees for supervisory and management positions. This article provides some recommended managerial practices that I and other managers have found to be effective and which may help FAO Managers recruit and develop their audit staff.

Recruiting

The legacy left behind by an FAO manager is significantly determined by the quality of recruiting that the FAO accomplishes. The FAO's recruiting effort determines the future of the Agency, region, FAO, and PWT. Each FAO needs to establish working relationships with area colleges to foster ongoing associations. Regular participation in accounting societies, career nights, etc., will broaden the exposure of students, placement office personnel, and accounting professors to DCAA and Federal Government opportunities. FAOs should not limit opportunities for identifying good candidates, but rather utilize multiple sources such as the Career Intern Program and OPM registers. Programs such as Friends and Family Job Opportunity Announcements (which encourage current employees to recommend DCAA employment to others) or MonsterTRAK may identify non-traditional candidates. FAOs should also utilize recent college graduates, including alumni, in all recruiting efforts. Current college students may relate more easily to a recent college graduate than to an employee old enough to be their parent.

Because early-autumn interview dates are very popular with the best candidates at most colleges, FAOs should schedule interviews as early as possible each fall, in September or early October. This will ensure that DCAA effectively competes with CPA firms for the best possible candidates.

Once a candidate is recommended for selection, the manager needs to ensure that the FAO monitors paperwork processing by candidates and regions to ensure timely actions are taken. Delays in the hiring process could frustrate candidates to the point that they may accept a position elsewhere. FAO managers and supervisors should contact candidates every month and build a rapport with them before they come on board. Regular contact will reduce the risk that these outstanding candidates would accept other offers without seriously considering a career with DCAA.

New Hire Development

New hires start with high energy levels and great expectations. As their FAO manager, ensure that you foster their development and challenge them from the outset. Agency policy requires the use of a separate new-hire Individual Development Plan (IDP) during the employee's first 6 months. The new-hire IDP should clearly identify certain assignments as training assignments with the senior auditor assigned to assist the new hire; the budgeted OJT hours should also be identified. The Field Detachment utilizes 90-day work plans that "program" the trainee's first year in 90-day increments for both training and audit assignments to ensure all new hires have meaningful work while awaiting their security clearance. Field Detachment supervisors prepare the initial 90-day work plan before the on-duty start date. Subsequent 90-day plans are prepared prior to the start of each 90-day period. The

90-day plans are active schedules which are updated to reflect work accomplished by each trainee during the period.

FAO managers need to ensure that each new hire is aware of the individuals who are available to assist them in their career development (supervisor, senior auditors, FAO new-hire advisor). FAO managers should also ensure that supervisors and lead auditors are actively involved with the new hires every day.

Each auditor trainee should receive meaningful feedback on every significant assignment and at 3-month intervals (documented on working paper A-3 as well as DCAA forms 1417-1 and 1419-1). Timely feedback should be provided to trainees regarding the areas needing improvement. Each trainee may require a different level of support and guidance to ensure that they develop adequately towards the GS-12 position. The probation period provides managers and supervisors the opportunity to determine the trainee's strengths and weaknesses by observing trainees in various situations over a long period of time. Managers should actively participate in assignment reviews of probationary trainees to ensure adequate progress is demonstrated. Managers must also ensure that sufficient opportunities are provided each trainee to demonstrate their development towards the journeyman auditor level.

I found it effective to have supervisors use DCAA Form 1436-5, which documents required audit experience for auditors below the GS-12 level, during all midyear and annual appraisal discussions. This form assists FAO management in actively engaging trainees in their own career development. Use of the form early helps to position the auditor for successful progression to the GS-12 level. FAO managers and supervisors should not wait until the auditor has been a GS-11 for 10 months to provide the audit opportunities he or she needs for promotion to GS-12. Late promotions adversely impact employee morale and retention.

Keys to Success

FAO managers set the tone and expectations for the office. Managers lead by example, so it is important to demonstrate your strong work ethic. It is important to take a long-term view and invest the time needed to properly develop staff and train your successors. Ensure subordinates know how they are performing by promptly providing constructive feedback. Do not limit the feedback only to areas with opportunity for improvement. Providing sincere praise for a job well done is much appreciated by all employees. An FAO Manager's efforts in recruiting and developing the audit staff will have an impact on the FAO long after the manager has moved on from the position. Make sure the impact is positive! ■

FYI

Voluntary Employee Articles for The DCAA Bulletin

Have you considered writing a voluntary article for The DCAA Bulletin? We welcome and encourage voluntary articles. A superior accomplishment award is given to the author of articles selected for publication. **To provide additional incentive and stimulate participation by Agency employees, the Director has authorized increasing the award amount to \$500. The award for articles judged to be exceptional has been raised to \$750.**

- In order to be eligible for publication, all articles must be mission oriented or related to the work environment. This is usually expressed as a message on setting and achieving goals, work ethics, education, personal relationships or total well-being. We encourage writers to describe their own experiences, innovations, and perspectives as they relate to accomplishing and managing the Agency's day-to-day operations.
- While voluntary employee articles will generally be prepared on off-duty time, a supervisor may authorize duty time upon request when the potential benefits to the Agency would exceed the time incurred and no adverse impact upon assigned workload would result.
- All voluntary articles should be submitted to Headquarters, Attention: DX, through the regional office or Head of Principal Staff Element. The DCAA Bulletin staff reserves the right to edit articles. We look forward to seeing your work!

Getting to Know You

West Coast Branch Office Systems and CAS Team Field Detachment



Front Row, from left: Brian Druar, Julia Fish, Robert Haas. Back Row, from left: Marisa Valdez, Wendee Shin-sato, Angelica Lopez, Rizza Madarang, Tracey Umemoto. Not pictured: Carlo Garcia.

THE WEST COAST BRANCH OFFICE (WCBO) of the Field Detachment is located in Southern California. WCBO is responsible for auditing a major contractor, along with two of its offsite locations, performing direct cost audits at another major contractor, and performing mobile audits of classified contract work from Orange County to San Luis Obispo County. WCBO is functionally organized with a mobile team, an incurred

cost team, a forward pricing/defective pricing team, and a systems/CAS team. This article will introduce you to the systems and CAS team.

Marisa Valdez

Marisa is the team supervisor. Marisa graduated from California State University Dominguez Hills in 1985, graduating Magna Cum Laude. She received her

master's degree from the same institution in 2005. Marisa started with DCAA in 1987 at the TRW Resident Office in Redondo Beach, California. She joined the Field Detachment in 1992 and has been part of the WCBO since that time. Marisa enjoys walking and traveling. Prior to joining DCAA Marisa worked as a staff accountant at various industrial firms.

Brian Druar

Brian graduated from University of California Santa Barbara in June 2004. He joined DCAA at the WCBO in May 2005. While in college, Brian worked as an elementary school math tutor. Brian enjoys playing the guitar, a pursuit he has enjoyed for the past 12 years.

Julia Fish

Julia graduated from California State University Fullerton in May 2005. She started with DCAA in September 2005 at the Southwest Branch Office and then transferred to the WCBO in January 2006. Julia enjoys hiking, listening to music, crocheting, and attempting to play tennis. She would like to learn white-water rafting and foreign languages. Prior to joining DCAA, Julia was an accountant/office manager at a small business and a library assistant.

Carlo Garcia

Carlo graduated from California State University Los Angeles (CSULA) in June 2004. He joined DCAA at the WCBO in March 2005. While in college, Carlo worked for the Financial Aid Office at CSULA assisting students with their aid applications and informing students about available aid programs. Carlo enjoys indoor cycling and going to the movies.

Bob Haas

Bob, a Senior Auditor, graduated from Northern State College, Aberdeen, South Dakota in 1987. He received his master's degree from the University of South Dakota in 1989. He joined DCAA in June, 1989 and transferred to the Field Detachment in October 1993. Bob transferred to the WCBO in October 2006. Bob's interests include basketball, tennis, softball, preparing tax returns for friends, and being involved with his twin daughters' activities. Prior to joining DCAA, Bob worked in bookkeeping and preparing tax returns for small companies.

Angelica Lopez

Angie started with DCAA in February 2002 at the WCBO. Two years later she married and transferred to the Oklahoma City Suboffice. There Angie performed audits at "mom-and-pop" type businesses and universities. One and a half years after transferring to the Oklahoma City Suboffice, Angie and family moved back to California where she rejoined the WCBO. Angie states that she is grateful to this Agency for granting her the diversity of her work experiences thus far.

Rizza Madarang

Rizza graduated from California State University Long Beach in December 2000. She started with DCAA in March 2005 at the WCBO. Rizza enjoys cooking, reading, and traveling. Prior to joining DCAA, Rizza was a bookkeeper and staff accountant.

Wendee Shinsato

Wendee graduated from Yale University in 2000. She returned home to Hawaii where she obtained her master's degree from Hawaii Pacific University in 2005. She started with DCAA in September 2005 at the WCBO. Wendee enjoys tennis, crocheting, fantasy sports, and listening to classical music, having played the viola in high school and college symphonies. Prior to joining DCAA, Wendee worked in direct marketing and preparing payroll taxes.

Tracey Umemoto

Tracey graduated from California State University Long Beach in December 2004. She started with DCAA at the WCBO in March 2005. During college, Tracey worked as a tax intern. In her brief time with DCAA, Tracey has gone TDY twice: one 8-week TDY trip to the east coast, helping with MOCAS priority incurred cost audits; and, one TDY trip to FD Headquarters to assist with a special security clearance project. For the last several years Tracey has volunteered to work at a summer camp through her church as a team leader responsible for a cabin of girls and their activities for the week. ■

Getting to Know You

Defense Contract Audit Institute Course Development Branch



Seated, from left: Bonnie Keene, Alan Teal, Sandy Ross, Becky Wildmon, Carol Harris, and Johnny Jue. Standing, from left: Jimmy Burns, Patrick Vincent, Bruce Burns, and William Allsopp.

THE Defense Contract Audit Institute (DCAI) located in Memphis, Tennessee, is the training facility for the Defense Contract Audit Agency. DCAI is charged with training the Agency's contract audit staff, offering a full range of audit-related courses at the Memphis campus, on-site roadshows and seminars, and self-study.

The DCAI Course Development Branch (OAID) performs routine revisions of course content and materials

to improve their design and presentation. OAID also conducts surveys in conjunction with the Training Branch to evaluate individual courses and the overall effectiveness of programs. In addition they develop videos for the Agency to provide basic information and to highlight current events, such as the Quality Conference.

Alan Teal, Branch Chief, directs and controls the development of new resident, distance learning, and

self-study courses as well as workshops and maintenance of established self-study courses. Alan began his career with DCAA in August 1972 at the LTV Resident Office, Dallas, Texas. He was competitively promoted to a GS-12 auditor-in-charge in January 1980, which required rotation to the then largest FAO in the Agency, the General Dynamics Fort Worth Resident Office. Alan became a Supervisory Auditor at General Dynamics Fort Worth, Data Systems Division. In August 1986 he transferred to the Technical Services Center (TSC) located in Memphis, Tennessee, where he became the Chief of the Computer Assisted Audit Techniques Branch. In January 1995, Alan transferred to the Central Regional Office and served as both the Chief of the Operations Audits and the EDP/IT Divisions. In May 1999, Alan became the Chief, Technical Support Division located in Memphis, Tennessee. He later served as the Chief of the Technical Support Branch, which included the CAATs, Engineering, and Special Projects Branches as well as a portion of the EDP Branch that had initially comprised the TSC. In October 2004 Alan rotated to DCAI as the Chief, Course Development Branch. Alan is a licensed CPA in the states of Texas and Tennessee and is also a Certified Information Systems Auditor. He has a B.B.A. in both Accounting and Marketing and an M.B.A. in Systems Analysis/Information Systems from the University of Texas. Alan began his Federal career in January 1971 as an infantryman with the U.S. Army.

Bruce Burns started his career with DCAA in 1989 at the Salt Lake Valley Branch Office in Utah. Then in 1992, looking for suboffice experience, he transferred to the DCAA Thiokol Suboffice in Utah. From there he performed several years of TDY work throughout the Western and Central regions. Looking for new opportunities, in 1999 Bruce relocated to the Denver Branch, Ball Aero Space Suboffice in Colorado. In 2002 he transferred from the suboffice to the Branch and was assigned to a mobile team. In 2004, once again looking for excitement and change, Bruce moved to the Central Region's Investigative Support Team (RSI) and established an RSI base office at the Colorado DCIS office. Bruce advanced his career with a promotion in July 2005 by accepting a Course Developer position with the DCAI Course Development Branch. Bruce earned his B.A. in Accounting at Weber State University. He indicates that living in Memphis is much more than he expected, and he, his wife, and four children are thoroughly enjoying life.

Carol Harris began her DCAA career with the Agency in 1980 as an Administrative Assistant at the DCAA Bath Iron Works Suboffice, Maine. She transferred to the North Carolina Branch Office (NCBO) in 1985. She holds a Bachelor of Science degree from the University of Arkansas and, based on completion of additional accounting courses, became an auditor with the NCBO in 1987. She has been a CPA in the State of North Carolina since 1989. She has served as a CAS Technical Specialist for NCBO since 1999. During her career with DCAA, she has served as an EEO Counselor and as a Co-Instructor for the Defense Acquisition University. Carol and her husband have four grown children and nine grandchildren (and counting...). Carol joined the OAID team as a Course Developer in November 2006. She enjoys the challenges of her new job very much.

Sandy Ross began her Government career with DCAA as an auditor in July 1989 at the Newport News Shipbuilding (now Northrop Grumman) Resident Office, Newport News, Virginia. After 8 years of resident office work, she transferred to the Hampton Roads Branch Office, Hampton, Virginia, in the fall of 1997. In 2000, Sandy was promoted to a Financial Liaison Advisor position at the Defense Supply Center in Richmond, Virginia. After 4 ½ years, she transferred to DCAI as a course developer. She received her B.S. in accounting from the University of Maryland, European Division, and is a CPA licensed in the State of Virginia.

Patrick D. Vincent joined DCAA in 1985 and served in offices in Seattle, Washington, and the San Francisco Bay Area. In 2002 he transferred to the Boise Suboffice (Seattle Branch Office) in Boise, Idaho. Patrick was promoted in September 2006 and transferred to OAID in November 2006. He has a B.S. in Accounting from Central Washington University and M.B.A. in Finance from the University of Puget Sound. He holds a CPA in Washington State. Prior to joining DCAA, Patrick had experience in public accounting and teaching. He lives in Boise, Idaho, with his wife Silvia.

Becky Wildmon began her career with DCAA in December 1988 at the Ingalls Resident Office in Pascagoula, Mississippi. In 1991, Becky transferred to the Gulf Coast Branch Office in Ocean Springs, Mississippi, performing mobile audits until the two offices were combined at the start of FY 1996. Upon returning to

Pascagoula, Becky was assigned to the Ingalls overhead team (which would later become the Northrop Grumman overhead team). In 2002, Becky was promoted to the CAS/MMAS/Purchasing Technical Specialist position at the Gulf Coast Branch Office. She joined the DCAI Course Development Branch in June 2004. Becky obtained her B.S. degree from the University of South Alabama in Mobile, Alabama, and is a licensed CPA in the state of Mississippi.

Bill Allsopp began his DCAA career in June 1989 as an Auditor at the General Dynamics Resident Office in Pomona, California. In 1991, he left DCAA to become a licensed Farmers Insurance Agent and returned in 1994. In 1997, Bill relocated to the Denver Branch Office, Ball Aerospace Suboffice in Broomfield, Colorado. He completed the DCAI-Guest Instructor Development Program and worked 2 years for the Central Region Technical Programs Division as a Compensation Auditor. He has supported the Agency Iraqi War Reconstruction effort and performed various complex audits throughout his career. Bill has a B.S. in Accounting from California State University San Bernardino (CSUSB) and an M.B.A from the University of Phoenix. He is a CPA in the State of Colorado and a Certified Government Financial Manager. He is a member of the Association of Government Accountants. Bill and his wife Trina live in Thornton, Colorado, with their three children and enjoy camping, boating, fishing, hunting, snow skiing, dirt biking, and the great outdoors. Bill is a member of the National Soccer Coach Association of America. While attending CSUSB he led the Men's Soccer team to the NCAA

Division III Final Four and played in various semi-pro soccer leagues. He continues playing soccer and is a United States Soccer Federation National Licensed "D" soccer coach who volunteers his time as a youth soccer coach.

Johnny Jue began his Federal career in September 1984 as a Network Engineer at the Bureau of Naval Personnel and joined DCAA in April 2002. Johnny is responsible for providing information technology support to CMTL course developers at DCAI. He is also a webmaster for DCAI website and system administrator for TRAIN, AdminSTAR, and Perception systems.

Bonnie Keene joined DCAA in March 1986 to formalize the video activity for DCAA. Previously, she was an Audio-Visual specialist with the US Corps of Engineers, incorporating still photography and graphics into slide presentations for the District Engineer and the Lower Mississippi Valley Commission. She began her Federal career with the Corps in 1973 photographing flood waters. Later she assumed responsibility for aerial mapping and oblique photography of the Mississippi and its tributaries.

Jimmy Burns began his Federal career with DCAA in December 2000. Jimmy is an IT Specialist responsible for maintaining DCAI's web-based training systems. His main duties are the CMTL and TRAIN. Prior to joining DCAA he worked over 20 years in the graphic design industry as an IT manager responsible for building and managing the company network. ■

CPE Hours Delivered by Type of DCAI Class

FYI	Training Sources	FY 2007 CPE Hours*	% of Hours
	Memphis Classes	77,380	50.0%
	Roadshow Classes	14,338	9.3%
	Seminar Classes	15,388	10.0%
	Total Live Training	107,106	69.3%
	Distance Learning Classes	783	0.5%
	CMTL	46,611	30.2%
	Total Virtual Training	47,394	30.7%
	Total DCAI	154,500	100.0%

CPE earned through August 30, 2007.

Retirements

Region	Name	Years of Service
FIELD DETACHMENT		
	Abraham, George	36
	Barr, Robert	36
CENTRAL		
	Fleeman, Janice	35
	Flynn, Thomas	29
	Hernandez, Emma	25
	Hoepfner, Marian	24
	Kanaga, Robert	31
	Koehler, Gene	31
	Lofton, Patricia	29
	Moore, Effie	28
	Payne, Geraldine	22
	Richardson, Brenda	18
	Saunderson, Diane	30
	Sigwing, Richard	35
	Taylor, Richard	37
	Tucker, Loyd Jr.	34
	Winn, Robert	27
EASTERN		
	Acks, Brenda	33
	Boutwell, William	35
	Brooks, Clarence	32
	Brown, Steven	33
	Buck, Valerie	05
	Derosa, Anthony	34
	Hatchett, William	38
	Ingram, Earnest (Joe)	37
	Klein, Judith	25
	Kosier, Sharon	32
	Landrey, Daniel	35
	Schminky, Walter Jr.	36
	Schrandt, Kenneth	33
	Steele, William	42
	VanDyke, Diane	31

Retirements

Region	Name	Years of Service
MID-ATLANTIC	Denofa, Thomas	33
	Nagle, Marlene	24
	Wilkinson, Stephen	32
NORTHEASTERN	Angelos, Haralambos (Harry)	28
	Arena, James	35
	Fiordelisi, Salvatore Jr.	30
	Giardenelli, Donald	35
	Hawkes, Paul	27
	Henke, James	33
	Henry, Michael	30
	Houlihan, Richard	37
	Joyce, Philip	30
	Marsicovetere, Robert	34
	Paliotta, James	33
	Piselli, Russell Jr.	39
	Rousseau, Elise	27
	Savageau, Ronald	31
	Schindler, Kathleen	24
	Shaw, Robert	35
WESTERN		
	Chiu, Warren	27
	Gerlach, Sandra	18
	Irvin, Sharon	23
	Majsa, Margaret	24
	Parrilla, Rafael	35
	Taylor, Karen	29
	Unger, Linda	29
	Valdez, Estelle	28
	Winters, Gary	30

Professional Activities

HEADQUARTERS

- Reed, William Presented *Trends and Policy Evolution in DCAA* to the European Space Agency Conference in Noordwijk, The Netherlands, May 14, 2007
- Schneider, Terry Presented *DCAA Mission and Current Initiatives* to Integrated Dual-Use Commercial Companies in Washington, DC, January 24, 2007
- Stephenson, April Presented *DCAA Initiatives* to Financial Executives International, Committee on Government Business in Crystal City, Virginia, May 10, 2007; and to the National Defense Industrial Association in Arlington, Virginia, May 15, 2007

CENTRAL

- Dito, Matthew Presented *Audit Coverage and Managing Risks; Hiring and Managing; and New and Innovative Practices* at the meeting of the Tucson Chapter of the Institute of Internal Auditors, in Tucson, Arizona, March 15, 2007
- Eeten, Gordon Presented *Who/What is DCAA?* to the Wisconsin Procurement Institute's Business to Government Conference in Milwaukee, Wisconsin, March 21, 2007
- McAfee, Jerry Presented *DCAA Experiences and Observations in Auditing Contingency Contracts* at the National Defense Industrial Association in San Antonio, Texas, March 12, 2007
- Taylor, Bruce Presented *Why are IT General Controls Important?* at the DCMA Lockheed Martin United Launch Alliance meeting in Denver, Colorado, March 5, 2007

MID-ATLANTIC

- Senseman, Kelli Presented *What We Do and the Work Life at DCAA* at Rutgers University on November 15, 2006
- Steen, Michael Presented *Your Tax Dollars at Work* to the Philadelphia chapter of the Association of Government Accountants in Philadelphia, Pennsylvania, on March 21, 2007

NORTHEASTERN

- Fletcher, Cathy Presented *Diversity* to the Federally Employed Women (FEW) Chapter President Leadership Forum, Washington, DC, February 8, 2007
- Presented *Generations of Women Moving History Forward* at the U.S. Postal Service Boston District Office's 2007 Women's History Month Program, Boston, Massachusetts, March 21, 2007
- Published *The History of African American/Black History Month* in FEW's News & Views, February 2007 edition
- Hoggarth, Sandy Presented *Hot Topics Seminar: FMS Contracting in Saudi Arabia*, to the National Contract Management Association, Saudi Arabia Sidiq Chapter, Riyadh, Saudi Arabia, January 29, 2007
- Landry, Rob & Nelson, Ed Presented *What's New in the DCAA Northeastern Region?* to the National Contract Management Association (NCMA), Boston Chapter, at Bentley College, Waltham, Massachusetts, March 14, 2007

WESTERN

- Andrean, Yong-Hee Presented *An Inside Look at Defense Contracting and the Defense Contract Audit Agency* to the Military Officers Association of America, Orange County Chapter, Santa Ana, California, January 13, 2007
- Rumsey, Susie Taught Financial Accounting at Highline Community College, Des Moines, Washington, March 1, 2007
- Smith, Curtis *Tips for Constructing a Data Warehouse, Volume 11.1*, was published in SanDS, San Diego SAS ® Users' Group newsletter, February 2007

FIELD DETACHMENT

Arnold, David
Gynnip, Jennifer
Jones, Chanae
Valdez, Marisa
Vasiliou, Agathie

Certified Public Accountant, March 22, 2007
Passed CPA Exam, February 27, 2007
Passed CPA Exam, March 25, 2007
Passed CPA Exam, February 28, 2007
Passed CPA Exam, February 26, 2007

CENTRAL

Alvis, Cynthia

MS in Acquisition and Contract Management, Florida Institute of Technology, April 30, 2007

Dawson, Colin
Dopke, Troy
Green, Cornesia
Stebbing, Kenneth
Swarts, Norman
Trevino, Shannon
Wilkins, Craig
Yalmaz, Diana
Zee, Bob

Passed CPA Exam, October 17, 2006
Passed CPA Exam, January 4, 2007
MBA, University of Phoenix Las Colinas, January 27, 2007
Certified Public Accountant, December 2006
Passed CPA Exam, December 15, 2006
MBA, University of Houston, December 11, 2006
Passed CPA Exam, January 4, 2007
Passed CPA Exam, August 18, 2006
Passed CPA Exam, December 15, 2006

EASTERN

Franck, Margaret
Galle, Gina
Harris, Brandon
Joseph, Michael
Lee, Chiu
McGhee, Kenneth
Partin, Kevin
Smith, Eric
Tokarcik, Patricia
Williams, Jennifer

Certified Public Accountant, December 1, 2006
MBA, Saint Leo University, January 1, 2007
Certified Fraud Examiner, December 8, 2006
Certified Public Accountant, February 6, 2007
MS in Administration, Central Michigan University, December 31, 2006
Passed CPA Exam, November 30, 2006
Certified Public Accountant, March 23, 2007
Certified Public Accountant, January 10, 2007
MS in Accounting, Old Dominion University, December 17, 2006
MBA, Troy University, December 31, 2006

MID-ATLANTIC

Bonelli, Jaclyn
Clancey, Kevin
Gallagher, Kelly
Gatto, Brian
Herman, Peter
Owens, Daniel
Scruggs, Jerilee
Smith, Lance
Zeuke, Troy

Passed CPA Exam, February 26, 2007
Passed CPA Exam, January 10, 2007
Certified Public Accountant, January 19, 2007
MBA, Monmouth University, January 1, 2007
Passed CPA Exam, January 17, 2007
MS in Accounting, State University of New York, December 16, 2006
Passed CPA Exam, January 5, 2007
Passed CPA Exam, January 22, 2007
Certified Public Accountant, February 13, 2006

NORTHEASTERN

Gallagher, Adam
Neyer, Kevin
Ohrenberger, John
Simmone, Katibe

MBA, Johnson & Wales University, February 24, 2007
MBA, Southern New Hampshire University, January 15, 2007
Certified Information Systems Auditor, March 3, 2007
MS in Accounting, State University of New York Institute of Technology, December 16, 2006

WESTERN

Ali, Arafat
Dadufalza, Noel

Kelly, Sean
Koch, Delmy
Methasongkij, Ju
Pham, Ida
Staudinger, Aimee

MBA, California State University, Hayward/East Bay, December 15, 2006
MS in Accounting and Information Technology, University of Maryland University College, December 30, 2006
Certified Public Accountant, February 16, 2007
Certified Public Accountant, March 14, 2007
Certified Public Accountant, February 2, 2007
Certified Public Accountant, February 15, 2007
Certified Public Accountant, March 19, 2007

Name	From	To
Carlo, Peter	Eastern Region	Headquarters
Grimstead, Kimberley	Eastern Region	Headquarters
Lee, Chiu	Eastern Region	Headquarters
Levesque, Elaine	Northeastern Region	Headquarters
McClure-Nelson, Gabrielle	Mid-Atlantic Region	Headquarters
Munger, Terrie	Western Region	Headquarters
Doane, Donald	Mid-Atlantic Region	Field Detachment
Haddon, Mike	Headquarters	Field Detachment
Smith, Susan	Mid-Atlantic Region	Field Detachment
Dito, Matthew	Headquarters	Central Region
Lawson, Teresa	Headquarters	Central Region
Bradley, Emmanuel	Northeastern Region	Eastern Region
Osei, Samuel	Headquarters	Mid-Atlantic Region
Branstetter, Larry	Western Region	Northeastern Region
Giuffreda, Nancy	Field Detachment	Northeastern Region

FYI

Tips to Make Your Transition Smoother

Below are a few helpful tips to think about before you make your next move:

6 - 8 Weeks Before

- Contact the Transportation Management Office (TMO) located at the nearest Military Installation to your work location.
- Arrange to transfer school records and secure transcripts from the local school district you are leaving. Get copies of your records from doctors, dentists, accountants, etc.
- Establish credit in your new city if possible. Arrange for a transfer of bank account funds and the contents of your safety deposit box.

4-6 Weeks Before

- Plan to cancel all utilities.
- Set a date to cancel the newspaper.
- Alert the post office that you will be moving. If you don't know your permanent address, the post office can hold your mail for you. Send out change-of-address cards.

2 - 3 Weeks Before

- Take your car in to have it checked for the upcoming trip.
- Transfer all prescriptions to your new pharmacy.
- Return library books and anything else you may have borrowed.

3 Days Before

- Pack an "Instant Aid" box containing things you'll need upon arrival: sponges, paper towels, soap, etc.
- Defrost the refrigerator and freezer so they can dry at least 24 hours before the movers arrive.

At Destination

- Keep all your documents relating to the move in a safe place. You will need them for verification of moving expenses when you file your Federal income tax return.
- Check with post office for any mail being held, and begin delivery.

Enjoy your new home !

Years of Service

20 Years

Headquarters

Black, Loren
Fletcher, Debra
Schnettler, Lori

Field Detachment

Brackett, Guy
Fox, James
Gartman, Mary
Sumrow, Cathy

Central

Allen, Daniel
Atkinson, Kenton
Brandhorst, Cathy
Carroll, James
Crussell, Patsy
Gilliam, Roger
Goffney, Jocelyn
Jones, Allen
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Rogers, Brett
Shotwell, Karen
Smith, Dana

Eastern

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Bruin, Melissa
Brumfield, Donald
Burgeson, John
Clapp, Max Jr.
Dabbs, Diane
Eaton, Roxanne
Haynes, Debra
Hopkins, Lynn
Klein, Barbara
Lawrence, Barbara

Meredith, David
Smith, Barbara
Thomas, Charlotte
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Keller, Bonnie
Lauriello, Richard
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Brown, Sullivan
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Nonamaker, Robert
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Retirees'

Robert DiMucci

Director, Field Detachment

AFTER MORE THAN 33 YEARS in the Federal Government and DCAA, Bob DiMucci retired on March 2, 2007. Bob had been the Director, Field Detachment, since October 2005. Bob began his DCAA career in 1973 at the Westinghouse Resident Office in Baltimore where, after returning from a 3-year tour at the Silver Spring Branch Office, he advanced to Supervisory Auditor. In 1983, he was promoted to a Program Manager position in the Audit Programs Division (Operations) at DCAA Headquarters, and in 1986 was reassigned as the Branch Manager of the Indianapolis Suboffices Branch. In 1987, Bob returned to Headquarters as Chief of the Special Audits Division (Operations). He later served as Chief of the Policy Liaison Division, as Deputy Assistant Director of Policy and Plans, and was admitted to the Senior Executive Service in 2003 as the Assistant Director of Policy and Plans.

Bob is an accounting graduate of Pennsylvania State University, and received a Master of Business Administration degree from the University of Maryland. He is a CPA in the State of Maryland, and is a member of the Association of Government Accountants and the American Institute of Certified Public Accountants. In 2001, while serving as Deputy Assistant Director, Policy and Plans, Bob received the DCAA Meritorious Service Award for his exceptional leadership, integrity, management skills, and efforts that led to Agency-wide improvements in audit policy and execution.

Bob was proud to see an Agency that was only 8 years old when he joined it pass its 40th anniversary before



he left it, and he wishes the FD and the Agency continued success. At his retirement luncheon Bob cited as his top personal morale-building factor the ability to work with the dedicated, committed, and intelligent people of DCAA throughout his career.

Bob will continue to reside in Northern Virginia. He has no plans to take another job, but may do some volunteer work. His immediate plan is to catch up on 10 years of deferred maintenance on his house, but he will also find time to play golf, travel, and attend film festivals. To offset the exercise from golf, Bob said he plans to do more cooking! We will remember Bob for his wisdom, his quick wit, and his exceptional gift for humor, which enlivened so many Agency gatherings. We wish Bob all the best in the next chapter of his life, and we look forward to seeing him at future DCAA social events.■

Cotune

Michael Steen

Regional Director, Mid-Atlantic Region

Michael Steen retired in April 2007 after more than 30 years of Government service. Mike is a true product of DCAA's training programs, having progressed from a GS-4 trainee to a Senior Executive Service position. After earning his bachelor's degree in 1974, Mike became an Auditor Trainee at the Aerojet General Corporate Resident Office, Sacramento, California. When he reached the GS-11 level, he left DCAA to work in the private sector. Three years later, Mike returned to DCAA as an Auditor in the Wichita Branch Office and progressed to Supervisory Auditor. He was then reassigned to the European Branch, Wiesbaden, Germany. After returning to the United States, Mike served as a Supervisory Auditor, Resident Auditor, Branch Manager, and Technical Programs Manager in the Eastern Region. He then became a Regional Audit Manager in June 1997, a Deputy Regional Director in November 2001, and Regional Director, Eastern Region, in May 2003. In May 2006, he was reassigned as the Regional Director, Mid-Atlantic Region.

Mike's continual progression into positions of higher authority is a testimony to his accomplishments and value to the Agency. Throughout his career, he has successfully incorporated Agency and customer goals in strategies for achieving performance objectives. Mike became particularly known for his leadership in our audits of hurricane relief efforts, and for having hurricanes follow him from office to office when he became a RAM in the Eastern Region! As a result he became known around the Eastern Region as Hurricane Steen!



Employees of the Mid-Atlantic and Eastern Regions hold Mike in high regard as evidenced by the following comments:

Mike always had a common-sense approach to any issue or problem; he was always able to keep things in perspective and see the big picture. This is what made him such an effective leader.

Mike was an absolute joy to work for. He made everyone feel as though we were all working together on one team. I truly enjoyed working for him and wish him the best in this new phase of his life.

Mike is first-class. He's technically proficient, very people-oriented, and has a dry sense of humor. He came across as a co-laborer and not the boss. He always appreciated the effort given, and there was usually a laugh or two along the way.

Mike was the VERY BEST to work with! He was always appreciative of your efforts. He remained calm and confident in every situation and was a great leader for our region.

Mike is a CPA and, as a graduate of the Director's Fellowship Program in Management, has a Masters Degree in Administration from Central Michigan University.

Mike plans on enjoying his lake house in Alabama with his wife, Delee. ■

Joseph Alter

Branch Manager, Southern New Jersey Branch,
Mid-Atlantic Region

JOSEPH F. ALTER retired on May 31, 2007, after over 41 years of service with DCAA. Joe was one of the Charter Members of DCAA, having transferred into the Agency when it was formed in 1965. Many current and former DCAA employees, friends, and family members attended his retirement ceremony and watched as Joe was presented with an Honorable Career Service Award in recognition of his 46 years of distinguished Government service.

Upon his graduation from LaSalle College in 1961, Joe began his Government career with the U.S. Army Audit Agency. When the Defense Contract Audit Agency was formed, Joe returned to his first love: contract auditing.

Joe's initial assignment with DCAA was at the former RCA Missile and Surface Radar Division in Moorestown, New Jersey. In late 1967 he was promoted to a GS-12 Auditor-in-Charge position at the RCA Astro-Electronics Division Suboffice in Hightstown, New Jersey. In 1974 Joe was transferred to the Philadelphia Branch Office, where he was a member of a Claims and Termination Team. In this role, he served as a Government witness on three successful litigation efforts before the ASBCA, receiving acclaim for his valuable testimony. From 1976 to 1979 he was assigned as the Auditor-in-Charge at the newly created Computer Science Corporation Suboffice. He then transferred to the Regional Operations Audit Team and performed on the initial Comprehensive Labor Audit Team. From 1980 to 1986, Joe was a Supervisory Auditor at the former RCA Resident Office (RO), earning his CPA license in 1982. He then became a mobile audit supervisor in the renamed Southern New Jersey Branch Office.

In 1993, Joe was selected as the Manager of the Mid-Atlantic Region's Technical Programs Division. In October 1995, he was assigned as the FAO Manager of the Lockheed Martin RO in Mt. Laurel, New Jersey. During his 4 years at the combined Lockheed Martin



Resident Office, the FAO issued several high-visibility audit reports that dealt with corporate restructuring. This was an emerging audit issue of the mid-90s, and Joe's reports received a high level of attention at OSD. In July 1999, Joe was assigned as the Branch Manager of the Southern New Jersey Branch, a position he held until his retirement.

Throughout his career, Joe has saved the taxpayer many millions of dollars. This is evidenced by his recent involvement with the Army's \$1.7 billion Comanche termination, the largest in Army history, in which \$7.5 million in savings was sustained. His knowledge, leadership, integrity, vision, and spirit of innovation were well-known and highly respected throughout the Mid-Atlantic Region and the Agency. His ability to communicate effectively with customers has been instrumental in improving organizational performance and increasing the level of public trust in DCAA. Over the years, Joe received numerous awards. Joe was particularly proud of the numerous trainees who made solid progress with the Agency and earned their CPA licenses. As a result, Joe's legacy will live on for many years after his retirement.

Joe will continue to reside in Southern New Jersey. He plans to spend his retirement enjoying his seven grandchildren and attending DCAA social functions from time to time. We wish Joe a happy and healthy retirement. ■

DCAA Auditor Trainee of the Year Award 2006

Christopher DiNapoli

Senior Auditor
Boston Branch Office, Mid-Atlantic Region

Christopher DiNapoli is the recipient of the DCAA Outstanding Auditor Trainee of the Year Award for 2006. This award recognizes trainees who exhibit superior ability and outstanding achievement during their first 12 months of service with DCAA.

During his first year, Mr. DiNapoli demonstrated exceptional ability to quickly grasp the audit process and the implications of audit findings on other assignments. He quickly became an integral member of his team and performed at a level expected of a much more experienced auditor. His region believes he has the personal and professional skills to become a future leader within the Agency. Mr. DiNapoli excels in the use of professional judgment during audit performance. Mr. DiNapoli exhibited sound analytical skills during his examinations of paid vouchers for contractors participating in the direct billing program. During these assignments, he quickly recognized that some



information needed was available in the Vendor Pay System in Electronic Data Access (EDA). He developed a working paper template to compare the contractor's list of vouchers to EDA. Using this format, Mr. DiNapoli was able to identify problems that may otherwise not have been detected. He recognized that EDA could be used as a tool on other types of assignments and shared his idea with team members at a PWT meeting. In addition, he submitted this best practice to the call for papers for the 2006 Quality Conference and was a presenter at the Conference in November 2006.

Mr. DiNapoli graduated from Boston College earning a B.S. in Business Management and is currently enrolled in the M.S. in Accounting program at Suffolk University. Mr. DiNapoli has set a goal to pass the CPA exam during 2008. ■

DCAA Meritorious Civilian Service Award

Nicholas Sambaluk, CPA

Resources Manager
Central Region



From left: Nicholas Sambaluk; William Reed, Director.

NICHOLAS SAMBALUK, Resources Manager, Central Region, received DCAA's Meritorious Service Award.

Mr. Sambaluk has distinguished himself as a professional, loyal, resourceful, and dedicated leader during his 29-year career with the Federal Government. Since 1999, he has served the Agency in an outstanding manner in his capacity as Central Region's Resources Manager and has served with distinction in a wide range of positions with DCAA. Early in his career, Mr. Sambaluk was an Auditor at the General Dynamics Resident Office, Fort Worth, Texas. He then served for several years as an Audit Instructor at the Defense Contract Audit Institute, Memphis, Tennessee, later returning to the Central Region as

a Supervisory Auditor at the LTV Resident Office. Mr. Sambaluk was ultimately promoted to a Program Manager position in Headquarters, Policy and Plans. Prior to his current position as Regional Resources Manager, Mr. Sambaluk was the Branch Manager of the Arlington Branch Office.

While serving as the Arlington Branch Manager, Mr. Sambaluk's contributions saved the taxpayers over \$25 million as a result of his findings that a major defense contractor failed to credit IR&D for proceeds received from a joint-venture partner for the development of a commercial helicopter program. As the Resources Manager, Mr. Sambaluk carefully managed the recruiting and career intern programs, consistently exceeding hiring goals. He consistently executed over 99 percent of the Region's budget while generating additional work years. Additionally, he (i) successfully budgeted and accounted for Iraq-related support costs; (ii) was instrumental in obtaining a new Collective Bargaining Agreement; (iii) managed the implementation of iRIMS throughout the Region; (iv) worked closely with representatives from the Federal Emergency Management Agency, General Services Administration, and the Federal Executive Board in developing and managing the Central Region Continuity of Operations Plan; and (v) facilitated TDY assignments for Hurricane Katrina evacuee auditors.

Mr. Sambaluk has a Bachelor of Science Degree in Accounting from Arizona State University and a Master of Science Degree in Administration from Central Michigan University. He is a licensed CPA in the State of Virginia as well as a Certified Internal Auditor. ■

DCAA Meritorious Civilian Service Award

Jerry McAfee, CPA

Regional Special Programs Manager
Central Region



From left: Jerry McAfee; William Reed, Director.

JERRY L. McAFEE, Central Regional Special Programs Manager, was awarded DCAA's Meritorious Service Award. This award is granted for outstanding or exceptional contributions by the employee.

Mr. McAfee has served with distinction in a wide range of positions with DCAA over the past 21 years. He began his auditing career with DCAA in 1985 at the Bell Helicopter Resident Office and was promoted to Supervisory Auditor, LTV Resident Office, in 1991. In 1994, he was reassigned to the Central Region's Technical Programs Division, first as a Technical Specialist and later as the Chief. In December 2001, Mr. McAfee was promoted to the position of Regional Audit Manager.

Mr. McAfee's contributions have been significant. Recently, he provided invaluable support to the Army

Sustainment Command and the Department of Justice on Iraq Reconstruction contracts valued at over \$22 billion. He managed a quick turnaround audit of a \$245 million proposal for the purchase of commercial helicopters by the government of Pakistan. Mr. McAfee was very involved in five major contractor SAP implementation audits where he identified and resolved significant issues, including \$100 million of costs incorrectly charged by one defense contractor after SAP implementation. Mr. McAfee provided outstanding financial advisory services on a proposed \$30 billion tanker leasing plan where he identified several parts of the lease agreement that would most likely result in unreasonable profits to the prime contractor. During his assignment as the RST Chief, Mr. McAfee provided outstanding technical and financial advice in the development of commercial revenue and expense-based formula pricing methodology for the U.S. Transportation Command. His recommendations to Contracting Officers resulted in hundreds of millions of dollars of cost reductions. Over the past 21 years, Mr. McAfee has proven his abilities as a proactive manager with outstanding personnel management skills. Mr. McAfee was also the recipient of the Agency's FY 2001 EEO Performance Award.

Mr. McAfee graduated from the University of Texas, Arlington, with a B.S. in Mathematics and an M.B.A. with a concentration in Accounting. He is a licensed CPA, a member of the AICPA and a member of the International Society of Parametric Analysts (ISPA). ■

DCAA Meritorious Civilian Service Award

Joseph Shattuck

Claims and Termination Technician Specialist
Mid-Atlantic Region



From Left: Joseph Shattuck; Steve Hernandez, Deputy Director.

JOSEPH H. SHATTUCK, Claims and Terminations Technical Specialist, Mid-Atlantic Region, was awarded the Meritorious Civilian Service Award on April 5, 2007, at a ceremony held at the Southern New Jersey Branch Office. This is the Agency's second highest award and is granted to employees who have accomplished assigned duties in an exceptional manner, setting a record of individual achievement and inspiring others to improve their work. Mr. Shattuck's accomplishments are so exceptional that this marks the first time that the Agency has granted this prestigious award to a Technical Specialist.

Mr. Shattuck's DCAA career began in May 1985 as an Auditor Trainee at the Philadelphia Branch Office. In 1998, he worked for the Mid-Atlantic Region's RST Compensation Team. In 1999, he was promoted to Technical Specialist in Claims and Terminations and CAS at the Southern New Jersey Branch Office. Recently, he became a Supervisory Auditor at the Southern New Jersey Branch responsible for L-3 Titan Services, Mt. Laurel, New Jersey, and L-3 Communications, East Camden, New Jersey.

- First Technical Specialist to receive this award
- Testified at the ASBCA on numerous occasions with spectacular results

Mr. Shattuck has consistently demonstrated outstanding leadership and commitment to the critical mission requirements of the Agency and the Department of Defense. Mr. Shattuck has served with distinction as a Claims and Terminations Specialist in the Mid-Atlantic Region, having testified at the ASBCA on numerous occasions with spectacular results, saving the taxpayers millions of dollars. During his career, he has also distinguished himself as a professional, loyal, resourceful, and dedicated leader. Recently, Mr. Shattuck led the Comanche Termination Team in assisting various TCO's, ACO's and other DCAA Technical Specialists and auditors from around the country in working through their diverse termination issues. His expertise resulted in saving the Government \$7.5 million. As a result of Mr. Shattuck's leading efforts on two recent Defense Information Systems Agency (DISA) breach-of-contract cases before the ASBCA, where both claims were denied in their entirety, DISA appointed him the DCAA-DISA liaison for all DISA breach-of-contract claims. ■

DCAA Outstanding Administrative/Technical Employee of the Year Award 2006

David Kaiser

Information Technology Specialist
Headquarters

- Created the IT Computer Scorecard
- Independently developed a method to analyze software currently in use
- Managed the DCAA effort to successfully implement the Common Access Card logon



From left: Joseph Garcia, Assistant Director, Operations; David Kaiser; April Stephenson, Deputy Director.

David Kaiser is the recipient of the DCAA Outstanding Administrative/Technical Employee of the Year for 2006. Mr. Kaiser is currently a GS-14, Information Technology (IT) Specialist in the Office of the Assistant Director, Operations, Headquarters. Mr. Kaiser has worked for the Agency for more than a decade and has been the recipient of numerous awards. He consistently demonstrates creativity and enhances the efficiency and effectiveness of the technical staff and managerial personnel in the area of IT. One example is Mr. Kaiser's creation of the IT Computer Scorecard to show each DCAA organization the status of its computer fleet on a real-time basis. He continued to enhance the scorecard by linking the scorecard with Systems Management Server (SMS) software deployment statistics. By using the scorecard, the appropriate personnel can see on a single screen which computers need antivirus updates, security patches and other key items that succinctly identify the health of the computer fleet. This method

of communication benefits personnel DCAA wide. In addition, as part of his support of Strategic Plan Objective G5-06-01 (Assess COTS Software), Mr. Kaiser independently developed a method to analyze software currently in use, highlighting areas for potential cost savings and saving significant research effort. In another example of his excellent work, Mr. Kaiser managed the DCAA effort to successfully implement the Common Access Card logon for our network. He has a proven track record in successfully handling high-visibility IT projects in the Agency. Mr. Kaiser's willingness to assist with any IT project; analyze the issues; and develop and recommend rapid solutions reflects creativity and his desire to provide excellent administrative support. ■

DCAA Commendation Awards

Northeastern Region

Ronald Roy

Supervisory Auditor
General Dynamics Resident Office



Benjamin Farmer

Senior Auditor
Upstate New York Branch Office



From Left: Paul Costantino, Supervisory Auditor; Benjamin Farmer; Joseph Cook, Branch Manager.

Gary Edenfield

Supervisory Auditor
Iraq Branch Office



From Left: Gary Edenfield; William Reed, Director.

The DCAA Commendation Award is an honorary award given to employees for exceptional contributions over an extended period of time or for a single act or service of such significance that it warrants recognition over and above that received by others. The award consists of a certificate, a bronze medal, and a lapel pin.

DCAA Commendation Awards

Western Region



From Left: Dave Cohen; Ursula Quon; Chris Andrezze, Regional Director; Gary Simonian; Curtis Smith; and Alan Arthur

Alan Arthur, Dave Cohen, Ursula Quon, Gary Simonian and Curtis Smith were each presented Commendation Awards in recognition of their outstanding achievements. The awards were presented on February 21, 2007, at the Western Region FAO Managers' Conference. Mr. Arthur is a Senior Auditor at the North County Branch Office,

Mr. Cohen is a Pension/Insurance Technical Specialist at the Northrop Grumman Corporate Resident Office, Ms. Quon is a Supervisory Auditor at the North County Branch Office, Mr. Simonian is a Compensation Technical Specialist at the Western Region Office, and Mr. Smith is a Supervisory Auditor at the Boeing Huntington Beach Resident Office. ■

DCAA Outstanding Clerical Employee of the Year 2006

Stacey Midson

Field Detachment, Headquarters

Stacey Midson is the recipient of the 2006 DCAA Outstanding Clerical Employee of the Year Award. Ms. Midson began her career with DCAA, Field Detachment (FD) in 2005 at the Mid-Atlantic Branch Office and transferred to Field Detachment Headquarters during February 2006. In the short time she has been with DCAA, Ms. Midson has distinguished herself as an outstanding employee, receiving several awards and acknowledgements.

Ms. Midson has been involved in initiating the use of corporate housing for auditors on extended TDY in the Washington, D.C. area. She researched local options, created working relationships with the housing managers, and negotiated terms that work within the DCAA financial restrictions. The monetary savings during the initial 3-month period was approximately \$18,000. As a testament to the success of this initiative, the corporate housing program continues to be used by FD.

Ms. Midson has taken an active role in FD's recruiting process. She maintains a log of all applications submitted through the MonsterTrak.com web site,



Don McKenzie, Deputy Director, Field Detachment; Stacy Midson.

ensuring all application packages are complete before forwarding them to the Personnel Office for review and action. Through a collaborative effort with the FD Human Resources Officer, FD hired 51 new employees, which allowed FD to execute their FY 2006 workyear plan, and be placed in a favorable position to execute the FY 2007 workyear target.

Ms. Midson was selected as the coordinator of the biannual Administrative Workshop, which was held in the Northern Virginia area. In this

role she effectively communicated the requirements to the other committee members. She took an active role in selecting a workshop site by attending tours of different facilities with the Director and the Special Assistant to the Director and provided input during the selection process. The Administrative Workshop provided a forum for discussion of security issues and topics about which the administrative personnel had extensive questions. Ms. Midson gave a synopsis of the Administrative Workshop at the Field Audit Office Manager's Conference, outlining the topics addressed and questions of concern to the administrative staff. ■



IN REPLY REFER TO

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December 18, 2006
06-CFA-048 (R)

MEMORANDUM FOR REGIONAL DIRECTORS, DCAA
DIRECTOR, FIELD DETACHMENT, DCAA
HEADS OF PRINCIPAL STAFF ELEMENTS, HQ, DCAA

SUBJECT: Internal Management Controls Within the Defense Contract Audit Agency

The purpose of this memorandum is to re-emphasize the Agency's policy on Internal Management Controls. As the Director of the Defense Contract Audit Agency (DCAA), my responsibilities include ensuring that the internal management controls and other mechanisms within the Agency, when taken as a whole, provide reasonable assurance that the objectives of the Federal Manager's Financial Integrity Act (FMFIA) are achieved. As members of an audit organization, I am sure each of us recognizes the need for and importance of an effective system of internal controls.

The Agency has in place a rigorous system of internal accounting and administrative controls to ensure effective management of the Agency's resources. Good internal controls are based on sound common sense and produce management controls that are neither costly nor burdensome when compared to the benefits they yield. Compliance with and the evaluation of internal management controls extends to each executive, manager, supervisor, auditor and administrative employee. I expect each of you to continue to place emphasis and importance on adherence to sound management internal controls in the conduct of your day-to-day activities to help meet our FMFIA objectives.

If you have any questions relative to the Agency's FMFIA program or this memorandum, please contact Mr. Scott Gentry, Executive Officer at (703) 767-3265.

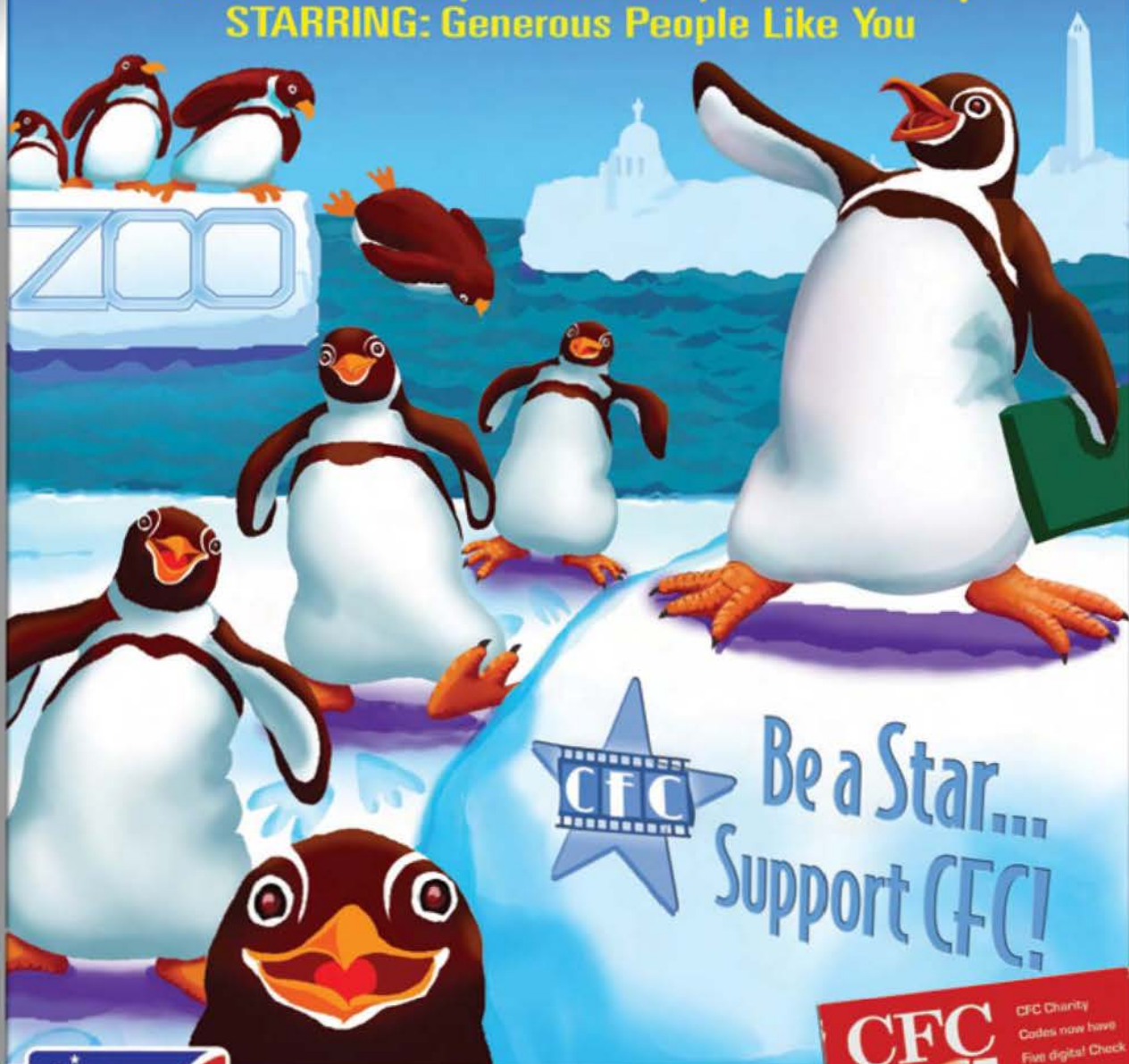
A handwritten signature in black ink, reading "William H. Reed", is positioned above the printed name and title.

William H. Reed
Director

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IN SUPPORT OF the National Interest, we are dedicated to providing timely and responsive audits, reports, and financial advisory services to Department of Defense contracting officers and other customers.

Our aim is to be THE audit organization with the foremost reputation for competence, integrity, and customer satisfaction by:

- Creating an environment of teamwork, open communication, trust, and mutual respect, and
- Developing highly qualified employees dedicated to the concept of continuous improvement.



William H. Reed
Director



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The DCAA Bulletin is an authorized publication for members of the Defense Contract Audit Agency (DCAA). Contents do not necessarily reflect the official views of, nor are they endorsed by, the U.S. Government, Department of Defense, or DCAA.

Defense Contract Audit Agency

Director

William H. Reed

Deputy Director

April G. Stephenson

Executive Officer

S. Scott Gentry

EDITOR'S COMMENTS

All employees are encouraged to submit articles and other items of interest for publication. A superior accomplishment award of \$500 is given to authors whose voluntary articles are selected for publication. Authors of voluntary articles judged to be exceptional receive an award of \$750. Due to space limitations, however, not all submitted articles can be published. The DCAA Bulletin staff reserves the right to edit articles. For detailed information regarding DCAA policy on this publication, consult DCAAR 5120.1, The DCAA Bulletin, dated August 27, 2007. You may send comments or suggestions to:

Defense Contract Audit Agency

Attention: DX

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The following symbols are used throughout this publication:

■ End of Article



Selected for \$750 Award



The DCAA Bulletin is a professional journal published quarterly and furnished to Defense Contract Audit Agency employees and retirees at no cost. Annual subscriptions to others are \$15. To obtain a subscription, contact Tricia Canard at (703) 767-1036 or by e-mail at Tricia.Canard@dcaa.mil. DCAA employees may visit us via the intranet on the File Libraries page.

Farewell

William H. Reed
Director
1986-2007



Dear Fellow DCAA Colleagues,

I'VE READ A LOT OF FAREWELL MESSAGES OVER THE YEARS and never realized how hard it is to express your feelings about leaving a job and a career that has been a big part of your life. The usual comments about the great people you worked with and the support you received from your family of course come to mind and, while seemingly common to every farewell message, are real and deserve repeating. We all are better for those we love and share our lives with, including our professional lives. I feel like the most fortunate person in the world for having experienced that support at home and with my DCAA colleagues for these many years.

As I clear out my desk and prepare to move on to what comes next, I wanted to share some final thoughts with you. Like most, I began work to earn money and find a place in life. The work had to be meaningful, provide some career upward potential, and hopefully provide sufficient financial means to live comfortably.

DCAA met that expectation and more for me. At some point work became more than a job, and I suppose you could say, I became invested in the organization and the mission. Doing a good job was always important, but when I reached this point, organizational success and personal success became, you might say, in perfect harmony. For me, meaningful work now meant more than just doing effective audits. It meant getting into a position to supervise other auditors and to have a larger voice in both audit and policy matters. Once you have experienced the early satisfaction of actually doing this, your career expectations usually turn upward. This is not everyone's path, but somewhat to my surprise, it's where my talent and interests took me.

If you personally have not hit that sweet spot yet, don't despair. DCAA's career development process and culture will give you every opportunity to hone your talent and gain perspective on the value of your contribution. This does not depend on your grade level or position ultimately, but how you feel about yourself and your work. Believe in the mission and yourself, work hard and take pride in everything you do. If I sound like your Dad, it's because some personal formulas for success are time tested and recognized as character building. Lastly and equally important, help create that culture of mutual respect and trust that makes every day at work a fulfilling and rewarding experience.

I am extremely proud to have been your Director and to have played some part in what DCAA has and will accomplish. Being the face of DCAA both within and outside the Department of Defense was extremely gratifying because of the dedicated and talented work of all of you. Truly you have established DCAA as the audit organization with the foremost reputation of competence, integrity and customer satisfaction. I leave with a challenge and my fondest hope that you will continue to improve and make us retired DCAA folks proud to say, we too were once part of such a great organization.

A handwritten signature in black ink that reads "William H. Reed". The signature is fluid and cursive, with a large, stylized "R" at the end.



William H. Reed

Career Chronology

April 1965	Begins Federal service as an auditor trainee with the Army Audit Agency
July 1965	DCAA established; assumes responsibility for DoD contract auditing William Reed is a charter member
December 1965	Begins military service, U.S. Army
October 1967	Returns to DCAA as an auditor at the Los Angeles Branch Office (LABO), Los Angeles Region
May 1970	Competitively promoted to GS 12, Senior Auditor (supervisory) position LABO, Los Angeles Region
November 1972	Reassigned to the Regional Special Programs Office, Los Angeles Region, as a staff specialist
May 1973	Promoted to GS-13 Senior Staff Specialist position in the Los Angeles Region's Special Programs Office
April 1974	Transferred to a Supervisory Auditor position at the Rockwell Space Division (RSD) Resident Office
August 1974	Becomes GS-13 Resident Auditor, RSD Resident Office
May 1975	Promoted to GS-14, Resident Auditor, RSD Resident Office
August 1976	Assigned to the Los Angeles Regional Office as the Assistant for Special Projects
April 1978	Promoted to GS-15, Regional Special Programs Manager, Los Angeles Region
June 1978	Transfers to Regional Audit Manager position in the Boston Region
August 1979	Promoted to Deputy Regional Director, Boston Region
June 1980	Promoted to SES, Regional Director, Boston Region
January 1986	Appointed Director, DCAA

My First Incurred Cost Audit

By: **Michelle R. Schaefer**, Auditor, Dayton Branch Office, Eastern Region

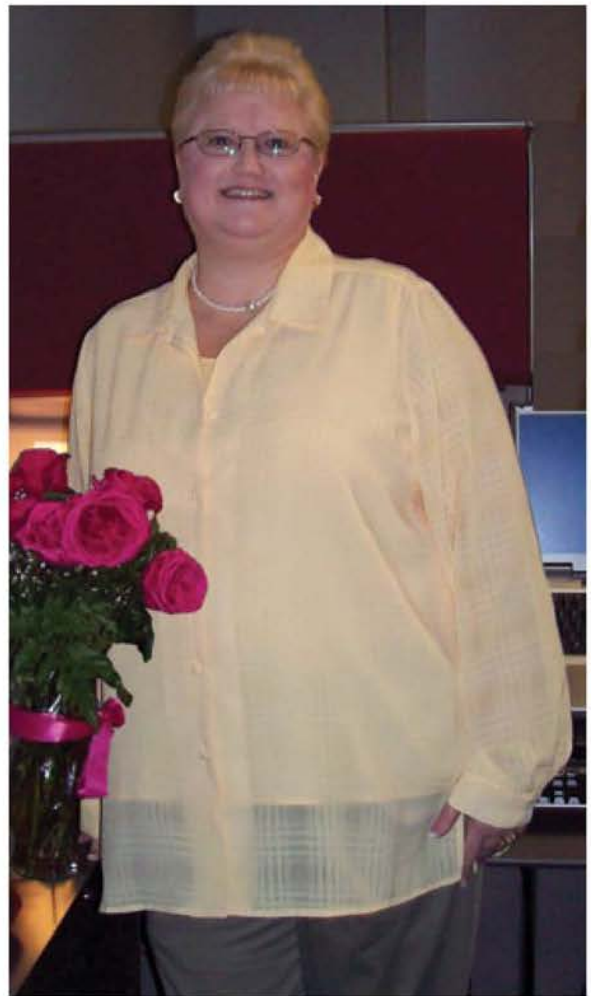
It's natural to experience some anxiety before stepping into your first audit—especially if your first step takes you off a cliff. Who says auditing isn't exciting?

WE ALL KNOW THAT REVIEWING incurred cost proposals is one of the basic facts of life within DCAA. My first incurred cost audit was little more than a year ago, and as I have progressed to the next level within DCAA, my recollection of this experience has become a cherished memory because it was unlike many of my more recent DCAA experiences. We all know as mobile auditors that we go where and when we are needed—even if it is an icy mountain top in the middle of winter to visit a small contractor working out of his own home.

This first incurred cost audit occurred in a very small town with little, if any, office space for lease, and it was in another state because the cognizant DCAA office was temporarily understaffed. When I called the contractor, he verified that I had a four-wheel-drive rental vehicle because he insisted that I would not be able to reach him otherwise. We agreed to meet at 8:30 a.m. the next morning.

I breathed a sigh of relief after speaking with him because I did not think I had said anything that would indicate I was a new hire, but I began reviewing the conversation again in my mind just in case. I knew that as a GS-07 I had a lot to learn. I was alone, hundreds of miles from home on my first incurred cost audit, and I felt as though I could not have possibly prepared enough for this field visit despite all of the training I had received.

As nerves began to show, I did what I always do when I'm nervous—I eat—and since it was raining/sleeting/snowing (take your pick, it changed by the minute), I opted for pizza delivery. As I choked down two pieces of pizza in my hotel room, I began reviewing my risk



assessment and audit scope for what must have been the hundredth time. My thoughts began to race.

What if I forget a note, receipt, or document, return to Dayton, and then determine that it really is necessary for the working papers? What if it is too large for them to send to me? What do I really need for this audit? How will their accounting records look? Will I know what's important and what isn't? The working papers I

Wow! So this is how it all worked together! I actually understood, in more than theoretical terms, what I was trying to verify. Theoretical accounting and real-world contractor data and experience suddenly converged... I was finally discerning my role in this process.

reviewed at the branch office were organized by MAAR, and these working papers came from DMIS (using the Quick Entry feature), organized by cost element. They were not even similar since a new incurred cost audit program for nonmajors was issued that eliminates the applicability/referencing of the MAARs! This must be new unless I did something wrong. Did I do something wrong? No, my supervisor, Al, would have noticed during the risk assessment if I had downloaded the working papers incorrectly. Okay—breathe. I can do this.

After a restless night in what would otherwise have been a very comfortable bed, my stress level decreased a bit as

I drove. As I made the last turn on a road that was the width of one car, I saw a car approaching from the other direction. One of us had to move, but there was no-where to go! The mountain was on one side of the road, and a drop of several hundred feet that ended in a semi-frozen body of water was on the other side. As I slowed and eventually stopped, I began to slide—BACKWARDS—down the twisted mountain road! Miraculously, the other car slowly passed me, and the driver smiled and waved like this was a normal occurrence. When I finally pulled into the contractor's driveway, I let go of a very deep breath and smiled. I reaffirmed to myself that I am a mobile auditor, and the key word is mobile. I have to go where and when I am needed, and on this day, I am needed on an ice-covered mountaintop.

After introductions and courtesies were extended, the contractor showed me a place where I could work. The contractor's business was actually managed from

home because they had numerous employees at several different customer locations across the country. Their home was the most centrally located of these sites, and it helped them minimize costs to the Government which, in turn, made them extremely competitive among those vying for this business. The lower level of their home had been very professionally fashioned into two offices with three work areas. The contractor brought me one banker's box full of files for the year that I was reviewing, and asked if I needed anything.

I opened my computer, set up my scanner, turned toward the box of documents, and froze. The office area of the contractor's home had a 180-degree panoramic window view, and the scenery was breathtaking! As I stared outside, I realized that I was indeed on top of a mountain, and it had just started to snow. As I noticed this, an older golden retriever slowly lumbered down the steps, saw me, sat down in front of me, and promptly warmed my cold feet by falling asleep with his chin on them. The contractor quickly apologized and prepared to take the dog to the residential floor of the home, but I smiled and suggested that he leave the retriever with me. I felt like I had just wandered into a Norman Rockwell painting, and as I smiled, I thought, "I actually get paid to do this."

Prior to my trip, I did one thing that I always do. I reviewed the contractor's website. I learned that the contractor's owner with whom I was working was a retired Naval Captain, and his wife had worked with DCAA for over 10 years. Not knowing what to expect, I thought these pieces of intel were good background. I just did not know what to do with them prior to evaluating the box of documents I had just been given.

My plan of attack for this assignment was simple: scan or copy any relevant documents. Seeing how organized and meticulous this contractor was, I realized that this was the reason my supervisor selected this to be my first incurred cost audit experience.

The banker's box of documents was organized by account number, and each account had a separate hanging file. There were also individual files for tax forms, financial statements, and reports. Reports... hmmm...what type of reports? The first report I retrieved illustrated a summary of each account, with summary totals that tied to the Overhead and G & A pools respectively, and itemized the indirect rate

calculations with the last row showing the actual final indirect rates.

Wow! So this is how it all worked together! I knew this from the training I had received at DCAI, but I had not yet seen this summarized so succinctly on one page. I quickly electronically scanned the report to incorporate it into my working papers because I knew that this was relevant. This analysis was shown on a spreadsheet, and the account amounts and rates for the last 7 or 8 years were all illustrated. This contractor was not using the Incurred Cost Electronic (ICE) submission worksheet per se, but this showed the trends, actual expenses, and rate calculations so clearly for such a significant time period that I actually understood, in more than theoretical terms for the first time, what I was trying to verify. Theoretical accounting knowledge and real-world contractor data and experience suddenly converged in my brain, and although still very nervous, I thought I was finally discerning my role in this process.


I proceeded methodically through each hanging file, looking for items of interest based on my risk assessment and the transaction testing plan that I had formulated. When I reached a file labeled "Contract Briefs," my curiosity peaked. Contract briefs? As a former paralegal, I LOVE reading contracts, and the geek in me could not resist perusing the contracts and comparing them to the corresponding brief. The contractor's largest contract was cost-type, and they also had a couple of Time & Material (T&M) contracts. The contractor kept a running summary of total monthly expenses attached to each contract brief, so I verified the costs associated with the most recent monthly voucher for the cost-type contract. It tied to the penny! I looked at the amounts for one of the T&M contracts, but I became confused.

I was comparing the various schedules in the Information for Contractors booklet to the schedules prepared by the contractor. It seemed as though Schedule H was based on cost, and this tied back to the cost-type contract. Schedule K was supposed to illustrate billed amounts—not actual cost—for T&M contracts, but the amounts on the contractor's Schedule K were the cost amounts listed on the summary attached to the contract brief. I looked at the T&M rates in the actual contract, and I saw that the contractor clearly had two sets of numbers for this contract: one set showed cost,

and the other illustrated the calculated billed amounts based on labor hours and loaded hourly labor rates. Did the contractor make a mistake on Schedule K? No, they couldn't have. They had been doing this for years, and I was new. I studied the analysis again, and I decided to ask the contractor for an explanation.

I asked the contractor if he had a minute, and he walked over to my work area. I showed him the example for Schedule K from the Information for Contractors booklet, and then I showed him the cost amounts on his Schedule K. I asked him to explain the difference. Trying to be nice while simultaneously trying to hide his exasperation at getting a new auditor, he took the relevant reports back to his work area. I nervously sat down and tried to work on the next schedule, but within a few minutes, he called me over to his work area. He said that clearly he had made a mistake, he thanked me for finding it! I could not believe this! He said this was the first year they had ever had a T&M contract, and he obviously needed to modify his Schedule K. He quickly revised Schedule K of his submission for the billed amounts as opposed to the cost amounts, and I then performed my transaction testing and review of pertinent documents to determine the allowability of the claimed costs.

Just before I left, the contractor, his wife, and I sat down to discuss my findings and what I still needed. As we concluded the conversation, he complimented me on my professionalism and said that he was quite impressed with how I handled his mistake on Schedule K. As a former Naval Captain, the contractor was not accustomed to being told or, heaven forbid, being shown, that he had made a mistake. He said that he appreciated the way that I had suggested we work through Schedule K. He thanked me for giving him respect and consideration for the many years that he had been a Government contractor. Temporarily speechless (which my friends will confirm to be very rare indeed), I thanked him for readily agreeing to revise his submission on the spot.

Amazingly, I survived my first incurred cost audit as a newly-minted GS-07, and my supervisor made every effort to make this a positive and beneficial learning experience for me. I have not experienced any other audits quite like this one, and as a result, the memories of it are that much more special to me. I hope that all new hires and trainees have as wonderful an experience doing their first incurred cost audit. 

Encouraging Audit Effectiveness

A Supervisor's Perspective

By: Debra Milshtein, CPA

Supervisory Auditor
UTC Resident Office
Northeastern Region



IN JANUARY 2006 during the Supervisory Auditor Conference at our regional office I listened to our Regional Director introduce initiatives for improving audit effectiveness. My first thought was “Oh, great! Another metric is coming.” But as I continued to listen, I realized what I was hearing was encouragement to focus our audits on high-risk areas and to find ways to channel enthusiasm and creativity into our audits. For me, the audit effectiveness message was good news!

My challenge as a supervisor was determining how to encourage my team to look beyond the 14-inch computer monitor when assessing contractor risk and consider the bigger picture. I asked myself, “How can I develop a mindset on my team that a ‘good’ audit is not just one that would pass a PCIE review but is also a product the auditor can be proud of?” As a supervisor, I contemplated how I could help my team set goals to align our audit effort with contractor risk.

I knew the key to change is more than just the management team discussing risk factors. It is more than reassessing our operating plan and updating EACs; it is more than setting goals and providing training; and it is more than finding new opportunities to use statistical sampling and improvement curves. It is setting a tone and creating an environment that promotes ownership and pride in our audits.

This past fall, I took a course at the Florida Institute of Technology called Interpersonal Relationships and Conflict Management in which we used a text book entitled *Developing Management Skills* by David A. Whetten and Kim S. Cameron. Throughout this course, I marveled at the relevance of the material in the text to the Agency’s renewed emphasis on audit effectiveness. I thought I could be a key player in achieving audit effectiveness if I could just connect what I do

every day at work to the general leadership concepts, teambuilding models, and influencing skills I was learning (and for which the Agency was paying as part of my participation in the civilian academic degree training program) to what I do every day at work, then I could be a key player in achieving audit effectiveness.

At this very same time, my team was faced with the daunting task of auditing a huge forward pricing rate proposal in an IPT mode in far less time than it had ever been done before. The compressed timeline for establishing forward pricing rates was critical to a major customer’s timetable for award of a multi-billion dollar aircraft engine contract. It would require the effort of approximately 12 auditors across three teams. Many thought it was impossible to perform a high-quality audit in so short a turnaround time. However, I was revved up from the course readings, and I was motivated to succeed. The question was how to transfer my own enthusiasm to my team. As a supervisor, I saw my job as a facilitator, removing barriers and obstacles and building the team’s confidence that they were well equipped to do what was formerly perceived as impossible. We used top-down risk assessment to start focusing in on productive areas. To further define the audit scope, we applied analytical techniques and regression analysis. Nevertheless, none of this is sufficient to assure that quality and timeliness are built into the audit. For that to occur there must be a team-wide cultural mind-set, and that happens when team leadership sets the tone and creates the atmosphere for achievement.

Following are the strategies in the form of a mnemonic that I have adopted to increase and promote audit effectiveness for my team. I attribute the timely completion and high-quality audit of the forward pricing rate proposal to these strategies. I have adapted some of the concepts from my course textbook as well as thoughts that are uniquely my own.

Empower every team member because it is the key to unlocking the potential of a successful team in an era of change and increasing need for innovation and productivity.

Foster auditors' feelings of active control rather than passive control where auditors determine the proper audit scope, select the best audit techniques, establish budgeted hours and due dates that meet customer needs and audit quality requirements so that all effort aligns with the concept of audit effectiveness.

Facilitate and reward or recognize creativity, improved audit techniques, unusual findings, new and productive audit areas, and more value-added methodologies and original ideas.

Expand supervisory effectiveness by providing resources, training, information, and overall support to the team in achieving the audit effectiveness goal.

Create confidence and trust and build support for management's audit effectiveness initiative by modeling characteristics of reliability, fairness, caring, openness, and competence.

Tie the goal to traditional core audit concepts in order to connect the audit effectiveness goal to a number of controllable outcomes such as timeliness and meeting original budgets.

Increase communication across the team so that auditors share in ideas, personal expertise, decision making, and accountability.

Verbalize clearly and often a consistent vision, goals, desired outcomes, and accountability to guide auditors' behavior as they implement the audit effectiveness objective.

Emphasize effort so auditors believe: they are capable of performing the task, there are no outside obstacles to accomplishing it, and that putting their energy into the audit will result in success.

Network across all parties to an audit including internal and external customers so as to develop professional relationships with those having information that can help to build audit quality.

Encourage new behavior in which auditors consider many options, are broadminded in their audit perspectives, and look for information that identifies opportunities for audit findings.

Stress self-efficacy because the strength of people's conviction in their own effectiveness determines whether they will even try to accomplish a difficult task.

Stimulate self-determination because higher levels of work performance and innovative activity are directly associated with having choices about the methods used to accomplish the task, the amount of effort to be expended, the pace of the work, and the time frame in which it is to be accomplished.

What I have learned is that audit effectiveness requires management effectiveness. To be an effective supervisor, you have to be a leader in positive change because

positive change does not just happen on its own. It is planned, nurtured, encouraged and rewarded. ■

Trust, Loyalty, and Reliability

Determining Factors for Occupying and Maintaining a Sensitive Position

By: **Jennie Lindenbaum**, Chief, Security Division, Headquarters

ONE OF THE MOST IMPORTANT responsibilities entrusted to a public servant is the protection of sensitive or national security information. Therefore it is critical that such information be placed only in the hands of those whose reliability has been carefully evaluated via a thorough background investigation. DoD Directive 5200.2, DoD Personnel Security Program (PSP), establishes policies and procedures to ensure that acceptance and retention of civilian and contractor personnel who occupy sensitive positions and/or require access to classified information are clearly consistent with the interest of national security.

This article will provide information on the background

investigation (Personal Security Investigation) and explain the criteria used to assess your ability to hold a security clearance or occupy a sensitive position. As a DCAA employee you have already undergone a background investigation. Even though you have successfully completed the process, it is important to maintain an awareness of the criteria used since you have a continuing responsibility to maintain eligibility to occupy your sensitive position.



Personnel Security: The Cornerstone of Effective Information Protection

The importance that the Department and Agency place on establishing and maintaining an effective PSP cannot be overstated. Although there are many security disciplines that fall under the Headquarters Security Division (e.g., information security, physical security, and Antiterrorism & Force Protection), personnel

security has always been and will always be the cornerstone of an effective security program. Security programs cannot succeed unless they are placed in the hands of trustworthy employees. That is why a thorough screening and adjudication process determines an employee's eli-

gibility for occupying a sensitive position and/or access to classified information.

Every new DCAA employee will undergo a security background investigation. The process begins when tentative offers of employment are made by Human Resources (HR). At that point, HR provides security-related forms to be filled out. The application forms required will vary depending upon the level of access

required for a sensitive position. Upon receipt of the forms, HR forwards them to the Headquarters Security Division. After screening the forms to ensure they are complete, the Security Division initiates the investigation process by requesting a Personnel Security Investigation.

What is a Personnel Security Investigation?

A Personnel Security Investigation (PSI) is an inquiry into an individual's loyalty, character, trustworthiness, and reliability to ensure that he or she is eligible to access classified information or to occupy a sensitive position. All DCAA PSIs are conducted by the Office of Personnel Management (OPM). There are many different types of PSIs. The investigative requirements of the PSI are based on the level of access to classified information and the type of sensitive position that you, the employee, will occupy. As a DCAA employee, you will either occupy a non-critical sensitive position or a critical sensitive position. The standard PSI conducted on most DCAA employees is a National Agency Check with Inquiries (NACI). This includes a computerized search of investigative files and other records held by Federal agencies such as the FBI and OPM; and written inquiries sent to your present and past employers, schools, references and local law enforcement authorities. Upon completion of the PSI the result, which is called the Report of Investigation, is forwarded to the Washington Headquarters Services Consolidated Adjudication Facility (WHS/CAF).

Finding the Trusted Employee

Evaluating you as an individual requires the application of appropriate criteria and standards to your particular background. The Director Central Intelligence Directive (DCID) 6/4 provides the Adjudicative Guidelines that spell out the 13 criteria that the WHS/CAF uses to make the final determination of an employee's trustworthiness, loyalty, and reliability. As a DCAA employee, during your initial security background investigation and again on a periodic basis, you are evaluated against these standards of personal conduct to determine your eligibility to occupy a sensitive position. Investigators examine a period of your life sufficient to make an affirmative determination that you are an acceptable security risk.

The 13 Criteria

The 13 criteria are listed below with explanations to provide an understanding of how they are used to determine trustworthiness, loyalty and reliability:

- **Allegiance to the United States:** You are evaluated to ensure that your allegiance to the United States is unquestionable. For example, an association with a person who advocates, threatens or uses force to prevent others from exercising their rights under the Constitution, federal, or state laws could raise a security concern or cause disqualification.
- **Foreign Influence:** This part of the evaluation establishes the fact that you, as well as your family members are free from duress by a foreign entity and not vulnerable to coercion or exploitation by a foreign entity. For example, a substantial business, financial, or property interest in a foreign country that might subject you to a heightened risk of foreign influence or exploitation could raise a security concern.
- **Foreign Preference:** You are evaluated to determine that you do not act in a way to indicate preference for a foreign country over the United States.
- **Sexual Behavior:** You are evaluated to ensure that your behavior is not susceptible to coercion, exploitation, or duress; or reflects lack of judgment, such as a pattern of compulsive, self-destructive, or high-risk sexual behavior.
- **Personal Conduct:** Your personal conduct should reflect trustworthiness, reliability and loyalty.
- **Financial Considerations:** Your finances are evaluated to ensure that you are not financially overextended, not involved in illegal acts, and have no unexplained affluence. Excessive indebtedness, for example, puts you at risk of having to take illegal measures to generate funds.
- **Alcohol Consumption:** You are evaluated to ensure there is no excessive consumption leading to questionable judgment, unreliability, or lack of control. Driving under the influence of alcohol or reporting for work while intoxicated would be cause for a security concern.

- **Drug Involvement:** This aspect is evaluated to determine if there is any improper or illegal involvement with drugs, drug abuse or dependence on your part.
- **Emotional, Mental & Personality Disorders:** Your background is evaluated to determine if there are any disorders which might affect judgment, reliability or stability.
- **Criminal Conduct:** Your background is evaluated to determine if there is a history or pattern of criminal activity. For example, a dishonorable discharge from the Armed Forces could raise a security concern or disqualify the applicant.
- **Security Violations:** Any willful noncompliance with security procedures on your part, to include unauthorized disclosure of classified or sensitive information is considered. Storing protected information in any unauthorized location could raise a security concern or disqualify you.
- **Outside Activities:** Your outside activities, such as employment or service with a foreign government or organization, are evaluated to ensure they do not conflict with individual security responsibilities or increase risk of unauthorized disclosure.
- **Misuse of Information Technology Systems (computers):** Any noncompliance with rules, procedures, guidelines or abuse of equipment or systems on your part is evaluated, including unauthorized introduction of software to a Government computer when prohibited by guidelines or regulations.

The Whole Person Concept

While each of the criteria mentioned has conditions that could raise a security concern and may be disqualifying in the eyes of a WHS/CAF adjudicator, each criteria also has conditions that could mitigate any security concern that the adjudicator may have: for example, voluntary reporting of adverse factors in your background; your resolution of a past problem; or seeking assistance with a problem and following professional guidance. A number of variables are considered when making any determination. Adjudicators

evaluate “the whole person,” developing a complete picture of the employee prior to making a final determination. What’s important for you to remember is that this process involves trained adjudicators who use all available pertinent information to make an accurate evaluation.

Your Role

You play a key role! Once you have completed all the paperwork, your background investigation is complete, and you have been approved to occupy a sensitive position and perhaps been granted a security clearance, it’s not over. As we previously indicated, you have a continuing responsibility to maintain eligibility to occupy your sensitive position. Once your PSI is complete and you are approved to occupy a sensitive position or granted a security clearance, you are still accountable for conducting your affairs in the same conscientious manner that helped you earn your position of trust. It is important that all employees know that they are required to report to the Security Division any information outlined in the 13 criteria which could affect their ability to occupy a sensitive position and have access to classified information. Remember that voluntary disclosure of problems and a sincere effort to resolve them are mitigating factors when security issues arise.

Employees with security clearances or those occupying critical-sensitive positions are subject to a Periodic Reinvestigation (PR). Personnel who occupy a critical-sensitive position or have a Top Secret clearance undergo a PR every 5 years; those with a Secret clearance, every 10 years; and those with a Confidential clearance, every 15 years. Update the biographical information in your own personal records frequently. If you are selected for reinvestigation or earn a promotion to a position requiring a higher access level, having the facts at hand will reduce the amount of time you spend filling out forms and waiting for final determination.

Please remember, if you have any questions, SECURITY IS HERE TO HELP! Our goal is to make sure that all DCAA personnel continue to meet the criteria and continue to occupy their positions. ■

The CPA Exam and You

Why is this auditor smiling? Wendee Shinsato passed each part of the CPA exam on the first attempt. How did she do it? Here are the strategies she used to achieve her goal. Is a smile in your future?



Ed. Note: Ms. Shinsato is the recipient of the 2006 Elijah Watt Sells Award. See inside back cover for details.

By: Wendee Shinsato, Auditor, West Coast Branch Office, Field Detachment

PASSING THE CPA EXAM CAN BE difficult, and preparing to sit for the exam may seem to be an overwhelming challenge. It may have been a while since you last attended school, and you may have forgotten the study techniques and test-taking abilities that you used to survive in high school and college. For others, just finding the time to study may be difficult with all of the other commitments in your life, such as work, family, and community. Despite these barriers, there are many reasons to start working toward your CPA license right now.

Of course you will gain personal satisfaction, the thrill of signing “CPA” after your name, and increased

accounting and auditing knowledge. If those reasons are not enough to motivate you to give up your week-nights and weekends for an indefinite amount of time, DCAA also offers other incentives to work towards your CPA license.

Professional competence is the third goal in DCAA’s strategic plan, and the Agency actively promotes that goal. As a DCAA employee, the Agency pays for everything associated with becoming a CPA—the application and registration fees, the review courses, and the fees to obtain and renew your CPA license as well as paid time off to sit for the exam. How’s that for a bargain? In addition, upon receiving your CPA license, the Agency offers a \$1,500 bonus as a reward for all your hard work.

Passing the exam also awards up to 14 points in HAPS, and this helps you to advance in the Agency.

So with all of these reasons to take the CPA exam, how can you improve your chances for success? Everyone is different, but here are a few suggestions to get started:

Dedication

Set aside 1 or 2 hours to study each weeknight, and wake up early to study on weekends. Treat studying like a job and not an option. Of course, unforeseen circumstances might occur, but a consistent study routine helps to ensure that you stay on schedule.

Planning

Prepare a course of action. Make a definite plan on how much time you want to spend on each chapter and your final review. Be realistic about the time it will take you and pace yourself – the review classes are great, but they do tend to move on a tight schedule. You might want to sign up for just one at a time so that you aren't rushed to move ahead to the next subject before you're ready. Schedule your test now and circle it on a calendar as your deadline.

Teamwork

Take the study courses with a coworker. Even if you're doing the online class, a friend can help to motivate you to keep up with the class—which goes by extremely quickly! (I took Business Environment and Concepts with one of my coworkers; she asked me every Tuesday and Thursday if I had completed the lectures, and it really made sure that I stayed on track). In addition, your coworker may be able to answer questions that you have and vice versa.

Perseverance

When Becker says that you should keep on doing the study questions until you get at least 90 percent, it's not just to make you do more work. Many of the exam questions are very similar, so knowing the Becker questions by heart does help. In addition, use other study references. The Wiley books have hundreds more questions that you can practice on, and the more questions you practice on before the test, the better your chances of success.

Preparation

Before taking the exam, make sure that you have done your research. Take the tutorial on the CPA exam website, especially to understand how the simulations work, because the CPA software is not the same as your normal Excel or Word. Do some timed practice tests with no interruptions to get a feel for how it will be on test day. Look up the route to the testing center in advance. Make sure that anything that might cause stress on test day is taken care of beforehand.

Confidence

Above all, be positive! The CPA exam is tough, and many people don't pass all four parts on the first try. If that's the case, don't be discouraged, just learn from the experience and retake the required part while the information is still fresh in your mind.

Finally, as you prepare to take the exam, keep the final goal in sight. Always keep in mind the satisfaction you will feel when you have passed all four parts and you can officially call yourself a CPA! ■

The U.S. Constitution

In accordance with Public Law 108-447, Constitution Day was observed on September 17, 2007 by the Department of Defense. This edition and future editions of the Bulletin will provide educational information on the U.S. Constitution.

Where and when did the deputies to the Constitutional Convention assemble?

In Philadelphia, in the State House where the Declaration of Independence was signed. The meeting was called for May 14, 1787, but a quorum was not present until May 25.

Was there harmony in the Convention?

Serious conflicts arose at the outset, especially between those representing the small and large States.

FAO Management: An Extension of Best Practices Learned in the Past

By: **Nancy Arasin**, CPA, Regional Audit Manager, Mid-Atlantic Region

WHEN I BEGAN my new assignment as the FAO Manager of the Pennsylvania Branch Office, I approached my new position as I did the others: another road to travel within the DCAA organization. I expected that as I traveled down this new road I would encounter unfamiliar turns, stops, and detours on the road, requiring decisions to change course, and

One very important lesson I have learned as a new FAO Manager is that the FAO staff is the most valuable resource in the DCAA organization.

perhaps new strategies to implement those changes in course. I also realized that I would probably have to deal with a few roadblocks along the way that might require a complete change in direction. I was ready but anxious as my new journey began.

Prior to my official start at the Pennsylvania Branch I gathered as much information as possible in order to gain some insight into the office. This information included an organizational chart, the program/operating plan, profiles on the contractors under the Pennsylvania Branch, and the FAO Quarterly Scorecard. I met with the current FAO Manager and the Regional Audit Manager and was briefed on open audit and administrative issues at the FAO. With a staff of 75 employees, the Pennsylvania Branch is one of the largest FAOs in the Agency and has responsibility for over 700 contractors. The major-



ity of the contractors are nonmajor contractors in the Washington, DC, area, but there are also four major contractors in the Pittsburgh area. Approximately half of the staff is physically assigned to the King of Prussia office (near Philadelphia), and the balance of the staff is assigned to the Pittsburgh suboffice (approximately 300 miles away). The size and geographic dispersion of the FAO would certainly provide many challenges.

During the first few weeks of my new assignment, I was occupied with meeting many new people and reconnecting with some people that I had known for several years. I tried to gain a better understanding of the workload of the office and my primary respon-

sibilities by talking with each of the supervisors and becoming familiar with the FAO Operating Plan and any audit issues the supervisors were facing. My role,

An FAO manager must rely on the staff to provide the audit results and identify the issues that need management attention during the audit.

as I saw it, was to ensure the FAO performs quality audits and completes its operating plan. The goals established at Agency and regional levels, provide us with reasonable targets to aim for. However, we may not always be able to achieve these goals. The challenge that managers face is to understand why we are falling short and determine if there is corrective action we can take to change course. For example, there may be some very legitimate reasons for missing an

audit due date, or not achieving a productivity goal or cycle time. The auditors may have identified a significant finding during their audit that requires additional work and/or coordination with the contractor and/or the customer. Missing the due date or not achieving the productivity goal under these circumstances is acceptable. We cannot be so focused on metrics that we fall short of our mission of performing a quality audit. It is important that the staff realize that there are situations like this, where it is acceptable to fall short of a goal.

In order to ensure that we perform quality audits and complete our operating plan, the manager must ensure that the staff has the necessary resources. This usually involves assisting the staff in removing barriers that prevent them from accomplishing their plan. The workload at the Pennsylvania Branch was typical of most offices. There were 6-12-6 audits, 6-24-6 audits, MOCAS priorities, reimbursable audits, forward pricing audits, and other special requests. It is necessary to regularly monitor the projected workload (EACs) against the staffing resources to ensure that the office has enough resources to complete the plan, shift resources as necessary to accomplish goals within the FAO, and, if appropriate, identify excess resources that can be made available to another FAO. In my previ-

ous job as Manager of the Regional IT Division, the IT Division was responsible for tracking the scorecard metrics and the status of the program plan, and the available resources for the entire region. This experience made the monitoring part of my job at the FAO much easier.

An FAO manager must rely on the staff to provide the audit results and identify the issues that need management attention during the audit. In an office as large as the Pennsylvania Branch (i.e., eight audit teams); I had to rely very heavily on my management team to identify the significant issues that required my attention and involvement. There was daily dialogue with the supervisors as significant issues were elevated to me.

One of the biggest challenges I faced in my first month at the Branch was how to prioritize and manage my workload. There were numerous audit reports, information requests, and other administrative and personnel tasks that required my review and approval. Juggling multiple “top” priorities set the pace for most of my days at the FAO. In prior jobs, I had always been successful in managing priorities. The old reliable “To Do List” continued to be a very useful time management tool, but there certainly was a need to employ some additional tools like the Open Assignment Register, the COGNOS Perf2 (Audit Staffing Assessment), and the Perf3 (Summary of an FAO Programmed Versus Actual Hours) Reports.

One of the “bumps” in the road I encountered in the midst of my first 6 weeks at the branch was the resignation of my administrative supervisor. Although the FAO had a very good administrative staff, it became apparent to me what a valuable team member the administrative supervisor is at an FAO. The administrative supervisor ensures that all of the administrative processes (i.e., processing audit reports, purchases, travel, inventory, etc.), supporting the office are implemented within the parameters of Agency and Regional guidance. Until we were able to hire a replacement, I took on the responsibility of overseeing the administrative staff and the administrative processes. During this time I came to fully appreciate the value of an excellent FAO Management Team. The Pennsylvania Branch management team worked very well together and was always ready and willing to assist me and each other with any collateral duties that had to be performed. During the period of time when we were without an

administrative supervisor, the management team willingly took on additional duties. I found myself continuously relying on the management team to provide the history of what the branch had done in the past in a specific area. They openly identified problems they had encountered and concerns they had with certain processes. Together, we were able to implement new processes that met the needs of the office. This would not have been possible without the team's willingness to be honest, open and willing to change the way things were done in the past. The management team was committed to developing solutions that would result in a more efficient office operation. Our monthly team meetings provided an excellent forum to discuss and work these issues.

As the Branch Manager, I now had the opportunity to directly influence the effectiveness of the FAO's audits. The management team and PWTs worked together to identify areas where we believed there were opportunities to perform more effective audits. The experience level of the supervisors at the Pennsylvania Branch and their commitment to performing quality audits resulted in many new areas of questioned costs which included lobbying costs,

lease costs, state taxes, etc. In addition, the Pennsylvania Branch became the focal point for audits of Washington Area Offices for the Agency. One of the audit tools that the staff implemented to facilitate the sharing of effective audits was the development of an office database that identified, by audit assignment, the areas of questioned costs. This tool helped the auditors to quickly identify areas of questioned costs. The auditors could then review the audit working

Taking the time to talk with the staff and explain the rationale behind Agency decisions and policy changes helps to keep employees informed, focused, and committed to the DCAA mission.

papers of the assignment containing the questioned cost, specifically the audit steps and techniques used, and reference the corresponding audit report notes.

Staff conferences provided an opportunity to share the results of effective audits, discuss the techniques that the auditors used, and recognize the auditors for their contributions. By teaming with the staff, we can continue to successfully identify and work the high-risk cost areas and develop tools that can be used to further improve our audit efficiencies.

One very important lesson I have learned as a new FAO Manager is that the FAO staff is the most valuable resource in the DCAA organization. It is critical that we keep the lines of communication open with our employees and recognize them for their accomplishments and dedication. It is the manager's job to lead the staff in understanding Agency initiatives and policies and procedures. Taking the time to talk with the staff and explain the rationale behind Agency decisions and policy changes helps to keep employees informed, focused, and committed to the DCAA mission. It is also important that management solicit input from their employees and be open to suggestions for change and improvement.

Prior to my assignment to the Pennsylvania Branch Office, I held various Management positions in the Regional Office (i.e., Information Technology, Compensation, Investigative Support, Operations Audit, and Assistant to the Regional Director). One might think coming from the Regional Office to an FAO would be a very difficult transition. On the contrary, I found that the skills that I developed and the support that I provided the FAOs over the years in the numerous Regional positions were invaluable, portable, and quite applicable to my new position as FAO Manager. The many roads I traveled in the region allowed me the opportunities to learn a few Best Practices that I came to rely on in the field. During my time as an FAO Manager I broadened my skills and experiences from the challenges faced each day. For me the most rewarding part of the FAO Manager job was being able to work with an outstanding staff and feeling that in some small way I imparted some of my knowledge and experiences to them while learning and gaining some new experiences from my encounters with the staff. I am confident that as I continue my new assignments in DCAA, I will learn a few more Best Practices that will lead me down another road in the DCAA Organization. And so my journey continues... ■

Getting to Know You

Chesapeake Bay Branch Office Non-Profit and Healthcare Branch



Front, from left: Jane Galloway, Gordon Treloar, Terry Craig, Rick Henderson, Gail Oler. **Rear, from left:** John Pizzillo, Brenda Eastridge, Rob Bigler, Denise Myers, Gordon Weglein.

IN ITS WANING YEARS, OLDSMOBILE attempted to revive interest in its product line by using the slogan “Not Your Father’s Oldsmobile.” The Chesapeake Bay Branch Office (CBBO) would modify the slogan to describe itself as “Not Your Traditional DCAA Field Audit Office.”

In October 2001 reorganization of offices in the Mid-Atlantic Region resulted in the establishment of the CBBO. The FAO was created to specialize solely in the

audits of the non-profit organizations and health care contractors in the District of Columbia, Northern Virginia and Maryland. In addition, the Branch Manager was designated as the Health Care Audit Coordinator (HCAC) for the Agency. This coordination includes DoD’s TRICARE program for military dependents’ and retirees’ health care; the Center for Medicare and Medicaid’s (CMS) Quality Improvement Organization program; and audit support for the Uniformed Services University of the Health Sciences (USUHS).

Auditing in the area of non-profit and health care is a constant learning experience. The internet has become our friend. We utilize the internet to gain access to OMB regulations pertaining to non-profit organizations; TRICARE manuals; CMS guidelines; medical and dental terminology; and health care practices overseas. Given the nature of our work, additional specialized training is required. Our staff meetings not only deal with traditional Agency presentations, but also include non-profit and health care topics. Outside training is obtained from the American Institute of Certified Public Accountants (AICPA) on non-profit guidelines. In addition, to stay abreast of the latest developments, FAO staff members also attend health care seminars and conferences.

Our office is very proud of the work we perform and the non-profit and health care technical support we provide.

Meet the Staff

The office has four audit teams and an administrative team. There are three non-profit teams and one health care team. There are four technical specialists assigned to CBBO specializing in non-profit and health care.

Terry Craig

Terry is the CBBO Branch Manager and the HCAC. He began his DCAA career in 1983 after graduating from the College of Charleston in Charleston, South Carolina. Prior Government service includes an enlistment as an Air Force avionics specialist and later as an electronic technician at the Aberdeen Proving Ground. Terry was an Assistant to the FAO Manager at the Baltimore Branch Office and the Westinghouse Resident Office and was a supervisory auditor in both offices as well. He became the Branch Manager in August 2005. He is a CPA in the State of Maryland.

Brenda Eastridge

Brenda began her career with DCAA at the National Branch Office in 1997. She subsequently transferred to the Columbia Branch Office where she worked as the DMIS monitor for 2 years. When the Chesapeake Bay Branch Office was formed, Brenda was appointed as the lead administrative assistant. She has served on

several DCAA committees such as the Administrative Team Ad Hoc Committee, which studied and identified best practices for FAO administrative procedures across the Agency. Under her stewardship, the Chesapeake Bay Branch Administrative Team developed a program for Bring Your Child to Work Day that was shared with other FAOs. Prior to joining DCAA, Brenda worked in private industry for a nonprofit organization for 17 years. The administrative team members are Alice Czolba, Evelyn Jay and Leslie Steinkamp.

Gordon Treloar

Gordon joined the Chesapeake Bay Branch in September 2004, transferring from an FLA position at NAVAIR in Patuxent River, Maryland. Currently a supervisory auditor, his team is responsible for non-profit audits at three suboffices (National Academy of Sciences, the CNA Corporation, and the Institute for Defense Analysis). The team members are Tempie Cannaday, Harold Graves, Shayla Ferguson, Sheree Marshall, Andres Ramirez, and Brenda Stamper. Gordon began his DCAA career at the Chicago Branch office, Milwaukee Suboffice, in 1985. Gordon was promoted to an FLA position in 2000. In 2001, Gordon passed all four parts of the CPA in one sitting and then went on to get a MBA from the Florida Institute of Technology. Gordon graduated from the University of Wisconsin in 1979 with a major in horticulture and then finished his accounting major at Carthage College in Kenosha, Wisconsin, in 1985. Being a native "cheesehead", Gordon loves the Green Bay Packers, Wisconsin Badgers, and Milwaukee Brewers but has adopted the Washington Redskins and Nationals. Gordon's sister and nephew recently moved from Wisconsin and live at his Ellicott City residence.

John Pizzillo

John is the supervisory auditor for the Maryland Non-Profit Mobile and the Smithsonian Institution Team, as well as the Center for Medicare and Medicaid's Quality Improvement Organization program work. The team members are Tony Baylor, David Jacobs, Robert Pierce, Rhonda Renninger and Ursula Stein. He joined CBBO in 1992 when it was formed. He began his career with DCAA in 1973 after graduating from the University of Maryland at College Park with a degree in Accounting. His career has taken him to the Silver Spring Branch, Bendix Resident Office, Bal-

timore Branch Office, Korean Suboffice of the Pacific Branch, and Columbia Branch Office before joining CBBO. In addition, John has traveled to Saudi Arabia, The Netherlands, and throughout South Korea on audit assignments while with DCAA. He was promoted to supervisory auditor during his tenure with the Baltimore Branch in 1986. John and his wife Jill have a son and a daughter, Bryan and Karen, and currently live in Maryland.

Gordon Weglein

Currently the supervisory auditor for the Washington D.C. and Northern Virginia non-profit mobile contractors, Gordon joined the office in May 2006. His team members are Sabaahya Hunt, Erika Jones, Thomas Jones, Vinod Patel, Sara Reekoye, and Philip Schatz. Gordon began his career in August 1983 with the Baltimore Branch after graduating from Towson University. He was initially assigned to the Bendix Communications Suboffice and was later reassigned to the AAI Suboffice. In 1987 he transferred to the Westinghouse Electronic Systems Resident Office in Linthicum, Maryland. At Westinghouse, Gordon initially worked on the Defective Pricing Team and later worked on the Forward Pricing Team. He was promoted to a supervisory auditor at the Columbia Branch Office in 2001 and was responsible for the Southern Maryland and Howard County teams. In 2003 he became the supervisory auditor for the Forward Pricing team at the Northrop Grumman Suboffice. In 2006 he transferred to the Chesapeake Bay Branch office. Gordon and his wife spend most of their free time at the ball fields with their three sons (including identical twins).

Robert Bigler

Currently a supervisory auditor, Bob began his career with DCAA in 1969 at the Baltimore Branch. His career has taken him to the Baltimore Branch Office, the Columbia Branch Office, the District Branch Office, and now the Chesapeake Bay Branch Office. He has been working in the areas of non-profit and health care audits since the 1990s. His team provides audit services relating to Johns Hopkins University/ Applied Physics Laboratory and health care audits in the Mid-Atlantic Region, and is the support/focal point with TRICARE and CMS for DCAA on health care audits across the country. The team maintains the

HCAC website. The team members are Scott Ericson, Mike Freund, Marybeth Gezelle, Louis Myles, Beth Nagy, Mike Pitoniak, Jill Redclift, and Jontue Sumler.

Technical Specialists

Rick Henderson

Rick's career with DCAA began in 1985 at the Westinghouse Resident Office. He began working with non-profit contractors in 1993 at the District Branch Office. He came to CBBO in 2004 as a technical specialist after being an FLA at the Washington Navy Yard. His primary specialty is non-profits and his secondary is health care. Rick is a licensed CPA in Maryland.

Denise Myers

Denise became a non-profit technical specialist in 1998. She has been working in the areas of non-profit audits since the 1990s. She started with the Agency in 1987. She transferred to the Columbia Branch in 1998 and to the Chesapeake Bay Branch when it was created in 2001. Denise has an accounting degree from Clarion University of Pennsylvania and is a CPA in the State of Maryland.

Jane Galloway

Jane began her career with DCAA in 1989 after graduating from York College of Pennsylvania. She worked as an auditor on the health care team since its inception and was promoted to a technical specialist position in 2000. Her specialty is health care. Prior to working with the Agency she worked in the health care field.

Gail Oler

Gail began her career with DCAA in 1980. She has been working in the non-profit arena since 1990. She was a supervisor from 1987 through 1994, when she became a technical specialist. Her primary specialty is health care and her secondary specialty is non-profits. Gail has an accounting degree from the University of Baltimore. ■

Getting to Know You

Equal Employment Opportunity Office

Headquarters



From left: Juanita Brooks, Christine Megee, Dwan Buford.

Defense Contract Audit Agency's employees are its most important resource. Our employees come from diverse backgrounds and work together to carry out our audit mission. Equal Employment Opportunity (EEO) at DCAA is a continuing commitment. The Agency has a long history of ensuring employment rights and promoting "proactive prevention," which tells managers and supervisors they should take all necessary steps to prevent

discrimination in the workplace. This is reflected in the fact that less than .5 percent of all DCAA employees file discrimination complaints. While processing complaints is probably the most visible function, the EEO office does much more than process complaints. So what does the HQ EEO Office do, if it's not processing complaints? In short, plenty!

The HQ EEO office has several initiatives and functions that help promote diversity and a workforce

where employees respect, appreciate, and value individual differences. This helps all DCAA employees capitalize on the strengths of a diverse workforce to better perform our mission through teamwork and innovation. The HQ EEO Office also performs the following functions in support of the Agency's mission.

The Affirmative Employment Initiative is centered on compliance with the US Equal Employment Opportunity Commission Management Directive 715 and the U.S. Department of Justice Post Adarand Guidelines. These documents provide the detailed instructions for the development and management of Affirmative Employment programs in DCAA. In that perspective, Affirmative Employment is a tool to achieve equal opportunity. It is an initiative that involves self-analysis, problem identification, data collection, policy statements, reporting systems, and elimination of discriminatory policies and practices, past and present.

Special Emphasis and Outreach Programs promote equal opportunity in the hiring, advancement, training, and treatment of each targeted group. These programs advocate necessary change to overcome barriers that restrict EEO for women, minorities, and individuals with disabilities.

Training for employees at all levels in the Agency. The EEO Office provides a wide variety of training programs to help employees understand, prevent and correct discrimination in the workplace. Training is provided in traditional onsite and more cost effective online training formats. Topics vary from anti-harassment, disability awareness, and accommodation, to No FEAR and the EEO complaint process.

Alternative Dispute Resolution(ADR) works with the complaint function of the Agency EEO program and is available for both the pre-complaint process and formal complaint process. ADR includes any procedure that is used to resolve issues in controversy, including, but not limited to, conciliation, facilitation, mediation, fact-finding, mini-trials, arbitration, and use of ombudsmen, or any combination thereof. ADR procedures for settling disputes are less costly and more expeditious than litigation.

Reporting Requirements on EEO and affirmative employment programs serve as a measure of progress

achieved on the Agency EEO Program and provide information that the EEO staff use to evaluate the significance and impact of EEO programs. EEO reporting systems are designed to measure progress, identify examples of best practices, and implement systems to enhance EEO program operations.

Our work supports not only Headquarters employees, but also the Defense Contract Audit Institute (DCAI) and Field Detachment employees.

Meet The Team

Juanita Brooks **EEO Assistant**

Juanita is the administrative assistant for the EEO Office. She is a native of Detroit, Michigan, and began her Government career by relocating to the Washington, D.C., Metropolitan area to work for the Air Force Academy Group at the Pentagon in 1985. Between 1985 and 2005 she held various administrative positions with numerous Federal agencies. She worked for the Census Bureau in the EEO Office as an EEO Assistant to the Director and also completed the EEO Counselor training course. Prior to joining DCAA in July 2005, she served as a Legal Technician for the Department of the Navy. She and her husband enjoy fishing, traveling and spending quality time with their family.

Dwan Buford **EEO Specialist**

Dwan has been a member of DCAA's EEO staff since September 2005. Prior to joining DCAA she served as an EEO Specialist Intern with the U.S. Marine Corps at Quantico. From 2003 to 2005, she held a position as an EEO Assistant with the Defense Threat Reduction Agency, Fort Belvoir, Virginia, where she served as an Office Manager and EEO Counselor. Before relocating to the Washington, D.C. Metropolitan Area she worked for the Department of Veterans Affairs in Cleveland, Ohio, where she served as Black Affairs Special Emphasis Program Manager, EEO Diversity Committee member and collateral duty EEO Counselor. She has a Bachelor's degree in Business Management from Ursuline College, Pepper Pike, Ohio. She notes that working in a small office has its advantages

because it provides a wealth of experience and opportunities at all levels of the Affirmative Employment Program.

As an EEO Specialist, Dwan assists in the implementation of the EEO/Affirmative Employment programs by providing prompt, expert advice and information to applicants to the organization and employees within the organization (including managers) who have concerns involving equal employment opportunities and special-emphasis programs. She keeps the Agency EEO Officer abreast of discrimination complaints filed in the office, alerting her to controversial matters and potentially precedent-setting decisions. She tracks and monitors cases for which the regions have responsibility, assigning contract EEO counselors and investigators, providing guidance, and acting as liaison between them and witnesses, complainants, and management officials when necessary to resolve unusual conflicts or problems that arise. As required, Dwan assists in developing the Agency annual affirmative employment plans.

Christine G. Megee Equal Employment Officer

Ms. Megee has served as the Agency EEO Officer since February 2007. Prior to that she served as a Senior Equal Employment Specialist from 2003 to 2007 with the Department of Defense Education Activity (DoDEA) in Arlington, Virginia. While at DoDEA she served as the acting Deputy EEO Chief, managing a worldwide staff of EEO Specialists, administra-

tive personnel, and contractors related to the Agency Diversity Management and Equal Opportunity Office. A native of Baltimore, Maryland, Christine earned a Bachelor of Arts Degree in English from the University of Maryland and a Masters in Business Administration with a concentration in Human Resources and Organizational Development from the University of Mary Washington. She is a member of the Society for Human Resource Management (SHRM) and received her certification as a Professional in Human Resources. As the Agency EEO Officer, Christine serves as the principal advisor to the Director, DCAA, on all matters concerning DCAA's EEO program and is responsible for the development of DCAA-wide EEO policies and procedures aimed at promoting equal opportunity within the Agency. In addition, she provides technical oversight and guidance to Regional EEO Managers and functions as an operational EEO Officer for the Headquarters element, which includes the Field Detachment.

Christine is responsible for managing the EEO Program, monitoring the complaints process to ensure the integrity of the program, providing guidance to the EEO staff on complex and/or precedent-setting matters, and ensuring that the EEO staff mission is realized both for regulatory compliance in EEO complaints processing, the affirmative employment program, and the alternative dispute resolution program. She also participates in the development of plans of action, evaluates the EEO aspects of personnel management programs, and advises management on policy issues to strengthen the DCAA EEO program. ■

Total Workforce: How Does DCAA Compare?

	DCAA FY 2007	Civilian Workforce
White	73.7%	72.7%
Hispanic	5.5	10.7
Black	11.5	10.5
Asian	8.1	3.6
Other	<u>1.2</u>	<u>2.5</u>
Total	100.0%	100.0%
Male	47.6%	53.2%
Female	52.4%	46.8%

Professional

Headquarters

Anderson, Philip	Presented <i>DFAS Support to DCAA: A Customer's Perspective</i> to the American Society of Military Comptrollers—Professional Development Institute, Kansas City, Missouri, May 30, 2007
Mitchell, Paul	Presented <i>Discussion of Case Law Decisions</i> to The Judge Advocate General's School, Charlottesville, Virginia, April 10, 2007
Neville, Deborah	Presented <i>DCAA Financial Capability Reviews</i> to the DCMA Financial Analysis Center, Orlando, Florida, May 2, 2007
Reichel, Gerard	Presented <i>Working With Auditors</i> to The Judge Advocate General's School, Charlottesville, Virginia, April 10, 2007
Stephenson, April	Presented <i>DCAA Initiatives</i> to the Aerospace Industries Association, Cost Principles Committee, Memphis, Tennessee, September 20, 2007

Central

McAfee, Jerry	Presented <i>Parametric Estimating and Compliance with FAR and CAS Requirements</i> to the 2007 Joint ISPA/SCEA Conference, June 14, 2007
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Eastern

Behrends, Glenn	Presented <i>Frequently Asked Questions by Small Business Contractors Regarding DCAA</i> to the National Contract Management Association's Small Business Conference in Huntsville, Alabama, May 3, 2007
Nalley, Lynne	Presented <i>DCAA Audit Overview</i> to Lockheed Martin's Compliance, Finance, and Estimating Conference, Orlando Florida, May 22, 2007
Owen, Mark	Presented <i>Risk and Audit of Forward Pricing Rates</i> to DCMA St. Petersburg, St. Petersburg, Florida, April 24, 2007

Activities

Mid-Atlantic

Hlavin, Jacquelin

Presented *Preaward Accounting System Reviews* to the Maryland Association of CPAs, Bowie, Maryland, May 21, 2007

Snyder, Harry

Was elected President of the Association of Government Accountants, Philadelphia Chapter for the period of May 2007-April 2008

Northeastern

Fletcher, Cathy

Presented *Generations of Women Moving History Forward* at the U.S. Postal Service Boston District's 2007 Women's History Month Program, Boston, Massachusetts, March 21, 2007; and to the U.S. Army Corps of Engineers, Vicksburg, Mississippi, March 29, 2007

Observance of Culture Heritage Programs was published in Federally Employed Women's News & Views, April 2007 edition

Gay, John &
Trueira, Brian

Presented *New FAR Rules on T&M Contracts, Postaward Audits, and Financial Capability* at the National Contract Management Workshop, Woburn, Massachusetts, May 16, 2007

Peltomaki, Donna

Presented *DCAA's Role and Responsibilities for Auditing in Europe* to the European Space Agency Symposium, Noordwijk, The Netherlands, May 15, 2007

Western

Smith, Curtis

Tips for Constructing a Data Warehouse, Volume 11.2 was published in SanDs, San Diego SAS® Users' Group newsletter, February 2007

Moore, Elizabeth

Co-instructed Fundamentals of Cost Accounting Standards for the Defense Acquisition University, Chicago, Illinois, June 11-15, 2007

Certifications

Headquarters

Anderson, Sandra	MS in Administration, Central Michigan University, August 2007
Fischer, Esther	MS in Administration, Central Michigan University, June 2007
Johnson, David	MS in Administration, Central Michigan University, June 2007
Parker, Jordan	MS in Administration, Central Michigan University, June 2007
Rivera-Guzman, Javier	MS in Administration, Central Michigan University, June 2007
Ruffalo, Mike	MS in Administration, Central Michigan University, June 2007
Valenzuela, Ted	MS in Administration, Central Michigan University, June 2007
Williams, Carol	MS in Administration, Central Michigan University, June 2007

Field Detachment

Alston, Angie	MS in Finance, University of Baltimore, June 2007
Bowman, Jennifer	MS in Administration, Central Michigan University, June 2007
Campbell, Tina	MS in Accounting and Financial Management, University of Texas at Dallas, December 2006
Cole, Michael	MS in Administration, Central Michigan University, June 2007
Cox, LaWanda	Master of Science in Accounting and Financial Management, Keller Graduate School of Management, June 2007
Graves, Crystal	Passed CPA Exam, May 2007
Korinek, Susan	MBA, Texas A&M University, May 2007
Magruder, Jennifer	Certified Public Accountant, April 2007

Central

Adil, Omer	Passed CPA Exam, May 2007
Chanay, Kelly	MS in Administration, Central Michigan University, June 2007
Fletcher, Tina	MS in Administration, Central Michigan University, June 2007
Friday, Tamara	MBA, Park University, May 2007
Henry, Melissa	Certified Public Accountant, February 2007
Horowitz, Yve	Passed CPA Exam, February 2007
Kugler, William	Certified Public Accountant, April 2007
Labadie, Ron	MS in Administration, Central Michigan University, June 2007
Palermo, Kent	MS in Administration, Central Michigan University, June 2007
Shorter, Brenda	Passed CPA Exam, November 2007
Smith, Christina	Passed CPA Exam, May 2007
Spjut, Gary	MS in Administration, Central Michigan University, June 2007
Takahashi, Sherri	MS in Administration, Central Michigan University, June 2007
Tran, Oanh	Certified Public Accountant, June 2007
Webb, Jason	Passed CPA Exam, May 2007
Wenger, Karla	Passed CPA Exam, May 2007

& Degrees

Eastern

Handy, Marshall
Hawkins, Jin
Jackson, Kenneda
Liborio, Joaquin
Losh, John
Malave, Sharon
Owen, Mark
Welchance, William

Passed CPA Exam, May 2007
Passed CPA Exam, May 2007
MS in Management, Colorado Technical University, March 2007
MS in Business Administration, University of Phoenix, March 2007
MS in Administration, Central Michigan University, June 2007
MBA, Saint Leo University, May 2007
MBA, University of South Florida, May 2007
MBA, Middle Tennessee State University, May 2007

Mid-Atlantic

Chang, Olga
Lepiksaar, Kalle
Talica, Ross
Wilk, Erin

Passed CPA Exam, May 2007
MS in Administration, Central Michigan University, June 2007
MBA, Strayer University, January 2007
Passed CPA Exam, May 2007

Northeastern

Costa, Scott
Coughlin, Christine
Delcore, John
Gilroy, Francis

Griffith, Kathleen
Landry, Robert
McOsker, Allyson
Milshtein, Debra

Potts, Donna
Simmone, Katibe

Certified Public Accountant, September 2007
Certified Public Accountant, May 2007
MS in Administration, Central Michigan University, May 2007
Community Access Monitor Training Certificate from the Massachusetts Office on Disability, June 2007
MS in Administration, Central Michigan University, June 2007
MS in Administration, Central Michigan University, June 2007
MBA, University of Massachusetts Lowell, June 2007
MS in Acquisition and Contract Administration, Florida Institute of Technology, April 2007
MS in Administration, Central Michigan University, June 2007
MS in Accounting, State University of New York Institute of Technology, December 2006

Western

Claussen, Duane
French, William
Stott, Glade
Goure, Eliza
Kemp, David
Morgan, Michael
Wang, Ernest
Wierzbicki, Stanislaw

MS in Administration, Central Michigan University, June 2007
MS in Administration, Central Michigan University, June 2007
MS in Administration, Central Michigan University, June 2007
MS in Administration, Central Michigan University, June 2007
MBA, University of Phoenix, March 2007
MS in Administration, Central Michigan University, June 2007
MS in Administration, Central Michigan University, June 2007
BBA in Accounting, University of Alaska Anchorage, January 2007

On the Move

Name	From	To
Botta, Linda	Western Region	Headquarters
Lurch, Charles	Eastern Region	Headquarters
Mink, Jo	Mid-Atlantic Region	Headquarters
Riedel, Alfred	Mid-Atlantic Region	Headquarters
Schneider, Patrick	Central Region	Headquarters
Turner, Constance	Mid-Atlantic Region	Headquarters
Desai, Rena	Mid-Atlantic Region	Field Detachment
Herzog, Sheryl	Mid-Atlantic Region	Field Detachment
Hilerio, Eric	Headquarters	Field Detachment
Fletcher, Tina	Headquarters	Central Region
Gannicliffe, Robbin	Western Region	Central Region
Pedraza, Frank	Western Region	Central Region
Hembree, Michael	Field Detachment	Eastern Region
Hochhauser, Aaron	Field Detachment	Eastern Region
Madden, James	Western Region	Eastern Region
Ogden, Debbie	Western Region	Eastern Region
Rake, Gary	Headquarters	Eastern Region
Tran, Khoe	Headquarters	Eastern Region
Vest, Justin	Mid-Atlantic Region	Eastern Region
Parrish, Deborah	Headquarters	Mid-Atlantic Region
Summers, Francis	Central Region	Mid-Atlantic Region

FYI

Full Replacement Value Protection on Personal Property Shipments

DOD CIVILIANS ARE NOW ELIGIBLE for Full Replacement Value (FRV) protection on most DoD-funded personal property shipments (Household Goods). Under FRV, if a Transportation Service Provider (TSP) loses or destroys property during a move, the TSP can be liable for up to \$5,000 per shipment or \$4.00 times the net weight of the shipment (gross weight for unaccompanied baggage) up to \$50,000, whichever is greater. The Military Surface Deployment and Distribution Command (SDDC), as Traffic Manager for the DoD Personal Property Program, is responsible for including FRV coverage in all contracts no later than March 1, 2008. Employees should file claims directly with the TSP who made the final delivery within 9 months of the delivery.

Additional information can be found at <http://www.sddc.army.mil/Public/Personal+Property>

Years of Service

20 Years

Headquarters

Black, Loren
Fletcher, Debra
Schnettler, Lori

Field Detachment

Brackett, Guy
Fox, James
Gartman, Mary
Sumrow, Cathy

Central Region

Allen, Daniel
Atkinson, Kenton
Brandhorst, Cathy
Carroll, James
Crussell, Patsy
Gilliam, Roger
Goffney, Jocelyn
Jones, Allen
Montgomery, Francine
Rogers, Brett
Shotwell, Karen
Smith, Dana

Eastern Region

Ambrose, Cecelia
Bruin, Melissa
Brumfield, Donald
Burgeson, John
Clapp, Max
Dabbs, Diane
Eaton, Roxanne
Haynes, Debra
Hopkins, Lynn
Klein, Barbara
Lawrence, Barbara
Meredith, David
Smith, Barbara
Thomas, Charlotte
Wallis, Pamela

Mid-Atlantic Region

Gier, Timothy
Johnson, Sandra
Keller, Bonnie
Lauriello, Richard
Lichtman, Alan
Rogers, Sharon

Northeastern Region

Boryczka, Linda
Brown, Sullivan
Chu, Amy
Dung, Le
Grogan, Donald
Marra, Joseph
McCarthy, Wanda
Montera, John
Nadeau, Michelle
Nonamaker, Robert
Paquette, Lynn
Reilly, Dennis
Roode, Susan
Vieira, Joseph
Ziomek, Lori

Western Region

Baxley, Vilma
Brady, Marian
Carroll, James
Carter, Sandra
Kratochvil, Robert
Letrong, Germaine
Morikawa, Anne
Ojeda, Olga
Peery, Cynthia
Proctor, Stacey
Rangel, Jeanette
Rodriguez, Rosa
Tewksbury, Susan
Tranlong, Ann

30 Years

Field Detachment

Pettit, Susanne

Central Region

Hutchins, Kathleen
Stephenson, Nancy
Stewart, Roy
Tucker, Carolyn

Eastern Region

Anderson, Cheryl
Carpenter, Christopher
Dudley, Kenneth
Murdock, Wayne
Redfern, Theresa

Mid-Atlantic Region

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Root, Robert

Northeastern Region

Schmidt, John

Western Region

Naple, Thomas

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Retirees' Corner

Susan L. Merrill

Deputy Regional Director
Western Region

SUSAN L. MERRILL retired in August 2007 after more than 24 years with DCAA. Susan started in June 1983 as an auditor trainee at the former General Dynamics Resident Office located in San Diego, California, where she progressed to Supervisory Auditor and earned her CPA license.

In the early 1990s, she served as a Technical Specialist in the Western Region Quality Assurance Division where she assisted with DCAA's initial implementation of Total Quality Management and Participative Work Teams (PWTs).

Subsequently, she spent several years as a Headquarters Program Manager in the Policy Directorate.

In 1999, she returned to the Western Region as Branch Manager at the North County Branch Office and was promoted to Regional Audit Manager in 2001.

In 2005, she entered the ranks of the Senior Executive Service when she was selected as Deputy Regional Director, Western Region.



Susan noted that throughout her career, there was always an opportunity that allowed her to expand her horizons and keep her career interesting. Earning her CPA using her DCAA experience; serving as a DCAI guest instructor and on the DCAA Training Advisory Committee; being part of the initial implementation

of TQM and attending the very first Quality Conferences; serving a tour at Headquarters and working on the Government Accountability Office CAS Review Panel; managing an FAO and serving as RAM for offices as far-flung as Los Angeles, Seattle, and Japan are just some of the highlights that made for a rich and rewarding career. But, she says, the most important were the opportunities to meet, work with, and work for so many great people across the Agency.

Susan plans to spend lots of time during her retirement with her three grandchildren, Emma; 6, Owen, 4; and Ivey, 2. When she

isn't playing with her grandkids, she plans to pursue her interests in bird watching, hiking, reading, and doing new things! ■

Edmond A. Zaremski

Regional Audit Manager
Mid-Atlantic Region

EDMOND A. ZAREMSKI retired in September 2007 after 41 years of Government service, 31 of which were with the Defense Contract Audit Agency. Ed began his Federal career with the U.S. Postal Service in August 1966. He served during the Vietnam conflict as a linguist and interrogator with Army Intelligence units.

In 1973 he started his DCAA career at the General Electric Resident Office, Valley Forge, Pennsylvania. He was a Senior Auditor with the Philadelphia Branch Office and was also assigned to the Labor Special Projects team of the former Philadelphia Region. In 1984 Ed became a supervisory auditor at the Newport News Shipbuilding and Dry Dock Company. He was promoted in 1986 to Program Manager in the Policy & Plans Directorate at Headquarters. During this time he authored numerous guidance papers and sections of CAM. From 1988 to 2004 he held the Branch Manager position at the York, Baltimore, and Silver Spring Branch Offices within the Mid-Atlantic Region. Ed has testified in civil and criminal cases in several U.S. District Courts, the ASBCA and the U.S. Court of Federal Claims. In August 2004 Ed was promoted to the position of Regional Audit Manager.

Ed obtained a B.S. degree in Accounting from St. Joseph's University; he obtained an MBA from Drexel University and is a CPA in Pennsylvania.



Ed will long be remembered for his generosity and optimistic attitude. He used to bring little "gifts" to the office such as donuts and stuffed animals. While very serious about our audit mission, he made the job fun for himself and his coworkers by being able to see the humor in a situation and give everyone a chuckle.

As one coworker said, Ed had a way of listening to the auditors and staff that made what appeared to be a giant problem into something manageable. This always made everyone feel less stressed and more productive.

This Agency has indeed been fortunate to employ an individual of Ed's abilities. His competence, hard work, commitment, and passion for protecting the Government's interests had a very positive effect, fostering the accomplishment of the goals and objectives of all his assigned responsibilities.

After retirement, Ed plans to stay in York, Pennsylvania, (unless his wife, Diane, says otherwise). His first post-retirement job was completing Diane's "Honey-Do" list to get ready for his daughter's wedding at the end of September. Now he plans to do some vacationing with friends and the new in-laws. We wish him a wonderful retirement. In the Mid-Atlantic Region, he will always be remembered as the "Good-Looking" Ed.



DCAA Commendation Awards

Eastern Region

David Dellinger

Supervisory Auditor
Hampton Roads Branch Office



Paul Phillips, Regional Director; David Dellinger.

Doreatha Brown

Technical Specialist
Gulf Coast Branch Office



Doreatha Brown, Paul Phillips.

Kenneth Dudley

Technical Specialist
Melbourne Branch Office



Paul Phillips; Kenneth Dudley; William Reed, Director.

Kitty Cullen

Supervisory Auditor
Investigative Support Division



Paul Phillips, Kitty Cullen, William Reed.

Terry Depp

Resident Auditor

Northrop Grumman Newport News Resident Office



Paul Phillips, Terry Depp, William Reed.

William Hitt

Quality Assurance Auditor

Quality Assurance Division



Paul Phillips, William Hitt.

Mid-Atlantic Region

Jane Galloway

Technical Specialist
for Health Care

Chesapeake Bay
Branch Office



Frank Summers, Regional Director; Jane Galloway.

Department of the Air Force Civilian Achievement Award

Headquarters

Anne Ducceschi

Financial Liaison Advisor
Wright-Patterson Air Force Base



BrigGen C. D. Moore, USAF, F-22 System Program Director; Anne Ducceschi.

Gary Grebner

Financial Liaison Advisor
Wright-Patterson Air Force Base



BrigGen C. D. Moore, Gary Grebner.

Department of Justice Outstanding Law Enforcement Officer of the Year Award

Mid-Atlantic Region

Gerald Fortner

Senior Auditor

Lockheed Martin
Orlando
Resident Office



Michael Davis, Assistant U.S. Attorney, Department of Justice; Gerald Fortner; Chris Carpenter, Assistant Regional Director.

Elijah Watt Sells Award for 2006

Wendee Shinsato

Auditor

West Coast Branch Office

Field Detachment



Wendee Shinsato is the recipient of the Elijah Watt Sells award. This award program was established in 1923 by the American Institute of Certified Public Accountants to recognize outstanding performance on the Uniform CPA Examination. Current criteria call for Sells awards to be presented annually to ten candidates. These candidates must have completed testing during the previous calendar year and passed all four sections of the Uniform CPA Examination on their first attempt, earning the highest cumulative scores.

1965 DCAA CREATED

WILLIAM REED: A CHARTER MEMBER



Director's Fellowship Program, 26 Sept - 1 Oct 1977. Row 1: Instructor; J. Musella; R. Matter; J. Rodgers. Row 2: F. Mohr

ATIONS AUDITING COURSE, 829-8, APRIL 14 - 16, 1975: town, Chief, Professional Development & Training Br



DCAA EXECUTIVE CONFERENCE
29 - 30 JULY 1981

1986 REED BECOMES DCAA DIRECTOR



2007 THE LAST OF THE FIRST

B The DCAA BULLETIN

WINTER 2007

VOL. 42. NO.1

EXCELLENCE

DCAA Vision

In the National Interest, we
...ing timely and
... and financial
... services ...ment of Defense
...ing office ... other customers.
... is to be THE audit organization
... the foremost reputation for competence,
... rity, and customer satisfaction by:

Creating an environment of teamwork,
open communication, trust, and mutual
respect, and

Developing highly qualified employees
dedicated to the concept of continuous
improvement.



A Commitment to Excellence



The Planning - DQ and RQs
 The Workshops - Track Presenters
 Insight / Inspiration - Keynote Speakers
 Design / Production - Video Activity
 All the Details - Western Region



USAF Band of the Golden West

Special Thanks

*to all the players
 who made the
 extra effort it
 takes for a
 successful and
 dynamic event.*



Colorguard: Fontana HS. JROTC (usmc)



EXCELLENCE



Opening Statement:
William H. Reed,
 Director



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PRESIDENTIAL RANK AWARD

The DCAA Bulletin is an authorized publication for members of the Defense Contract Audit Agency. Contents do not necessarily reflect the official views of, nor are they endorsed by the U.S. Government, Department of Defense or Defense Contract Audit Agency.

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Deputy Director

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The DCAA Bulletin staff gratefully acknowledges the creative support of Ms. Bonnie Keene, Audio-Visual Production Specialist, Defense Contract Audit Institute.

EDITOR'S COMMENTS

All employees are encouraged to submit articles and other items of interest for publication. Due to space limitations, however, not all submitted articles can be published. The DCAA Bulletin staff reserves the right to edit articles. For detailed information regarding DCAA policy on this publication, consult DCAAR 5120.1, *The DCAA Bulletin*, dated March 10, 2000. You may send comments or suggestions to:

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The following symbol is used throughout this publication: ■ End of Article



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Soaring Beyond Expectations

THIS PAST NOVEMBER, we conducted the Agency's ninth Quality Conference. This event provided an exceptional opportunity for participants from all over the Agency to exchange new ideas and share information. The conference theme, Quest for Excellence: Soaring Beyond Expectations, embodies the spirit of accomplishment represented by DCAA auditors as they work to not just meet, but to exceed expectations.



The conference provided many examples of the excellent work being performed. One inspiring example was the presentation on DCAA's involvement with Hurricane Katrina. On a personal level, many DCAA employees had to be evacuated, and the Agency took the necessary actions to safeguard both the families and livelihoods of these employees. On a professional level, DCAA auditors worked with the U.S. Army Corps of Engineers in disaster recovery efforts. DCAA deployed auditors from multiple offices who worked 7 days a week, 10 to 12 hours a day, in devastated areas, and under a most difficult set of circumstances. Both on a personal and professional level, DCAA employees went far beyond expectations in responding to this national emergency.

It is evident from the workshops offered that many DCAA auditors are not satisfied with the status quo but have developed innovative approaches and introduced improvements into our audit processes. This issue of The DCAA Bulletin includes detailed discussions of several of the general sessions and individual workshops from the conference. They include:

- **Terrific Time Tools:** Auditors from our Eastern Region presented an efficient and easy-to-use time management tool that they took the initiative to develop.
- **All the Way with EDA:** Auditors from our Northeastern Region demonstrated how they have used DoD's electronic database, EDA, to improve the audit process.
- **Communications between Commands and DCAA:** Auditors from Headquarters and the Central Region emphasized the importance of communications between the financial liaison auditor, our field offices, and the service commands.
- **DCAA's Quality Assurance Organization:** Auditors from the Agency's quality assurance organizations discussed the positive impact of their work in maintaining DCAA's reputation for competence, integrity and commitment to excellence.
- **Supervisors Helping Supervisors:** Auditors from our Field Detachment shared with attendees a prototype program they developed that allows experienced supervisors to work hand-in-hand with less experienced supervisors.
- **Control Environment—Do They Walk the Talk?** Auditors from our Central Region discussed the importance of the contractor's control environment and its impact on the 10 internal control systems we audit.
- **The EZ Road to Audit Effectiveness:** Auditors from our Western Region have expanded the use of EZ Quant, resulting in a significant increase in questioned cost.

- **Tracking Subcontract Assist Audits:** Auditors from our Mid-Atlantic Region developed a system to track information required for the MAAR 12 subcontract assist audit process.
- **Metrics and Leadership:** The Regional Director, Western Region, provided an in-depth discussion on metrics and leadership.

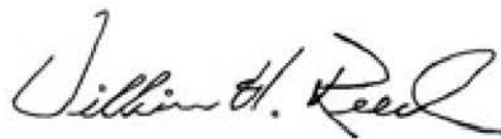
These are all excellent examples of how DCAA employees have met or exceeded expectations. These illustrations also serve to reinforce how important it is for every DCAA employee to explore ways to more effectively and efficiently accomplish our mission as part of the Agency's continuous quest for excellence. Faced with new challenges, each of us should constantly strive to find better ways to do our jobs.

Considerable emphasis was placed on customer service during the conference. In one General Session, a panel of DCAA auditors and an executive from one of our civilian-agency customers shared their perspectives on fostering a strong working relationship. In addition, several of the workshop presentations showcased better ways to respond to customer requests.

As part of our Quest for Excellence, I shared with the attendees that the DCAA Executive Steering Committee has recently added 28 new objectives to the Agency's strategic plan. The purpose of these objectives is to explore new and innovative ways to improve a broad spectrum of audit and administrative processes. Some of the new objectives include improvements to workflow processes and supervisory taskings, and improving work processes for senior auditors.

A key event at the Quality Conference was the DCAA Director's Team Excellence Award ceremony. This award recognizes achievements with long-term impact and innovative approaches that have been used to improve team performance, accomplish Agency goals, and improve customer service. By recognizing these teams, we share their achievements as best practices. These success stories are part of the Agency's efforts to improve operational performance by promoting systematic approaches that enhance mission capability and ensure sustained results. A segment of this publication has been dedicated to honoring the award recipients. I would like to once again congratulate each of the six teams for their outstanding accomplishments.

Let me conclude by thanking all DCAA employees for the fine work you are doing for DCAA, DoD and our country. My hope and belief is that as a result of this exchange of ideas, the quality and effectiveness of DCAA services and products will continue to soar beyond expectations. ■

A handwritten signature in black ink, reading "William H. Reed". The signature is written in a cursive, flowing style with a large initial "W" and a stylized "R".

More Than Just Words

By Alan Lichtman, Technical Specialist, LM Corporate Resident Office, Mid-Atlantic Region

SOMETHING EXTRAORDINARY happened at the 2006 DCAA Quality Conference held November 14-16 in Ontario, California. Yes, there were many presentations—more than any one attendee had time to see. These sessions highlighted the outstanding work performed throughout the Agency. Most striking, however, was the feeling of purpose and being part of a larger team that transcended the wealth of information imparted.

It was tough deciding which presentations to attend. I thought, “Do I choose sessions on subject matter somewhat familiar to me, such as pensions, cost impact proposals, compensation, communication with the customer, and internal controls? Alternatively, do I venture into less familiar territory, such as contingency contracting, CAATS, fraud investigations, IPTs, and international auditing?” I chose a mix of each and, in doing so, learned lots of practical information I could apply back at the office, while expanding my horizons about areas outside of my experience. But most important, each presentation gave me a better understanding of the audit activity in other parts of the Agency and an appreciation for the diversity of work within DCAA.

I was emotionally moved by the accounts of personal experiences during Hurricane Katrina that were presented by auditors, supervisors, and Corps of Engineers representatives who lived through the devastation of that storm. I was equally affected by hearing about audits that were performed after the hurricane. Despite the sense of devastation that the auditors had to overcome, they reported significant findings that resulted in savings to the Government. I learned how DCAA management acted swiftly and compassionately to help the employees of the Gulf Coast area, making sure they were safe. And I was heartened to learn that management found work at new locations for the displaced workers while other auditors arrived in the Gulf Coast area to perform critical effort such as audits of temporary repairs of roofs for residential houses.

Ethics was a hot topic; problems in the business world have taken a tremendous financial toll and have eroded public confidence. We learned that continuous training is required in this complex area to reverse this trend.



We heard two professional speakers who motivated us to take care of our health through diet and exercise, including mental exercise. They also urged us not to lose sight of the bigger picture that our jobs fit into. DCAA performs an important function for the warfighter, the taxpayer, and our country. People depend on us.

A rewarding part of the conference for me

Not everything that can be counted counts, and not everything that counts can be counted.

—Albert Einstein

was meeting and sharing experiences with other DCAA employees. We got to know each other on both a professional and personal basis in an informal atmosphere. I made contacts through this networking that I will be able to use to discuss issues in the future;

I experienced a strong feeling of collegiality and team spirit. When I become frustrated during the workday, I will recall this feeling to rise above what are usually minor problems.

At the conclusion of the conference, our Director, William Reed, urged us to stay positive and to carry the spirit of the conference back to our FAOs. When the conference was over, I reflected on my job, our Agency, and our function as it relates to society in general. The Quality Conference represented more to me than just words—it showed that we should be proud of what we do, and that we’re good at our jobs. That idea conveys the kind of spirit that will keep our Agency successful well into the future. ■

This article is dedicated to our dear co-worker, Hilda Sidman, who was recognized for a Director’s Team Excellence Award for the Mid-Atlantic Region at the Quality Conference. She passed away unexpectedly on November 16 in Bethesda, Maryland. We will greatly miss her warmth, spirit, and professionalism.



Quality 2006 > Day 1



7:00 a.m. > Registration



8:00 a.m. > Opening Ceremonies



8:30 a.m. > Director's Presentation



10:15 a.m. > Concurrent Sessions



11:30 a.m. > Lunch Speaker:
C. Andrezze "DCAA Leadership Principles"



2:00 p.m. > General Session
"Hurricane/Emergency Audits"



3:30 p.m. > Concurrent Sessions



6:15 p.m. > Dinner
featuring: USAF Band of the Golden West



7:30 p.m. > Dinner Speaker:
Col. Charles Tyrian USMC(Ret.)



Quality 2006 > Day 2



8:00 a.m. > Concurrent Sessions



9:05 a.m. > Concurrent Sessions



10:15 a.m. > General Session
Chris Bauer, PhD "Business Ethics"



uality 2006 > Day 2



11:30 p.m. > Lunch Speaker:
Bryan Dodge "Ownership of Leadership"



2:00 p.m. > Concurrent Sessions



2:50 p.m. > Break / Visit Kiosk



3:20 p.m. > Concurrent Sessions



4:30 p.m. > Share New Information



5:00 p.m. > Networking



uality 2006 > Day 3



6:00 a.m. > Walk Run



8:00 a.m. > Concurrent Sessions



9:05 a.m. > Concurrent Sessions



10:15 a.m. > General Session
FAO, FLA and TSA Customer Panel



12:00 p.m. > Lunch Speaker
Frank Summers, Bonnie Sodick, Boeing



2:30 p.m. > USS Stennis
Labor Utilization Audit



Team 6, European Branch Office *Northeastern Region*



Ted DeLong



David Ortiz



Joaquin Liborio



Ron Miller



Sharon Seltzer



Randy Thorndike



James Williams



Lee Sawyers



Olga Karis



Susan McGeehan



Mary Ann Pitzner



Jeff Beck



Linda Gienger



Angela Moomand



Ben Altman



David Hampshire

Team 6 from the European Branch Office is an excellent example of what can be accomplished when the concepts of teamwork are diligently applied. While only 3 auditors served as a consistent team base, another 14 auditors rotated on and off the team. With audits required in geographic areas stretching from Greenland and Scandinavia to Kyrgyzstan, Russia, and Uzbekistan, change and uncertainty became the team's only common denominators. Strategic planning included regular coordination between team members, the customers and the contractors. Planning included the monthly monitoring of each audit assignment. With that monthly practice came the flexibility for change and the opportunity for creative problem solving. These auditors knew they could not afford to be shortsighted. They continually remained open to all opportunities to tighten and focus audit effort. The quick turnaround required by customer requested audits made travel on short notice just part of the job. The team initiated an Auditor of the Month award that recognized unusual circumstances and effort. The willingness to take assignments outside the United States implies that the auditor had certain traits—qualities like independent thinking, good communication skills, and an open-minded approach to the work and the circumstances. The results were phenomenal. The team exceeded all programmed effort, whether it was elapsed days for forward pricing, dollars examined, completed audits or post-award reviews.

The team's methodology was very effective. In one case, an audit was performed on a \$662,000 termination claim, and the cost questioned and sustained was over 72 percent of the proposed cost. Over \$250 million of questioned cost was uncovered during an audit of a proposal valued at over a billion dollars. The review of a billion-dollar proposal involving the air base in Greenland resulted in questioned cost of \$213 million. At negotiations, over \$150 million of the questioned cost were sustained. Enhanced services and real-time communication have been integrated into every team process. Their goals toward customer satisfaction did not stop with delivering the report. Instead, they included a procedure to make and track follow-up calls and e-mails. They expanded their follow-up effort to other audit areas such as incurred cost audits. Customer comments on both the experience and the audit quality indicate that they agree with what one team member wrote: "These were the most dedicated, hard-working auditors that they had ever worked with in 20 years as a DCAA auditor."



Residual and Direct Charge Teams, LM Corporate RO Mid-Atlantic Region

This award was presented to two teams from the Mid-Atlantic Region. Together they are responsible for sustained cost questioned of \$264 million included in a 5-year forward pricing forecast for group insurance, executive compensation and restricted stock. This is a significant accomplishment compared to sustained questioned cost in previous years. The Direct Charge team looked at costs that were centrally administered and directly allocated to business units. The Residual Team reviewed home office residual costs. The proposals involved a multitude of intricate, sensitive costs, such as medical insurance, executive compensation, legal cost, discontinued operations, marketing, and corporate research. Each type of cost required a tailored approach. It helped to have a technical specialist in pensions and insurance on the team. A coordinated effort requires constant communication. The team consulted with the contract management office about concerns in each cost category. A key strategy was to brief DCMA early and often. During formal briefing conferences with both the contracting officer and the contractor, auditors used charts and graphs to explain the facts, updating them as data was accumulated. The team's continuing interaction with the contracting officer (CO) throughout the examination, with updates of new facts and detailed explanations of the contractor's practices, helped support the CO's decision.

Each auditor did their part. Senior auditors worked with the less experienced. Risk was determined, procedures completed and documented. Specific areas called for specific treatments. Auditing legal, discontinued operations and IR&D costs required both skill and persistence. Restricted stock costs overlapped both teams, and a shared approach was developed. Allocation base schedules were quickly created for inclusion in the final audit report. The responsibilities were diverse. Team meetings became sessions of information-sharing, appraisal and planning. Once the audit work was finished, an auditor from each team had to consolidate volumes of data and findings and prepare the final audit reports. To organize and present this amount of information required skill, but it also required dedication and long hours. Management was involved early and often, contributing to the quality of the audits and timeliness of the audit reports. As a result of the teamwork the reports were issued in record time. The sustained cost questioned underscores the quality of the work performed.



Hilda Sidman



Sheryl Arnold



Melanie Ly



Louise Aguirre



Lance Smith



Miriam King



Eden Shin



Shannon Craig



Gordon Moland



Alan Lichtman



Jexter Rivera



Kelly Platt



Tampa Bay Summit Team, Tampa Bay Branch Office Eastern Region



Andrew Livaccari



Carol Smith



Dean Bailiff



James Boyles



Joseph Schillace



Mark Owen



Michael Crisp



Norma Marshall



Raisa Barnes

This team continuously sought better ways to accomplish the Agency's mission through information sharing and innovation. Eager to spend time on audit analysis and evaluation, it actively searched for redundant and inefficient processes and deployed an effective, permanent electronic file. Through a disciplined effort in populating the file folders with meaningful up-to-date information, the permanent file became a go-to source weeks after the new folder architecture was established. In conjunction, one of five team goals achieved in 2005 resulted in ready access to current and accurate organization and system descriptions for each of its 10 contractors, hastening the report-writing process. This, with other initiatives, helped the team post a 100 percent score on error-free reports. During the team's meetings, members were encouraged to speak openly. Solution brainstorming was a natural occurrence, one that sometimes led to assigning an ad hoc committee to study the problem.

At midyear the team found itself off its price proposal productivity goal by 8 percent. It developed the Proposal Assignment Selection Tool (PAST) to help identify proposal inadequacies and establish remedial actions. Steps were also taken to educate all contractors on proposal expectations. This resulted in the team finishing 6 percent better than the goal. Similarly, the team enhanced the adequacy checklist to address a pattern of errors with submitted CACWS. Errors and omissions were detected early, contributing to the team's success in exceeding its productivity goal. The team members' openness to learning and acceptance of change were central to its achievements. Time was set aside in each meeting to learn more efficient ways to use PC software. To more efficiently accomplish administrative tasks common to most assignments, a one-page document was designed, offering hyperlinks to frequently required e-documents and to a list of actions most often missed, based on the reported results of recent peer reviews. This contributed to the team posting a 96 percent compliance rate on its working papers. The team perfected an Excel-based time management tool that resembles DMIS time-entry and integrated multiple planning sources. The team had already improved its ability to anticipate competing demands as members attempt to quickly respond to work load spikes, common in the mobile environment. But the largest benefit was the improved audit efficiency resulting from assigning audits to the team members whose schedules permitted their timely completion. The team strove to improve audit effectiveness by successfully streamlining administrative processes in favor of making more time available for identifying questioned costs. By mid-2006, the team had examined 17 price proposals of which 12 culminated in \$5 million in questioned costs.





Boeing MDHS Team, Arizona Branch Office Central Region

While maintaining the level of an advanced functioning PWT, the Boeing/McDonnell Douglas Helicopter Team grew from 8 to a total of 12 team members during the fiscal year. New team members included five trainees. As a result of significant audit work in excess of available resources, five TDY auditors were recruited from other FAOs to assist the MDHC core team of auditors cited above. The team worked together to support the TDY personnel, providing them with orientation regarding the operation of the Boeing/MDHC systems; setting up points of contact with government and contractor personnel; and providing audit support and coordination when needed. This "blended" team worked on over 156 audits and issued 124 audit reports and memoranda during the fiscal year, covering \$1.7 billion. The team also completed three postaward audits on FFP contracts, which had combined recommended price adjustments of more than \$7 million with initial contractor concurrence to approximately \$2 million.

Team members were also involved in the U.S. Government/Boeing IDS Initiative to reduce the turnaround time and costs for proposal preparation, review, and contract award for spares requirements and bills of materials for new-build aircraft requirements. This effort resulted in the contractor's implementation of additional enhancements/improvements to its Automated Pricing and Estimating System (APES) material system and other applicable sections of its estimating system based on deficiencies identified in analyses of these systems.

Team members were an integral part of the USG/MDHC Alpha Negotiation process team that reviewed and negotiated a contract for \$183.8 million for 13 Apache War Replacement helicopters. The contractor initially proposed \$211 million. They achieved net savings exceeding \$10 million from questioned direct labor, material, travel, factors, and indirect burdens. The team sustained changes in the base used to estimate certain support functions that will result in reduced costs on upcoming contracts and received written recognition from the buying office for this effort. The team also participated in additional IPTs for the award of a \$96 million FFP contract for CCAD (Phase II), \$27.2 million CPFF contract for Block III Long Lead/Non-Recurring Engineering, and a \$59 million FFP contract for Apache spares. The team's efforts were effective in both audit results and in maintaining a high degree of performance with a diverse audit staff. The team structure, operating processes, and individual attitudes promoted quick assimilation of TDY personnel to achieve audit objectives. The team acknowledges the extraordinary support provided by the many TDY personnel from throughout the Central Region.



Jennifer Slanta



Larry Clark



Mark Basalla



Dwight Staples



Dan Chavez



Lynnette Hoff



Wayne Earl



Cheri Caldwell



James Myrmel



Monte Diew



Hubert McMinn



DP Quality Process Team, South Central Branch Office *Field Detachment*



Catherine Jackson



James Fox



Kate Wall



Jason Lathrom



Teresa Williams

A significant process improvement for DCAA's post-award audits led to the well deserved recognition of the audit team at the South Central Branch Office. Much of the team's success has been attributed to an application developed by team member James Fox. His strong background in SAP and ERP systems and his considerable skill in using Access were combined in developing a powerful tool that is being considered for Agency-wide application—the Quality Process for Defective Pricing, or QPDP. The application provides information on the substitution of parts being transferred in and out of the contracts, and will even highlight parts that need further analysis. It helps the auditor determine if the proposed parts were actually purchased; if purchased, at what price; or if the parts were transferred from excess inventory.

One post-award audit began with a lead developed during a Material Management and Accounting Systems (MMAS) audit. During the MMAS audit, the auditor noticed that one of the significant items of material on a contract was acquired in a combined purchase with requirements for two other contracts. The auditor used QPDP and established that the initial part had been overpriced by approximately \$100,000. Eventually, a price adjustment of \$257,510 was recommended. That was just an example. There were other post-award audits and other auditors using QPDP—and with significant sustained findings. In addition to post-award audits, the QPDP has proven useful on forward pricing audits. It has resulted in greater coverage and increased findings in forward pricing audits. The team demonstrated that working together to find expanded uses for the QPDP resulted in more effective audits.





Team D, Peninsula Branch Office Western Region

The key ingredient to Team D's success is their approach to performing a top-down risk assessment and detecting unallowable costs. Team members utilize their collective knowledge to determine how the contractor's long term goals impact their costing practices. The team's knowledge and superior auditing skills have resulted in the detection of significant questioned costs. The team identified 10 allocation/CAS issues in its incurred cost audits for CY 1998 through 2002. The estimated impact on flexibly-priced government contracts is approximately \$4.0 million. Based on the team's recommendation, the contractor refunded \$5.7 million associated with a CAS 416 noncompliance. The interim credit was recommended to stop the interest clock associated with the noncompliance. The team sustained a \$20 million bonus adjustment to the contractor's CY 2005 forward pricing rates, significantly reducing the proposed overhead and G&A rates.

The team provided audit services on the contractor's Iraq Infrastructure Reconstruction Program proposal and contracts to USAID (U.S. Agency for International Development). The team provided assist audits, coordinated the audit results with Iraq Branch Office and completed the MAAR 6, MAAR 13, and direct incurred costs audit under the contract by the requested due dates. The team is focused on providing outstanding customer support in understanding and resolving audit findings. The team received numerous e-mails from customers (DCMA, DOE, USAID, other DCAA offices, etc.) expressing appreciation for their assistance and the quality and timeliness of its audit services. The team's assistance in negotiations with DTRA led to a refund to the Government of \$3.1 million of facilities costs. DTRA expressed its appreciation for the team's assistance, stating, *"Your help was very valuable in getting to this point and we at DTRA appreciate it very, very much."*



Wendy Tanaka



Jenny Hsieh



Steve Stone



Warren Chiu



Jens Hansen



Frank Nuccio



Elizabeth Moore



Peter Brunette



Denice Price

All the Way With EDA

*By Christopher DiNapoli, Auditor, Boston Branch Office, Northeastern Region
and
Joyce McKenna CPA, MSA, Chief, QM/EDP/OA, Northeastern Region*

IT IS AMAZING HOW FAR A LITTLE training will take you. Two years ago, we attended a training session hosted by the Northeastern Region's RSA group focusing on Wide Area Workflow (WAWF) and Electronic Document Access (EDA). With the deadline for contractors to begin electronically submitting their public vouchers looming, WAWF was the focus of the training session. EDA certainly seemed like a useful resource at the time, but the idea that it would further audit effectiveness never crossed our minds. Over time, we would quickly learn the value of EDA as an effective audit tool.

What is EDA and Why Should You Use It?

EDA is an electronic database maintained by the Department of Defense, specifically the Defense Information Systems Agency. The primary function of EDA is to allow authorized users access to official DoD documents via a Web browser. EDA allows DCAA personnel electronic access to a majority of recent DoD contracts.

You might be thinking, "We can get contracts from EDA, so what?" But have you ever stopped and thought about how much time you spend trying to get your hands on a contract? If you're working on an incurred cost audit or maybe a Contract Audit Closing Statement (CACS), you will probably need to brief some contracts or, at the very least, review them for any significant provisions. Although it is Agency policy to rely on contractor contract briefs to the extent possible, there are times, especially at small contractors, where this may not be practical. Your first step will probably be to delve through your office's filing cabinets, searching for the contract. After digging through the files, you might find that

DCAA has not been on contract distribution for many years. Where do you turn next? Maybe you spend some time trying to get a copy of the contract from the contracting officer, or maybe you go to the contractor themselves. If you work at a resident office, getting a contract from the contractor may be no big deal, but life is not as easy in a mobile environment. For a small contract, if you are lucky, the contractor will fax you a copy. You are probably out of luck if it is a large contract with numerous modifications. While completing a CACS or other audit requiring the latest contract information, do you really want to make a trip to the contractor just to brief a contract? If the contractor supplies the contract, how can you be sure you are receiving a complete copy? If you are performing a CACS, how do you know the contractor did not withhold the contract's final modification, which deobligated funds?

We hope we have made our point. Obtaining a contract can be a long and arduous process. What's more, if you get a contract from the contractor, there's no way to assure you have a complete copy.

Let's describe an alternate scenario in which you need to brief a contract. First, you launch Internet Explorer and select EDA (we'll discuss the registration process later). Since you can log on to EDA with your Common Access Card (CAC), you have no need for an additional user name and password. Once into EDA, you can easily enter a contract number into the basic search screen and quickly retrieve a contract plus any modifications or delivery orders. The documents can be reviewed online, printed, or saved to your hard drive as a PDF file. Doesn't this sound better than doing things the old way?

In addition to giving you quicker and easier access to contracts, EDA's various search functions provide several new capabilities. EDA has an advanced search function that permits you to "Query by Example." This can be a very powerful tool. For instance, if you want to see all contracts issued to a specific contractor, you enter a CAGE code or DUNS number to retrieve this information. You can further narrow your search by entering a specific time period.

As we previously mentioned, EDA stores contracts as PDF files. If the contract was loaded into EDA as a higher-quality PDF file, you also have the ability to search for keywords within the contract. For example, if you are performing transaction testing on travel expenses, you may want to quickly review any travel provisions within a contract. By clicking "Search" on the tool bar in your web browser, you can enter a keyword; in the context of our example, "travel" is the best choice. This will identify all the instances of the word "travel" in the contract.

Taking EDA to the Next Level

Now we hope we have sold you on using EDA to obtain contracts. Sure, EDA makes life easier, but what does this have to do with audit effectiveness? Several months after we attended the EDA/WAWF training, our PWT decided to catch up on the annual testing of paid voucher assignments (activity code 11015) for contractors authorized to use direct billing. During the risk assessment of these assignments, the auditor is instructed to obtain from the contractor a list of all public vouchers submitted within the previous 12 months. After receiving this list from

the contractor, our auditor skepticism kicked in and we thought, "How do we know this list is accurate and complete?" The risk assessment did not include a step to verify the accuracy of the contractor's list of public vouchers. But as we strained our memories to recall the training we attended months earlier, our next thought was, "What did the regional trainers say about getting public vouchers from EDA?"



Joyce McKenna and Christopher DiNapoli

The public vouchers themselves are not available from EDA. However, most people do not realize that EDA also provides access to the Voucher Processing System (VPS). Through VPS, we can enter a contract number and download an Excel spreadsheet containing payment history for a specific contract. The spreadsheet will provide the amounts paid by voucher

number, pay date, ACRN, and CLIN number. By applying this tool to the annual testing of paid voucher assignments, we are able to compare the contractors' lists of public vouchers to corresponding information from VPS. Not only does this permit us to verify the accuracy and completeness of the contractor's list, but we are also able to identify variances between the claimed amounts and the actual paid amounts. Rather than select a completely random sample of public vouchers for testing, the VPS data provided added value to our risk assessment in that we were able to include any vouchers with a payment variance in our sample. In other words, information obtained through EDA allowed us to align audit scope with risk, thus increasing audit effectiveness.

Comparing VPS data to the information provided by the contractor can reveal several different types of variances. You may find that VPS indicates the contractor was paid more than they billed,

signaling a possible overpayment. You might also find that the contractor was not paid, indicating that the contract ceiling amount has been reached. In one instance, we determined that on several different contracts the contractor was consistently paid less than the billed amounts. You might

say, “Where’s the risk to the Government? Why pursue this?”

In this instance, you need to dig below the surface to determine the cause. We found the underpayments were a result of the contractor failing to pay the proper amount of payroll taxes. Subsequently, the IRS placed a tax lien on the

contractor, and DFAS automatically withheld a portion of their public voucher payments. Needless to say, we removed the contractor from direct billing and prepared audit leads for future financial capability and incurred cost audits.

In addition to the direct billing evaluations, we have also used VPS data to test a contractor’s booked-to-billed reconciliation as part of an incurred cost audit. By summing the amounts paid under a contract during a specific time period, we can test the contractor’s booked-to-billed reconciliation for the claimed fiscal year. Furthermore, verifying the contractor’s claimed billings to VPS payment information also provides another level of assurance for establishing reliance on the contractor’s computer-based data.

Going Forward with EDA

As we were preparing to provide a presentation on EDA at the Quality Conference, we identified three different types of EDA users. There are those who’ve never

heard of EDA or, if they do know of it, have never registered. If you are part of this group, we hope you will go to the website and register immediately. As of October 2006, only 40 percent of DCAA personnel were registered on EDA.

EDA Registration Process

- Go to EDA website (<http://eda.cols.disa.mil> or <http://eda.ogden.disa.mil>).
- Register new account with CAC card.
- During registration process, request access to both contracts and commercial pay vouchers.
- Complete DD Form 2875 and send to Regional EDA point of contact.

The second group of EDA users consists of auditors who have registered for EDA, but rarely use it. Maybe they forgot their password, or were locked out of their account after 90 days elapsed without a password change. This is the group of people from

which we have heard the most objections. Their primary complaint focuses on EDA’s password requirement. They often tell us, “If I register for EDA, it’s just another password I’ll have to remember!” Also, if you don’t change the password within 90 days, your account is frozen. For this complaint, there is one very simple solution. USE YOUR CAC! New users can register their account with their CAC and current users can add their CAC to their existing account. Once you’re registered on EDA with a CAC, there is no need to change your password every 90 days. However, this will not eliminate the need to use your EDA account, as it will be frozen if not used in 90 days. Current EDA users who have been locked out of their account should contact their regional EDA point of contact to regain access. Also, if you currently have an EDA account and did not request access to public voucher payment history during the registration process, your regional EDA point of contact can modify your account to provide you access to this information.

This second group of infrequent users also complains that they have had difficulty finding

contracts on EDA or the contract information is incomplete. While it is true that many contracts issued prior to the late 1990s are not on EDA, the number of documents available on EDA is increasing exponentially. Since 2002 EDA has captured over 85 percent of all procurement actions from the Army, Navy, Air Force, and Marine Corps with over 5.2 million contractual documents currently stored and available through EDA. If you've had some difficulty with EDA in the past, we ask that you give it another try. A recent upgrade to the website has made the interface much more user-friendly, and as you can see from the statistics, an abundance of contracts are available through EDA. If you're looking for a contract from a civilian agency, you'll still need to go the paper route unless you were e-mailed a copy—EDA only has DoD contracts.

The third group of EDA users consists of those who use EDA to obtain contracts, but may not be aware of its full potential. We hope that you will start to take advantage of the voucher payment information available. Some members of this group have been quick to point out that public voucher payment data is also available from WAWF. While this is true, the WAWF voucher payment history is limited to only those public vouchers that were paid through WAWF. What's more, access to WAWF is generally limited to supervisors and administrative personnel. EDA is available to all DCAA employees. The voucher payment data obtainable from EDA includes information from the majority of DoD paying offices, provides data in a spreadsheet format, and is not dependent on the voucher being submitted through WAWF. Finally, EDA contains voucher

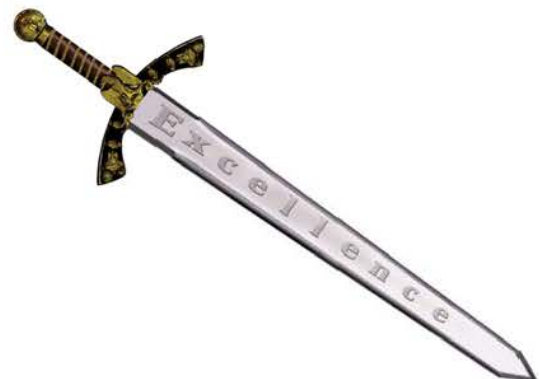
payment history dating as far back as the 1990s, long before WAWF was implemented.

After continued use throughout our audits, and especially with direct billing evaluations, we have found that EDA is a powerful tool that both

increases auditor efficiency and promotes audit effectiveness. Although the EDA applications we developed did not cross our minds during our initial training, it ignited the possibility of new ideas and enabled us to

utilize EDA to better align audit scope with risk. We recommend that every PWT receive a hands-on EDA training session where each auditor is walked through the process of registering for an EDA account and shown how to perform basic EDA functions. Remember that DoD is still working to become completely paperless, so you will find some contracts that are not yet in EDA. However, DoD is getting closer to its goal of becoming paperless every day.

Gone are the days of digging through file cabinets for contracts and public vouchers because EDA is here to stay! As the song goes, "Those were the days my friend. We thought they'd never end...." ■



Regional EDA Points of Contact

Region

Northeastern
Mid-Atlantic
Eastern
Central
Western
Field Detachment

Primary POC

Tracy Karcher
Pat Probst
Pamela Martin
Sui-Chan Mrdjenovic
Michele Fratus
Dennis Glasscock

The *EZ* Road to Audit Effectiveness

*By Susan K. Barajas, CPA, Regional Audit Manager, Western Region
and
Angie Thomas, CPA, Supervisory Auditor, Santa Ana Branch, Western Region*

LAST YEAR several of us old-timer auditors were reminiscing around the water cooler about the good old days. The conversation soon evolved into DCAA's current audit effectiveness initiative of doing the right audit with the right amount of resources, matching audit risk and audit scope, and developing our employees' audit skills. We observed that we did not seem to be using EZ-Quant as much now as we did in the good old days. We all know that

- **statistical sampling** can provide better audit coverage through review of a relatively small number of transactions in the universe
- **regression analysis** is particularly useful in the review of forecasted indirect expense rates, especially at small, non-major contractors
- **improvement curves** are an excellent tool for evaluating labor hours and material quantities when historical accounting and financial data are available.

Out of our discussion grew the Western Region initiative to increase the use of Quantitative Methods (QM)/EZ-Quant as a means to perform more efficient and effective audits.

The first question facing us was: Given that QM and EZ-Quant are effective audit tools,

why weren't they being used more often? We believed the major barriers to using any of the quantitative methods and the EZ-Quant tools were the auditors' perception that they did not have sufficient time in their budgets to use the applications and still meet the metrics; and the auditors' lack of confidence in using the techniques. To overcome these barriers, we kicked off our initiative with an **increased management focus** by the Regional Director, RAMs, FAO managers, and supervisors to the audit staff to identify audits where these tools could be used. We recognized that there might be an increase in hours, at least initially, on assignments where these tools were used. However, we were confident that once auditors began using the techniques, they would achieve greater efficiencies and subsequent time savings resulting in more effective audits.

We also wanted to capitalize on the significant investment the Agency makes in teaching QM and the EZ-Quant tool. Most auditors returning from DCAI training are excited about using QM and EZ-Quant. However, when there is a significant time lapse between the DCAI training and the auditor's actual application to an audit, there is a loss of learning. Auditors can then have a difficult time translating the theory of the classroom to their audit situation. In addition, training generally uses simple examples in order to demonstrate the concepts being taught; real-life situations are rarely as

simple as those presented in the classroom. Trying to apply classroom theory to real-life situations can result in frustration, which frequently results in omitting the techniques from future audits. To **build auditor confidence and skills**, Western Region's AM/EDP/DIIS Division (RSA-4) developed **Just In Time (JIT) training** to assist auditors in applying the QM techniques to actual audits. The RSA-4 staff also actively answered questions from the field, assisted auditors in their data analysis to run the application, and helped them interpret the EZ-Quant results. FAOs also identified **focal points**, an auditor in the FAO designated as the go-to person, to answer questions and assist in using QM applications. Auditors were also encouraged to share their success stories, best practices, tips and techniques at staff conferences, PWT meetings, and through e-mails and office newsletters.

So were the results worth the effort? Was there a payoff? The results were great! We achieved increased QM/EZ-Quant usage and increased questioned costs as well as increased auditor confidence and excitement.

Increase in QM/EZ-Quant usage: Our comparison of the Western Region results for the 7 months prior to our initiative with results for the 5 months after the initiative revealed incredible results. We increased the number of QM/EZ-Quant applications from an average of 19 per month to 43 per month. Questioned costs on audits that used EZ-Quant increased from an average of \$122,000 per audit to an average of \$1.6 million per audit.

Confidence: As our auditors started generating findings and experiencing "successes," there was a noticeable increase in confidence. Auditors' apprehension about using the QM techniques declined as a result of JIT training and the availability of an office focal point to help work with the specific data and specific audit circumstances.



Susan K. Barajas

Excitement: Throughout each FAO, we see a greater sense of energy and excitement. Auditors *love* that their findings save the Government and taxpayers money! The excitement is contagious, and success builds upon success.

We are proud of our success stories and want to share a few of them with you.

Using **statistical sampling**, an auditor questioned \$1.1 million of travel costs at a major contractor on an incurred cost audit. In the previous year, the

auditors questioned less than \$1,000 of travel costs. The initial analysis of the statistical sample results revealed that the precision was such that the sample results were not within the planned confidence and precision goals. However, after RSA-4 coordination with OTST, the auditor expanded his sample, achieved acceptable confidence/precision, and was able to use the projection of the sample results.

Using **regression analysis** to evaluate proposed overhead and G&A costs at a small non-major contractor, an auditor questioned \$1 million of a \$12 million firm-fixed-price proposal. A review of the indirect rates showed

the contractor was projecting a significant increase in pool (indirect) expenses without a corresponding increase in the base. The auditor ran regression analysis on the historical data, which showed a correlation between the pool and base costs. After evaluating the proposed bases for the out-years, the auditor



Angela Thomas

used regression to project future rates. The auditor questioned between 17 and 39 percent of the proposed overhead rate over 5 years, and questioned 2 percent of the G&A rate in each year.

Using **improvement curves** to evaluate direct labor hours, an auditor questioned \$3.9 million of a \$60 million firm-fixed-price proposal at a major contractor. Initially, the customer did not request any review of the proposed labor hours. However, following coordination, the customer agreed we would look at the labor hours. The contractor proposed approximately 9,000 hours per unit based on recorded labor-hour history from the latest work orders. The contractor did not propose any learning although the product had been manufactured for several years. The auditor considered:

- Total hours per unit
- Hours required to build each of the 1,000 subassemblies
- Hours by work center

After becoming familiar with the production process, the auditor determined that 54 percent of the proposed hours were incurred in one specific work center. The auditor ran an improvement curve on that work center and questioned approximately 20,000 labor hours, which was sustained at negotiations. The customer was extremely happy with our results.

In summary, we are very pleased with our initial results, and we are continuing our efforts to emphasize QM/EZ-Quant usage. The keys to our initial success were:

- Visible management support, including FAO manager and supervisory auditor involvement
- JIT training to translate classroom theory into real-life applications and to build the skills and confidence of the audit staff
- An office focal point to provide assistance on individual applications

We are confident that once you start down the EZ Road to Audit Effectiveness, you will see the momentum build and spread throughout your office. You too can achieve great results! ■

FYI

Quantitative Methods and EZ-Quant are taught in many courses and seminars including:

1130	Technical Indoctrination
4035	Quantitative Methods Refresher
4120	Statistical Sampling
S4100	Statistical Sampling Refresher
S4200	Regression Analysis
S4300	Improvement Curves

For additional information consult the course catalog, accessible via the DCAI homepage on the Agency intranet.

Supervisors Helping Supervisors

By Kenneth B. Sicker, CPA, Branch Manager, North Central Branch Office, FD and

Tammy Hart, Supervisory Auditor, Mid-Atlantic Branch Office, FD

THE GREATEST RESOURCE DCAA has is its people. It's obvious to us all. We are indeed a labor-intensive organization. The manner in which we continually build and develop our workforce is a positive attribute of the Agency. Without a doubt in my mind, one of the most interesting and challenging jobs at DCAA is that of Supervisory Auditor. Today's supervisor has a multitude of tasks to monitor. This includes ensuring that:

- High-quality audits are performed that meet or exceed the required standards
- Customer needs are met
- Audit resources are used wisely
- Metrics and Agency initiatives are monitored
- Personnel issues are addressed.

Developing and building strong supervisors also helps to develop and build exceptional auditors. With the combination of a strong supervisor and exceptional auditors, the foundation of the Agency for years to come will continue to be uncompromised and exceed all expectations. At the recent Quality Conference, Tammy Hart, a new supervisor, and I had the privilege of presenting a program we created to assist in the development of new supervisors. This article highlights some of the details we were able to share with many conference attendees from across the Agency. We share these in hope that others may recognize the call and share the talents they have developed.

The History

I'd like to begin by presenting the history of how this idea came to fruition because I believe that it provides for some understanding of the challenges that we have encountered in the Field Detachment. Let me take you back 2 years. My Branch Manager requested I attend the annual

Field Detachment Manager's Conference as the guest supervisor from our FAO. For those of you who have been to a manager's conference, at this time Mr. Reed details many of Agency's accomplishments as well as the challenges we face. At this particular conference, Mr. Reed looked to the attending managers and challenged them to provide innovative ideas, suggestions, and solutions to continually improve the quality of the Agency.

About 6 weeks after the manager's conference, I received a call. Just before getting this call I'd been a supervisor for a couple of years and was feeling quite confident that I had settled into life as a supervisory auditor and had a good handle on both my contractors and audit issues. The real reason I felt this way was that I had an exceptional team of experienced auditors. Then a phone call changed my focus for the next couple of months. The caller said, "Good afternoon Ken, this is April Stephenson." Now, when you're a supervisor and the Field Detachment Director or Regional Director calls, your brain goes into overdrive. You immediately think, "What audit, contractor, or personnel issues do I have?" Coming up completely empty on all counts as to what she could possibly want, I was left with nothing to do but inquire. April's response was, "Ken, have I got an opportunity for you!" April proceeded to ask if I would help the Field Detachment's Northern Virginia Branch Office (NVBO) on a temporary 120-day promotion as the Acting Branch Manager (Branch Manager). Although the permanent manager had been selected, the Detachment needed someone to start on a rotation while the selectee went through the security clearance process. After checking with my other boss (my wife), the next Monday I found myself at the NVBO as their Acting Branch Manager.

During my first week at NVBO, April was there on one of her routine visits. During this



Tammy Hart

time, the supervisors were briefing us on many of their ongoing significant issues. That's when a supervisor detailed one of their current struggles. In summary, they were in need of the type of expertise one primarily obtains through years of experience. What I noticed quickly was

that these new supervisors, are clearly tomorrow's leaders in DCAA. They have a tremendous amount of talent and a passionate thirst for knowledge. But what they didn't have was a tremendous amount of experience—and that's fine as that will come with time. But there was almost no one to assist them in beginning their learning endeavor. Thus, we needed a plan to help expedite the experience and assist them in learning the things supervisors need to know.

In my second week as Acting Branch Manager, I received a call from my boss, the Detachment Audit Manager, reminding me of Mr. Reed's challenge. He explained that since I was now a Branch Manager and since I attended the manager's conference, I should submit some suggestions that could help improve the quality of the Agency. That's when the light came on—that is, the idea of sending in an experienced supervisor from another FAO to sit down with these new supervisors to assist in their indoctrination for 1 to 2 weeks.

What the Agency Already Does

Let's take a minute to detail the resources that DCAA already provides. DCAA does commit

a tremendous amount of time and energy into the development of its new auditors and supervisors. In fact, the training plan for each is incorporated into the Personnel Management Manual. Prior to becoming a supervisor, the Supervisory Development Program is available. After becoming a supervisor, DCAA has a series of three courses that are required to be completed in the first 2 years. These courses focus on three distinct areas, including the administrative management of audits, personnel management, and leadership skills. All the courses are valuable and critical to the development of our supervisors. The Supervisory Development Program does

provide for some real On-the-Job Training (OJT). But, what I thought was, "How great would it be to be able to sit down with a new supervisor at their location, with their issues, with their audits, with their staff, with their present challenges, and help them learn how to succeed from day one?"

Few things are more important than starting off on the right foot. I believe that what makes this program unique is that it really is OJT with the new supervisor, as it does

indeed address their specific situation.

Challenges of a New Supervisor

While new supervisors have many challenges as they assume management responsibilities, I'd like to note a couple that I believe make this program essential. Take Tammy for example. She sits in an office approximately 70 miles from her Branch Manager. Compounding this, no other supervisor sits at her location. While I know she has exceptional abilities, I also know that having another experienced supervisor and Branch Manager close to me when I first became a supervisor was a tremendous benefit.

Reflections of the New Supervisor

As a new supervisor, I felt this program was beneficial to me because it gave me the opportunity to learn from an experienced supervisor in my own work environment, with my office workload and issues. Even as a senior auditor, you just don't realize the magnitude of the supervisor's duties. I would strongly encourage persons seeking the position of supervisor to apply and rely on your counterparts to help guide you in becoming comfortable and confident in the position regarded as the most challenging in DCAA.

Preparing to Help

The ultimate goal is to provide the greatest assistance possible. Accomplishing this requires due diligence to plan for the training session. Prior to being matched up with a new supervisor to help, one should ensure that the skill sets match. That is, one would not want to send a supervisor in to help a new supervisor responsible for an incurred cost team if the assisting supervisor's primary experience lies with forward pricing. Also, prior to assisting, the experienced supervisor should contact the Branch Manager and, if necessary, the Regional Audit Manager (RAM).

The Branch Manager and RAM are probably in the best position to identify areas within the office that require attention. In addition, an open dialogue should be established with the new supervisor. They know best what their own personal strengths and weaknesses are. After performing due diligence, an agenda should be prepared detailing the areas that will be reviewed during the visit. The agenda should include goals, topics to be covered and time limits. In other words, Prepare, Prepare, and Prepare.

Potential Areas of Assistance

I am sure the list of potential areas to cover with a new supervisor is extensive. But one central theme exists with all of them. That is, they are all new to one who has just become a supervisor. Below, we have detailed several of the areas we determined were important during the visits.

Reviewing Working Papers: With the dual challenges of ensuring quality and with so many initiatives to monitor, it is imperative that today's supervisor provide a thorough and efficient review

of the working paper package. The importance of this cannot be overstated. As part of this program, Tammy and I were able to sit down together and review several working paper packages. We shared ideas on how to best review them. These ideas focused on the methods I have used to



Kenneth B. Sicker

Reflections of the Experienced Supervisor

While I technically called myself the experienced supervisor, I am confident that I learned as much, if not more, from each new supervisor I assisted as they learned from me. I am a firm believer that the best way to learn something is to try and teach it. It really does work. As a participant in this program, I have been able to bring back to my office several best practices I noted during my visits to other FAOs. The ideas and fresh approaches a new supervisor brings to the table are limitless. The sharing of these thoughts is central to this program. Being able to share my ideas as well as learn new approaches proved to be a win-win situation for both the new supervisor and experienced supervisor, for both FAOs, and certainly for DCAA as a whole.

review working papers. As the new supervisor, Tammy found this very beneficial since it helped her to better understand how to perform an effective and efficient review of working papers. She was eager for and readily absorbed any and all hints I could provide. She stated that the hints provided would increase the quality of the working papers and help ensure that they met Agency standards. The suggestions included starting with the risk assessment and creating a solid foundation by assuring that the audit

steps performed related to the risks identified. According to Tammy, this suggestion was one that provided the greatest benefit.

Using Cognos: We worked together to run the most important and frequently used management reports. However, this process runs much deeper than merely learning how to run the report. Learning how to read the report and make any necessary adjustments is imperative. As a quick example, look at the DCAA staffing tool. This report, known as the Perf2a, is a comparison of resources to activities. It is critically important that new supervisors know if they have the resources available to accomplish the program

plan. However, the report is also used by the FAO as well as senior management at the region or Field Detachment Headquarters to determine if they have the necessary resources. While anyone can look at the bottom line of the report and make an assessment, ensuring the bottom line is accurate is a totally different story. One has to know the best time to run the report and what data is live and what data is as of the last pay period. Various supplemental Cognos reports have to be run to analyze the detail. Once analyzed, adjustments must be made in one of perhaps several different places (e.g., DMIS Assignment tab or Operating Plan). Trying to learn this process on your own would indeed take many hours. The point is, attempting to run just this one Cognos report for a new supervisor presents many challenges. Being able to mentor a new supervisor and walk through the process as it applies directly to their new team is a solution.

Dollar Write-Offs: Another potentially challenging area for a new supervisor is dollar write-offs. While one of the Memphis courses does completely detail the theory and associated definitions (PCFY, CCFY, and FCFY) of potential write-offs, we were able to prepare spreadsheets for many of the contractors requiring this task. The spreadsheet was a great complement to what is learned at DCAI. Again, the beauty of it all is that we were actually addressing the specific situation and challenges present for the new supervisor.

PWT Assistance: Supervisors Helping Supervisors is all about sharing ideas. Another idea was to have the experienced supervisor sit in as an observer with the new supervisor's PWT. Suggestions were then offered as to best practices and effective techniques learned through experience. Examples of goals and processes developed by advanced PWTs from other FAOs were also provided.

Dealing with Poor Performers: As a new supervisor, Tammy said that just thinking about the possibility of dealing with a poor performer was intimidating. During our sessions, I was able to simplify the process. This included a review of the management cycle that always ensures the employee is aware of the expectations (including clarifications when necessary), and is regularly provided performance feedback. We also discussed the importance of working with employees to improve performance but holding

employees accountable when expectations are not met. Tammy found the review of the management cycle very helpful. Understanding what needed to be done, when it should be done, and having examples of how it should be done were a great boost to her confidence.

Time phasing of audits: I shared many strategies focused on the time phasing of audits. As an auditor, Tammy knew juggling many assignments was an integral part of the job. As a supervisor, she knew that balancing an entire team's work load would be more of a challenge. She realized the importance and benefits of identifying strategies to time-phase the team's audit workload. Based on my experience, I was able to share various Cognos reports to help Tammy with the time phasing as well as some useful milestone charts. Specifically, these milestone charts included time-management Excel schedules used at my home FAO. Sharing this tool with Tammy helped provide a mechanism for her to monitor her team's workload and ensure due dates are met.

Many other ideas were discussed on my visits assisting other supervisors. While I cannot possibly detail all of them here, some of them included:

- Preparing a program plan
- Quality improvement ideas
- Administrative management of audits
- Timekeeping issues

The goal is to identify and assist with those areas that will prove most fruitful for the new supervisor.

Concluding the Visit

With so many topics covered, at the end of our visit we summarized and prioritized the areas. Suggestions were made as to those areas that may require immediate attention. It was certainly emphasized that one cannot do it all overnight. After the initial visit, a brief follow-up visit was made. At this time, we reviewed any areas that required reconsideration. When all visits were complete, another intangible benefit of the program was that it provides an additional resource for the new supervisor. Establishing a solid network of your peers is an outstanding method to share and learn new ideas. ■

Terrific Time Tools

*By Dean Bailiff, Auditor, Tampa Bay Branch, Eastern Region
and
Michael Crisp, Auditor, Tampa Bay Branch, Eastern Region*



Dean Bailiff

AFTER GETTING the “Good News/Bad News” phone call requesting this article, we thought, “How in the world are we going to capture all the unique features and benefits of the three integrated macro-driven spreadsheets used to monitor team assignments that we presented at the Quality Conference?” Well, we cannot capture ALL of these features in these limited pages, but we can provide you with a few key highlights and offer you a chance to win an all-expense-paid trip to Florida! Okay, back to reality. But we will offer a reward to the person who, after reading this article, comes up with an accurate count of the benefits built into these tools. Be aware that the prize you receive may be similar to the items handed out at the Quality Conference.

We will provide you with a limited background and history of these tools and then go over a few of the absolutely stupendous, mind-blowing

features. Okay, we will stop trying to get your attention now and let the features speak for themselves. Now to the background and history we mentioned.

Time Management Tool

The first terrific time-management tool began back when we had paper timesheets. Remember when we had 13-column paper spreadsheets and 40-pound portable computers? We developed an electronic spreadsheet that replicated the paper timesheet, but it also helped us keep track of our assignment information and, later, leave credit and comp balances. After DMIS was developed, the team’s electronic timesheet was retired for a time.



Michael Crisp

But we soon revived the old timesheet with the mission to improve it and to help us keep track of our time in a more efficient manner. This electronic spreadsheet was made even more efficient by adding macros to automatically figure formulas and other functions. These macros save time for the user. Saving time is one of the key overall benefits of these time management tools. The Time Management Tool was designed to have the feel and look of DMIS, but with added features such as the Calendar View, assignment hours/budget hours toggle, key assignment notification/reminders, indirect hours tracker (annual, sick, credit, etc.) and appointment calendar. Oops, we started getting ahead of ourselves. Once the timesheet was working, other auditors and regional personnel joined the development team (Okay, so we had a total of three people).

The teaming up with others resulted in the integration of the Team Assignment Tool (added features and functions which are macro-driven, etc.) and the development of a Supervisor Tool which helps the supervisor keep track of the team assignments, auditor availability, etc. Did we forget to mention that those of you who were at the Quality Conference and kept the handout titled “Benefits of Time Management Tools” will have a definite advantage in our contest?

Okay, now down to the serious business of describing more features/benefits. Allow us to point out a few of these features by showing you a screen shot of the Time Management Tool. This is an example of how it looks when the application is started.

Timesheet Entry Assignment Register Calendar View

Timesheet Entry Pay Period Ending: 11/25/06 Employee: BAILIFF DEAN E Home Office: 01271 Today: 11/15/06

Timesheet Entry Timesheet at a Glance Assignment Register Calendar Summary 1 Assn Due Today 1 Total Due Week One

Insert a Row Save Timesheet New Timesheet

Type Hrs	EHO Code	Hgt Diff	Work Offc	Assignment Number	Assignment Description
RG		N	01271	2004S1010006	GD IHO FYE 2004 INCURRED ALLOCATIONS
RG		N	01271	2006S10320078	LOCKHEED MARTIN AEROSTRUCTURES MAAR 13 MATERIAL OBSERVATIONS
RG		N	01271	2006S42000003	SVERDRUP DEFECTIVE PRICING
RG		N	01271	2007151200002	ATTEND TRAINING PLANNED

Microsoft Excel

2 Assignments Are Past Due

OK

11/15 FRI 11/16 THU 11/17 FRI

You will notice the first information prompt tells you how many assignments are Past Due (Please note that, although the screen shot shows “2 Assignments Are Past Due,” our team has never had a past due assignment, but we thought we would show this for demonstration purposes—well okay, maybe we had a few). From this screen shot, you will also notice the worksheet tabs identified above (Timesheet Entry, etc.). The next screen that might come up is as follows:

Assignment Hours and Budget Hours Toggle button

Timesheet Entry Pay Period Ending: 11/25/06 Employee: BAILIFF DEAN E Home Office: 01271 Today: 11/15/06

Timesheet Entry Timesheet at a Glance Assignment Register Calendar Summary 1 Assn Due Today 1 Total Due Week One

Insert a Row Save Timesheet New Timesheet

Type Hrs	EHO Code	Hgt Diff	Work Offc	Assignment Number	Assignment Description	Asn Hrs
RG		N	01271	2004S1010006	GD IHO FYE 2004 INCURRED ALLOCATIONS	0.00
RG		N	01271	2006S10320078	LOCKHEED MARTIN AEROSTRUCTURES MAAR 13 MATERIAL OBSERVATIONS	0.00
RG		N	01271	2006S42000003	SVERDRUP DEFECTIVE PRICING	0.00
RG		N	01271	2007151200002	ATTEND TRAINING PLANNED	0.00

Microsoft Excel

1 Assignment Due Today

You Have a Calendar Item Today

OK

11/16 THU 11/17 FRI

The second information notice indicates that an assignment is due today. These information notices are one of the benefits of the Time Management Tool. Another beneficial feature is the Assignment Hours/Budget Hours toggle button. It toggles between the hours you have entered on the current timesheet and the remaining budget hours that you have left on each of your active audit assignments entered on your timesheet.

Information (e.g., total due week one) about your audit assignments are shown at the top right-hand portion (color-coded). This information will be in view whenever you are on this worksheet tab. In addition to the past due assignments, this tab tells you how many assignments are due during the pay period and if you have any due for that day. Did you count this benefit? You have to keep focusing on those benefits if you want to win!

The next screen shot shows the assignment register worksheet tab.

Additional information notices

TIMESHEET ENTRY											
Pay Period Ending: 11 / 25 / 06		Employee: RAILIFF, DEAN E		Home Office: 01271		Today					
Timesheet Entry	Timesheet at a Glance	Assignment Register	Calendar	Help	2 Assignments Past Due 3 Due This Pay Period (1 due today)						
<p>* You have a due date scheduled on a weekend</p> <p>32 Hrs Available This Pay Period</p> <p>104 Budget Hrs Remaining This Pay Period</p> <p>223 Total Budget Hrs Remaining Period</p>											
LV/CD/COMP/OT		Team & Indirect Assmnts		Assignment History							
Clear Row	Assn No.	Assignment Description	ETC: Budget Remaining	Budget	Total Charges	Current Charges	Charges by Others	Previous Charges	Due Date	Days Remaining	Work Days
	2006S42000003	Sverdrup Defective Pricing	14.0	166.0	152.0			152.0	Nov-13-06	-	
	2006S19200011	GD OTS CAS 403 Noncompliance	-3.0	100.0	103.0			103.0	Mar-31-07	138	
	2004S10100006	GD IHO FYE Incurred Allocations	17.0	220.0	203.0			203.0	Nov-14-06	1	
	2007S19409001	SMITHS CAS 409	19.0	64.0	45.0			45.0	Nov-21-06	8	
	2007S19418001	SMITHS CSA CAS 418	14.0	82.0	68.0	8.0		60.0	Dec-15-06	32	
	2007S17740004	Post Award Accounting System	30.0	60.0	30.0			30.0	Jan-24-07	72	
	2007S27000002	LM Specified Cost Elements	14.0	32.0	18.0			18.0	Nov-21-06	8	
	2007S21000008	m 1002 120mm High Impact / Smoke Rounds	92.0	92.0					Dec-12-06	29	
	2006S23000008	Smiths Forward Pricing Rate Submission	23.0	120.0	97.0			97.0	Nov-08-06	(5)	

As you can see, the assignment register focuses on each of your audit assignments and identifies important information. This key information includes the status of your audit in terms of hours (ETC/budget remaining, budget, total charges, current charges this time period, charges by others, and previous time charges). This tool shows the status in terms of days (due date, days remaining until the due date, and work days left until the due date).

It also provides you an indication of how busy you are by showing you how much time you have available during the pay period, and how much time is needed to meet your deadlines. As shown by the first two arrows in the screen shot above, this auditor has 32 hours available to work this pay period, but impending due dates call for 104 hours to be worked, creating a significant shortfall. This is no surprise considering the due-date alerts. Look at the number of audits Past Due (2), Due Today (1), and Due This Pay Period (3). Remember those benefits? With this tool, work overload like this is unlikely to happen since you will have been alerted of the need to discuss work priorities with your supervisor in advance. The tool casts a bright light down the center of the tracks in search of oncoming trains in the form of budget overruns or fast-approaching deadlines. With advance warning, steps can be taken to alleviate your stress and better meet your customer's expectations (e.g., coordinate a due-date extension, assignment transfer, assignment sharing). Wow! A tool to help you avoid taking on too much work! Additionally, there are buttons that you can click on that will take you to other areas of the spreadsheet where even more information is identified.

The next worksheet tab that we want to point out is the calendar view. We were going to say that it is a unique way to look at some of the information listed above, but really it is a more logical or intuitive way of processing some of your audit assignment information. It also displays your appointments, meetings, etc.

Appointment Calendar, Scheduled Events Projected Leave

Appointment Calendar

Scheduled Events

Projected Leave

Two Year Calendar

December 2006

Dec

2006

112 Hrs Available
85 Hrs Projected Workload
Difference: 27 Hours

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
					1	2
					Leave	
3	4 Statistical Sampling Tng	5 Statistical Sampling Tng	6 Statistical Sampling Tng	7 Statistical Sampling Tng	8 T/S Due Statistical Sampling Tng	9
10	11	12	13	14	15	16

When you click on the key buttons, macros will take you to other areas of the spreadsheet which you can use to track appointments (entrance conference, meetings, etc.) and events such as training or personal dates. The Projected Leave button allows you to schedule or plan your annual leave, credit hours, etc.

The next Time Management Tool is the Supervisor Tool (shown below). This spreadsheet is very much like the auditor’s Time Management Tool. It has all of the same functions, plus it has information about the whole team. This information is viewed only by the supervisor. Click on any of the three worksheet tabs with “team” in the title. At this point, your kids would say, “Duh!”

Team Assignment Summary Team Data Team Calendar

TEAM SUMMARY

Pay Period Ending: 11 / 11 / 06

Supervisor: MARK S OWEN

Team: SUMMIT

Home Office: 01271

Timesheet Entry

Team Assignment Summary

Team Data

Team Calendar

Personal Calendar

T/S Summary

Insert a Row

Save Timesheet

New Timesheet

Time in:

Time out:

Type Hrs	EHO Code	Hgt Diff	Work Offc	Assignment Number	Assignment Description	Asn Hrs
LS		N	01271	2007152200005	SICK LEAVE	0.00
LH		N	01271	2007152300006	HOLIDAY	8.00
LA		N	01271	2007152100004	ANNUAL LEAVE	0.00
						8.00

Week 1

Week 2

11/05 SUN	11/06 MON	11/07 TUE
0.00	0.00	0.00
0.00	0.00	0.00
0.00	0.00	0.00
0.00	0.00	0.00

Clicking on the Team Assignment Summary tab (above) will take the supervisor to all assignments. It will show the time budgeted, time incurred and percentage of time used. It will also show the due dates, days used and percentage of days until the due date. The supervisor can sort by contractor, auditor, assignment type, etc. Clicking on the Team Data tab will allow the supervisor to check on the team’s availability (days available for the team or any individual auditor during the next 3-month period). It will allow the supervisor to click on the auditor’s initials to see the details for a specific auditor.

Here is the last Time Management Tool, the Team Assignment Tool.

Assignment Log Team Calendar Budget Hours and Reimbursable Calculator

Assignment Log			Team Calendar		Budget Hrs Calculator Reimbursables		Team Assignment Summary		Setup				
Activity Codes			Contractor Tables		Insert Prog Assn Row		Sort ▾						
Assn No.		Contractor	Assn Description	DATE REC'D/ SETUP DATE	DUE DATE	COMPLETED OPEN/CANC	AUD'R INIT'S	BUDGET HRS	SUB TYPE	AMOUNT (\$000)	REIMB Y/N	Update Timesheet	Request Folder
2007 S 17740 003		National Sourcing Inc	Post Award Accounting SYS	Oct-31-06	Dec-15-06	Open	JAB	60	N/A	N/A	NO		
2007 S 17740 004		Wittenberg Weiner Consulting, LLC	Post Award Accounting SYS	Oct-30-06	Dec-21-06	Open	JAB	60	N/A	N/A	NO		
2007 S 21000 005		General Dynamics OTS LCA Dec-31-2007	XM1002 120mm - All Rounds	Oct-09-06	Nov-08-06	Cancelled	AJL	43	FFP	\$ 2,000	NO		
2007 S 22000 006		General Dynamics OTS LCA Dec-31-2007	EFFS Test Rounds 155mm All Rounds	Oct-14-06	Nov-13-06	Closed	MAC	75	CPFF	\$ 10,000	NO		
2007 S 21000 007		General Dynamics OTS LCA Dec-31-2007	QC Tank Rounds	Nov-13-06	Dec-11-06	Open	MMK	148	FFP	\$ 45,000	NO		
2007 S 008			M1002 120mm High Impact and Smoke Rounds	Nov-14-06			DEB		FFP	\$ 35,000	YES		
2007 S 009													

The assignment log (current view) is used to identify all of the team's audit efforts. The program plan/ contract required audits, as well as the customer-requested audits, are in one file. Clicking on the Update Timesheet will post the key data on this worksheet to the auditor's Time Management Tool. Clicking the Request Folder button will launch MS Outlook with a message already addressed to the person in your office who prepares audit folders.

Although we could not point out all of the features and benefits of these time management tools, we wanted you to get a sense that these tools will be useful to you and your team. If you really do want to win the prize for identifying the number of benefits/features that these tools offer, go to the link provided and download these three spreadsheets. Click on the buttons, look at the various worksheet tabs, etc. We think you will see that there are over 20 benefits/features, which will make your job easier and save you time. Now that's a valuable prize! ■

Link to Quality Conference Concurrent Sessions:

https://infoserv.dcaaintra.mil/Quality_Conf/2006/Concurrent_Sessions/default.asp

FYI

Update of Best Practice Website Complete

Policy has updated the PQA Best Practice Webpage. The webpage currently includes 36 best practice working paper examples which were updated for compliance with current Agency policy. This project was a joint effort between PQA and the RQAs. In addition, the QA organization has developed a maintenance process to ensure that the best practice working paper examples remain current. The Best Practice Webpage can be found by clicking "Guidance" on the DCAA intranet webpage.

Metrics and Leadership—Win/Win for DCAA

By Christopher M. Andrezze, CPA, Regional Director, Western Region

METRICS AND LEADERSHIP—how do these two aspects of the DCAA culture relate? Why talk about these two seemingly very different subjects in the same article? Because I believe the success of our Agency is tied very closely to both. At the November 2006 DCAA Quality Conference, I was given an opportunity to provide my thoughts on the importance of metrics; how metrics can be used successfully and how metrics should *not* be used; and how our DCAA leadership values provide the framework for using metrics to achieve the best possible results for our individual employees and our organization as a whole.

In putting my thoughts together for the Quality Conference presentation, I asked myself if I really knew the definition of a leader and the source of this term “metric.” So I took the advice that I always give my teenage son: I looked up the definitions in the

dictionary and did some research. When I went to the dictionary, I was impressed that Webster’s had devoted almost a quarter of a page to defining the term “leader.” After reading through that definition, I was even more impressed that DCAA was able to define it in terms of eight key values. I’m sure that most of you know the eight leadership values.

DCAA Leadership Values

- Being **positive** in attitude and approach
- Being **involved** and sufficiently familiar with issues to make reasonably supportable decisions
- Being **interactive** and clearly communicating up and down the chain of command
- Being **professional** and striving to reflect the Agency values and a model for employees to emulate
- Being **ethical** and seeking to consistently demonstrate highly ethical behavior, both personally and professionally
- Being **flexible** to respond to situations and individuals according to the circumstances or needs
- Being **decisive** to act when necessary for the organization and its people
- Being **responsible** or accountable for our organization and building on what is right versus what is wrong.

Next, I looked up the term “metric.” I was quite sure that Webster’s would not be devoting the same amount of space as it did to the word “leader.” I was right! Webster’s defined a metric as being related to an act or science of measuring a process. So, where did DCAA come up with this concept of metrics? It all started with our Total Quality Management and PWT initiatives in the late 1980s and early 1990s. Yes, that’s right!

Metrics have been part of the DCAA quality culture for almost 20 years! The use of metrics in

business organizations emanated from the work of Dr. Edward Deming, the American quality guru. Dr. Deming believed that metrics should be designed for the purpose of guiding organizational decision making and that metrics should be used to align resources to the appropriate goals; and assess the effectiveness and efficiency of an organization's processes to obtain desired outcomes. DCAA, like all well-run businesses, uses metrics to assess the health of its processes.

So how exactly does DCAA management use metrics to assess performance? As you might imagine, DCAA uses metrics in a number of different ways. On a macro level, DCAA uses metrics to accomplish a number of key organizational objectives. Of utmost importance is to maintain data on the value of our organization to the American taxpayer, the warfighter, DoD, Congress, and our customers. Metrics, such as cost per direct audit hour and net savings, can demonstrate that the cost of our services is reasonable as compared to other audit organizations and demonstrate that the dollars saved from our audits far exceed the cost of our operations. By paying close attention to these measures, DCAA leaders can design processes to assure our continued value. Cycle-time metrics are used to assess our ability to meet the needs of our customers for timely audit services so buying offices can provide needed goods and services to our warfighters in a timely manner. Cycle-time metrics also support major DoD initiatives such as timely contract closeout to avoid problems with expiring funds and tie directly into our Commitment to Excellence in providing timely and responsive audits, reports and financial advisory services. Another key use of our metrics is to assure the best use of our limited resources. As is true for any business and particularly true for Government agencies, we have finite operating funds. Our challenge is to achieve the best returns possible by employing our resources wisely—we must not use too many resources without getting a payback. For example, if we spend 100 hours auditing a \$2 million cost-type proposal where the maximum savings to the government is limited to the \$200,000 fee, we have lost an opportunity to use the resources on

another audit with potential for a higher payback. Metrics such as forward pricing and incurred cost productivity; direct audit yield; and the like all provide important data points to assess how we are using our limited resources. By analyzing this data, we can identify those processes that are working well and those that need improvement.



Christopher M. Andrezze

Closer to home, analysis of metrics can provide important insights into our day-to-day FAO operations. Using metrics as a data-mining tool can allow us to identify audits that have been particularly effective and those that have not. Subsequent, in-depth analysis of these audits can help us to identify best practices that can be shared with other auditors in the FAO, region and Agency; or alternatively help us to identify problems with our processes that need to be addressed. These actions have a direct benefit to our auditors as they identify particularly effective audit steps or techniques; or assist in the development of tools that make it easier for the auditors to get their jobs done. We all realize we can not easily increase our productivity without changing the techniques or tools we use in our audits or the way we approach a particular audit. Significant improvement in audit effectiveness and efficiency can only be gained through innovation or “thinking outside of the box.” The best practices showcased at the Quality Conference were excellent examples of process improvements that will result in more effective audits and significant savings in time.

The DCAA leadership values play a particularly important role where metrics are concerned. You probably have all heard the saying, “what gets measured, gets done.” While there is certainly a lot of truth in that statement, I would also urge caution. We must be sure that metrics are used in a positive manner and that the use of metrics does not drive the wrong behavior in our employees. This is why each and every one of our eight DCAA leadership values is so important.

First, we must use metrics in a **positive** manner. Our goal is to use the information that we gained from analysis of our performance metrics to improve operations—not to punish individuals. A positive approach will yield positive results.

Appropriate **involvement** at all levels in the organization is vital. Headquarters, regions, RAMs, managers, and supervisors, as is fitting at each level, must be sufficiently involved to understand what is driving the metrics so a proper course of action can be determined.

It is also critical that everyone involved in the process be **interactive**. I cannot over-emphasize the importance of communication up and down the chain. Leaders must clearly communicate that metrics measure the health of our organization and to identify processes that need to be studied further. Productivity goals based on achieving a certain metric are not numbers to be achieved at any cost or numbers cast in stone from which there can be no deviation. There will be instances where the right outcome will be to not achieve a certain metric. But we must always remember that metrics give us critical information for decision making. So, when an audit significantly deviates from established metrics, we must look at the warning signs to be sure the audit is not off track and headed for failure. This is where upward communication from the audit staff is critical.

Auditors must advise supervisors and managers when things are going wrong so that appropriate action can be taken. Everyone involved must be willing to listen and to work together to seek solutions as needed.

At all times we must be **professional** and **ethical**. Under no circumstances, should anyone shortcut an audit merely to meet a metric. Failing to perform the necessary audit procedures so that an audit doesn’t miss a cycle-time date or a productivity metric is simply not acceptable.

Don’t fall into the trap of doing the wrong thing to meet a metric so you won’t have to answer a question or admit a mistake. Being professional and ethical comes first every time.

Flexibility is essential to assure that we use our metrics in a positive, professional, and ethical manner. As leaders, we must convey

in our words and actions that metrics aren’t cast in stone. There will be times when we deviate from established metrics to achieve the right outcome, and that is expected. Likewise, auditors must be flexible as demands and requirements change. Auditors exhibit leadership skills when they willingly accept these changes.

DCAA leaders must also be **decisive** when making decisions involving metrics. We need to be able to make timely, critical decisions about our processes and our audits to achieve the best outcome for DCAA. This may mean deciding an audit report won’t be issued by a cycle-time due date because it doesn’t meet our professional standards or stepping in to redirect an audit that is off track to assure it does meet a critical cycle-time date.

Lastly, we must be **responsible** for our actions. We are each accountable for the decisions we make and how those decisions impact our

We must be sure that metrics are used in a positive manner and that the use of metrics does not drive the wrong behavior in our employees. This is why each and every one of our eight DCAA leadership principles is so important.

organization. Being willing to admit a mistake is the first step to making improvements going forward.

I believe that if we let these principles guide us in our decision making, we will be well on our way to achieving the best possible results. Skillful application of our leadership values is critical if we are to avoid negative outcomes involving metrics. Failure to use these values can result in sending the wrong message or creating misconceptions, such as: RAMs and managers don't want red metrics; metrics must be met at all costs; budgets must equal the metric without exception, etc. But I also think that it is a cop-out to say that you can not perform quality audits within the metrics. While I agree with the premise that some audits will exceed the metric, there will also be a number of audits that are performed well within the metric. I think one of the key benefits of having metrics is the ability to analyze and compare audits that met the metrics and those that did not; and then identify best practices and actions to move forward. I also think metrics can be a great asset for training and development of our work force in that you can tie successful learning into real results. In the Western Region, there are a number of FAOs that consistently have green metrics and some with consistently red metrics. When you analyze their performance data and talk to the FAO managers, you find that the FAOs with green performance metrics understand what processes are driving the FAO's metrics, have implemented and shared best practices with their PWTs, have a positive attitude, and embrace the concept of continuous process improvement. They know that using their data to make positive changes to improve operating results and provide auditors with better skills and tools is a win-win for everyone.

I believe the key to success is to continually keep sight of our DCAA leadership values. If we apply our leadership values, our results will be good. And remember:

- Metrics are not a necessary evil. Metrics are an essential management tool that when used properly are of tremendous benefit to our organization and our employees!

- Paying attention to metrics keeps our organization on track and functioning well. Metrics provide timely data to tell us and our stakeholders whether we are a value-added organization, if we are using our limited resources wisely, and where processes may need to be improved.
- Metrics alone are just numbers. They don't tell the whole story. Metrics are indicators that focus our attention on potential problems or issues that require further analysis.
- Metrics must not be viewed as an end to themselves. We must not let our desire to achieve a metric drive inappropriate behavior.
- Metrics are achievable, but not every audit must meet the metric. We should be doing the right audit procedures for each audit with the right amount of resources.

Using our metrics to achieve the best results requires skillful leadership that employs our DCAA leadership values. If our actions are shaped by these eight values, our decisions will be good ones. ■



Tracking Subcontract Assist Audits

*By Elizabeth Chiavetta, Auditor, Reston Branch Office, Mid-Atlantic Region
and*

Neil Otterstein, Auditor, Reston Branch Office, Mid-Atlantic Region

HAVE YOU EVER found yourself asking who thought up this subcontract assist audit business? If you have performed incurred cost audits, then you have most likely accomplished MAAR 12 (Auditable Subcontracts/ Assist Audits), and if you have completed MAAR 12, you know that it can become a rather cumbersome and frustrating process. We'll begin by discussing what makes requesting assist audits such an agonizing ordeal—the information you need to track. More important, we will later share our solution, which we've nicknamed "AAART" (Assist Audit Agony Reduction Tool).

What You Need to Track

There is a great deal of information that has to be tracked in the assist audit process. For which subcontracts have you requested assist audits? For which fiscal years should you expect to receive those assist audits? Are your requests being acknowledged? Which FAOs owe you those assist audits? Are you actually receiving the requested assist audits? Which assist audits have you received, and which haven't you received? Are you actually receiving the information you require? Or is the assist auditor simply providing you with the subcontractor's incurred cost report without the necessary cumulative allowable cost data? Have you received all your final assist audits for subcontracts under physically complete prime contracts that are otherwise ready to close? Do you have the information you need to complete your own Cumulative Allowable Cost Worksheet (CACWS)? Have any FAOs requested audit assistance from you, and for which years will they require that assistance? How much leave do you have, and can you use it to avoid a MAAR 12 assignment? (Just kidding).

What Makes Tracking Difficult

As if tracking all of that information isn't enough of a battle, there are various factors which interfere with and complicate the process of

tracking assist audits. Auditor turnover (rotation is one cause of turnover) leads to a loss of knowledge and requires additional effort on the part of the next auditor to become familiar with the process. The period of performance of subcontracts also complicates the process. If a subcontract has a period of performance that extends across multiple fiscal years, you request audit assistance only once for the entire period of performance. In subsequent years you need to know that audit assistance has already been requested, and you must ensure that audit assistance is being achieved. In the event that a contractor awards a large number of subcontracts, you will likely be requesting a large number of assist audits every year. The more assist audits you request, the more complicated the tracking becomes. The number of assist audits you need to track can snowball out of control after just a few years. Informal interoffice studies suggest a parallel between tracking multiple assist audits and increased instances of hair loss, weight loss/gain, migraines, and a general overall decrease in quality of life.

How We Can Help You Keep Track

So as you can see, there is a lot of information to track, and there are plenty of complicating factors. However, we have developed a tool (AAART) using Microsoft Access that can help you track all of that information and alleviate some of those complications. Not comfortable using Access? Don't worry, we have made it easy. Data is entered into the system through a series of user-friendly forms and that data is analyzed for you by Access and presented to you through various useful reports.

The different forms in the system allow you to enter prime contractor and subcontractor data; specific subcontract data; assist audit request data;

dates of acknowledgement; assist audit reports and CACWS received; claimed and allowable cost data; and even requests that you have received from other FAOs. It can also help you manage



Elizabeth Chiavetta

your grocery list, parent-teacher conference dates, and the all-important . . . ANNIVERSARY. Okay, it doesn't do any of those last things, but hey, you never know.

Once information is entered into the system you can access that information through the following reports:

List of Acknowledgements Not Received: CAM tells us that requests for audit assistance should be promptly acknowledged. You want to ensure that your request has been received by the right person and that it is being acted upon. So how do you track which of your requests have not been acknowledged? This report will provide you a list, sorted by FAO, of the requests for which you have not yet received an acknowledgement. The information generated will allow you to identify the unresponsive FAOs with which you must follow up.

Reports You Should Receive for a Specific Year: CAM tells us that we should only request audit assistance once for the entire period of performance of the subcontract. So you make your request once, but you should expect to receive assist audits for each year of performance. You use this report to generate a list of subcontracts

for which you should expect to receive assist audits for a particular fiscal year under audit. For instance, let's say you are performing the FY 2005 incurred cost audit, and you wish to know which subcontracts you should expect to receive assist audits. This report will provide you with those subcontracts for which you have requested audit assistance during your current audit and also those subcontracts for which you have requested audit assistance during prior-year incurred cost audits that have periods of performance that extend into 2005.

List of Reports Received: If your office doesn't have a system in place to track the receipt of assist audits, it is difficult to determine what you have and have not received. You use this report to generate a list of reports and/or CACWS that you have received for a particular fiscal year under audit. The report will also tell you *what* you have actually received. The purpose of the assist audit is to obtain the annual allowable cost data for the subcontract. If the assist auditor simply provides you with a copy of the subcontractor's incurred cost audit report, without the necessary allowable cost data, then your request has not actually been fulfilled. This report will indicate that while you have received a report, that report did not include the allowable cost data. (You will



Neil Otterstein

now need to follow up with the assist auditor to obtain the necessary information as discussed on the next page). In the event that you do receive

the allowable cost data, this report will tell you whether you have received interim allowable cost data (i.e., not final) or final allowable cost data (i.e., subcontract is ready to close).

CACWS Due but Not Received: In preparing to wrap up your audit and issue your report, you will need to determine the subcontracts for which you have not received assist audits so that you can follow up with the assist auditors and create your qualification table for your audit report. You use this report to generate a list of subcontracts for which you have not received the necessary allowable cost data for a particular fiscal year under audit (which could include those subcontracts for which you've received the incurred cost audit report, but with no allowable cost data).

Subcontracts Under Physically Complete Prime Contracts Without Final CACWS:

When you are recommending to the ACO which physically complete contracts are ready to be closed, you should exclude contracts with outstanding assist audits. You use this report to generate a list of subcontracts, sorted by Physically Complete Prime Contracts, for which you have not yet received the final allowable cost data. This is especially important when dealing with MOCAS priority contracts which have to be closed.

CY Claimed, CY Allowable, and Cumulative Allowable Costs: During your annual incurred cost audits, as part of MAAR 12, you must compare the "interim" allowable costs reported in the assist audit with the claimed subcontract costs in your contractor's submission. Once a prime contract is physically complete and ready to close, you must reconcile the final cumulative allowable subcontract costs from *all* assist audits to the cumulative amount claimed by your contractor. This report will provide you, by fiscal year, with the claimed allowable and the cumulative allowable costs as of that fiscal year. It will then sum all of the claimed subcontract costs to be compared to the final cumulative allowable subcontract costs. You can export the report to Excel to be included in your working papers where you can then perform the necessary comparisons and reconciliations and include any auditor comments/explanations. The information collected will also assist you in updating the contractor-prepared CACWS for

allowable subcontract costs. The report provides you with the cumulative claimed subcontract costs, where assist audits have been requested, to be included in Section I under the "Assist Audit Amounts Included in Total Column." The report also provides you with the claimed subcontract costs by fiscal year and cumulative allowable subcontract costs to be included in Section II.

FAOs to Include on Report Distribution: If your contractor performs as a subcontractor, you likely receive requests for audit assistance from other FAOs. Like you, these auditors are only required to request audit assistance once for the entire period of performance. This report will provide you with those FAOs to be included on your report distribution for a particular fiscal year under audit. The report provides you with all the necessary information to include on the distribution as well as prime contract and subcontract information.

Future Enhancements

After we presented this subject at the recent ADCAA Quality Conference, we received dozens of requests for the database. Currently, Version 1.6 of the database is being used in the field. We have received feedback and suggestions from the field and we are working along with John Zellman from Mid-Atlantic IT Division to enhance the database. One of the major enhancements, suggested by Heather Wells of the Pennsylvania Branch Office, involves using the Microsoft Word Mail Merge function to create a feature that will automatically generate request memos. When you run the mail merge utility it will pull the necessary information from the database and generate a request memo for all the subcontracts in the system for which you have not yet sent out your request memo. We are also working on a similar function for generating acknowledgements for requests that you have received from other FAOs.

We hope that you see how beneficial AAART could be in your office in effectively and efficiently managing your subcontract assist audit requests. We have been using the system for some time and find that it has significantly reduced the amount of effort involved in the assist audit process. The system won't do MAAR 12 for you, but it comes pretty close! ■

Control Environment: Do They Walk the Talk?

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RECENT HIGH-PROFILE FINANCIAL scandals, ethical lapses by high-ranking company officials, and tougher Securities and Exchange Commission (SEC) regulations have shaken companies' reputations and brought ethics to the forefront of the business community. At Enron, the Chairman, Chief Financial Officer, and Chief Executive Officer (CEO) were convicted of conspiracy, fraud and false statements, wiping out \$60 billion in market capitalization. The former CEO of WorldCom was sentenced to 25 years in jail after allowing a \$13 billion understatement in the company's financial statements. The 79-year-old founder of Adelphia received a 15-year sentence for conspiracy, bank and securities fraud. And 142 companies have internal, SEC or Department of Justice open investigations related to backdating executive stock options.

Companies have incurred substantial expense to comply with the Sarbanes Oxley Act and to project an image of integrity to shareholders and customers. Further, they provide training to employees, ensuring the training includes the involvement of high-level executives. Yet a substantial number of ethics-related transgressions continue to be reported, and there is evidence that some executives still don't get it when they have

to choose between the ethical solution and the bottom-line profit for the company. At DCAA, we have a role to play in the defense industry in terms of recognizing issues and helping to assure that companies Walk the Talk. We accomplish this through internal control reviews, a key element of which is assessing the company's control environment.



Armando Millan

ethical behavior. This provides an atmosphere in which people conduct their activities and carry out their control responsibilities according to established guidelines. DFARS 203.7000 stresses the importance of a strong control environment by stating:

Government contractors must conduct themselves with the highest degree of integrity and honesty...Facilitate timely discovery and disclosure of improper conduct in connection with Government contracts, and ensure corrective measures are promptly instituted and carried out.

Finally, it is important to note that in any organization the control environment is management-driven and is implemented from the top down.

Next we will discuss the relationship of the control environment to other internal control systems; the characteristics of a good control environment; indicators of problems in an organization's control environment; actions we can take to encourage organizations to buy into a good control environment; how the organization, the customer, and DCAA benefit from a good control environment; and DCAA leadership and control environment.

Relationship to Other Internal Control Systems

The control environment is the foundation for all components of an organization's internal control system. Working paper C of each of the 10 internal control systems' audit programs requires the auditor to obtain a sufficient understanding of the control environment. This understanding serves as a framework for evaluating the overall

effectiveness of the internal controls in the organization's other accounting and management systems (i.e., labor, material, purchasing, etc.). It includes an understanding of the organization's control environment factors including integrity and ethical values; commitment to competence; Board of Directors/Audit Committee participation; management philosophy and operating style; organizational structure, assignment of authority and responsibility; human resources policies and procedures; and financial capability. Auditors must document their understanding of these factors and assess the impact on the nature and extent of testing of each control objective in the system under review.

Characteristics of a Good Control Environment

An organization with a good control environment has a written code of conduct outlining policies and procedures on ethical behavior and stating the consequences for any unethical conduct. However, a document alone is not enough to foster a strong ethical environment. Management must convey the message that integrity and ethical values cannot be compromised. Employees must receive and understand that message continuously through demonstration of words, actions, and commitment to high ethical standards. Management's philosophy and operating style should project a real commitment to competence; management should lead by example.

Ethics training for all employees is a good way to reach each individual in the organization and emphasize the importance of ethical conduct and the organization's commitment to ethics. In addition, organizations must perform periodic reviews through a self-governance program and internal/external audit functions that identify and report noncompliances with codes of conduct along with tracking corrective actions in a timely manner. The Board of Directors and the Audit Committee of the organization should be sufficiently independent from management to constructively challenge management's decisions and to act effectively on external audit



Martha McKune

communications and recommendations. The Board and Audit Committee should take an active role to ensure upper management's commitment to ethical business practices and behavior. The organizational structure must provide for clear lines of responsibility and authority, segregation of duties, and facilitate a timely and open flow of information. Finally, a weak financial condition can create pressure and invite temptation to engage in unethical behavior; therefore, attention must be paid to the organization's financial capability to fulfill its contractual obligations.

Indicators of Potential Control Environment Problems

An organization's control environment that exhibits traits opposite to those previously discussed points to potential inadequacies in the system. Additionally, a problem may exist in the contractor's control environment when the expectations or the planned outcomes of the internal controls do not match the achieved outcomes.

If the organization is not forthcoming with information or is not providing timely and full access to documentation, this presents potential control environment inadequacies, and our professional skepticism increases. To determine if problems exist, we must test controls, ask the contractor questions and follow up on any areas of potential concern. Access to relevant contractor records such as internal and external reports; legal settlements; and current, accurate and complete cost or pricing data is essential for our evaluations. It is the contractor's regulatory obligation to provide the data. Lack of access inhibits our efforts to determine if the contractor is complying with applicable laws and regulations.

How to Encourage a Good Control Environment

The consequences of a bad control environment include job loss, multimillion-dollar fines, and even imprisonment; however, these are after-

the-fact remedies. Through our audits, we can influence and encourage organizations to conduct their activities ethically, to maintain a strong control environment, and to avoid the bad publicity that can result from a poor control environment. We can persuade organizations to maintain a strong control environment by reporting, on a real-time basis, weaknesses



Jerry Bailey

identified during our audits; if contractors do not know the problems exist, they cannot make the necessary changes.

An inadequate control environment results in an inadequate internal control system, which is not beneficial for the contractor or the government. Therefore, we should encourage contractors to implement corrective actions in a timely manner. However, if the contractor does not correct the inadequacies by the report issuance date, or we are unable to verify the corrections by the report issuance date, we must incorporate the inadequate conditions and our recommendations into an audit report and elevate the issue to the contracting officer.

As discussed, the control environment in an organization comes from the top down. Therefore, it is imperative we engage the organization's higher levels of management during the audit process if we find a potential control environment issue. To ensure change takes place, we must involve executive personnel who can implement change in the organization.

The Benefits to DCAA, the Contractor, and Our Customer

We discussed the importance of a good control environment and ways to achieve it, but who benefits from a good control environment? The stakeholders of a good control environment include DCAA, defense contractors, and our customers (Defense Contract Management Agency and the buying commands).

The benefits of an adequate control environment for DCAA include reduced audit effort. We can rely on the results of the contractor's internal audit activities and therefore not duplicate steps already performed. We can place increased reliance on the contractor's internal control systems and therefore are able to reduce substantive testing in some areas. Finally, we can focus our audit resources on contractors who do not have an adequate control environment and are not willing to Walk the Talk.

Further, an adequate control environment benefits the defense contractor. The organization with a strong control environment experiences improved public and customer perceptions, avoids negative publicity, and pays fewer fines. Ultimately, this improved public image will result in increased business due to better customer relations. The government can place greater reliance on the contractor's systems, and the contractor will spend less time defending accounting entries and more time on its business.

An important benefit of establishing an adequate control environment is enabling the customer to place increased reliance on current, accurate, and complete data which may result in better prices and expedited contract award. Further, the customer can place increased reliance on the

allowability, allocability, and reasonableness of the claimed costs.

DCAA Leadership and Control Environment

A strong control environment is just as important to DCAA as to any other organization. Our Agency enjoys a strong reputation based on competency, integrity and customer satisfaction. This reputation was not gifted to us in 1965 with the creation of the Agency. Our leadership team initiated actions to strengthen both our service and reputation. We have all worked together to establish DCAA as THE audit organization with

the foremost reputation for competence, integrity and customer satisfaction.

Our Strategic Plan has been instrumental in defining and enhancing our control environment. It sets the tone for the Agency, and influences the control consciousness of our people by providing a disciplined, structured foundation. The Strategic Plan

foundation provides five areas of emphasis: quality of work life, customer satisfaction, professional competency, best-value audit services, and an integrated information technology structure.

Another tool added in 1998 was the Commitment to Leadership Values. The eight values consist of being positive, involved, interactive, professional, ethical, flexible, decisive, and responsible. They establish expectations to help guide our decisions and actions involving our control environment. An attribute of a good control environment is management that leads by example. This Agency and employees have been fortunate to have dedicated leadership that Walks the Talk. ■

The control environment establishes the conscience of the organization. It assists employees in responding to the interest of various stakeholders by providing discipline and structure through written codes of conduct that are promulgated through policies and procedures that outline the company's expectations and the consequences for lapses in ethical behavior.

Quality Assurance:

Working With the Field to Accomplish DCAA's Mission

By Bill French, CPA, Chief, Quality Assurance Division, Western Region
and
Janis Lang, CPA, Program Manager, Quality Assurance Division, Headquarters

THE PRESIDENT'S COUNCIL on Integrity and Efficiency (PCIE) provides the framework for PCIE-based reviews of field offices. However, we have found that the origins and purpose of such reviews, as well as the QA groups that accomplish them, are widely misunderstood. In addressing some of these misconceptions about PCIE reviews, the QA organization wanted to shed some light on its own organization, its essential functions, and its benefits.

GAGAS and PCIE

At the Quality Conference, the QA Team began our presentation by providing background on why we have PCIE-based reviews. We explained to the audience that GAGAS requires each audit organization performing audits and/or attestation engagements to have an appropriate internal quality control system in place and undergo an external peer review. DCAA's QA organization is responsible for managing DCAA's internal quality assurance program, which provides reasonable assurance that DCAA (1) has adopted, and is following, applicable auditing standards, and (2) has established, and is following, adequate audit policies and procedures.

In October 1998, the Director established the QA organization, which is comprised of a Headquarters (HQ) Policy and Plans division and a quality assurance team within each region and the Field Detachment (FD). The QA organization

is a critical element of the Agency's overall quality control system. The Headquarters Quality Assurance Division (PQA) is responsible for the management and execution of DCAA's



Janis Lang and Bill French

QA program, which includes the responsibility for performing PCIE-based reviews.

The QA representatives explained why the review is called a "PCIE" review. PCIE stands for The President's Council on Integrity and Efficiency. This council was established by Executive Order of the President in 1992 to coordinate and enhance governmental efforts to promote integrity and efficiency and to detect and prevent fraud, waste, and abuse in Federal programs. The PCIE is primarily comprised of the appointed Inspector Generals from various Government departments and agencies, such as DoD, NASA,

and the Department of Transportation. The PCIE has published guides and checklists for audit organizations to use in assessing compliance with GAGAS, which the DCAA QA organization uses as a basis for conducting its reviews. The DCAA QA program provides reasonable assurance that auditors are following GAGAS and Agency policies and procedures applicable to contract auditing.

The DCAA QA program was also established to help bring about improvements in the Agency's contract audit processes. The mission of the QA organization, as established by the Director, is to:

- Ensure that DCAA has adopted and is following GAGAS
- Assess the need for new or enhanced audit policy guidance
- Identify "best-in-class processes" for Agency-wide use

PQA has a key role in managing the development and execution of the program. It ensures that the respective quality assurance activities of Headquarters and the regions/Field Detachment are adequately planned and coordinated and that best-in-class processes are identified for Agency-wide use. It is also responsible for annually reviewing a judgmental selection of audits, using a checklist adapted from those established by the PCIE as provided for by the fourth general auditing standard, Quality Control and Assurance, defined in GAGAS 3.49.

The DoDIG is DCAA's designated external reviewer, but the PCIE-based reviews conducted by PQA (with assistance from the regions) are structured so that the IG can place maximum reliance on them. The more closely the DCAA QA PCIE review process mirrors the PCIE guide, the greater the reliance that the IG can place on the process. The PCIE-based process that DCAA has adopted entails reviewing representative samples of DCAA's audit work over a 3-year cycle. PQA has recently begun the third cycle, which will consist of four rounds, including a round for forward pricing, internal controls, incurred cost, and "all other" audits (those not covered in the first three rounds).

PCIE Review Process

The most important objective of the PCIE review is to perform an independent review to determine compliance with GAGAS, in accordance with PCIE guidelines so that the IG can rely on the QA organization's work. The PCIE reviews conducted by the QA organization focus on substantive issues when assessing overall compliance with GAGAS. The discussion of issues and findings with FAO management is very important. During the review, the PCIE reviewer, FAO manager, and supervisors discuss any findings on a real-time basis so that they understand the "substance" of any issues and take any necessary corrective action. It is also through these discussions that we obtain feedback that provides the opportunity for Policy to address areas of DCAA audit guidance that warrant increased attention/improvement. QA also looks at effective FAO processes to identify best practices and opportunities for improvement at the FAO, regional, and Agency-wide levels.

The Opinion

GAGAS requires that audit organizations have an external peer review of their audit engagement practices at least once every 3 years by reviewers independent of the audit organization being reviewed. The external peer review should determine whether the reviewed audit organization's internal quality control system was adequate and whether quality control policies and procedures were being complied with to provide the audit organization with reasonable assurance of conforming with applicable professional standards. As previously mentioned, the DoDIG is DCAA's designated external peer reviewer.

The DoDIG issued its opinion on DCAA on December 15, 2003, which stated that:

The DCAA system of quality control in effect for the 3-year period ended September 30, 2002 has been designed in accordance with quality standards and was being complied with to provide reasonable assurance of material compliance with professional auditing standards in conducting audits.

As a Government audit agency, this is the highest achievement that an audit organization can attain, and it is up to each one of us to remember that we all play a key role in the QA process. The QA efforts were a major influencing factor when the DoDIG rendered its unqualified or “clean” opinion in its external review report of DCAA. Without question, the successful accomplishment of DCAA’s Quality Assurance goals and objectives have solidly placed the Agency in good standing with not only the DoDIG, but also with all of the organizations (e.g., DoD, NASA, GAO) that rely on DCAA’s firm adherence with GAGAS and implementation of sound contract audit policies and procedures.

Process Improvements

While the Agency received a clean opinion in the last reporting period, we cannot rest on our laurels and become complacent. We must continuously assess our performance and strive to ensure that we provide a quality product.

As such, since its inception in 1998, the QA organization has been responsible for initiating over 70 process improvements. These process improvements have assisted auditors in performing GAGAS-compliant audits in a more efficient and effective manner. For example, when PQA performed the incurred cost PCIE review in FY 2005, it found a disconnect between the risk assessment in the nonmajor audit program, which focused on cost elements, and the audit program, which was organized by MAAR. The QA organization teamed with the Headquarters staff in developing a revised audit program, issued in October of 2005 that provided a consistent approach to performing the audit by focusing on the cost elements. PQA did a follow-up review of nonmajor incurred cost audits in FY 2006 in which every audit reviewed was found to be satisfactory. There are many more examples of process improvements that came out of QA’s PCIE reviews.

Regional Quality Assurance Organizations

To carry out its mission, PQA often needs assistance from the Regional Quality Assurance

(RQA) organizations. The RQA organizations routinely work together with PQA to carry out the Agency’s Quality Assurance program, including participating in PCIE reviews. The RQA organizations are also working on their own initiatives to assist FAOs in building quality into their audits, thereby assuring that the audits they issue are of the highest quality.

For example, during the Quality Conference we emphasized how important it is that the Western Region Quality Assurance Organization (RQA-4) consider field auditors as its customers. To help FAOs achieve their goals and commitments, RQA-4 provides Western Region FAOs with management consulting services upon request. The objective of the management consulting services is to assist FAO managers in improving audit quality by having a QA auditor examine specific local processes and concerns. This is an opportunity to have an independent evaluation of processes that impact audit quality without using FAO resources. RQA-4 attempts to make the services provided by this initiative as unrestricted as possible. They envision this effort to be process-oriented and not to involve technical audit issues.

RQA-4 believes that these consulting reviews can be very beneficial to FAO managers, especially new FAO managers. These consulting reviews generally consist of an independent assessment of the strengths and weaknesses of an office. The reviews can identify problem areas and, where necessary, make recommendations for improvement. This allows the manager to focus in on those areas requiring immediate attention. Through these reviews, RQA-4 can provide the manager with a roadmap for identifying problem areas and implementing timely corrective actions. The feedback from FAO managers has been very positive. RQA-4 believes that through these consulting reviews, it can help FAOs improve audit processes and enhance the quality of our audits. And most importantly, these consulting reviews can help build trust and foster a positive working relationship between FAOs and the QA organization.

RQA-4 also assists Western Region FAOs by participating in IG/GAO visits, by participating

in FAO teleconferences with the IG/GAO and by assisting FAOs in preparing written responses to inquiries from the IG or GAO. The goal is to help FAOs ensure that the IG/GAO gets the information that they need in the most effective and efficient manner. The FAOs involved have found this assistance very beneficial.

Also at the Quality Conference, Jon Clark, from the Northeastern Regional Quality Assurance Team (RQA-2), shared with the attendees how the Northeastern team promotes itself as a “Regional Resource” to help PWTs and FAOs instill quality into their audits. The initiatives undertaken by RQA-2 promote open discussion on what represents good auditing techniques, and provide a forum for quality-related discussions. Two of the services provided to the field by RQA-2 are real-time PWT and staff conference presentations, and “Questions From the Field,” also known as QFTF.

Jon described the real-time presentations as an opportunity for RQA-2 to clarify quality expectations, and they provide an excellent forum for obtaining feedback from FAO auditors on unique challenges to meeting audit requirements. Use of RQA presenters ensures a wide-ranging experience in quality issues across the region that can be shared with individual FAOs. For example, RQA-2 recently provided a tailored real-time presentation to a branch office after a PCIE “All Other” review. It was tailored to address areas for improvement disclosed in that FAO’s quality practices during the PCIE review. These real-time presentations are also designed to promote auditor participation through interactive discussions. After the presentation, the RQA-2 staff makes itself available to the FAO auditors to answer any questions that may arise.

Questions from the Field, or QFTF, is an informal, fast-response system utilized by both management and auditors that can involve general audit

guidance related to questions of a non-technical nature. Many of the questions received from the field are answered via e-mail on the same day. One of the recent questions received by RQA-2 related to the requirement for preapproval of the audit steps on a defective pricing review. RQA-2 answered the question by explaining that postaward reviews have decision points. After preliminary steps are performed, the auditor and supervisor should make the go/no-go decision. If

go, additional testing becomes necessary, and therefore additional steps would need to be prepared by the auditor and approved by the supervisor. The bottom line here is that the decision should be documented in the working papers and approved by the supervisor. Some

questions received by RQA-2 may have both general and audit-specific technical elements. In those cases, RQA-2 answers the general concepts portion of the question. The technical issues are directed to the Special Programs Office (RST).

FAOs appreciate knowing that we are only a phone call away, and that we will go out to the FAO to assist them if necessary. We can answer any questions that an FAO might have regarding these visits or inquiries on a real time basis. Our participation also allows us to keep Regional Management apprised, of IG/GAO activities within the region.

—Bill French

Working Together

There is a common theme here: working together. While the Quality Assurance organization does have quality reviews to perform, it also needs to work with the field to obtain feedback in order to continue to develop process improvements which enhance audit quality. The DCAA “Quality Pie” is made up of the entire DCAA organization. So even though you may be initially apprehensive at the thought of a PCIE-based or other quality review, you should now understand the benefits of those reviews. In addition, if you are a new FAO manager, think about using some of the RQA resources available to you. Remember, the bottom line is we are all responsible for producing that quality audit which makes DCAA THE audit organization with the foremost reputation for competence, integrity, and customer satisfaction.



Improving the Procurement Process

By Improving the Interaction between FAOs, the FLA and Buying Commands

By Jana Young, CPA, Financial Liaison Advisor, USACE Fort Worth, Texas

THE PROCUREMENT PROCESS involves numerous critical players whose roles and input are important to a successful outcome. The major players are the program office, the Contracting Officer, the Price Analyst, the Technical Specialist, the Auditor, the Financial Liaison Auditor (FLA), and the Contractor. It takes a lot of communication and interaction to coordinate the input of all of the parties involved.

Differing Priorities

Since a variety of reporting and/or management chains are involved, differing priorities may lead to misunderstanding and confusion. The Buying Command's priorities and DCAA's priorities can be and often are different. It is important to prevent or resolve conflicts that may hamper the procurement process. Without good coordination and communication, both sides might second-guess each other.

The Buying Command may wonder:

- Why does DCAA have to issue a report in 30 days when we don't have all the technical reports yet?
- Why can't DCAA come to more IPT meetings?
- Why does DCAA insist on having management-approved data before starting to audit?
- Why are all these costs unsupported by DCAA?
- Why can't DCAA just give me what I need?
- Why can't auditors just speak simple English?



Jana Young

DCAA may also have misperceptions and questions:

- If our customers were better organized, they wouldn't be asking us to rush.
- Why does the Buying Command only want us to evaluate material costs?
- The customers just want DCAA's blessing.
- Why does the contractor get everything they want?

Despite the different priorities or perceptions, we all know that both DCAA and the Buying Command have the same common overall goal: "The Best Price for the Best Product." The purpose of the presentation that we gave at the 2006 Quality Conference and this article is to explore how DCAA FAO and FLA interaction with each other and the Buying Commands can help ensure that our common goal is achieved.

The Need for Effective Interaction and Coordination

Having good customer relations is important to DCAA's success. Since we are providing a valuable service to the procurement process, we must have effective communications with all parties. Lean Six Sigma is a process-improvement methodology that focuses on business processes. An improvement theme at the heart of Lean Six Sigma is "Quality and value can be defined only by the customer. In order to provide quality, we therefore have to learn to see through our customers' eyes, learn to judge what we do and don't do by the way that they would judge us." Since the ultimate customers are the taxpayer and the warfighter, both ultimately benefit from the Buying Command and DCAA working together more effectively.

The procurement process involves many people with various roles and agendas. If the auditor and technical evaluators are not coordinating and communicating effectively, the Command has difficulty developing an optimal negotiation objective. Separate approaches and tracks for audit and technical evaluations might work in an ideal world where there are no changes to requirements or changes to schedule; where the proposal is adequate, when contractor support is timely, and updates are not required; where the requests for technical evaluation and audit are clear; and where the technical evaluation and audit reports are clear and timed perfectly with negotiations. However, we do not live in a perfect world. There is only a small chance that everything will come together perfectly without effective communication.

The reality is that interaction is required for a successful procurement because there are many opposing factors that affect the procurement process such as the contractor being slow in supporting its proposal, the auditor working within a budget and due date, the contractor submitting updates, the buying command working under a tight schedule, and/or the contractor

waiting until the time of negotiations to submit the "real numbers." Contractors often perceive that they will benefit by keeping DCAA and the buying command completely separate during the procurement process. It is much easier for the contractor to explain away DCAA findings when the command is just relying on the DCAA audit report with no auditor involvement in negotiations. When the Command and DCAA are working together and presenting a united front, the assertions made by the contractor can be addressed more quickly and more effectively. The FLA has a unique opportunity to facilitate the interaction between the Command and the FAO because the FLA is co-located at the Command and has ready access to the Contracting Officer and the pricing staff. Examples of effective communication include holding regular teleconferences on major procurements with all the players involved; holding periodic teleconferences between the FLA and the FAO; and annual face-to-face meetings among the FAO, the Command, and the FLA.

Both the FLA and the FAO have information that, if exchanged, will benefit each other. The FLA can provide the FAO with information on the procurement schedule, which assists the FAO in planning its work. Additionally, the FLA can provide information on changes to the procurement schedule and scope of work that may affect the conduct of the audit. The FAO can provide the FLA with contractor information, such as supporting documentation for the contractor's estimates, organizational changes, estimating methods and deficiencies, and adequacy of internal control systems. The FLA organization can explain the significance of this information to the Command and assist the Command in obtaining corrective action from the contractor.

Procurement Examples Involving FLA and FAO Coordination

Joint-Unmanned Combat Air System (J-UCAS)

The J-UCAS program was negotiated as a \$1.7 billion Other Transaction Agreement (OTA)

by the Defense Advanced Research Projects Agency (DARPA). In November 2005, the DoD significantly changed the scope of work. This decision generated what was called a “replan proposal” consisting of three parts totaling \$975 million. The program was also transitioning from an Other Transaction Agreement (OTA) to a FAR-based contract, which added complexity to the process. The Air Force wished to negotiate this proposal in less than 180 days. The FLA arranged a teleconference that evolved into a very effective working relationship between the FAO, the FLA, and the Command. The group was able to challenge assumptions (G&A, site administration, FCCOM, technical labor, labor challenge) in each of the three proposals and effectively and efficiently assess and define the risk so that negotiations were concluded within 150 days.

Future Combat System

The Army’s Future Combat System (FCS) is the second-largest DoD program and is expected to total approximately \$160 to \$200 billion when fully implemented. The System Development and Demonstration (SDD) phase was initially negotiated as an OTA for \$20.9 billion. In 2005 the Secretary of the Army decided to close out the OTA as of September 2005 and convert it to a FAR-based contract for the remaining effort. The Army’s Tank–Automotive & Armament Command (TACOM) was tasked with negotiating a contract expected to be about \$17.5 billion in 180 days. The challenge for all parties was to identify adequate cost or pricing data suitable for dramatically new equipment, systems, and communications for the period 2005–2014. The FLA helped organize teleconferences and meetings between the Command, DCMA, and the FAO to discuss various approaches. The FLA also helped coordinate the audit of a substantial subcontract (\$4.4 billion) related to the Manned Ground Vehicle, one of the few major subcontracts that did not receive a Truth in Negotiations Act (TINA) waiver. The FAO had been working the FCS program for 2 years; therefore, it had a team in place to communicate effectively and efficiently with the Command, the prime contractor, and subcontractors.

Benefits Realized from Effective Coordination

Greater Sustention of Audit Findings

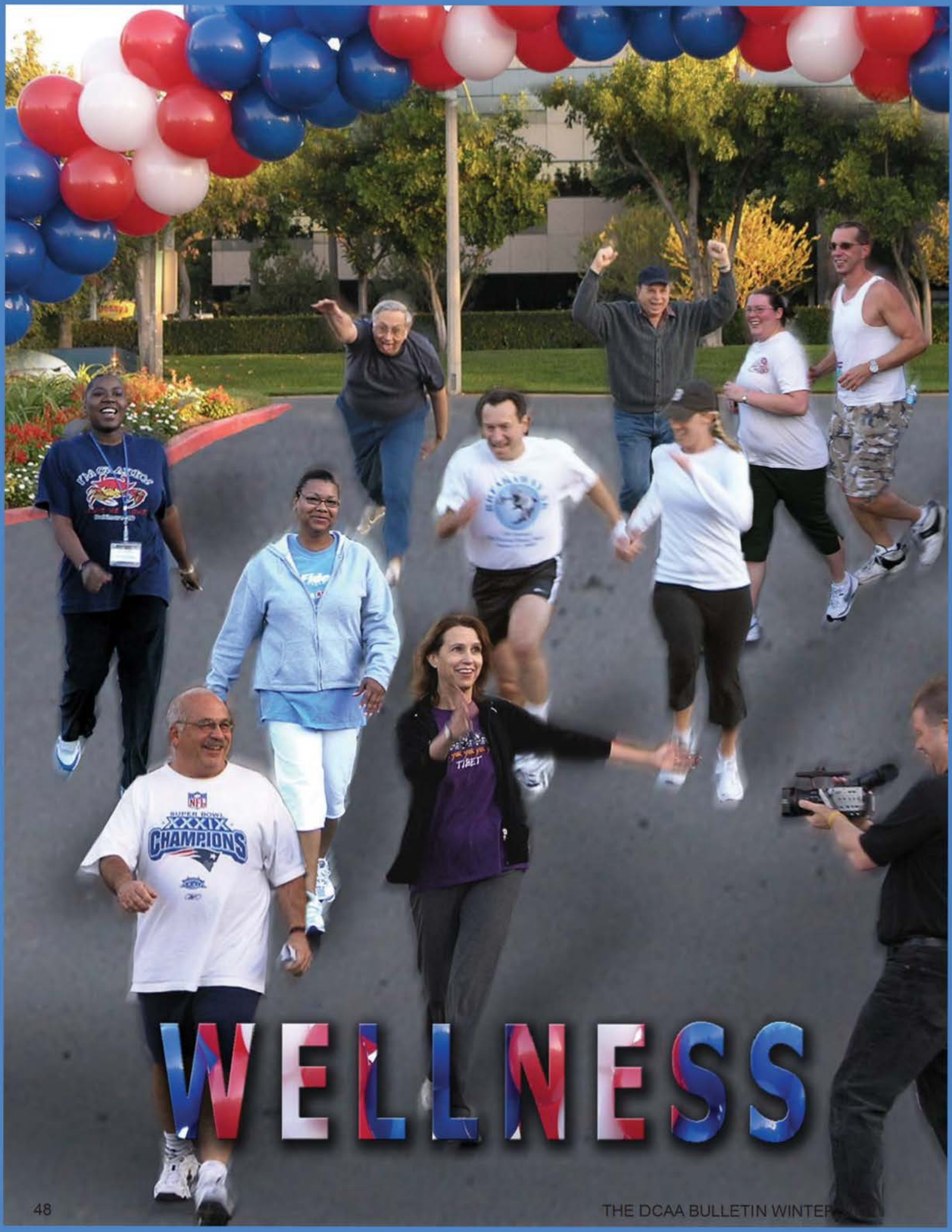
Effective coordination between the FAO, the FLA, and the Command leads to greater understanding and sustention of audit findings. When DCAA works with the Command throughout the procurement process, they better understand the DCAA positions, and with this increased understanding they are more effective at negotiating and sustaining the questioned amounts. A DCAA report by itself is much easier for the contractor to explain away if the contracting officer does not have a good understanding of the audit findings and the relevant facts and circumstances affecting the audit results. The contractors often say that they incorporated changes based on DCAA findings in the latest update or give a general explanation of how the issues have been addressed, when in reality this may not be accurate.

Increased Contractor Accountability

Having DCAA involved throughout the procurement process makes the contractor more accountable. When the contractors see DCAA and the Command working together throughout the procurement process, including negotiations, they tend to be more responsive and to provide much more detailed explanations. Since the contractor knows the data they submit will be reviewed by DCAA, this often results in better prepared submissions and responses to our questions.

More Effective Procurement Process and Results

Effective coordination and communication helps build strong working relationships that increase the level of trust. Discussing issues and ideas during the process leads to greater understanding and better decision making. The auditors and FLAs working together and communicating effectively enable both the Command and DCAA to better accomplish their objectives. In the end, the taxpayer gets the best value and the warfighter gets the best product. ■



WELLNESS

Retirements

Years of Service

Years of Service

Headquarters

Heisey, Donald W.	37
McColly, Mary Nell	35

Field Detachment

Batey, Gloria B.	20
Garwood, Donald W.	27
O'Grady, John R.	32

Central Region

Grossman, Richard L.	23
Massah, Cherilyn	19
Stelmach, Colleen M.	31

Eastern Region

Atkinson, Robert F.	30
Beiring, Theresa A.	20
Einfalt, Robert M.	36
Frazier, Michael J.	24
Habali, Michael J.	33
Lunsford, Armel P.	34
McIntyre, Jimmy N.	21
Moore, David L.	32
Rosetti, Gary D.	34
Strubbe, Madeleine A.	19
Vercher, Bobby F.	26
Wilson, Ronald W., Sr.	33
Worth, Elyse M.	04

Mid-Atlantic Region

Beegle, Charles F.	31
Frye, George J., III	33
Hamilton, Valeria A.	31
Hiscox, Mae A.	22
Maddock, Michael P.	39
Morgan, James A.	40
Morley, Joseph B.	21

Northeastern Region

Austin, Carlton H.	38
Duggan, Jayne R.	21
Greenman, Charles J.	37
Trznadel, Edward S.	37
Voss, Carol L.	21

Western Region

Ahmed, Omar A.	21
Bailey, James H.	21
Cosby, Philip A.	35
Davis, Jane L.	24

All personnel data as of September 30, 2006.

HEADQUARTERS

Gentry, Scott

Was appointed Regional Vice President, California Region, of the Association of Government Accountants for the term July 2006-June 2007

Reed, William H.

Presented a speech entitled "Defense Contract Audit Agency" to the National Contract Management Association (NCMA), China Lake/Ridgecrest Chapter, China Lake, California, September 27, 2006; and to the NCMA, Antelope Valley (Lancaster and Edwards AFB) Chapter, Edwards AFB, September 26, 2006

FIELD DETACHMENT

Sheets, Fredrick S.

Presented "Federal Government Internal Reviews" and "Risk Analysis from Internal Reviews" to the Brevard Chapter of the Florida Institute of CPAs, Cocoa Village, Florida, October 24, 2006

EASTERN

Cullen, Catherine G. &
Ramirez, Jose R.

Presented "Fraud Awareness - A Forensic Perspective" at the 2006 National Fraud Prevention Conference, Orlando, Florida, April 27, 2006

Parker, Timothy J.

Presented "Timekeeping in a Government Contracting Environment" at the 2006 Virginia Statewide Payroll Conference, Williamsburg, Virginia, September 28, 2006

MID-ATLANTIC

Hernandez, C. Steven

Presented "Current DCAA Initiatives and Issues" at the Maryland Association of CPAs' 2006 Government Contractors' Conference, Gaithersburg, Maryland, September 21, 2006

Hlavin, Jacqueline

Presented "Incurred Cost Proposals and Audits" and "Useful Information on the DCAA Internet" at the Association of Government Auditors Professional Development Conference, Columbia, Maryland, June 7, 2006

NORTHEASTERN

Fletcher, Cathy A.

Was installed as National Vice President for Diversity of Federally Employed Women, Inc. (FEW), July 21, 2006, for the term 2006-2008

Presented "Diversity - What Does It Mean to You?" at the FEW New England Region Officers installation ceremony, Methuen, Massachusetts, September 9, 2006; and at the FEW Mid-Continent Region's Regional Training Program, Nebraska City, Nebraska, October 13, 2006

HEADQUARTERS

Hudson, Peggy

Certified Defense Financial Manager, September 30, 2006

FIELD DETACHMENT

Bartz, Bobbie J.

Certified Public Accountant, July 21, 2006

Bruce, John D.

Passed CPA Exam, August 29, 2006

Dam, David L.

Passed CPA Exam, September 15, 2006

Miller, Chris L.

Certified Public Accountant, August 14, 2006

Tam, Yancy Y.

Certified Public Accountant, October 20, 2006

Tsui, Hoi-King

Passed CPA Exam, July 19, 2006

CENTRAL

Hansen, Kaleb D.

Certified Public Accountant, October 18, 2006

Kutter, Donna S.

MBA, University of Colorado, May 13, 2005

Romigh, Patricia L.

Certified Public Accountant, October 20, 2006

Yalmaz, Diana D.

Certified Information Systems Auditor (CISA), October 31, 2006

Passed CPA Exam, August 18, 2006

EASTERN

Ashley, Anna Leigh

Passed CPA Exam, August 29, 2006

Batchelder, Shirley B.

MBA, University of Phoenix, June 13, 2006

Bazemore, Jennifer L.

MS, Old Dominion University, May 6, 2006

Benson, Charles M.

Passed CPA Exam, September 19, 2006

Lanes, James R.

Certified Public Accountant, September 14, 2006

Line, Joe P.

MBA, Indiana Wesleyan University, August 12, 2006

MID-ATLANTIC

Collins, Junli

Passed CPA Exam, September 28, 2006

Davis, Angela

MBA, Troy University, June 1, 2006

Gallagher, Kelly A.

Passed CPA Exam, September 26, 2006

Kensinger, Kristy N.

Certified Public Accountant, September 11, 2006

Lyke, Velvet

Certified Public Accountant, August 14, 2006

Rios, Eddie

Certified Public Accountant, July 17, 2006

Scott, Jeremy D.

MBA, Point Park University, August 8, 2006

Smith, David E.

Passed CPA Exam, July 15, 2006

NORTHEASTERN

Cassidy, Kevin J.

MBA, Sacred Heart University, August 1, 2006

DePaz, Aldo G.

Passed CPA Exam, May 31, 2006

Enkosky, Theresa G.

MBA, Southern New Hampshire University, September 15, 2006

Hehe, Kim J.

Certified Public Accountant, May 9, 2006

Lang, Jason R.

Certified Public Accountant, October 18, 2006

Pasto, Robert A.

MBA, Walsh College, September 16, 2006

Whitaker, Tameeka L.

Passed CPA Exam, May 31, 2005

WESTERN

Alvarez, Kimberly M.

Certified Public Accountant, June 22, 2006

Roman, Rocio A.

Certified Public Accountant, November 21, 2006

On the Move

Name	From	To
Bayless, Bruce A.	CE	HQ
Beane, Carol H.	EA	HQ
Fischer, Esther M.	MA	HQ
Fletcher, Tina C.	DCAI	HQ
Jenson, David A.	CE	HQ
Wright, Dorothy A.	EA	HQ
Brackett, Guy F.	HQ	FD
Peterman, Jennifer Lynn	MA	FD
Post, Victoria A.	HQ	FD
Valle, Carol C.	WE	FD
Vigil, Lisa M.	HQ	FD
Calderon, Zelma	EA	CE
Hampton, Kevin L.	HQ	CE
Carrigan, Mary Lynn	NE	EA
Green, Willie A.	HQ	EA
Hillis, Rapheal V., Jr.	HQ	EA
Liborio, Joaquin M.	NE	EA
Miller, Christopher L.	FD	EA
Supplee, Shannon	FD	EA
Steinkamp, Leslie A.	NE	MA
Altemus, Mark D.	CE	NE
Curreri, Michele M.	EA	NE
Guenther, Mark J.	CE	NE
Homburg, Erin K.	MA	NE
Stone, Cheri L.	HQ	NE
Wolfe, Julie A.	MA	NE
Zakuto, Marc M.	MA	NE
Hoelscher, Greg A.	FD	WE
Kelley, Paul G.	CE	WE
Mika, Patrick J.	HQ	WE
Morgan, Michael J.	HQ	WE

20 Years

Headquarters

Jenson, David A.
Kaiser, David P.
Patten, David R.
Robinson, Olivia P.
Wolfert, Diane L.

Field Detachment

Kay, Kim M.
Livingston, Roger J.
Sakuda, Terry L.
Strom, Virginia R.

Central Region

Alexander, David G.
Biles, Christopher M.
Christians, Todd B.
Clark, Mary K.
Deleon, Vicki L.
Eeten, Gordon A.
Jones, June E.
Niebruegge, Joann E.
Salgado, Elizabeth
Thigpen, Reuben C.

Eastern Region

Evans, Ted M.
Farrell, Mitzi L.
Gruenhagen, Debra F.
Jones, Joseph A., III
Levitt, Leslie Janenoone
Romah, John M.
Taylor, James C.
Thomas, Jeffrey A.
Whitis, Sharon Marie

Mid-Atlantic Region

Austin, James
Bentz, John J., Jr.
Burrows, Ianthe C.
Conaboy, Patrick G.
Costanzo, Laura A.
DiGiacobbe, Cynthia A.
Frank, Ann Marie
Frisicar, Thomas A.
Ho, Kitty K.
Hoehn, Jeffrey V.
Knight, Travis M.
Lamie, Tina L.
Masters, Deborah
McLean, Douglas
Scott, Inethia L.
Singleton, Stephanie L.
Skrocki, Dennis J.
Thoenebe, Jon A.
Zellman, John J.

Northeastern Region

Collins, Martha R.
Nossen, Steven B.

Western Region

Botta, Linda
Carr, Jean K.
Disbrow, Barbara C.
Ganetsos, Andrew J.
Johnson, Dale E.
Kennedy, Alice W.
Laflam, Direnda G.
Lim, Hyun S.
Mathewson, Steven M.
McKinley, Carolyn S.
Nunez, Laura E.
Rowe, Emily T.
Venable, Leroy L.

30 Years

Central Region

Downey, Raymond E.
Esters, Gary D.
Gottlieb, Bruce M.
Koehler, Gene R.
Merchant, Loren M.
Richardson, F. Richard

Eastern Region

Bazzell, Gary L.
Bryan, Carol J.

Mid-Atlantic Region

Dotzman, Joseph J.
Durante, David L.
Peiffer, Francis G.
Steen, Michael E.

Northeastern Region

Breunig, Arthur W.
Fahey, Michael J.
Henry, Michael A.
Joyce, Philip J.
Schwartz, Arthur J.
Sherman, Marc I.

Western Region

Gesser, Thomas S.

40 Years

Central Region

Kopenhagen, Larry N.

Mid-Atlantic Region

Zaremski, Edmond A.

Northeastern Region

Silverman, Charles M.

Years of Service

Promotions

Headquarters

Bayless, Bruce A.	13
Beane, Carol H.	13
Brooks, Juanita	07
Fischer, Esther M.	14
Jenson, David A.	13
Landgrover, Heather A.	07
O'Donnell, Ellen M.	14
Ruffalo, Michael J.	14
Skinner, Cathy A.	12
Wright, Dorothy A.	14

Field Detachment

Aguiling, Lilia M.	11
Baines, Lorrie A.	11
Baldo, Majken B.	11
Beckers, Randy	11
Bethea, Nyeasha F.	11
Bynum, Lori M.	11
Campbell, Tina Marie	11
Clerkley, Johnny C.	09
Coe, Amanda L.	09
Crowley, Danielle K.	09
Dam, Long Hai	09
Desmond, Edward F., Jr.	12
Dillon, Michael R.	11
Doo, Dana L.	13
Duncan, Monique B.	11
Ferrante, Rachel	11
Fong, Gary	09
Godfrey, David F.	09
Gynnip, Jennifer L.	11
Harter, Sandra S.	09
Hochhauser, Aaron	09
Jarrell, Jerry Wayne, II	11
Jeffris, Mary	13
Jones, Princess Treasure	06
Lattman, Adam M.	11
Lewis, Melvin G.	09
Lopez, Marie M.	11
McNemar, Robert T.	11
Miller, Deborah L.	11
Peterman, Jennifer Lynn	13
Salvador, Mark F.	11
Valle, Carol C.	13
Vigil, Lisa M.	12

Central Region

Adil, Omer M.	09
Bickerstaff, David B.	09
Bond, Brooke R.	11
Callan, Sylvie E.	09
Chiles, Russell S.	12
Coker, Jennifer J.	11
Damron, Joseph R.	11
Dibler, Chad C.	09
Ellison, Terri E.	11
Esplin, Brent W.	11
Frank, Christine M.	06
Fulks, Patricia M.	11
Galle, Gina L.	11
Gard, Kristy L.	11
Gasca, Monica S.	11
Heckenkamp, Joel E.	09
Hill, Sarah A.	11
Horowitz, Yve E.	11
Howland, Shirley L.	11
Jernigan, Amy E.	11
Johnson, Johanna M.	09
Keith, David G.	11
Kemp, David C.	11
Kennelly, Brendan C.	11
Ketchum, Billy G., Jr.	12
King, Warren C.	09
Kniep, Stacey M.	09
Kostyniak, Brian L.	09
Kutter, Donna S.	11
Lamon, Amanda J.	11
Lane, Alisa M.	11
Martinez, Mario V.	09
McLaughlin, Maxwell J.	11
Myrmel, James A.	09
Pikla, Andrew C., Jr.	12
Powell, Lacey S.	11
Powell, Paula N.	11
Pratt, John R.	13
Priba, Kevin P.	12
Rich, Brent A.	11
Riggins, Sacoyya B.	11
Rodriguez, Cesar	09
Rountree, Jessica A.	09
Ruby, Linda Duncan	12
Sanders, Erica C.	07
Sapieszko, Lisa M.	09
Slavens, Matthew J.	09

Smith, Christina A.	09
Smith, Nicholas H.	07
Smith, Phillip A.	11
Sonnenberg, David L.	11
Tran, Oanh H.	11
Urban, Kane P.	11
Wegner, Karla S.	11
Williams, Tori C.	11
Woodall, Michelle D.	12
Ysasi, Kathy J.	09

Eastern Region

Anderson, Cheryl Zeigler	15
Berens, Theresa Selig	11
Blythe, Dennis W., Jr.	11
Boyes, Kathleen C.	12
Breeden, Candace C.	11
Dubois, Virginia M.	13
Gibson, William F.	11
Gillem, Sarah B.	11
Greer, Poppy V.	11
Hasan, Jameel A.	11
Henlon, Jennifer M.	11
Johnson, Renee Marie	11
Kesler, Janet L.	11
Kintzler, Batina J.	11
Laney, Tonja L.	11
Leonard, Beverly D.	13
Modi, Manish N.	11
Paxton, Megan S.	09
Petrella, Virginia L.	11
Peyton, Andrea C.	09
Pomeroy, Debra S.	06
Pranke, Raymond P.	11
Riddell, Timothy E.	11
Rigsby, Matthew B.	11
Rinehart, Stephen J.	09
Simmons, Jane B.	07
Squire, Cynthia G.	09
Steele, Myrtle R.	14
Sturm, Jennifer A.	11
Tadt, Kerri L.	11
Tokarcik, Patricia A.	11
Vuketich, Katherine M.	09
Whitemore, James R.	09

Mid-Atlantic Region

Christ, Connie A.	13
Clifton, Ginger L.	09
Collins, Junli	11
Craig, Bryan J.	11
Deans, James P.	12
Dickerson, Angelina M.	09
Dufford, Robert T.	11
Falls, Kelly A.	11
Garay-Rosario, Mayra	11
Griffin, Barry O.	12
Hollenbach, John T.	09
Hunter, Mary L.	09
Jenkins, Lavonne M.	11
Johnson, Keshia L.	11
Kang, Jennifer S.	13
Kimmel, Lisa M.	12
Kirschner, Curtis J.	12
Lauer, Renee E.	09
Lohr, Kevin B.	13
McCormick, Barbara L.	09
Meredith, Towanda N.	11
Moore, Harry D.	09
Morrison, Chantell J.	11
Okal, Christopher J.	11
O'Reilly, Anne M.	09
Otterstein, Neil W.	11
Patel, Trupti R.	09
Pitoniak, Michael A.	11
Pokoj, Seth J.	11
Popek, John P.	09
Reilly, Christopher J.	12
Richon, Barbara H.	11
Roberts, Sherita M.	09
Rodriguez, Devon A.	07
Schatz, Philip L.	11
Smith, David E.	09
Sterling, Alicia A.	11
Thomas, Melondy A.	11
Updike, Sharon C.	09
Williams, Shetee I.	09

Northeastern Region

Altemus, Mark D.	15
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Promotions

President's Council on Integrity and Efficiency (PCIE)



FY 2006 PCIE Awards for Excellence



From left: Rory Robison, Western Region; Robert Hardin, Eastern Region; Zeny Pangilinan, Western Region; Tina Jonas, Under Secretary of Defense (Comptroller); William Ng and Kristine DeLisle, Western Region; April Stephenson, Deputy Director; Joseph Garcia, Assistant Director, Operations

ON OCTOBER 24, 2006, DCAA auditors were recognized along with other members of multi-Agency teams assisting the Department of Justice in two joint investigations. One investigation, a case involving overbilled travel costs, resulted in a \$67.6 million settlement to the Government of which \$26 million related to the Department of Defense. The second investigation, a large-scale, complex corporate fraud case, resulted in total restitution of \$17.4 million to the Government. ■

2006 Presidential Rank Award for Meritorious Executive



Michael E. Steen
Regional Director
Mid-Atlantic Region



ON DECEMBER 5, 2006, Michael E. Steen was presented the 2006 Presidential Rank Award for Meritorious Executive. The award recognizes and rewards career Senior Executive Service members who demonstrate exceptional performance.

During his 5-year tenure, beginning in October 2001 through April 2006, as Deputy Regional Director and Regional Director, Eastern Region, Mr. Steen was responsible for mission critical contract audit and financial advisory services in support of national defense and related contracts with approximately 3,400 defense contractors located in thirteen states, Puerto Rico, Mexico, and Central and South America with audits totaling approximately \$51 billion. Mr. Steen demonstrated exceptional organizational and leadership skills in leading the workforce in attainment of Agency strategic plan goals and objectives. Mr. Steen's efforts to create and retain a high-performing workforce enabled the Eastern Region to consistently achieve or exceed audit program targets and made the Region a leader in the Agency's efforts to reduce operating costs. A strong proponent of professional development, Mr. Steen actively encouraged employees to attain Certified Public Accountant (CPA) licensing and to pursue advanced degrees in support of the DCAA

strategic plan goal to increase professionalism. Through his efforts, the number of auditors pursuing CPA certification in the Eastern Region increased by 79 percent between 2003 and 2005.

Mr. Steen's use of the balanced scorecard process in the Eastern Region contributed to the Region's

ability to exceed all performance goals for the past four fiscal years and generated more than \$2.4 billion in savings to the American taxpayer. Under his leadership, the Eastern Region implemented a strong system of internal accounting and administrative controls that fully achieved the objectives of the Federal Manager's Financial Integrity



Act and established a vulnerability assessment process to monitor compliance and provide assistance to Field Audit Offices in improving their internal controls. Among his numerous accomplishments as Regional Director, Eastern Region, Mr. Steen demonstrated personal leadership in the coordination of the Region's emergency response to hurricanes Katrina, Rita, and Wilma. He quickly activated the audit team for disaster responses that provided critical support in a timely and effective manner. His actions led to the establishment of a special field audit office for hurricane recovery efforts that continues to provide invaluable audit assistance to our customers.

Responsible

Prepare the workforce to accomplish the mission.
Learn from our mistakes and build on what is right.

Flexible

Respond to situations according to circumstances
and to individuals according to their needs

Professional

Reflect Agency values in a continuing process of self
development, being worthy models for employees to
emulate

Decisive

Always act in the interest of the Agency and its
people.

Ethical

Consistently demonstrate highly ethical behavior,
both personally and professionally.

Involved

Be sufficiently familiar with issues to gather
information, perform comprehensive analyses
and make reasonably supportable decisions.

Interactive

Clearly communicate up and down the chain of
command.

Positive

Exhibit a positive attitude and approach in all aspects
of our supervisory and management responsibilities



Developing highly qualified employees dedicated to continuous improvement



The DCAA Bulletin

Winter 2008

Vol. 43 No. 1



Our New Director

See The Director's Message

Auditing Travel Costs

See Page 8

What is the PART?

See Page 5

EEO Annual Conference for 2007 Focused on Program Trends and Best Practices



Front row, from left: Ron Meldonian, Deputy Regional Director, Northeastern; Mary Delaney, Mid-Atlantic Region; Dwan Buford, Headquarters; Rachel Taylor, Western Region; Tim Carr, Deputy Regional Director, Central; Don McKenzie, Deputy Director, Field Detachment; Steve Hernandez, Deputy Regional Director, Mid-Atlantic. Back row, from left: Albert Ware, Eastern Region; Charles Upchurch, Central Region; Debbie Cruz, Northeastern Region; Chris Carpenter, Deputy Regional Director, Eastern; April Stephenson, Director; Susan Barajas, Deputy Regional Director, Western; Chris Megee, EEO Officer.

THE AGENCY HELD ITS ANNUAL Equal Employment Opportunity (EEO) Conference at Headquarters, November 27-29, 2007. The conference provided the Agency's EEO Officers and senior leaders an opportunity to continue to work toward achieving not just a model EEO Program, but a model workforce as well.

The Director, Deputy Regional Directors, and Regional EEO Officers received an update on the Agency's current program trends and actions since the last EEO

Conference, shared best practices, and participated in discussions with a variety of guest speakers. This year's guest list included several speakers from the Equal Employment Opportunity Commission as well as the Computer/Electronic Accommodations Program (CAP).

Overall, the Agency continues to make gains in the recruitment and retention of women, minorities, and persons with disabilities as well as making improvements in the timely processing of our complaints. ■



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The DCAA Bulletin is an authorized publication for members of the Defense Contract Audit Agency (DCAA). Contents do not necessarily reflect the official views of, nor are they endorsed by, the U.S. Government, Department of Defense, or DCAA.

Defense Contract Audit Agency

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April G. Stephenson

Executive Officer

S. Scott Gentry

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EDITOR'S COMMENTS

All employees are encouraged to submit articles and other items of interest for publication. Due to space limitations, however, not all submitted articles can be published. The DCAA Bulletin staff reserves the right to edit articles. For detailed information regarding DCAA policy on this publication, consult DCAAR 5120.1, The DCAA Bulletin, dated August 27, 2007. You may send comments or suggestions to:

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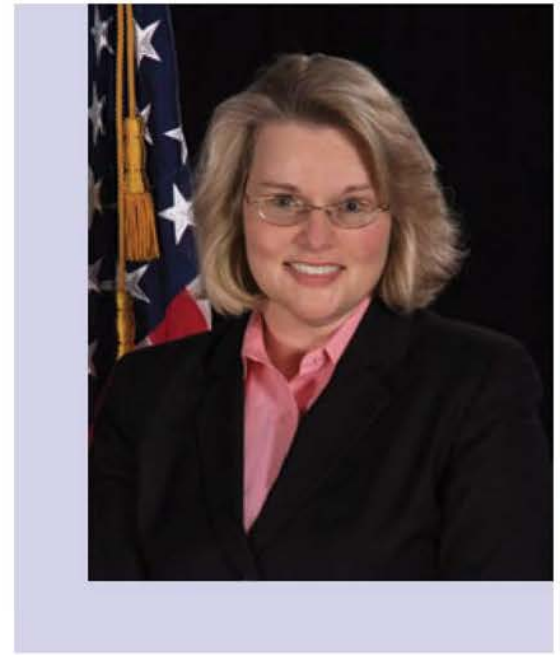
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The Way Forward

The Director discusses her philosophy, outlines the basics of auditing, and reaffirms the Agency's commitment to continuous process improvement.



OVER THE YEARS, I have been involved with the preparation of a number of the Director's Messages in the DCAA Bulletin. But this is the first time that the message is mine (and yes, I wrote this message myself). I am thrilled to be the Director of DCAA and consider it to be the opportunity of a lifetime. The experiences and knowledge I have gained as I progressed from a GS-7 auditor trainee to the Deputy Director have prepared me to be Director. I am ready to put my skills and knowledge to the test.

I am sure that some of you are thinking...what is the philosophy of the new Director? How will DCAA change under her leadership? What will be the new areas of emphasis? Relax – I am not looking to make major changes in the Agency. I am a process-oriented person and believe that we have sound processes in place. Of course, I also believe our processes can be improved and will continue the Agency's tradition of continuous process improvement to take it up a notch (or two). The Agency has a great team of executives that I will be counting on to help lead the way.

Back to the question of my philosophy. It is fairly simple – DCAA's job is to ensure that the Government pays a fair and reasonable price for goods and services. Our job is not to preclude a contractor from earning a profit, but rather, it is to ensure the profit is reasonable. We must accomplish this in an effective and efficient

manner because DCAA does not have unlimited resources. Sounds easy? Hardly! It takes the contribution of each DCAA employee to effectively accomplish our mission.

The Director's Message in future Bulletins will discuss issues and initiatives that we believe should be emphasized to the workforce. For this article, I wanted to focus on the basics of auditing. We have added a number of new people to DCAA over the last 5 years (35 percent of the audit workforce has less than 5 years of experience), so I thought it would be helpful to discuss some of the key steps to auditing.

My philosophy is fairly simple– DCAA's job is to ensure that the Government pays a fair and reasonable price for goods and services.

First, you need to understand what you are auditing. By understanding, I do not mean the definition of the audit in the CAM, I mean the nuts and bolts of the individual proposal, claim, or other assertions that you are auditing. You need to have a good understanding of the contractor's basis for the proposed costs as well as understanding the item being procured. Is this a manufacturing effort? Are we buying routine services? Is it developmental effort

Effective audits are conducted at the contractor's facility with face-to-face discussions, not exchanging data via e-mail while sitting in the office or teleworking and hoping the right person answers your questions.

for a product that is only a concept and does not yet exist? The answer to these questions will help shape your risk assessment and audit procedures.

Once you understand the item being procured, you need to understand the contractor's basis of estimate. One of the best ways to understand the estimates is to ask a lot of questions. I do not mean to provide a list of questions to the contractor's Government liaison and hope to get answers back in a week or two. I mean sitting down face-to-face with the contractor employees that developed the estimates. Asking questions such as how did you determine XX hours, how were historical hours used, has there been a design change? You get the idea.

While asking your questions, be sure to state "show me" when getting an answer. If the answer is that history was used to develop the estimate, ask how history was used and ask the contractor to show you how they developed the estimate using history. No talk or e-mail audits! Getting an answer is one step in auditing, but it is not auditing. Verifying the answer through evaluation of data is auditing. Effective audits are conducted at the contractor's facility with face-to-face discussions, not exchanging data via e-mail while sitting in the office or teleworking and hoping the right person answers your questions.

Be professionally skeptical. Once you get an answer from the contractor and the data to support that answer, now comes the time to evaluate it. There are various methods that may be used to evaluate data. Quantitative methods is one of the ways to evaluate data and includes such techniques as regression analysis when auditing forward pricing rates.

Lastly, develop sound audit findings. Do not question costs because you have a hunch – you need defensible conclusions that are grounded in the rules, regulations, and contract terms. And above all, have fun! To be successful in your audit effort, you need to enjoy auditing.

I look forward to serving as the Director of DCAA for many years to come. I hope to have the opportunity to meet all of you through my various travels to FAOs, DCAI, manager conferences, and other Agency functions. Keep up the good work, and remember, it is our job to assist in ensuring the Government is paying a fair and reasonable price for goods and services! ■



Chronology of DCAA Directors

William B. Petty	1965-1972
Bernard B. Lynn	1972-1976
Frederick Neuman	1976-1981
Charles O. Starrett	1981-1985
William H. Reed	1986-2007
April G. Stephenson	2008-

The Program Assessment Rating Tool

You Want Measures? We've Got Measures!

By **Pat Letzler**, CPA, Program Manager, Operations, Headquarters

How do you prove you're doing as good a job as you believe you are? What happens when your measures and metrics must translate into another agency's formula for success? And how do you explain it all to the average taxpayer?



IN MID-MARCH OF 2007, MY SUPERVISOR came to my cubicle and said, "I've got bad news (which is never something you want to hear your supervisor saying to you), we've been selected for PART." With almost a year's experience in the Workload Analysis Division at Headquarters, the only things I had heard about the PART were negative—that it was complicated, and it was a lot of work. DCAA had not yet been selected for review under the program. My first reaction was that our luck had run out. Over the next few months, I would learn more about the PART than I ever wanted to know. But it

turned into a very positive experience. While it was a lot of work, it really wasn't so complicated, and it was ultimately beneficial for DCAA to have gone through the process.

First, a bit of background on the PART. PART stands for Program Assessment Rating Tool, and was introduced by the Office of Management and Budget (OMB) in 2002 as a way of linking program performance and budget reviews under the President's Management Agenda. Between 2002 and 2006, nearly 1,000 programs representing approximately 96 percent

of the Federal budget had been assessed using the PART. The PART is made up of 25 questions, e.g.:

- Does the program address a specific and existing problem, interest or need?
- Does the program have baselines and ambitious targets?
- Does the program collaborate and coordinate well with related programs?

The questions are under four categories: Program Purpose and Design; Strategic Planning; Program Management; and Program Results/Accountability as well as long-term and annual measures. Resultant overall ratings are, from highest to lowest: Effective, Moderately Effective, Adequate, Ineffective, and Results Not Demonstrated. Each program's measures, responses to the questions, and ratings are ultimately posted to a public web site, ExpectMore.gov. While PART ratings do not result in automatic decisions about funding, the

While PART ratings do not result in automatic decisions about funding, the thinking is that, over time, funding should be directed to those programs that can show they achieve measurable results.

thinking is that, over time, funding should be directed to those programs that can show they achieve measurable results. Because we felt DCAA was not technically a "program" such as the Missile Defense Program or Food Stamp Program, we were pretty confident we would never have to deal with the PART. Were we wrong!!

Shortly after the initial notification, we were contacted by our assigned OMB examiner, Chris Lover, who would guide us through the process and essentially act as our advocate. He wanted to meet with us to explain the process, and he asked for a briefing on what DCAA does. Just great, we thought.

Not only do we have to go through this onerous process, but the person in OMB who is supposed to be our advocate doesn't even know anything about our organization! But we soon discovered that Chris was a quick study and he really was there to help. His unfamiliarity with DCAA served as a constant reminder

that most of the general public is also unfamiliar with us, and we needed to prepare our responses in a manner that would be clear to the average taxpayer. One of his recurring comments was to say that if our grandmother went to ExpectMore.gov to see what it said about DCAA, would she understand our responses to the questions? In other words, ditch the term "flexibly priced" and spell out all those acronyms, like PCIE, FAR, DODIG and GAGAS, to name a few. Although we had received a three-page PART schedule with time lines, required activities, significant events and important due dates, Chris always seemed to need our input much earlier than those dates, so the schedule soon became colorful graphic art for my cubicle.

The first step in the process was to identify DCAA's long-term and annual measures and to provide answers to the first two questions, which were basically to explain why we exist and what we do. Now, you don't have to be part of DCAA for very long to be able to say, "You want measures, we've got measures!" Case in point: for forward pricing productivity, we have goals by contract type and by strata, resulting in 12 separate forward pricing goals. Likewise, we have a clear sense of our history and our mission. The creation of DCAA by the Secretary of Defense is well documented and our mission is clearly stated in our charter (DoD Directive 5105.36, Subject: Defense Contract Audit Agency), so this first action seemed like a piece of cake. We began to think this might not be so hard after all, but we didn't want to get overconfident. And the remaining answers did get progressively more difficult to write so that they would accurately describe our organization, be understandable to the general public and still be considered responsive to the questions.

From the beginning, we knew an overall rating of anything less than Effective would be unacceptable. (I couldn't even accept the possibility, much less envision briefing the Director and Deputy Director to explain why DCAA was rated only Moderately Effective or just Adequate)! After all, we *are* a very effective organization. However, we were concerned that trying to fit our Agency's performance into a tool that was meant to evaluate individual Government programs would not result in an accurate picture. We were required to draft the initial responses and ratings; so naturally, we gave ourselves 100 percent scores in all areas. Unfortunately, OMB is the ultimate author of these assessments. Even if we convinced Chris (or just wore him

I can't imagine how other programs which are not as structured or as performance-oriented as DCAA could possibly complete this assessment and meet the stringent criteria for responses and supporting evidence.

down, in some instances), there was still a higher-level review in OMB that could change the responses and the ratings. We went through several rounds of reviews and discussions with Chris and the higher-level Program Evaluation Team at OMB. Fortunately, there was a wealth of substantiating information available in various DCAA documents (Performance Plan, Planning and Staff Allocation Document (PSAD), Strategic Plan, Financial Managers' Financial Integrity Act (FMFIA) statements, Financial Statements, Performance Standards, Budget Submissions, etc.) that we used to support our responses and, in fact, we had to compile and submit a hard copy PART Evidence Book that contained all that documentation (23 tabs!). It was indeed a challenge on some questions to convince Chris that the appropriate response

for a particular question really was Not Applicable. We found ourselves saying things like, "Yes, I know it sounds good, but we don't sign Memorandums of Agreement like DCMA;" or, "No, we really don't want

to say that we "partner" with the contractors we audit," or, "What do you mean 99 percent isn't an ambitious enough goal?"

I can't imagine how other programs which are not as structured or as performance-oriented as DCAA could possibly complete this assessment and meet the stringent criteria for responses and supporting evidence. Maybe that explains why only 17 percent of all the programs reviewed were rated Effective and 25 percent were considered Not Performing (rated either Ineffective or Results Not Demonstrated). So, for any doubters who ever felt that we are a little too structured or performance-oriented, it is clearly that trait that enabled us to provide appropriate measures, accomplishments, and well-supported responses that resulted in our Effective rating. (There wasn't really ever any doubt, was there?) Despite the fact that we expected an Effective rating, it made us feel even better that the DoD PART lead from the Comptroller's office stated that it is unusual for a program to receive an Effective rating the first time it is reviewed.

The process that began in March, with the "bad" news that DCAA showed up on the list of programs to be evaluated using the PART, ended in September with the good news of the posting of our Effective rating on the public web site, for all to see. So the next time your grandmother checks the ExpectMore.gov web site, she will be able to see that the Agency you work for, by virtue of its Effective rating, sets ambitious goals, achieves results, is well managed, improves efficiency, and provides value for the tax dollars spent. We already knew that, but now everyone else does, too. ■

In accordance with Public Law 108-447, Constitution Day was observed on September 17, 2007 by the Department of Defense. This edition and future editions of the Bulletin will provide educational information on the U.S. Constitution.

The U.S. Constitution

Which State did not send deputies to the Constitutional Convention?

Rhode Island and Providence Plantations.

Were the other twelve States represented throughout the Constitutional Convention?

No. Two of the deputies from New York left on July 10, 1787, and after that Hamilton, the third deputy, when he was in attendance did not attempt to cast the vote of his State. The New Hampshire deputies did not arrive until July 23, 1787; so that there never was a vote of more than eleven States.

Spotlight on Audit Effectiveness

Auditing Travel Costs

The North County Branch Office achieves noteworthy success after changing its approach to auditing travel costs.

By **Ursula Quon**, CPA
Supervisory Auditor
and

June Francis, CPA
Supervisory Auditor
North County Branch Office
Western Region

YOU'VE PROBABLY BEEN HEARING A lot lately about DCAA's various audit effectiveness projects. There has been a lot going on, with all regions and Field Detachment working on projects to improve audit effectiveness in high-risk cost areas. Western Region recently had an opportunity to work on a project related to unallowable travel costs. We would like to share with you some of the risk areas, challenges and tips we identified during our audit of travel costs.

At our contractor location we audit the corporate home office and two segments. The contractor's annual combined total indirect travel costs for these entities ranged from \$25 million to \$31 million. However, our questioned travel costs were historically insignificant. There were many reasons for the lack of audit findings. Most significantly, there was a lack of focus on areas of risk, and inexperience in statistical sampling techniques. We knew we needed to improve and were very excited to be chosen as an audit effectiveness pilot test site.

As part of the pilot, the Western Region developed a new travel audit guide that provided a comprehensive list of issues to be considered. The audit guide helped us immensely in focusing on areas of highest risk and determining which categories of cost would have the highest probability of payback. However, we knew the audit guide alone would not guarantee a more effective audit. We needed to address our approach to statistical sampling and provide opportunities for our new hires to develop skills in this area. To mitigate the statistical sampling issues, we enlisted the assistance of regional Computer Assisted Audit Techniques (CAATS) technical specialists to guide us in the design of our sampling plans and ensure that our confidence levels, precision

levels, and critical error rates were both fair and defensible. After significant brainstorming and discussion, we decided to use a new approach to the sampling plan by segregating the sampling universe into airfare and non-airfare costs. We also gained contractor concurrence to the sampling methodology before we started our audit.

To sharpen our audit skills, we divided the audit of travel costs among several auditors. We improved our teaming approach by meeting regularly to exchange ideas, compare notes on findings, identify possible roadblocks, and brainstorm approaches to overcome obstacles. We also held frequent discussions with the corporate ACO throughout the audit. All of these actions helped immensely in getting the audit team up to speed quickly and getting everyone focused on what we needed to accomplish.

Our new approach worked. By the time we put down our pencils and completed our audit, we had questioned a total of \$3 million related to the following issues:

- Use of unrestricted airfares when lower-priced restricted airfares were available
- First- and business-class airfares (domestic and international)
- Non-compliance with the Fly America Act
- Personal travel (which was combined with business travel)
- Credits and discounts received from airlines, travel agencies, hotels, car rental companies, and bank card carriers
- Lodging, meal costs, and car rentals in excess of per diem
- Entertainment costs for holiday celebrations

- Sales taxes on alcohol
- Costs billed as indirect which were directly identifiable with a specific foreign contract
- Travel costs related to acquisitions and divestitures (organization costs)

One of the most significant and interesting findings was related to the contractor's use of unrestricted

airfares, which usually cost significantly more than restricted airfares. During our initial risk assessment, we found that the contractor's policies and procedures specifically required the use of the lower-priced restricted airfares if the employee's itinerary is reasonably certain. Consequently, we tested for compliance with this policy.

We found that, in many cases, contractor employees bought unrestricted airfares when the itinerary was reasonably certain and restricted airfares were available at the time of booking. To help us quantify questioned costs, we used the Department of Transportation (DOT) Consumer Airfare Report to determine what the lower-priced restricted airfares would have cost (the DOT compiles data on domestic average airfare costs and posts data to its web site at <http://ostpxweb.dot.gov/aviation/index.html>).

Another significant and interesting finding was related to international airfare costs. Our initial risk assessment identified that there was an abundance of international travel and that the contractor's travel policies specifically stated: "Lengthy international travel is not a justification for the allowance of costs in excess of standard coach airfare." As provided in CAM 7-1002.6, the Fly America Act requires the use of U.S. carriers even when the ticket prices are higher than those offered by foreign carriers. Additionally, the use of a foreign carrier in lieu of a U.S. carrier without adequate supporting documentation is sufficient grounds for questioning the entire airfare. Our audit found that the contractor had claimed business and first-class

airfares without justification as required by its policies and that foreign carriers were used when U.S. carriers were available. The contractor agreed with our findings but argued that some of the foreign carriers had "code share" agreements with U.S. carriers. However, we found that the Comptroller General's Decision B-240956, dated September 25, 1991, states that travel cost using tickets paid for by the Government

under a "code-share" arrangement would be allowable only "if the tickets were purchased from the U.S. air carrier."

A third significant and interesting finding was related to travel credits for rebates and discounts. We reviewed the travel service center's books and records for revenues from discounts and rebates resulting from con-

tracts with airlines, travel agencies, hotels, car rental companies and bank card carriers. We found that the contractor had not credited its indirect travel accounts for all discounts and rebates received. We also reviewed the operating expenses of the travel service center and found a net over allocation of those costs to the Government.

We attribute much of our audit success to the new travel audit guide, which helped us to focus on areas of high risk. However, we also believe that our renewed approach to statistical sampling and our excellent teaming efforts contributed significantly to the successful outcome. We learned many important lessons during the course of this audit. First and foremost, we had been doing basically the same audit year in and year out with little or no results and realized it was time to take a different approach. We also learned not to be afraid to brainstorm new audit approaches and techniques and to tailor audit procedures and sampling criteria to provide the biggest opportunity for payback. Finally, we learned that the synergies of teamwork can overcome many obstacles. We hope the lessons we learned can also help you to perform more effective travel audits. ■



From left: June Francis, Ursula Quon.

The DCAA Supervisor: An Important Piece of the Ethics Puzzle

By David C. Hoffman

Deputy General Counsel
DCAA

IT WILL PROBABLY SURPRISE MOST DCAA supervisors to find that they are one of the most important people in the Agency when it comes to monitoring compliance with the rules of ethics and standards of conduct. The Agency Ethics Counselor cannot monitor and enforce the rules of ethics at the many offices and suboffices within the Agency. While the General Counsel, who in DCAA is also the Designated Agency Ethics Official (DAEO), is tasked with overall responsibility over the ethics program, the ethics counselor is not colocated with most of the Agency employees and cannot be expected to have the effect on ethical conduct that a DCAA supervisor has. It is the supervisor who will field most of the questions related to ethical conduct issues. It is the supervisor who makes most of the decisions concerning the application of the rules of ethics related to their employees. Therefore, it is important for all supervisors to understand their role and duties with respect to the implementation of the rules of ethics. It is equally important that all DCAA employees know that they can turn to their supervisor for the answers and advice on those tough ethical issues.

This article will focus on the supervisor as a role model of ethical practices and examine one of the supervisor's

most important ethical duties: reviewing for conflicts of interest. Future articles will focus on a variety of ethics topics such as a supervisor's responsibilities while reviewing the financial disclosure form (OGE Form 450).

An Ethical Tone in the Workplace Starts with the Supervisor

An important place to start is the ethical tone set by the supervisor. Each supervisor must assure that they know the rules of ethics and that they practice the rules that apply to them individually. A supervisor's own actions send a message to the subordinates concerning the importance that the supervisor places on ethical standards. Some employees may gauge a supervisor to determine how seriously they view the ethics program.



Employees know when a supervisor believes certain ethical requirements are unimportant, and ultimately that attitude tends to prevail throughout the office. For instance, if the supervisor thinks filling out the financial disclosure form is a needless invasion of privacy and a waste of time, that attitude may be emulated by other office employees. Gradually, the attitude towards the financial disclosure evolves into one where filling

A supervisor who has impeccable ethical standards and practices model ethical behavior tends to have employees who do the same. The supervisor sets the ethical tone for the workplace.

out the financial disclosure form is a “hassle” rather than an obligation that is necessary for the employee to hold their position. When this attitude is prevalent, the forms are sloppily and improperly prepared—a problem that is compounded when the supervisor does not review the form with the standard of care necessary to fulfill their obligations.

On the other hand, a supervisor who has impeccable ethical standards and practices model ethical behavior tends to have employees who do the same. The supervisor sets the ethical tone for the workplace. The actions or inactions of supervisors substantially affect the employee’s willingness to bring ethical issues to the supervisor’s attention. As role models, the supervisor must understand the ethics rules so they can apply them to their own lives, as well as assist their subordinates in implementing the rules. In addition, supervisors have specific ethics-related responsibilities based upon their status as a supervisor.

Conflicts of Interest

The law prohibits both actual and apparent conflicts of interests while performing your Government duties. The prohibition for actual conflicts of interest comes within a criminal statute which prohibits officers and employees from knowingly participating personally and substantially in an official capacity in any particular matter that they, or any other person whose interests are imputed to them, have a financial interest, if the particular matter will have a direct and predictable effect on that interest. An apparent conflict occurs when personnel participate in matters they know are likely to affect the financial interests of a member of

their household or persons whose interests are imputed to them, and a reasonable person could question their impartiality in the matter. Generally, the employee’s trustworthiness is irrelevant in these matters.

While many financial conflicts are discovered at the time the financial disclosure forms are filed, this is not the only time during the year that these conflicts should be addressed. Employees are under a continuous obligation to report conflicts of interest and to take actions that will resolve those conflicts. These conflicts are, in most cases, first reported to their supervisors. If an employee notifies their supervisor of a financial conflict of interest, the supervisor must take immediate steps to remove the employee from duties that pose the conflict. The supervisor should always take the action that assures there is no conflict of interest, even if that conflict will be remedied in the near future by the employee’s divestiture of the interest. If an employee has a financial interest in a company, they should not participate in any manner in the audit of that company.

After the supervisor temporarily removes the employee from the duties that pose a conflict of interest, the manner in which the conflict is ultimately resolved is not always left to the employee. Once a supervisor becomes aware of a conflict, the supervisor may choose the method of resolution that is in the Government’s best interests. Absent circumstances that permit a waiver of the conflict, generally there are three ways for management to resolve a financial conflict of interest: (1) filing a disqualification statement (generally the default option); (2) changing the employee’s assigned duties; or (3) requiring divestiture of the financial interest.

While the Agency leadership and legal office can stress the importance of the correct ethical tone, the attitude of “Doing the Right Thing” must exist at each and every office and suboffice within the Agency.

If management determines that a disqualification is the best option, the disqualification statement will identify the conflicted financial interests and notify the supervisory chain that the conflict exists. An employee who is required to disqualify himself from participation in a particular matter to which he has been assigned must provide written notice of disqualification to his supervisor upon determining that he will not participate in the matter. The statement is forwarded through the supervisor to the DCAA General Counsel's Office.

If a supervisor determines, in consultation with the General Counsel's Office, that it is not in the Government's best interest to change an employee's assigned duties, then the supervisor may require the employee to divest the conflicting financial interest. An employee ordered to divest a conflicting financial interest must be given a reasonable time to accomplish the divestiture and to determine if they are eligible for a Certificate of Divestiture from OGE. An OGE Certificate of Divestiture permits an employee to defer capital gains taxes on financial interests they were required to divest, but it must be obtained before the asset is sold and requires the employee to reinvest the proceeds of the sale of the divested property into a permitted (non-conflicting) asset, like a mutual fund, within 60 days. The employee should consult with an ethics counselor at the General Counsel's Office to determine the application of this rule and if they are eligible for a Certificate of Divestiture. An employee who is ordered to divest an interest in a company may not perform any duties on an audit with respect to that company until the interest is sold.

In situations involving possible conflicts of interest, the regulations require the supervisor to review for both actual conflicts and possible issues involving the appearance of the loss of impartiality. The supervisor has an obligation to question appearance issues of their

employees and, if necessary, raise those concerns to an ethics counselor. If the supervisor determines that the circumstances would cause a reasonable person with knowledge of the relevant facts to question the impartiality of an employee in conducting an audit or other official business of the Agency, then the supervisor should immediately remove the employee from the matter and seek guidance from the General Counsel's office. DCAA auditors are required to follow both the ethics regulations and Generally Accepted Government Auditing Standards (GAGAS) independence requirements. Although they are similar, they are not identical. Therefore, the procedure at Headquarters is for the Office of the General Counsel to coordinate all similar issues with the Policy Directorate for a GAGAS analysis and provide a consolidated response covering the requirements in both the ethics regulations and GAGAS.

Conclusion

DCAA supervisors must be committed to knowing, following, and enforcing the Federal Rules of Ethics. While the Agency leadership and legal office can stress the importance of the correct ethical tone, the attitude of “Doing the Right Thing” must exist at each and every office and suboffice within the Agency. Supervisors must oversee and demonstrate ethical behavior in their workplace. They must take the time to familiarize themselves with the various ethics rules so that they can become role models for their employees and ask the hard questions of their employees.

In the next edition of the DCAA Bulletin, we will look at the supervisor's responsibilities with respect to the financial disclosure form and reviewing employee's assets for financial conflicts of interest. Stay tuned. ■

Not An Ordinary IPT Assignment



From left:
Karen Shotwell
Linda Brown
Roger Withroder.

By **Linda Brown**, Branch Manager,
in collaboration with
John Englert, Supervisory Auditor
Karen Shotwell, Senior Auditor
Roger Withroder, Senior Auditor
Richardson Branch Office
Central Region

DCAA HAS BEEN PARTICIPATING IN Integrated Product Teams (IPT) for many years. The Richardson Branch Office has been involved in many IPTs, but none as unusual or satisfying as a recent IPT involving the Wichita Suboffice. In April 2006 a Contracting Officer (CO) requested that we participate in an IPT along with representatives from the procurement office, DCMA, and the contractor. The ultimate objective of the team was to negotiate a contract for the acquisition of trainer aircraft at a fair and reasonable price. The contract was expected to exceed \$1 billion. One of the most important aspects of a successful IPT is the up-front establishment of a milestone plan early in the process. Monitoring the plan for compliance throughout the IPT is also crucial to success. The plan should identify:

- Which sections of the proposal the contractor will submit (e.g., labor, material, subcontract costs, ODC, etc.) and when they will be submitted
- When DCAA will complete their reviews of the proposal sections and provide interim findings
- When the contractor will consolidate the proposal sections and submit their final proposal to the Government
- When DCAA will reconcile the parts of the proposals to the final (consolidated) proposal and submit a final audit report to the Procurement Contracting Officer (PCO)
- The target date established for contract definitization
- Which metrics will be used to assess process effectiveness

DCAA's role in the IPT was to (i) evaluate sections of the proposal as they were submitted; (ii) provide

feedback to team members on a real-time basis; and (iii) issue a final audit report shortly after receiving the contractor's final proposal.

The IPT was unique and challenging for several reasons. First, we received significant resistance from the contractor and subcontractors because the Air Force had previously procured aircraft under FAR Part 12, Acquisition of Commercial Items. (Don't ask—that's another story for another day!) Based on previous commercial purchases, the prime contractor and subcontractors asserted that the aircraft were commercial items; however, the contractor finally accepted the Government's decision that all future aircraft would be procured under FAR Part 15 (Contracting by Negotiation). We were also challenged by the sheer number of subcontractors (approximately 70 scattered throughout the world) involved in the construction of the aircraft, and the prime contractor's failure to evaluate the two largest subcontracts. Turnover of procurement office personnel (i.e., PCO, Buyer, and Contract Specialist); contractor personnel (i.e., Divisional Vice President and Program Manager); and FLA personnel affected the continuity of the IPT. The only constants were the original Administrative Contracting Officer and auditors who worked the IPT from start to finish.

As our audit progressed, we shared the results of our findings and recommendations with the CO and contractor. Sharing real-time information facilitated the prompt resolution of issues. Following are some of the highlights of our audit.

- **Labor-Hours:** This effort involved obtaining historical data that was incurred and recorded under the FAR Part 12 contract. Use of statistical sampling, regression analysis, and comparison

of historical hours to hours proposed resulted in convincing the contractor to remove 129,000 labor hours prior to submitting the proposal—a savings of \$19 million in fully burdened labor cost. In addition, we questioned another 95,000 hours in the audit report, resulting in questioned direct labor costs of approximately \$4 million.

- **Subcontract Costs:** Since the requested assist audits were not received in time for incorporation in our report and the prime contractor had not evaluated the two largest subcontract proposals, valued at over \$135 million, we used alternative procedures and developed a decrement factor based on historical experience. Application of the decrement to the two large subcontract proposals resulted in questioning \$26 million. We issued a flash estimating system report and our audit report opinion was qualified due to the prime contractor's failure to perform cost analysis on the two major subcontract proposals. With the help of the FLA staff, we ultimately received assist reports for the other subcontractors. As a result, we questioned a total of \$50 million of subcontract costs in the final audit report.
- **Direct and Indirect Rates:** The audit of all labor rates and overhead rates and factors was an area in which we took the lead. We analyzed and calculated the impact of this procurement and two other significant proposals on the proposed total overhead base. Questioned overhead pool costs included medical insurance escalation and overstated indirect labor costs. Based on our review, the contractor agreed to remove \$44 million prior to submitting the final proposal. The audit report questioned an additional \$21 million applicable to questioned base costs.
- **Miscellaneous Costs:** During the IPT, we provided input on other cost elements such as travel, warranty, and reporting requirements for subcontractors; this resulted in the contractor removing \$10 million of costs. The final audit report identified additional questioned costs in this area totaling \$25 million. We questioned the contractor's \$16 million judgmental increases to subcontractor costs. In addition, \$8 million of duplicated warranty costs were questioned since they were already covered in a separate contract.

At the conclusion of the IPT, we reported total questioned costs of \$99 million in addition to the \$73

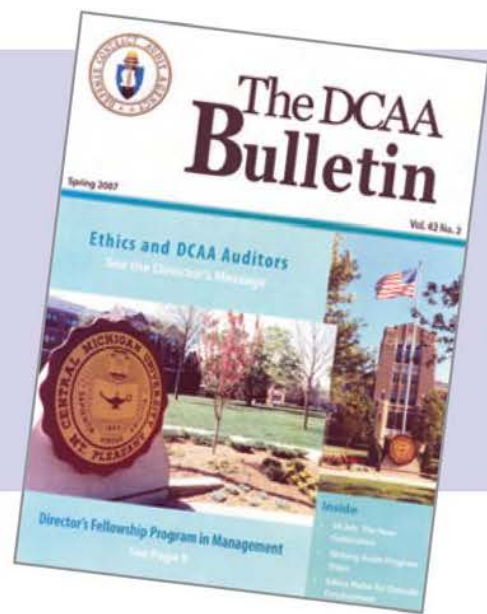
million of costs that we convinced the contractor to exclude during the IPT process. And as a result of our involvement in the IPT we knew that the contract was expected to include a performance-based payment clause; we recognized that an opportunity existed to assist the buying command in the analysis of the payment terms and conditions. We analyzed the proposed payment schedule in light of actual costs incurred on previous lots. The analysis disclosed that in the early stages of the contract the contractor would recover more costs than were incurred. Comments and data that we provided to the CO resulted in the negotiation of payment terms more reflective of the purpose of performance-based payments.

We believe the success of the IPT was largely due to:

- Establishing a milestone plan up front and defining objectives, roles, and responsibilities
- Monitoring the plan and staying focused on the objectives
- Maintaining continuity of the audit staff dedicated to supporting the IPT
- Regularly providing interim audit results to the contractor, CO, and FLA
- Obtaining and documenting contractor concurrence of audit recommendations as part of the real-time resolution process
- Having the contractor submit a final proposal which reconciled to the individual sections of the proposal, enabling DCAA to issue an audit report expeditiously
- Stepping outside DCAA's traditional areas in proposal audits to provide recommendations on performance-based payments
- Providing follow-up audit services during the negotiation phases of the procurement. These follow-up audit services included fact-finding and negotiation support as well as analytical evaluations provided on the proposed performance-based payment terms and conditions.

If you are involved in an IPT in the future, we highly recommend you start out by reviewing CAM Chapter 1-800. Be sure your IPT Leader establishes a milestone plan up front and that objectives, roles, and responsibilities are clearly defined. You will likely be in for as fascinating a challenge as we were. As we found, the IPT process can be a very rewarding auditing experience and a valuable tool for Government procurement. ■

An Update from the Bulletin Staff



THE DCAA BULLETIN HAS BEEN IN existence almost since the beginning of the Agency. Since that time it has undergone many modifications, but its purpose has remained the same: to share professional viewpoints and information on DCAA, auditing, personnel, and the workplace environment. Since 2006 we have made a concerted effort to (i) improve the Bulletin's format and content; and (ii) publish the Bulletin four issues a year.

We're gratified that so many of you have noticed and approved of the changes, and we appreciate your input, so please keep your comments coming. However, the two comments we hear most frequently present quite a challenge. The first is, "I really enjoy the Bulletin, but you don't publish enough technical information!" The second comment is, "I really enjoy the Bulletin, but you publish too much technical information!" Our response is that we try to provide a balanced technical publication that emphasizes the auditing profession (that is what the Agency is all about) but provides additional features of general interest as well. And that's where you come in.

Management Articles

The responsibility for providing all that "technical information" is shared equally among the Regional Directors, the Director of the Field Detachment, and Heads of Principle Staff Elements (HPSEs) at Headquarters on a rotating basis. In turn, they ask managers who are among the most experienced and knowledgeable in the Agency to provide articles on a variety

of subjects ranging from recruitment [See Adopt a College (Fall 2006)], to leadership [See The Leader in All of Us (Summer 2007)], to very specific auditing topics [See The Lost Art of Writing Audit Steps (Spring 2007)]. We do publish articles that pertain to all Agency employees, such as Information Technology Initiatives, Fall 2006. However, management articles usually relate directly to the Agency's auditing mission, highlighting successful regional programs, supervisory responsibilities, leadership skills, or auditing techniques of interest to our audit personnel. So why read them if you're not an auditor? Many non-auditors will be surprised to find valuable principles that apply to almost any career field. Instead of turning the page, dive into that article! You may be surprised at how much you learn.

Voluntary Employee Articles

No matter which way you lean in your opinion of the Bulletin's technical content, here is your chance to make a difference! Have you thought of writing an article yourself? We are always happy to receive voluntary articles—from non-auditors as well as auditors. Which subject excites or inspires you? Which of your own experiences could you share so that others benefit from your knowledge? Since voluntary articles are suggested by employees on their own initiative, they often provide a unique perspective on the subject matter. My First Incurred Cost Audit (Fall 2007) described an unusual audit experience with humor and suspense. Audit Effectiveness: See CAM Chapter 7 (Summer 2007) was so enthusiastic about its subject that one non-auditor actually read the CAM to see what Chap-

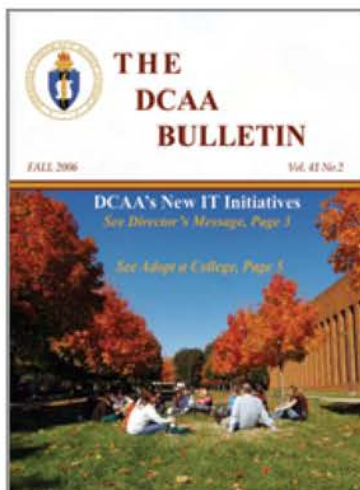
ter 7 is all about! If you've had a great experience that you can't stop thinking about, write it down. Chances are that if it sparks your enthusiasm, it will interest others.

Submitting an Article

If you're thinking of writing a voluntary article, start by discussing the subject with your supervisor. Your supervisor will help evaluate your idea and sharpen the focus of your subject. In addition, your supervisor may authorize duty time to prepare the article if the benefits to the Agency exceed the time required to prepare the article and there is no adverse impact upon your assigned workload. Once you get the go-ahead, your draft should be forwarded through your management chain to your regional office or HPSE. When the article is approved, your regional office will forward it to the Executive Officer at Headquarters.

What Happens to the Articles?

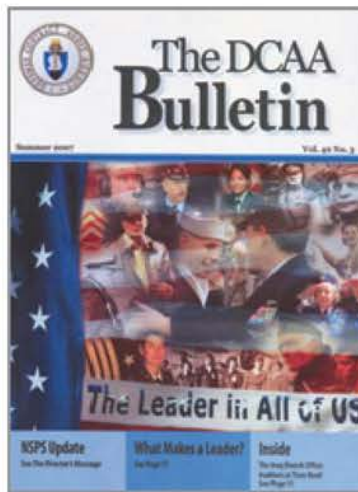
The Executive Officer manages the Bulletin publication process and the staff. Each article is first reviewed by the Executive Officer and then the Bulletin Selection Committee. The articles are reviewed for technical sufficiency, accuracy, and suitability for publication. Each region and Headquarters directorate is represented by a member on the Bulletin Selection Committee. The members of the Committee are thoroughly knowledgeable and experienced individuals who are well qualified to evaluate articles on a variety of Agency-related subjects.



Awards for Voluntary Employee Articles

We're pleased to report that, for voluntary employee articles selected for publication, the author receives a superior accomplishment award of \$500. Occasionally an article will stand out

as exceptional. In this case, the Deputy Director will authorize an award of \$750. If there is more than one author, the award will be divided between them.



have reviewed it. Relax, and write your article with its focus in mind, using clear language that is natural to you. Write to express, not to impress. Although the Bulletin staff has received articles that are not selected for publication, this is not a common occurrence.

The DCAA Bulletin is truly for you, the employee. With your participation we can continue to produce a professional publication that contributes to the Agency's mission, informs our employees, and enhances the workplace environment. We look forward to hearing from you! ■

More facts on

The U.S. Constitution

What was the average age of the deputies to the Constitutional Convention?

About 44.

Who were the oldest and youngest members of the Constitutional Convention?

Benjamin Franklin, of Pennsylvania, then 81; and Jonathan Dayton of New Jersey, 26.

Who was called the "Sage of the Constitutional Convention"?

Benjamin Franklin, of Pennsylvania.

Who was called the "Father of the Constitution"?

James Madison of Virginia because, in point of erudition and actual contributions to the formation of the Constitution, he was preeminent.

Getting to Know You

Boeing CAC/Corporate Resident Office Central Region



Front, from left: Ji Locascio, Irene Byrd, Sally Chavez, Brooke Bond. Rear, from left: Patrick Feders, Thomas Altemus, Steven Rudman, Warren King, Armando Millan, Clyde Wray, James Stahl. Not Pictured: Angela McGowan.

THE BOEING CAC/CORPORATE TEAM is located at the Boeing Corporate Headquarters facility in Chicago, Illinois. The staff consists of the resident auditor/Contract Audit Coordinator (CAC), CAC assistant, supervisory auditor, technical specialist, six auditors, a co-op student, and one administrative assistant. The Boeing Company is the second largest defense contractor and includes the Integrated Defense Systems (IDS) and Boeing Commercial Airplane businesses. The total company sales in

2006 were \$61.5 billion, including \$27.9 billion to the U.S. Government (including FMS).

The Boeing CAC/Corporate team is headed by the CAC, Clyde Wray, and has two areas of responsibility, CAC network coordination and corporate audit activities. These are led by the CAC Assistant, Thomas Altemus, and Supervisory Auditor, James Stahl, respectively. CAC responsibilities include coordination of audit activities among FAOs auditing Boeing segments and

maintenance of the CAC web site. The corporate audit areas include incurred cost, CAS, internal control reviews, and forward pricing rates.

Clyde Wray has been a Government auditor for 33 years, with DCAA since 1979. He is a CPA in the state of Michigan and has an MBA from Wayne State University. His DCAA experience includes being a supervisory auditor in a mobile suboffice; residency settings in Michigan and Arizona; program manager and senior financial liaison advisor at HQ; and branch manager in Arizona before moving to the Boeing CAC position in December 2006. Clyde's leisure and spare-time activities include travel, cruise trips, white-water rafting, bicycling, blackjack, and poker.

James Stahl has been at the Chicago office as supervisor since Boeing's corporate office transferred from Seattle, Washington, in 2001. Jim transferred from the Seattle Boeing Resident Office to help set up the new Chicago Corporate FAO. He began his DCAA career at the Western Region's Boeing Resident Office in 1986. He had previously worked as an auditor for the Department of Health and Human Services in Seattle for 15 years. He graduated with a Bachelor of Arts degree in Industrial Arts and Business at Northern State College in Aberdeen, South Dakota. Jim enjoys gardening, hunting, fishing, and family activities. Jim's family looks forward to visiting Phoenix in early April each year to get away from the frigid Chicago weather. The family has learned to enjoy Chicago's cold and snow versus Seattle's cloudy skies and rain, but does admit Seattle has the most beautiful blue sky when you can see it.

Thomas Altemus has been the CAC assistant since May 2006. He is a licensed CPA in the state of Illinois. Tom moved to the Chicago area from Tucson, Arizona, where he was a supervisory auditor, but he began his DCAA career at Sundstrand Aerospace in Rockford, Illinois, in 1984, moving to Tucson in 1998. He graduated with a Bachelor of Science degree in Accounting and Business Administration from the University of Wisconsin at Platteville. Tom enjoys participating in local bicycle and running events on weekends. After experiencing the recent winter in Chicago, he and his wife plan to visit Tucson frequently in future winters.

Armando Millan began his career with DCAA in June 2000 at the Northrop Grumman Suboffice of the

Chicago Branch Office. He transferred to the Boeing Corporate Resident office in October 2002, where he is currently the CAS technical specialist. His primary responsibilities include providing guidance on CAS matters, providing support to the CAC assistant, and helping to maintain the Boeing CAC web site content. Armando is a licensed CPA in the state of Illinois. Armando's hobbies include movies and high-performance automobiles.

Brooke Bond was hired to work at the Boeing Corporate Resident Office in August 2005. She has passed the CPA exam and is currently processing her application for a CPA license. She has a master's degree in Accounting from Illinois State University. Brooke's specialty audit areas include the accounting system and control environment; financial transformation; labor accounting; and Cumulative Allowable Cost Worksheets. Brooke has a 3-year-old daughter who keeps her busy.

Irene Byrd joined DCAA in February 2000 at the Milwaukee Suboffice of the Chicago Branch and then transferred to the Boeing Corporate Resident Office in 2003. She graduated cum laude with a BS in Accounting and a minor in Finance from Columbia College of Missouri. Irene's specialty areas include estimating systems and operations audits. Her personal interests include the environment, mental health, and volunteerism. She would like to teach math to elementary school children after DCAA. She has four adult children and one grandson, 5 years old, who wants to be a police officer and fisherman when he grows up.

Sally Chavez began her career with DCAA in May 2002 at the Boeing Corporate Resident office. She is currently working on a CAS audit and a financial capability risk assessment. Sally is a licensed CPA and holds a Masters of Science in Accountancy degree from DePaul University. She is currently studying for the Certified Internal Auditor exam in November and also studying piano.

Warren King graduated from Northern Arizona University in 2005 with a degree in Accountancy. He joined DCAA during August 2005 and worked for the Arizona Branch Office. While in Arizona, he worked a short time at the Boeing MDHS Suboffice before moving to Orbital Sciences Corporation's Launch Systems Group Suboffice and the Tucson Mobile Sub-

office. He currently is working on the billing system coordinated audit and is performing incurred cost and forward pricing tasks. Warren moved to Chicago in February and enjoys living in a city of skyscrapers.

Ji Locascio started her auditing career with DCAA in August 2006. She earned her MBA degree from Loyola University in Chicago. She is currently pursuing a CPA license in the State of Illinois. Ji's specialty areas are budgeting and planning, and incurred cost. Her hobbies include in-line skating and bicycling with her pet parrot on Chicago's beautiful lakeshore.

Steven Rudman began his journey with DCAA in February 2002 at the Boeing Corporate Resident Office in Chicago. He graduated from the University of St. Francis in 2001 with a major in Accounting and a minor in Finance. Steve serves as the Webmaster for the CAC web site and his audit specialty area is information technology. He keeps busy with his 13-month-old, his 2-year-old, and his wife Michelle. In

his spare time, he enjoys working around the house and volunteering in his community's homeowners association.

Patrick Feders recently joined DCAA as a student in the co-op program. He is currently pursuing a degree in Accounting from Loyola University Chicago and will graduate in December 2007. Outside of work, Patrick enjoys playing rugby, being outdoors, and spending time with family and friends.

Angela McGowan joined DCAA in June 2006. She began her Government career in 2002 at the Naval Communications Station in Sigonella, Sicily, while her spouse served in the United States Navy. Her primary responsibility in the Boeing Corporate Resident office is administrative support. She and her husband, Roger, have a 16-year-old daughter, Ryan. In her spare time, she enjoys movies, cooking, and entertaining at her home.

DCAA Contract Audit Coordinators

Contractor	CAC	Field Audit Office
Boeing	Clyde Wray	Boeing Corporate Resident Office
General Dynamics	Maria Davey	Reston Branch Office
Lockheed Martin	John Ames	Lockheed Martin Corporation Resident Office
Northrop Grumman	Angela Thomas	Northrop Grumman Corporate Resident Office
Raytheon	William Adie	Raytheon Corporate Resident Office
ATK	Brenda Carnes	Minneapolis Branch Office
BAE	Anil Soni	Germantown Branch Office
Honeywell	Jim Casola	Northern New Jersey Branch Office
L-3	Tony Patullo	New York Branch Office
UTC	Janice Berardi	United Technologies Corporation Resident Office

Getting to Know You

Accounting Branch, Resources Directorate, Headquarters



From left, front: Bernice Chu, Don Kim, Sandra Anderson, Cindy Wilson. Rear: Ismael Rivera, Javier Rivera-Guzman. Not pictured: Peggy Hudson.

THE ACCOUNTING BRANCH reports to the Chief, Financial Management Division. The branch is responsible for finance and accounting policy and reporting; time and attendance; systems administration; preparing the Agency's financial statements, and management of the Agency's reimbursable program.

Sandra Anderson has served as the Chief of the Accounting Branch since July 2005 and is responsible for the Agency's accounting operations. Prior to coming to DCAA in November 2003 as an operating accountant, she was the senior accountant for the American Battle Monuments Commission for 7 years. Sandra began her federal career in 1986 as an intern in the Navy Comptroller's Financial Management Internship Program. After completing the 2-year program, she was employed by various accounting offices within the

Department of Defense, holding both supervisory and non-supervisory jobs. She gained functional experience in Working Capital Operations; Appropriated Fund accounting; Trust Fund accounting (Foreign Military Sales and Special Trusts); financial and budgetary reporting; and reimbursable program accounting and management. Sandra is a CPA in the state of Virginia and is a Certified Defense Financial Manager. She received a Master of Science Degree in Administration from Central Michigan University in August 2007.

Young (Don) Kim joined DCAA in 2000 and is responsible for planning and conducting internal control reviews required by the Federal Managers' Financial Integrity Act in the areas of budget formulation and execution; accounting procedures; time and attendance; property management; the travel card program; and the purchase card program to ensure

that the Agency has effective financial management controls and is operating in accordance with applicable laws and regulations. Previously, he worked in the area of quality control with the National Institute for Occupational Safety and Health and for Rockwell International. He has teaching credentials in mathematics, and taught at West Coast University and the University of Maryland. He holds graduate degrees from Yale University in statistics.

Margaret (Peggy) Hudson has been an accountant for DCAA since 1989. She is responsible for ensuring that the Defense Business Management System, the Agency's financial system, properly records financial data submitted from other Department of Defense computer and feeder systems so that DCAA can prepare accurate and auditable financial statements. She played a major role in the Agency's success in obtaining its first clean audit opinion in 2001 and in maintaining that status ever since. She is also the Agency's program manager for pay, and time and attendance. In her more than 27 years with the Department of Defense, Peggy has held various accounting positions. Prior to coming to DCAA, Peggy worked as an operating accountant, systems accountant, and supervisory systems accountant for the Defense Energy Support Center. She has also held various positions while working for the Naval Finance Center; Army Intelligence Command; the Army Regional Finance Center in Stuttgart, Germany; and the Defense Information Systems Agency. Peggy has associate degrees in Accounting and Business Management. She is also a Certified Government Financial Manager and a Certified Defense Financial Manager.

Javier Rivera-Guzman has been an accountant for DCAA since 2003. He is the program manager of the Financial Management Reporting System and a certifying official in the Purchase Card Program. He is also the program manager responsible for establishing, assessing, correcting, and reporting on the Agency's internal controls over financial reporting as required under the Office of Management and Budget (OMB) Circular A-123, Appendix A. Javier came from Puerto Rico straight out of college to work for DCAA in January 2000. He started working as an auditor in the Northern Virginia Branch Office where he performed various system audits. After 3 years, he moved to Headquarters to start working as an accountant. He obtained his Bachelor's Degree from the University of Puerto Rico, Cayey Campus, in 2000, majoring in Accounting. He is a CPA in the state of Virginia and

is a Certified Fraud Examiner. He just completed his Master of Science Degree from Central Michigan University under the Director's Fellowship Program. He is a member of the Association of Certified Fraud Examiners. In his spare time Javier enjoys volleyball and is a member of USA Volleyball, Chesapeake Region.

Ismael Rivera has been working as an accountant for DCAA since 2006. He works on accounting operations, financial statements, the Defense Business Management System, the reimbursable program, the procurement fund, and special projects. Ismael began his career with DCAA in 2002 as an auditor at the Mid-Atlantic Region, Rosslyn Branch Office, where he performed a variety of assignments. During this time, Ismael earned his Master of Business Administration, having earned his Bachelor of Business Administration from the University of Puerto Rico in 2001. While in college, he was selected for an internship in Washington, DC, with the Treasury Department under the Hispanic Association of Colleges and Universities National Internship Program.

Cindy Wilson joined DCAA in May 2006 as an accountant for the Accounting Branch. She currently prepares budgetary reports and helps prepare the financial statements. In 2002, Cindy held her first position with the Federal Government as a Systems Accountant with the Bureau of Engraving and Printing. She conducted quality audits, environmental audits and various internal reviews. Cindy attended Virginia Polytechnic Institute and State University where she earned a Bachelor's Degree in Accounting and Information Systems.

Bernice Chu has been an accountant for DCAA since 2006. She is responsible for the Agency's reimbursable program. She ensures that the proper authorized funding documents are in place for audits and records the funding amounts in DMIS. She consolidates biweekly billings into a monthly entry and transmits billing files through the Automated Billing System to DFAS. She also reports reimbursable earnings. Bernice came to DCAA in 2003 as an auditor trainee with the Rosslyn Branch Office, where she performed a variety of audits. Prior to her Federal Government career, she worked in the private sector for numerous years. She has held various positions, including billing, accounts receivable, contracts, and project/program control. She holds a Bachelor's Degree in Accounting from Strayer University. ■

Professional

Headquarters

- Alvarado, Ascencion Presented *Preparing Cost Proposals/Preparing for a DCAA Audit* to the U.S. Small Business Administration—8(a) Contractors Mandatory Training, San Antonio, Texas, June 14, 2007
- Fritzsche, Thomas Presented *Proposal Preparation and DCAA Audits* to the San Antonio Business Opportunity Council, San Antonio, Texas, August 15, 2007
- Mitchell, Paul Briefed the *American Bar Association Litigation Section* on how DCAA prevailed in having the Federal District Court refuse Administrative Procedures Act jurisdiction in Lockheed Martin Corp. versus the Defense Contract Audit Agency, July 11, 2007

Field Detachment

- Peters, Thomas Presented *Personal Perspectives on SES Service* to the Executive Forum Panel Presentation Conference at the Federal Executive Institute, Charlottesville, Virginia, August 30, 2007

Central Region

- McAfee, Jerry Presented *Regulatory Compliance Requirements—Impacts of Parametric Estimating Methods, and DCAA Guidelines for Auditing Parametric Estimating Systems/Proposals* at the Lockheed Martin Structured Improvement Activity on TINA Compliant Parametric Estimating Methods in Fort Worth, Texas, September 12, 2007
- Appointed Chairman of the Parametric Estimating Handbook Committee for the International Society of Parametric Analysts, September 2007

Activities

Mid-Atlantic

- Hernandez, Steven Panelist at a conference to introduce outstanding business students to corporate leaders; at the University of Pittsburgh College of Business Administration's Office of Leadership Development, Pittsburgh, Pennsylvania, September 14, 2007
- McClure-Nelson, Gabrielle Taught *Intermediate Accounting* at Neumann College, Aston, Pennsylvania; and at Wilmington University, New Castle, Delaware, September-December 2007
- Snyder, Harry Appointed President, Philadelphia Chapter, AGA, May 11, 2007

Northeastern

- Fletcher, Cathy Presented *Diversity—What Does It Mean to You?* to the Federally Employed Women's 38th National Training Program, Washington, D.C., July 19, 2007

Western

- Duong, Mai-Tram Taught *Financial Accounting and Managerial Accounting* at Highline Community College, Seattle, Washington, June-August 2007
- Hoelscher, Greg Presented *Accounting System Requirements* to the Navy Small Business Opportunity Conference, San Diego, California, August 15, 2007
- Smith, Curtis Bimonthly column, *Tips for Constructing a Data Warehouse*, Volume 11.3, as published in SanDS, San Diego SAS® Users' Group newsletter, August 2007

Certifications

Field Detachment

Coe, Amanda	Passed CPA Exam, August 2007
Lewis, Shawn	Certified Fraud Examiner, September 2007
Shinsato, Wendee	Certified Public Accountant, August 2007
Vasiliou, Agathie	Certified Public Accountant, June 2007

Central Region

Alvis, Cynthia	MS in Acquisition and Contract Management, Florida Institute of Technology, April 2007
Chiles, Russell	Passed CPA Exam, September 2007
Friday, Tamara	Master of General Business, Park University, May 2007
Gilbertson, Jessica	Passed CPA Exam, July 2007
Green, Cornesia	MBA, University of Phoenix Las Colinas, January 2007
Harvey, Michelle	Passed CPA Exam, August 2007
Hicks, Walter	Passed CPA Exam, August 2007
Howland, Shirley	MBA, University of Phoenix Las Colinas, December 2006
Rivenburgh, Glenn	Passed CPA Exam, October 2007
Sorensen, Christopher	Passed CPA Exam, August 2007
Tran, Phi	Passed CPA Exam, August 2007
Trevino, Sharon	MBA, University of Houston-Clear Lake, December 2006
Webb, Jason	Certified Public Accountant, July 2007
White, Barnard	Certified Public Accountant, January 2007

Eastern

Ashley, Anna	Certified Public Accountant, July 2007
Busch, Jeannine	MBA, University of South Florida, August 2007
Eubanks, Brandon	Masters in Accountancy, University of Alabama in Huntsville, August 2007
Handy, Marshall	Certified Public Accountant, August 2007
Harris, Erin	MS in Business Administration, Tennessee Technological University, August 2007
Hawkins, Jin	Certified Public Accountant, August 2007
Moore, Tatyana	Certified Public Accountant, July 2007
Rigsby, Matthew	MS in Business Administration, Tennessee Technological University, August 2007
Van Dingenen, David	Passed CPA Exam, July 2007
Whitemore, James	Certified Public Accountant, August 2007
Wright, Ryan	Passed CPA Exam, August 2007

& Degrees

Mid-Atlantic

Garey, Micki	MBA, Lakeland College, May 2007
Herman, Peter	Certified Public Accountant, September 2007
Honer, Joseph	Passed CPA Exam, August 2007
Smith, David	Certified Internal Auditor, July 2007
Winkel, Michael	Certified Information Systems Auditor, June 2007

Northeastern

Bruno, Jason	Certified Public Accountant, June 2007
DiNapoli, Christopher	MS in Accounting, Suffolk University, September 2007
Gay, John	MS in Administration, Central Michigan University, December 2006
Hauenstein, Phillip	Passed CPA Exam, May 2007
Lehan, James	Certified Public Accountant, July 2007
Sanchez, Ivelisse	Passed CPA Exam, June 2007
Tourtelotte, Lauren	Certified Public Accountant, August 2007

Western

Abbott, Peggy	MBA, Webster University, School of Business and Technology, May 2007
Compton, Karla	Passed CPA Exam, August 2007
Labernik, Cynthia	Certified Public Accountant, August 2007
Snyder, Virginia	MBA in Public Administration, Touro University International, June 2007

Years of Service

20 Years

Headquarters

Campbell, Robin
Cloyd-Hall, Laura
Harris, Sharon
Lafrancesca, Joseph
Miller, Lydia
Ro, Hyosun
Schimmeyer, Charles
Stephenson, April

Field Detachment

Brochmann, Kathryn
Carmona, Jeffrey
Cormier, David
Doo, Dana
Hermanson, Dawn
Issa, Robert
Lesonsky, Annette
Little, Gary
Magliocca, John
Matlack, Brenda
Moorehead, Lindsay
Morgan, Carie
Morris, Daisy
Pawlak, William
Rusinko, Edward
Schildgen, Glenn
Stolk, Jeffrey
Thompson, Sue
Valdez, Marisa
Valle, Carol
Wilsey, Julie

Central Region

Bohanon, Michael
Cullum, Keith
Edwards-Nelson, Erika

Funck, Anna
Geller, Keith
Hladky, Donald
Howe, Suzanne
Hunter, Cyneathia
Hurley, Eloise
Lefevor, Paul
Manning, Jerrie
Moore, Suzette
Nichols, Michael
Palermo, Kent
Pisoni, Thomas
Puetz, Mitch
Reeder, Mark
Rewolinski, Norbert
Rivenburgh, Glenn
Salita, Howard
Schoen, Roger
Smythe, Mary
St. John, Dan
Staples, David
Sulehria, Amanat
Windholz, Jane
Withroder, Roger
Youngberg, Joni
Zelazo, Pamela

Eastern Region

Benson, Charles
Bounds, Benny
Carrigan, Mary
Compton, Tammy
Doss, Michael
Deloach, Janice
Duncko, Joseph
Franck, Margaret
Goodwin, Ann
Hepfner, Sherry
Homan, Martin
Hughes, Larry
Ijames, Sharon

Ingram, Jeffrey
Kerlee, Jerry
Lamar, Rebecca
McPherson, Robert
Martinez, Michelle
Payne, Jo
Peterson, Nancy
Souder, Steven
Taylor, Frank
Williams, Ella
Windham, Laura
Yenchus, Mary

Mid-Atlantic Region

Allen, David
Bansal, Prem
Cottle, Patsy
Fortney, Luise
Foster, Layton
Gance, Lisa
Heartwell, Robert
Jurf, Frederick
Kerns, Linda
Lanterman, Jennifer
Margolis, Marcia
Miller, Lana
Mohamed, Ibrahim
Newell, Randy
Patel, Vinod
Patterson, Dean
Porter, Lisa
Salvemini, David
Shanosky, Mark
Smith, Eric
Sozio, Karen
Swain, Rosetta
Zick, Brian

Northeastern Region

Ahl, Sherri
Allan, John
Auriemma, Paul
Blanks, Marianne
Bowden, Thomas
Breare, Jessica
Brucz, Thomas
Calafiore, Ellen
Carey, Alleta
Cashman, Julie
Cohen, Joan
Comerford, Sandra
Corvese, Joanne
Cvilikas, Lisa
David, Mary
DeGennaro, Kimberly
Fisher, Wayne
Griffith, Kathleen
Guenther, Mark
Hanel, Regina
Hart, Joseph
Healy, Gerard
Heaterunsworth, Judy
Kane, Margaret
Kimbrow, Linda
McCallum, Debra
McKenna, Joyce
Paquette, Robert
Potts, Donna
Sassano, Paul
Sharpe, Dianne
Slotnick, Robert
Smillie, Susan
Stafstrom, Suzanne
Veronneau, Gerard
Williams, Kimberly

Western Region

Banahene, Paul
Cozart, Steve
Cunningham, Terry
Dawson, Veronica
DeMedeiros, Paul
Erickson, Sandra
Gale, Laura
Galicinao, Jose
Goodman, Loraine
Goure, Eliza
Halpern, Marsha
Hooten, Susan
Lampman, Dana
Larson, Thomas
Lea, James
Lombardo, Linda
Miklush, Kathryn
Munro, Sterling
Neihart, Randy
Nurmi, Scott
Otsuka, Derek
Parks, Michael
Rake, Catherine
Rivera, Robert
Seymour, James
Smith, Janet
Stanton, James
Stevens, Mark
Stone, Somchith
Trainor, Kim
Wall, Darleen
Yacoub, Marcelle
Yacoub, Wagdy
Yee, Debora

30 Years

Headquarters

Cook, Dorila
Grimes, John

Field Detachment

Peters, Thomas

Central Region

Camunez, Michael
Gonzales, Anthony

Eastern Region

Brown, Doreatha
Canty, Francis
Hamon, Shelley
Sparrow, Lynette

Mid-Atlantic Region

Berg, Richard
Kozubal, Robert
Miller, Steven

Northeastern Region

Hague, Richard
Innes, George

Western Region

Englund, Sharon
Johnson, Michael
Metallo, Mary
Schenck, Stephen
Shipley, Brendan
Taylor, Rachel

Promotions

Headquarters

Alvis, Cynthia	13
Bettis, Linda	13
Buford, Dwan	12
Davidson, Sandra	09
Langner, Robert	13
Meehan, Kathryn	07
Messier, Cheryl	12
Mosch, Linda	13
Ross, Sandra	14
Schimmeyer, Charles	13

Field Detachment

Aguila, Peter	09
Aguiling, Lilia	12
Aleman, Reginaldo	13
Baldo, Majken	12
Barnes, Liberty	12
Barr, Rebecca	11
Bethea, Nyeasha	12
Blackwell, Chantella	11
Bruce, John	12
Bynum, Lori	12
Campbell, Tina	12
Chung, Ivy	11
Clerkley, Johnny	11
Clifford, Shaun	09
Coe, Amanda	11
Coleman, Reginald	09
Cruthird-Parker, Alisha	11
Daunce, Jennifer	12
DeJadon, Tanya	09
Dillon, Michael	12
Dotson, Amanda	09
Duncan, Monique	12
Egan, Laura	09
Elgee, Brendan	11
Ferrante, Rachel	12
Fish, Julia	11
Fong, Gary	11
Gatzke, Meagan	09
Godfrey, David	11

Hamilton, Scott	11
Hancock, Shyra	11
Harter, Sandra	11
Herald, Bradley	11
Hernandez, Soto	09
Holbert, Raymond	14
Jarrell, Jerry	12
Jones, Rachel	09
Lattman, Adam	12
Lopez, Marie	12
Lucariello, Adam	09
Magruder, Jennifer	11
McNemar, Robert	12
Melendez, Carlos	11
Midson, Stacey	07
Moran, Linda	09
Navarro, Yanira	13
Pond, Jillian	09
Rademaker, Wendy	09
Ramos-Martin, Jennifer	09
Read, Michael	11
Robinson, Mark	11
Romero, Carmen	12
Rupert, James	09
Sauder, Peter	09
Shinsato, Wendee	11
Tam, Yancy	12
Vargas-Diaz, Ivonne	11
Vazquez, Soto	11
Vento, Rodriguez	09
Verstraete, Joel	09
Vick, Shakita	09
Vilches, Mark	09
Wanis, Mary	11
Yee, Cheryl	12

Central Region

Averill, Andrew	09
Baker, Lisa	11
Ball, Lisa	11
Bandy, Kerri	09
Bickerstaff, David	11

Boland, Jonathan	09
Bond, Brooke	12
Brock, Marsha	09
Brownlee, Stephanie	11
Cain, Laci	11
Callan, Sylvie	11
Castaneda, Rebecca	09
Cha, Nhia	09
Coble, Karen	09
Coker, Jennifer	12
Damron, Joseph	12
Dibler, Chad	11
Ensign, Khanh	09
Esplin, Brent	12
Fields, Sara	09
Fierro, Monica	12
Franklin, Trista	11
Fulks, Patricia	12
Gard, Kristy	12
Gardner, Kevon	11
Glover, Michael	11
Heckenkamp, Joel	11
Hendon, Christina	09
Hightower, Kathy	11
Hill, Sarah	12
Horowitz, Yve	12
House, Jennifer	09
Howcroft, Stephen	12
Howells, Scott	09
Howland, Shirley	12
Jernigan, Amy	12
Johnson, Johanna	11
Jones, Eric	12
José, Erwin	09
Kennelly, Brendan	12
King, Warren	11
Kostyniak, Brian	11
Kutter, Donna	12
Lamon, Amanda	12
Landry, Nancy	11
Lane, Alisa	12
Lee, Erica	09

Lehman, Joel	09	Eastern Region	Mosimann, Michael	11	
Locascio, Ji	11	Adarr, Tammie	11	Neumann, Donna	09
Love, Richard	11	Alvey, Melissa	11	Paxton, Megan	11
Marchildon, Juliet	09	Blythe, Dennis	12	Petrella, Virginia	12
Margerum, Angela	09	Bowens, Simone	06	Peyton, Andrea	11
Martinez, Mario	11	Breeden, Candace	12	Pranke, Raymond	12
McAlister, Holly	09	Brooks, Timothy	09	Rankins, Regina	11
McNelly, Sara	09	Busch, Jeannine	09	Riddell, Timothy	12
Meyer, Jaime	09	Cole, Robin	11	Rigsby, Matthew	12
Miller, David	09	Conrad, Kathryn	12	Rinehart, Stephen	11
Miller, Patricia	11	Crayton, Michael	09	Russell, Huong	11
Moore, Amy	09	Dietrich, Amber	09	Sheehy, Jewan	09
Morgan, Shirley	11	Dorf, Michael	09	Shields, Haleen	09
Myrmel, James	11	Elkins, Megan	09	Squire, Cynthia	11
Patton, Timothy	09	Fermin, Sharla	09	Sturm, Jennifer	12
Powell, Lacey	12	Flaute, Daniel	11	Tadt, Kerri	12
Powell, Paula	12	Frazier, Mary Ann	09	Vest, Justin	09
Proctor, Stacey	11	Galle, Gina	12	Vuketich, Katherine	11
Puers, Kimberly	09	Gibson, William	12	Whitemore, James	11
Quant, Michael	11	Gillem, Sarah	12	Wilson, Imogene	09
Ransom, Keisha	09	Goodwin, Ann	13	Wood, Patricia	12
Regan, Matthew	09	Greer, Poppy	12		
Rich, Brent	12	Henlon, Jennifer	12	Mid-Atlantic Region	
Riggins, Sacoyya	12	Hitt, Jonathan	11	Armstrong, Linda	13
Rodriguez, Cesar	11	Hochhauser, Aaron	11	Arnold, William	13
Rountree, Jessica	11	Hsieh, Roger	09	Asamoah, Emmanuel	09
Sapieszko, Lisa	11	Hunter, Matthew	09	Beers, Daniel	09
Searle, Justin	11	Jackson, Kenneda	11	Besser, Jason	09
Smith, Christina	11	Kapiotis Katherine	11	Byington, Rose	09
Smith, Nicholas	09	Kelly, Ja'neer	09	Cannaday, Tempie	11
Sonnenberg, David	12	Kesler, Janet	12	Cardinale, Crystal	09
Sorensen, Christopher	11	Kilpatrick, Tiffany	11	Cathcart, Patrick	09
Spirk, John	11	Kimball, Valerie	11	Cianci, Michael	12
St. Pierre, Joel	09	Kintzler, Batina	12	Clark, Jamie	09
Struck, Alex	09	Laney, Tonja	12	Clifton, Ginger	11
Thomas, Lorraine	11	Leclaire, Anthony	11	Craig, Bryan	12
Tran, Oanh	12	Lincoln, Fei	11	Croft, Kimberly	09
Urban, Kane	12	Matusch, Thomas	09	Delehant, Preeta	11
Wegner, Karla	12	McCann, Dianne	12	Dickerson, Angelina	11
Williams, Tori	12	McElwee, Guy	13	Dodson, Malcolm	09
Ying, Sue	11	Minic, James	11	Dufford, Robert	12
		Mixon, Stephanie	09	Falls, Kelly	12
		Modi, Manish	12	Flinchbaugh, Dawn	11

Promotions

Fuller, Aquia 09
 Garay-Rosario, Mayra 12
 Grant, Robert 09
 Hilderbrand, Lucien 07
 Hollenbach, John 11
 Hook, Dominic 09
 Howland, Jacquelyn 11
 Jenkins, Lavonne 12
 Jenkins, Pamela 09
 Kick, Daniel 09
 Lauer, Renee 11
 Li, Steven 09
 McCormick, Barbara 11
 McLaughlin, Maisha 11
 Meredith, Towanda 12
 Merrell, Kimberly 13
 Michie, Margaret 11
 Mishak, Joseph 09
 Monk, Latoya 09
 Myles, Louis 09
 Notar, Jennifer 12
 Ogunbanjo, Babatunde 11
 Okal, Christopher 12
 Patterson, Andrea 09
 Picon, Roberto 11
 Pikas, Bohdan 07
 Pitoniak, Michael 12
 Platt, Kelly 13
 Pokoj, Seth 12
 Popek, John 11
 Prigojina, Viktoriya 09
 Ragland, Michelle 09
 Richardson-Thomas, Jaimie 11
 Richon, Barbara 12
 Rodriguez, Devon 09
 Schatz, Philip 12
 Sconyers, Eric 11
 Scott, Justin 05
 Smith, David 11
 Smith, Lance 12
 Staruch, Bryan 09
 Stutz, Michael 14
 Swager, Justin 11
 Tsai, Anchi 11
 Updike, Sharon 11

Williams, Severa 07
 Williams, Shetee 11
 Wood, Nancy 15
 Xu, Jian 11

Northeastern Region

Bobola, James 12
 Bood, Jeffrey 12
 Bruno, Jason 11
 Bush, Shanay 09
 Costa, Scott 12
 Crosby, Richard 13
 Deorocki, Michelle 11
 Dilley, Joann 11
 Gomes, Kathlyn 09
 Gonzalez, Lillian 09
 Grindlay, Catherine 09
 Higgins, James 12
 John, Christina 09
 Katro, Lodxhiana 09
 Lang, Jason 11
 Mack, Jason 09
 Maglathlin, Lorna 11
 Major, Cynthia 12
 McClung, John 11
 Nardi, Brian 11
 Paris, Heather 11
 Piotte, Cynthia 06
 Robbins, Lynn 13
 Simmone, Katibe 11
 Spore, Leigh 06
 Stuart, Anthony 12
 Tomec, Heather 12
 Tormey, Megan 09
 Toussaint, Patrick 09
 Tran, Tram 09
 Truong, Kevin 12
 Williams, Charles 11
 Zis, Laura 09

Western Region

Mody, Seema 11
 Appelman, Bruce 11
 Basuki, Yohanna 09
 Beitzel, Brynn 09
 Bottom, David 11
 Chan, Sophia 11
 Chung, Sun 11
 Compton, Karla 09
 Cummings, Donald 11
 Din, Shahab 13
 Dioso, Jericho 11
 Fastenau, Katherine 12
 Henry, Nagwa 11
 Hiser, Mark 09
 Jimenez, Blanca 12
 Jones, Rochelle 11
 Kammerer, Alexander 09
 Karis, Olga 13
 Kemp, David 12
 Kil, Kyle 09
 Labernik, Cynthia 11
 Landau, Anton 11
 Laurente, Lorraine 09
 Leleux-Lopez, Jacqueline 09
 Lopez, Kjersti 12
 McCracken, Kristen 09
 Omine, Chikara 09
 Page, Ashley 09
 Pham, Loi 11
 Quan, Charity 09
 Seigworth, Lily 11
 Skaggs, Robert 12
 Stock, Melissa 12
 Taguchi, Roselle 11
 Tiet, Joann 11
 Tran, Linh 09
 Tran, Ngoc 09
 Wight, Clinton 11
 Williams, Alison 09
 Won, Michael 09
 Yuan, Terry 11

On the Move

Name	From	To
Alvis, Cynthia	Central Region	Headquarters
Bettis, Linda	Central Region	Headquarters
Garbett, Larry	Central Region	Headquarters
Langner, Robert	Central Region	Headquarters
Mika, Patrick	Central Region	Headquarters
Mosch, Linda	Central Region	Headquarters
Ross, Sandra	DCAI	Headquarters
Stewart, Joseph	Field Detachment	Headquarters
Holbert, Raymond	Central Region	Field Detachment
Navarro, Yanira	Mid-Atlantic Region	Field Detachment
Gibbs, Melinda	Western Region	Central Region
Papp, Mary	Eastern Region	Central Region
Horton, Deborah	Northeast Region	Eastern Region
Miranda, Ruben	Mid-Atlantic Region	Eastern Region
Fleming, Edward	Eastern Region	Northeastern Region
Din, Shahab	Northeast Region	Western Region
Karis, Olga	Northeast Region	Western Region
Shah, Chandrakant	Headquarters	Western Region
Shin, Eden	Mid-Atlantic Region	Western Region
Vo, Tram	Central Region	Western Region

Retirements

Headquarters	Years of Service	Mid-Atlantic Region	Years of Service
Juric, Ivan	21	Bogar, William	35
Redeemer, Melvin	22	Deaver, Joyce	27
Reed, William	42	Miller, Robert	25
Rhodes, Cheryl	23	Rinaldi, Michael	30
Sanborn, Claudia	31	Roncoroni, Dennis	35
		Zaremski, Edmond	41
Field Detachment		Northeastern Region	
Corrigan, Deborah	23	Brown, Carolmary	34
Spires, Spencer	33	Gevirtz, Gerald	35
		Marquart, Bryce	33
		Rebstock, Keith	30
Central Region		Western Region	
Basalla, Mark	33	Schmidt, Alice	19
Davis, Terry	10	Slauson, Terrence	38
Hardesty, James	37	Yapdiangco, Emelina	20
Lanzrath, Susan	23		
Sellers, Daniel	20		
Eastern Region			
Bixler, James	34		
Cotterman, Kenneth	27		
McCord, Norman	28		
Wucherer, Carl	34		

Retiree's Corner

Steven Paul

Regional Audit Manager
Western Region



Pictured far right:

Top:
Steve Paul with his wife,
Robin

Bottom:
The Paul children.
From left: Kevin, Heather,
and Ryan

THIRTY-FOUR YEARS WITH ONE EMPLOYER is no ordinary endeavor. I began with DCAA when I was a 21-year-old senior at California State University, Northridge. I never thought I would be looking back 34 years later and still coming to work with my first post-college employer.

In 1973, the economy was beginning a recession, and I was simply looking to get my foot in the door with an internship that had a relationship to my accounting course curriculum. At that time, there were very few accounting internships. A three by five card on the bulletin board at the job office drew my attention to an organization called the Defense Contract Audit Agency. I had no idea what they did or who they were, but after one interview I had a student intern position. I would be working 16 hours per week until graduation from college the following year. There I was, sitting at a desk with a huge rotary calculator and my Contract Audit Manual in three-ring binders. At the other side of the office was a time-share computer terminal that took paper tape input.

Little did I know that this was not just one stop, but rather the beginning of a journey that would take me to a variety of locations. Initially, at the Van Nuys Branch Office in Van Nuys, California, I had the opportunity to work mobile audits at places such as the Elk Hills Naval Petroleum Reserve. I also spent some of my early years at the Bunker Ramo and Northrop Ventura Division Suboffices of the Van Nuys Branch Office. There I audited the cost of items such as mobile radar systems, target drones and ejection seats. At these places, I enjoyed practical applications of learning curves and regression analysis and fine-tuned my audit capabilities under the mentorship of some of DCAA's best.

In 1982, I was promoted to Supervisory Auditor at Rockwell Rocketdyne Division Suboffice in Canoga Park, California. We were auditing the Space Shuttle Main Engine and MX Missile programs, and there was a push to expand the production of those products. As a result, when Rockwell Rocketdyne became a Resident Office in 1984, I was promoted to Resident Auditor. After 4 years I transferred to Lockheed in Burbank, California, and became the Contract Audit Coordinator. In December 1988, it was time for change again and I was promoted

There I was, sitting at a desk with a huge rotary calculator and my Contract Audit Manual in three-ring binders...Little did I know that this was not just one stop, but rather the beginning of a journey that would take me to a variety of locations.

to Regional Audit Manager in the Southwestern Regional Office, soon to be Western Region.

During the last 19 years as Regional Audit Manager, whatever wanderlust I might have had was certainly satiated. Nine of those years I had cognizance of the Pacific Branch Office. I truly enjoyed the diversity of audit environments and culture in places like Japan, Korea, Singapore and the Philippines. There have been many challenges and opportunities over the years I spent as Regional Audit Manager. The people I met and worked closely with at locations in the Los Angeles area, San Francisco Bay area, Seattle offices and Pacific Branch Office made my career experience memorable.

In retirement, between fishing trips, getting together with friends, and maintaining a tax and financial planning practice, my wife Robin and I look forward to visits with our three children. Our youngest, Kevin, is in his second year at Mannes Music Conservatory in New York City, and the week after I retired, we headed out to hear him play with the Mannes Orchestra at Carnegie Hall. My older son, Ryan, is soon moving to San Jose where he will continue working as a journalist for a technical publication and my daughter, Heather, is finishing up her Master's Degree at the University of California, Santa Cruz.

During my career, I never had to ask myself why I stayed 34 years with DCAA. The variety of work experiences and the people I met along the way made coming to work a rewarding experience. I wish all my friends from DCAA the very best in the coming years, and I will always look back on my career with fond memories. ■



Retiree's Corner

Sharon Hardy

Secretary
Eastern Region



From left: Harvey Della Bernarda and Richard Buhre, former Regional Directors (retired); Sharon Hardy; Paul Phillips, current Regional Director; and Michael Steen, former Regional Director (retired).

SHARON HARDY retired on January 3, 2008, after more than 29 years of exceptional and dedicated Federal service. Sharon began her Federal career as a GS-2, Clerk-Typist, with the U.S. Army Audit Agency in 1963, and came on board with the founding of DCAA in 1965 at the former Atlanta Regional Office. She resigned from Federal Service in 1969 and returned to DCAA in 1984. That same year, she became the Secretary for the Regional Audit Managers. In 1986, she progressed up the career ladder to the position of Regional Director's Secretary. She was the secretary and administrative assistant to the Regional and Deputy Regional Directors in the

Eastern Region for over 20 years. During this time, she facilitated the smooth transition of four changes in the Regional Director leadership. Sharon was presented with the DCAA Honorable Career Service Award at her retirement celebration. Four of the Regional Directors were in attendance for the presentation. Sharon always did what it took to assure that the Eastern Region maintained its well-deserved reputation of being a responsive, well-run organization. Her plans are to travel, read, do some volunteer work—and some days do “nothing worthwhile!” We wish Sharon many happy years of retirement. ■

DCAA Outstanding Auditor Trainee of the Year for 2007

Wendee Shinsato

Auditor
West Coast Branch Office
Field Detachment



WENDEE SHINSATO, West Coast Branch Office, Field Detachment, is the recipient of the DCAA Outstanding Auditor Trainee of the Year Award for 2007. This award recognizes trainees who exhibit superior ability and outstanding achievement during their first 12 months of service with DCAA.

During her first year, Ms. Shinsato demonstrated exceptional technical skills and strong analytical abilities while efficiently and effectively providing high-quality audits within budgeted hours. She quickly and easily picked up new ideas and procedures, and her positive attitude and knowledge of accounting and auditing made her a role model for other recently hired employees.

Ms. Shinsato demonstrated strong analytical abilities during a review of subcontract costs in a billion-dollar

price proposal. She planned and performed a statistical sample and reviewed supporting documentation, including subcontractor proposals, purchase orders, and cost development sheets. As a result of finding more current information and contractor use of incorrect unit prices, she questioned \$7.7 million of proposed costs which were sustained during negotiations.

Ms. Shinsato began her career with the Agency in 2005 and was assigned to the West Coast Branch Office. She graduated from Yale with a BA in Economics and from Hawaii Pacific University with an MBA in 2005. She is a CPA in the state of California and received the Elijah Watt Sells award from the AICPA for obtaining one of the top ten scores nationwide for candidates taking the exam for the first time.

DCAA Outstanding Employee With a Disability

Kane Urban

Information Technology Auditor
Central Region

From left:

Gary Simpson
Deputy Assistant Director
Resources
Headquarters

Kane Urban



KANE URBAN has been selected as DCAA's Outstanding Employee with a Disability for FY 2007. He was recently recognized at the annual Department of Defense Disability Awards ceremony.

Mr. Urban has muscular dystrophy that has left him wheelchair bound and with very limited use of his extremities. Despite the challenges posed by his disability, it is clear Mr. Urban's positive attitude and tenacity are an asset to the Agency. Mr. Urban graduated from Tarleton State University with a Bachelor of Business Administration in Business Management in 2002 and a Master of Business Administration in 2004.

Since joining DCAA in 2005, Mr. Urban has worked diligently and has progressed to his current position as a senior auditor. His findings on incurred cost and price proposal examinations have included questioned costs in excess of \$1.4 million. He has also performed examination of forward pricing rates, CAS disclosure statements and an estimating system. In addition, he successfully coordinated with a NASA contracting officer to resolve an issue of reasonableness between a prime contractor and one of its subcontractors. ■

Senior Executive Service Pin



William Reed, former Director (retired), presented certificates to three new members of the Senior Executive Service.

At left:
Thomas Peters, Director, Field Detachment; William Reed



At right:
Timothy Carr, Deputy Regional Director, Central Region; William Reed.



At left:
Chris Andrezze, Regional Director, and Susan Barajas, Deputy Regional Director, Western Region; William Reed.

William B. Petty Award

James Carroll

Branch Manager, Rainier Branch Office
Western Region

From left:

Chris Andrezze
Regional Director
Western Region

James Carroll

William Reed, Director
(retired)



JAMES CARROLL was presented with the William B. Petty Special Achievement Award for Management Excellence. This award recognizes a DCAA supervisor, manager, or management official who demonstrates unusual management or leadership capabilities that result in more efficient, effective, or economical accomplishment of the Agency's mission.

Mr. Carroll demonstrated outstanding leadership and commitment to excellence as the Branch Manager of the Rainier Branch Office. Under his exceptional direction in FY 2007 the FAO issued 10 major incurred cost audit reports with ADV totaling approximately \$6.9 billion and reported questioned costs of over \$79 million, while exceeding programmed productivity levels. The FAO also examined \$6.3 billion in forward pricing actions resulting in questioned costs of approximately \$215 million.

Some noteworthy achievements relate to his implementation of the Strategic Plan Objectives on Audit

Effectiveness and EZ-Quant Usage. Mr. Carroll was intimately involved in the risk assessment and subsequent use of quantitative methods on a \$2 billion FFP proposal for the F-22 multi-year procurement. He worked with the FLA and prime DCAA office in explaining to a customer how DCAA could add value to the procurement team's review of historical labor hours and factors. He also volunteered his team to pilot-test the audit techniques related to the audit effectiveness initiative on Cost Estimating Relationships on this procurement. He motivated his team to meet tight customer deadlines by providing the tools and resources needed to employ learning curves and regression analysis that were used on previous F-22 audits. Mr. Carroll's direct involvement allowed the FAO to meet the customer-requested due dates. The customer was extremely pleased with the audit results as evidenced by five letters of appreciation from the F-22 pricing and negotiating community, including two letters from the Program Director, a Brigadier General, for F-22 Systems. ■

Presidential Rank Award of Meritorious Executive in the Senior Executive Service

Frank Summers

Regional Director
Mid-Atlantic Region

FRANK SUMMERS, Regional Director, Mid-Atlantic Region, DCAA, received the 2007 Presidential Rank Award of Meritorious Executive in the Senior Executive Service. Less than 5 percent of senior executives in the Federal Government receive this recognition each year. Mr. Summers received this award in recognition of his sustained superior achievements while serving as the Regional Director, Central Region. During his tenure, Mr. Summers was extraordinarily effective in leading the workforce in significant changing conditions. In this position, he was responsible for providing contract audit and financial advisory services in support of national defense and related contracts with approximately 2,900 defense contractors located in 18 states with annual audits totaling over \$87 billion. Mr. Summers led the Central Region's use of a balanced scorecard process to track and monitor progress against regional goals and contributed to the Region's ability to meet or exceed all performance goals for the past 5 years, in addition to generating more than \$2.8 billion in savings to the American taxpayer.

The Central Region has audit responsibility for the largest contract for providing Iraq reconstruction and logistical support service, valued at over \$22 billion. As a direct result of Mr. Summers' outstanding leadership, auditors were in place to provide timely and effective audits of this contract, resulting in several hundreds of millions of dollars of savings to the taxpayer.



Mr. Summers excelled at managing the resources of the Central Region, establishing strong fiscal controls and taking advantage of every opportunity to improve the efficiency and operations and reduce costs. Under his leadership, the Central Region implemented a strong system of internal accounting and administrative controls that fully achieved the objectives of the Federal Managers' Financial Integrity Act and established a vulnerability assessment process to monitor compliance and provide assistance to Field Audit Offices in improving their internal controls. Mr. Summers' efforts to create and retain a high-performing workforce enabled the Central Region to consistently achieve or exceed audit program targets and made the Region a leader in the Agency's efforts to reduce operating costs. ■

Presidential Rank Award of Distinguished Executive in the Senior Executive Service and Meritorious Civilian Service Award

William Reed

Director (Retired)

WILLIAM REED, Director, DCAA (retired), received the 2007 Presidential Rank Award of Distinguished

Executive in the Senior Executive Service, the highest career award for civil servants. Less than 1 percent of senior executives in the Federal Government receive this recognition each year. He also received the Meritorious Civilian Service Award. Mr. Reed received these awards in recognition of his extraordinary career leadership and achievements which motivated DCAA employees to deliver exceptional audit services to their customers. His sustained leadership, integrity and performance as a career executive significantly enhanced the economy, efficiency and effectiveness of DCAA operations.



David Patterson, Principal Deputy Undersecretary of Defense (Comptroller), at left, presented the Meritorious Civilian Service award to William Reed.

Mr. Reed's innovative executive management, productivity improvements and enhancements in risk assessment led to significant results. Under his leadership, DCAA provided noteworthy audit assistance associated with the Iraq reconstruction effort, the World Trade Center and Hurricane Katrina. His leadership of these audits contributed significantly to a total of over \$15 billion of savings to the American taxpayer.

Mr. Reed's competence and integrity were recognized and highly respected throughout both Government and industry. Mr. Reed's dedication to the values of public service was an inspiration to our entire orga-

nization. He created an environment in DCAA that promotes pride in the mission and the highest levels of professional competency and results. He consistently demonstrated the highest standards of professional competence and ethical conduct and served as a model for all DCAA employees. He was the driving force in DCAA's evolution into a customer-responsive, well-run business organization, a process that was critical to our current recognition and future success. The DCAA Strategic Plan and its accomplishments best reflect Mr. Reed's style of team-oriented management and his systemic and positive approach to continuous process improvement. ■



DEFENSE CONTRACT AUDIT AGENCY REASONABLE ACCOMMODATION

It is the policy of the Defense Contract Audit Agency (DCAA) to reasonably accommodate qualified individuals with disabilities unless the accommodation would impose an undue hardship. This policy applies to all applicants, employees, and employees seeking promotional opportunities. DCAA will adhere to all applicable federal laws, regulations, and guidelines with respect to providing reasonable accommodations to afford equal employment opportunity to qualified individuals with disabilities. A flexible, interactive process that involves both the qualified individual with a disability and Agency officials will be used to identify the appropriate reasonable accommodation. Where possible and appropriate, reasonable accommodations shall be provided in a timely and cost-effective manner.

A person with a disability is one who has a physical or mental impairment that materially or substantially limits one or more major life activities. While many individuals with disabilities can work without accommodation, other qualified applicants and employees face barriers to employment without the accommodation process. An employee with a disability in need of an accommodation must inform his or her supervisor when he or she knows there is a workplace barrier that is preventing him or her, due to a disability, from effectively competing for a position, performing a job, or gaining equal access to a benefit of employment. An employee has the responsibility of requesting accommodation before performance suffers or conduct problems occur.

A reasonable accommodation is a modification or adjustment in the manner in which work is customarily done in the performance of a job, an employment practice, or the work environment that makes it possible for a qualified individual with a disability to enjoy an equal employment opportunity. Reasonable accommodation is applicable for the following: to assure equal opportunity in the employment process; to enable a qualified individual with a disability to perform the essential functions of a job, and; to enable an employee with a disability to enjoy equal benefits and privileges of employment.

Employees and supervisors should follow the procedures for requesting a reasonable accommodation found in Chapter 69 - Reasonable Accommodation of Disabilities of the DCAA Personnel Management Manual located on the DCAA web site or by contacting your local servicing EEO office.

April G. Stephenson, Director
February 2008

The DCAA Vision



COMMITMENT TO EXCELLENCE

In support of the National Interest, we are dedicated to providing timely and responsive audits, reports, and financial advisory services to Department of Defense contracting officers and other customers.

Our aim is to be **THE** audit organization with the foremost reputation for competence, integrity, and customer satisfaction by:

- Creating an environment of teamwork, open communication, trust, and mutual respect, and
- Developing highly qualified employees dedicated to the concept of continuous improvement.

April G. Stephenson
Director



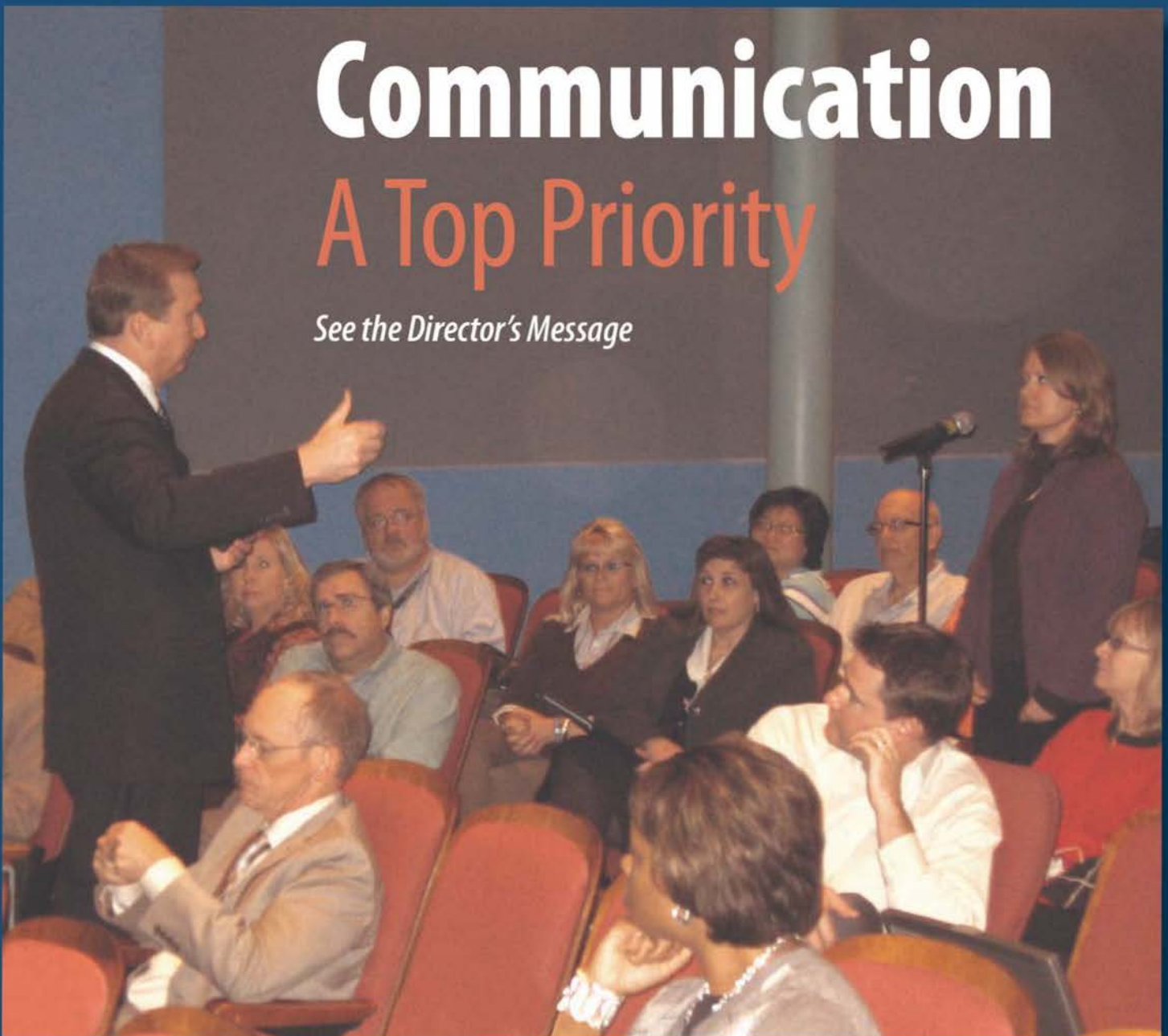
The DCAA Bulletin

Spring 2011

Vol. 44 No. 1

Communication A Top Priority

See the Director's Message



Defense Contract Audit Agency

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Editor's Comments

All employees are encouraged to submit articles and other items of interest for publication. Due to space limitations, however, not all submitted articles can be published. The DCAA Bulletin staff reserves the right to edit articles. For detailed information regarding DCAA policy on this publication, consult DCAAR 5120.1, *The DCAA Bulletin*, dated August 27, 2007. You may send comments or suggestions to:

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NOTE: This issue of *The DCAA Bulletin*, Vol. 44, No. 1, includes personnel information (pages 17-47) from the first quarter, FY 2007, through the fourth quarter, FY 2009. Due to the volume of data that has accumulated since our last publication, we will publish several quarters in each issue until we are caught up to the present.

We make every effort to include all available personnel information. If you know of information we have overlooked, please contact us at dcaa-dx@dcaa.mil. We will be happy to publish it in our next issue.

The following symbol is used throughout this publication:

■ End of Article



The DCAA Bulletin is an online professional journal furnished to Defense Contract Audit Agency employees. DCAA employees may view *The DCAA Bulletin* on the File Libraries page of the DCAA intranet.

Cover Photo

Pat Fitzgerald, Director, answers a question from Cheryl Belvedere, Field Detachment, at a Town Hall meeting in the Central Region. Photo by Jack Muller, Headquarters.



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The DCAA Bulletin is an authorized publication for members of the Defense Contract Audit Agency (DCAA). Contents do not necessarily reflect the official views of, nor are they endorsed by, the U.S. Government, Department of Defense, or DCAA.

Communication: A Top Priority

The Director heralds the return of *The DCAA Bulletin* and explains how Town Halls and other venues for sharing information are central to the concept of One Agency.



DCAA Co-Workers,

WELCOME TO THE SPRING 2011 edition of *The DCAA Bulletin*. This edition is unique for several reasons, and I am pleased that you are taking the time to read it.

First, this issue is the first edition of *The DCAA Bulletin* since Winter 2008. Second, it is our first online issue. For those of you who have joined the Agency since that time, *The DCAA Bulletin* was a quarterly journal designed to share best practices across the Agency, allow for consideration of new ideas, and recognize the good work being accomplished. In its absence, I've received feedback from many of you that the Bulletin was a welcome resource for such information, and that you would like to see it resume.

In this issue, there are several interesting articles, including a RAM's view of the changing auditing environment and offerings from a technical specialist and a program manager: a look at the rewards of performing emergency audits, and an examination of individual approaches to auditing. Also in this edition are the individual highlights of our DCAA family: achievements in professional activities and academia as well as career highlights such as promotions and retirements for the period of FY 2007-FY 2009. It has always been DCAA Bulletin policy to include every available

entry on a quarterly basis; but because of the sheer volume of information that has accumulated since our last publication you will see highlights occurring over several quarters in each issue until we are caught up to the present.

I am a firm believer in the organizational benefits of good communication, and as we work towards operating as "One Agency," sharing information across the Agency through various methods is a big part of making it happen. Communicating with the workforce is a top priority of mine, and *The DCAA Bulletin* is just one way of making this happen.

Third, this issue is my inaugural edition since becoming your Director in November 2009. When I joined DCAA, I quickly tried to meet the workforce to understand firsthand your perspectives on what was working well and identify areas where we could improve operations. Ideally, I would like to personally meet each of you, as your feedback is essential in driving Agency priorities. However, there are several actions I have taken to facilitate open communication with each of you.

In December, we held DCAA's first Agency-wide FAO Managers' conference in Southbridge, Massachusetts. This meeting was a big success in helping to

promote open communication and discussion across the Agency. I believe that the positive feedback from the attendees validated the need and benefits of such a conference. I wish we could hold this conference for the entire Agency, but I have been working to communicate with each of you through various other forums.


Over the last year, I have held Town Hall meetings as a way to promote open communication across the Agency. During the past 15 months, roughly half of you have attended one of these meetings. I truly value the opportunity to meet with you face to face as I hear your concerns, questions, and ideas. I hope the Town Hall meetings have been beneficial for those of you who have attended them and that the rest of you will have an opportunity to attend one in the near future. I truly enjoy getting to meet each of you as we work together to achieve our mission and believe that Town Hall meetings provide a way to accomplish this.

For those of you who have not yet attended a Town Hall meeting, they generally last 2 to 3 hours, and yes, I sometimes use PowerPoint slides, but let me assure you that I try to keep them to a minimum. Most of the Town Hall is dedicated to answering any questions that you may have about the Agency; to sharing your perspectives and ideas about our current priorities and initiatives; and to getting to know each other.

Last June I established a special e-mail address, Input@dcaa.mil, to provide another venue for you to share your concerns. To date, I have received hundreds of e-mails, and I appreciate your comments as we incorporate your feedback into current and future initiatives. I try to provide a personal response to your e-mails whenever possible, but I do read each e-mail and enjoy learning from your comments. Many of you have submitted ideas for additional ways to improve communication throughout the Agency. In fact, several of you stated that you would like the Bulletin to resume via submissions to the Input mail box. I have also received feedback that periodic webcasts on the state of the Agency would be a beneficial resource. Currently, we do not have the technological capability to do live webcasts, but on a few occasions I have prepared short videos to help communicate specific initiatives relating to Agency priorities. I hope you have found these videos beneficial and informative. Lastly, this issue is the first edition of *The DCAA*

Bulletin under our new Strategic Plan. As you know, in November 2010 we issued the Defense Contract Audit Agency Strategic Plan for 2011-2015. All Executive Steering Committee management team members collaborated and worked very hard to forge this plan. We had a lot of discussion, and we made many adjustments to the plan before it was finalized. I believe our time was well spent, and the plan's five goals and supporting strategies clearly set a solid foundation and framework for future changes and progress. As I mentioned in my latest video, the creation of our Strategic Plan is just the first step. Developing and implementing actions will require broader participation from each of you. I thank all of you who volunteered to be part of our strategic plan ad hoc committees. We need your input and participation to ensure the most progress from our actions.

In closing, looking back on my first year at DCAA, it's fair to say that our Agency has undergone a lot of changes since the Winter 2008 Bulletin. I believe we have made a lot of positive progress and that we are on the right path to regaining our place as the premier audit organization within DoD. I am as eager as anyone regarding the pace of improvements that we are making, but we want to make meaningful improvements that will benefit us and DOD in the long run. I believe that our Strategic Plan will lead to those improvements. I can say with sincerity that I am proud to be your Director. Since my first day, I have been continually impressed by the quality and dedication of our workforce, and I look forward to working with each of you as we move forward and continue to deliver on our mission.



Patrick J. Fitzgerald

Director's Coin Design Contest

Meet the Winners . . .



Mr. Loc Tran, designer of the winning obverse coin design. At left, Pat Fitzgerald, Director.



Dr. Alan Proffitt, designer of the winning reverse coin design. At right, Pat Fitzgerald, Director.

The first recipients of the new DCAA Coin were its designers, Mr. Loc Tran, Central Region, and Dr. Alan Proffitt, DCAI. The Director, Patrick J. Fitzgerald, presented the first coins struck in separate ceremonies. Each designer also received a \$500 Special Act Award for his efforts. Mr. Tran submitted the design for the obverse side of the coin, and Dr. Proffitt submitted the design for the reverse side.

The announcement of the contest elicited an enthusiastic response. A total of 119 designs, 58 for the obverse and 61 for the reverse, presented quite a challenge for the judging committee. Lucinda Hall (Q), Kenya Gregory (DL), Nina Kissinger (O), Javier Rivera (CF), and Lisa Wiczorkowski (P) took on the job of narrowing down the number of submissions to five designs for each side of the coin. Pat Fitzgerald made the final selection. See the photos on the next page. ■



The DCAA Director's Coin



Obverse Design by Loc Tran



Reverse Design by Alan Proffitt

Gorillas in Our Midst

By Mark A. Richards, CPA
Regional Audit Manager
Eastern Region

Is there life after metrics?

Yes, says this former branch manager.

But watch out for the gorillas.



EVERYTHING IS DIFFERENT NOW! There's a 500-pound gorilla in the room. Whether you are the auditor trying to explain "less than independent" activities to the customer or contractor, the supervisor trying to put all the new guidance into practical application, the manager trying to convey the reasoning behind new guidance, or management (including ad hoc personnel) attempting to put together new guidance, we have been walking on eggshells since July of 2008. We have had some bad press before but none that went so deep to the core of what we do. A lot of the things we were striving to do in an attempt to be more efficient have been slowed, halted, or removed from our view. Our attempts to increase efficiency are now second-guessed, obscured by a grey area that, for the longest time, seemed to be so well-defined.

Questions arise all the time now. Can I tell the customer No? Should I have told the customer No before? Do I qualify my report? Is my budget right? Can a supervisor say No to a budget increase request? Given that our historical data is probably not reliable, what's the "right" resource amount to prepare the program plan? Am I losing my independence or auditing my own work?

The Culture of Metrics—How Did We Get Here?

I applaud those of you who managed to meet the metrics while maintaining quality without sacrificing integrity. I am sure we all agree this was a tough goal. Metrics are a way of measuring something we deem

important. This, in and of itself, is not a bad thing; because, after all, what gets measured gets done, right? However, we failed to see the material impact of our frequent tweaks and additions to our metrics. We seemed to be suffering from a "metric myopia" and couldn't see the long-term effects of what we had done. The irony in measuring everything is that nothing becomes important anymore.

I share in the blame, as I too was captivated by our achievements and learned to embrace all these metrics instead of applying a critical eye: first, as an auditor meeting metrics to ensure I was competitive and got good ratings, and then as a supervisor and manager managing the metrics. As an RSA chief, I helped develop some of these very metrics. No matter how many times we said, "Don't let the desire to achieve a metric drive the wrong behavior," our actions spoke louder than our words, and the pressure to perform was implied by all the metrics we created. And yes, it's true: metrics beget more metrics.

How Do We Begin the Healing Process?

Our situation appears to be no different from the situation in the housing market. In this case, the returns were *so good* that everyone ignored all the warning signs or any of the symptoms that were going on for years. The difference, however, is in the outcome. Unlike the housing market with its many disparate players, we, as a cohesive group, have the ability to shape our own destiny.

So, now that our reputation has been tarnished, our integrity is in question, and our organizational self-esteem is damaged, how do we navigate a course correction? Regaining all of these positive organizational personality traits does not come without a price. We are in for some stormy weather, many changes, and lots of hard work; but in my mind, this is a challenge we are up to. As anyone who has overcome a problem will tell you, the first step is to recognize you have a problem. I think the Agency has done this and is making strides toward recovery. Our new Director and other Agency leaders have established several initiatives (big initiatives) related to restoring status in the auditing and contracting communities. Some of these include:

- Overhauling the metrics/performance measures
- Reducing management's span of control
- Rewriting the performance standards/job elements
- Overhauling the quality assurance system
- Taking a fresh look at the strategic goal-setting process
- Initiating an anonymous suggestion program

Where Do We Go From Here?

Correcting our course will require extraordinary teamwork and leadership from everyone at every level. After reviewing many DCAA creeds (mission statement, goals, standards, training, etc.), one thing I believe will remain solid is the Agency's dedication to our DCAA values. I also believe they are the answer to the question, Where do we go from here?

Leaders set the tone. Our resolve to "get well" must remain positive. The power of a positive mindset at all organizational levels is a momentum that is hard to slow down. We must all understand what is required of a quality audit and be involved as



much as possible in the audits we touch (whether you are an auditor or in management).

Teamwork will need to be increased at all levels. This may be the most neglected value, since we were all so busy "meeting metrics" or "metric monitoring." We need to take the time to communicate during our audits and in all activities, but to do so in a careful manner. We need to consider all oral, written, and non-verbal communications carefully and ensure that our ideas reflect what is best

for the organization. We need to "pass it on" when we find good things, whether we pass it from auditor to auditor, team to team, FAO to FAO, through the DCAA suggestion system, or any combination of those; whether we do so formally or informally; and whether it is systematic or sporadic. The mere existence of any suggestion system creates synergy by "passing on" information that helps in the effectiveness or efficiency of a task, audit-related or not. We should all strive to use it when we have something to pass on.

We must be accountable for our actions at every turn (this includes documentation in our audits). As never before, our actions and our audits will be reviewed and subject to scrutiny or criticism. It's important to be mindful of advice, yet keep a critical mind.

We should demand excellence from ourselves and those around us. Excellence is not something that is achieved because you planned for it. Excellence needs to be built in. We must "walk the talk" in all we do, as our actions will speak louder than any written or oral testaments. We all develop a sense of ethical behavior by watching the actions of our leaders and those we respect. Ethical behavior in all our actions is extremely important, not only because our work is subject to scrutiny, but because the Department, Government, and taxpayers are depending on us.

We are in for some stormy weather, many changes, and lots of hard work; but in my mind, this is a challenge we are up to.

We must be flexible in that we will need to elevate the interest of the organization above our own interests while our leaders continue to redirect our course. The resolution of this will require patience, as we didn't get here overnight.

We must raise the level of mutual respect and trust. Clear direction to subordinates and commitment to goals and objectives are required to gain and maintain mutual respect and trust. We must be decisive and not put off decisions when they are needed, and we must ensure our decisions are sound, reasonable, and consistent. Once a commitment is made at any level, continued support is required to solidify trust.

We must be responsible, correct those things we see that are wrong, and stand tall in the face of criticism if we are correct. The success of the Agency depends on the quality of the knowledge we pass along to the next generation of auditors. We all need to take responsibility, particularly our more experienced auditors, in

“passing on” everything we can to ensure organizational continuity and survival.

So, how do we get the 500-pound Gorilla off our back? How do we ensure the validity of our organization to the procurement community and the taxpayer? How do we ensure the next generation of auditors has a good foundation upon which to build a lasting future? It is up to all of us to lead our organization back to good standing with the taxpayer one audit at a time. By employing all of our leadership skills and performing, reviewing, and issuing quality GAGAS-compliant audits without sacrificing integrity or independence. By ensuring we do not lose sight of our mission to save taxpayer dollars and learn from our mistakes. We didn't get here because of one audit, and it will be many audits down the road before we regain the reputation we once enjoyed. I believe DCAA is a very close-knit family, and if we put our collective mind to it, we can overcome this challenge too. ■



Who Makes Our Response to Emergency Audits a Success?

By Roberto Martinez
Technical Programs Specialist
Eastern Region

**Responding to
an emergency
requires flexibility,
long hours, and
hard work under
difficult conditions.
But, for most,
it's a rewarding
and memorable
experience.**



Review (IR) Chief asked the Eastern Region for assistance with the audit effort to ensure compliance with contract terms. We sent a team of one supervisor and four auditors from the Tampa Bay Branch, which is the designated FAO for first response in an emergency, and worked alongside the IR to team on the effort. The IR auditors were then able to concentrate on reviewing the Government's (USACE's) oversight of the contract while we looked at whether or not the contractors were complying with stipulated contract requirements.

WHAT MAKES DCAA the preferred source called upon to perform audits under emergency programs after a disaster? To explain the answer, we just have to look back at the work done in assisting the U.S. Army Corps of Engineers (USACE). This has been a team effort that started with a call in 1998 when Hurricane Georges affected Puerto Rico. When a disaster strikes, contracts are awarded to provide assistance to those affected. Services such as providing water and ice, temporarily repairing leaking roofs, and cleaning up debris are just a few of the missions. In the aftermath of Hurricane Georges, the USACE Internal

Even though everyone was new to the process, we quickly learned to adapt by working together without interfering in each other's work. Since our effort required the evaluation of processes involved in the emergency response, we had to be mindful that there were certain boundaries that could not be crossed, simply because we do not audit other federal agencies. Our mission is that of external audit, whereas USACE IR can address internal audit issues. The line between internal and external audit was easily blurred because the findings, both DCAA's and IR's, could be traced to a lack of controls in place by both contractors and the Government. To address this issue, a partnership

was born. We shared information continually with IR, enabling it to address the systemic problems on its side, all the while keeping a primary focus on our auditing/monitoring activities of individual contractors.

Our work was well received, and the Tampa Bay Branch was called again to assist after the World Trade Center attack on September 11, 2001. Once again, we worked closely with USACE and sent an audit team of one supervisor and two auditors to coordinate with the local FAO, the New York Branch Office, and provide training to the selected auditors from the Northeastern Region to answer the call. After the auditors were trained the local FAO continued providing the much needed support until program completion. Without a doubt, we met that challenge and provided a much needed service.

Due to the customer's satisfaction with our work, the Emergency Response Team from Tampa Bay Branch was called upon in 2004 when Hurricanes Charley, Frances, Ivan, and Jeanne made landfall in Florida. Now we were working simultaneous missions with multiple USACE Districts (Jacksonville District for Charley, Huntsville District for Frances and Jeanne, and a combination of both for Ivan). USACE's structure provides for autonomous Districts that work the disaster depending on their geographical area or designation for a given emergency response. This is similar to DCAA's Regional structure, the difference being that the Districts' processes differ far more than those of the DCAA regions, which use common guidance, programs, and policies.

When Hurricanes Katrina, then Rita, and finally Wilma hit Mississippi, Louisiana, Texas and Florida in 2005, we were called once again. The Tampa Bay Branch deployed the Emergency Response team, consisting of two supervisors and four auditors, to train the local FAO auditors and volunteers from across the Eastern Region's FAOs since the local FAO was heavily affected by Katrina and was closed. However, the local staff, including auditors, supervisors, and the Branch Manager, made themselves available to take part in the program, placing their personal needs aside. Because of the magnitude of the disaster, multiple teams were formed with over 40 auditors and supervisors taking part in the program. These auditors were from multiple FAOs and suboffices within the Eastern Region as well as the Central Region. This time we had to actually

work one of the emergency missions without having our partners at our sides. The IR team did not have auditors available for the Rita mission and USACE relied entirely on DCAA to provide feedback on the emergency response processes. This decision was not difficult for USACE since, at the time, we were working alongside them in Mississippi and Louisiana in response to Hurricane Katrina. Even though the IR team was not available to help perform audits, we still coordinated almost daily by phone to address the findings that DCAA was encountering.

A common denominator in the successful completion of this Emergency Response effort has been coordination and regular communication with the USACE IR team. As we answer more of these calls, we expand our knowledge about how to deal with the differing situations. The audit scope is by no means structured. It cannot be. The term "Emergency" provides for many unknown factors that make each response unique. What worked

Our assistance helps ensure genuine relief to average Americans when disaster strikes.

in a previous emergency response to provide relief for those affected may not work next time. As an example, initially the Government not only provided but also handled the issuance and control of blue plastic inventories used to provide temporary cover for roofs damaged by a hurricane. Later, the private contractors were responsible for handling the FEMA-provided plastic themselves. That process change translated into a need for a shift in our audit

steps. Prior to the process change, the emergency team was concerned with looking at how contractors utilized the plastic. Now, as a result of the change, there was a need to evaluate not only usage, but accountability and controls over plastic inventory as well. On each emergency, the USACE District in charge of the response determines how these operational processes will be handled. In short, we have to be flexible and adjust to each District's preference.

The first thing we do when called upon is to sit down with IR and USACE contracting to go over the situation and applicable contract terms, and assess the need

for auditors. From that moment, our effort evolves on a daily basis, taking into consideration the lessons learned from past responses as well as the audit steps required to accomplish the desired results. Contracts are briefed, tests are planned (to include statistical sampling), the results are evaluated, and reports are written. All that effort must be in accordance with Government Auditing Standards, under DCAA supervision, and using all available audit resources.

Our work doesn't end with the final report. Working with the IR, we developed lessons learned and identified additional and modified audit steps to perform during our next response as applicable. This post disaster assessment has been of significant value in improving the effectiveness of future emergency efforts.

The IR's experience with DCAA has been so successful that they have adopted a process to employ DCAA retirees as rehired annuitants to assist them in managing these missions under the Emergency Response Program; this makes good use of the retired DCAA auditors' expertise and USACE's limited resources. The work these former DCAA auditors perform is of great value because they work with the USACE management team to address our findings and make sure corrective measures are implemented on the Government side if needed.

We have long since come to the point where the Hurricane Katrina response has transitioned to local governments. Although there is a lot remaining for those localities in charge to do without USACE and DCAA involvement, in the interim we will concentrate on getting ready for the next call. Audit programs

are being prepared, training is being developed, reporting mechanisms are being streamlined, logistic planning is being detailed, and meetings with IR are being programmed.

As one article recently published by USACE succinctly put it:

When the Corps gets the mission, the Corps and its interagency auditing team, consisting of Corps Internal Review evaluators and Defense Contract Audit auditors, play a vital role working side by side with mission managers, contracting officers, and quality assurance inspectors to quickly identify and correct internal control weaknesses, reducing opportunities for fraud, waste and abuse.

DCAA can be proud of the role it plays in these emergency relief efforts. Not only are we helping to ensure that the dollars allocated to the relief effort are being used appropriately, but there is also the humanitarian aspect of this effort. Our assistance helps ensure genuine relief to average Americans when disaster strikes. Covering a person's leaking roof with plastic, and providing ice or fuel or debris removal so someone can return home are uniquely gratifying and memorable experiences in an auditor's career. Comments from auditors who volunteered to work under the Emergency Response Program indicate that their satisfaction in helping people in need surpassed any hardships encountered working under the harsh conditions. There were long days working under less than optimal conditions, but all that is forgotten when you know that the direct result of your work is helping people get their lives back on track.

All this work could not have been possible without the assistance of auditors from many offices. When we have auditors answer the call, others are left behind who have to cover the workload; the supervisors and managers have to rearrange resources and audit plans, and administrative personnel do logistical coordination. In addition, regional personnel deal with reimbursable, travel, and pay issues, as well as providing technical support. In fact, the entire Agency contributes in some way whether involved directly or not in disaster relief.

And that is the answer to the question, Who makes our response a success? You! ■



What's Your Audit Style?

By Mark S. Owen, CPA

Program Manager, Policy

Shouldn't everyone have the same audit style? A technical specialist explains why there is strength in diversity.

THERE IS NO standardized, systematic approach to auditing. Sound technical skills are a must, but successful auditing calls for creative problem-solving, the kind of talent that is drawn from our own unique set of education, training, and life experiences. This skill set manifests into an audit style, one unique to each of us, which collectively becomes our organizational strength.

In its simplest form, an audit is about laws, numbers, and people. Auditors sort, filter, and process bits of scattered information that come from myriad sources ranging from written text to body language. Transforming chaos into understandable working papers and an action-inspiring audit report is the everyday challenge.

While every auditor is trained to do it all, each of us has natural strengths and tendencies that work uniquely in our favor. To know your strengths is to know the best way to overcome the inevitable barriers that will stand between you and an effective audit. To know your weaknesses is to recognize your need for advice from those around you who possess a different set of talents and experiences. In recognizing and accepting these style differences, each audit team can create an environment that allows for creative problem-solving without compromising quality.

The number of audit styles is as great as the number of auditors. No publication would be large enough

to discuss them all. This article briefly describes three audit styles that I observed during my 8 years as a supervisor. While it is possible that you will recognize a little of yourself in each of the three styles, it is more likely that you will see yourself more fully described in one of them.

The Litigator

The Litigator seeks to bring about positive change by gaining a thorough understanding of the laws and regulations affecting the audit. Litigators value research. They will spend time to fully understand the

regulatory environment: FAR, DFARS, CAS, and even case law. They see benefit in assessing risk with careful attention to what should be, rather than what is. They take time to become familiar with the criteria in order to more easily spot practices outside tolerable limits. Litigators are most comfortable building a position on a legal foundation. Because of their affinity for the known, they tend to favor the certainty



of incurred costs and internal control examinations rather than the fluidity of forward pricing.

They will defend their position vehemently by focusing the discussion on the law rather than practical matters of business. They dislike ambiguity. They would prefer that regulations be written with greater clarity and more teeth. They enjoy the hunt for the law that perfectly matches their circumstance.

When assigning an audit to a Litigator, supervisors would do well to give clear guidance that is tailored to the subject rather than generic up-front guidance. When seeking advice, Litigators tend to appreciate decisive calls. Litigators should be aware of the temptation to search endlessly for the ironclad law or regulation and avoid spending too much time on the risk assessment at the expense of detailed testing. Because of their knowledge and attention to detail, their career path may include a stint as a Technical Specialist.

The Anomalizer

The Anomalizer seeks to bring about positive change by focusing on the mathematical patterns and relationships within the audit. Anomalizers understand that audit findings are often revealed by scanning the

data for anomalies and outliers. They appreciate the advancement of personal computers and embrace the power of the spreadsheet. They see numerical values as symptoms of activities, some healthy and some not. When they find the unexpected, they systematically prepare a list of follow-up questions and evaluate



management's explanation. They tend to view contractor meetings as a necessary evil, stealing time away from their analytical problem solving.

To know your strengths is to know the best way to overcome the inevitable barriers that will stand between you and an effective audit. To know your weaknesses is to recognize your need for advice from those around you who possess a different set of talents and experiences.

Anomalizers tend to be abstract thinkers and would prefer not to have a detailed road map of up-front guidance. They have a rough plan, but appreciate that their supervisor trusts them enough to allow them reasonable rein to explore the unknown trails that will be revealed as the audit advances. Typically, they seek advice on decisions of materiality. Because of their ability to process massive bits of data, they are undaunted by large financial-based audits. Adept at forecasting methods, they are likely to be drawn to forward pricing audits.

Anomalizers should be aware of their tendency to have a dynamic audit scope. At each change, they must exercise the discipline necessary to pull away from the numbers and get supervisory buy-in. Anomalizers must also be alert to the dangers of document overload. They should compartmentalize loosely related testing

and take time to remove extraneous data to facilitate review. Anomalizers should also be careful to avoid premature conclusions based solely on numbers. Just as all findings are not anomalies, not all anomalies are findings.

The Behaviorist

Behaviorists place value in gaining access to the right information by building professional rapport with those they contact. While they may send a confirming e-mail, their preferred method of communication is face-to-face. They are active listeners who

make time for people. Rather than yes or no queries, they use open-ended questions to prompt long, informative answers.

Behaviorists see value in meetings, and while they may prepare an agenda, it is usually a rough outline. They are quick to deviate should an opportunity for tan-



gent discovery present itself. They value small talk; ten minutes may pass before business is first discussed at a meeting. While the Anomalizers and Litigators in the room may view this as time wasted, to the Behaviorist it's as natural as greeting a stranger in the hallway. It is important that they be viewed as people.

While they recognize the importance of documenting, they secretly dread summarizing their many discussions. They are empathizers, adept in the art of reading body language. They recognize that one of the most difficult challenges an auditor faces is gaining sufficient audit evidence from a reluctant employee. Behaviorists summon diplomacy to obtain evidence and seldom meet delay. On occasion, the Behaviorist may be heard replying, "I asked for it!" in response to a peer asking, "How did you get that?"

When Behaviorists discover an exception, they become sensitive to their source. They may seek a sounding board to deliberate on how best to present their findings to the contractor, taking care to avoid burning their information pipeline.

Behaviorists are attracted to sound. They should avoid the temptation of joining too many water cooler conversations. They also need to use caution in placing excessive reliance on oral statements and take them for the leads that they are. Not surprisingly, Behaviorists are drawn to assignments which call for interaction with a variety of people, such as business system audits.

What are the Implications?

As a new supervisor, I recall wanting every auditor to fit into a single mold, one that was consistent with my own. I soon realized that each auditor has a unique way of getting the job done while still meeting the auditing standards. My tendency to steer them to my way of thinking was reducing their autonomy, and we were losing out on their unique talents and abilities. I came to realize that the superior style is the one that best fits the auditor who owns it. The methods by which auditors detect unreasonable prices are only limited by the methods in which unreasonable prices can be made to occur. The possibilities are limitless. Successful audit teams are those that create an environment in which creative problem-solving and compliance with the standards coexist.

Style diversity is our strength. Our individual audit methods add up to a diversity of approach that serves the Agency better than a single methodology. Diversity helps us more easily achieve the level of unpredictability called for by Statement on Auditing Standards 99. It squelches contractor schemes of detection avoidance that could occur if we were to fall into a predictable pattern of auditing.

While each of us should strive to draw from the best of the Litigators, Anomalizers, and Behaviorists as individuals, it is only natural that we have a dominant style. Knowing your auditing style can help you call on your strengths to overcome barriers and alert you to tendencies that could distract you from your goal. Auditing calls for a blend of psychology, art, and science that demands a diverse set of skills and talents to match. Fortunately, DCAA has just that. One of us cannot do what all of us can. ■

On the Move

To

To

Headquarters

Aleman, Tanya	Eastern
Allsopp, William	Central
Barry, Rhoda	Field Detachment
Benson, Charles	Eastern
Bocian, Gene	Mid-Atlantic
Cloyd-Hall, Laura	Central
Corvese, Joanne	Northeastern
Dolan, Susan	Central
Domanico, James	Western
Felkel, Deborah	Western
Fritzsche, Thomas	Central
Fulmer, Gregory	Eastern
Green, Cornesia	Central
Greenwell, Timothy	Western
Grimaldi, Saveria	Field Detachment
Grimes, John	Eastern
Hatcher, Patricia	Mid-Atlantic
Johnson, David	Field Detachment
Kamer, Deborah	Western
Karnes, Cheryl	Central
Kim, Jae	Mid-Atlantic
Lawton, Marcus	Field Detachment
Miller, Lydia	Eastern
Neville, Deborah	Field Detachment
Pitzner, Mary	Central
Prust, Beverly	Central
Riedel, Alfred	Eastern
Riordan, John	Mid-Atlantic
Sampson, Ronald	Central
Schneider, Terry	Field Detachment
Trejo, Richard	Eastern
Tsang, Kin	Mid-Atlantic
Wieczorkowski, Lisa	Mid-Atlantic
Williams, Carol Ann	Eastern
Williams, Patty	Mid-Atlantic
Winders, Paul	Western
Wofford, James	Field Detachment
Wolfert, Diane	Field Detachment

Field Detachment

Brawn, Amanda	Western
Bumpass, Mary	Western
Burger, Barbara	Mid-Atlantic
Caw, Debbra	Headquarters
Cox, Lawanda	Central
Diefenbach, Ernst	Central
Echolsbandele, Doris	Western
Fox, James	Headquarters
Gallardo, Ralph	Central
Hirsch, Lorraine	Western
Johnson, David	Headquarters
Lawton, Marcus	Eastern
McKenzie, Donald	Headquarters
Navarro, Yanira	Mid-Atlantic
Pacheco, Lenna	Mid-Atlantic
Picard, Michael	Central
Quinones, Jennifer	Headquarters
Read, Michael	Central
Sabga, John	Western
Scott, James	Headquarters
Shire, John	Headquarters
Stirber, Michael	Central
Talley, Angie	Headquarters
Webb Benton	Central
Wofford, James	Western
Yambo, Giancarlo	Mid-Atlantic

Central

Barrett, Jon	Northeastern
Brown, Linda	Field Detachment
Burnside, Scott	Eastern
Bushly, Diane	Headquarters
Calderon, Zelma	Headquarters
Cardall, Michael	Headquarters
Catt, Gary	Headquarters
Cramer, Charity	Northeastern
Curley, Michael	Eastern

On the Move

To

Eck, David	Mid-Atlantic
Gransberry, Latasha	Mid-Atlantic
Green, Cornesia	Headquarters
Hall, Katherine	Western
Henry, Melissa	Headquarters
Hodges, Norman	Northeastern
Horowitz, Yve	Northeastern
Kennelly, Brendan	Northeastern
King, Denise	Western
McMinn, Hubert	Western
Miller, Michael	Northeastern
Misiorek, Lorraine	Northeastern
Morgan, Joyce	Headquarters
Ortiz, Gloria	Eastern
Richardson, Michael	Headquarters
Takahashi, Sherri	Field Detachment
Tanner, Keishah	Mid-Atlantic
Taylor, LaQuanna	Mid-Atlantic
Thomas, David	Headquarters
Tran, Hivi	Western
Tran, Oanh	Field Detachment
Urban, Kane	Headquarters
White, Barnard	Northeastern
Wilkins, Craig	Headquarters
Williams, Delores	Northeastern

Eastern

Ashley, Anna	Headquarters
Crisp, Michael	Headquarters
Curley, Michael	Central
Dawson, Kimberly	Mid-Atlantic
Dyson, Jumaane	Headquarters
Freeman, Charles	Headquarters
Galindo, Betty	Central
Guha, Sudeshna	Headquarters
Gum, John	Headquarters
Hansen, Laura	Western
Hardin, Robert	Field Detachment
Liptak, Lorianne	Northeastern

To

Moore, Tatyana	Northeastern
Partin, Kevin	Western
Passante, Peter	Northeastern
Peyton, Andrea	Field Detachment
Porter, Jonnette	Headquarters
Rake, Gary	Headquarters
Ryan, Thomas	Headquarters
Spiva, Caroline	Headquarters
Taylor, James	Headquarters
Walker, Patricia	Headquarters
Williams, Carol	Headquarters
Yenchus, Mary	Headquarters

Mid-Atlantic

Bakhshi, Talat	Headquarters
Cox, Lihua	Eastern
Dillingham, Nathan	Western
DiMond, Lindsey	Field Detachment
Ellis, Angela	Field Detachment
Emigh, Alan	Headquarters
Estes, Johanna	Field Detachment
Freund, Michael	Field Detachment
Grenier, Michael	Field Detachment
Hernandez, Leonardo	Headquarters
Hine, Kevin	Northeastern
Kim, Jae Ho	Headquarters
Lamie, Tina	Headquarters
Lanterman, Jennifer	Field Detachment
Lepiksaar, Kalle	Headquarters
Mejias, Sheilymar	Field Detachment
Miner, Porscha	Eastern
Mishak, Joseph	Western
Moland, Gordon	Central
Notar, Jennifer	Northeastern
Popek, John	Central
Scott, Jeremy	Headquarters
Stamper, Brenda	Headquarters
Summers, Francis	Headquarters
Swindell, Erika	Eastern

On the Move

To

Treloar, Gordon
Vaccaro, Michelle
Vaughn, Naomi
Weglein, Gordon
Weisel, Edrienna
Wieczorkowski, Lisa

Central
Field Detachment
Headquarters
Field Detachment
Headquarters
Headquarters

Northeastern

Bechard, Robert
Branstetter, Larry
Gray, Loretta
Hoggarth, Sandra
Kimbrow, Linda
Lee, Hung
McGeehan, Susan
Miller, Ronald
Nelson, Edward
Olmstead, Ricki
Oum, Somaly
Riordan, John
Sabga, John
Salvador, Estelita
Sassano, Paul
Seiler, Gene
Stone, Cheri
Valdez, Hedy

Headquarters
Western
Headquarters
Headquarters
Headquarters
Western
Mid-Atlantic
Central
Central
Central
Headquarters
Field Detachment
Headquarters
Central
Central
Headquarters
Western

Western

Akamike, Lasbrey
Anderson, Damon
Brady, Marian

Mid-Atlantic
Northeastern
Northeastern

To

Dadufalza, Noel
Davis, Mark
Dillingham, Nathan
Domanico, James
Dominguez, Mayra
Dorinski, Kari
Fastenau, Katherine
Gonzalez, Carolyn
Graves, Christina
Hansen, Tiffany
Hutson, Stephen
Hyun, Alex
Lampman, Dana
Le, Diem
Newsome, Daniel
Nguyen, Vivian
Robateau, Andrea
Rumsey, Carol
Schatten, Ilene
Sheriff, Joshua
Smith, Judice
Styles, Patrick
Torres, Brindia
Vanslyke, Catherine
Wang, Ernest
Youngblood, Roderick

Headquarters
Northeastern
Mid-Atlantic
Headquarters
Field Detachment
Northeastern
Northeastern
Eastern
Field Detachment
Northeastern
Headquarters
Field Detachment
Central
Headquarters
Headquarters
Northeastern
Field Detachment
Central
Headquarters
Northeastern
Headquarters
Northeastern
Field Detachment
Central
Northeastern
Northeastern

Years of Service

20 Years

Headquarters

Anderson, Felicia
Antoniw, Myron
Bear, Bill
Bettis, Linda
Burningham, Alan
Burns, Bruce
Campbell, Carol
Cardall, Michael
Carrillo, Kathy
Cooper-Smith, Carolyn
Dadufalza, Noel
Davis, Letitia Ortiz
Germany, Kenneth
Girod, Jack Edward
Green, Michael
Homburg, Anita
Hutson, Stephen
Kelly, Susan
Le, Diem
Losh, John
Manasseh, Stephen
McKenzie, Donald
Mika, Patrick
Mosch, Linda
Neilsen, Michael
Owen, Mark
Rake, Gary
Robinson, Linda
Ross, Sandra
Shire, John
Sicker, Kenneth
Skinner, Cathy
Smith, John
Stamper, Brenda
Sutter, Helen
Thigpen, Janice
Walker, Patricia
Weldon, Tracy
Wieczorkowski, Lisa

Wild, Timothy
York, Randy
Young, Kristin

Field Detachment

Arriola, Emily
Blackadar, James
Brown, William
Chase, Timothy
Foster, Tommy
Glasscock, Dennis
Grenier, Michael
Hogge, Dorothy
Hunt, Joel
Jackson, Catherine
Keats, Marianne
Kiser, Peggy
Korinek, Susan
Leavitt, Sandra
Lee, Patricia
Lerenard, Lori
Madewell, Rebecca
Mcrae, Teresa
Munger, Mark Wesley
Parker, Leonard
Perkins, Janice
Reyes, Edward
Skinner, Gerald
Smith, Aida
Smith, Todd
Spencer, Harold
Starrs, Stephen
Steele, David
Stroup, Danny
Wendell, David

Central

Allen, Chris
Almeida, Russell
Beardsley, Catherine

Beck, Jeffery
Berezay, Kelly
Bess, Sandra
Billingsley, Julia Ann
Bowen, James Walter
Brents, Eugenia
Brown, Darlene
Cantu, Leticia
Crowther, Clifford
Deweese, Charles
Diefenbach, Ernst
Dillard, Lisa
Eatchel, Lorene
Espino, Lee
Frank, Steve
Fritzsche, Thomas
Harris, Gus
Hartman, Darrin
Hartsoe, Gregory
Holbert, Raymond
Hoops, Sharon
Jackson, Harold
King, Karen
Klaus, Karen
Kline, Eric
Kucera, Thomas
Lefevor, Gary
Leonard, Betty
Martin, Christine
McGrew, Brian
McKune, Martha
Moomand, Angela
Moore, Vernon
Nguyen, Michael
O'Connell, Anita
Overman, Herbert
Rojas, Edna
Ruzek, Joseph
Saunders, Mark
Scruggs, Linda

Sherman, Lisa
Siemens, Brian
Siering, Lance
Simms, Shirley
Skeen, Diane
Spencer, Linda
Welschmeyer, Diane
Williams, Lynnette
Windes, Suzanne
Zinselmeier, Sherri

Eastern

Adams, William
Aleman, Tanya
Altman, Cheryl
Archey, Charles
Baker, Pamela
Baker, Robert
Batchelder, Shirley
Black, Jennifer Lee
Boswell, Robert
Brace, Linda
Brown, Donald
Bryan, Judith
Buchan, Trent
Byrd, Jill
Carpenter, Cornell
Clark, Patricia
Copen, Michelle
Corder, Robert
Cothran, Glenda
Cox, Leah
Dayton, Barbara
Doherty, Dorothy
Finch, Debra
Folts, Karlene
Franciski, Christine
Frenzel, William
Friend, David
Fulmer, Gregory

Years of Service

Gilbert, John
Gilbert, Karyn
Gregg, Steven
Guimond, Thomas
Hankins, George
Hinds, Alexa
Hoover-Richmond, Gale
Johnson, Martha
Johnson, Scott
Jones-Carter, Alberta
Kahraman, Debra
Kantz, David
Kelly, Jana
Koca, Janet
Lamb, Peggy
Langdale, Amy
Lindsay-Friend, Stephanie
Lorenz, Bettina
MacLachlan, Andrew
Macy, Francene Louise
Martinez, Roberto
McGhee, Kenneth
Miller, Shirleen
Montgomery, James
Moore, Beth
Morton, Cherie
Myrick, Doyle
Neel, Bonnie Sue
Niglio, Wyona Gale
Norton, James
Parker, Catherine
Parker, Myra Ann
Parker, Timothy
Patrum, Anita
Peery, Beverly Joanne
Pettis, Belinda
Phillips, Susan
Pomeroy, Debra
Ray, Evelyn

Roberts, Byron
Robinson, Hazel
Rouse, Matthew
Shine, Kenneth
Smith, Renee
Sprinkle, Sherry
Tang, Mary Hue
Tisdale, Cynthia
Tobin, James
Turpin, Tanya Heaster
Welchance, William
Whitley, Frank
Williams, Bernadean
Woodruff, Myra Beth

Mid-Atlantic

Aguirre, Louise
Arnold, Sheryl
Bay, Shye
Baylor, Anthony
Beaumariage, Joseph
Best, Davida
Bloch, Robert
Carney, Barbara
Carr, Patrick
Chuhuran, Kathleen
Cici, Eileen
Covone, John
Dam, Binh Thuy
deCarvalho, Jenny
Dottaviano, Dorothy
Duchnowski, Brian
Duncan, Harry
Galloway, Jane
Gavin, Kathleen
Gezelle, Marybeth
Grimm, Kenneth
Gwira, Dan Allswell
Haddad, Ezzat
Houston, Lynn

Khuu, David
Knox, Jennifer
Lohr, Kevin
Lyke, Velvet
Mansor, John
Maslakowski, Nancy
McCallum, Taundiiee
McClure-Nelson, Gabrielle
McLarney, Catherine
Moskalow, Peter
Mucciarone, Michael
Mylod, Elaine
Nguyen, Maria
Orth, Lynn
Pacheco, Lenna
Phillips, Randall
Rabold, Paul
Rao, Swati
Regulski, Michael
Sieber, Kathleen
Simon, Steven
Smargiassi, Ann Marie
Soriano, Victoria
Sossong, Christine
Spence, Paulette
Taylor, Joanne
Taylor, Minnie
Tennant, Michelle
Tsang, Kin
Wiles, Julie
Wilkinson, Steven
Williams, Jeanette
Wunderley, Laurie

Northeastern

Allan, Joanne
Armand, Timothy
Bell, Charles
Blangiforti, Flora

Brouillard, William
Byrne, Susan
Carrie, Kathleen
Cheney, Richard
Cody, James
Consalvo, Eliane
Cote, Robin
Crosby, Richard
Cushing, Barbara
DeCourcy, Jill
Dufour, Patricia
Fexis, Deborah
Ficco, Michael
Gagnon, Paul
Gallagher, Judith
Gervais, Patricia
Giaimo, Dennis
Giangrande, Michael
Giordano, Michael
Gotlib, David
Griggs, Karen
Hall, Carole
Hart, Mariane
Hazlewood, Robert
Hilton, Ellen
Hmurcik, Gary
Inman, Mark
Karcher, Tracy
Kaufmann, Corinne
Kelly, Kathy
Krtén, Jiri
Kuoich, Meng
Lamb, Roberta
Landry, Robert
Lawrence, Carol
Lazzuri, Daniele
Leahy, Darryl
Letsche, Mary
Luba, Dawn
Manfredonia, John

Years of Service

30 Years

Markus, Dana
Marshall, Ann
McCarthy, Virginia
McGrail, Alice
Meade, Peter
Murphy, Donna
Neil, Robert
Northrop, Jean
Pasquale, Mary
Paume, Denise
Queen, Wendy
Rea, Tamara
Remling, Elaine
Riddle, Michele
Rivers, Charlene
Robinson, Laura
Roncace, David
Sanders, Eric
Satyaprasad, Geetha
Sordillo, Richard
Stuart, Anthony S.
Thaxton, Jennifer
Todd-Beaudreault,
Deborah
Vaeth, Margaret
Vazquez, Cheryl
Vegetante, Anthony
Vorra, Candy
Wang, Ernest
Wolfe, Julie
Yakimovich, David
Youngblood, Roderick
Zichella, Ricky

Western

Adamson, Kathryn
Arakaki, Cleve
Arthur, Alan
Auer, Geary
Balestieri, James

Bauman, Anne
Blair, Dedrick
Borges, Nancy Ann
Bracy, Virginia
Bumpass, Dianne
Burkhart, Lavar
Casaclang, Mario
Chiu, Chien
Chiu, Edward
Clark, Larry
Claussen, Duane
Cutler, Kaye
Doherty, Daniel
Doherty, Patty
Drake, Rozell
Duggan, George
Ekpo, Samuel
Faelschle, Danielle
Felkel, Deborah
Garry, Mary
Gentile, Robert
Goodie, Anthony
Greenwell, Timothy
Hanson, Leonard
Hartgrave, Beverly
Hazlett, Dave
Hinton, John
Kerkonian Kifitin
Larkin, Deanne
Larson, Edward
Lievanos, Gina
Lund, Eric
Mahan, Christopher
Mar, Steve
Mayers, Bernadette
Miller, Sherrie
Mullen, Keith
Negron, Laurie
Nguyen, Cecilia
Noam, Yeshayahu

Perinpanathan, Kandiah
Petersen, Angela
Powers, Yungtshou
Price-Marczuk, Kimberly
Rizkalla, Mathilda
Rochweg, Morris
Sallee, Marilou
Schulte, Robert
Schweizer, Dianne
Shortt, Rosean
Simonian, Gary
Smith, James
Smith, Julie
Standlee, Cheryl
Stone, Paul
Stott, Glade
Tanaka, Wendy
Torgerson, Wayne
Traub, Brian
Tuy, Tepkanha
Wang, Catherine Sc
Wehmeier, Robert
Wraa, Debra
Yee, Francine

Headquarters

Alvarado, Ascencion
Booker, Lori
Chopyk, John
Cornett, Frances
Garcia, Joseph
Hall, Diane
Heisey, Debora
Kinahan, Deborah
Kissinger, Nina
Kothe, Patricia
McCormick, David
Miller, Jeffrey
Parvin, Marc
Provost, Jeffrey
Smith, Carolyn
Stephens, Paulette
Summers, Francis
Tebo, Jerome

Field Detachment

Bulder, Bernard
Herrington, Lori
Lawrence, Richard
Schwier, Mark

Central Region

Booth, Sandra
Carr, Timothy
Fancher, Deborah
Faul, Patrick
Galindo, Betty
Greer, Marilyn
Hearne, Marie
Ingram, Holland
Jackson, Lydia
Lecture, Patricia
Menck, Daniel

Years of Service

40 Years

Newton, Patrick
Picard, Michael
Sambaluk, Nicholas
Sapp, Kristina
Starks, Robert
Sterling, Debra
Thomas, Stuart
Topeff, Jack
Watson, Patricia

Eastern Region

Adamski, Klemence
Balombin, Daniel
Barretta, Barbara
Buonocore, Frank
Delhom, Keith
Dicke, Robin
Edenfield, Gary
Glover, Glenice
Hansen, Ronald
Henderson, Shirley
Horton, Deborah
Johnston, Martha
Julian, Paul
Levan, Gregory
Lutz, Albert
Martin, Pamela
Miles, Fran
Moncada, Carolyn
Schillace, Joseph

Mid-Atlantic Region

Arnold, William
Becker, Ronald
Brennan, Lawrence
Caplan, Nathan
Carter, Verdell
Cohen, Jeffrey
Delaney, Mary

Graves, Harold
Harris-Vernon, Patricia
Henderson, Richard
Hetrick, Jeffrey
Hightower, Otis
Hollinger, Deborah
Horbus, Gregory
King, Miriam
Leo, Nicholas
Misek, Barbara
Robinson, Myra
Robinson, Sherwood
Rubin, Joseph
Slafka, Gary
Sullivan, Sharon
Wood, Nancy

Northeastern Region

Adie, William
Bracken, Joseph
Cea, Joan
Cook, Joseph
Dixon, Jean
Duncan, David
Dural, Bruce
Fields, Richard
Fish, Ronald
Fitzgerald, Raymond
Flug, Warren
Hughes, Frances
Jablonski, Warren
Lavey, John
McDonough, John
Milshtein, Debra
Monagle, Bernard
Nixon, Wayne
Stone, Norman
Storch, William

Western Region

Ancheta, Jazmin
Brevard Lanita
French, William
Fryckman, Emily
Gill, Mark
Gonzalez, Yolanda
Griego, Raymond
Hardin, Robert
Harper, Marcia
Hop, Ronald
Jung, Benson
Koeltzow, David
Lang, Janis
Larkin, Stephen
Madison, Victoria
Mellis, Gilbert
Napura, James
Oliver, Barbara
Ortega, Deborah
Pope, Verna
Reisdorf, James
Rodriguez, Acacia
Snyder, Hal
Stewart, Deborah
Thompson, Ray
Wofford, Sylvia
Yanagisako, Milton

Headquarters

Harker, Samuel
Rogerson, Bettye
Sexton, Douglas
Davidson, Sandra

Central

Nelson, Edward
Wangler Ronald

Eastern

Norman, Joseph

Mid-Atlantic

Slattery, Edmond
Owens, Kenton
Riordan, Joh
Becker, Alan
Scheinin, Larry
Pizzillo, John
Bigler, Robert

Northeastern

Daigle, Raymond
Melesko, Vincent
Casola, James
Gustavson, Roy
Teser, Susan

Retirements

Headquarters

	Years
Bates, Donald	32
Beane, Carol	16
Burton, Joseph	37
Clark, Robin	23
Davis, Gale	35
Esterak, Joe	30
Gemma, John	35
Harris, Carol	27
Hoffman, John	35
Humulock, Alexander	33
Langley, Kathryn	24
Larkin, Cheryl	42
Maerten, Wayne	32
Marsh, Bobby	22
McCoy, Robert	22
Mink, Jo	30
Poloskey, Marian	37
Riney, Donna	33
Robinson, Olivia	22
Roll, David	30
Savage, Patsy	46
Schaefer, William	20
Smith, James	35
Veldhuis, Nancy	31
Webb, Angela	30
Wessels, John	37

Field Detachment

Beckstead, Ronald	20
Brubaker, Robert	30
Bufford, James	24
Cole, Michael	36
Cook, Ronald	33
Delone, Almita	35
Endo, Leroy	35
Ernst, James	30
Franklin, James	23
Gatlin, Patricia	32
Little, Gary	22
Logan, William	36
Manlove, Mark	34
Martindale, Derryl	35
Mathieu, Mary	30

Morris, Daisy	21
Muranaka, William	25
Murray, Evelyn	31
Newman, John	19
Pawlak, William	21
Rullo, Kathleen	27
Steffens, John	29
Sturgill, Gary	38
Thibault, Paul	35
Waid, Murray	28
Woodward, William	13

Central

Broad, Richard	39
Carpenter, Linda	23
Carroll, James	22
Cater, Michael	34
Celik, Abe	30
Chism, Tolondya	19
Clark, Mary	21
Cotosman, Sam	26
Daniels, Susan	30
Darby, Carol	25
Darnell, Susan	30
Dawson, Kathryn	19
Decristofaro, Lawrence	33
Downey, Raymond	31
Edwards-Nelson, Erika	20
Garcia, Maria	20
Golightly, John	9
Haishun, Peter	35
Harris, Douglas	30
Holland, Emmett	35
Joyce, Teresa	11
Kachulis, Paul	30
Kaiser, Wayne	31
Keogh, Michael	29
Kincaid, Meredith	9
Koppenhaver, Larry	42
Lopez, Michael	35
McCarthy, Robert	34
McKinney, Karen	25
Merz, Patricia	33
Miller, Robert	36
Mullin, David	30

O'Connor, Paul	34
Pikla, Andrew	27
Rabang, Tita	31
Richardson, Richard	32
Schrage, David	15
Shobert, Darrell	20
Siegellak, Herman	7
Stebbins, Kenneth	33
Thomas, Patricia	19
Trempe, Thomas	33
Tucker, Carolyn	32
Westerberg, Susan	36
Worden-Harris, Donna	22

Eastern

Aleong, Allan	30
Bolander, Julia	21
Brown, Doreatha	30
Bryan, Carol	32
Bushell, Billy	33
Carpenter, Christopher	33
Chappell, Ronna	34
Cornelius, Karin	24
Cullen, Catherine	25
Davis, Pamela	11
Ebersole, Linda	32
Farquer, Robert	31
Feiler, James	29
Feinberg, Melvin	30
Flaute, Ned	35
Frasher, Garland	43
Green, Eletta	22
Greig, Stephen	33
Grimsley, David	30
Hardy, Sharon	29
Humphreys, Deborah	35
Hunter, Beverly	23
Johnson, Mildred	15
Jones, Joseph	21
Lamontagne, Donald	27
Manalo, Rene Flor	26
Marinelli, John Paul	30
Marshburn, Beverly	27
McIntyre, Martha	21
Metheny, Allison	32
O'Connor, Patricia	15
Putzel, Sol	41
Reed, David	30
Sack, John	43

Retirements

Sires, Brenda	29
Storey, Lawrence	34
Sullivan, Martin	26
Swartzell, David	35
Taylor, Frank	21
Waggoner, Robert	35
Wall, Martha Finley	31
Wall, Susan	33
Wichmann, Joan	21
Williamson, Rolland	26
Zagursky, Stephen	38
Zimmerman, John	21

Mid-Atlantic

Ames, John	36
Amore, Anthony	39
Ballmann, Dieter	32
Bradley, Cynthia	34
Cooper, Robin	11
Cottle, Patsy	21
Cubbison, Dona	25
Donovan, Kerry	24
Durante, David	31
Eastridge, Brenda	21
Frazier, Roland	34
Freedman, Stanley	41
Gaffney, Michael	30
Glaser, Stephen	9
Ho, Kitty	22
Jones, Robert	30
Laratta, Arlene	26
Manion, Jean	27
Matoska, Joyce	23
Meloy, David	33
Miller, Richard	24
Olmo, Harry	32
Peiffer, Francis	31
Rosso, Frederick	29
Samios, Uy	23
Schebs, Sigmund	34
Shah, Niru	9
Shaw, Barbara	14
Smack, Joyce	19
Spalding, Dana	37
Stankiewicz, Joyce	19

Stein, George	24
Strzelec, Karen	37
Swain, Rosetta	22
Watkins, Joseph	29
Willis, Darion	19

Northeastern

Anderson, Bernhard	35
Arnold, Gary	36
Baker, Robert	42
Bianchi, Francis	39
Bodenrader, Charmian	7
Boltz, Jack	37
Burrows, Ianthe	23
Decker, Michael	30
DeJesus, Ramon	37
Donovan, Vincent	40
Factor, Steven	30
Farmer, Benjamin	36
Fiumara, Stanley	36
Fontaine, David	30
Geary, Joan	24
Grinnell, Charles	30
Hanrahan, Cornelius	27
Hardy, Valerie	27
Kalin, Margaret	26
Kelty, Gibbons	26
Kenny, Thomas	25
Kobierski, Chester	34
Laffam, Direnda	22
Laieski, Robert	30
Lemon, Robert	21
McDermott, James	33
Melinski, Ronald	29
Myers, Florence	24
Olm, Albert	38
Parker, Alan	30
Parsons, Judith	23
Pensak, Robert	32
Pumphrey, John	32
Raygada, Joseph	34
Rosenbloom, Lois	31
Rupacz, Richard	39
Shultz, Christine	20
Smith, Kenneth	32

Sullivan, Lewis	43
Turk, Richard	36
Zakuto, Marc	32

Western

Bailey, Jean	21
Beavers, Rodney	30
Brown, Wanda	26
Carr, Jean	22
Chang, Carl	25
Chen, Helen	26
Coury, Hanan	19
Dempsey, Curtis	30
Dipple, Virginia	35
Doromal, Mariavona	21
English, Patricia	19
Englund, Sharon	30
Erickson, Orlinda	37
Famiglietti, Joanna	31
Flinn, Josephine	39
Francis, June	29
Glaubitt, Elfriede	19
Hall, Delos	33
Hawk, Timothy	18
Hoelscher, Bernard	24
Kam, Diane	19
Kane, Robert	38
Kaufmann, Larry	31
Lee, Shing Chak	31
Meisel, James	19
Naple, Thomas	32
Ng, William	31
Pangilinan, Zenaida	29
Robertson, Wanda	30
Romero, Anthony	27
Rosendahl, William	38
Seymour, James	21
Shaner, James	24
Shephard, Gwendolyn	36
Shipley, Brendan	31
Snell, Elaine	30
Stone, Somchith	22
Tewksbury, Susan	22
Thorpe, Dahr	28
Tiff, Sandra	24
Tisdale, Dennis	34
Umade, Dennis	35
Winchell, Donna	35

Promotions

Headquarters

Adams, Ginger	YB-02
Bakhshi, Talat	YA-03
Boswell, Robert	GS-13
Brennan, James	YA-03
Bush, Patrick	YC-03
Carnes, Brenda	YA-03
Catt, Gary	YA-03
Caw, Debbra	YA-03
Clark, Jonathan	YA-03
Delaney, Mary	YA-03
Diefenbach, Ernst	YA-03
Emigh, Alan	YA-03
Engle, Nancy	YA-03
Fischer, Esther	YC-03
Frank, Mark	YA-03
Germany, Kenneth	YA-03
Harrison, Stephanie	GS-13
Hitt, William	YA-03
Jung, Linda	YA-03
Kimbrow, Linda	YA-03
Kozubal, Robert	YA-03
Lamie, Tina	YA-03
Lloveras, Ronald	GS-13
Losh, John	YA-03
Newsome, Daniel	YA-03
Palermo, Kent	YA-03
Parvin, Marc	YA-03
Popejoy, Robert	YB-02
Quinones, Jennifer	YA-03
Rake, Gary	GS-14
Richardson, Michael	GS-14
Schneider, Patrick	YA-03
Sofinowski, Debra	YA-03
Sullivan, Michael	YA-03
Thorsted, Stephen	YA-03
Toops, Ronald	YA-03
Trump, Joan	YA-03
Vaughn, Naomi	YA-03
Wayne, Cheryl	YA-03
Weisz, Michael	YA-03
Wieczorkowski, Lisa	YA-03

Wild, Timothy	GS-13
Willess, Keiko	YA-03
Wright, Dorothy	YC-03

Field Detachment

Beckers, Randy	YA-02
Chase, Timothy	YC-03
Chung, Ivy	YA-02
Cline, Amanda	YA-02
Coe, Amanda	YA-02
Coleman, Reginald	YA-02
Cruthird-Parker, Alisha	YA-02
Danaher, James	YC-03
Donovan, Robert	GS-13
Eason, Justin	YA-02
Edkin, Agathie	YA-02
Elgee, Brendan	YA-02
Ellis, Angela,	GS-13
Estes, Johanna	GS-13
Evans, Dwahza	YB-02
Fong, Gary	YA-02
Fortuno, Caesar	YA-02
Gatzke, Meagan	YA-02
Gorecki, David	YA-02
Grant, Ronald	YC-03
Gray, Connie	YB-02
Grimaldi, Saveria	YB-02
Hamilton, Scott	YA-02
Hancock, Shyra	YA-02
Harter, Sandra	YA-02
Herald, Bradley	YA-02
Hernandez, Soto	YA-02
Holowko, Thomas	GS-09
Jones, Chanae	YC-03
Jorgenson, Darryl	GS-09
Korinek, Susan	YC-03
Luster, Fannie	YC-03
Magruder, Jennifer	YA-02
Mejias, Rodriguez	GS-13
Melendez, Carlos	YA-02
Neff, Christopher	YA-02
Ortiz, Rhaiza	YA-02

Picard, Michael	YC-03
Pinkstaff, Lynnette	YA-02
Rademaker, Wendy	YA-02
Ramos-Martin	YA-02
Read, Michael	YA-02
Reedy, Michelle	GS-12
Rupert, James	YA-02
Sholar, Michele	GS-13
Skinner, Gerald	YC-03
Starling, Pamela	YA-02
Starrs, Stephen	GS-13
Takahashi, Sherri	GS-15
Taketa, Ronald	GS-12
Talley, Angie	GS-13
Thompson, Myra	GS-09
Thompson, Tanya	YA-02
Thompson, William	YA-02
Umemoto, Tracey	YA-02
Valle, Carol	YC-03
Vargas-Diaz	YA-02
Varrell, Theresa	GS-12
Vazquez, Soto	YA-02
Vento, Rodriguez	YA-02
Verstraete, Joel	YA-02
Wagner, Elaine	YC-03
Wall, Anita	GS-13
Wanis, Mary	YA-02
Weglein, Gordon	YC-03
Wilson, Jenna	GS-09
Woodman, John	GS-14
Zapenas, Tanya	YA-02
Zubovich, Colleen	YA-02

Central

Adil, Omer	GS-12
Andrus, Elden	GS-12
Ar, Kerem	GS-11
Arreguin, Rosa	GS-09
Austin, Adam	GS-12
Auwaerter, Michelle	YC-03
Averill, Andrew	GS-12
Bandy, Kerri	GS-11
Barron, April	GS-12
Bartoszkiewicz	GS-09
Baugh, Melanie	GS-12
Beckovich, Matthew	GS-09
Beiser, Stacy	GS-06
Bekker, Stacey	GS-12
Bell, Bernard	GS-11

Promotions

Bland, Olivia	GS-09	Diefenbach, Ernst	YC-03	Hicks, Walter	GS-13
Boland, Jonathan	GS-12	Dolan, Susan	GS-06	Hightower, Kathy	GS-12
Boswell, Benjamin	GS-09	Dorinski, Kari	GS-09	Hinchcliff, William	GS-11
Bretl, Aimee	GS-09	Douglas, Lisa	GS-12	Hoffman, John	GS-11
Brock, Marsha	GS-12	Douglas, Shalondra	GS-11	Hoffman, Lawrence	GS-13
Brooks, Gregory	GS-11	Driggers, Daniel	GS-12	Holbert, Raymond	YC-03
Brownlee, Stephanie	GS-12	Eastwood, Delores	GS-12	House, Jennifer	GS-12
Burnside, Scott	GS-12	Eeten, Gordon	GS-15	Huggins, Mary	YC-03
Caldwell, Cheri	GS-13	Ellingson, Kassandra	GS-11	Hust, Jered	GS-12
Callan, Sylvie	GS-12	Elsener, Janet	GS-07	Huynh, Lex	GS-09
Camp, Jeannine,	GS-11	Engberg, Ginger	GS-09	Iglesias, Jeremy	GS-11
Campion, Patrick	GS-11	Ensign, Khanh	GS-12	Jackson, Lydia	YC-03
Camunez, Michael	GS-13	Eve, Colin	GS-13	Jennings, Anita	GS-12
Capuano, Nicholas	GS-12	Ferrell, Mary	GS-09	Joe, Alkaia	GS-09
Carnes, Brenda	YC-03	Field, Vanessa	GS-09	Jones, June	GS-13
Casey, Steven	GS-09	Fields, Sara	GS-12	Jones, Stacey	GS-12
Castaneda, Rebecca	GS-12	Fisher, Darcy	GS-12	Jose, Erwin	GS-12
Catt, Gary	YC-03	Franklin, Trista	GS-12	Kaltenbach, Laura	GS-12
Chandler, Car	GS-11	Furuya, Kendal	GS-11	Karlstrum, Paul	GS-11
Chang, Diane,	GS-12	Galindo, Betty	GS-07	Kennard, Cynitra	GS-12
Chang, Olga	GS-13	Gallardo, Ralph	GS-12	Kennedy, Janise	GS-11
Chiles, Russell	GS-13	Garbe, Jessica	GS-09	Kilbourn, John	GS-11
Christians, Todd	GS-13	Gaynes, Leah	GS-09	Kim, Emily	GS-11
Coble, Karen	GS-12	Gilbertson, Jessica	GS-12	King, Denise	GS-12
Cockrell, Clint	GS-12	Girand, Patrick	GS-11	King, Warren	GS-12
Condit, Jeffrey	GS-11	Girard, Cynthia	GS-09	Knight, Euneke	GS-11
Copeland, Antoine	GS-11	Glover, Michael	GS-12	Knight, Shelly	GS-12
Craft, Christine	GS-12	Golden, Fatimah	GS-11	Koonce, April	GS-12
Cramer, Charity	GS-12	Granger, Latoya	GS-09	Kostyniak, Brian	GS-12
Creasy, Joseph,	GS-12	Gross, Heidi	YC-03	Kowalis, John	GS-13
Croy, Kerensa	GS-11	Gruling, Matthew	GS-11	Krause, Megan	GS-09
Cullum, Keith	YC-03	Guinn, Michael	GS-09	Kucera, Thomas	GS-13
Curiel, Sylvia	GS-11	Guker, Don	GS-12	Kugler, Jason	YC-03
Curley, Michael	GS-12	Hacke, Jason	GS-09	Kugler, William	GS-12
Curtis, Brandon	GS-11	Hammond, Karen	GS-09	Landry, Nancy	GS-12
Davis, Elizabeth	GS-09	Hampton, Kevin	YC-03	Langton, Jennifer	GS-12
Deanes, Alesha	GS-11	Hansen, Kaleb	GS-12	Lapant, Stephanie	GS-09
Denning, Andrea	GS-05	Harding, Christopher	GS-11	Larue, Brandy	GS-11
Dennis, Angela	GS-12	Hardy, Robert	YC-03	Larussa, Cindy	GS-12
Deweese, Charles	GS-13	Heckenkamp, Joel	GS-12	Le, Jenny	GS-12
Dias, Natasha	GS-09	Hemanes, Derek	GS-12	Le, Van	GS-11
Diaz, Arelis	GS-09	Hendon, Christina	GS-12	Lee, Erica	GS-12
Dibler, Chad	GS-12	Herrera, Nelda	GS-11	Lehman, Joel	GS-12
				Linscott, Mary	GS-06
				Llanes, Angelica	GS-06
				Locascio, Ji	GS-12
				Lopez-Kubitz	GS-09
				Love, Richard	GS-12
				Martinez, Anne	GS-13
				Martinez, Mario	GS-12

Promotions

Mash, Rachel	GS-12	Puers, Kimberly	GS-12	Stamper, Arelene	GS-11
Mayer, Matthew	GS-09	Puetz, Mitch	YC-03	Stapley, Sean	GS-11
McAlister, Holly	GS-12	Quant, Michael	GS-12	Starks, De'Sean	GS-09
McDuffy, Christina	GS-11	Quintero, Felipe	GS-13	Starks, Robert	GS-13
McEwan, Christy	GS-09	Ragan, Amanda	GS-09	Steel, Tonya	GS-12
McKeon, Meg	GS-11	Ragsdale, Mark	GS-11	Steeves, Millisa	GS-09
McKune, Martha	YC-03	Ramminger, Marc	GS-11	Stennis, Chalea	GS-12
McMinn, Hubert	GS-12	Ransom, Keisha	GS-12	Struck, Alex	GS-11
McNelly, Sara	GS-12	Reed, Melanie	GS-07	Struck, Alex	GS-12
Meyer, Jaime	GS-12	Regan, Matthew	GS-12	Studerus, Theodore	GS-11
Miller, David	GS-12	Rempfer, Rachel	GS-11	Stutz, Jana	GS-11
Miller, Jeremy	GS-09	Richmond, Julie	GS-11	Sutton, Ashley	GS-12
Miller, Patricia	GS-12	Rickard, Amanda	GS-09	Syrus, Larry	YC-03
Moomand, Angela	YC-03	Riddell, Jennifer	GS-11	Taylor, Bruce	GS-13
Moore, Vernon	GS-13	Riddle, Christopher	YC-03	Thiele, Henry	GS-09
Morris, Marti	GS-09	Rivenburgh, Glenn	YC-03	Thiele, Henry	GS-11
Munoz, Avelino	GS-13	Robertaccio, Michlene	GS-12	Thomas, Lorraine	GS-12
Murphy, Matthew	GS-12	Rodriguez, Cesar	GS-12	Thomas, Stuart	YC-03
Myrmel, James	GS-12	Ross, Suzanne	GS-12	Thompson, Nicole	GS-09
Nessheim, Natalia	GS-12	Rountree, Jessica	GS-12	Topeff, Jack	YC-03
Nguyen, Hung	GS-09	Rumsey, Carol	YC-03	Tovar, Debra	GS-11
Norton, Sydne	GS-07	Salcin, Maid	GS-09	Tran, Loc	GS-11
Nwankwo, Cordelia	GS-12	Sapieszko, Lisa	GS-12	Treloar, Gordon	YC-03
O'Connell, Corey	GS-11	Saunders, Mark	GS-13	Vanantwerp, Ronald	GS-06
Ortiz, Mary, Ann	GS-09	Scherf, Melissa	GS-11	Vanslyke, Catherine	GS-12
Oum, Somaly	GS-09	Schlueter, Candace	GS-11	Vaughan, Leeann	YC-03
Palermo, Kent	YC-03	Scott, Lacey	GS-12	Vigil, Kristine	GS-11
Panek, Rafal	GS-12	Searle, Justin	GS-12	Volmer, Leslie	GS-09
Patterson, Robert	GS-11	Seiler, Gene	GS-13	Walbrecht, Amy	GS-11
Patton, Timothy	GS-12	Shelton, Fanuza	GS-11	Wallace, Roberta	GS-09
Pecoraro, Tamara	GS-11	Silvey, Amber	GS-11	Walloch, Timothy	GS-11
Pedraza, Frank	GS-12	Sims, Latania	GS-12	Wang, Fuyu	GS-11
Petersen, Debra	GS-11	Skaggs, Amber	GS-11	Waybourn, Cherie	GS-12
Peterson, Brad	YC-03	Smith, Cecilia	GS-11	Webster, Andrew	GS-09
Peterson, Lisa	GS-12	Smith, Christina	GS-12	Weinreis, Juliet	GS-12
Picard, Michael	YC-03	Smith, Demonica	GS-11	Wester, Staci	GS-12
Pierides, Carolyn	GS-06	Smith, Inger	GS-11	Wheeler, Ruth	GS-11
Poellnitz, Takiyah	GS-12	Smith, John	YC-03	White, Lisa	GS-12
Poloner, Rosalie	GS-12	Smith, Nicholas	GS-12	Williams, Brittany	GS-05
Popek, John	GS-12	Smith, Phillip	GS-12	Williams, Chance	GS-11
Popowski, Jered	GS-11	Snyder, Jarolyn	GS-11	Wilson, Garrett	GS-11
Priba, Kevin	GS-13	Sorensen, Christopher	GS-12	Wilson, Liberty	GS-11
Price, Sarah	GS-11	St, Pierre, Joel	GS-12	Wilson, Patricia	YC-03
Proctor, Stacey	GS-12	Stahl, James	YC-03	Windes, Suzanne	YC-03
				Wong, Pauline	GS-11
				Woods, Ahmad	GS-09
				Woodson, Kacie	GS-09
				Wright, Hope	GS-11
				Wright, Jamie	GS-12
				Wright, Patricia	YC-03

Promotions

Ying, Sue GS-12
 Youngberg, Joni YC-03
 Yu, Anna GS-12
 Zadro, Cindy GS-13
 Zinselmeier, Ronald GS-13

Eastern

Adams, Allison GS-11
 Adams, Karen GS-11
 Adams, William GS-13
 Adamski, Klemence YC-03
 Adarr, Tammie GS-12
 Archambault, Mary GS-09
 Arnett, Jason GS-12
 Arnold, Sarah GS-11
 Atherton, Ross GS-11
 Baker, Robert GS-09
 Banks, Bryan GS-11
 Barrois, Dennis GS-12
 Batchelder, Shirley GS-13
 Batdorf, Christine GS-11
 Bates, Jessica GS-09
 Baugh, Tenda GS-09
 Baxter, Kenneth GS-11
 Bazemore, Jennifer GS-13
 Bazzell, Gary GS-13
 Benson,, Charles YC-03
 Berry, Jamie GS-12
 Bishop, Antoinette GS-11
 Black, Jennifer GS-13
 Blanton, Adam GS-11
 Bleakney, Mark GS-09
 Bowers, Susan GS-11
 Bradley, Emmanuel GS-13
 Brady, William GS-09
 Brakel, Jenny GS-11
 Brawner, Johniece GS-12
 Brooks, Kelly GS-11
 Brooks, Tiara GS-11
 Brooks, Timothy GS-12
 Brotman, Michael GS-11
 Brown, Jefreda GS-12
 Brumfield, Donald YC-03

Buckner, Latoya GS-11
 Byrd, Jill GS-13
 Byrum, Kerry GS-11
 Campbell, Nicole GS-11
 Chappell, Tabitha GS-11
 Charles, Hannah GS-09
 Clark, Joshua GS-09
 Cole, Robin GS-12
 Collins, Angela GS-13
 Conrad, Kathryn GS-13
 Conser, Jack GS-11
 Cornett, Rita GS-09
 Cox, Lihua GS-11
 Crayton, Michael GS-12
 Crayton, Vana GS-12
 Cregan, Margaret YC-03
 Cucore, Stephen GS-11
 Czerwein, Theresa GS-12
 Davis, Ruby GS-13
 Dawson, Kimberly GS-09
 Dearman, Justin GS-07
 Delhom, Keith YC-03
 Dellinger, David YC-03
 Denden, Anastasia GS-12
 Dery, Donna GS-13
 Dietrich, Amber GS-12
 Dorf, Michael GS-11
 Drummond, Hugh YC-03
 Dupree, Camara GS-12
 Elkins, Megan GS-11
 Eubanks, Brandon GS-12
 Fagan, Anthony GS-09
 Fermin, Sharla GS-11
 Foster, Ashley GS-12
 Franciski, Christine GS-13
 Frazier, Mary GS-11
 Friend, David GS-13
 Furbush, Anna GS-12
 Gales, Sharon GS-11
 Ganeva, Joana GS-12
 Gilmore, Jason GS-12
 Godlewski, Vondia GS-11
 Gonzalez, Carolyn GS-13
 Greer, Poppy GS-13

Griffin, Aya GS-09
 Guest, Sandra GS-06
 Hakanen, Catherine GS-11
 Hamon, Shelley GS-13
 Hampshire, Denise GS-13
 Hardee, Ashley GS-11
 Harmon, Laurie GS-12
 Harris, Erin GS-13
 Hartman, Susan YC-03
 Hasan, Jameel GS-12
 Hawkins, Kimberly GS-12
 Hembree, Michael GS-13
 Hitt,, William YC-03
 Hochhauser, Aaron GS-12
 Horne, Sharon YC-03
 Horton, Kevin GS-12
 Howard, Willie YC-03
 Hsieh, Roger GS-12
 Hughett, Debra GS-12
 Hunter, Matthew GS-12
 Ingram, Jeffrey GS-13
 James, Kimoi GS-11
 Johnson, Aimee GS-11
 Johnson, Amy GS-11
 Johnson, Eric GS-12
 Johnston, Martha YC-03
 Jones, Vanessa, GS-12
 Joseph, Katherine GS-12
 Kang, Michael GS-09
 Kelly, Ja'near GS-12
 Kennedy, Rodney GS-11
 Kersey, Delores GS-11
 Kilpatrick, Tiffany GS-12
 Kimball, Valerie GS-12
 Kraft, Nicole GS-11
 Langdale, Amy GS-13
 Lawrence, Barbara GS-13
 Lawson, Sharee GS-11
 Levan, Gregory YC-03
 Lincoln, Fei GS-12
 Lloyd, Nathan GS-11
 Losh, John YC-03
 Loving, Nyshia GS-12
 Mack, Lindsey GS-09
 Madden, James GS-12
 Maini, Richard GS-11
 Manni, Cheryl GS-11
 Martyn, Kimberly GS-11
 Mason, Denese GS-12
 Masters, Theresa GS-13

Promotions

Matusch, Thomas	GS-11	Scott, Kristi	GS-11	Abish, Philip	GS-11
McClelland, Tania	GS-11	Senter, Sheryl	GS-13	Agbugui, Ilamosi	GS-09
McCormick, Steve	YC-03	Seright, Kimberly	GS-11	Akoi, Monica	GS-11
McDougal, Jamaal	GS-12	Serrano, Lucelly	GS-13	Alkema, Candice	GS-09
McGhee, Kenneth	GS-13	Sheehy, Jewan	GS-11	Aly, Walid	GS-12
Melanson, Carie	GS-12	Shields, Haleen	GS-12	Asamoah, Emmanuel	GS-11
Miller, Tiffany	GS-12	Showalter, Katherine	GS-12	Augustine, Christopher	GS-12
Minic, James	GS-12	Squire, Cynthia	GS-12	Awofeso, Johnson	GS-09
Mixon, Stephanie	GS-12	Stinson, Joshua	GS-09	Ayuso, Luis	GS-11
Moison, Brian	GS-09	Supplee, Shannon	GS-12	Bakhshi, Talat	YC-03
Moore, Tatyana	GS-11	Tan, Hsiao	GS-11	Bala, Jessica, Ann	GS-11
Morse, Steven	YC-03	Taylor, James	GS-13	Bala, Keith	GS-11
Morton, Cherie	GS-06	Teal, Janice	GS-11	Banks, Ebony	GS-12
Mullen, Jamika	GS-09	Tokarcik, Patricia	GS-12	Baron, Joseph	YC-03
Myres, Brandon	GS-13	Torres, Michael	GS-09	Bashline, Adam	GS-09
Nash, Sonya	GS-06	Towns, Nicole	GS-09	Bateman, Anna	GS-09
Neff, Jason	GS-09	Townsend, Justin	GS-09	Baylor, Anthony	GS-13
Newhouse, Erica	GS-11	Trott, Wesley	GS-11	Beagle, Laura	GS-11
Niglio, Wyona	GS-13	Tucci, Neil	GS-11	Beers, Daniel	GS-12
Parker, Myra, Ann	GS-08	Tucker, Natalie	GS-11	Besser, Jason	GS-11
Paxton, Megan	GS-12	Turnock, Mark	GS-09	Bester, Jessica	GS-09
Pereira, Brian	GS-09	Ulissee, Amy	GS-11	Bester, Jessica	GS-11
Perry, Oliver	GS-11	Valentine, Renee	GS-12	Betlejewski, Matthew	GS-09
Peyton, Andrea	GS-12	Valle, Peter	GS-11	Billock, Faranette	GS-12
Phan, Thien	GS-12	Vanfleet, Joseph	GS-09	Black, Harrison	GS-12
Pindale, Karen	GS-11	Vernon, Samara	GS-12	Bohannan, William	GS-13
Poling, Matthew	GS-12	Vest, Justin	GS-12	Bono, Michael	YC-03
Ralston, Vanetia	GS-12	Wallis, Pamela	GS-12	Boyajian, Brian	GS-12
Ramos, Maia	GS-12	Waninger, Allen	GS-12	Boyle, Brett	GS-12
Rankins, Regina	GS-12	Whitemore, James	GS-12	Boynton, Dessa	GS-12
Reed, Brittany	GS-09	Williams, Carol	YC-03	Brown, Iula	GS-11
Reed, Brittany	GS-11	Williams, Mayra	GS-11	Brown, Rhonda	GS-12
Rhodes, Shaun	GS-13	Wilson, Imogene	GS-12	Burba, Nicole	GS-09
Rhyne, Tammy	GS-11	Wilson, Kenneth	GS-11	Byas, Debra	GS-09
Rinehart, Stephen	GS-12	Winkle, Philip	GS-13	Byington, Rose	GS-12
Rivera, Henry	GS-09	Winstead, Angel	GS-12	Caban, Mediavilla	GS-12
Romine, Mallory	GS-09	Wood, Stephanie	GS-09	Calderon-Phillips, Amelia	GS-11
Russell, Huong	GS-12	Woodall, Kelli	GS-12	Callahan, Michael	GS-12
Samuels, David	GS-09	Woodruff, Myra	GS-13	Cannaday, Tempie	GS-12
Satterwhite, Vincent	GS-11	Woollett, Landon	GS-11	Cardinale, Crystal	GS-12
Saw, Nelly	GS-09	Wright, Evelyn	GS-13	Carnakie, Carolyn	GS-09
Schaffer, Brad	GS-11	Wright, Ryan	GS-13	Carson, Georgia	GS-11
Schermerhorn, William	GS-11	Yancar, Kevin	GS-11	Cathcart, Patrick	GS-12
Schiellie, Misti	GS-11	Zuniga, Angelina	GS-09	Cetnarowski, Ryan	GS-09
				Chen, Manmei	GS-12
				Chen, Wen	GS-11
				Chrin, Adelle	YC-03
				Chrin, Melissa	GS-09

Mid-Atlantic

Promotions

Chrissinger, Lisa	YC-03	Glover, Sonya	GS-09	Kyei, Adu-Boahen	GS-11
Chuhuran, Kathleen	YC-03	Grant, Robert	GS-12	Labouyer, Michelle	GS-12
Clancey, Kevin	GS-12	Gregory, Shirley	GS-13	Las, Albert	GS-12
Clark, Jamie	GS-11	Groft, Ryan	GS-12	Leimer, Andrea	GS-13
Clarke, Sheron	GS-09	Guckin, Andrew	GS-12	Leonard, Janet	GS-09
Clerkin, William	GS-12	Guenther, Jessi	GS-04	Leotta, Joseph	GS-11
Clifton, Ginger	GS-12	Hale, Andrew	GS-11	Lewis, Susan	YC-03
Conaboy, Patrick	GS-13	Hall, Amiri	GS-11	Li, Steven	GS-12
Conarty, Maria	GS-06	Hawse, Eric	GS-11	Liu, Steve	GS-09
Convery, Kelly	GS-13	Heartwell, Robert	GS-12	Liwanag, Rozel	GS-11
Cooke-Moore	GS-09	Hecht, Jenny	GS-12	Luong, Khanh	GS-11
Corbett, Vicki	GS-06	Herman, Peter	GS-12	Marshall, Sheree	GS-12
Cox, Lihua	GS-09	Hernandez, Jennifer	GS-09	Matey, Joseph	GS-09
Craig, Bryan	GS-13	Hickey, Joel	GS-12	Mayer, Kellianne	GS-12
Croft, Kimberly	GS-12	Hoffmann, Ryan	GS-09	McCalla, Linsey	GS-09
Dalberto, Theresa	GS-11	Honer, Joseph	GS-11	McCormick, Barbara	GS-12
Darby-Reid	GS-09	Hook, Dominic	GS-12	McGeehan, Susan	GS-13
Delehant, Preeta	GS-12	Hornung, Lauren	GS-11	McGrady, Douglas	GS-11
Dickerson, Angelina	GS-12	Houghtaling, Charles	GS-13	McLarney, Catherine	YC-03
DiObilda, Melanie	GS-13	Houston, Lynn	GS-06	McLaughlin, Maisha	GS-12
Dionou, Sami	GS-11	Howland, Jacquelyn	GS-12	McLaughlin, Thomas	GS-11
Dodson, Malcolm	GS-11	Huang, Hongbin	GS-09	McNamara, Patricia	GS-12
Dottaviano, Dorothy	GS-13	Hunt, Sabaahya	GS-11	Meier, Joseph	GS-12
Downey, Sharon	GS-07	Hunter, Mary	GS-12	Mendez, Jessica	GS-09
Driscoll, William	GS-12	Ingold, Jason	GS-09	Metallo, Nicole	GS-09
Duke, Alan	GS-09	Ingold, Jason	GS-11	Michie, Margaret	GS-12
Duong, Minhhuong	GS-09	Irizarry, Herminio	GS-12	Middelhof, Rebecca	GS-09
East, Sheila	YC-03	Jenkins, Pamela	GS-12	Milian, Ilanet	GS-12
Ellerbe, Allen	GS-09	Johnson, Margaret	GS-12	Miner, Porscha	GS-11
English, Kendra	GS-09	Johnston, Thomas	GS-09	Miranda, Iris	GS-07
Erickson, Scott	GS-11	Jones, Rana	GS-12	Miscavage, Jill	GS-11
Faherty, Jonathan	GS-11	Jones, Shana	GS-11	Mitchell, Jennifer	GS-11
Fannasy, Scott	GS-13	Jones, Thomas	GS-11	Mitchell, Matthew	GS-09
Felsenfeld, Jaclyn	GS-13	Jonke, Mary	GS-13	Monk, Latoya	GS-12
Fiedler, James	GS-12	Juliano, Carmen	GS-11	Moore, Harry	GS-12
Fife-Paylor	GS-11	Kahler, Mark	GS-11	Murray, Florence	GS-07
Fletcher, Sheree	GS-09	Kaufmann, Matthew	GS-09	Myles, Louis	GS-11
Freelon, Alicia	GS-11	Kem, Obol	GS-11	Nader, Jody	GS-11
Fuller, Aquia	GS-11	Kick, Daniel	GS-12	Nagy, Beth	GS-11
Gaertner, Kathy	GS-13	Kim, Evelyn	GS-09	Ndofor, Daniel	GS-09
Garcia, Arvelo	GS-09	Knapp, Patrick	GS-09	Neville-Hunt, Jocelyn	GS-09
Gatto, Brian	GS-12	Koch, David	GS-11	Nguyen, Alex	GS-11
Gazzara, Michele	GS-07	Kolak, Christopher	GS-11	Noonan, Patricia	YA-02
George, Julie	GS-06	Kozubal, Robert	YC-03	Oh, Bebe	GS-09
				Olabisi, Grace	GS-12
				Oler, Gail	YC-03
				Olgac, Husniye	GS-12
				O'Reilly, Anne	GS-12
				Orr, Jennifer	GS-12
				Orrico, Zachary	GS-11

Promotions

Osian, Edobor	GS-11	Singh, Rajdeep	GS-11	Williams, Shetee	GS-12
Padilla, Vega	GS-11	Sisco, Kalisha	GS-09	Withers, Kinuko	GS-11
Park, Jean	GS-12	Sizemore, Christopher	GS-11	Woldemeskel, Fitsum	GS-11
Patel, Vinod	GS-13	Slivers, Anna	GS-09	Wolfe, Kelly	GS-07
Patterson, Andrea	GS-12	Smith, David	GS-12	Wudarczyk, Bobbi	GS-09
Patterson, Kevin	GS-12	Smith, Nicholas	GS-11	Xu, Jian	GS-12
Paulo, Pepito	GS-09	Smith, Steven	GS-11	Yambo, Giancarlo	GS-09
Payne, Kyle	GS-12	Smith, Tracey	GS-09	Yesner, Nathaniel	GS-11
Phile, Dennis	GS-13	Sochor, Diana	GS-11	Yezzo, Nicholas	GS-12
Picon, Roberto	GS-12	Sparrow, Anthony	GS-09	Zhu, Fengyun	GS-11
Pikas, Bohdan	GS-11	Staton, David	GS-11		
Pinto, Anthony	GS-09	Stein, Ursula	GS-12	Northeastern	
Pleasants, Lucy	GS-11	Stern, Vontia	GS-11	Aguilar, Rosbia	GS-09
Post, Charles	GS-12	Sturrock, Jennifer	GS-07	Allen, Janice	GS-06
Powers, Robert	YC-03	Stutzman, Laura	GS-09	Anderson, Gail	GS-13
Prigojina, Viktoriya	GS-11	Sui, Sandra	GS-06	Babrik, Ildiko	GS-11
Proctor, John	GS-06	Sullivan, Chad	GS-11	Badoe, Matilda	GS-12
Prouty, Justin	GS-12	Sullivan, Tara	GS-11	Beaulieu, Joan	GS-13
Purec, Jehoshua	YC-03	Sumler, Jontue	GS-12	Bennett, Charles	GS-11
Quiroz, Oscar	GS-12	Surace, Colleen	GS-06	Bettencourt, Anna	GS-12
Rainey, Paul	GS-07	Swager, Justin	GS-12	Blazek, John	GS-11
Renninger, Rhonda	GS-11	Swamy, Nathanael	GS-11	Bonne, Brian	GS-11
Renninger, William	GS-11	Swindell, Erika	GS-12	Bowman, Rickena	GS-12
Richardson-Thomas, Jaimie	GS-12	Thompson, Sydney	GS-12	Brady, Michael	GS-11
Robinson, Mary	GS-13	Tierney, William	GS-13	Brightman, Danielle	GS-11
Rodriguez, Antonio	GS-11	Ton, Thu-Ha, Vo	GS-12	Brodeur, Jennifer	GS-11
Rodriguez, Santiago	GS-12	Topolewski, Sara	GS-06	Bruneau, Richard	GS-09
Rok, Matthew	GS-12	Travers, John	YC-03	Bruno, Jason	GS-12
Root, Joshua	GS-12	Tsai, Anchi	GS-12	Bush, Shanay	GS-12
Root, Robert	GS-14	Udovich, David	GS-13	Cappello, Michael	GS-09
Rowe, Dajuan	GS-09	Updike, Sharon	GS-12	Clark, Jonathan	YC-03
Russell, Kimberly	GS-11	Vargas, Villares	GS-09	Cometa, Frank	GS-13
Sabato, Peggy	GS-09	Vona, Caitlin	GS-09	Corso, Robert	YC-03
Sambuco, Richard	GS-13	Vuong, Maryann	GS-11	Cote, Lauren	GS-09
Sanchez, Maria	GS-12	Walker, Ralph	GS-11	Coughlin, Christine	YA-03
Santiago, Rodriguez	GS-11	Wall, Norman	YC-03	Coughlin, Michael	GS-12
Savalia, Trupti	GS-12	Wang, Yu	GS-11	Coveney, Teresa	GS-07
Schnell, Erin	GS-13	Wannett, Ryan	GS-11	Cox, Ashley	GS-09
Sconyers, Eric	GS-12	Welfling, Hannah	GS-09	Cruz, Debbie	GS-12
Scruggs, Jerilee	GS-13	White, Karen	GS-11	Cunningham, Jeremy	GS-12
Senseman, Kelli	GS-12	Wierzba, Harry	YC-03	Cusson, Eryn	GS-12
Serbanescu, Ileana	GS-12	Wiggins, Evelyn	GS-06	D'almeida, Ata	GS-12
Sheeran, Kathleen	GS-13	Williams, Jeanette	GS-06	Dannecker, Natalie	GS-09
Sieber, Kathleen	YC-03	Williams, Kevin	GS-11	Davis, Mark	YA-02
				De Los Santos, Juan	GS-11
				Deorocki, Michelle	GS-12
				Dilley, Joann	GS-12
				Dinapoli, Christopher	GS-12
				Donelin, Meghan	GS-12

Western

Promotions

Bailey, Sandra	YC-03	Dean, Jerry	GS-11	Izquierdo, Luis	GS-11
Baker, Nikita	GS-11	Deleon, Josephine	GS-09	Jahanian, Shahram	GS-13
Baldwin, Thomas	GS-11	Dey, Barbara	GS-11	Johnson, Elaine	GS-09
Basuki, Yohanna	GS-11	Diaz, Sonia	GS-11	Johnson, Michael	YC-03
Baxley, Vilma	GS-13	Dioso, Jericho	GS-12	Johnson, Nicole	GS-11
Bedegrew, Kristin	GS-09	Do, Jaynee	GS-11	Jones, Christy	GS-12
Bedolla, Richard	GS-13	Doherty, John	GS-15	Jordan, Daniel	GS-09
Benavides, Mario	GS-12	Doherty, Patty	YC-03	Joseph, Smitha	GS-11
Benner, Carol	GS-09	Domino, Alesha	GS-09	Jucius, John	GS-12
Blanchflower, James	GS-12	Dorinski, Kari	GS-11	Kammerer, Alexander	GS-12
Blythe, Kelly	GS-11	Driggers, Margaret	GS-12	Karapetian, Evik	GS-11
Bodde, Anita	GS-12	Eason, Robert	GS-13	Karidis, Michelle	GS-09
Boss, Jerri	GS-09	Elizondo, Josue	GS-09	Kawamoto, Sharon	YC-03
Bottom, David	GS-12	Francisco, Serafin	GS-12	Kelleher, Patricia,	GS-11
Brady, Ann	GS-11	Franco, Maria	GS-09	Khieng, Malinda	GS-09
Brawn, Amanda	GS-09	Franssen, Regina	GS-09	Kil, Kyle	GS-12
Bruce, David	GS-11	French, William	YC-03	Kim, Jinie	GS-11
Brunette, Peter	GS-13	Fuzak, Christy	GS-12	Kim, Mi	GS-11
Campos, Araceli	GS-09	Gensemer, Donald	YC-03	Klein, Monica	GS-12
Cannon, Cynthia	YC-03	Gentry, Leslie	GS-13	Koch, Delmy	GS-11
Cardenas, Luzeli	GS-12	Gill, Sherry, Ma	GS-09	Koeppel, Casey	GS-12
Carter, Michelle	GS-09	Girard, Cynthia	GS-11	Kozai, Summer	GS-11
Chan, Sophia	GS-12	Goetschel, Jessica	GS-12	Labernik, Cynthia	GS-12
Chang, Annie	GS-12	Goodwin, Benjamin	GS-09	Lambert, Ralph	GS-12
Chau, Quan	GS-12	Goure, Eliza	GS-15	Landau, Anton	GS-12
Chavez, Leticia	GS-09	Gresham, Robert	GS-09	Lang, Janis	YC-03
Chen, Joey	GS-11	Griffiths, Sian	GS-11	Lange, William	YC-03
Chen, Julia	GS-11	Hansen, Tiffany	GS-12	Langford, Shioui	GS-12
Chess, Jeffrey	GS-13	Harlor, Joshua	GS-11	Lares, Prudencia	GS-11
Chiang, Helen	GS-12	Henry, Nagwa	GS-12	Le, Truc, Ly	GS-11
Choi, Sam	GS-13	Hill, Alaina	GS-11	Lee, Bryan	YC-03
Chou, Jeh	GS-11	Hinyard, Keith	GS-09	Lee, Paul	GS-11
Chung, Sun, Im	GS-12	Hiser, Mark	GS-12	Lee, Steven	GS-11
Collins, Christine	GS-09	Hisley, Paul	YC-03	Leleux-Lopez, Jacqueline	GS-11
Compton, Karla	GS-12	Ho, Gabriel, Thien	GS-11	Lewis, Caitlin	GS-11
Comstock, Judy	GS-12	Ho, Sophia	GS-09	Li, Joy	GS-09
Conover, Anoja	GS-09	Hooten, Susan	GS-13	Li, Rachel, Xi	GS-12
Conselman, Penny	GS-09	Howells, Scott	GS-12	Liao, Tony	GS-09
Costello, Loretta	GS-11	Hsu, Iwen	GS-09	Liu, Christina, Marie	GS-11
Crandall, Landon	GS-09	Hubbard, Debbie	GS-13	Liu, Yung-Chi	GS-11
Cruz, Robert	GS-09	Huynh, Maxine	GS-11	Lopez, Bertha	GS-09
Cummings, Donald	GS-12	Italiano, Cynthia	GS-11	Lu, Eugene	GS-11
Daves, Judy	GS-12	Izady, Naghmeh	GS-09	Lucero, Kimberlee	GS-12
				Lucin, Bob	GS-12
				Ly, Chiho	GS-11
				Ma, Shu-Fen	GS-09
				Madison, Victoria	GS-07
				Matsuda, Selina	GS-13
				Matteson, Wayne	GS-09
				McAlpine, Douglas	YC-03

Promotions

McCracken, Kristen	GS-12	Quan, Lucy	GS-09	Tiet, Joann	GS-12
McGary, Gregory	GS-13	Quon, Brent	GS-09	Tong, Jianguo	GS-12
McKabney, Steven	GS-13	Quon, Ursula	YC-03	Tran, Hivi	GS-13
Medina, David	GS-12	Rataczak, Mark	GS-13	Tran, Linh	GS-11
Meth, Savoeun	GS-12	Rivera, Francisco	GS-11	Truong, Thao	GS-09
Mihalyi, Kevin	GS-11	Rivera, Mary	GS-12	Untalan, Erwil	GS-12
Millan, Leticia	GS-11	Robbins, Barbara	GS-09	Upshaw, Tonya	GS-12
Miller, Tyson	GS-12	Roman, Rocio	GS-13	Van, Kathy	GS-09
Min, Hye	GS-11	Rosner, Marcia	GS-06	Van, Thiel, Richard	GS-12
Mishak, Joseph	GS-11	Ross, Grace	GS-12	Vandervort, Marianne	GS-12
Miura, Wesley	GS-09	Rowe, Joyce	GS-09	Velasquez, Emilio	GS-09
Munoz, Blanca	GS-12	Ryder, Donica	GS-11	Wahby, Sherine	GS-09
Mustakim, Golam	GS-11	Samavati, Sedigheh	GS-12	Wallace, Brandy	GS-11
Narducci, Judy	GS-11	Sanchez, Elizabeth	GS-11	Wang, Marie	GS-12
Nelson, Chartese	GS-09	Sanchez, Raul	GS-11	Warehime, Lorraine	GS-12
Ngo, James	GS-09	Saxon, Denise	GS-09	Weidenbener, Leila	GS-11
Nguyen, Anh	GS-09	Schilling, Steve	GS-09	Weller, Carolyn	GS-09
Nguyen, Diem, Le	GS-11	Schroeder, Melody	GS-12	Westhoff, Dan	GS-11
Nguyen, Hang	GS-09	Sebes, Vanessa	GS-12	Wierzbicki, Stanislaw	GS-11
Nguyen, Nam	GS-09	Segoviano, Flor	GS-11	Williams, Adam	GS-09
Nguyen, Nikki, Thanh	GS-09	Seigworth, Lily	GS-12	Williams, Alison	GS-12
Nichols, Teri	GS-11	Shum, Margaret	GS-11	Witt, Glenda	GS-07
Niemi, Amanda	GS-09	Sihon, Mark	GS-09	Won, Michael	GS-11
Noam, Yeshayahu	GS-14	Simpson, Kayo	GS-11	Woods, Stefan	GS-12
Oh, Jin	GS-09	Sofinowski, Debra	YC-03	Yanagisako, Milton	YC-03
Ojeda, Olga	GS-06	Song, Jing	GS-11	Yorimoto, Dennis	GS-11
Omine, Chikara	GS-12	Soper, Claude	GS-13	Zhang-Marrero, Wendy	GS-11
Ortiz-Luis, Rhea	GS-11	Stender, Charlotte	GS-11		
Otote, Daisy	GS-11	Stone, Paul	YC-03		
Page, Ashley	GS-12	Stout, Renae	GS-09		
Pangan, Susan	GS-11	Su, Maryanna	GS-11		
Parks, Michael	GS-13	Sun, Hongqiao	GS-12		
Peng, Vivian, Jin	GS-11	Sun, Joono	GS-09		
Perez, Mariarosalinda	GS-11	Taguchi, Roselle	GS-12		
Persons, Stephen	GS-09	Tam, Ai	GS-09		
Peters, James	GS-09	Tang, Annie	GS-12		
Peters, Walter	GS-11	Tang, Michelle	GS-11		
Peterson, Dean	GS-11	Tanjutco, Evelyn	GS-12		
Pham, Ida	GS-13	Taylor, Martin	GS-11		
Pham, Loi	GS-12	Tenn, Sharon	GS-12		
Pham, Thanh	GS-09	Terral, Steven	GS-12		
Pogodayeva, Yelena	GS-11	Terry, Patricia	GS-11		
Pus, Francisco	GS-09	Thomas, Angela	GS-14		
Quan, Charity	GS-12	Thompson, Rose	GS-12		

Certifications & Degrees

Field Detachment

Baysinger, Danielle	MBA, California State University, May 2008
Blackwell, Chatella	MS in Business Management, University of Maryland, December 2008
Bynum, Lori	Passed CPA Exam, August 2009
Byrne, Larry	Certified Public Accountant, March 2008
Chung, Ivy	Certified Public Accountant, June 2008
Coleman, Reginald	Certified Public Accountant, September 2009
Cruthird-Parker, Alisha	Certified Public Accountant, April 2008
Daunce, Jennifer	Certified Public Accountant, May 2008
Elgee, Brendan	Certified Public Accountant, June 2008
Ferrante, Rachel	Certified Public Accountant, October 2008
Gatzke, Meagan	Certified Public Accountant, July 2008
Herrington, Lori	MBA, University of Maryland, December 2007
Jones, Chanae	Certified Public Accountant, March 2008
Lattman, Adam	Certified Public Accountant, December 2008
Neff, Christopher	Certified Public Accountant, June 2009
Peters, Thomas	Certified Public Accountant, January 2008
Pond, Jillian	Master of Accountancy, George Washington University, January 2009
Thompson, Tanya	Certified Public Accountant, April 2008
Thompson, Tanya	Passed CPA Exam, December 2007
Valdez, Marisa	Certified Public Accountant, October 2007
Valle, Carol	Certified Public Accountant, May 2008
Verstraete, Joel	Certified Public Accountant, September 2009
Wagner, Elaine	Certified Public Accountant, April 2008
Wanis, Mary	Certified Public Accountant, April 1990

Central Region

Adil, Omer	Certified Public Accountant, July 2008
Andrus, Elden	MBA Utah State University, December 2007
Averill, Andrew	Certified Public Accountant, March 2008
Boland, Jonathan	MBA, Maryville University, December 2007
Bond, Brooke	Certified Public Accountant, January 2008
Chang, Diane	Passed CPA Exam, December 2007
Chiles, Russell	Certified Public Accountant, November 2007
Creasy, Joseph	Passed CPA Exam, September 2009
Croy, Kerensa	Passed CPA Exam, July 2009
Curtis, Brandon	Passed CPA Exam, April 2008
Davis, Elizabeth	Certified Public Accountant, March 2008
Dennick, Adam	MBA, Texas Christian University, May 2008

Certifications & Degrees

Dopke, Troy	Certified Public Accountant, December 2007
Douglas, Lisa	Certified Public Accountant, July 2009
Fernandez, Tanny	Certified Public Accountant, September 2009
Fields, Sara	Passed CPA Exam, June 2008
Fierro, Monica	Passed CPA Exam, February 2008
Friday, Tamara	Passed CPA Exam, September 2008
Fulks, Patricia	Certified Public Accountant, June 2008
Hacke, Jason	Passed CPA Exam, August 2008
Harris, Kevin	MS, American Intercontinental University, August 2008
Harvey, Michelle	Certified Public Accountant, January 2008
Havican, Kristin	MBA, Lewis University, December 2007
Hicks, Walter	Certified Public Accountant, June 2008
Hou, Chen	MS in Accounting, University of North Texas, December 2008
Howcroft, Stephen	Certified Public Accountant, May 2008
Klein, Bettina	Certified Public Accountant, April 2008
Knight, Shelly	Certified Public Accountant, July 2008
Koonce, April	MBA, Texas A&M University, August 2008
Kugler, Jason	Passed CPA Exam, February 2008
Le, Jenny	MBA, Park University, December 2007
Love, Richard	Certified Public Accountant, March 2008
Maestas, Tracy	MBA, University of New Mexico, December 2007
Marchildon, Juliet	Passed CPA Exam, October 2007
McMinn, Hubert	Certified Public Accountant, March 2008
McNelly, Sara	Certified Public Accountant, July 2009
Moore, Vernore	MBA, Texas A&M University, May 2008
Muñoz, Avelino	Certified Public Accountant, July 2009
Nuñez, Alicia	MBA, Lewis University, May 2008
Overman, Herbert	MBA, Tarleton State University, May 2008
Powell, Lacey	Passed CPA Exam, September 2008
Rempfer, Rachel	Certified Public Accountant, September 2008
Robertaccio, Michelene	Passed CPA Exam, September 2008
Salgado, Elizabeth	MBA, Texas A&M University, August 2008
Searle, Justin	Certified Public Accountant, March 2008
Sheehy, Jeffrey	Passed CPA Exam, September 28, 2009
Shelton, Fanuza	Certified Public Accountant, August 2009
Shorter, Brenda	Certified Public Accountant, October 2007
Smith, Christina	Certified Public Accountant, September 2007
St. Pierre, Joel	Passed CPA Exam, March 2008
Storrs, Vyjayanthimala	Passed CPA Exam, December 2007
Struck, Alex	Passed CPA Exam, December 2007
Tanner, Keishah	Passed CPA Exam, August 2008

Certifications & Degrees

Taylor, LaQuanna	Passed CPA Exam, March 2008
Tran, Oanh	MBA, Kaplan University, July 2009
Tran, Phi	Certified Public Accountant, November 2007
Wanis, Marie	Certified Public Accountant, April 2009
Weinreis, Juliet	Certified Public Accountant, April 2008
Wenger, Karla	Certified Public Accountant, December 2007
Wilkes, Kimberly	Certified Public Accountant, September 2009
Windes, Suzanne	Certified Public Accountant, November 2007

Eastern

Adams, Karen	Certified Public Accountant, August 2009
Albright, Brenda	MBA, Troy University, April 2008
Bounds, Benny	MBA, Kennesaw State University, July 2008
Breeden, Candace	MBA, Tennessee Technological University, May 2008
Bristow, Joan	MBA, Webster University, December 2007
Burl, Jan	MBA, Saint Leo University, May 2009
Charles, Hannah	MBA, University of Phoenix, July 2008
Conrad, Kathryn	Passed CPA Exam, December 2007
Cornett, Rita	MBA, Columbia College, May 2009
Cox, Lihua	MS in Accountancy, Saint Vincent College, May 2009
Cvetnich, Erica	MBA, Milligan College, September 2008
Denden, Anastasia	Passed CPA Exam, November 2008
Dietrich, Amber	MBA, Tennessee Technological University, August 2008
Eubanks, Brandon	Certified Public Accountant, April 2008
Fulton, Stephen	MBA, Southeastern Louisiana University, November 2009
Greer, Poppy	MBA, University of Georgia, August 2008
Griffin, Aya	MAcc, University of North Florida, May 2008
Harris, Amy	MBA, St. Leo University, December 2008
Hatch, Vanetia	MBA, University of Central Florida, December 2007
Henlon, Jennifer	MBA, Webster University, October 2007
Hochhauser, Aaron	Certified Public Accountant, January 2008
Hoke, Kristy	MBA, Bellevue University, May 2008
Ivery, Marilyn	MBA, St. Leo University, December 2008
Johnson, Eric	MS in Accounting, Old Dominion University, December 2007
	Certified Public Accountant, Virginia, May 2009
	MS in Accountancy, Old Dominion University, December 2008
	Certified Public Accountant, May 2009
Kersey, Delores	MBA, Defiance College, May 2009
Kimball, Valerie	Certified Public Accountant, October 2007
Lamb, Peggy	MS in Administration, Central Michigan University, May 2009
Lincoln, Fei	
Lutz, Albert	

Certifications & Degrees

Lynam, Roxann	Certified Public Accountant, April 2008
McGhee, Kenneth	Certified Public Accountant, October 2008
Mejia, William	MBA, NOVA Southeastern University, October 2008
Miller, Christopher	MBA, Franklin University, August 2008
Myres, Samuel	MS in Accountancy, University of Alabama Huntsville, August 2007
Owen, Mark	Certified Fraud Examiner, January 2008
Pereira, Brian	MBA, University of Louisiana at Lafayette, May 2009
Petrella, Virginia	MS, Old Dominion University, December 2007
Pranke, Raymond	MS in Accountancy, University of Central Florida, May 2009
Rigsby, Matthew	Certified Public Accountant, April 2009
Rinehart, Stephen	Master of Accountancy, University of North Carolina at Charlotte, May 2009
Serrano, Lucelly	Certified Public Accountant, February 2008
Shields, Haleen	MBA, Troy University, June 2009
Showalter, Katherine	Certified Public Accountant, April 2008
Smith, La Shea	MBA, Franklin University, August 2008
Squire, Cynthia	MS, Florida Institute of Technology, April 2008
Supplee, Shannon	MBA, Belmont University, December 2008
Swindell, Erika	MS, Central Michigan University, May 2008
Tatman, David	MBA, Franklin University, August 2008
Taylor, James	Passed CPA Exam, May 2008
Van Dingenen, David	Certified Public Accountant, October 2007
Whitemore, James	MS in Accounting, Old Dominion University, May 2009
Wood, Stephanie	Master of Accountancy, Alabama State University, August 2009
Wright, Ryan	Certified Public Accountant, January 2008

Mid-Atlantic

Augustine, Christopher	Certified Public Accountant, December 2008
Campbell, Justin	Passed CPA Exam, July 2008
	Certified Management Accountant, April 2008
Chen, Wen	Passed CPA Exam, January 2009
Craig, Bryan	MS in Science Accounting and Financial Management, University of Maryland University College, May 2008
	Certified Public Accountant, November 2008
de Carvalho, Jenny	Certified Fraud Examiner, June 2008
Delehant, Preeta	Certified Public Accountant, July 2008
Fannasy, Scott	MBA, Shippensburg University, August 2008
Groft, Ryan	MBA, Mount St. Mary's University, December 2007
Hecht, Jenny	Passed CPA Exam, January 2008
Hollenbach, John	Certified Public Accountant, January 2008
Ikejiofor, Elugbemis	MBA, Loyola College, September 2008

Certifications & Degrees

Johnson, Margaret	Certified Public Accountant, January 2008
Jones, Shana	MBA, University of Phoenix, March 2009
Lee, John	MS in Business and Management, University of Maryland College Park, December 2007
Li, Steven	Certified Public Accountant, October 2008
McLarney, Catherine	MS in Forensic Studies, Villa Julie College, May 2008
Michie, Margaret	Passed CPA Exam, May 2008
Notar, Jennifer	Certified Public Accountant July 2008
Picon, Roberto	Certified Public Accountant, March 2009
Root, Joshua	Passed CPA Exam, August 2008
Serbanescu, Ileana	MBA, Mount Saint Mary's University, May 2008
Shaffer, Daniel	MBA, Old Dominion University, May 2008
Shanosky, Mark	MBA, Saint Leo University, April 2008
Smith, David	Certified Public Accountant, April 2008
Smith, Steven	Certified Management Accountant, April 2008
Swindell, Erika	MS, Central Michigan University, May 2008
Tsai, Anchi	Certified Public Accountant, April 2008
Xu, Jian	Passed CPA Exam, November 2007
Yezzo, Nicholas	MBA, Georgian Court University, December 2008

Northeastern

Bush, Shanay	MS, St. John's University, September 2007
Bettencourt, Anna	Certified Public Accountant, April 2009
Corso, Robert	MS, Boston University, August 2008
Costa, Scott	Certified Public Accountant, September 2007
Dilley, JoAnn	Passed CPA Exam, November 2007
Enkosky, Theresa	Certified Public Accountant, March, 2008
Farrell, Colleen	MS in Accounting Information Systems, Bentley College, October 2007
Grindlay, Catherine	Graduate Certificate in Forensic Accounting, Northeastern University, January 2009
Hauenstein, Phillip	Certified Public Accountant, June 2008
Hilton, Ellen	ALM in Organizational Behavior, Harvard Extension School, Cambridge, MA, March 10, 2009
Jean, Nancy	Certified Information Systems Auditor, May 2008
Kaur, Daljit	MS, St. John's University, May 2008
Kimbrow, Linda	MBA, City University of Seattle, March 2008
Krten, Jiri	Certified Public Accountant, March 2008
Madden, David	MS in Management, Bridgewater State College, December 2007
Major, Cynthia	MBA, Johnson & Wales University, November 2008

Certifications & Degrees

Ohemeng, Daniel
Ortiz, David
Paris, Heather
Patel, Nital
Schirching, Donna
Stuart, Anthony
Whitaker, Tameeka

MBA, Curry College, December 2008
Certified Public Accountant, November 2007
MBA, Southern New Hampshire University, May 2008
MBA, University of Massachusetts at Lowell, July 2008
Certified Public Accountant, November 2007
MBA, New York Institute of Technology, February 2008
Certified Public Accountant, November 2007

Western Region

Abuan, Ramiro
Baey, Luke
Bertram, Jacob
Chaffee, Gregory
Chan, Sophia
Chang, Annie
Chung, Sun
Compton, Karla
Dioso, Jericho
Fuzak, Christy
Gienger, Linda
Gill, Sherry
Hazlett, Dave
Iadevaia, Robert
Jucius, John
Landau, Anton
Li, Joy
Reisdorf, James
Rodriguez, Acacia
Samavati, Sedi
Schilling, Steve
Sun, HongQiao
Sun, Joono
Taylor, Rachel
Thomas, Lanisha
Tiet, Joann
Tinnin, Jennifer
Wierzbicki, Stanislaw
Woods, Antoinette

Certified Public Accountant, January 2008
Certified Information Systems Auditor, October 2008
Certified Public Accountant, February 2008
Certified Public Accountant, January 2008
Certified Public Accountant, February 2008
Passed CPA Exam, June 2009
Certified Public Accountant, July 2008
Certified Public Accountant, January 2008
Certified Public Accountant, May 2008
Certified Public Accountant, May 2008
MBA, City University of Seattle, December 2007
Certified Public Accountant, May 2009
Certified Public Accountant, June 2008
Global Remuneration Professional certification, March 2008
Certified Public Accountant, July 2008
Certified Public Accountant, February 2008
Passed CPA Exam, May 2009
MBA, City University of Seattle, June 2009
Passed CPA Exam, April 2009
Passed CPA Exam, February 2009
Passed CPA Exam, May 2009
Passed CPA Exam, October 2008
MS in Accountancy, University of Phoenix, June 2009
Certified Hearing Official, November 2007
MS in Business Taxation, Golden Gate University, August 2009
Certified Public Accountant, March 2008
MBA, Arizona State University, May 2009
Passed CPA Exam, November 2008
BS, Biola University, May 2008

Professional Activities

Headquarters

- Campbell, Robin Presented *What to Expect from a DCAA Audit* to the National Contract Management Association, Frederick Chapter monthly meeting, Fort Detrick, Maryland, March 18, 2008
- Poloskey, Marian Presented a brief on DCAA's organization and how DCAA and the FLA fit into the procurement process, at the US SOCOM Annual Procurement Conference, Orlando, Florida, March 12, 2008

Field Detachment

- Girod, Jack Presented *Overview of DCAA Audit Products and Services* to National Contracting Management Association, Annapolis Junction, Maryland, February 26, 2008
- Issa, Robert Taught Introduction to Cost Accounting Standards at Defense Acquisition University, Manassas, Virginia, March 9 - 13, 2009
- Pawlak, William Elected President of the South Bay Chapter of the Institute of Management Accountants in California for the term June 2008-May 2009
- Sheets, Frederick Taught Financial Accounting at Florida Institute of Technology College of Business, Melbourne, Florida, January-May 2008
- Approved to the Florida Institute of CPAs Brevard Chapter Board of Directors for the term from July 2008 to June 2009
- Taught Introduction to Managerial Accounting at Florida Institute of Technology, August 2008 to December 2008
- Steele, David Taught Introduction to Cost Accounting Standards at Defense Acquisition University, Dayton, Ohio, January 12 - 16, 2009

Central Region

- Martinez, Natalie & Russell, Debra Presented *DCAA—Our Greatest Investment Is Our People* to Management Accountants Student Chapter & Accounting Association, University of Houston-Clear Lake, September 19, 2007

Professional Activities

- Klatt, Anna Taught Government and Not-for-Profit Accounting; Payroll Accounting; and Audit I, Minneapolis School of Business/Globe University, Minneapolis, Minnesota, beginning January 2008
- Kugler, William Taught Business Environment Concepts, Becker Professional Review, Fort Worth, Texas, July-August 2008
- McAfee, Jerry *Basis of Estimate for Parametric-Based Proposals* was published in *Parametric World*, Spring 2008 edition
- Presented *Parametric Estimating and Compliance with Government Regulations* at the SCEA/ISPA Conference and Training Workshop, Los Angeles, California, June 27, 2008
- Presented *Contingency Contracting and the Defense Contract Audit Agency* at the Interagency Contingency Contracting Conference in Orlando, Florida, May 6, 2009
- Presented *Parametric Estimating and Government Compliance* at the 2009 ISPA/SCEA Professional Development and Training Workshop in St. Louis, Missouri, June 2, 2009

Eastern

- Behrends, Glenn Presented *DCAA Overview/Audit Preparation* to the Marshall Small Business Alliance meeting at Marshall Space Flight Center, Alabama, December 6, 2007
- Presented *Common Questions Related to Government Contract Accounting* to the Huntsville Contracting Community, Huntsville, Alabama, April 17, 2008
- Bradley, Emmanuel Presented *CBBO—Government Contracting and DCAA* to the South Mississippi Contract Procurement Center Contractor's Workshop, Biloxi, Mississippi, March 17, 2009
- Byrd, Jill Presented *The Benefits of Working for DCAA* and *Applying for Government Jobs* to the Association of Women Accountants, New Orleans, Louisiana, September 30, 2009
- Cregan, Margaret Gave a recruitment presentation on the Agency and the types of audits performed, to students at Francis Marion University, Florence, South Carolina, February 4, 2008

Professional Activities

Drummond, Hugh	<p>Presented <i>Overview of DCAA Operations</i> to a DoD Office of the Inspector General conference, Indianapolis, Indiana, November 16, 2007</p> <p>Presented <i>Adequate Accounting Systems</i> to the 2008 Special Operations Forces Industry Conference-Small Business Symposium, Tampa, Florida, May 20, 2008</p>
Grimes, Karen	Presented <i>What is DCAA and What Do We Do?</i> to the Contract Management Class at the University of Alabama, Huntsville, Alabama, October 2, 2008
Harmon, Laurie	Serving as ASWA Board Member since June 2008
Hitt, Jonathan	Taught Principles of Accounting I, Calhoun Jr. College, January-May, 2009
Kersey, Delores	Served as Vice President, Managerial Accounting and Auditing Club, Old Dominion University, January-August 2008
Kimball, Valerie	<p>Co-authored <i>Government Procurement Fraud—Could SOX Be Used to Hold Contractors Accountable?</i> (with Gerald H. Lander and Kimberley A. Martin), published in <i>The CPA Journal, A Publication of the New York State Society of CPAs</i>, February 2008 issue</p> <p>Presented <i>Identity Theft and CPA Security Measures</i> at Gregory, Sharer & Stuart's Annual CPE Seminar, St. Petersburg, Florida, June 2009; and at the FICPA Suncoast Meeting, Clearwater Florida, September 17, 2009</p>
Langdale, Amy	Presented <i>Contract Compliance and Closeout</i> and <i>Competitively Pricing Your Proposal</i> at the Capitalizing on Business and Procurement Opportunities Conference, Jackson, Mississippi, May 5, 2009
Steele, Myrtle	<p>Presented <i>DCAA Small Business Workshop</i> to the Southwest Mississippi Contract Procurement Center, Biloxi, Mississippi, March 27, 2009</p> <p>Presented <i>Government Procurement Fraud</i> to the FICPA Suncoast Chapter, Clearwater, Florida, April 24, 2008</p>
Terry, Richard & Keiter, Mary	<p>Presented <i>Proposal Preparation</i> to Tampa area DoD contractors, St. Petersburg, Florida, May 7, 2008</p> <p>Presented <i>Adequate Accounting Systems</i> to the 2008 Special Operations Forces Industry Conference, Small Business Symposium, Tampa, Florida, May 20, 2008</p>

Professional Activities

Wayne, Cheryl Serves as a reviewer on the Citizen Panel Review Program for DeKalb County Juvenile Court to determine permanency options for abused or neglected children and meet with all interested parties, Decatur, Georgia, for a minimum of 1 year

Mid-Atlantic

Cohen, Jeffrey Served as President, Toastmaster's Club-His Toastmaster's Voice, Moorestown, New Jersey, for a 1-year term

Davey, Maria Presented DCAA Current Initiatives and Changes in Audit Guidance to the Institute of Management Accountants, Nation's Capital Chapter, January 13, 2009

Hahn, Scott Taught Principles of Accounting at Montgomery College, Germantown, Maryland, February-May 2008

Presented *Accounting System Surveys/Audits* at the Maryland Association of CPA's Government Contractor Workshop, California, Maryland, May 28, 2008

Hernandez, Steve Presented *Current DCAA Initiatives* at the Greater Washington Society of CPAs at the Small Business Government Contract Forum in Washington, DC, November 14, 2007

Presented *Opportunities in the DCAA* at the Accounting Club Meeting at Liberty University, Lynchburg, Virginia, November 15, 2007

Presented *Cost and Price Analysis* at the FAA Procurement Conference in Washington, DC, November 27, 2007

Panelist at the College of Business Administration recruiting event, University of Pittsburgh, Pittsburgh, Pennsylvania, January 25, 2008, and September 19, 2008

Hlavin, Jacqueline Presented *Accounting Systems, Timekeeping, and Financial Capability Audits* to the Association of Government Accountants, Linthicum, Maryland, February 20, 2008

Mohamed, Ibrahim Served as Chairperson of the Membership Committee, Association of Certified Fraud Examiners, DC chapter for a 3-year term

Stanley, Randolph Taught Federal Taxation, Strayer University, Ashburn, Virginia, October-December 2008
Taught Principles of Accounting, Argosy University, Arlington, Virginia, October-December 2008

Professional Activities

Travers, John &
Bentz, John

Presented *Executive Compensation on Government Contracts: An Audit Perspective*, at the Aerospace Industries Association, Annapolis, Maryland, December 5, 2007

Northeastern

Bernard, Gregg &
Factor, Steven

Presented *DCAA Postaward Audits and Contractor Responsibilities Under TINA* at a National Contract Management Association meeting in Bethpage, New York, November 27, 2007

Fletcher, Cathy

Presented *Women's Art: Women's Vision* and a course, *Diversity—What Does It Mean to You?*, to the FEW Greater Atlanta Chapter, Atlanta, Georgia, March 13, 2008; and presented the course again under the FEW National Training Program, Anaheim, California, July 14 and July 17, 2008; and the FEW Northeast Region Training Program, Lowell, Massachusetts, May 1, 2009

Presented two courses, *What Is Equal Employment Opportunity Compliance and the Role of Your Agency?* and *Diversity—What Does It Mean to You?*, to the FEW Rocky Mountain Region, Denver, Colorado, April 17, 2008

Published *FEW's Diversity Program and Revised Diversity Mission Statement* in FEW's News & Views, April 2008 edition

Reelected to a second term as FEW National Vice President for Diversity, for the term 2008-2010, beginning July 18, 2008

Presented and acted as moderator for the FEW Diversity Panel Breakfast Program at the FEW National Training Program, Anaheim, California, July 16, 2008

Presented *Diversity* to the FEW Chapter President Forum and 2009 National Training Program in Orlando, Florida, July 19-20, 2009

Meldonian, Ron

Presented *Auditing in a Hostile Environment* to the AGA Boston Chapter Fall Meeting, Boston, Massachusetts, November 20, 2008

Milshtein, Debra

Presented *Looking Ahead—Procurement Fraud Initiatives and Priorities* to the Procurement Fraud Working Group, Daytona Beach, Florida, April 2, 2008

Professional Activities

Sherman, Marc Presented *Revised DCAA Policies for Access to Contractor Records and Internal Control Opinions* to the NCMA, Long Island Chapter, Bethpage, New York, February 24, 2009

Western

Baey, Luke Was elected Los Angeles Chapter President, AGA, October 1, 2008

Bernacchi, William Taught Intermediate Accounting and Advanced Accounting at Mission College, Santa Clara, California, during the first semester of 2007

Taught Financial Auditing at Mission College, Santa Clara, California, February-May 2009

Compton, Karla Presented *Cost Accounting Standards and Federal Acquisition Regulation's Cost Principles* at the Annual IMA Seminar, December 9, 2008

Iadevaia, Robert Presented *DCAA Evaluation of Executive Compensation Costs at Nonmajor Contractors* at DCMA San Diego, California, February 21; and DCMA Santa Ana, California, March 11, 2008

Klein, Monica Presented *Washington Office Costs* at the Northrop Grumman Corporation CAC Conference, El Segundo, California, July 24, 2008

Smith, Curtis Presented *Importing Excel Files Into SAS Using DDE* at Western Users of SAS Software Users Group 2007 Conference, October 19, 2007

Presented *Importing Excel Files into SAS using DDE* to the San Diego Users Group, Inc. at the Sands One-Day Conference, February 21, 2008

Published bimonthly column, *Tips for Constructing a Data Warehouse*, Volume 11.4, in *SanDS*, San Diego SAS® Users' Group newsletter, November 2007; Volume 12.1, February 2008; Volume 12.2, May 2008; Volume 12.3, August 2008; Volume 12.4, November 2008; Volume 13.1, February 2009; Volume 13.2, May 2009; and Volume 13.3, August 2009

Wang, Ernest & Lievanos, Gina Presented *Introduction to the Defense Contract Audit Agency*, Beta Alpha Psi & Cal Poly Society of Accountants, January 24, 2008

Pat Fitzgerald Director



Pat Fitzgerald was appointed Director, Defense Contract Audit Agency, on November 8, 2009. You have probably read that he previously served as The Auditor General, U.S. Army and was responsible for managing the worldwide operation of the U.S. Army Audit Agency (USAAA). In fact Pat had 30 years of auditing experience within the USAAA, and held positions at every level of the organization. He entered the Senior Executive Service (SES) in 1998 as the Deputy Auditor General, Forces and Financial Management. Pat served as the principal advisor to The Auditor General on the Agency programs for auditing the Army's major functional areas of forces and manpower management, financial operations, information technology, Corps of Engineers, and civil works. He held the position of Deputy Auditor General, Policy and Operations Management, from 2001 to 2004, providing advice to

The Auditor General on audit policy; follow-up and liaison; auditor training and recruiting; and the agency's resources. Pat served as the Principal Deputy Auditor General from 2004 to 2006 and developed and oversaw the execution of the USAAA's strategic audit plan and overall management of audit operations.

Over the past 18 months at DCAA, Pat has traveled many miles to visit as many FAOs and meet as many colleagues as possible; he has now visited well over half of the Agency's FAOs.

His biggest surprise when he started with DCAA came when his wife, Sandy, said she had no plans to move from their home of 20 years to shorten his 53-mile commute to the office. Clearly he understands the challenges that most of us face in balancing work and home life. Pat and Sandy have four children, Danny, Erin, Lauren, and Kimberly, who is a high school senior still living at home. In his rare moments of free time Pat enjoys all types of sports activities. ■

Education

BS in Business Administration/Accounting,
University of Baltimore
MS in Policy and Management, Georgetown
University

Certifications

Certified Public Accountant
Certified Information Systems Auditor
Certified Government Financial Manager

Awards and Honors

Presidential Distinguished Executive Rank Award
Presidential Meritorious Executive Rank Award
Army Decoration for Exceptional Civilian Service
Outstanding Service in the Army SES Award
Pentagon Memorial Service Award
Meritorious Civilian Service Award

Anita Bales Deputy Director



Anita Bales was selected as our new Deputy Director and joined the Agency on April 10, 2011.

Ms. Bales has over 25 years of audit experience with the U.S. Army Audit Agency (USAAA), achieving increasing levels of responsibility as she moved through the ranks as auditor; audit supervisor in USAAA's Central Region; Audit Manager, Force Management Audits; and Program Director, Financial Management Audits. She was selected for the Senior Executive Service in November 2006 and held the position of the Deputy Auditor General of Forces and Financial Audits from 2006-

2011. She was the principal advisor to The Auditor General on all matters pertaining to USAAA programs for auditing the Army's major functional areas of forces and manpower management; financial operations; information technology; Corps of Engineers and civil works; health and morale, welfare and recreation; environment, safety and chemical; and the agency's Pacific Region operations.

Anita looks forward to joining our executive team, performing DCAA's mission, and working to make our Agency an exceptional audit organization. ■

Education

BS in Business Administration/Accounting, Drake University
MBA, Syracuse University

Certifications

Certified Public Accountant
Certified Information Systems Auditor
Certified Government Financial Manager

Awards and Honors

Neil R. Ginnetti Award
President's Council on Integrity and Efficiency Award for Auditing
Leonard F. Keenan Award (Syracuse University)
Resource Management Award from the Assistant Secretary of the Army (Financial Management and Comptroller)
Commander's Award for Civilian Service
Achievement Medal for Civilian Service

Don Mullinax Regional Director Western Region



Don Mullinax was appointed to the Senior Executive Service and became Regional Director of the Western Region, La Mirada, California, on June 28, 2010. He has three decades of experience leading and conducting contract, forensic, and performance audits; fraud and misconduct investigations; and anti-fraud consulting engagements across a variety of industries, including aviation, construction, consumer goods, defense, education, government, health care, and retail. He also has advised members of Congress, presidential appointees, mayors, city councils, and school boards as well as some of the most senior executives of private sector firms.

Don has held a number of executive positions in both the private and public sectors, including shareholder at

Forensic/Strategic Solutions, PC; a Principal at Deloitte Financial Advisory Services LLP; Inspector General of the Los Angeles Unified School District; Chief Investigator of the U.S. Senate's Permanent Subcommittee on Investigations; and Associate Director with the U.S. Army Audit Agency.

Mr. Mullinax is a Regent Emeritus of the Association of Certified Fraud Examiners (ACFE), former Chairman of the ACFE's Board of Regents, and currently serves as the Chairman of the ACFE's Board of Review.

Don was born in Ellijay, Georgia, and his wife, Wynne, was born in Kaneohe, Hawaii. They reside in Pasadena, California. Don and Wynne enjoy hiking and traveling. Don has one daughter, Adriane, and two grandchildren, Tyler and Jordyn, who reside in Lavonia, Georgia. ■

Education

B.S. in Accounting, Georgia College & State University

M.S. in Business Management, Central Michigan University

Certifications

Certified Internal Auditor

Certified Government Auditing Professional

Certified Government Financial Manager

Certified Fraud Examiner

Certified Inspector General

Awards and Honors

U.S. Senate Resolution for Faithful and Exemplary Service

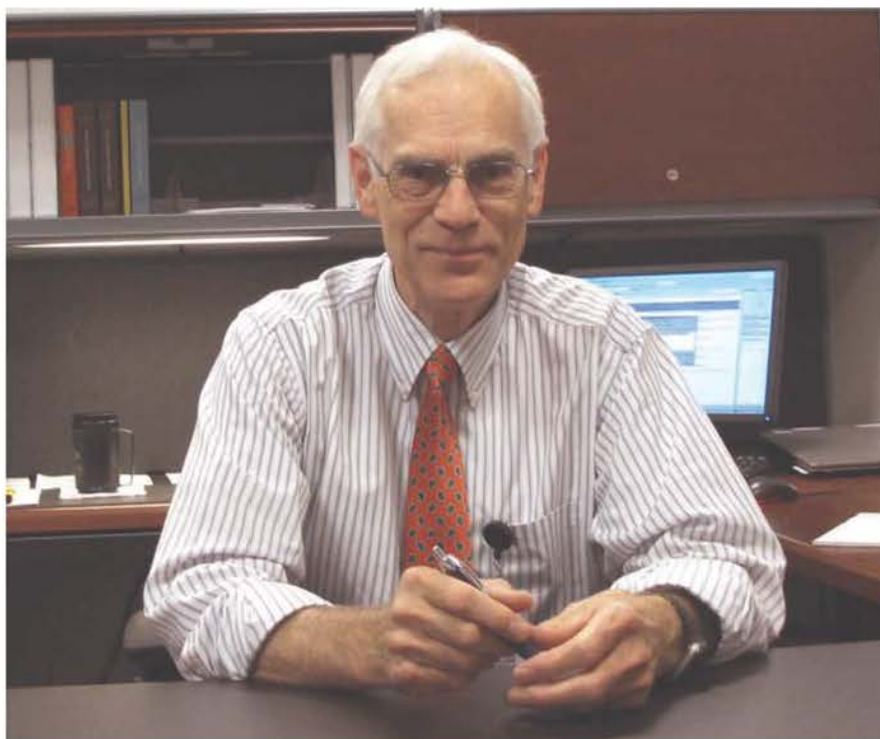
Inspectors General of the U.S. Department of Transportation Appreciation Award

U.S. Department of Health and Human Services Appreciation Award

Jack Muller

Executive Assistant to the Director

Headquarters



JACK MULLER joined DCAA and became the Executive Assistant in March 2010. In this capacity he is responsible for a variety of special actions and tasks as they arise in the office of the Director, and he frequently travels with the Director during official visits involving town hall meetings and other events.

Mr. Muller was an auditor with the U.S. Army Audit Agency for about 35 years and worked on financial and operational audits throughout the Army. During that time he was assigned to several offices, including Seattle, Washington; Fort Lewis, Washington; Frankfurt, Germany; Sacramento, California; and the Agency's Operations Center in Alexandria, Virginia.

His most recent assignments at USAAA were the Chief of Staff for the Financial Audits Directorate and the Executive Assistant to The Auditor General. For about four years prior to joining USAAA, he was a budget officer in the U.S. Air Force and had assignments in Colorado Springs, Colorado and at Incirlik Air Base, Turkey. He has also worked at the U.S. Postal Service and the Del Monte Corporation.

Jack has a Bachelor of Science degree in Accounting and Business Statistics from the University of Oregon. He is a Certified Public Accountant, Certified Fraud Examiner, and Certified Government Financial Manager; and he is a member of the Association of Government Accountants and the American Society of Military Comptrollers. ■

Alexie Rogers Director Equal Employment Opportunity

ALEXIE ROGERS became the Director, Equal Employment Opportunity in 2010. Mr. Rogers began his Equal Opportunity (EO) career in 1997 as an EO Representative; he was selected by the Department of the Army to attend the Defense Equal Opportunity Management Institute EO Advisor's Course and graduated in May 2003 with honors.

Alexie served 20 years in the U.S. Army in the Administration and Human Resource Management Career Field, earning numerous awards and decorations. Upon retiring he accepted a position as an EEO Specialist with IMCOM Europe assigned to Heidelberg, Germany. He was selected to serve as the EEO Director for the United States Military Academy, West Point in October 2007. During his tenure at West Point, Mr. Rogers simultaneously served as both the West Point EEO Director and the IMCOM Garrison EEO Officer, one of very few throughout the Department of Defense and Federal Government to be assigned and successfully serve in such a dual EEO capacity. During Alexie's tenure at West Point, he served as a member of the Department of the Army's Board of Directors for EEO and was appointed to serve on their DA EEO Career Training Revision Team. He also served a brief tour of duty as the EEO Chief, Humphries Engineer Center Support Activity, in Washington, D.C., prior to accepting his



current position as the DCAA EEO Director.

Alexie is a civil rights activist and has earned numerous professional certifications in the field. Additionally he serves as an Adjunct Faculty member for the Defense Equal Opportunity Management Institute and is a graduate of the Army Management Staff College. ■

William B. Petty Special Achievement Award

Anita Homburg



Chief, Accounting Standards
Division
Policy & Plans
Headquarters

ANITA HOMBURG, Chief, Accounting Standards Division, was awarded the DCAA William B. Petty Special Achievement Award for Management Excellence.

Ms. Homburg began her DCAA career in 1989, advancing by promotions to technical specialist and supervisory auditor positions within the Mid-Atlantic Region. She has been assigned to Headquarters Policy and Plans directorate since being promoted to Program Manager in 1999, first as part of the Accounting and cost Principles Division and then the Auditing Standards Division. She was promoted to Chief of the Auditing Standards Division in 2008.

Ms. Homburg is recognized as the subject matter expert on Generally Accepted Government Auditing Standards. As a result, she has been at the forefront of several extremely complex and sensitive DCAA policy projects related to (1) auditor and organizational independence; (2) sufficiency of evidential matter;

and (3) audit documentation requirements. These projects have resulted in numerous audit guidance memorandums, training materials, and support for hearings and briefings with congressional and oversight organizations.

Ms. Homburg is also recognized as a subject matter expert on pension costs and supported the Government in its pension-segment closing-adjustment litigation against GE as the Government's expert witness. Her efforts were commended by the trial attorneys, who noted that Ms. Homburg's arguments were "presented most persuasively and effectively" and that they appeared to be well received by the court.

Ms. Homburg has an undergraduate degree from Indiana State University and a Master of Business Administration from Chapman College. She is a Certified Public Accountant (CPA) in the state of Virginia. ■

DCAA Outstanding Employee With a Disability Award

Michele Hill

Auditor
Technical Programs Division
Mid-Atlantic Region

Left: Patrick Fitzgerald,
Director



MICHELE HILL, Auditor in the Technical Programs Division (RST), Mid-Atlantic Region, is the recipient of the DCAA Outstanding Employee with a Disability Award.

In spite of her disability, Ms. Hill has traveled on numerous occasions around the country, whether it involves conducting President's Council on Integrity and Efficiency quality reviews, teaching teams throughout the Mid-Atlantic Region the advantages of effective teaming or giving presentations at staff conferences on auditing issues. She has a positive attitude and performs her duties in an exemplary manner. She is routinely recognized for her outstanding performance.

Michele is the Mid-Atlantic Region's Persons with Disabilities Program Manager and she works with

employees and applicants by assisting them with understanding and utilizing the reasonable accommodation process. She is currently working with veterans' organizations on recruitment initiatives and has volunteered to assist the Mid-Atlantic Region's recruiting of candidates from Puerto Rico, taking advantage of her ability to converse in Spanish.

Ms. Hill has been a very valuable member of every organization or team to which she has been assigned in her 20-year career with DCAA. She has a Bachelor of Science degree from St. Joseph's University, Philadelphia, Pennsylvania. She currently resides in Wynnewood, Pennsylvania, with her husband and two children. ■

DCAA Outstanding Auditor Trainee of the Year 2009

Jason Hacke



Left:
Jody Niebrugge
Regional Audit Manager

Right: Ed Nelson
Regional Director
Central Region (Ret.)

JASON HACKE, Chicago Branch Office, is the recipient of the DCAA Outstanding Auditor Trainee of the Year Award for 2009. This award recognizes trainees who exhibit superior ability and outstanding achievement during their first 12 months of service with DCAA.

During his first year, Mr. Hacke completed 14 assignments including 6 proposal audits. On one proposal audit, he questioned \$3.8 million in material costs primarily due to questioning the contractor's method of developing a quantity adjustment factor. He developed a more reasonable quantity adjustment factor by combining stand-alone spare-part purchases with the proposed base material quantities, resulting in a lower unit price.

On another proposal, Jason questioned \$2 million of subcontract costs. He demonstrated that the contractor's proposed subcontract material-cost-decrement

factor was unreasonable because it was based on several different programs, while the contractor had more representative experience for the specific program under review. Mr. Hacke also used regression analysis to evaluate the scrap rates, resulting in additional questioned material costs.

Jason developed a cost model to facilitate the evaluation of indirect rates on proposal audits at a major contractor. This cost model is now used by all team members for comparing proposed rates to the forward pricing rate agreement. The model permits a more comprehensive review of rates in less time and resulted in the team questioning over \$5.4 million in proposed costs in 1 year.

Jason began his career with the Agency in 2008. He has an undergraduate degree from Northeastern Illinois University and is a CPA. ■

DCAA Meritorious Civilian Service Awards

William Daneke



Regional Audit Manager
Central Region

Right:
April Stephenson
Director (former)

WILLIAM DANEKE, as special assistant to the regional director, Central Region, received the Defense Contract Audit Agency Meritorious Civilian Service Award.

Mr. Daneke has distinguished himself as a professional and responsible leader during his 37-year career with the Federal Government. Mr. Daneke began his career with DCAA (Field Detachment) in 1975 in Los Angeles, California, after serving with the U.S. Army. He relocated to the Phoenix, Arizona, area in 1976 where he progressed to the position of supervisory auditor and ultimately to branch manager in 1987. He relocated to Dallas, Texas, in 1991 as the resident auditor for the LTV Resident Office. In 1996, he became the special assistant to the regional director. Mr. Daneke accepted the position as the Arlington branch manager in 2003 where he served until his return to the regional special assistant position in 2007.

Mr. Daneke, during his most current tenure as the regional special assistant, served as the Central Region focal point for DCAA's strategic plan. Mr. Daneke has been a major contributor to several objectives relating to the strategic plan, including assisting in the development of DCAA's approach to DoD's Continuous Process Improvement/Lean Six Sigma initiatives, and leading the DCAA team responsible for developing recommendations to improve the supervisor's work flow. In his previous position as the FAO manager for the Arlington Branch Office, Mr. Daneke's commitment and work ethic also produced outstanding results. Under his leadership, the office reported outstanding sustention and net savings with the FAO examining \$6.2 billion and providing total exceptions of \$779 million and net savings of \$181.2 million. Many of these savings were the result of Mr. Daneke's excellent leadership on audits of Iraq reconstruction and logistical support contracts. ■

DCAA Meritorious Civilian Service Award

Martha McKune

Supervisory Auditor
Chicago Branch Office
Central Region

Right:
April Stephenson



MARTHA MCKUNE, supervisory auditor at the Chicago Branch Office, has received the Defense Contract Audit Agency Meritorious Civilian Service Award. Ms. McKune has distinguished herself as a professional, loyal, resourceful, and dedicated leader during her 18-year career with the Federal Government. Ms. McKune started her career with DCAA at the Boeing St. Louis Resident Office in St. Louis, Missouri, in 1989, where she was promoted in 2001 to the position of supervisory auditor. She was reassigned as a supervisory auditor at the Chicago Branch, St. Louis Suboffice, in October of 2006 and is currently the branch manager of the Chicago Branch Office.

Ms. McKune has consistently demonstrated outstanding leadership and commitment to the critical mission requirements of the Agency and the Department of

Defense. Ms. McKune was selected at the beginning of FY 2007 to lead the Central Region's first roving audit team from the Chicago Branch Office, St. Louis Suboffice. Ms. McKune was given a team of six new hires to provide audit assistance to Central Region FAOs. As a result of her training and hands-on supervision, the roving team completed a total of 164 incurred cost assignments during the fiscal year. The team examined \$126 million in these audits and questioned \$7.6 million. As a supervisory auditor at Boeing St. Louis, Ms. McKune was responsible for the incurred cost audits of six major contractor locations. Her team audited \$2.1 billion in 2006 and questioned \$14.8 million; and met all 6-12-6/6-24-6 initiatives. Ms. McKune's team also identified purchase card issues at a major contractor location, which resulted in the contractor agreeing to a billing decrement of over \$50 million. ■

DCAA Meritorious Civilian Service Award

William Adie



Deputy Regional Director
Northeastern Region

Left: Ed Nelson
Regional Director
Central Region (Ret.)

Right:
April Stephenson

WILLIAM ADIE was awarded the DCAA Meritorious Service Award as Regional Audit Manager, Central Region, in recognition of his outstanding career achievements and exemplary accomplishments during his 27 years of service with the DCAA. Mr. Adie has held a variety of positions with DCAA, progressing from an Auditor-Trainee, Senior Auditor, Supervisory Auditor, QM/EDP/IT Chief, Branch Manager, Resident Auditor (CAC), and Regional Audit Manager to his current position as Deputy Regional Director, Northeastern.

Mr. Adie's management skills were put to a critical test when he accepted a TDY assignment as the first Branch Manager for the Iraq Branch Office, where he

established DCAA offices in Kuwait and Iraq. Mr. Adie's duties in establishing the Iraq Branch Office were formidable, and he executed his responsibilities flawlessly during his tour of duty. Mr. Adie was responsible for establishing an operational foundation for DCAA in Kuwait and Iraq. During this time period, Mr. Adie was responsible for all DCAA field audit actions in the Kuwait and Iraq area of operations. As a RAM, he has displayed decisive leadership on multiple major audit issues at his FAOs.

Mr. Adie has an undergraduate degree from Providence College and a Master's Degree from Western New England College. He is a Certified Public Accountant in the state of Virginia. ■

EEO Performance Award

Jannette Reyes

Auditor
Orlando Branch Office
Eastern Region

Right:
Patrick Fitzgerald



Jannette Reyes is the recipient of DCAA's Annual EEO Performance Award. Ms. Reyes has played an active role in supporting the Agency's Equal Employment Opportunity (EEO) program.

Her efforts to enhance cultural diversity epitomize the spirit and dedication required in promoting and sustaining EEO principles in the workplace. Through her numerous activities she has consistently demonstrated a very high level of commitment to workforce diversity that has exceeded the responsibilities of her position in the Eastern Region.

As the Eastern Region's Hispanic Employment Program Manager, Ms. Reyes successfully planned and organized numerous activities that contributed to the successful recruiting of Hispanics. She planned

and organized the Region's Hispanic Heritage Month special observance and throughout the year she disseminated statistical data and articulated facts that afforded the workforce the opportunity to enhance their cultural understanding of Hispanics. She conducted presentations for college students in Puerto Rico and worked closely with Eastern Region management officials to identify job vacancies that could be used to increase the representation of Hispanics in our DCAA workforce.

Ms. Reyes has been with DCAA for over 7 years, and she is considered to be an invaluable asset to our team. She has a Bachelor's of Science degree from Barry University, Miami, Florida. ■

DCAA Commendation Awards

Field Detachment



Steve Fernandes

Senior Auditor
West Coast Branch Office

At left:
Thomas Peterson
Director



Karen Dawson

Technical Specialist
Great Western Branch Office

At right:
Thomas Peterson

Central Region



Stephanie Barry

Technical Programs Specialist
KBR Resident Office

DCAA Commendation Awards

Northeastern Region



Joseph Bracken

Supervisory Auditor
Long Island Branch Office

At left:
Marc Sherman
Branch Manager



Donald Dubuque

Supervisory Auditor
UTC Resident Office

At left:
Janice Berardi
Resident Auditor



Charles Silverman

Senior Auditor
Bay States Branch Office

From left:
John Delcore, Branch Manager
Frank Summers, Deputy Director (Ret.)
Charles Silverman
Ron Meldonian, Regional Director
William Adie, Deputy Regional Director

DCAA Commendation Awards

Western Region



Margaret Brady, Technical Specialist,
East Bay Branch Office .

At left:
Chris Andrezze, Special Assistant to the Deputy Director,
Headquarters

Ron Hop, Branch Manager, East Bay Branch Office



Front, from left:

Terri Faloney, Chief, Western Region Human Resources Office

Debra Sofinowski, Supervisory Auditor, Rainier Branch Office

June Francis, Supervisory Auditor, North County Branch Office

Anne Bauman, Contract Audit Coordinator Assistant, Northrop Grumman Corporate Resident Office

Rear: Susan Barajas, Chris Andrezze

DCAA Commendation Awards

Western Region



At left: April Stephenson,
Chris Andrezze

From center:

Chang Chin Choe

Senior Auditor
Pacific Branch Office

Gilbert Mellis

Senior Auditor
San Gabriel Branch Office

Mayumi Van Elsing

Senior Auditor
Boeing Resident Office

Ronald Tufts

Senior Auditor
East Bay Branch Office

Greater Orange County Chapter, Blacks in Government Award



Presented to

Western Region

From left:

Chris Andrezze

Rachel Taylor
Regional EEO Officer

Susan Barajas

Farrell Chiles
Former National Board of
Directors Chairman,
Blacks in Government

✿ In Memory ✿



*Karen
Grechanik*

*K*aren Grechanik, Chief of the Financial Management Division, passed away on October 12, 2009, after a brief battle with cancer. She is survived by her husband, Jake; her son, Jason; stepdaughter, Brigid; siblings Jeff and Cindy; and her cat, Ginger.

Karen had 26 years of federal service, 19 of those with DCAA. She started her career with the Navy Finance Center in 1983. In 1984, she left Navy to take an Army Financial Management Intern position. DCAA HQ picked Karen up as a GS 13 Budget Analyst in 1989. While in this position, she participated in the Director's Fellowship Program

and obtained her Master's from Central Michigan University. In January 2000, Karen went back to Army for a promotion. She returned to DCAA HQ in June 2001 as the Chief of the Budget and Manpower Branch and obtained her Certified Defense Financial Manager (CDFM) certification. She was promoted in May 2006 to the position she held until her death. Over the years, she was the recipient of numerous awards for exemplary performance.

Karen's professionalism, attitude, work ethic, and contributions to the Agency defined her as an individual and as a truly dedicated public servant. Her death left a void in HQ Resources and the Agency. She is greatly missed by her friends and colleagues.

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