Good morning, National Commander Tyson, distinguished guests, and delegates to the 90th National Convention of the Disabled American Veterans.

As Executive Director of National Service and Legislative Headquarters in Washington, it’s an honor and a privilege to present this annual report to the membership. But I must note that since he just retired in June, this is really retired Executive Director David Gorman’s report. That makes it an even greater honor for me.

Dave Gorman is one of the most respected leaders in the history of our cause. I’m honored to have this opportunity to succeed him and I assure our members and staff that I’ll do my utmost to further our cause while leading our service and legislative programs with sincerity and integrity.

National Commander Tyson, thank you for your inspired leadership and dedication to the DAV and our mission of service and hope for this nation’s disabled veterans and their families.

Over the past year Commander Tyson has been a powerful force for the DAV, not only as our National Commander, but earning the respect of government officials in Washington and the admiration of countless people all across this great country of ours.

National Adjutant Wilson, I also want to express my appreciation and abiding respect to you. Your guidance, wise counsel, inspired leadership, and unwavering support have been invaluable for me.
Art’s wisdom, vision, dedication, and professional expertise have maintained DAV’s outstanding financial position as the envy of other veterans service organizations. He has demonstrated time and again the unique ability to combine sound business practices with steadfast commitment to our mission.

Of course, none of our success would be possible without the terrific work carried out by National Headquarters Executive Director Marc Burgess and his superb staff and our employees in Cold Spring, Kentucky.

Auxiliary National Commander Susan Henry and Auxiliary National Adjutant Judy Hezlep have given all of us such great support. I offer my deepest thanks to them as well. We would not be nearly as effective in our mission without the Auxiliary and all those members who work so hard on our behalf.

At Washington Headquarters, our team—Service, Legislative, Communications; our professional and support staffs, alike—all work together toward the same goal: fulfilling our mission.

I would like to recognize the outstanding achievements of our team at the 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 remarkable job leading our corps of NSOs and TSOs in the successful completion of their mission. National Legislative Director Joe Violante has provided outstanding leadership in advancing the legislative goals of the DAV in a very difficult political environment. Joe and his staff have excelled in making the policy-makers of our nation aware of the needs of disabled veterans and their families and advancing our issues and programs. I am very proud of these outstanding professionals and their staffs, who have had such great success this past year.

I also want to acknowledge a valued member of our team in Washington, Executive Secretary Sally Miller, who is extremely valuable in keeping 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.

I am pleased to report that despite the impact of a very sluggish economy on our fundraising, we have not compromised on our service programs. After all, service is at the very core of who we are and what we do.

In 100 offices throughout the United States and in Puerto Rico, we currently have about 240 NSOs, and 30 TSOs diligently representing veterans and their families with claims for benefits from the VA and the Department of Defense. Some of the free services offered by NSOs and TSOs include information seminars and counseling, as well as assistance to discharging service men and women through the Transition Assistance Program and the Disabled Transition Assistance Program. Our NSOs also represent veterans and active-duty military personnel before Discharge Review Boards, Boards for Correction of Military Records, Physical Evaluation Boards, and other official panels.

With outlays of $38.7 million in 2010, these direct hands-on services make up the largest item in the DAV’s budget for program services.

Over the years, we have made tremendous progress in adopting state-of-the-art technology to assist veterans and their families in filing claims for benefits. NSOs have access to an impressive array of resources, including access to the extensive databases of the VA and the DAV’s Case Management System. Having worked on the creation and implementation of this initiative, I am extremely gratified by its daily use and progress, and we will continue to work on system enhancements.

DAV maintains the largest staff of any group at the Board of Veterans’ Appeals, representing 29 percent of all cases decided by the BVA as of May, 2011. DAV’s highly skilled National Appeals Officers provide a valuable service to appellants by preparing an appellate brief prior to the Board reviewing a case.
DAV continues its pro bono representation program for veterans seeking review in the United States Court of Appeals for Veterans Claims. In fiscal 2009-10, the BVA took action on more than 14,000 cases involving DAV clients. Each of those cases was reviewed to identify claims that were improperly denied. Thanks to DAV, more than 500 of these cases were appealed to the court.

The Department and Chapter Service Officer Certification Training Program continues to be a great success. A tremendous amount of teamwork goes into serving those who have sacrificed so much for our freedom. The National Service Department is fortunate to have the cooperation, support and assistance of DSOs and CSOs from around the nation, and we want to ensure that each of them continues to receive the training and information necessary to assist those we serve.

During 2010, there were 1,409 DSOs/CSOs certified in 33 states. We encourage every Department to participate in this worthwhile program.

More veterans leaving the military or returning from duty in Iraq and Afghanistan will benefit from the DAV’s Transition Service Program, which has been expanded to cover more military installations. Thanks to a grant from the GE Foundation last year at the 89th National Convention, we have increased our staff of Transition Service Officers who assist service separating members at more than 100 military bases and treatment facilities across the country.

Over the last year, TSOs conducted nearly 3,000 formal presentations to approximately 82,000 transitioning servicemembers. They also filed more than 26,000 claims for VA benefits. They also provided counsel and representation to active duty servicemembers during their transition through the military’s Disability Evaluation System. In 2010, DAV devoted $1.8 million to this program.

The Mobile Service Office Program continues to increase veterans’ access to the benefits our nation provides. During 2010, the MSOs were in service at numerous events, including stops in rural communities as well as at events held at Harley-Davidson dealerships, Air shows, and NASCAR events.
The National Organization currently has 10 new specially equipped MSOs on tour to make stops in communities across the country.

The Harley-Davidson Foundation continues to provide support to the MSO Program following their pledge of $1 million earmarked for outreach services to veterans in their communities. In the past year, we have visited 183 Harley-Davidson dealerships during our MSO tours.

The DAV has always recognized the contributions and sacrifices women veterans have made for our country. The Department of Defense recognizes that a growing percentage of those serving in uniform are women. Now as much as ever, women serve our country with pride, patriotism and honor equal to their male counterparts. The DAV is continuing its advocacy for women veterans on a variety of fronts. We have organized top-level forums designed to bring women veterans and government policy-makers together to openly address topics of concern.

The DAV is actively involved in the congressionally chartered VA Advisory Committee on Women Veterans, and its activities are monitored by a member of our Washington Headquarters staff. In addition, the DAV has its own Women’s Advisory Committee, made up of women veterans from DAV’s membership across the country.

The DAV continues to defend the benefits and services that help build better lives for America’s disabled veterans. We continue to rely on our organization’s leaders, DAV Benefits Protection Team members, DAV Commander’s Action Network members, and concerned individuals to educate Congress on legislation affecting benefits and services for service-connected disabled veterans.

We have worked hard this past year to ensure thoughtful and beneficial proposals to enhance current services are properly considered and acted upon. Concurrently, the DAV has worked equally hard against the passage of ill-advised recommendations such as those to balance the budget on the backs of disabled veterans and their families by limiting or cutting health care and other earned benefits.
Some significant legislation was enacted this year.

The Veterans Benefits Act of 2010 is comprehensive, with a number of important provisions to disabled veterans and their families, including an Automobile Grant indexed to the Consumer Price Index to allow for annual adjustment; enhancement of disability compensation for severely disabled veterans who have difficulty using prostheses; aid and attendance benefits for veterans suffering from Traumatic Brain Injury; an increase in Supplemental Service-Disabled Veterans’ Insurance; an increase in Veterans Mortgage Life Insurance; an increase in the number of veterans who can participate in VA’s independent living services and assistance program; and an increase in the amount of burial and funeral expense benefits.

The Post-9/11 Veterans Educational Assistance Act of 2010 expands and improves the Post 9/11 GI Bill that went into effect last year, and it simplifies and improves benefits in a fiscally responsible way. Specifically, the Act enables veterans to use their benefit for vocational and on-the-job training, expands eligibility for the benefit to National Guardsmen who are activated for domestic assistance, provides active duty troops with additional assistance to purchase books, and provides severely injured veterans and their caregivers with additional time to use their benefits.

During the mid-term elections of 2010, almost 100 new members were elected to the House, many of them occupying elected positions for the very first time. The House Veterans' Affairs Committee was particularly affected by the election. Only 12 of its previous 29 members were reelected. Representative Jeff Miller, a long-time member of the House Veterans' Affairs Committee, was named Chairman of the Committee. Representative Bob Filner serves as Ranking Democratic Member. We confront an unusual circumstance in that all Subcommittee Chairmen on the House Veterans’ Affairs Committee for this Congress are freshman members. This situation presents a challenge for our legislative staff because we have to educate these new members of Congress about the DAV—who we are and what we do—and our issues and priorities.
Although political control of the Senate did not change as a result of the 2010 election, leadership of the Veterans’ Committee did change. Former Chairman Akaka remains a member of the Committee on Veterans' Affairs, but Senator Patty Murray was named Chairman for the 112th Congress. Senator Richard Burr continues as Ranking Republican Member.

Although the number of claims processed by the Veterans Benefits Administration has grown to more than a million cases per year – the highest number ever – the volume of new and reopened claims filed continues to grow at an even faster pace. More significant, the number of claims pending longer than VA’s target of 125 days grew to nearly a half million over the past six months, that’s a 60 percent increase since the beginning of this year.

Even worse, the errors found in VA’s rating decisions are growing.

Over the past two years, VA Secretary Shinseki has focused VBA on “breaking the back of the backlog.” However, we should all remember that the backlog is not the core problem but is only a symptom. The true and overarching problems at VBA are quality and accuracy. If the VBA focuses simply on reducing the backlog number, it will not sufficiently address the basic issues nor prevent the backlog from growing once again. To achieve real and lasting success, VBA must focus on creating a modern, paperless benefits claims-processing system designed to “decide each claim right the first time.”

To their credit, VA Secretary Shinseki and the VBA senior leadership have openly acknowledged the problems at VBA and reached out to DAV and other VSOs to engage us in their work in developing reforms. Over the past two years, VBA has implemented a multi-pronged transformation strategy to modernize its infrastructure and business processes.

One of the major problems in the current claims processing system is VBA’s outdated information technology system. So a new electronic Veterans Benefits Management System is being developed. The new approach would allow claims to be processed in a paperless environment using rules-based decision support. Currently, VBA is field testing the VBMS in a few select regional offices, with full national deployment scheduled for 2012. VBA is also
modernizing the methods and technologies it uses to interact with veterans as part of the Veterans Relationship Management system, which includes the “e-Benefits” program.

It should be noted that the VA invited DAV to participate in developing this new system and one of our staff members provided valuable input to the project for a month this spring.

VBA has also been conducting dozens of pilot tests of new business process improvements to reduce waiting times, increase production, and – hopefully – increase quality and accuracy.

While DAV has supported many of these pilots and applauded VBA’s willingness to experiment, we continue to be concerned that given the impetus to reduce the backlog, VBA may ultimately favor IT and process reforms that increase speed and production, rather than those that enhance quality and accuracy. We continue to believe and assert that quality and accuracy are the essential cornerstones for reforming the claims processing system.

Over the next year, DAV will finalize a comprehensive set of specific legislative recommendations for Congress and work with our VSO colleagues and the Veterans Affairs Committees in the House and Senate to enact them into law. We have already begun to assemble a broad coalition in Washington to support this legislative action but we will once again need to rely on the powerful grassroots advocacy of DAV members nationwide. While there are no quick or easy ways to fix the claims processing system, we remain optimistic that working together we can make significant progress toward a system in which disabled veterans claims are done right the first time.

All in all, your Washington staff has earned unparalleled respect as the top-notch professional veterans service organization, determined and committed to protecting and preserving the rights of our fellow disabled veterans.

Your program directors and their staffs spent years as advocates and NSOs representing veterans on a daily basis. They also have credibility that other groups don’t have…they are all wartime service-connected disabled veterans themselves.
To be sure, the staff at your Washington Headquarters has done an outstanding job providing the very best services to you and your families. But there is another critical ingredient. We would not be able to accomplish all that we have without you, our members. And that’s a fact.

So, on behalf of the entire Washington Headquarters staff, I want to thank you for making it possible for us to serve you. We couldn’t do it without every one of you and the faith and support you provide as we carry on the DAV’s proud mission of service and hope for America’s disabled veterans and their families.

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