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CONTRACT MANAGEMENT AT ARLINGTON NATIONAL CEMETERY

HEARING

BEFORE THE

AD HOC SUBCOMMITTEE ON CONTRACTING OVERSIGHT

OF THE

COMMITTEE ON HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS UNITED STATES SENATE

ONE HUNDRED TWELFTH CONGRESS

SECOND SESSION

JANUARY 25, 2012

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WEDNESDAY, JANUARY 25, 2012

U.S. SENATE,
AD HOC SUBCOMMITTEE ON CONTRACTING OVERSIGHT,
OF THE COMMITTEE ON HOMELAND SECURITY
AND GOVERNMENTAL AFFAIRS,
Washington, DC.

The Subcommittee met, pursuant to notice, at 2:29 p.m., in Room 342, Dirksen Senate Office Building, Hon. Claire McCaskill, Chairman of the Subcommittee, presiding.

Present: Senators McCaskill, Pryor, and Tester.

OPENING STATEMENT OF SENATOR MCCASKILL

Senator MCCASKILL. This hearing will now come to order.

On July 29, 2010, almost exactly 18 months ago, this Subcommittee held an oversight hearing on the mismanagement of contracts at Arlington National Cemetery, the Nation's most revered and sacred burial ground for veterans and their families. At the hearing, we reviewed the findings of a June 2010 report by the Army Inspector General which found hundreds of mistakes associated with graves and gross mismanagement by the Cemetery's leadership. The Subcommittee also investigated how the mismanagement of contracts to implement a new automated system to manage burials contributed to those mistakes.

The Subcommittee found that the problems with graves was more extensive than previously acknowledged and that thousands of graves were potentially at risk of being unmarked, improperly marked, or mislabeled on the Cemetery's maps.

The Subcommittee's investigation also found that officials at the Cemetery and at the Army failed to conduct basic oversight. For example, Arlington's former leadership approved projects to automate and digitize burial records which resulted in millions of dollars in contracts over a decade without producing one usable product. In addition, there had been no review or audit of the Cemetery for over a decade prior to the Inspector General's 2010 review.

In September 2010, as a result of the investigation of this Subcommittee, I introduced legislation to address those failures. The bill ultimately acquired 12 cosponsors, passed the Senate, and was signed into law in December of 2010. The law requires two separate reports by the Secretary of the Army. The first provision required the Secretary to verify the identity, location, and burial records for gravesites in Arlington National Cemetery and present

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plans to remedy any errors found in the review. This report was submitted on December 22, 2011.

The second provision requires the Secretary of the Army to submit an annual report for the next 3 years on execution of the Secretary's June 2010 directive, which changed the structure and authority of operations at Arlington National Cemetery. This first annual report was, in fact, submitted September 2011.

The law also required the Comptroller General to present a report to Congress on the management and oversight of contracts at Arlington National Cemetery, including a review of the feasibility and advisability of transferring to or sharing jurisdiction of Army National Cemeteries with the Department of Veterans Affairs. This report was released in two parts on December 15, 2011.

The findings of these reports and the way forward from here are the subject of today's hearing. We will hear from the Army Inspector General, the Government Accountability Office (GAO), and Arlington National Cemetery about what the Army and the Cemetery have done to try and remedy the failures of the past. We will also hear about what Arlington and the Army still need to do to ensure that this never happens again.

The reports provided to Congress reveal that much work remains to be done. Arlington must be put on a course that will ensure no tragedy like the one we saw unfold in 2010 is ever again reported to veterans and their families.

At the outset, I want to commend Ms. Condon and the staff at Arlington for their efforts over the last 18 months. The corrections made by Ms. Condon, Mr. Hallinan, the Cemetery staff, the members of the Accountability Task Force, and the Cemetery's Old Guard, among others, constitute a sea change from what we saw under the Cemetery's prior leadership.

I would also like to recognize the Army Inspector General, both old and new. The original 2010 report issued under the leadership of General McCoy demonstrates the quality and independence we expect from the Inspector General community, and I expect that General Vangjel will continue to hold Arlington and other Army officials accountable in his new role as Army Inspector General.

As I tell witnesses from GAO at nearly every hearing, you are the unsung heroes of the government for the work you do every day. Nothing pains me more when people take political cheap shots at government workers, particularly because I am aware of the work that is done at GAO, the incredible savings that you produce for taxpayers in this country every day, and the dedication with which you go about your work. And it is not like you are doing it for big bucks.

As I was told during the September 2010 hearing, I said that I would continue my work on Arlington until I was confident that all problems at the Cemetery were fixed and that we could stand tall and assure the families of our veterans that they would never again need to wonder about the location of their loved ones' remains. I look forward to continuing to work with all of you and my colleagues to make this goal a reality.

I thank the witnesses for being here today and I look forward to their testimony.

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Senator Tester, welcome. You are welcome to make any comments you would like before we begin with the witnesses.

OPENING STATEMENT OF SENATOR TESTER

Senator TESTER. I would love to, Senator McCaskill. Thank you very much, and thank you for convening this hearing and for leading the charge to expose and address this issue. I want to thank the witnesses ahead of time.

When the issue of mismarked graves and mismanagement at Arlington came to light initially, I said it was a black eye that needed to be made right. Simply put, our Nation is entrusted with certain sacred responsibilities. It is not only about honoring and taking care of those who wear the uniform, it is about being there for the families during their time of loss. And when entrusted with the remains of their loved ones, it is incumbent upon this Nation to carry out its responsibility with the utmost respect and dignity. On too many occasions in recent memory, whether it is mismanagement at Arlington National Cemetery or the mishandling of remains of American troops at Dover Air Force Base, that responsibility has been abandoned and that trust with the people for whom we serve has been broken.

Ms. Condon, as the Chairman said, I am happy to have you here, along with Mr. Hallinan. By all accounts, you stepped up to the plate. You have made some tough decisions and instituted a number of needed reforms and I very much appreciate that. But as a recent GAO report pointed out, we are not there yet, and when you are entrusted with sacred responsibilities, there is no margin for error. So this afternoon, I look forward to your testimony and I look more forward to the discussion that will happen after that testimony.

Thank you all for being here. Thank you, Madam Chairman.

Senator MCCASKILL. Thank you, Senator Tester.

Let me introduce the witnesses. Our first witness is Lieutenant General Peter Vangjel. He is the Inspector General of the U.S. Army. He was appointed to the position on November 14, 2011. As Inspector General, he is responsible for investigating allegations of misconduct by Army officials. Most recently, Lieutenant General Vangjel served as the Deputy Commanding General of the Third Army, U.S. Army Central, at Camp Arifjan, Kuwait, from September 2009 to September 2011. I could also probably talk to you about contracting, could I not, over there. I know that is the center of most of the contracting and the contingencies.

Belva McFarland Martin is the Director of Acquisition and Sourcing Management team at the U.S. Government Accountability Office. She is responsible for a portfolio of major management and public policy issues related to the protection of the Nation's critical technologies, including export controls, the defense industrial base, Navy shipbuilding, defense acquisition workforce, and Army modernization programs.

Brian Lepore is the Director of Defense Capabilities and Management at the U.S. Government Accountability Office. He directs audit and evaluation teams that review the Department of Defense (DOD) support infrastructure, programs for base closure and realignment, installment, sustainment, modernization, and restora-

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tion, base operations including installation services, management of training ranges, infrastructure and privatization programs, and facilities energy management.

Kathryn Condon is the Executive Director of the Army National Cemeteries Program. She was appointed to the position on June 10, 2010. As the Executive Director, Ms. Condon is responsible for both long-term planning and day-to-day administration of Arlington National Cemetery and the U.S. Soldiers' and Airmen's Home National Cemetery. Ms. Condon has held several other military positions, including serving as the Civilian Deputy to the Commanding General, U.S. Army Materiel Command, from 2006 to 2009.

It is the custom of this Subcommittee to swear in all witnesses who appear before us, so if you do not mind, I would ask you to stand. Do you swear that the testimony you will give before this Subcommittee will be the truth, the whole truth, and nothing but the truth, so help you, God?

General VANGJEL. I do.

Mr. LEPORE. I do.

Ms. MARTIN. I do.

Ms. CONDON. I do.

Senator MCCASKILL. Let the record reflect that the witnesses answered in the affirmative. Please be seated.

We will be using a timing system today. We would ask that your oral testimony be no more than 5 minutes. I am going to say somewhere around 5 minutes. This is very important. If you need to go over 2 or 3 minutes, I do not think Senator Tester and I are going to mind. Your written testimony will obviously be printed in the record in its entirety, and we will begin with Lieutenant General Peter Vangjel. Am I saying your name right?

General VANGJEL. You are, Madam Chairman.

Senator MCCASKILL. OK. Great.

General VANGJEL. I will answer to just about anything as long as I know that they are looking at me, Madam Chairman. [Laughter.]

Senator MCCASKILL. OK, sir. Thank you.

TESTIMONY OF LIEUTENANT GENERAL PETER M. VANGJEL,[1] INSPECTOR GENERAL, U.S. DEPARTMENT OF THE ARMY

General VANGJEL. Madam Chairman and distinguished Members of the Subcommittee, thank you for the opportunity to speak to you today, and thank you for your input, support, and guidance over the past 18 months. It has made a significant difference at Arlington.

Since assuming the duties of the Army Inspector General in November, I have reviewed our previous inspections, I have met with the Executive Director, Ms. Condon, her team, and other stakeholders who have been involved in correcting the deficiencies found at Arlington. To fully appreciate the progress that has been made, one only has to review the June 2010 report which identified 61 deficiencies, among them being a deplorable organizational climate, archaic recordkeeping and automation systems, uncontrolled con-

[1] The prepared statement of Mr. Vangjel appears in the appendix on page 27.

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tracting and budgeting processes, and a significant problem with gravesite accountability.

In contrast, our 2011 IG report identified no deficiencies and noted significant progress at the Cemetery, largely due to the course set by the Secretary of the Army's Directive 2010–04, the efforts of the Executive Director and her team, and the support from the Department of the Army's staff. In short, the mismanagement and deficiencies reported to you in the June 2010 IG report have been relegated to the past and Arlington is transitioning from successful crisis management to sustained excellence. Allow me to share just a few specifics.

The previous insular environment that contributed to mismanagement and substandard performance at Arlington no longer exists. The Executive Director has established a positive work environment, emphasizing cooperation, coordination, and collaboration. Workforce surveys taken as part of the 2011 inspection reflected steadily improving morale, unity, and organizational effectiveness.

The Cemetery now possesses an advanced fully functional information technology infrastructure supported by a service agreement with the Army's Information Technology Agency. Arlington has leveraged the agency's Consolidated Customer Service Center (CCSC) to more effectively monitor and respond to customer calls, thus improving customer service. A new computer application for digitizing burial records has been critical in establishing an accountability baseline for each gravesite and inurement niche.

The 2011 inspection team reviewed 25 contracts covering services, engineering, and construction and found that these contracts are now properly aligned, with contractors possessing the requisite skill sets to perform required work to standard. New acquisitions are subjected to rigorous analysis, fee award compliance checks, and contract packet reviews for quality assurance. While we still noted some errors in 2011, none were egregious and the number was significantly less than 2010.

Arlington now works closely with the Office of the Administrative Assistant and the Assistant Secretary of the Army for Financial Management to ensure improved oversight of the Cemetery's budget formulation and execution. The transition to the General Fund Enterprise Business System (GFEBS) has provided full visibility and transparency of Cemetery expenditures.

Finally, with respect to improvements, the Executive Director recently published a Campaign Plan which includes major efforts to complete gravesite accountability, address long-term expansion of the Cemetery, and complete documentation of policies and procedures. For these and other objectives, it assigns responsibilities, time lines, and metrics to measure progress.

With this encouraging news comes the reality that there is still much more work to do. The 2011 Army IG inspection report provided 53 recommendations for continued improvement at Arlington. I will highlight a few key actions.

Arlington's leadership and the Department of the Army must finish updating relevant policies and procedures. Further, the Arlington leadership must complete the documentation and validation of internal processes, procedures, and controls. The recent work to es-

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tablish the Gravesite Accountability Baseline must continue to resolve the nearly 50,000 cases that are still outstanding.

Effort must be exerted to establish a multi-service policy that standardizes required assets for full honors funerals and enables maximum utilization of finite resources at the Cemetery.

The Executive Director must coordinate with the Army staff to establish enduring external oversight processes to prevent any reoccurrence of past shortcomings.

The Department of the Army must finalize and implement enduring organizational and support relationships for the National Cemeteries Program.

And finally, the Army must maintain the support and oversight that it has provided recently to its National Cemeteries and apply lessons learned from Arlington to all cemeteries under Army control.

In conclusion, Arlington remains a priority for the Secretary and for the Army. The significant progress observed by the Army IG validates the Secretary's approach to creating the processes, systems, and management that we found to be lacking at Arlington in 2010. This strategy, executed according to the Executive Director's Campaign Plan with the support of the Army, the Defense Department, other Federal agencies, and Congress will set the conditions for continued improvement and ultimately sustained excellence.

Thank you once again for the opportunity to testify today and I look forward to answering your questions and working with the Subcommittee in the future.

Senator MCCASKILL. Thank you, Lieutenant General. Ms. Martin.

TESTIMONY OF BELVA M. MARTIN,[1] DIRECTOR, ACQUISITION AND SOURCING MANAGEMENT, U.S. GOVERNMENT ACCOUNTABILITY OFFICE

Ms. MARTIN. Madam Chairman, Senator Tester, thank you for the opportunity to appear before the Subcommittee to discuss GAO's work at Arlington.

Senator McCaskill, you alluded to legislation that became the mandate for GAO to review contracting and management issues at the Cemetery. Those reviews found that Arlington has taken significant actions to address its problems and that the path forward is for Arlington to sustain progress through improved management and oversight. My colleague, Mr. Lepore, will discuss GAO's work on management issues.

On contracting, GAO identified 56 contracts over $100,000 that supported Cemetery operations, construction and facility maintenance, and new efforts to enhance IT systems for the automation of burial operations. Arlington does not have its own contracting authority, but relies on relationships with contracting offices to award and manage contracts on its behalf. These contracting authorities obligated roughly $35.2 million in support of the 56 contracts covered by our review.

The Army has taken a number of steps, as the IG has alluded to, since June 2010 at different levels to provide for more effective

[1] The prepared statement of Ms. Martin and Mr. Lepore appears in the appendix on page 46.

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management and oversight of contracts, including improving contracting practices, establishing new support relationships, formalizing policies and procedures, and increasing the use of dedicated contracting staff to manage and improve its acquisitions. However, GAO found three areas at Arlington where additional improvements are needed. First, maintaining complete data on contracts, second, defining responsibilities for contracting support, and third, determining contract staffing needs. I will briefly summarize key findings in these three areas.

First, with respect to maintaining complete data, we pulled together information on Arlington contracts from various sources, including support organizations. However, there were limitations with each of the sources. To be able to identify, to track, and ensure the effective management and oversight of its contracts, Arlington leadership needs complete data on all contracts.

Second, with respect to support relationships, the Army has taken a number of positive steps to better align Arlington contract support with the expertise of its partners. For example, Arlington has agreements with the Army Information Technology Agency (ITA), and the Army Analytics Group to help manage its IT infrastructure. While these agreements spell out services that ITA will provide to Arlington and performance metrics against which ITA will be measured, they do not specifically address ITA's contract management roles and responsibilities in support of Arlington requirements. Although officials told us that they clearly understand their responsibilities, the question is what happens in the future when there are new personnel in place? Going forward, sustained attention on the part of Arlington and its partners will be important to ensure that contracts of all types and risk levels are managed effectively.

Third, with respect to dedicated contract staffing arrangements, three contract specialist positions have been identified for Arlington but have not yet been filled. Arlington is presently receiving support from the Fort Belvoir Contracting Office in the form of 10 contracting staff positions, five of which are funded by Arlington and five by Fort Belvoir. Arlington officials have identified the need for a more senior contracting specialist and are developing plans to fill this new position in fiscal year 2013.

In closing, the success of the Army's efforts to improve contracting and management at Arlington will depend on management's sustained attention and efforts to institutionalize positive steps taken to date. Accordingly, we made a number of recommendations in our December 2011 report to improve contract management and oversight in the three areas where we found shortcomings. For the most part, DOD agreed that there is a need to take action and have provided time frames for doing so. We will continue to monitor their progress.

Madam Chairman and Members of the Subcommittee, this concludes my short statement. I will be happy to answer questions.

Senator MCCASKILL. Thank you, Ms. Martin. Mr. Lepore.

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TESTIMONY OF BRIAN J. LEPORE, DIRECTOR, DEFENSE CAPABILITIES AND MANAGEMENT, U.S. GOVERNMENT ACCOUNTABILITY OFFICE

Mr. LEPORE. Thank you, Madam Chairman. Madam Chairman and Members of the Subcommittee, thank you for the opportunity to be here today to present our findings reviewing oversight and management of Arlington National Cemetery.

We issued our report on December 15 and my testimony today will be based on our report. I will make two points today. First, I will discuss the policies and procedures the current leadership team at Arlington has put into place to manage the Cemetery and I will identify some of our recommendations to assist in that endeavor. And second, I will discuss some factors affecting the feasibility and advisability of transferring Arlington from the Army to the Department of Veterans Affairs (VA).

Here is the bottom line. I think it is fair to say the current leadership team at Arlington has taken many positive steps to address the deficiencies at the Cemetery and make improvements. The Army has made progress in a range of areas, including improving chain of custody procedures to ensure proper accountability over remains, better providing information assurance, and improving procedures to address inquiries from the families and the public. However, we believe further steps are needed to ensure the changes are institutionalized and will prove long lasting long after the spotlight has faded.

Therefore, we have made recommendations in six areas. First, they should complete the enterprise architecture to guide new investments in information technology to ensure the investments are aligned with the future operational requirement.

Second, an updated workforce plan to ensure the workforce is properly sized and trained.

Third, an internal assessment program to gauge how the Cemetery is doing and to make any improvements that may be warranted.

Fourth, improving coordination with the Cemetery's operational partners, including the Military District of Washington, the Military Service Honor Guards, and Joint Base Myer-Henderson Hall, to ensure, for example, scheduling conflicts are avoided and the right honor guards are available when needed.

Fifth, a strategic plan or campaign plan with expected outcomes, performance metrics and milestones.

And sixth, written policies explaining how to assist families when assistance is warranted.

The Cemetery leadership has generally concurred with our recommendations and begun to implement them. We are encouraged by this.

Now, my final point. The question of feasibility and advisability of transferring Arlington from the Army to the VA. It is certainly feasible. The Congress transferred more than 80 Army-managed cemeteries to the VA in the 1970s. However, several factors could affect the advisability of this. Such a change could have potential costs and benefits, lead to some important transition challenges, and affect the characteristics that make Arlington unique among our National Cemeteries. Thus, it may be premature to change ju-

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risdiction since the Army has significantly improved its management of Arlington.

Here are some of the specific challenges that could arise in a jurisdictional change. First, identifying the goals of the transfer. Why is the transfer to be made?

Second, the Army and the VA have their own staff, processes, and systems to determine burial eligibility and to schedule and manage burials. Arlington has more restrictive eligibility for in-ground burials than VA, for example.

Third, Arlington's appropriation structure is different than VA's and Congress might need to address that in the event there is to be a change.

Fourth, the Army provides military funeral honors, but the VA does not.

Fifth, Arlington hosts many special ceremonies throughout the year, including some involving the President and visiting heads of state.

And finally, sixth, Arlington is one of the most visited tourist destinations in Washington, hosting over four million visitors a year.

Finally, we do think there are some opportunities for the Army and the VA to collaborate more for the mutual benefit of both organizations, but most importantly for the benefit of our servicemembers, our veterans, and their families. Here are some examples.

VA has staff dedicated to establishing eligibility for burial in its cemeteries and a central scheduling center that could assist Arlington, if necessary. Conversely, VA officials are examining whether Geographic Information System or Global Positioning System technology should be used in their cemeteries, but the Army already provides such services and could assist the VA if that is deemed appropriate. Since no formal mechanism yet exists to identify collaboration opportunities, we recommended that the two Departments establish one and they agreed.

In conclusion, we believe the Army has worked through the crisis and taken steps to put Arlington National Cemetery on a sustainable path to ensure effective cemetery operations. Our recommendations are offered in the spirit of helping this process along so that we never have to come before you again to have this conversation.

Madam Chairman, that concludes my prepared remarks and I would be happy to answer any questions that you or the other Members of the Subcommittee may have.

Senator MCCASKILL. Thank you, Mr. Lepore. Ms. Condon.

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TESTIMONY OF KATHRYN A. CONDON,[1] EXECUTIVE DIRECTOR, ARMY NATIONAL CEMETERIES PROGRAM, U.S. DEPARTMENT OF THE ARMY

Ms. CONDON. Madam Chairman and distinguished Members of the Subcommittee, thank you for the opportunity today to provide an update on the progress we have made at Arlington National Cemetery.

I want to state up front that we still have work to do to correct some of the remaining challenges that we have at Arlington, as was just discussed by the colleagues at the hearing with me today. But I want you to know that I and the U.S. Army accept those challenges and all are dedicated to restore the dignity and honor that our veterans and their families so rightly deserve.

Significant progress has been made. Our contracting practices now bring the Cemetery in compliance with Federal Acquisition Regulations. And the implementation of state-of-the art technology now make the hallowed grounds of Arlington one of the most technologically advanced cemeteries in the Nation, a different perspective than 19 months ago, when the Cemetery lacked fiscal stewardship, was a paper-based operations, where calls were not answered and where the workforce was not properly manned, trained, or equipped.

In the accountability report recently submitted to this Congress, we examined and soldiers from the Old Guard photographed 259,978 gravesites, niches, and markers and the Accountability Task Force coupled those photos with existing Cemetery burial information that for the first time consolidated 147 years of Cemetery records, records created from logbook entries, paper-based records of internment and grave cards, and computerized burial records. We now have them in an accountable database.

Since the submission of the report, the total validated gravesites without any burial discrepancies in evidence is now 210,076, and we are working diligently to close the remaining 19 percent of those cases to bring our efforts to completion.

The creation of this single, complete, verified database will soon allow families and other stakeholders with Internet access to search for and produce a picture of any marker in the Cemetery and review publicly available information about that gravesite through our state-of-the-art Web site.

In the area of contracting, we have made significant progress in contract management, transforming our contracting activities to position the Army National Cemetery programs for long-term sustainment. The Army has resourced our contracting support and oversight, adding skilled acquisition personnel to support my staff and properly training the workforce in the acquisition process.

Madam Chairman, I do believe that Arlington has made some monumental changes in the last 19 months, but we continue to move forward each and every day, capturing our progress with repeatable processes and predictable results.

In order to orchestrate the many activities required to effectively run Arlington, we developed the Army National Cemeteries Program Campaign Plan, which codifies in one strategic document the

[1] The prepared statement of Ms. Condon appears in the appendix on page 66.

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long-term vision for the operation of Arlington and the Soldiers' and Airmen's Home Cemeteries. It is the vehicle that I and the Superintendent, Pat Hallinan, will use to ensure that we achieve our vision for the Cemetery. It incorporates the significant guidance, support, and recommendations that we have received from the Secretary of the Army, the GAO, the Army Inspector General, the Army Audit Agency, the Northern Virginia Technology Council, and from distinguished members of Congress, in particular Members of this Subcommittee. Coupled with the Campaign Plan, we are developing our Enterprise Architecture and Technology Acquisition Roadmap which will serve as our IT blueprint and ensure that our IT investments are effectively and efficiently meeting the needs of the organization well into the future.

In conclusion, I personally want to thank this Subcommittee for its leadership, its guidance, support, and encouragement for helping us restore the faith and dignity once again to Arlington National Cemetery. I look forward to your questions.

Senator MCCASKILL. Thank you, Ms. Condon.

Let us start. So that people realize, I think what I talked about in my opening statement about the Old Guard, it sounds like when you say the Cemetery's Old Guard, people do not realize that these are, in fact, active members of the Army that are assigned to the Cemetery, and while they are called the Cemetery's Old Guard, they are anything but old. These are young men and women who have been assigned to do the work at the Cemetery that we all think of, the Honor Guard, the Caissons.

And I do want to point out as I begin asking questions that it was, in fact, these young men that came to the Cemetery when I went out there in November and I had the opportunity to thank a number of them. They, besides their other duties, many of them showed up at midnight and worked through the night until 5 or 6 in the morning with cell phones and/or cameras and individually went through the Cemetery and photographed over 259,000 gravesites. While some people might think of that work as something that was less than honorable, it was remarkable in talking to these young men, proud members of the military, proud soldiers, how honored they were to have been engaged in this task. And I want to point that out, because it once again confirms in my mind what I have learned over and over and over again as a member of the Armed Services Committee. This country is incredibly blessed by the men and women who step across the line and say, "Take me."

So let us talk about the number of graves and the discrepancies. We had heard that there were 330,000 graves at Arlington, and now we know there are not 330,000 graves at Arlington. Where had that number come from? Why was that number being used if it is off by almost 100,000 graves?

Ms. CONDON. Ma'am, the 330,000 number that people quote was the number that they would say of the number of people who were actually interred at Arlington National Cemetery. That is not the actual number of gravesites, because you can have a husband and spouse in the same gravesite, and sometimes even dependents along with them.

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I can tell you right now, ma'am, that I—one of the efforts of the Accountability Task Force will be to truly identify what the number of people who are actually interred in the Cemetery, and right now our data shows that it is over 400,000 individuals who are interred at Arlington. But until we complete the results of the Accountability Task Force, we will not be able to give you the accurate number of the number of people who are interred at the Cemetery.

Senator MCCASKILL. So we now know that we have at least 70,000 more people buried at Arlington than had been previously estimated?

Ms. CONDON. Yes, ma'am, we do.

Senator MCCASKILL. The additional review—we have heard today that there will be over 64,000 gravesites that will need additional review. What does that mean?

Ms. CONDON. Ma'am, to give you a great example, part of our Accountability Task Force is we set up business rules, and one of our business rules was that we had to have at least two official documents to match with the photo of the headstone or the niche. What we are finding in the previous, as reported in the Task Force report, is there was a period where all we had was literally a record of internment or a grave card. And so what that means, ma'am, is that we are looking at other sources of official data such as the Social Security Death Index and Census records so that we can truly verify the information of those interred. So that is one of the examples of what that means.

Senator MCCASKILL. So what you are saying is we have over 60,000 gravesites where we do not have sufficient back-up and documentary evidence for you all to be certain that you have it right?

Ms. CONDON. Yes, ma'am, because as an example, in Section 27, which is the Freedman's Village section, all we have is a headstone that says "Citizen," and that is all the information that we have there. So that is one of the examples.

Senator MCCASKILL. OK. How long do you think it is going to take to get through this additional 64,000 gravesites where you cannot at this point speak with certainty about who is located there?

Ms. CONDON. Ma'am, as I stated in the report, I think because we currently have a team of 40 individuals who are now temporary employees working on that, we should probably come to closure by this summer.

Senator MCCASKILL. OK. Let me go to contracting. One of the things that was interesting to me in the GAO report is that you all use contracting services of various places, and that, to me, as somebody who spends a lot of time around this subject matter, that makes the little alarm bells go off in my head. It is hard enough to do contract oversight if you have one contracting source in terms of your work. But with you all using several different contracting personnel from several different agencies, I think it is really problematic that you are ever going to get the kind of control that you need.

Do you think you should bring it in house, or at a minimum, try to locate all the contracts either with the Army Corps of Engineers or with the Northern Virginia Contracting Authority or one of

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these various places that you are now actually executing contracts within?

Ms. CONDON. Ma'am, that was one of the issues that I addressed immediately when taking over as the Executive Director, and one of the first things that I did was sign an agreement with two contracting agencies, with the Army Contracting Command for all of our service contracts and with the Corps of Engineers for all of our construction contracts. Most of our contracts really are service contracts and that is why our Mission and Installation Contracting Command is the one who has a contracting support element who is supporting me at Arlington National Cemetery.

So, really, most of our contracts are channeled through—because they are service contracts, such as our landscaping, et cetera. So I am very confident that we have a handle on our contracts by really going to those two agencies, the Corps for our major construction projects and the Mission and Installation Contracting Command for our services contracts.

Senator MCCASKILL. So going forward, those are the only two contracting sources you are going to use and they are clearly delineated from a management perspective that you feel confident you can keep track of it?

Ms. CONDON. I feel confident that we can keep track of it, and the only other contracting is, as before, we are no longer having individual information technology contracts. I am now part of the Headquarters Department of the Army support for IT. So I only have to put forward my requirement. I do not have to have separate contracts to support that. So I am comfortable with where we are going now.

Senator MCCASKILL. And do you all feel GAO—Ms. Martin, do you feel okay about the way they have organized the contracting at this point in time?

Ms. MARTIN. Yes, we would not take exception with the fact that they use outside sources for contracting, and as Ms. Condon alluded to, they have two means of doing that. One is to go to a contracting authority to identify their requirements, their oversight, et cetera, and the second means is to partner with Army-wide efforts and use their existing contracts and task orders. So we do not have concerns with that.

What it means is that you have, just as you alluded to, Madam Chairman, you have to do more with respect to management and oversight to get that visibility into the contracts, to make sure that the requirements are stated in a way that you get deliverables and that you provide the adequate oversight. So it is not so much the vehicle. It is the management oversight and visibility that is important, and I think Ms. Condon alluded to the fact that she took some actions to try to do that.

Senator MCCASKILL. Great. OK. Senator Tester.

Senator TESTER. Thank you, Madam Chairman, and we will start with you, Ms. Condon. As I said in my opening statement, the trust of our Nation depends upon the work that is being done in Arlington and rebuilding that trust is going to be a tall task. Can you give me any ideas on what you are doing to help rebuild that trust?

Ms. CONDON. Senator, one of the things that we have focused on is honoring the fallen and making sure that we are doing every-

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thing we can to provide information to the families of our loved ones that we inter at Arlington. And I think the greatest step forward on that is we now have a means to communicate with those who are scheduling services by just the implementation of our call center.

Senator TESTER. OK.

Ms. CONDON. Before, literally, most of the telephone calls went unanswered. Now, every phone call to the Cemetery is answered. So I think we have the means to—so our loved ones can schedule their service. So I think that is a great step forward in restoring the confidence.

Senator TESTER. OK, that is good. How about outreach to families that had concerns?

Ms. CONDON. What we did is, sir, every time there was an issue with an affected family member, we personally work with the next of kin on each and every one of those cases so that they know we have been open, we have been candid, and we have been transparent with each and every one of those family members.

Senator TESTER. So from your perspective, you are 100 percent confident that folks are where they are said to be, their final resting place?

Ms. CONDON. Sir, in the report to Congress when we do our accountability, there is still the possibility of human error in a burial at Arlington. But if we do discover that there could possibly be a discrepancy, we have set procedures where we follow each and every case, where we notify not only Congress but also the next of kin and accommodate what the family's wishes are in case we find any.

Senator TESTER. Do you have any mechanism—I guess redundancy would be the term—to be able to determine if there is a mistake, a human error that is made? Do you have any ability to find it quicker than one of the family members would find?

Ms. CONDON. Sir, we have the ability from this day forward. We now have—

Senator TESTER. OK.

Ms. CONDON [continuing]. A six-step chain of custody procedure. We have implemented new procedures. And, what happened prior to June 10, we will—we have procedures on how we will handle any discrepancy that we find—

Senator TESTER. That is good. I think it is critically important that every effort is made to do it right.

At the first hearing, we heard about millions of dollars in contracts that were not being utilized appropriately. We talked with Madam Chairman about some of the things that you have done to eliminate that. I mean, we are in times of austerity here. We have an important job to do at Arlington and other military cemeteries around the country, but there still are concerns about dollars. I read in this testimony that there was a recommendation to go from 102 to 201 or something like that employees. We talked about the contracting. I just want to touch on contracting for just a second.

The information I had is there were three contracting organizations that dealt with 35 contracts. I think that is GAO numbers. You are saying, Ms. Condon, that you have taken it down to two

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contracting organizations, and do those two contracting organizations deal with all your contracts now?

Ms. CONDON. Except those contracts that are from the Headquarters—like our IT contracts

Senator TESTER. With the Army.

Ms. CONDON [continuing]. Are with the Army.

Senator TESTER. OK. And how many contracts are with the Army?

Ms. CONDON. Right now, it is predominately our IT contracts.

Senator TESTER. And how many are there?

Ms. CONDON. Sir, I would have to get the exact number for you on that one.

INFORMATION FOR THE RECORD

Currently 12 information technology task orders or contracts support Arlington National Cemetery, valued at $3.9M for an annual period of performance. Ten of these contracts, of which nine are annual service requirements, leverage the enterprise contracts managed by the Army Information Technology Agency, the Army Analytics Group, and the USACE Army Geospatial Center under the established agreements among all organizations. ANC serves as the Contracting Officer Representative (COR) for two of these contracts.

Senator TESTER. OK. The whole point is, and I think it goes to oversight of those contracts. Are we getting, number one, are we getting our contracting dollar out of the contracts that are given, and do you have enough oversight? And I guess I will give you three questions if you can hit them. And the third one is, because you have—and I understand the IT stuff with the Army and I think that you should do that. But because you have, it was three, and then you have two contracting agencies, does that require more manpower than if you just had one and went with it? What is the advantage of two, is what I am saying.

Ms. CONDON. The advantage of two, sir, is purely expertise. The Corps of Engineers' expertise is construction—

Senator TESTER. OK.

Ms. CONDON [continuing]. And we use the Corps for construction and—

Senator TESTER. So that is one of the contracting organizations. What is the other one?

Ms. CONDON. The other one is the Mission and Installation Contracting Command, which is part of Army Contracting Command, and that is for services, services such as our landscaping—

Senator TESTER. OK. I got you.

Ms. CONDON [continuing]. And maintaining the grounds—

Senator TESTER. So the bottom line, in your opinion, are we getting the bang for the buck?

Ms. CONDON. Sir, yes, we are, because one of the things that we have in place now that we did not before, is we now have trained contracting officer representatives, and each and every day we are out there holding the contractors accountable for doing the job correctly. So I think we truly are getting the bang for the buck. As a matter of fact, we consolidated from our service contracts. When we started in the Cemetery, there were 26 contracts. We consolidated them down to 16 contracts. Each and every one of those 16 contracts, when we recompeted it, came under the government esti-

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mate and we did have cost savings by just consolidating those contracts.

For an example, we had six contracts prior that had something to do with a tree. By consolidating those contracts to one contract, we were able to save the government money and be good stewards of the taxpayer dollar.

Senator TESTER. We appreciate that, and that is exactly the point I am getting to. When you start consolidating the contracts, I think it is easier for oversight and there is more accountability, but that is my—I am sitting here and you are sitting there, okay, so you may have a different perspective and I appreciate it, but that is what I heard.

When it comes to your contracts with technology, you talked about the gravesites now, they are all on a searchable database so you can find out what is going on and I think that is good. It should have been done years ago, but better late than never. The question is, as you look at a lot of businesses as they move towards technology, there is a reduction in manpower necessary. I think it was the GAO, and correct me if I am wrong, Ms. Martin, but you had recommended 200 staff people—somebody recommended 200 staff people for Arlington. It does not really matter. The question is, as you look at the overall landscape and you see the kind of changes you are making, is your manpower demand going to continue to go up or do you see it potentially becoming static or potentially going down?

Ms. CONDON. Sir, that was one of the things that Mr. Hallinan and I, when we came on board, is we were really truly building the workforce that was required to run Arlington properly that we did not have before. What we are also doing is looking not only at our manpower—we feel that the numbers that we have now are adequate, but as we look into the future, as we get time to assess the technology and the operating procedures, are there some things that we are currently putting on contract that we could do from within house.

Senator TESTER. That is right.

Ms. CONDON. So that is one of—because we do realize that the downsizing of government, et cetera. So that is one of our goals, is to make sure that we have the right number of people to do the job—

Senator TESTER. Yes, and I agree, although I will tell you, and excuse me for taking a little bit more time than I should, Madam Chairman, but I think a lot of times we use contractors to be subcontractors—I mean, to be general contracts and we could be doing that and getting more efficiency from the dollar, quite frankly, and we could get more money to the ground and more money to get work done in those contractors' pockets, which I think is ultimately something that is pretty darn important in this whole thing.

I want to thank you. I can tell you that, and Madam Chairman knows about this as much as anybody, but the contracting that goes on in government right now, maybe with your exception, and this has changed in the last 15 months or so, but almost every contract that is investigated into, there is waste, fraud, and abuse. And I would just say, as I said in my opening remarks, thank you

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for the work you have done. Thank you for the work you are going to do, you and Mr. Hallinan, and I very much appreciate it.

And that is not to take anything off all you guys. I just let you off the hook. And I am sorry, I should have asked you guys more questions, but thank you very much, Madam Chairman.

Senator MCCASKILL. Senator Pryor.

Senator PRYOR. Thank you, Madam Chairman, and thank you for having this hearing. It is very important and I appreciate you doing it.

General if I may start with you, in the lessons learned area, I know you spent a lot of time on Arlington National Cemetery and I appreciate that. Do you have concerns that there may be other Arlington Cemetery problems out there in the system with other National Cemeteries?

General VANGJEL. Well, as far as the other National Cemeteries are concerned, the Soldiers' and Airmen's Home National Cemetery, we were pretty much focused on that and Ms. Condon has a plan to get after that as she works through the Arlington issue.

We do have 28 other cemeteries, though, that are post cemeteries that are out there, and quite frankly, we are starting to take a look at that, as well, based on public law and the National Defense Authorization Act (NDAA) 2012. They have asked us to take a look at the Service Academy Cemetery, for example, and we are getting ready to launch on that now. We will be participating with the Department of Defense to take a look at the statistical sample of the cemeteries that are out there.

But clearly, from our perspective, we are looking forward to taking a look at what else might be out there. We have no indications at this point that there is anything, but we want to make sure that we do not have another Arlington that is out there.

Senator PRYOR. So you have no indications at this point at any—

General VANGJEL. Not at this time, sir. No.

Senator PRYOR. OK. And I know that the GAO made several recommendations and one was enhanced collaboration between the Army and Veterans Affairs on ways to improve operations. But as I understand it, there has not been any sort of formalized working group, is that fair?

General VANGJEL. I think where we are at right now, Senator, is that we have the Department is looking to collaborate with the Veterans Affairs. Ms. Condon, as the Executive Director and the proponent right now, is in the best position to take a look at what we need to do with Arlington National Cemetery. There are some things that have gone on, however. The integration of the Interment Scheduling System, for example, with the Burial Operations Support System that the VA runs, there is work ongoing right now to take a look at how we are going to align some of the automation digits, if you will, to make that compatible so that information can be shared back and forth.

In terms of the internal assessment program that we are so concerned with for Arlington and what Ms. Condon has as a component of her Campaign Plan, the operational assessment and inspection regimen that the VA uses, that is being incorporated. Mr. Hallinan, of course, with his expertise and being the Superintendent there at the Cemetery is taking advantage of using that

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document as a base document for that which he might use from his internal regimen.

So there are a number of different aspects right now that are going on at a lower level, but really the intent was to start that at the ground up and find out where we needed to have some of that collaboration and coordination and it will be pulled up over the next 6 months. We look forward to seeing something when we go back down to Arlington in June, July, this summer. We have another re-look that we have to do in accordance with public law and we are looking forward to seeing some of that.

Senator PRYOR. Ms. Condon, did you have any comment on that?

Ms. CONDON. Sir, we are working with Veterans Affairs, not only from an integration of our scheduling system with their Burial Operations System, but we also have an agreement between the two, for our Secretary of the Army and the Secretary of VA, where we are leveraging their training. We have sent several of our employees to the VA training program and we are looking at having a way where we can have interns back and forth between the cemeteries. And one of the things we are also looking at is we are probably a little bit further ahead right now from a geospatial standpoint and we would like to share that with VA because of the steps that we have already taken to geospatially manage our cemetery.

Senator PRYOR. OK. One of the other recommendations that the GAO made was in how you should interact with families. It sounds like there is a set of recommendations there. What is the current process for notifying a family if you guys have identified an error? What do you do now?

Ms. CONDON. Sir, when we identify an error, the first thing we do is we do the research to make sure that we have all of the facts from a Cemetery perspective. And then the next step is to notify the next of kin and to explain the discrepancy that we may have found and to discuss with the family how, our plans for rectifying whatever discrepancy that is and accommodating the family's wishes on if they would like a chaplain, if they would like to attend if we have to do all of that. So there is a set procedure that we use for each and every case. But the bottom line is we immediately notify the next of kin when we find a discrepancy that could impact their loved one.

Senator PRYOR. And is that now written policy?

Ms. CONDON. Sir, it is now written policy.

Senator PRYOR. Also, just for my background information, in looking at the problems at Arlington, did most of these problems happen during a set period of time or do they go back to the beginning at Arlington and it is just the function of the age of the Cemetery?

Ms. CONDON. Sir, the issues span the age of the entire Cemetery.

Senator PRYOR. OK. And so what happens if a family member comes to you and says, hey, I think there is a problem. What is your process then?

Ms. CONDON. If a family member comes to us with a problem, the first thing we do is to research to see if there truly could have been a problem with that family member.

Senator PRYOR. OK. And if a family member just reaches out and contacts you and says, I want to make sure that my loved one is

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where he is supposed to be and everything is copacetic, same thing? Do you guys have a process there?

Ms. CONDON. Yes, we have a process there, sir, and most of our burials at Arlington are gravesite burials in the family. So we have a process for a family who has a concern and part of our Accountability Task Force is that we verify not only the headstone and the records that match to that gravesite.

Senator PRYOR. And there has been some discussion about an electronic database?

Ms. CONDON. Mm-hmm.

Senator PRYOR. Are you saying that you are putting every person buried in Arlington in an electronic database?

Ms. CONDON. Every person buried in Arlington's records will be in an electronic database.

Senator PRYOR. That has not been done yet, but you are working on it?

Ms. CONDON. We are working on that. That was part of our Accountability Task Force, and sir, as part of our geospatial effort, as well. We are months away from actually having the application where you will not only be able to find your loved one's records, but we will have an application on one of your smart phone technologies that will literally take you to the actual gravesite, which is why we started our Accountability Task Force by using smart phone technology with the Old Guard taking photos using a smart phone because that was our long-range plan for our public facing application for the general public.

Senator PRYOR. By virtue of having a database and the attention that this issue has received over the last year or two, do you think that these problems are now fixed going forward?

Ms. CONDON. Sir, the same accountability that we are doing for the task force is how we are going to account for each and every burial that we have at Arlington from this day forward. As a matter of fact, the procedures are in place. Our workforce is now taking the photos of the headstones and latching that up with our automated records.

Senator PRYOR. OK. Thank you, Madam Chairman.

Senator MCCASKILL. Thank you. And I will say, in my visit to Arlington in November, I had the opportunity to look at the procedures that are now in place and they are—there is a lot of redundancy. It will be very hard for them to lose track of a burial site and what remains are located there based on the processes that are now in place, which is a big improvement.

General Vangjel, I was worried about the unobligated funds issue. I do not think I need to tell anybody that is testifying today that we are trying very hard. I think there is a newfound sense of urgency in Congress to watch every dime that is spent and to be accountable for every dollar that is obligated. So imagine my concern that we have $15 million in obligations that were out there that had never been spent, and in fact, the Army Audit Agency found that due to poor financial oversight by the previous administration at the Cemetery, $27 million in obligations between 2004 and 2010 were made and never disbursed.

Now, what worries me about this is that nobody noticed, that clearly the systems were not in place, that someone would not have

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some kind of notification that you had significant unobligated funds that had never been disbursed. I know we recovered part of them. What about the other $12 million in undisbursed funds, for any of you, and what kind of reassurances—and maybe I need to talk to Army Audit here instead of Inspector General, but if I were the Inspector General, this would get my attention because I would wonder, where else are there unobligated funds that are hanging out that we could pull back for the taxpayers to be put for a more important use, or better yet, to put back in the Treasury.

General VANGJEL. I could not agree with you more, Madam Chairman, and one of the things that we will be doing this summer—as you know, the Army Audit Agency did come and take a look. It very thoroughly went through Arlington's records, their existing contracts that they had in place. And in spite of the previous regime's assessment that they were short of funds, they, in fact, had funds that they could not account for. I have to give credit to the current Executive Director because when she came on board, the first thing she wanted to do was get visibility of it, and as she went after the General Fund Enterprise Business System, that enabled them to begin to account. The Army Audit Agency with the Assistant Secretary of the Army for Acquisition, Logistics, and Technology both did program management reviews and audits and they were able to uncover some $15 million that essentially has been reconciled and put to good use because Ms. Condon did not want to submit a budget request until she knew where the money was. That is good stewardship from our perspective. However, what we want to do is make sure as we come for a second look this year, a third look next year, we want to make sure that we have that. So the Army Audit Agency will be coming down as subject matter experts as part of the overarching IG inspection and the re-look so that we have appropriate oversight.

But your point is well made as we look to other activities that are ongoing in the Army and we will most certainly take that back, because there are some things as we look at oversight mechanisms right now systemically across the Army, we have to make sure that we are spending our money appropriately, wisely, in the right places, and in accordance with our senior leader guidance. So I will take that one back, Madam Chairman, and we will work through that with our subsequent inspections that we are doing throughout the Army.

Senator MCCASKILL. If this was not transparent, if this was not obvious, and clearly it was not, then I think it would be very helpful for someone at the most senior level at the Pentagon to take a look at this issue of obligated but not disbursed and what kind of systems are in place in the various parts of our military to make sure that we do not have this going on. I have to believe there are systems other places, because—well, for one thing, I heard too many whistleblower stories about getting rid of stuff at the end of the budget year because if you do not spend it all, then they are going to think you do not need it the next year, and horror stories about fuel being dumped and so forth so that they can ask for the full load the next year without having to admit that maybe they had not used it all the previous year. That goes on in every part of government, not just the military.

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But this worries me. This is a troubling sign beyond the problems that were represented, and I will follow up with other people within DOD to talk about that, but it is a problem.

In terms of the VA, first of all, I am glad to hear that you are cross-training. I think that is a great idea, especially since the training for cemeteries that VA does is in Missouri. I think it is terrific that you are utilizing the great skill set and core competencies of the Veterans Administration when it comes to our new cemeteries.

I visited one of those cemeteries in Missouri because I wanted to compare and contrast what I had seen at Arlington at the height of this mess compared to what is ongoing at a cemetery. I went to the cemetery in Springfield, Missouri, and I was very impressed at what they had done there in regards to tracking and maintaining. In fact, one of the things I thought was terrific is if the cemetery office was closed, there was actually a kiosk outside the building where a visitor could pull up with their name exactly where they needed to go in the cemetery to visit their loved one without having to involve any personnel of the cemetery in that question or that answer. Very impressive.

And I am assuming with the geospatial technology that you are embracing that you are envisioning not only can people do this on their smart phones, but there would be kiosks at Arlington where people who are visiting outside of the business hours of the administration could actually get that information.

Ms. CONDON. Ma'am, as a matter of fact, just this past week, we are in Alpha testing for our kiosk that we are going to put throughout the entire Cemetery and in our visitor center to do exactly that, where it will actually print you a copy of a map that will take you, literally, because of the acreage that we have at Arlington, literally will take you to that gravesite. So we did take that from what VA was doing and we are going to have kiosks by sometime late spring.

Senator MCCASKILL. So how about GPS? Are you going to be able to say I arrived at Arlington with my smart phone and I went on. Is there going to be an application that I can download, that I could go on, enter the name, and then it will actually guide me like a GPS to the gravesite?

Ms. CONDON. Ma'am, that is exactly what we are doing with our smart phone application. So we are months away from doing that.

Senator MCCASKILL. I was worried when I saw the article in the Washington Post yesterday that they had some problems in the VA system, isolated, obviously, but I am pleased at least they are taking a look, because obviously the scope and breadth of the VA system dwarfs Arlington. I mean, people do not realize that all of the cemeteries in the country, and every State has some, are run by VA, with the only two exceptions being the two that we have talked about today, Arlington and the other cemetery that the Army runs.

Well, let me do this. I want to try to leave open the door for the next hearing that we will have on this, because I am not going to stop until whoever it is that is running Arlington Cemetery can say, we now have a handle on every single gravesite, and we are not there yet. We have made a lot of progress in 18 months. I would like each witness to state what you think the single biggest

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challenge facing Arlington is at the present time. What remains that you think is the biggest challenge that has to be tackled and accomplished as we look towards the next 12 months of progress towards full accountability and transparency for this sacred site, and let us start with General Vangjel.

General VANGJEL. Thank you, Madam Chairman. I think the biggest problem that exists right now would be to complete the accounting for the gravesite accountability. If we are going to establish trust and maintain trust with the American people, folks want to know. They want to know that the problem is solved, that it has gone away. I think that is the biggest thing that would face us.

In order to get there, there are some standard operating procedures (SOPs), documents that need to be done, the documentation so that we can transfer, as you mentioned a bit earlier, whoever is going to be at Arlington Cemetery. We want to make sure the right procedures and documents are in place to facilitate any transition from the current Executive Director to one that would follow.

Those would be the two biggest, and I think either one that, if I could just add one more, would be the overall long-term expansion of the Cemetery to be able to accommodate the burials. I think that would be one other that we need to really make sure that we have the right plans that have been executed. I know that Ms. Condon in her Campaign Plan has gone after that and that those are the—in my mind, ma'am, those are the big three. Thank you, Madam Chairman.

Senator MCCASKILL. Ms. Martin.

Ms. MARTIN. Yes. I will certainly fall back to the area that I am most familiar with, which is the contract management and oversight. You mentioned the fact of the funds that had not been recovered, and that is especially important to have accurate contract data because that allows you to be able to track and identify where the funds are. And in our report, we talked about the fact that Arlington funding has a no year designation. So with money that does not have a fiscal year limitation it is even more important to—

Senator MCCASKILL. Why is that? Why do you have no year—why is it that Arlington does not have a fiscal year like every other part of government?

Ms. MARTIN. Well, at least the funds for the Cemetery are no year funds. I mean—

Senator MCCASKILL. I know, but why? Why is that? Why do we not change that?

Ms. MARTIN. I am not sure—

Senator MCCASKILL. Can we change that?

Ms. MARTIN [continuing]. In terms of why. I do not think Arlington or the Army would necessarily come forward to ask it be changed, but—I am not sure. I mean, there is some history there in terms of the fact that it is no year money, but—

Senator MCCASKILL. Yes, but that is exactly what led to this problem. I mean, setting a different set of rules for Arlington contributed to the lack of accountability at Arlington for many years. And if it were not for brave whistleblowers, we still would not be where we need to be. I mean, people that worked at Arlington knew that things were going badly and nothing was happening, and part of that was this no year end money, I think. Is there a

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recommendation that should be made that we should end the notion that Arlington should not have fiscal year appropriation like anybody else would?

Ms. MARTIN. Well, Senator, we did not look at that as a part of our audit, but GAO is on record as saying when you have no year funds, then obviously there is more accountability involved. So from the perspective of GAO and contracting going forward, I would say it is the insight and the oversight in terms of contracting that is important. While strides have been made, there are still some things that need to be done.

Senator Tester talked about the importance of looking to see if the number of contracts can be consolidated. Ms. Condon and her staff have certainly done that. She mentioned having several contracts for landscaping, and now they have fewer contracts. All of that is important. Leveraging the expertise of ITA, all of those are very important steps. Now it is a matter of, again, getting proper insight and continuing with the oversight of the contracts that from our perspective is very important going forward.

Mr. LEPORE. Madam Chairman, you asked what we thought were sort of the key things that the Cemetery needs to focus on going forward. I certainly agree with what my colleagues have stated today.

I would also suggest that one of the key things from where I sit is going to be ensuring that the changes that have been made to date are sustainable and will outlive the current leadership team, and I think, to their credit, the review that we did suggests they have begun that process of pivoting, if you will, from going through the crisis, working through the crisis, and beginning to put in place the kinds of policies, procedures, and systems that, if implemented fully—and the Campaign Plan is a great example of it—should outlive the current leadership team so we do not ever have a situation again where it takes Herculean efforts from very dedicated senior people to make this work. The whole idea here is that eventually they will move on to some other thing, whatever it is, some other stage of their life, and whoever the next generation of leaders are coming into Arlington should not have to reinvent it. The systems should be in place.

Senator MCCASKILL. Turnkey.

Mr. LEPORE. A turnkey operation, or a plug-and-play operation, absolutely. And it seems to us that is where our recommendations went and I think that is the key issue for them right now.

Senator MCCASKILL. Ms. Condon.

Ms. CONDON. Senator McCaskill, if I could address the no year money—

Senator MCCASKILL. Yes, let us talk about that.

Ms. CONDON. OK. The first—

Senator MCCASKILL. How did that happen, and when did it happen?

Ms. CONDON. Arlington was designated as a civil works activity and, hence, it was no year funds. But one of the first things that I did, and with the help of our Assistant Secretary for Financial Management and Comptroller, is to put in an accounting system. And now that Arlington is part of the General Fund Enterprise Business System, we are now going to be fiscally transparent. So

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the financial management community can now see how we expend each and every dollar.

The benefit of having no year money was one of the benefits of being able to recoup those unliquidated obligations from prior years and to be able to apply them to the projects that we have ongoing right now. Because of those unliquidated obligations, ma'am, we were able to start and finance the ninth columbarium. That was one of—and we were able to put in all of those IT issues. We will be able to address and put in the technology and buy the right equipment to get Arlington to where it is today.

So having no year money from that perspective has really been a benefit for myself and Mr. Hallinan to truly put in the changes we need. But now that we are under GFEBs, we are fiscally transparent, so it does not matter if we are one year money or no year money. We truly—every dollar is now in an accounting system that is being monitored like every other process in the Army.

Senator MCCASKILL. Well, but I am confused. I think everyone would like no year money.

Ms. CONDON. Yes, ma'am.

Senator MCCASKILL. We would not be dumping any fuel if we had no year money because on one would feel the need to hurry and spend year end. So there are arguments that can be made for that.

On the other hand, we have an appropriations process that is an annual process and a justification on an annual basis, and that also has a great deal of merit in terms of fiscal accountability. I understand you could use money that was not used for other things you needed—

Ms. CONDON. Right.

Senator MCCASKILL [continuing]. But most parts of government cannot do that. They have to come back and justify to Congress that they have additional needs, that there should be appropriations for them. I have a hard time believing that Arlington would have difficulty getting appropriations because I think this body has great respect for what that represents to our country and would want to fund it appropriately. I am just trying to figure out, if we have transparency, good, but maybe the year end funds is a discipline that everyone should have. I am not asking you to say yes or no here—

Ms. CONDON. Right.

Senator MCCASKILL [continuing]. I am just thinking, I think it is something that we need to take a look at.

Ms. CONDON. Understood, and what we do is we do report the carryover very similar to the working capital fund that you carry over from year to year.

Senator MCCASKILL. I understand.

Ms. CONDON. So we do report those numbers, so that would be it.

You asked, what is the most outstanding challenge from my perspective we are facing at Arlington right now. Ma'am, and as you have witnessed, the incredible changes to the business processes that we have put in place at Arlington. And what I need right now is the patience for us to allow, to look at those processes to make sure that we have the right metrics, to make sure that we have the

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systems right so that we can truly sustain the changes that we have made at Arlington up until this point. So we just need to test all of the IT support and all of the changes that we have made to the operational procedures.

And so what I just need now is—my biggest challenge is patience, because in this next year, that is what the Superintendent and I are doing, is to make sure that those changes that we have put in place can be sustained for generations, not just for the immediate future.

Senator MCCASKILL. I want to thank all of you for the work on this. It was quite an undertaking, and for those out there that are skeptical about the ability of government to fix problems on a time table, I think this is a great poster child for people deciding that this work was important and it deserved lots of eyes and a lot of effort from a lot of people, and I think that the Army—and I have said this to top leadership in the Army—I understood that the Army was more upset than anyone else about the problems at Arlington. All of us can tsk, tsk and bemoan the incompetence that had occurred there, but I do not think anybody felt it more acutely than the Army. And so I think the Army responded in a way that reflects the dedication they have to the fallen. And I am impressed that the amount of progress that has been made is substantial and significant, frankly, at lightning speed for government. Within 18 months, we have a completely different protocol at Arlington as it relates to accountability and I think it is good.

We still have work to do, and I have said from the beginning that the oversight of this Subcommittee would not end until people sat in front of this dais and said, "I think the challenges have been met and I think all the processes and procedures are in place and I see no problems that need to be addressed by additional oversight." No one said that today, so we will have another hearing. I am sure it will be a year from now. And at that point in time, General, I am sure you will have more information to report because I know you are planning on going back out to take another look at Arlington.

I want to compliment Ms. Condon, because even when things were discovered that were not good, her office checked in with this Subcommittee and let us know that another problem had been discovered. I think there might have been a tendency to say, well, they will never know. Let us just get it fixed. But instead, there has been transparency and that is very good. So congratulations for that, and most particularly, congratulations to all the men and women who have worked hard at Arlington, many of whom have worked there many years and care deeply about the reputation and the method in which we take care of the problems there. And thank you to GAO.

We will have another hearing in probably about a year. In the meantime, if problems surface, I will depend on you to continue to let us know and we will continue to monitor the situation, and thank you for all the good progress that has been made.

This hearing is adjourned.

[Whereupon, at 3:46 p.m., the Subcommittee was adjourned.]

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APPENDIX

RECORD VERSION

DEPARTMENT OF THE ARMY

COMPLETE STATEMENT

OF

LIEUTENTANT GENERAL PETER M. VANGJEL

THE INSPECTOR GENERAL

DEPARTMENT OF THE ARMY INSPECTOR GENERAL AGENCY (DAIG)

BEFORE

THE SUBCOMMITTEE ON CONTRACTING OVERSIGHT

COMMITTEE ON HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS

UNITED STATES SENATE

SECOND SESSION, 112TH CONGRESS

CONTRACT MANAGEMENT AT ARLINGTON NATIONAL CEMETERY

JANUARY 25, 2012

NOT FOR PUBLICATION
UNTIL RELEASED BY THE
COMMITTEE ON HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS

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INTRODUCTION

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

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

DAIG'S SPECIAL INSPECTION OF ARLINGTON NATIONAL CEMETERY

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

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

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

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

ARMY DIRECTIVE 2010-04

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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CONCLUSION

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

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

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

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

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

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United States Government Accountability Office

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Testimony

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ARLINGTON NATIONAL CEMETERY

Actions Taken and Steps Remaining to Address Contracting and Management Challenges

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January 25, 2012

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Highlights

Highlights of GAO-12-374T, a testimony before the Subcommittee on Contracting Oversight, Committee on Homeland Security and Governmental Affairs, U.S. Senate

ARLINGTON NATIONAL CEMETERY

Actions Taken and Steps Remaining to Address Contracting and Management Challenges

Why GAO Did This Study

Arlington National Cemetery (Arlington) contains the remains of more than 330,000 military servicemembers, their family members, and others. In June 2010, the Army Inspector General identified problems at the cemetery, including deficiencies in contracting and management, burial errors, and a failure to notify next of kin of errors. In response, the Secretary of the Army issued guidance creating the position of the Executive Director of the Army National Cemeteries Program (ANCP) to manage Arlington and requiring changes to address the deficiencies and improve cemetery operations. In response to Public Law 111-339, GAO assessed several areas, including (1) actions taken to improve contract management and oversight, (2) the Army's efforts to address identified management deficiencies and provide information and assistance to families regarding efforts to detect and correct burial errors, and (3) factors affecting the feasibility and advisability of transferring jurisdiction for the Army's national cemeteries to the Department of Veterans Affairs (VA). The information in this testimony summarizes GAO's recent reports on Arlington contracting (GAO-12-99) and management (GAO-12-105). These reports are based on, among other things, analyzing guidance, policies, plans, contract files, and other documentation from the Army, Arlington, and other organizations and interviews with Army and VA officials.

What GAO Recommends

In the reports, GAO made several recommendations to help Arlington sustain progress made to date.

View GAO-12-374T. For more information, contact Brian Lepore at (202) 512-4523 or leporeb@gao.gov and Belva Martin at (202) 512-4841 or martinb@gao.gov.

What GAO Found

GAO identified 56 contracts and task orders that were active during fiscal year 2010 and the first three quarters of fiscal year 2011 under which contracting offices obligated roughly $35.2 million on Arlington's behalf. These contracts supported cemetery operations, construction and facility maintenance, and new efforts to enhance information technology systems for the automation of burial operations. The Army has taken a number of steps since June 2010 at different levels to provide for more effective management and oversight of contracts, establishing new support relationships, formalizing policies and procedures, and increasing the use of dedicated contracting staff to manage and improve its acquisition processes. However, GAO found that ANCP does not maintain complete data on its contracts, responsibilities for contracting support are not yet fully defined, and dedicated contract staffing arrangements still need to be determined. The success of Arlington's acquisition outcomes will depend on continued management focus from ANCP and its contracting partners to ensure sustained attention to contract management and institutionalize progress made to date. GAO made three recommendations to continue improvements in contract management. The Department of Defense (DOD) partially concurred and noted actions in progress to address these areas.

The Army has taken positive steps and implemented improvements to address other management deficiencies and to provide information and assistance to families. It has implemented improvements across a broad range of areas at Arlington, including developing procedures for ensuring accountability over remains and improving its capability to respond to the public and to families' inquiries. Nevertheless, the Army has remaining management challenges in several areas—managing information technology investments, updating workforce plans, developing an organizational assessment program, coordinating with key partners, developing a strategic plan, and developing guidance for providing assistance to families. GAO made six recommendations to help address these areas. DOD concurred or partially concurred and has begun to take some corrective actions.

A transfer of jurisdiction for the Army's two national cemeteries to VA is feasible based on historical precedent for the national cemeteries and examples of other reorganization efforts in the federal government. However, several factors may affect the advisability of making such a change, including the potential costs and benefits, potential transition challenges, and the potential effect on Arlington's unique characteristics. In addition, given that the Army has taken steps to address deficiencies at Arlington and has improved its management, it may be premature to move forward with a change in jurisdiction, particularly if other options for improvement exist that entail less disruption. GAO identified opportunities for enhancing collaboration between the Army and VA that could leverage their strengths and potentially lead to improvements at all national cemeteries. GAO recommended that the Army and VA develop a mechanism to formalize collaboration between these organizations. DOD and VA concurred with this recommendation.

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Chairman McCaskill, Ranking Member Portman, and Members of the Subcommittee:

We are pleased to be here today to discuss the Army's progress in addressing contracting and management challenges identified at Arlington National Cemetery (Arlington), opportunities for collaboration between the Army and the Department of Veterans Affairs (VA), as well as steps remaining to ensure sound management of the cemetery going forward. Beginning in 2009, the Army's management of Arlington came under intense scrutiny following the discovery of burial errors and the identification of serious contracting and other management deficiencies affecting cemetery operations. In June 2010, the Army Inspector General (Army IG) reported on numerous deficiencies and made more than 100 recommendations for corrective action, which covered a span of issues, including cemetery policies and procedures, management and training, command structures, information assurance compliance, and contracting.[1] After the Army IG's inspection findings were released, the Secretary of the Army assigned new leadership to Arlington, including the new position of Executive Director of the Army National Cemeteries Program (ANCP),[2] and issued Army Directive 2010-04 requiring a number of changes to address the identified deficiencies and improve cemetery operations.[3] In the time since these actions, the Army has taken positive steps to address critical areas and implement improvements, and we continue to be encouraged by these efforts. However, our work points to the need for further action to ensure that the positive changes made thus far are institutionalized and will prove lasting over the long term.

Our statement today is based on two reports issued on December 15, 2011, as required by Public Law 111-339.[4] The first discusses (1) the number, duration of, and dollar amount spent on current contracts used to support operations at Arlington and (2) the extent to which the Army has put processes and procedures in place to provide for the effective

[1] U.S. Army, Inspector General Agency, *Special Inspection of Arlington National Cemetery Final Report* (Washington, D.C.: June 2010).

[2] The Executive Director oversees Arlington National Cemetery in Virginia and the Soldiers' and Airmen's Home National Cemetery in Washington, D.C.

[3] Army Directive 2010-04, *Enhancing the Operations and Oversight of the Army National Cemeteries Program* (June 10, 2010).

[4] Pub. L. No. 111-339 (2010).

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management and oversight of contracts supporting Arlington.[5] The second discusses (1) the Army's efforts to address identified management deficiencies; (2) the Army's process for providing information and assistance to families regarding efforts to detect and correct burial errors; and (3) factors that may affect the feasibility or advisability of transferring jurisdiction for the Army's two national cemeteries to VA, as well as issues related to collaboration between these agencies.[6]

For these two reports we conducted work at Arlington and other offices and agencies within the Department of the Army, including the Military District of Washington, Joint Base Myer-Henderson Hall, the Army Contracting Command, the Mission and Installation Contracting Command (MICC), and the U.S. Army Corps of Engineers (USACE), among others. We also conducted work at VA and contacted veteran service organizations and private industry associations. We reviewed documents pertaining to previously identified deficiencies, including the Army IG's 2010 inspection and investigation of Arlington, the results of two follow-up inspections conducted by the Army IG in 2011, and Army Directive 2010-04. We obtained information from knowledgeable officials about the steps taken to respond to the Army IG's findings and to implement the Army's directive. In addition, we analyzed data from contracting offices and other sources on contracts active during fiscal years 2010 and 2011 and above $100,000 and reviewed contract files; analyzed guidance, policies, plans, and other documentation from Arlington and other organizations; and interviewed agency officials to assess efforts to improve contract management. To identify factors that may affect the feasibility or advisability of transferring jurisdiction for the Army's national cemeteries to VA, we reviewed our prior work on federal government reorganization, reviewed the legislative history of the National Cemeteries Act of 1973,[7] and obtained pertinent documents and interviewed officials from the Army and VA, including the Secretary of the Army and VA's Under Secretary for Memorial Affairs. We conducted this

[5] GAO, *Arlington National Cemetery: Additional Actions Needed to Continue Improvements in Contract Management,* GAO-12-99 (Washington, D.C.: Dec. 15, 2011).

[6] GAO, *Arlington National Cemetery: Management Improvements Made, but a Strategy is Needed to Address Remaining Challenges,* GAO-12-105 (Washington D.C.: Dec. 15, 2011).

[7] Pub. L. No. 93-43 (1973).

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work from March 2011 through December 2011 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit work. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Management of Arlington Contracts Improved, but Additional Steps Are Needed to Ensure Continued Progress

The Army has taken a number of steps since June 2010 at different levels to provide for more effective management and oversight of contracts supporting Arlington, including improving visibility of contracts, establishing new support relationships, formalizing policies and procedures, and increasing the use of dedicated contracting staff to manage and improve acquisition processes. While significant progress has been made, we have recommended that the Army take further action in these areas to ensure continued improvement and institutionalize progress made to date. These recommendations and the agency's response are discussed later in this statement.

Arlington does not have its own contracting authority and, as such, relies on other contracting offices to award and manage contracts on its behalf. ANCP receives contracting support in one of two main ways, either by (1) working directly with contracting offices to define requirements, ensure the appropriate contract vehicle, and provide contract oversight, or (2) partnering with another program office to leverage expertise and get help with defining requirements and providing contract oversight. Those program offices, in turn, use other contracting arrangements to obtain services and perform work for Arlington. Using data from multiple sources, we identified 56 contracts and task orders that were active during fiscal year 2010 and the first three quarters of fiscal year 2011 under which these contracting offices obligated roughly $35.2 million on Arlington's behalf. These contracts and task orders supported cemetery operations, such as landscaping, custodial, and guard services; construction and facility maintenance; and new efforts to enhance information technology systems for the automation of burial operations. Figure 1 identifies the contracting relationships, along with the number of contracts and dollars obligated by contracting office, for the contracts and task orders we reviewed.

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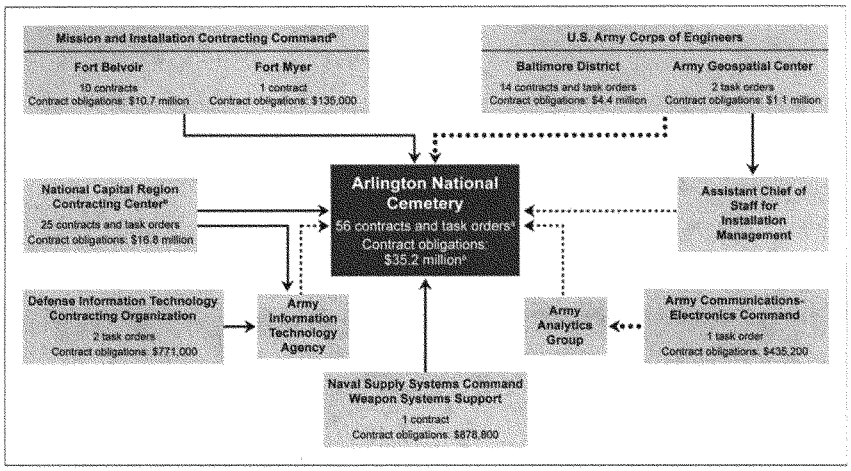
Figure 1: Distribution of Arlington Contracts by Office



Contract support
Program support
Contract and program support

Source: GAO analysis of FPDS-NG data and contract documents.

[a]Figure represents contracts or task orders active during fiscal year 2010 and the first three quarters of fiscal year 2011 and above $100,000.

[b]The Mission and Installation Contracting Command as well as the National Capital Region contracting office are part of the Army Contracting Command.

At the time of our review, we found that ANCP did not maintain complete data on contracts supporting its operations. We have previously reported that the effective acquisition of services requires reliable data to enable

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informed management decisions.[8] Without complete data, ANCP leadership may be without sufficient information to identify, track, and ensure the effective management and oversight of its contracts. While we obtained information on Arlington contracts from various sources, limitations associated with each of these sources make identifying and tracking Arlington's contracts as a whole difficult. For example:

- *Internal ANCP data.* A contract specialist detailed to ANCP in September 2010 developed and maintained a spreadsheet to identify and track data for specific contracts covering daily cemetery operations and maintenance services. Likewise, ANCP resource management staff maintain a separate spreadsheet that tracks purchase requests and some associated contracts, as well as the amount of funding provided to other organizations through the use of military interdepartmental purchase requests. Neither of these spreadsheets identifies the specific contracts and obligations associated with Arlington's current information technology and construction requirements.
- *Existing contract and financial systems.* The Federal Procurement Data System-Next Generation (FPDS-NG) is the primary system used to track governmentwide contract data, including those for the Department of Defense (DOD) and the Army. The Arlington funding office identification number, a unique code that is intended to identify transactions specific to Arlington, is not consistently used in this system and, in fact, was used for only 34 of the 56 contracts in our review. In October 2010 and consistent with a broader Army initiative, ANCP implemented the General Fund Enterprise Business System (GFEBS)[9] to enhance financial management and oversight and to improve its capability to track expenditures. We found that data in this system did not identify the specific information technology contracts supported by the Army Communications-Electronics Command, Army Geospatial Center, Naval Supply Systems Command Weapon Systems Support office, and others. Officials at ANCP and at the MICC-Fort Belvoir stated that they were exploring the use of additional data resources to assist in tracking Arlington contracts, including the Virtual Contracting Enterprise, an electronic tool

[8]GAO, *Defense Acquisitions: Tailored Approach Needed to Improve Service Acquisition Outcomes,* GAO-07-20 (Washington D.C.: Nov., 9, 2006).

[9]GFEBS is intended to improve financial, asset, and real property management and standardize processes across the Army.

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intended to help enable visibility and analysis of elements of the contracting process.

- *Contracting support organizations.* We also found that Army contracting offices had difficulty in readily providing complete and accurate data to us on Arlington contracts. For example, the National Capital Region Contracting Center could not provide a complete list of active contracts supporting Arlington during fiscal years 2010 and 2011 and in some cases did not provide accurate dollar amounts associated with the contracts it identified. USACE also had difficulty providing a complete list of active Arlington contracts for this time frame. The MICC-Fort Belvoir contracting office was able to provide a complete list of the recently awarded contracts supporting Arlington with accurate dollar amounts for this time frame, and those data were supported by similar information from Arlington.

The Army has also taken a number of steps to better align ANCP contract support with the expertise of its partners. However, some of the agreements governing these relationships do not yet fully define roles and responsibilities for contracting support. We have previously reported that a key factor in improving DOD's service acquisition outcomes—that is, obtaining the right service, at the right price, in the right manner—is having defined responsibilities and associated support structures.[10] Going forward, sustained attention on the part of ANCP and its partners will be important to ensure that contracts of all types and risk levels are managed effectively. The following summarizes ongoing efforts in this area:

- ANCP established a new contracting support agreement with the Army Contracting Command in August 2010. The agreement states that the command will assign appropriate contracting offices to provide support, in coordination with ANCP, and will conduct joint periodic reviews of new and ongoing contract requirements. In April 2011, ANCP also signed a separate agreement with the MICC, part of the Army Contracting Command, which outlines additional responsibilities for providing contracting support to ANCP. While this agreement states that the MICC, through the Fort Belvoir contracting office, will provide the full range of contracting support, it does not

[10]GAO-07-20.

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specify the types of requirements that will be supported, nor does it specify that other offices within the command may also do so.

- ANCP signed an updated support agreement with USACE in December 2010, which states that these organizations will coordinate to assign appropriate offices to provide contracting support and that USACE will provide periodic joint reviews of ongoing and upcoming requirements. At the time of our review, USACE officials noted that they were in the process of finalizing an overarching program management plan with ANCP, which, if implemented, provides additional detail about the structure of and roles and responsibilities for support. USACE and ANCP have also established a Senior Executive Review Group, which updates the senior leadership at both organizations on the status of ongoing efforts.
- ANCP has also put agreements in place with the Army Information Technology Agency (ITA) and the Army Analytics Group, which provide program support for managing information technology infrastructure and enhance operational capabilities. Officials at ANCP decided to leverage this existing Army expertise, rather than attempting to develop such capabilities independently as was the case under the previous Arlington management. For example, the agreement in place with ITA identifies the services that will be provided to Arlington, performance metrics against which ITA will be measured, as well as Arlington's responsibilities. These organizations are also responsible for managing the use of contracts in support of their efforts; however, the agreement with ANCP does not specifically address roles and responsibilities associated with the use and management of these contracts supporting Arlington requirements. Although officials from these organizations told us that they currently understand their responsibilities, without being clearly defined in the existing agreements, roles and responsibilities may be less clear in the future when personnel change.

ANCP has developed new internal policies and procedures and improved training for staff serving as contracting officer's representatives, and has dedicated additional staff resources to improve contract management. Many of these efforts were in process at the time of our review, including decisions on contracting staff needs, and their success will depend on continued management attention. The following summarizes our findings in this area:

- Arlington has taken several steps to more formally define its own internal policies and procedures for contract management. In July 2010, the Executive Director of ANCP issued guidance stating that the

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Army Contracting Command and USACE are the only authorized contracting centers for Arlington. Further, ANCP is continuing efforts to (1) develop standard operating procedures associated with purchase requests; (2) develop memorandums for all ANCP employees that outline principles of the procurement process, as well as training requirements for contracting officer's representatives; and (3) create a common location for reference materials and information associated with Arlington contracts. In May 2011, the Executive Director issued guidance requiring contracting officer's representative training for all personnel assigned to perform that role, and at the time of our review, all of the individuals serving as contracting officer's representatives had received training for that position.

- ANCP, in coordination with the MICC-Fort Belvoir contracting office is evaluating staffing requirements to determine the appropriate number, skill level, and location of contracting personnel. In July 2010, the Army completed a study that assessed Arlington's manpower requirements and identified the need for three full-time contract specialist positions. While these positions have not been filled to date, ANCP's needs have instead been met through the use of staff provided by the MICC. At the time of our review, the MICC-Fort Belvoir was providing a total of 10 contracting staff positions in support of Arlington, 5 of which are funded by ANCP, with the other 5 funded by the MICC-Fort Belvoir to help ensure adequate support for Arlington requirements. ANCP officials have identified the need for a more senior contracting specialist and stated that they intend to request an update to their staffing allowance for fiscal year 2013 to fill this new position.

Prior reviews of Arlington have identified numerous issues with contracts in place prior to the new leadership at ANCP.[11] While our review of similar contracts found common concerns, we also found that contracts and task orders awarded since June 2010 reflect improvements in acquisition practices. Our previous contracting-related work has identified the need to have well-defined requirements, sound business arrangements (i.e., contracts in place), and the right oversight mechanisms to ensure positive outcomes. We found examples of improved documentation, better

[11]For example, see U.S. Army, Inspector General Agency, *Special Inspection of Arlington National Cemetery Final Report* (Washington, D.C.: June 2010) and Army Audit Agency, *Contracting Operations in Support of Arlington National Cemetery: Army Contracting Command National Capital Region,* A-2012-0021-ALC (Alexandria, Va.: 2011).

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definition and consolidation of existing requirements for services supporting daily cemetery operations, and more specific requirements for contractor performance. At the time of our review, many of these efforts were still under way, so while initial steps taken reflect improvement, their ultimate success is not yet certain.

Army Has Made Progress in Addressing Other Management Deficiencies at Arlington, but Challenges Remain

The Army has also taken positive steps and implemented improvements to address other management deficiencies and to provide information and assistance to families. It has implemented improvements across a broad range of areas at Arlington, including developing procedures for ensuring accountability over remains, taking actions to better provide information-assurance, and improving its capability to respond to the public and to families' inquiries. For example, Arlington officials have updated and documented the cemetery's chain-of-custody procedures for remains, to include multiple verification steps by staff members and the tracking of decedent information through a daily schedule, electronic databases, and tags affixed to urns and caskets entering Arlington. Nevertheless, we identified several areas where challenges remain:

- *Managing information-technology investments.* Since June 2010, ANCP has invested in information-technology improvements to correct existing problems at Arlington and has begun projects to further enhance the cemetery's information-technology capabilities. However, these investments and planned improvements are not yet guided by an enterprise architecture[12]—or modernization blueprint. Our experience has shown that developing this type of architecture can help minimize risk of developing systems that are duplicative, poorly integrated, and unnecessarily costly to maintain.[13] ANCP is working to develop an enterprise architecture, and officials told us in January that they expect the architecture will be finalized in September 2012. Until the architecture is in place and ANCP's ongoing and planned information technology investments are assessed against that architecture, ANCP lacks assurance that these investments will be aligned with its future operational environment,

[12]An enterprise architecture comprises a set of descriptive models (e.g., diagrams and tables) that define, in business terms and in technology terms, how an organization operates today, how it intends to operate in the future, and how it intends to invest in technology to transition from today's operational environment to that of the future.

[13]GAO, *Opportunities to Reduce Potential Duplication in Government Programs, Save Tax Dollars, and Enhance Revenue,* GAO-11-318SP (Washington, D.C.: Mar. 1, 2011).

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increasing the risk that modernization efforts will not adequately meet the organization's needs.

- *Updating workforce plans.* The Army took a number of positive steps to address deficiencies in its workforce plans, including completing an initial assessment of its organizational structure in July 2010 after the Army IG found that Arlington was significantly understaffed. However, ANCP's staffing requirements and business processes have continued to evolve, and these changes have made that initial workforce assessment outdated. Since the July 2010 assessment, officials have identified the need for a number of new positions, including positions in ANCP's public-affairs office and a new security and emergency-response group. Additionally, Arlington has revised a number of its business processes, which could result in a change in staffing needs. Although ANCP has adjusted its staffing levels to address emerging requirements, its staffing needs have not been formally reassessed. Our prior work has demonstrated that this kind of assessment can improve workforce planning, which can enable an organization to remain aware of and be prepared for its current and future needs as an organization. ANCP officials have periodically updated Arlington's organizational structure as they identify new requirements, and officials told us in January that they plan to completely reassess staffing within ANCP in the summer of 2012 to ensure that it has the staff needed to achieve its goals and objectives. Until this reassessment is completed and documented, ANCP lacks assurance that it has the correct number and types of staff needed to achieve its goals and objectives.
- *Developing an organizational assessment program.* Since 2009 ANCP has been the subject of a number of audits and assessments by external organizations that have reviewed many aspects of its management and operations, but it has not yet developed its own assessment program for evaluating and improving cemetery performance on a continuous basis. Both the Army IG and VA have noted the importance of assessment programs in identifying and enabling improvements of cemetery operations to ensure that cemetery standards are met. Further, the Army has emphasized the importance of maintaining an inspection program that includes a management tool to identify, prevent, or eliminate problem areas. At the time of our review, ANCP officials told us they were in the process of developing an assessment program and were adapting VA's program to meet the needs of the Army's national cemeteries. ANCP officials estimated in January that they will be ready to perform their first self-assessment in late 2012. Until ANCP institutes an assessment program that includes an ability to complete a self-assessment of operations and an external assessment by cemetery

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subject-matter experts, it is limited in its ability to evaluate and improve aspects of cemetery performance.

- *Coordinating with key partners.* While ANCP has improved its coordination with other Army organizations, we found that it has encountered challenges in coordinating with key operational partners, such as the Military District of Washington, the military service honor guards, and Joint Base Myer-Henderson Hall.[14] Officials from these organizations told us that communication and collaboration with Arlington have improved, but they have encountered challenges and there are opportunities for continued improvement. For example, officials from the Military District of Washington and the military service honor guards indicated that at times they have experienced difficulties working with Arlington's Interment Scheduling Branch and provided records showing that from June 24, 2010, through December 15, 2010, there were at least 27 instances where scheduling conflicts took place.[15] These challenges are due in part to a lack of written agreements that fully define how these operational partners will support and interact with Arlington. Our prior work has found that agencies can derive benefits from enhancing and sustaining their collaborative efforts by institutionalizing these efforts with agreements that define common outcomes, establish agreed-upon roles and responsibilities, identify mechanisms used to monitor and evaluate collaborative efforts, and enable the organizations to leverage their resources.[16] ANCP has a written agreement in place with Joint Base Myer-Henderson Hall, but this agreement does not address the full scope of how these organizations work together. Additionally, ANCP has drafted, but has not yet signed, a memorandum of agreement with the Military District of Washington. ANCP has not drafted memorandums of agreement with the military service honor guards

[14]The Military District of Washington coordinates all official ceremonies at Arlington, including wreath-laying ceremonies and state funerals. The military services provide burial honors for private funeral and memorial services, and the Army provides ceremonial support including the Sentinels at the Tomb of the Unknowns. Joint Base Myer-Henderson Hall, located adjacent to Arlington, provides numerous installation-support services to Arlington, including emergency services and ceremonial support such as facilities, bus transportation, and traffic control.

[15]Scheduling conflicts included scheduling the wrong honor guard for a funeral and scheduling funerals during times that the honor guards had blocked off to enable them to meet their other responsibilities outside of Arlington.

[16]GAO, *Results-Oriented Government: Practices That Can Help Enhance and Sustain Collaboration among Federal Agencies,* GAO-06-15 (Washington, D.C.: Oct. 21, 2005).

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despite each military service honor guard having its own scheduling procedure that it implements directly with Arlington and each service working with Arlington to address operational challenges. ANCP, by developing memorandums of agreement with its key operational partners, will be better positioned to ensure effective collaboration with these organizations and help to minimize future communication and coordination challenges.

- *Developing a strategic plan.* Although ANCP officials have been taking steps to address challenges at Arlington, at the time of our review they had not adopted a strategic plan aimed at achieving the cemetery's longer-term goals. An effective strategic plan can help managers to prioritize goals; identify actions, milestones, and resource requirements for achieving those goals; and establish measures for assessing progress and outcomes. Our prior work has shown that leading organizations prepare strategic plans that define a clear mission statement, a set of outcome-related goals, and a description of how the organization intends to achieve those goals.[17] Without a strategic plan, ANCP is not well positioned to ensure that cemetery improvements are in line with the organizational mission and achieve desired outcomes. ANCP officials told us during our review that they were at a point where the immediate crisis at the cemetery had subsided and they could focus their efforts on implementing their longer-term goals and priorities. In January, ANCP officials showed us a newly developed campaign plan. While we have not evaluated this plan, our preliminary review found that it contains elements of an effective strategic plan, including expected outcomes and objectives for the cemetery and related performance metrics and milestones.
- *Developing written guidance for providing assistance to families.* After the Army IG issued its findings in June 2010, numerous families called Arlington to verify the burial locations of their loved ones. ANCP developed a protocol for investigating these cases and responding to the families. Our review found that ANCP implemented this protocol, and we reviewed file documentation for a sample of these cases. In reviewing the assistance provided by ANCP when a burial error occurred, we found that ANCP's Executive Director or Chief of Staff contacted the affected families. ANCP's Executive Director—in consultation with cemetery officials and affected families— made

[17] GAO, *Executive Guide: Effectively Implementing the Government Performance and Results Act,* GAO/GGD-96-118 (Washington, D.C.: June 1996).

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decisions on a case-by-case basis about the assistance that was provided to each family. For instance, some families who lived outside of the Washington, D.C., area were reimbursed for hotel and travel costs. However, the factors that were considered when making these decisions were not documented in a written policy. In its June 2010 report, the Army IG noted in general that the absence of written policies left Arlington at risk of developing knowledge gaps as employees leave the cemetery. By developing written guidance that addresses the cemetery's interactions with families affected by burial errors, ANCP could identify pertinent DOD and Army regulations and other guidance that should be considered when making such decisions. Also, with written guidance the program staff could identify the types of assistance that can be provided to families. In January, ANCP provided us with a revised protocol for both agency-identified and family member-initiated gravesite inquiries. The revised protocol provides guidance on the cemetery's interactions with the next of kin and emphasizes the importance of maintaining transparency and open communication with affected families.

Formal Collaboration between the Army and VA Could Lead to Improvements across All National Cemeteries

A transfer of jurisdiction for the Army's two national cemeteries to VA is feasible based on historical precedent for the national cemeteries and examples of other reorganization efforts in the federal government. However, we identified several factors that may affect the advisability of making such a change, including the potential costs and benefits, potential transition challenges, and the potential effect on Arlington's unique characteristics. In addition, given that the Army has taken steps to address deficiencies at Arlington and has improved its management, it may be premature to move forward with a change in jurisdiction, particularly if other options for improvement exist that entail less disruption. During our review, we identified opportunities for enhancing collaboration between the Army and VA that could leverage their strengths and potentially lead to improvements at all national cemeteries.

Transferring cemetery jurisdiction could have both benefits and costs. Our prior work suggests that government reorganization can provide an opportunity for greater effectiveness in program management and result in improved efficiency over the long-term, and can also result in short-

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term operational costs.[18] At the time of our review, Army and VA officials told us they were not aware of relevant studies that may provide insight into the potential benefits and costs of making a change in cemetery jurisdiction. However, our review identified areas where VA's and the Army's national cemeteries have similar, but not identical, needs and have developed independent capabilities to meet those needs. For example, each agency has its own staff, processes, and systems for determining burial eligibility and scheduling and managing burials. While consolidating these capabilities may result in long-term efficiencies, there could also be challenges and short-term costs.

Potential transition challenges may arise in transferring cemetery jurisdiction. Army and VA cemeteries have similar operational requirements to provide burial services for service members, veterans, and veterans' family members; however, officials identified areas where the organizations differ and stated that there could be transition challenges if VA were to manage Arlington, including challenges pertaining to the regulatory framework, appropriations structure, and contracts. For example, Arlington has more restrictive eligibility criteria for in-ground burials, which has the result of limiting the number of individuals eligible for burial at the cemetery. If Arlington cemetery were to be subject to the same eligibility criteria as VA's cemeteries, the eligibility for in-ground burials at Arlington would be greatly expanded.[19] Additionally, the Army's national cemeteries are funded through a different appropriations structure than VA's national cemeteries. If the Army's national cemeteries were transferred to VA, Congress would have to choose whether to alter the funding structure currently in place for Arlington.

Other factors that may affect the advisability of transferring jurisdiction pertain to the potential effect on Arlington's unique characteristics. These characteristics include the following:

[18]GAO, *Federal Land Management: Observations on a Possible Move of the Forest Service into the Department of the Interior,* GAO-09-223 (Washington, D.C.: Feb. 11, 2009).

[19]Burial eligibility at VA's national cemeteries is governed by 38 U.S.C. § 2402 and 38 C.F.R. § 38.620. Burial eligibility at Arlington is governed by 38 U.S.C. § 2410 and 32 C.F.R. § 553.15.

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- *Mission and vision statements.* The Army and VA have developed their own mission and vision statements for their national cemeteries that differ in several ways. Specifically, VA seeks to be a model of excellence for burials and memorials, while Arlington seeks to be the nation's premier military cemetery.
- *Military honors provided to veterans.* The Army and VA have varying approaches to providing military funeral honors. VA is not responsible for providing honors to veterans, and VA cemeteries generally are not involved in helping families obtain military honors from DOD. In contrast, Arlington provides a range of burial honors depending on whether an individual is a service member killed in action, a veteran, or an officer.
- *Ceremonies and special events.* Arlington hosts a large number of ceremonies and special events in a given year, some of which may involve the President of the United States as well as visiting heads of state. From June 10, 2010, through October 1, 2011, Arlington hosted more than 3,200 wreath-laying ceremonies, over 70 memorial ceremonies, and 19 state visits, in addition to Veterans Day and Memorial Day ceremonies, and also special honors for Corporal Frank Buckles, the last American servicemember from World War I. VA officials told us that their cemeteries do not support a similar volume of ceremonies, and as a result they have less experience in this area than the Army.

During our review, we found that there are opportunities to expand collaboration between the Army and VA that could improve the efficiency and effectiveness of these organizations' cemetery operations. Our prior work has shown that achieving results for the nation increasingly requires that federal agencies work together, and when considering the nation's long-range fiscal challenges, the federal government must identify ways to deliver results more efficiently and in a way that is consistent with its limited resources.[20] Since the Army IG issued its findings in June 2010, the Army and VA have taken steps to partner more effectively. The Army's hiring of several senior VA employees to help manage Arlington has helped to foster collaboration, and the two agencies signed a memorandum of understanding that allows ANCP employees to attend classes at VA's National Training Center.

[20]GAO, *Opportunities to Reduce Potential Duplication in Government Programs, Save Tax Dollars, and Enhance Revenue,* GAO-11-318SP (Washington, D.C.: Mar, 1, 2011).

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However, the Army and VA may have opportunities to collaborate and avoid duplication in other areas that could benefit the operations of either or both cemetery organizations. For example, the Army and VA are upgrading or redesigning some of their core information technology systems supporting cemetery operations. By continuing to collaborate in this area, the agencies can better ensure that their information-technology systems are able to communicate, thereby helping to prevent operational challenges stemming from a lack of compatibility between these systems in the future. In addition, each agency may have specialized capabilities that it could share with the other. VA, for example, has staff dedicated to determining burial eligibility, and the Army has an agency that provides geographic-information-system and global-positioning-system capabilities—technologies that VA officials said that they are examining for use at VA's national cemeteries.

While the Army and VA have taken steps to improve collaboration, at the time of our review the agencies had not established a formal mechanism to identify and analyze issues of shared interest, such as process improvements, lessons learned, areas for reducing duplication, and solutions to common problems. VA officials indicated that they planned to meet with ANCP officials in the second quarter of fiscal year 2012, with the aim of enhancing collaboration between the two agencies. Unless the Army and VA collaborate to identify areas where the agencies can assist each other, they could miss opportunities to take advantage of each other's strengths—thereby missing chances to improve the efficiency and effectiveness of cemetery operations—and are at risk of investing in duplicative capabilities.

Summary of Recommendations for Further Improvements at Arlington National Cemetery

The success of the Army's efforts to improve contracting and management at Arlington will depend on continued focus in various areas. Accordingly, we made a number of recommendations in our December 2011 reports. In the area of contracting, we recommended that the Army implement a method to track complete and accurate contract data, ensure that support agreements clearly identify roles and responsibilities for contracting, and determine the number and skills necessary for contracting staff. In its written comments, DOD partially concurred with these recommendations, agreeing that there is a need to take actions to address the issues we raised, but indicating that our recommendations did not adequately capture Army efforts currently underway. We believe our report reflects the significant progress made by Arlington and that implementation of our recommendations will help to institutionalize the positive steps taken to date.

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- With regard to our recommendation to identify and implement a method to track complete and accurate contact data, DOD noted that Arlington intends to implement, by April 2012, a methodology based on an electronic tool which is expected to collect and reconcile information from a number of existing data systems. Should this methodology consider the shortcomings within these data systems as identified in our report, we believe this would satisfy our recommendations.
- DOD noted planned actions, expected for completion by March 2012 that, if implemented, would satisfy the intent of our other two recommendations.

With regard to other management challenges at Arlington, we recommended that the Army implement its enterprise architecture and reassess ongoing and planned information-technology investments; update its assessment of ANCP's workforce needs; develop and implement a program for assessing and improving cemetery operations; develop memorandums of understanding with Arlington's key operational partners; develop a strategic plan; and develop written guidance to help determine the types of assistance that will be provided to families affected by burial errors. DOD fully agreed with our recommendations that the Army update its assessment of ANCP's workforce needs and implement a program for assessing and improving cemetery operations. DOD partially agreed with our other recommendations. In January, ANCP officials provided us with updates on its plans to take corrective actions, as discussed in this statement.

- With regard to implementing an enterprise architecture, DOD stated that investments made to date in information technology have been modest and necessary to address critical deficiencies. We recognize that some vulnerabilities must be expeditiously addressed. Nevertheless, our prior work shows that organizations increase the risk that their information technology investments will not align with their future operational environment if these investments are not guided by an approved enterprise architecture.
- Regarding its work with key operational partners, DOD stated that it recognizes the value of establishing memorandums of agreement and noted the progress that the Army has made in developing memorandums of agreement with some of its operational partners. We believe that the Army should continue to pursue and finalize agreements with key operational partners that cover the full range of areas where these organizations must work effectively together.
- With regard to a strategic plan, DOD stated that is was in the process of developing such a plan. As discussed previously, ANCP officials in

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January showed us a newly developed campaign plan that, based on our preliminary review, contains elements of an effective strategic plan.

- Regarding written guidance on the factors that the Executive Director will consider when determining the types of assistance provided to families affected by burial errors, DOD stated that such guidance would limit the Executive Director's ability to exercise leadership and judgment to make an appropriate determination. We disagree with this view. Our recommendation does not limit the Executive Director's discretion, which we consider to be an essential part of ensuring that families receive the assistance they require in these difficult situations. Our recommendation, if implemented, would improve visibility into the factors that guide decision-making in these cases.

Finally, we recommended that the Army and VA implement a joint working group or other such mechanism to enable ANCP and VA's National Cemetery Administration to collaborate more closely in the future. Both DOD and VA concurred with this recommendation. As noted, VA stated that a planning meeting to enhance collaboration is planned for the second quarter of 2012.

Chairman McCaskill, Ranking Member Portman, and Members of the Subcommittee, this completes our prepared statement. We would be pleased to respond to any questions that you may have at this time.

Contacts and Staff Acknowledgments

For questions about this statement, please contact Brian Lepore, Director, Defense Capabilities and Management, on (202) 512-4523 or leporeb@gao.gov or Belva Martin, Director, Acquisition and Sourcing Management, on (202) 512-4841 or martinb@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this testimony. Individuals who made key contributions to this testimony include Tom Gosling, Assistant Director; Brian Mullins, Assistant Director; Kyler Arnold; Russell Bryan; George M. Duncan, Kathryn Edelman; Julie Hadley; Kristine Hassinger; Lina Khan; and Alex Winograd.

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RECORD VERSION

STATEMENT BY

MS. KATHRYN A. CONDON
EXECUTIVE DIRECTOR
ARMY NATIONAL CEMETERIES PROGRAM

BEFORE THE

SUBCOMMITTEE ON CONTRACTING OVERSIGHT
COMMITTEE ON HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS
UNITED STATES SENATE

SECOND SESSION, 112TH CONGRESS
ON THE
CONTRACT MANAGEMENT AT ARLINGTON NATIONAL CEMETERY

JANUARY 25, 2012

NOT FOR PUBLICATION
UNTIL RELEASED BY THE
COMMITTEE ON HOMELAND SECURITY AND GOVERNMENT
AFFAIRS

STATEMENT BY
MS. KATHRYN A. CONDON
EXECUTIVE DIRECTOR
ARMY NATIONAL CEMETERIES PROGRAM

Introduction

Chairman McCaskill, Ranking Member Portman and distinguished Members, thank you for the opportunity to appear before this subcommittee to provide an update on the progress we have made at Arlington National Cemetery and our strategy that codifies our path forward for the Army National Cemeteries Program.

Since my last testimony a year and a half ago, my focus has been on identifying and correcting the wrongs discovered at Arlington, even as we continue honoring in burial approximately 30 veterans and their family members each day, welcoming millions of visitors from around the world, and developing our strategy for our path forward. Let me be clear: There remains no tolerance to overlook or conceal errors within our efforts. We will continue to be honest and transparent with what we find—with you, our veterans' and their families, and the American public. Our report acknowledges we have significant work ahead. However, we are well on our way to regaining the accountability that was inexcusable to ever lose. We are also leaping forward to ensure our newly implemented strategy and systems use cutting edge technology and apply best practices from across the Army and a host of external partners. This will allow us to better engage with our guests while more effectively and efficiently using the resources we are so

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generously provided. Together, these efforts will ensure we restore America's faith and confidence in this Nation's most sacred grounds.

I want to thank this sub-committee for its oversight and important guidance to help the Army National Cemeteries remain America's premier military cemeteries. This oversight reinforces the Secretary of the Army's personal engagement and Directive 2010-04, which has helped focus efforts and resources across the Army to help us rapidly and accurately restore confidence and regain accountability at Arlington National Cemetery.

Cemetery Progress

Madam Chairman, I am pleased to report that we have fully complied with Public Law 111-339's requirement to provide an accounting of the gravesites at Arlington. In addition, we have also made tremendous progress to correct the deficiencies identified, rather than only creating a plan of action as the legislation stipulated. We examined each of the baseline 259,978 gravesites, niches and markers in the Cemetery, gathering and consolidating 147 years of records created from log book entries, paper-based records of interment, and computerized burial records, placing them in a modern system designed for accounting. After completing the more thorough research on those 64,230 remaining cases, we will merge all burial information into a single, authoritative database maintained in accordance with Department of the Army standards.

To address the requirements of the Law, the Army assembled a team of 194 Soldiers and civilians into a Gravesite Accountability Task Force. The Accountability Task Force counted and photographed every grave marker, niche

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and memorial marker, and then associated each photo with existing Cemetery records and confirmed the accuracy of information. Arlington's history spans much of the country's history—reflecting the wars, slavery, Depression, varying cultural standards, and evolving cemetery practices and record keeping of the time. For some records, determining the truth required significant rigor. Some of Arlington's burial records only exist in Civil-War era log books. From records, we learned that many more wives were laid to rest at Arlington than previously thought, since during the Great Depression often only the Soldier was depicted on the gravestone. Still other burial records do not exist at all, with the headstone photos being the only information documenting the interment. This includes those "Citizens" and "Civilians" who lived on the property in Freedman's Village during and after the Civil War. In some cases, these mistakes were compounded over an extended period, including as headstone marking and burial practices evolved over time.

With tremendous support from Congress and the Army, we are well on our way to completing our plan to achieve full accountability, to include resolution of all discovered discrepancies. Since we submitted the "Gravesite Accountability Study Findings" to Congress, we have continued with determination to resolve all open cases as rapidly as possible in accordance with our repeatable and auditable processes. Since December 22, we have closed 6,236 additional cases, bringing the total of closed gravesite cases to 208,672 or 80% of the 259,978 total number of cases as of 22 January 2012.

Considering even the recent history of the Cemetery, it is important to note

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that we may discover interment or other discrepancies in the future that are not apparent from our completed analysis. If discovered, such errors will be immediately reported to the Secretary of the Army, the appropriate Congressional Committees and, with consultation of next of kin, resolve them as quickly as possible. Importantly, we are developing and implementing industry-best standards and measures, policies, technology, training and inspection program—such as our six-step chain of custody—to institutionalize checks and balances that will help prevent the development of similar mistakes in the future.

We have a far better understanding of the Cemetery's records and history than ever before, and we have preserved it electronically. The end result will enable us to serve the needs of families and the American public by properly honoring and preserving the legacy of the fallen heroes laid to rest at Arlington.

Every veteran's family is unique. We want all the families with whom we engage—whether with funerals or as we correct historical discrepancies—to recognize that honoring their loved one is the most important activity we are doing at that time. I take seriously my leadership duty and responsibility to ensure the Army National Cemeteries Program takes into account the unique and specific needs and requests of every veteran and their family members with whom we deal.

Contracting

We have made significant progress in the area of contract management, transforming our contracting support to position the Army National Cemeteries Program (ANCP) for long-term success. Specifically, the Army has ensured that

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the ANCP is properly resourced in our contracting support and oversight. This includes adding skilled acquisition support personnel to my staff; training the workforce involved in the acquisition process; defining roles and responsibilities for organizations supporting the ANCP; developing and implementing life cycle acquisition programs, internal management control plans, and organizational inspection programs; and leveraging information technology for increased interface with contracting database systems to ensure proper tracking and accountability of acquisition programs.

The ANCP established partnerships with acquisition organizations to leverage their expertise, use resources more efficiently, and minimize the potential for mismanagement by non-acquisition professionals on related contracting support requirements. For instance, the ANCP no longer has its own Information Technology (IT) contracts. Instead, we established a service level agreement with the Headquarters, Department of the Army's Information Technology Agency (ITA), leveraging their extensive knowledge, resources, and established contracts to provide our information assurance and IT products and services.

The Army National Cemeteries Program, in partnership with Army Contracting Command (ACC) and the Mission and Installation Contracting Command (MICC), established a "checks and balance" system for planning, execution and contract management procedures. Initially, the ANCP started with a single Contract Liaison position responsible for the integration and management of contracting support requirements across the Acquisition community. Since August 2011, the MICC has expanded its initial Contract Liaison Position to an on-site

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ANC Contracting Support Element (ANC-CSE) responsible for coordination with designated contracted offices for contract execution. The ANC-CSE consists of five contracting and quality assurance professionals and is overseen by a senior acquisition professional. This group provides business advice and support to the ANCP staff on all matters associated with Acquisition planning, training, and Contracting Officer Representative (COR) oversight measures. This on-site support enables the ANCP to effectively generate requirements that are compliant with DoD regulations and guidelines, establish Quality assurance surveillance plans, conduct Contracting Officer Representative (COR) training, provide oversight of the ANCP's Government purchase card program, and interface with all supporting Contracting organizations. The ANC Contracting Support Team (ANC-CST), located at Fort Belvoir, performs all actions associated with contract execution. This process and separation of duties enables the ANCP to maintain integrity in the Acquisition process and to mitigate any potential for conflicts of interest.

Separately, with reach-out initiatives such as the comprehensive market research efforts with the Army Small Business office, Industry day at ANC, and extensive coordination with the Department of Veterans Affairs regarding their similar cemetery support contracts, the MICC worked to ensure we reached the widest net of support contractors and ultimately executed contract awards that were competitively awarded, with the exception of those executed through the Small Business Administration 8(a) program. These efforts resulted in cost, schedule, performance improvements; savings over Independent Government Cost Estimates (IGCE); introductions of better contractor solutions; and

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improvements in contractor management.

For instance, prior to March 2011, ANC and the US Soldiers' and Airmen's Home National Cemetery (SAHNC), were executing six contracts for ANC and one contract for USSAHNC separately to meet the horticultural requirements for each organization. Six (6) of the seven (7) contracts awarded required the Government to provide the materials for the use by the contractors. The re-compete efforts executed by the MICC, ANC and SAHNC horticultural requirements were consolidated to three awards (Turf & General Grounds, Tree & Shrub, and landscaping), with all materials provided by the contractor and covering both cemeteries, resulting in cost savings and greater efficiencies overall in the use of ANCP resources. The consolidation allowed ANC and the SAHNC to streamline their Contracting Officer Representatives (COR) oversight, and transfer the risk from the Government to the Contractor by having them provide the materials.

As a direct result of the on-site team's effort, the Army National Cemeteries Program has been able to improve its acquisition planning lead times and ensure personnel are properly trained to manage and oversee contracted services. Presently, all appointed CORs are trained and are capable of submitting the required monthly progress reports to the Contracting Officer as required, increasing the level of oversight on the contractors, and ensuring their performance complies to the standards specified in the contract. As well, the ANC CSE Government Purchase Card coordinator conducts monthly reviews of the ANCP small purchase program and has identified opportunities to leverage other contracting instruments, such as Blanket Purchase Agreements (BPA). The use

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of BPAs increases efficiencies and accountability while mitigating the need to use the purchase card. To ensure sustainability and longevity of current contracting support efforts, the ANCP is further defining contracting roles and responsibilities to align them with the ANCP Campaign Plan, about which I will discuss more shortly.

We are taking steps to achieve greater fidelity in the contracting management and reporting efforts. Along this path, the ANCP, in partnership with Army Contracting Command, is developing and planning an incremental release of the Virtual Contracting Enterprise–Pre-Award Contracting Tool (VCE), to capture all of its contracting requirements in FY2012. The VCE pre-award tool will eventually serve as the single contract repository source for contracting actions, and it is scheduled to interface with the Federal Procurement Data System – Next Generation. The VCE will become the single database system of record for DoD contracts.

The Army National Cemeteries Program, Moving Forward

I am proud of what we have accomplished since June 2010 to bring all aspects of the ANCP in line with the rich, proud and dignified traditions befitting our Nation's military heroes. We have set the pace for the future of these hallowed grounds, including through our recently approved ANCP Strategic Campaign Plan and our ongoing Enterprise Architecture and Technology Acquisition Roadmap.

The ANCP Campaign Plan, effective January 1, 2012, codified in one strategic document my vision and priorities for the organization. It is the vehicle as

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Executive Director I will use to ensure we achieve the future vision of the ANCP. It incorporates the ANCP's major missions for our veterans and the Nation, as well as the significant guidance, support and recommendations we have received since I arrived from the Secretary of the Army, the GAO, IG, Army Audit, and distinguished members of the subcommittee like yourselves. Based on my guidance, my staff identified and I approved their priority tasks to achieve the ANCP vision, all with measurable metrics and milestones and based on prioritized resources. Through updates to the Superintendent and me, we will ensure this is more than just a document. The Campaign Plan is how we are managing change across the organization—including implementing the changes in contract management about which I just spoke.

The Campaign Plan also helps identify risk and on what we will prioritize our resources—our people, money and time. You in Congress, the Army and Nation have been extremely generous to help the ANCP remain a place where our country can Honor, Remember and Explore through our military veterans' sacrifices. We will not assume risk with honoring our fallen and maintaining accountability of the burials. And yet, the ANCP requires significant resources to fix decades of uncompleted basic maintenance and repair. The Campaign Plan allows me to provide written guidance on what we will prioritize resources across the organization into the future.

The Campaign Plan also helps show the interdependence of my directorates' and the workforce's efforts. We are one-ten thousandth of the Army: one weak link can cause catastrophic failure; one strong link has far-reaching

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effects. The Campaign Plan provides specific priorities to the directorates, and it helps the leaders and workforce understand the larger context of their efforts. It also establishes very clear and measurable standards and milestones, to which we are holding them accountable.

Included within and complementary to the Campaign Plan, we are also in the process of creating a strategic framework for developing and deploying technology throughout the Army National Cemeteries Program. This Enterprise Architecture (EA) serves as the IT blueprint to ensure our IT investments are effectively and efficiently meeting the needs of the organization well into the future.

In line with the EA and Campaign Plan, we are already digitizing the Army National Cemeteries to make us the most technologically advanced cemeteries in the United States. When combined with our dedicated workforce, technology has enabled us much more rapidly and accurately to make progress in regaining accountability. For instance, The Old Guard supported the Task Force by photographing every Arlington grave, niche and memorial marker using smart phone technology. The Army-designed iPhone app allowed them to e-mail immediately the GPS and gravesite data with the memorial pictures to a central repository. The data was validated the following morning for quality and accuracy, and then digitally linked with existing burial records and supporting information that the Task Force could then review. This data represents the Cemetery's history and will power a smart phone application in development by Arlington. Once complete, this smart phone application will enable the public to locate gravesites in the Cemetery, acquire directions to the gravesite, and view the grave remotely on

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their personal web device or through Arlington National Cemetery's web site.

Arlington's new web site also is the platform for the new "Headstone Formatting" application. This technology will enable families to design their loved one's headstone or niche cover on-line prior to the burial service. This is one less activity the family has to endure when they arrive at Arlington for their loved ones' service. "Headstone Formatting" is in use on a test basis now.

The EA will also help us identify the best investments in technology to ensure we are maintaining the 624 acres at Arlington and 16 acres at the Soldiers' and Airmen's Home National Cemetery, reducing the potential for future burial errors. We are also currently testing the Army GIS mapping effort, which will produce the first comprehensive digital map of the Cemetery's gravesites. This effort will allow cemetery scheduling representatives to automate the assigning of gravesites on digitized maps. This system will also present real-time, GPS-verified information to equipment operators to allow validation of dig sites prior to their beginning work on the Cemetery grounds. By creating an end-to-end process of electronically documenting burials, we will introduce significantly more precision into the process and ensure continued accountability of Arlington's burials.

While we have implemented meaningful changes at Arlington, the Army welcomes open engagements on methods for improving its processes further. The newly-formed Federal Advisory Commission, the Army National Cemetery Advisory Commission, held its inaugural meeting on December 1, 2011. In line with the Secretary of the Army's request and the Commission Charter, the Commission will provide the Department of Defense and Secretary of the Army

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recommendations regarding extending the life of active burials and inurnments at Arlington National Cemetery, the long-term implications of the ANC Section 60 memento study and improving the visitor experience, and issues related to the crack in the Tomb of the Unknown Soldier (TUS). The ANCP is truly honored to have the depth and breadth of experience and expertise of our distinguished commission members, each volunteering his or her time to ensure the Army National Cemeteries continue to be the nation's premier military cemeteries. The next planned meeting of this Commission is early March 2012.

Conclusion

Our obligation to our military heroes, their families and the Nation is to remain America's premier military cemeteries—national shrines—living history of freedom—where dignity and honor rest in solemn repose. The Army National Cemeteries Program has made a great deal of progress to come back in line with this vision. There is still much work to be done, and our Strategic Plan maps out that effort. Now that we have in place an accountability baseline, systems for maintaining that accountability and a more robust approach to contract management, it is important that all aspects of the Army National Cemeteries Program benefit from this structured approach by its management to meet our solemn obligation to our veterans, their families and the Nation. As we maintain the pace of 27 to 30 services every week day – and six (6) to eight (8) non-honors services on Saturdays – we are optimistic about the future of Arlington. We look forward to building upon the hard work of restoring accountability and

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implementing strategic tools to enable our dedicated staff to meet the needs of our veterans and the American public well into the future.

Thank you once again for the opportunity to appear before you.

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INFORMATION PAPER

26 January 2012

Subject: Recent media reports state Arlington National Cemetery is missing $12million

Purpose: To provide congressional oversight committees the facts regarding recent media reports stating that Arlington Cemetery is missing $12 million.

Background:

- On 25 January 2012, the Senate Homeland Security and Government Affairs Committee (SHSGAC)- Contracting Oversight Subcommittee held a hearing on Contract Management at Arlington National Cemetery.
- Witnesses were Lieutenant General Peter Vangjel, Inspector General, U.S. Army; Mr. Brian Lepore, Director, Defense Capabilities and Management, U.S. Government Accountability Office; Ms. Belva Martin, Director, Acquisition and Sourcing Management, U.S. Government Accountability Office; and Ms. Kathryn Condon, Executive Director, Army National Cemeteries Program, U.S. Army.
- On 26 January 2012, numerous media outlets incorrectly reported that Arlington Cemetery was missing $12 million.

Facts:

- Recent media reports erroneously stated that Arlington Cemetery is missing $12 million.
- This is not the case – ANC has fully accounted for these funds. Arlington National Cemetery recovered $26,763,199.69 from prior fiscal years that was obligated but not disbursed. As part of the process of instituting new financial management controls and oversight, Arlington National Cemetery's resource managers meticulously reviewed years of financial records and recovered funds that were sent to Department of Defense agencies that support the cemetery.
- On October 1, 2010, Arlington transitioned to the Army's General Fund Enterprise Business System (GFEBS). GFEBS enables ANC and the Army to have complete visibility of its financial transactions. The table below reflects the recoveries that Arlington recouped after the reconciliation of prior year financial transactions.

Fiscal Year	Amount Recovered from Prior Fiscal Years	Amount Re-Obligated (Spent)	Remaining Amount Available for Obligation (Available to Spend)
2004	$ 50,000.00	$ 25,071.41	$ 24,928.59
2005	$ 52,760.09	$ 25,484.76	$ 27,275.33
2006	$ 126,514.04	$ 125,932.00	$ 582.04
2007	$ 350,455.57	$ 328,753.46	$ 21,702.11
2008	$ 1,770,860.31	$ 1,642,223.41	$ 128,636.90
2009	$ 12,611,519.99	$ 12,348,758.22	$ 262,761.77
2010	$ 11,801,089.69	$ 9,993,373.26	$ 1,807,716.43
Total	**$ 26,763,199.69**	**$ 24,489,596.52**	**$ 2,273,603.17**

- As stated at previous Congressional hearings Arlington has worked diligently to modernize cemetery operations, address years of facility maintenance and repair backlogs, and address Information Technology system upgrades. The table below provides a detailed breakdown to address the operational shortfalls identified above that would not have been possible without the recovery of these funds.

Project	Amount
Columbarium Court 9	$15,190,026.00
Visitor Center Roof Repair	$89,274.00
Memorial Amphitheater Generator	$2,600.00
Millennium Archaeological & NEPA Section 106 Study	$85,000.00
Replace PCB Transformer in Admin Bldg	$1,613,890.00
Design and replace HVAC in Admin Bldg and Visitor Center	$315,300.00
Millennium Project Design Charrette	$136,000.00
ANC Memorial Amphitheater Road Repair	$67,000.00
Facilities Maintenance Complex Completion	$764,700.00
Replace Flagstone sidewalk Memorial Amphitheater	$1,012,000.00
Study to Repair/Replace Eternal Flame	$50,000.00
Tomb of the Unknown Soldier Study & Repair	$25,000.00
Information Technology System Upgrades and Support	$2,033,163.49
Burial Operations Equipment	$1,690,476.52
Urn Liners	$170,000.00
Service Support (GFEBS, Integrated Cultural Resources Management Plan)	$500,116.51
Grounds Maintenance Bridge Contract	$745,050.00
Total	**$24,489,596.52**

- Fiscal stewardship and transparency is paramount to all at Arlington. Since June 2010, the entire staff at the cemetery has worked diligently to restore the faith and confidence of the American Public and will continue to do so.

Post-Hearing Questions for the Record
Submitted to
Ms. Kathryn Condon, Executive Director, Army National Cemeteries Program
From Senator McCaskill
"Contract Management at Arlington National Cemetery"
Tuesday, January 25, 2011, 2:30 P.M.
United States Senate, Subcommittee on Contracting Oversight,
Committee on Homeland Security and Governmental Affairs

1. Following the efforts by the Army National Cemeteries Program (ANCP) to consolidate, terminate, or not renew unnecessary contracts for Arlington National Cemetery, what are the number, value, duration, and scope of ANCP's current information technology contracts?

Answer: As part of the efforts by ANCP to consolidate, terminate, or not renew unnecessary contracts, ANCP leveraged Army expertise for information technology (IT) support. Currently 12 information technology task orders or contracts support Arlington National Cemetery, valued at $3.9M for an annual period of performance. Ten of these contracts, of which nine are annual service requirements, leverage the enterprise contracts managed by the Army Information Technology Agency, the Army Analytics Group, and the USACE Army Geospatial Center under the established agreements among all organizations. In two of these contracts, ANC serves as the Contracting Officer Representative (COR). Leveraging these enterprise contracts enables ANC to address IT security vulnerabilities and conduct necessary IT system upgrades which include, but are not limited to: the design of a software application which enabled the accountability task force to digitize, verify, and store ground site records into a central database system and the digitization of historical records for inclusion in this database; development of a Geospatial Information System (GIS) to enhance internal operations and visitors' experiences at the cemetery along with data collection efforts required to create a digital map of all gravesites; establishing a responsive ANC call center along with case management capabilities; and an improved web site that serves as the platform for information and outreach to our families. Arlington National Cemetery continues development of its Enterprise Architecture which will provide analysis of ANCP's future information technology needs and an acquisition blueprint aligned to ANCP's fiscal year 2017 target state "to-be" business processes.

2. What are the advantages and disadvantages of no-year funding? Would you support replacing ANCP's no-year funding mechanism with a fiscal-year funding mechanism?

Answer: The primary advantage to ANCP maintaining its no-year funding status is to afford it flexibility to fund long-termed projects. Maintaining ANCP's appropriation under MILCON/VA/Related Agencies as a stand-alone appropriation, ANCP must fully justify and support all necessary expenses for its operation from this appropriation source. ANCP has no legal means available to acquire additional funds from DoD or Army to influence capital improvement, operation or maintenance requirements, forcing long-term budgeting solutions to

address immediate needs. By continuing its no-year funding status, ANCP would be able continue to use funds reconciled from prior year un-liquidated obligations and reallocate these funds to aid in resolving some deficiencies without having to defer items in its spending plan. This maximizes each dollar appropriated.

The principle disadvantage to no-year funding is that it requires increased management oversight monitoring, and reconciliation of prior year obligated balances. This requires continuous examination of contracts, interagency agreements, and other funding obligations for as long as these funds have not been expended. Close coordination between contracting officers and vendors must also be maintained to ensure that contract close-out activities have been accomplished so that full reconciliation can occur.

3. GAO reported that the Army Audit Agency discovered approximately $27.8 million in unobligated funds at ANCP and was only able to recover $15 million of those funds. After the hearing the Army reported that ANCP had recovered approximately $26.7 million in unobligated funds and re-obligated $24.4 million of those funds. Can ANCP account for the approximately $1.1 million in remaining unobligated funds? How does ANCP plan to use the remaining $2.3 million in recovered unobligated funds?

Answer: As a point of clarification, the referenced Army Audit Agency (AAA) Report (A-2011-0078-FFM) identified that Arlington National Cemetery (ANC) had accumulated $27.8 million of un-liquidated obligations (ULOs). That report properly defines a ULO as, "the amount of obligations that haven't been liquidated by payments, or more simply put, obligations less disbursements."

As previously submitted, Arlington has fully accounted for these funds. The following chart details ANC's prior year reconciliation progress to date:

	Funding	Net Obligation	Net Disbursement	Un-liquidated Obligation
As reported by A-2011-0078-FFM (STANFINS data as of 30 September 2010)	$223,521,200	$210,607,551	$182,832,798	$27,774,753
STANFINS data as of 14 February 2012	$196,758,000	$194,431,672	$189,812,951	$4,618,722

The $26.8 million reduction in Prior Year Funding represents the previously identified amount already recovered from prior years 2004-2010. The $16.2 million reduction in Net Obligations represents obligations which have been reduced or eliminated since the date of the initial report. The $7 million increase in Net Disbursements represents Obligations which were un-liquidated

at the time of the AAA report, that were valid and have since disbursed. Through these actions, the total amount of Un-liquidated Obligations has decreased from $27.8 to $4.6 million.

Of the $4.6 million remaining ULOs, $1.6 million currently is being recovered, $2.6 million has been submitted for review and closeout to the appropriate Army contracting agency and $336 thousand still is funding active contracts. We have begun an internal review regarding the remaining $60 thousand.

Arlington has made great strides fiscally since the spring of 2010, and we would not have been able to come so far so fast without the recovering prior year funding. There still is more to do. We are working diligently to modernize cemetery operations, address years of facility maintenance and repair backlogs, and address Information Technology system upgrades. The remaining prior year funds will serve to mitigate some of these critical needs.

4. Arlington National Cemetery turned to the Army Analytic Group to help build a customized application called the Task Force Research Tool (TFRT) for tracking gravesite records, digital, and other information. Does ANCP plan to speak with the Army about using in-house resources as a model to be used elsewhere in the Army and the Department of Defense to help stem the increasing costs of contracting?

Answer: ANC will recommend to the Secretary to evaluate his options in this regard. Using our interactions with AAG as a model in other applications has considerable merit, especially given their actual track record on other critical projects.

5. GAO found that 61% of Arlington's contract obligations for the 2010 fiscal year and the first three quarters of the 2011 fiscal year were for landscaping, custodial, and guard services. Has ANCP assessed whether it would be cheaper long-term to provide these services in-house?

Answer: ANC, in partnership with the Mission and Installation Contracting Command (MICC), is scheduled to implement a Joint Acquisition Review Board (JARB) in 3rd Qtr FY2012 to reevaluate all base and service contract needs to determine if existing support can be achieved utilizing in-house resources, other like service contracts, and/or sustained arrangement.

6. Using the Federal Procurement Database System, GAO was only able to identify 34 of the 56 contracts awarded to support Arlington during the 2010 fiscal year and first three quarters of the 2011 fiscal year. One of the reasons for this discrepancy is because the contracting support agencies that the ANCP works with do not uniformly use the Arlington funding office identification number, a unique code that is intended to identify contracts specific to Arlington. What are you doing to resolve this problem?

Answer: ANC is taking steps to achieve greater fidelity in the contracting management and reporting efforts. Along this path, ANC, in partnership with Army Contracting Command, is developing and plans an incremental release of the Virtual Contracting Enterprise (VCE) – Pre-Award Contracting Tool to capture all of its contracting requirements. The VCE pre-award tool

eventually will serve as the single contract repository source for contracting actions and is scheduled to interface with the Federal Procurement Data System – Next Generation (FPDS-NG) along with other related contracting database systems and tools utilized by the various contracting stakeholders. This single interface and repository will mitigate the disparity across the Army contracting organizations to identify contracts in support of ANC and other customers. In addition to addressing the need for the single repository of contract information, VCE provides additional tools that will enable ANC to efficiently manage its oversight functions with the use of the established Customer Data Center (CDC). VCE tools include the Contracting Officer Representatives (COR) module which tracks and manages COR nominees, existing CORs and COR contract management; Paperless Contract File (PCF) a secure, web-based virtual contracting office that enables complete document management, storage, and workflow solutions; requirements portal which provides a centralized method for contracting offices to receive, assign, and track actions in a standardized manner; and the Acquisition Source Selection Interactive Support Tool (ASSIST) which provides a secure, web-based selection data management and workflow tool designed to aid with Source Selection Evaluation Boards (SSEBs). The use of the VCE suite of tools will improve the visibility and auditing of ANC contracts, and the associated oversight functions, for DoD-wide organization via the VCE's Customer Data Center.

7. Does ANCP have complete data of all of its contracts in a single database?

Answer: ANC's on-site Contract Support Element (CSE) maintains the complete data of all the ANC contracts utilizing a tracking spreadsheet for new requirements and awarded contracts. Incremental software releases are made on the Army Contracting Command's Virtual Contracting Enterprise (VCE) suite of web-enabled contracting management tools. Once the relation to the Department of Defense (DoD) wide data extract is completed with VCE by the end of fiscal year 2012, it will allow VCE to pull data from Federal Procurement Data System – Next Generation (FPDS-NG), enabling visibility on all contracts awarded in support of ANC throughout the DoD.

8. Please provide the Subcommittee with a copy of ANCP's campaign plan.

Answer: The link to access the campaign plan was sent to the subcommittees on February 15, 2012.

The Campaign Plan now is publicly available on the ANC website, under the About Us -- Mission & Vision page (http://www.arlingtoncemetery.mil/AboutUs/MissionVision.aspx).