

AMVETS NATIONAL SERVICE FOUNDATION (NSF)

ANNUAL REPORT

FISCAL YEAR 2016-2017



OUR MISSION



AMVETS National Service Foundation provides support to veterans through service programs as well as providing community and youth-oriented programs designed to promote unity and patriotism. It counsels and represents veterans and their dependants before the Veterans Administration without charge.

AMVETS NATIONAL SERVICE FOUNDATION



★ PRESERVING FREEDOM

★ SUPPORTING VETERANS AND ACTIVE MILITARY

★ PROVIDING COMMUNITY SERVICES

AMVETS National Service Foundation

www.amvetsnsf.org



AMVETS NATIONAL SERVICE FOUNDATION (NSF)

HISTORY

AMVETS National Service Foundation was created in 1948 with the goal of helping the unprecedented number of veterans returning from World War II to assimilate back into civilian life. AMVETS National Service Officers (NSOs) and volunteers were trained by AMVETS and were recruited to work directly with these veterans and assisted them with their individual needs.

In addition to assisting those veterans with severe physical and psychological needs, AMVETS National Service Foundation worked with many veterans requiring assistance with disability benefits, the G.I. Bill and housing assistance.

As the Korean War and the wars/conflicts in Vietnam, Grenada, Desert Shield/Desert Storm, Panama, Operation Enduring Freedom, Operation Iraqi Freedom, Afghanistan, Iraq and a plethora of other conflicts have created new generations of veterans. AMVETS National Service Foundation has expanded its mission assisting veterans and their dependents in areas such as: identifying and applying for benefits, employment and training, G.I. Bill assistance, Veterans Affairs assistance for care, homeless Veteran assistance as well as assistance with Agent Orange exposure, Post-Traumatic Stress Disorder (PTSD) and Gulf War claims.

AMVETS National Service Foundation's work is important, as we witness further reduction by the Executive Branch towards veterans' services. To turn the tide in favor of veterans, AMVETS National Service Officer's (NSO) work heroically daily on their behalf. Today, using computer technology, our NSOs are even more effective as they work directly online with the Department of Veterans Affairs.

Our NSOs work tirelessly to cut through bureaucratic red tape and administrative logjams to ensure that the veterans they represent receive all benefits they are entitled to under current law for service connected disabilities. In addition, our National Service Officers work with veterans to help make the difficult transition to civilian life easier.

For more than half a century AMVETS National Service Foundation volunteers have served veterans in VA medical centers across America. Their extraordinary efforts have been all that stand between effective patient care and many hospitals ceasing to function.

AMVETS National Service Foundation is continuing its commitment to freedom made by our veterans, past, present and future. We would like to thank you for your unwavering assistance and generous support. Without you, our veterans would face a far more difficult and uncertain future.



Dear Friends & Loyal Supporters;

The Board of Directors and the dedicated Staff of the AMVETS National Service Foundation (NSF) join me in paying a tribute to our men and women who have sacrificed through service to their Nation or gave their lives in support of America's vital interests in conflicts around the globe and most recently in Iraq and Afghanistan to protect our freedom here at home. We also pray for the well-being of those who are now back in Iraq, Afghanistan and other parts of the world continuing to carry this heavy burden.

It is with pleasure that I have the opportunity to report on this year's activities of the National Service Foundation.

Finance Directorate

AMVETS National Service Foundation Fiscal Year 2016/2017 has been a very productive one despite America's current economic conditions. For the twelve months of operations, we have realized excess of expenses over revenue of \$461,523.

AMVETS National Service Foundation's Planned Giving Program has realized \$155,554 for this Fiscal Year.

Our direct mailing program is above its budgeted goal by approximately \$110,285.

The National Service Foundation maintains our focus on our primary mission which is to fund the National Service Department and continue growth to areas where our Veteran population is expanding.

National Service Directorate

We currently have a total of fifty-seven (57) slots for National Service Officers (NSO). Forty-three are stationed at twenty-nine (29) VA regional offices located in twenty-five (25) states including the Board of Veterans' Appeals in Washington D.C. We also have fourteen (14) NSOs assigned fulltime on Department of Defense (DoD) bases at Transition Assistance sites.

We receive many compliments and commendations regarding how our NSOs handle the claims of the Veterans and surviving family members, they represent. We believe our service program is second to none. I personally give my sincere appreciation to our National Service Officers whose dedication, expertise and compassion for Veterans and their dependents has made our service program the outstanding one that it is today.

The National Service Department conducted the NSOs' annual training conference in Daytona Beach, Florida the week of 24 thru 28 April 2017 and it was a great success. In addition to the six (6) regional directors, the conference was attended by over 50 National Service Officers, and the following VIPs: Harold Chapman, AMVETS National Commander; PNC Jimmy T. Smith, President of the National Service Foundation Board of Trustees; Evelyn R. McElvin, National President, Ladies Auxiliary; Joseph Chenelly, Executive Director, AMVETS National

Headquarters; Kent A. D. Clark, Executive Director, National Service Foundation; Henry Hinton Executive Director AMVETS Department of Washington. Their participation was greatly appreciated by the NSOs.

Data to Data (D2D) is derailed. There are no development dollars to improve the program. The program does not work well. BeneVets spent over \$250,000 supporting the program with no effect. Because of this, BeneVets and AMVETS are not participating in D2D until VA provides a program that can be installed / easily accessed and it works correctly without extensive coordination with VA just to make use it.

We continue our policy to place NSOs on military installations. However, we have been forced to place on hold the addition of any new positions on DoD bases in FY 2017 at this time. DoD would like us to add on-base slots in Virginia in the future. We look forward to doing this when funds become available in the future.

VA Training Issues. VA has a new excuse for failing to do their jobs correctly. They say it is a training issue. Unfortunately, during numerous meetings with VA departments at central office, all we hear is; this is a training issue after this is a training issue during the briefings we receive. If this is the case, then what is VA doing during their 6-week training course? I have not received an answer to this question to date from VA. It seems that if VA wants something done correctly, they pass it to the VSOs to do for them.

Decision Ready Claims (DRC) will replace Fully Developed Claims (FDC). During the 1 June 2017 Benefits Assistance Service / Veteran Service Organization meeting Reb Reynolds, Deputy Under Secretary for Disability Assistance noted that he thinks after a test of eleven (11) claims in a two (2) week period is enough to move the project forward for release in September. I noted that 11 claims are statistically insignificant for deciding on the viability of a new program. The VA obviously has a predetermined agenda to complete. This is what VA has done with all their recent new-program fielding debacles. Mr. Reynolds likes to prattle on and on how this will help veterans when the real purpose is for the VSOs and veterans to do the VA's VSR work for them. VA plans to repurpose 500 VSRs to R-VSRs.

DRC is really a VA program that transfers VA's claim development from VA Veteran Service Representatives (VSR) to the Veteran Service Organizations (VSO). Originally VA proposed that the VSOs review claim packages and order the necessary VA exams. They have withdrawn this proposal. Now, the VSO will submit a list of claim issues and the VA will order the appropriate examinations. This was changed when I noted that the VSOs doing VA's work for them without proper consideration constituted *enforced servitude* which is illegal. Since this change, there is little difference between DRC and the fully developed claim (FDC) program. Therefore, VA has wasted millions of dollars and countless hours when they tried to push more of their work on the VSO. The only benefit of DRC is that it allows the VSO to submit a complete claim to a VA rater and VA says that they will complete it within thirty (30) days. We will see how this goes.

Claims Backlog – The number of pending claims and the backlog continues to yo-yo up and down. The backlog dropped to 341,929 in March 2016. Since then it has risen back up to

370,006 as of 26 June 2017. The backlog has grown by eleven thousand claims. It stood at 80,582 on 28 March 2016 and now stands at 92,454 on 26 June 2017. As of this date, VA still has not announced at what levels must the pending inventory and number of claims pending more than 125 days will mean that they have successfully eliminated the backlog.

VA continues to reduce the backlog of dependency issues. This has dropped from 180,825 claims on 28 March 2016 to 90,195 claims on 26 June 2017; a reduction of 90,630. This sounds good; however, mostly of the reduction is due to automatic electronic rules-based processing of requests submitted thru eBenefits by the veteran or the Service Enterprise Portal (SEP) by the VSOs where the VSOs or the veteran enter their date and VBMS automatically does the rest.

VA's Proposal to Waive the Ethics Law: VA has published a Federal Register Notice that proposes to waive a federal ethics statute, 38 USC 3683. This would permit "all VA employees" to "receive any wages, salary, dividends, profits, gratuities, or services from, or own any interest in, a for-profit education institution" that participates in the GI Bill. The VA's head ethics attorney from the Office of the General Counsel (OGC) thought it was too restrictive to do what the VSOs asked during the 6 October BAS meeting. That was for the VA to limit the waiver VA employees who are taking classes from one of these for-profit institutions. Our opposition to this waiver considers Mr. John Thomas Burch, former member of the VA's OGC who plead guilty to embezzlement of \$150,000 while the head of the National Vietnam Veterans Foundation. Additionally, the man who would authorize this waiver, Veterans Affairs Secretary David Shulkin, just came under fire for a possible violation of ethics when his wife went to Wimbledon on taxpayers' dollars.

From July 1, 2014 through August 31, 2015, the National Service Officers have submitted 53,096 claims for VA benefits. Of these claims, 43,240 were for disability; 4,401 were re-opened claims; 2,267 were for pension; 1,126 were for death benefits and 2,062 were for educational benefits. Our National Service Officers have contacted 79,980 veterans regarding claims, including 10,536 men and women in the TAP/DTAP programs. They've recovered \$423,407,581 for claimants, with an additional \$178,265,459 in retroactive benefits. This is a grand total of \$601,673,040 in VA benefits awarded for the veterans we represent.

Appeals. The time it takes VA to process and adjudication appeals continues to be a great source of embarrassment for the VA. As of this report, it takes VA the following amounts of time, on the average, to complete the following steps:

- Process the initial Notice of Disagreement (NOD): 428.5 days pending
- Complete the VA Form 9: 477.0 days pending
- Remands Returned to the Regional Office: 526.3 days pending
- Remands Sent to the Appeals Management Center: 169.7 days pending

These numbers are reported every week in the VA's Monday Morning Workload Report (MMWR). You may view these EXCEL reports at the following url: http://www.benefits.va.gov/REPORTS/detailed_claims_data.asp#Reports. Scroll to the bottom of the page and you may view all the weekly MMWRs from FY 2014 to present.

A monthly report that I receive from the VA shows that there are 466,725 appeals pending. Additionally, there are enough hearings pending that at VA's current rate of review, there are seven (7) years' worth of hearings.

Since VA purposely ignored appeals to reduce the pending claims backlog, I have no sympathy for them as they try to weasel their way out of this dilemma by making their jobs easier at veterans' expense. VA is doing what they do best, looking for a workaround to make their lives easier.

In September during a VA meeting at the Board of Veterans' Appeals, VA announced a program with the goal of Reducing Legacy Appeals. The pilot program is called Rapid Appeal Modernization Program (RAMP) and it has an eighteen-month implementation period. VA wants to have the Veteran Service Organizations persuade/guide veterans to "opt-in" to one of two options contained in the Appeals Modernization Act 2017 that change the appeal to a claim. The two options are a new supplemental claim, that permits limited addition of new evidence and a higher-level review. This started on 1 October 2017. RAMP is only open to veterans with a legacy compensation appeal; approximately 314,000 appeals. Of concern, the supplemental claim lane eliminates VA's duty to assist a veteran in the development of an appeal.

The VA reports that the total annual value of all running awards for AMVETS' claims for benefits in fiscal year 2016 was \$ 1,722,255,587. At the end of May 2017, with four (4) months remaining in FY 2017 the number stands at \$1,274,687,266. This is ahead of the \$1,142,351,756 at the end of May 2016.

Human Resources Directorate

AMVETS National Service Foundation welcomed a new addition to the Human Resources Department by adding a Human Resource Compliance Manager in 2016 to assist the Human Resources Director with employment regulations and compliance aspects. We're happy to announce that our new addition of the team is a Certified Professional with the Society for Human Resource Management (SHRM) and holds the SHRM-CP designation with a Master Degree in Human Resource Management with nearly five years of human resources experience.

The HR Department continues to implement best practices throughout its sphere of influence, while refining and improving its communications and reporting with its widespread stakeholders, e.g., thrift store associates throughout the states of New York and Tennessee, as well as the organization's National Service Officers throughout the country. Interactions with every employee are as timely and constructive as possible to continuously improve Employee Relations and become a trusted resource not only to The Foundation but also to its employees.

Risk Mitigation continues to be at the forefront of our Department's efforts which continue unabated due to the many unfounded unemployment claims, workers compensation claims, etc. We review each claim and appeal those that are false or inappropriate with each state's Departments of Labor. I'm happy to say that we have an excellent record in opposing these and other types of claims due to better recordkeeping at the employee level and always responding timely.

The 2015 fiscal year saw the introduction of The Foundation's requirement to comply with the PPACA (Patient Protection and Affordable Care Act). This has taken many man hours and will continue to do so in the foreseeable future due to the ongoing monitoring and reporting requirements. The new HRIS (Human Resources Information System) continues to be populated with data and will assist tremendously with the PPACA requirements going forward and provides access to senior management of shared information.

Thrift Store Directorate

The Thrift Stores have realized steady growth this fiscal year. The growth is attributed by efforts at all levels of management and the technology investments made in the thrift stores over the prior years. These include a thrift-based point of sale system (POS), High definition security cameras, and biometric time clocks. Overall, we are seeing a significant increase in sales with a remarkable decrease in payroll expenses. Payroll expenses are declining even though significant increases in minimum wage have taken effect year over year.

The POS system allows management to make educated and strategic decisions at every level based on real time information and sales trends. Additionally, the POS system provides automated sales and production reporting that have greatly reduced manager man-hours dedicated in calculating this manually. Managers are now able to spend their time more efficiently, focusing on product flow and customer service. The POS system has also allowed the thrift stores to collect "round up" donations at the register. The round up donations have been able to raise significant funds year over year that go straight to programs. This program would not be possible without a computerized cash register system.

We have now implemented a customer rewards program that ties directly into the POS system. This was a seamless transition into the current technology in place. The rewards program also has a mobile app that can be used in place of a physical card. This program has helped immensely in retaining customers and encouraging more frequent shopping at our stores. Special offers are sent out to rewards card members as well as customer retention emails that give special offers for customers who have not been in the store in a while. Additionally, rewards members get a special discount on their birthday. We have found that rewards members spend an average of \$5 more than non-members. Customer demographic and contact information is collected when a customer registers for the Loyalty program.

The POS system also ties directly into our high definition security camera system infrastructure. Transactional information is displayed directly on the screen allowing loss prevention to research suspicious transactions with ease and in record time. Customer and employee theft is at an all-time low. This system has been pivotal in reducing liability regarding insurance claims and false accident claims. Additionally, the stores have been able to help local law enforcement by providing HD camera footage for crimes committed outside our buildings.

Our biometric time clocks are instrumental in a significant payroll savings. The time clocks and software have saved management time in calculating payroll manually, which has led to several errors in the past. Scheduling and punching is now done electronically and this information is available in the cloud, which allows all levels of management to watch and control payroll

expenses. This has also stopped “time theft” or “buddy punching”. Payroll was down this fiscal year by 6.5% despite a significant increase in the minimum wage in New York.

Product solicitation continues to grow successfully. Ample product is collected to support all corporate thrift stores as well as supplementing our contract stores as needed. More contemporary solicitation methods are being used, allowing for the growth. Additionally, pickup routes are constantly being adjusted to ensure consistent quality of product and route efficiency.

The thrift stores have furthered its involvement with the public in utilizing contemporary and alternative methods of marketing, fundraising, collecting donations, and advertising. The awareness of the AMVETS mission is presently undergoing revitalization by introducing charity effort ideas. The goal of creating convenience for the public to donate to AMVETS is becoming a reality as support is gained from local community centers, businesses, and schools whom have hosted drop boxes and collected donations consistently. Beyond fundraising and community based ventures, the marketing department is also working conscientiously to develop television and web commercials, social media establishment, and branding applications through signage, literature, and advertisement throughout the store locations; the success of conveying the AMVETS mission is contingent on reframing the public’s image of AMVETS from the general scope of thrift stores to something far greater than simply a retail message. The thrift store staff is excited to move forward with focus on the importance of donating and the impact it has on improving the quality of life for American Veterans across the country.

Overall, the thrift stores are on a continued path of success. As the thrift stores move forward into the new fiscal year, refining and adjustment of new operations procedures and personnel, continue to take place. With a new, more experienced team in place, the future is hopeful in moving the thrift stores in an increased positive direction. Sales, marketing, and solicitations campaigns currently in place, will also drive business toward advancement.

Very Respectfully,

A handwritten signature in black ink, appearing to read "Kent A. D. Clark", with a long, sweeping underline.

Kent A. D. Clark

Executive Director

AMVETS National Service Foundation

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