National Commander Polzin, distinguished guests, and delegates to DAV’s 92nd National Convention:

As Executive Director of National Service and Legislative Headquarters in Washington, it is an honor and a privilege to present this annual report to the membership.

First, I want thank National Commander Larry A. Polzin for his leadership and dedication to DAV and our mission to fulfill our promises to the men and women who served and their families. Over the past year he has represented DAV very well as our National Commander and is a fine example of leadership to the entire veterans community.

I also want to recognize our National Adjutant Marc Burgess. His skillful leadership and steadfast support have meant so much to all of us as we strive to serve you and your families.

And how could I not pay homage to past National Adjutant Arthur H. Wilson, who truly is the architect of a modern DAV. Art’s leadership and stewardship have put DAV on the right track, both in terms of our strong financial position and new and more robust service and advocacy programs. Thanks to his leadership, our organization has forged ahead toward the future but firmly rooted in the finest traditions of our noble calling.

I also want to commend Auxiliary National Commander Donna Adams and Auxiliary National Adjutant Judy Hezlep, who have been extremely supportive of our efforts. The Auxiliary’s support and hard work in our cause has been invaluable to the success of our mission.

I would like to recognize the achievements of our team at National Service and Legislative Headquarters. National Service Director Garry Augustine directs our outstanding program of service to disabled veterans and their families. Garry and his staff have done a superb job leading our corps of National Service Officers (NSOs) and
Transition Service Officers (TSOs) in the successful completion of their mission. National Legislative Director Joseph Violante and his staff have excelled at advancing the legislative goals of DAV in a very difficult political environment.

I also want to recognize a valued member of our very fine team at Washington Headquarters, Executive Secretary Sally Miller, who keeps things running smoothly. My heartfelt thanks to Sally and the entire support staff for the tremendous job they do and their dedication to our mission.

Our entire team in Washington — Service, Legislative and Communications — professional and support staffs, alike — all pull together toward our goal to empower all injured and ill veterans and their families to live high-quality lives with respect and dignity.

Service

National Service Program

Our largest endeavor in fulfilling DAV’s mission is our National Service Program. In 100 offices throughout the United States and in Puerto Rico, we employ a corps of approximately 270 National Service Officers (NSOs) and 34 Transition Service Officers (TSOs) who counsel and represent veterans and their families with claims for benefits from the Department of Veterans Affairs, the Department of Defense and other government agencies.

Between January 1, 2012, and December 31, 2012, our NSOs and TSOs counseled and represented nearly a quarter million veterans and their families in their claims for VA benefits, obtaining for them more than $5.2 billion in new and retroactive benefits.

Our NSOs are highly trained professionals with the skills needed to effectively develop and prosecute veterans’ claims. An NSO’s development begins with 16 months of initial training and continues through his or her career. That continuous training ensures that our NSOs stay abreast of the laws, regulations and policies that govern veterans’ benefits. We also keep our NSOs supplied with state-of-the-art technology and keep their cutting-edge advocacy skills up to date. DAV is the only veterans’ service organization to have a training program certified for college credit by the American Council on Education.

And as our business practices continue to evolve based upon the rapidly changing advancements in technology, we will do everything possible to ensure all our country’s injured and ill veterans and their families receive the rights and benefits they have earned and deserve.
Because of our position as the premier veterans service organization, we have been a vital voice in addressing concerns with the VA’s Veterans Benefits Management System (VBMS) and Stakeholder Enterprise Portal (SEP) by participating in the initial development of these programs and by being involved in the test phases before release of these products nationwide. DAV also filed the first fully electronic benefits claim in VA using the SEP. And what a milestone that is.

The VBMS and SEP not only have the potential of reducing the amount of time a veteran will have to wait for a decision to be rendered on a claim, but will provide many new opportunities such as applying for benefits online, accessing VA payment history, checking on the status of a pending claim and much more.

**National Appeals Office**

The Board of Veterans’ Appeals (BVA) is the highest appellate level within the VA responsible for the final decision concerning entitlement to veterans’ benefits. In 2012 the BVA decided some 44,300 cases, in which more than 96 percent of the claims involved disability compensation issues. We maintain the largest staff of any advocacy group at the board, representing more than 31 percent of all cases decided by the BVA in 2012.

**Judicial Appeals**

DAV continues its *pro bono* representation program for clients seeking review in the United States Court of Appeals for Veterans Claims. Through the DAV National Appeals Office, in 2012, these attorneys extended an offer of free representation before the veteran’s court in 1,253 appeals, which were denied by the BVA, and provided personal representation at the Court in almost 1,060 of those cases. Since the inception of DAV’s *pro bono* program before the federal courts, those attorneys have made offers of free representation in more than 3,750 cases and provided free representation before the court in approximately 2,260 cases.

The substantial growth of this program has been possible with the coordinated efforts of two top-notch law firms – Finnegan Henderson of Washington, D.C., and Chisholm Chisholm & Kilpatrick of Providence, R.I., and Washington, D.C. Robert Chisholm (of the Chisholm firm) and Ron Smith (of Finnegan) are two of the nation’s most accomplished members of the veterans bar, and DAV is pleased to have them in prominent roles in our enlarged program at the court. Next year we hope to be able to report still another substantial increase in the number of appealed cases.

**Transition Service Program**

For those service men and women making the often difficult transition back into civilian life, DAV participates in Transition Assistance and Disabled Transition Assistance programs.
Our TSOs provide benefits counseling and assistance to service members filing initial claims for VA benefits at more than 100 military installations throughout the country. Over the past year, our TSOs conducted 2,760 formal presentations to 63,215 transitioning service men and women. They also filed 18,214 claims for VA benefits. We devoted approximately $1.95 million to this program in 2012.

**Mobile Service Office Program**

Our Mobile Service Office Program continues to reach out to veterans in their own communities. By putting our service offices on the road, assisting veterans where they live, DAV is increasing their access to benefits. With 10 specially equipped MSOs visiting communities across the country in 2012, they traveled more than 102,288 miles, visiting 872 cities and towns. Our NSOs interviewed 17,352 veterans and other potential claimants. The Harley-Davidson Foundation in August 2010 pledged a second $1 million over four years to partner with DAV to maintain the Harley’s Heroes® program. During 2012, the MSOs participated in 183 days of activities for 164 individual Harley-Davidson dealerships as part of this program, compared to 155 dealerships in 2011, reflecting a 6 percent increase in Harley-Davidson dealership participation. Nearly $857,000 was expended for the Mobile Service Office program in 2012.

**Outreach Programs**

The National Service Department is fortunate to have the cooperation, support and assistance of Department and Chapter Service Officers across the country. Each receives the training and information necessary to assist those we serve. Our Department and Chapter Service Officer Certification Training Program guarantees the vitality and growth of our local service programs. This enables our Hospital Service Coordinators, Department and Chapter Service Officers and volunteers to work together for the common goal of service to injured and ill veterans. In 2012, DAV trained and certified 1,956 Department and Chapter Service Officers in 38 states.

During 2012, we conducted 29 Information Seminars at various Chapters across the country, with 2,959 individuals in attendance. These Information Seminars provide the opportunity for veterans to discuss VA benefits with our NSOs in their own community, giving Chapters an opportunity to recruit new members and encourage their involvement.

Since 2006, DAV NSOs have offered services at other community-based events, including participation with state and county fairs, air shows, Major League Baseball and National Football League games and NASCAR races.

**Women Veterans**
Women are serving our country in record numbers and make up nearly one-fifth of today’s active duty, Guard and reserve military forces. Over 150 service women have made the ultimate sacrifice in combat deployments in Iraq and Afghanistan. Thousands more were wounded by visible and invisible injuries. Once they have served, women veterans are enrolling in VA health care in unprecedented numbers, and they are seeking a wide array of VA benefits and services that they have fully earned. As a consequence, the VA is experiencing a large influx of new female veterans, including those of childbearing age, who are in need of gender-specific services that VA traditionally did not provide.

The VA acknowledges the need to make an internal cultural change to improve and expand services for women veterans and to tailor VA programs to meet their needs. DAV is helping to make that change in fostering greater awareness of women veterans and working cooperatively with VA officials through our legislative, communications and foundation resources; providing testimony before Congress; and by conducting a variety of forums and discussion groups in Washington, D.C. and throughout the nation.

We continue our determined advocacy for women and, DAV is the leading veterans service organization in promoting the needs of women veterans at the national, Department and Chapter levels. In addition, DAV’s own Women Veterans Advisory Committee, made up of women veterans from across the country, meets annually at our National Convention to help set our agenda on women and their needs. To ensure women’s unique experiences and sacrifices in serving our nation in uniform are properly recognized, DAV actively seeks out and recruits women veterans to add to the 54 women now serving in our NSO and TSO corps.

**Employment Program**

Our National Service Program, in conjunction with our National Legislative Program, is responsible for the organization’s employment-related program and works alongside the Department of Labor, the VA, the Office of Personnel Management, Congress and other government agencies to ensure our injured and ill veterans are treated fairly and equitably in the work force.

Historically, our injured and ill heroes have not fared as well as non-injured or ill veterans and other workers in the job market. Our primary goal is to seek legislation and policies to enhance programs and services provided by the Departments of Labor and Veterans Affairs, the Small Business Administration, the Office of Personnel Management and other government agencies. Through active involvement and oversight, we are empowering our veterans to live high-quality and fulfilled lives in the job market.

**Homeless Veterans**

Homelessness has been a constant presence in America’s cities, towns and rural areas for many years. Since the early 1980s, homelessness has been a regular focus of
media interest and a topic of policy debate and remains one of America’s most complicated and important social issues.

DAV’s Homeless Veterans Initiative seeks legislation and policies to enhance programs and services to help homeless veterans break the cycle of poverty and isolation and move from the streets to self-sufficiency. Your National Service Officers and Department and Chapter members have participated in Stand Downs for homeless veterans nationwide, and I extend thanks for all that each of you do to make a significant difference in the lives of homeless veterans and their families across the nation.

**Legislation**

In accomplishing DAV’s mission, the legislative staff works closely with DAV’s Service Department and Communications Department staffs. We also rely heavily on DAV National Service Officers, DAV and Auxiliary officers and members and our Department Legislative Chairmen to keep us informed and for support with our grassroots lobbying. We also rely on the efforts of the members of our grassroots program, the DAV Commanders Action Network—DAV CAN. In addition, we use numerous organizational resources to achieve our goals, including the latest innovations in electronic media to carry our message to legislators and the American public. Further, we continue to use the power of the Internet to communicate with public officials, our membership and the public. In today’s fast-paced, competitive world, we must take advantage of every tool at our disposal.

One of the main missions of the Legislative Department is to build government support for wounded, injured and ill veterans, to provide for their families and survivors, and to prevent the erosion of benefits and services they have earned and deserve.

We accomplish this mission in many different ways, including meetings with members of Congress, congressional staff and VA officials, encouraging grassroots activities and by co-authoring the *Independent Budget*. In a more formal manner, we present both written and oral testimony to congressional committees on issues of importance to DAV and our members.

Since last year’s National Convention, the DAV Legislative staff testified at 16 Congressional hearings, covering 87 bills and draft measures, as well as myriad other issues.

**Enacted Legislation**

**Honoring America’s Veterans and Caring for Camp Lejeune Families Act of 2012**

On August 6, 2012, H.R. 1627, the Honoring America’s Veterans and Caring for Camp Lejeune Families Act of 2012, was enacted into law. This bill provides hospital
care and medical services for veterans stationed at Camp Lejeune, North Carolina, between 1957 and 1987.

A veteran who served on active duty in the Armed Forces at Camp Lejeune, North Carolina, for not fewer than 30 days during the period beginning on January 1, 1957, and ending on December 31, 1987, is eligible for hospital care and medical services for a number of illnesses or conditions, unless there is not sufficient medical evidence to conclude that the illness is service connected. Some of the diseases included in the list are esophageal cancer, lung cancer, breast cancer, bladder cancer, kidney cancer, and leukemia.

Among its many provisions the legislation also provides hospital care and medical services for family members of such veterans, if the family member, including unborn children, who resided on base for 30 days or more, during the period specified above.

This comprehensive legislation also covers many other issues of benefit to disabled veterans:

- Requires VA to ensure each individualized rehabilitation and reintegration plan for veterans with traumatic brain injury (TBI) includes the goal of maximizing the individual's independence and quality of life, and improving such veterans' behavioral and mental health functioning.
- Requires the inclusion of rehabilitative services in a VA comprehensive program of long-term care for veterans with TBI.
- Temporarily expands eligibility for specially adapted housing (SAH) for certain veterans with disabilities causing difficulty with ambulating.
- Expands eligibility for specially adapted housing assistance for veterans with vision impairment.
- Removes assistance provided for Temporary Residence Assistance (TRA) from lifetime total benefit for SAH grant eligibility.
- Increases amounts of TRA for permanent and totally disabled veterans from $14,000 to $28,000 and provides for annual cost-of-living increases.
- Extends eligibility for VA Home Loan guaranty benefit to surviving spouses of veterans whose deaths were not service connected, but whose service-connected disabilities were permanent and total for 10 years prior to death.
- Waives loan fee for individuals with disability ratings issued during pre-discharge programs.
- Automatically waives agency of original jurisdiction (AOJ) review of new evidence by the Board of Veterans’ Appeals unless it is requested that the AOJ review the evidence first.
- Authorizes retroactive effective date for awards of disability compensation, up to one year prior to the receipt of the application based on the facts, in connection with claims that are fully developed at submittal.
- Combines amount of education benefits up to 81 months for those who receive both Survivors and Dependents Education Assistance (Chapter 35) and other education assistance.
• Requires the Secretary to provide a plan for regular assessment of skills and competencies of VBA employees who handle processing of disability claims, to include training, testing, and appropriate personnel action for unsatisfactory improvement.
• Allows VA to waive copays for VA telehealth and telemedicine.
• For only three years, VA would be allowed to pay beneficiary travel to veterans traveling to and from Vet Centers to receive their services.
• Reinforces VA’s requirement to document, track and control incidence of sexual assaults that occur on the Department’s grounds and properties.
• Requires VA to implement a tele-consultation program to assess mental health and TBI at facilities that are unable to provide such assessments without utilizing contract or fee-basis care.
• Allows the use of service dogs on VA property that have been trained by accredited entities.
• Establishes the authority for VA to form and operate from one to five new “Centers of Excellence for Rural Health Research, Education, and Clinical Activities,” to organize resources and concentrate energy to solve myriad issues of VA health care in rural and remote areas.
• Extends for an additional year to September 30, 2013, copayment requirements of $10 for every day a veteran receives hospital care and $5 for every day the veteran receives nursing home care.
• Extends for an additional year to October 1, 2013, VA’s authority to collect from a veteran’s health insurance for treatment of a non-service-connected disability.

Cost-of-Living Adjustment Approved by the President

On November 27, 2012, the President approved legislation to grant a cost-of-living adjustment (COLA) in VA compensation payments to wounded, injured and ill veterans, their dependents and survivors. The law became effective on January 1, 2013.

The COLA is 1.7 percent, rounded down to the nearest whole dollar. As you know, we strongly support realistic COLA payments that keep pace with inflation, but we disagree with the rounding-down policy because it is a tax on disabled veterans and their survivors, those who can least afford more taxes.

Key Legislative Initiatives

Since the end of the second session of the 112th Congress and beginning of first session of the 113th Congress, our Legislative staff has held dozens of meetings with members of the House and Senate and their staffs, to educate them about DAV and our legislative priorities. We have particularly focused on the new members of Congress and the Senate who were elected in 2012, and are members of the Veterans’ Affairs Committees, to ensure they understand the needs of wounded, injured and ill veterans, and understand and will support DAV’s initiatives.
On January 31, 2013, DAV participated and spoke at a news conference sponsored by Senate Veterans’ Affairs Committee Chairman Bernie Sanders, to express DAV’s opposition to adoption of the so-called “chained CPI,” as a basis for cost-of-living adjustments (COLA) to veterans’ disability compensation payments, and to call for more realistic COLAs for wounded, injured and ill veterans.

In February 2013, The Independent Budget for fiscal year 2014 was released. The four co-authoring organizations, DAV, AMVETS, Paralyzed Veterans of America and Veterans of Foreign Wars of the United States, have worked in collaboration for 27 years to honor veterans and their service to our nation. Throughout the year, each organization works collaboratively to identify and address legislative and policy issues that collectively affect the organizations’ memberships, the broader veterans’ community, the work of the Veterans Benefits Administration, the Veterans Health Administration and the National Cemetery Administration, always with an eye to protecting and enhancing the federal benefits veterans have earned and deserve. The Independent Budget also presents our carefully developed estimates of adequate funding needed to ensure that VA, the Department of Labor and the Federal Court of Appeals for Veterans Claims are sufficiently funded to ensure protection and enhancement of veterans’ benefits and services.

Since releasing The Independent Budget, DAV has participated in a number of meetings with the leadership of key committees and their staffs to offer our views and concerns on a number of vital issues. These include appropriations for veterans programs and services and the VA’s transitioning to an electronic claims process.

DAV’s legislative staff has been actively involved with members of Congress and their staffs on a weekly basis to discuss the VA’s claims backlog, possible solutions and pending or draft legislation intended to resolve the backlog in VA’s compensation claims.

These events, whether public or private, are extremely important because they provide DAV with an informal forum in which to present our issues to congressional leadership. We firmly believe that DAV’s legislative program is a success because of our ability to sit down with leadership, discuss the issues and, along with other members of the veteran/military/family community, thereby convince Congress of the importance of enacting our priorities into law.

**Conclusion**

Your Washington staff continues its excellent work keeping on top of issues and policies affecting our nations injured and ill veterans and their families. They enjoy a stellar reputation as the top-notch professional veterans service organization, committed to protecting and preserving veterans rights.

You can be proud that your program directors and their staffs have spent years as advocates and NSOs representing veterans on a daily basis. And as wartime, service-
connected veterans themselves, they also have credibility that others who represent particular groups don’t have.

To be sure, the staff at your National Service and Legislative Headquarters continues to provide the very best services to you and your families. But without you, our members, we in Washington would not be able to accomplish all that we have.

So, on behalf of the entire National Service and Legislative Programs staff, thank you for making it possible for us to serve you. We couldn’t do it without every one of you and the support you provide as we carry on DAV’s proud mission of service and hope for America’s injured and ill veterans and their families.