

# RAO BULLETIN 15 February 2010

## THIS BULLETIN CONTAINS THE FOLLOWING ARTICLES

- == SBP DIC Offset [22] ----- (Promises, Promises)
- == Mobilized Reserve 9 FEB 2010 ----- (791 Increase)
- == Iowa Veterans Home [03] ----- (Home Grant)
- == Adaptive Clothing ----- (Types & Sources)
- == SBA Vet Issues [09] ----- (Rules Tightened)
- == Tax Deduction Wisdom [02] ----- (Deductable Items)
- == Government Debt Collection ----- (Vets Win Lawsuit)
- == SBP Lawsuit [06] ----- (Remarried after age 57)
- == Veterans Consortium Pro Bono Program ----- (Overview)
- == Debt Reduction Commission ----- (Coming in 2010)
- == Naval Websites of Interest ----- (List)
- == Tricare Handbook [02] ----- (DEC 09 e-Version)
- == Distinguished Sailors Stamps ----- (Issued)
- == Don'T Ask, Don't Tell ----- (AL/VFW Oppose Change)
- == Pennsylvania Veterans' Homes [02] ----- (Hollidaysburg)
- == Vet Cemetery California [07] ----- (Miramar Natl Dedicated)
- == TSP [26] ----- (Jan 2010 Closing)
- == WRNMMC (Walter Reed) ----- (Not World Class)
- == VA Budget 2011 ----- (Proposed)
- == VA Budget 2011 [01] ----- (Initial Reviews Good)
- == DoD Budget 2011 ----- (Chairman Opening Statement)
- == VA Claims Backlog [34] ----- (2011 Projection Bleak)
- == Tricare User Fee [45] ----- (No Increase in 2011)
- == Philippine U.S. Military Pollution ----- (Legacy Remains)
- == Honor Flight Network] ----- (Washington DC Vet Trips)
- == Veterans' Court [05] ----- (Pennsylvania Expansion)
- == WW1 Vet Search [05] ----- (Buckles turns 109)
- == Medicare Fraud [32] ----- (1-14 Feb 2010)
- == Medicaid Fraud [07] ----- (1-14 Feb 2010)
- == Military History Anniversaries ----- (Feb 15-28 Summary)
- == Enlistment [09] ----- (Criminal History Impact)
- == Four Chaplains Day] ----- (USAT Dorchester Sinking)
- == Tax Burden for Massachusetts Retirees ----- (2009)
- == Veteran Legislation Status 13 Feb 2010 ----- (Where we stand)
- == Have You Heard? ----- (Confucius Say)
- == RAO Bulletin Non-receipt ----- (New & Old format)

## RAO BULLETIN 15 February 2010

**SBP DIC OFFSET UPDATE 22:** For a decade, war widows in matching yellow suit jackets and hats quietly and persistently have knocked on Capitol Hill doors seeking an end to the "widows' tax," a government policy that deprives them of benefits from their husbands' military service. They are always warmly received, but that's where the hospitality ends. Despite pledges of help from scores of federal officials — including President Barack Obama and House Speaker Nancy Pelosi — their long quest remains unfulfilled. Every year since 2005, the Senate has voted to eliminate the policy that denies widows the ability to collect both a military survivor's benefit and the full annuity bought when their military husbands were alive. But in each of those years, the fix was dropped when House and Senate negotiators wrote the final bill in private. "What we always hear is that there is just no funding for us. 'Sorry, this is not your year,'" said Vivianne Wersel, chairwoman of the Government Relations Committee at Gold Star Wives of America. Her husband died of a heart attack in 2005, days after returning from his second tour in Iraq. "What happens behind closed doors, we get thrown under the bus."

The widows' tax is a law that won't allow surviving spouses to receive the retirement pay due them when their spouse died from a cause related to military service, and at the same time collect the full annuity — essentially an insurance policy most of their spouses opted to buy. They paid an average of 6.5% of their retirement pay in premiums, often \$100 or more a month. Because one benefit is subtracted from the other, affected surviving spouses lose about \$1,000 a month on average. There are about 54,000 survivors who are affected by the policy, whose spouses served in conflicts from World War II to Afghanistan, and that number could grow. The widows say politicians have promised time and time again to help them, but they don't. Part of the problem is the cost. Eliminating the offset in benefits is expensive, said Sen. Bill Nelson (D-FL), who has been the widows' longtime ally. Making good on the promise would cost \$6.7 billion over a decade. But knowing the cost hasn't stopped politicians from promising to help. Pelosi, as House minority leader in 2005, took up the widows' cause as part of the Democrats' GI Bill of Rights, before her party gained control of Congress.

Two years later, Obama, then a senator, co-sponsored legislation to eliminate the offset just before he spoke at a Gold Star Wives reception on Capitol Hill. In his budget proposal to the Congress last week, he didn't include it. Kimberly Hazelgrove, 36, of Lorton, Va., whose husband died in Iraq in 2004, said she recalls Obama coming to the reception and promising to help them. The 36-year-old mother of two said she's now left wondering what happened to the promise. "I have yet to see it, after a year in office, that really being a priority for them," said Hazelgrove, who has lobbied on Capitol Hill with her kids, ages 6 and 9, in tow. Last June, four military widows showed up before 8 a.m. for a House Armed Services Committee session where their issue was on the agenda. Several hours into the hearing, an aide told them the discussion had been pushed back because of its sensitive nature. At 10:30 p.m., the matter finally came to a vote. By then, Sandra Drew of Herndon, Va., was the only widow still there. Drew, whose husband was killed in Bosnia in 1995, said she was dumbfounded when Democrats who had co-sponsored the legislation in past years voted against it, while Republicans who had once opposed it were supporting it. She said some committee members sheepishly looked at her as they voted down the provision, "visibly uncomfortable that I was in the room. It went right down party lines, and it shouldn't be a partisan issue."

Steve Strobridge, a retired Air Force colonel who is director of government relations at the Military Officers Association of America, said something could be done for the widows if the political will existed. "It requires a vote of the entire Congress or a big emphasis of leadership to say we're going to elevate this priority, and as terrible as it seems, taking care of the widows whose military sponsor was killed by service has not been given a high enough priority," he said. Congress did take the step of recognizing the widows' plight and gave affected survivors \$50 more per month starting in 2008. "We've had a partial victory and eventually we will continue to pound away and get it done," Nelson said. Wersel said her group is pleased that so far this year they have enlisted more than 300 co-sponsors for their legislation in the House and more than 50 in the Senate, but they are still not confident that means Congress will pass it. "The whole process has become rhetoric," she said. [Source: AP Kimberly Hefling article 10 Feb 2010 ++]

# RAO BULLETIN 15 February 2010

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**MOBILIZED RESERVE 9 FEB 2010:** The Department of Defense announced the current number of reservists on active duty as of 9 FEB 2010. The net collective result is 791 more reservists mobilized than last reported in the for 26 JAN 09 Bulletin. At any given time, services may activate some units and individuals while deactivating others, making it possible for these figures to either increase or decrease. The total number currently on active duty from the Army National Guard and Army Reserve is 111,478; Navy Reserve, 6,978; Air National Guard and Air Force Reserve, 16,846; Marine Corps Reserve, 6,435; and the Coast Guard Reserve, 780. This brings the total National Guard and Reserve personnel who have been activated to 142,517, including both units and individual augmentees. A cumulative roster of all National Guard and Reserve personnel who are currently activated may be found at <http://www.defense.gov/news/d20100209ngr.pdf>. [Source: DoD News Release No.104-10 dtd 10 Feb 2010 ++]

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**IOWA VETERANS HOME UPDATE 03:** Governor Chet Culver has announced that the Department of Veteran Affairs has awarded the state of Iowa a grant totaling \$2,248,320 to help expand the Iowa Veterans Home (IVH) in Marshalltown. In addition to this grant, the home will receive more than \$22 Million dollars in funds for the four-phase construction/renovation project through I-JOBS. Taken together, all four phases of the IVH reconstruction is a \$110 Million dollar, multi-year project. At present he IVH is one of three largest of the 133 state-owned facilities for veterans in the nation. It is also one of the places in the nation where poppies are made. Any capable veteran interested in making poppies should contact the Rehabilitation Services Office. Veterans are paid for each poppy they make. The American Legion Auxiliary sponsors the Poppy Program by providing the supplies, payroll, and distributing the poppies in various communities. Only veterans are eligible to make poppies.

The home offers two levels of care, domiciliary and nursing. Admissions to the Iowa Veterans Home are limited to honorably discharged veterans eligible for care and treatment at Department of Veterans Affairs facilities. The spouse of a veteran or widowed spouse of a veteran shall be eligible for admission, based on the eligibility of the living or deceased veteran spouse, in accordance with the Iowa Administrative Code (IAC). The individual shall have met the residency requirements of the state of Iowa on the date of admission to IVH. Spouses must be married to a veteran for at least one year before the date of application. Certification of residency is required by a County Commission of Veteran Affairs. Each applicant must:

- Have a current physical examination, including laboratory and x-ray findings, completed and verified on the application form by a local physician or a physician from the Department of Veterans Affairs Medical Center.
- Provide an original or certified copy of their Veteran's discharge papers and birth certificate plus a marriage certificate, death certificate of spouse, and a divorce decree if applicable.
- Provide any durable power of attorney papers, or conservatorship and guardianship papers.
- Provide copies of all current court orders regarding financial obligations, such as child support or alimony.
- Disclose to the IVH all sources of income, such as pensions, social security, private or government annuities, rents, farm income, interest, etc. Assets, such as cash, bank accounts, savings and loan accounts, bonds, real estate and investment, must be listed. The value of the applicant's homestead (as defined in the IAC) must be shown; however, it may not be counted as an asset and may retain its exempt status providing conditions are met as referenced in the Iowa Administrative Code. Failure to make complete and accurate disclosure of income and assets is grounds for dismissal from the Home.

## RAO BULLETIN 15 February 2010

- Inform the IVH of any health or nursing home insurance coverage and shall apply for Medicare if not already covered by that program. The Veterans Home will pay the Medicare premium upon billing by Social Security Administration. The applicant will be responsible for payment of any other premiums. Any insurance payments shall be applied toward the cost of medical care before the Iowa Veterans Home funds are expended.

For applications contact your County Commission or Department of Veterans Affairs Medical Center counselor to obtain an application form and IVH information. You must have the County Commission certify your eligibility for admission by verifying your residency and military service. Each County has a Commission of Veteran Affairs, generally located in the county courthouse and listed in the telephone directory under County Government or Commissioner of Veteran Affairs. To find your nearest office click refer to [www.iowava.org/counties/index.html](http://www.iowava.org/counties/index.html). To locate your local office, click here. The home's admissions committee shall assign the level and category of care required by the applicant. When a bed is not immediately available in the level and category of care assigned, the applicant's name shall be placed on the appropriate waiting list for that level and category of care or special care unit in the order of the date the application was received. For more information on the Iowa Veterans' Home, visit the website at <http://ivh.iowa.gov/>. For more information on veterans' benefits in Iowa, visit the Iowa Department of Veterans' Affairs website. [Source: Military.com Veterans Report 8 Feb 2010 ++]

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**ADAPTIVE CLOTHING:** Adaptive Clothing is specially designed to make dressing easier for those with limited mobility. Whether one is a self-dresser or is dressed by a caregiver or attendant, modified apparel is very convenient and functional. Adaptive Clothing is for people who are physically challenged or disabled with diminished motor skills due to COPD, cancer, spinal cord injury, Parkinson's, illness, paralysis, stroke, pain, Lupus, Alzheimer's, injury, MS, ALS, aging, developmentally disabled, MD, casts or braces, amputation, arthritis, bariatric issues, etc. Designers have recognized that caregivers also face back and knee trauma from lifting people, or may encounter aggression and resistance in attempting to dress individuals in traditional clothing. This clothing allows a caregiver to dress someone without struggling with arm or leg stiffness. Adaptive Clothing is designed to solve many of the daily issues associated with special needs dressing. Not to mention lowering the rate of work related injuries for professional caregivers. Adaptive Clothing will ease the ongoing frustration, pain and difficulty of dressing and help make life easier for the individual and/or the caregiver. Items are designed to make it easier for people to get dressed and undressed every day. Garments allowing one to be more self sufficient may mean the difference between living at home and living in a healthcare facility.

The easiest way to identify locations where adaptive clothing can be purchased is through the internet. Typing in the words 'Adaptive Apparel' will bring up a number of websites. At many you can view items of clothing and/or purchase them on line with UPS delivery. For those residing in the San Diego area a new store has opened at 7960 University Avenue #240, La Mesa, CA 91941 Tel: 619-460-1702 or [www.adaptiveclothingstore.net](http://www.adaptiveclothingstore.net). Examples of adaptive clothing are:

- **Back-Snap Shirts, Tops or Dresses.** designed to allow the caregiver to slide a garment onto the person being dressed without having to raise their arms or struggle with neck openings. This design also allows the caregiver to dress an aggressive or uncooperative individual from behind.
- **No Strip Jumpsuits:** For the inappropriate undresser. These are back-snap to make self undressing difficult. Some lady's jumpsuit styles have a snap crotch to aid with toileting or diaper changes.
- **Open-Seat Pants or Dresses.** (These have no fabric on the seat and are for the non-ambulatory. They are designed to slip on from a seated or lying down position, with the help of a caregiver, without ever having to stand up. This style is to make toileting and personal care an easier process. The open seat also helps with incontinent issues by enabling quick changing and reducing laundering needs. Pant styles also may

## RAO BULLETIN 15 February 2010

have a modesty panel (back flap) which snaps along the side. It is not necessary for one to get up from their bed, Geri-chair or wheel chair to change.

- **Front-Drop Pants:** These usually have side-snaps or side-zippers on both the right and left sides. This aids those with incontinent issues; dual-side openings make regular maintenance much more pleasant for both the individual and caregiver. For others, they provide a larger opening for self dressers making it easier to step-in and/or slip on.

[Source: VFW San Diego VSO Scott Langhoff input 10 Feb 2010 ++]

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**SBA VET ISSUES UPDATE 09:** VA awarded 35% of its fiscal 2008 contract dollars to small companies, including 15% to veteran-owned small firms and 12% to service-disabled veteran-owned small businesses. In contrast, the government as a whole awarded 3% of contract dollars to veteran-owned firms and just 1.5% to small companies owned by service-disabled veterans. The government wide goal in both categories is 3%. In OCT 09, the GAO released a report showing the government wide service-disabled, veteran-owned small business contracting program was vulnerable to fraud and abuse. By conducting 10 case studies, the watchdog agency found \$100 million in contracts had been collected through fraud or abuse of the program. As a result the Veterans Affairs Department has set strict guidelines for bidding on contracts set-aside for veteran-owned small businesses. Entrepreneurs now will be allowed only one company at a time in the contracting program and must work full time in the business, according to a final rule published 8 FEB in the Federal Register. A MAY 08 interim rule only required participants to "show sustained and significant time invested in the business." But comments on the proposal convinced agency officials to limit consideration to veteran-owned small businesses in which the owner has a day-to-day management role. Though the rule is final, VA is accepting comments on the owner-involvement change through 10 MAR. "VA has determined that this revision will ensure the integrity of the program," the rule stated.

The regulation implements portions of the 2006 Veterans Benefits, Health Care and Information Technology Act and governs entry to a VA set-aside contracting program for veteran-owned and service-disabled veteran-owned small businesses, established in DEC 09. The program would allow the department to let sole-source contracts to these firms, for awards of up to \$5 million. To participate in the program, companies must register with the [www.VetBiz.gov](http://www.VetBiz.gov) Vendor Information Pages database to verify they meet all eligibility requirements. Any company that misrepresents itself in the database could face debarment for up to five years. The department's Center for Veterans Enterprise will make the final decision on application denials. "Any firm registered in the VA VetBiz VIP database that is found to be ineligible due to an SBA protest decision or other negative finding will be immediately removed from the VetBiz VIP database," the final rule stated.

Previously, vendors could self-certify the accuracy of the information provided. But now, officials with the Center for Veterans Enterprise must verify the data as part of the VetBiz application process. There are nearly 16,000 veteran-owned small businesses in the VetBiz database, including about 9,000 service-disabled veteran-owned small businesses. But, VA said it does not have the resources to conduct site visits to all firms applying to participate in the program. "VA finds that mandatory site visits could be an unnecessary burden to vendors when VA can adequately verify firms through other means, such as document review," the rule stated. "The department will monitor awards to companies in the verification program and make decisions on which companies to inspect using a combination of factors, including staffing and funding." Veteran-owned and service-disabled veteran-owned small businesses also must recertify their status annually to remain in the program. [Source: GovExec.com Today 10 Feb 2010 ++]

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# RAO BULLETIN 15 February 2010

**TAX DEDUCTION WISDOM UPDATE 02:** The following items should be considered when contemplating whether or not to itemize your deductions and file a Form 1040:

**State and Local Taxes** - Even if you don't own a home, itemizing can pay off handsomely. Look at the income taxes that you paid to your state, and to your city or county, if applicable. Income taxes you pay to these governments are deductible. Add up the state and city taxes shown on your W-2s and compare the total to your standard deduction. If you made estimated tax payments to your state or local government (including any 2008 refund you had applied to your 2009 tax bill), be sure to total those amounts. And don't forget to add in any money you sent with your 2008 state and local tax returns in the spring of 2009.

**Charitable Donations** - You can deduct charitable donations only if you itemize your deductions on form 1040. Add up the money you donated to organizations like the Red Cross, churches, synagogues, mosques and other nonprofit organizations. If you donated things like clothing, furniture or other household items, you need to determine their value. One way is to find out what your local thrift shop is charging for similar items, or you could use a software program like "ItsDeductible" that does this work for you. Make sure you use good judgment and that you don't overvalue your donations. Also, note that the law now demands more substantiation than in the past to back up charitable donation deductions. Under the old rules, taxpayers needed a receipt to back up any charitable contribution of \$250 or more (a cancelled check was not sufficient). That's still the case for contributions of \$250 or more. But now you also need a receipt or a cancelled check to back up deductions for even smaller donations.

**Medical Expenses** - Although medical expenses are deductible, very few taxpayers get to deduct them because deductible costs apply only to the extent that unreimbursed expenses exceed 7½ percent of your Adjusted Gross Income (AGI). So if your AGI is \$50,000, for example, the first \$3,750 ( $\$50,000 \times 0.075$ ) effectively don't count. Before you go through all of your doctors' bills and prescription receipts, do a quick calculation based on your income to make sure your time will be well spent. Note that:

- Deductible medical expenses include doctor and dentist fees, chiropractor fees, lab fees, contact lenses, glasses, prescription drugs and medical supplies. If you have a question about a particular medical expense, consult IRS Publication 502: Medical and Dental Expenses.
- You can deduct the premiums you pay for health insurance coverage, unless your employer pays for your coverage through a payroll deduction using pre-tax dollars. If so, you've already received a tax benefit for your premium payments, so don't deduct those premiums on your return. Consult your employer's benefits department if you're not sure.

**Miscellaneous Tax Deductions** - Most of the remaining deductions are subject to a limitation similar to, but less stringent than, the one for medical expenses. To determine if you can include these review the miscellaneous deductions listed below and add up the ones you can take. Calculate 2% of your Adjusted Gross Income (AGI) and compare the two figures. You get a deduction to the extent that the total of miscellaneous deductions exceeds 2% of your AGI. Examples of qualifying miscellaneous expenses that you could deduct include:

- Dues you pay to a union or a professional organization in connection with your employment
- Subscriptions to magazines and other publications that are related to your work
- Business liability insurance premiums
- The cost of protective work clothing, such as hard hats or safety shoes and glasses, and the cost of uniforms you're required to wear to work
- Tools and supplies used in your work
- Medical examinations required by an employer
- Tuition for classes that maintain or improve the skills required for your present job

## RAO BULLETIN 15 February 2010

- Expenses you incur while looking for a job in the same line of work you normally do (for example, résumé costs, career counseling and employment agency fees)
- Depreciation on your computer or cellular phone, but only for the part of the time you use your equipment to keep track of your taxable investments (stocks, bonds, mutual funds) or as part of your job, if required by your employer.
- The fees you're charged by your financial institution to maintain your IRA account, but only if you pay them from funds outside of your IRA account (if your financial institution just deducts the maintenance fees directly from your IRA, you can't deduct them)
- Safe deposit box rental fees, if you use the box to store stocks, bonds or other investment-related documents (if you just store jewelry and other personal items there, the fees aren't deductible)
- What you pay to get your taxes done, whether it's by a professional or with tax preparation software. You can also deduct the cost of any books or publications that help you with preparing your return, and if you file your return electronically, you can deduct any costs associated with that process
- Legal fees that you pay to protect your taxable income, or to produce your taxable income (This includes fees for legal assistance for helping you keep your job, for tax planning or investment counseling, or for handling an audit of your tax return. Legal fees for divorces aren't deductible, except for any portion specifically related to helping you collect alimony payments, or for advice about the taxability of your alimony. You can only deduct legal fees that you pay in your efforts to collect income that's taxable to you.)

There are a few miscellaneous expenses that guarantee tax savings to itemizers because they are deductible without regard to the 2% threshold. For example, if you're involved in estates, trusts and investments, or if you have significant job-related expenses, it's worth your time to investigate a bit further. For more information, see IRS Publication 529: Miscellaneous Deductions. These three most likely deductions applicable to taxpayers are:

- **Amortizable Bond Premium.** The amount over face value that you pay for certain bonds because they are paying higher-than-current-market interest rates.
- **Gambling Losses.** This write-off comes with its own restriction. You can't deduct more than the amount of gambling winnings you report as taxable income.
- **Federal Estate Tax on Income in Respect of a Decedent.** This is becoming an increasingly important deduction as more and more taxpayers inherit money in company retirement plans or traditional IRAs. Such amounts are considered "income in respect of a decedent" because the decedent had a right to the income at the time of death, but the income is not included on the person's final tax return. Instead, the beneficiary is taxed on the amounts. You might also deserve a deduction, though, if the decedent's estate was large enough to pay federal estate taxes. Say, for example, that you inherit a \$50,000 IRA which, because it was included in your mother's taxable estate, boosted the estate tax bill by \$20,500. Although you have to pay tax as you pull money out of the IRA, you also get a deduction for that \$20,500. If you pull the full \$50,000 out at once, you'd get the full deduction. If you pull it out equally over two years, you'd deduct \$10,250 each year. This miscellaneous deduction is not subject to the 2% limit but it's up to you to know the rules to take advantage of them.

[Source: Military.com Taxes Jan 2010 ++]

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**GOVERNMENT DEBT COLLECTION:** The U.S. will repay \$7.4 million to military veterans whose tax refunds and benefits the government improperly withheld to recover debts from charge and credit cards they used to buy uniforms and other items at military bases. A federal judge in San Francisco on 28 JAN preliminarily approved a civil-court settlement in a case in which the government has agreed to repay up to \$10,000

## RAO BULLETIN 15 February 2010

each to 6,715 former members of the armed forces. The court had found earlier that between 2001 and 2008, the government collected debts that had been delinquent for more than 10 years, and were thus outside the statute of limitations for collecting the debts by "administrative offset," that is, by withholding tax refunds and Social Security benefits. The case is among the first class actions to challenge the debt-collection practices of federal agencies. In recent years, the federal government, one of the nation's largest creditors, has stepped up efforts to recover more than \$75 billion of delinquent income taxes, defaulted loans and other debts owed by individuals. To collect debts, federal agencies can ask the Treasury to intercept federal payments to debtors, such as tax refunds and disability benefits.

The case, filed in 2007, was brought on behalf of Julius Briggs, a disabled 21-year Army veteran who in 1993 bought uniforms and other items worth \$1,857 using a charge account with the Army and Air Force Exchange Service. AAFES, an agency of the Department of Defense, operates stores on bases around the world and issues Military Star credit cards. Mr. Briggs, who worked sporadically and at times has been homeless, said he stopped receiving billing statements after he left the service, and lost track of the debt, which grew with interest and penalties. Between 2004 and 2007, the Treasury withheld a total of \$2,373 from his income-tax refunds, even though the debt had been delinquent for more than 10 years. The agency said Mr. Briggs still owed \$3,938. But in the course of litigation, AAFES recalculated the interest on Mr. Briggs' debt and reduced that amount to \$1,925, according to the plaintiffs' attorneys. Other class members complained that AAFES miscalculated interest and fees, and stopped sending them statements after they left the service in the 1990s, which contributed to their default and caused their debts to balloon. Spokesmen for AAFES and the Justice Department, which handled the litigation, declined to comment.

Steven Lee, 46 years old, a Desert Storm veteran in Pahrump NV, said he owed about \$600 on his card when he left the Army in 1995, but contended that AAFES didn't send a billing statement despite his numerous phone calls. AAFES turned the debt over to the Treasury, which withheld his tax refunds from 1996 to 2006, collecting thousand of dollars, he said. "They need to look at how they're conducting business," Mr. Lee said. Marie Noel Appel, a lawyer in San Francisco, discovered the problem when she met Mr. Briggs at a clinic for the homeless where she volunteered. Chandler Visser Law Offices, where she was then working, brought the case; the Public Citizen Litigation Group in Washington D.C., which advocates for consumers, was co-counsel. The 10-year limit for administrative offsets was lifted in 2008, but under terms of the settlement, the government agreed not to attempt to recollect the debt it would refund. The average class member's claim is about \$1,100, according to papers filed in the San Francisco federal court. [Source: WSJ.com Ellen E. Schultz article 29 Jan 2010 ++]

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**SBP LAWSUIT UPDATE 06:** The Veterans Benefits Act of 2003 restored eligibility for Department of Veterans Affairs (VA) Dependency and Indemnity Compensation (DIC) to military surviving spouses who remarry after age 57. However, DoD continued to apply the offset to these widows – until three of them, NAUS members Patricia Sharp and Margaret Haverkamp along with Iva Dean Rogers, won a recent court decision. The decision restores full SBP and DIC if a widow has remarried after age 57. The Defense Finance and Accounting Service (DFAS) finalized the implementation and repayment plans for the original three widows and another approximately 800 known survivors who fall into the category. All SBP annuitants who are entitled to both DIC and SBP because of their remarriage after age 57 are currently being identified. DFAS will no longer deduct DIC payments from annuitants' monthly annuity that meet these criteria and they will begin receiving their full monthly SBP annuity entitlement in addition to the full monthly DIC. The first group of eligible annuitants will have their SBP annuity increased in FRV 2010. Following are answers to some frequently asked questions these widows may have:

## RAO BULLETIN 15 February 2010

- **Is common-law marriage considered valid for this change?** Yes, if it is recognized by the state in which the marriage occurred. If entitlement to this benefit is based on a common-law marriage, sufficient proof of a valid marriage will be required.
  - **Do I have to apply for this new benefit?** You will automatically be notified if DFAS can determine your eligibility. If on or before April 1, 2010, your SBP annuity payment is not increased and you believe you may be eligible to have your SBP payments adjusted due to a remarriage after age 57, you will need to provide DFAS proof of status and request a review of their record.
  - **Will I be able to apply online?** There is no application process since DFAS will determine from existing records whether an individual is eligible. Eligible annuitants will be notified if additional documentation is required.
  - **Will this benefit be retroactive?** If so, what is the date? This benefit becomes effective on the date of remarriage, but not earlier than 1 JAN 04, which is the effective date of the entitling legislation.
  - **Will I be taxed on any retroactive SBP?** Yes, taxes will be withheld in an amount equal to 10% of the retroactive benefit, unless the individual submits a new W-4P, "Withholding Certificate for Pension or Annuity Payments," that requests no withholding from the retroactive amount.
  - **Will I have to repay the partial refund of premiums that I received?** Yes. Any refund of SBP premiums, not previously recovered by DFAS, will be collected first from any retroactive entitlement and then from the increased monthly SBP entitlement.
  - **How do I get the taxes back that I paid on the partial refund of premiums?** You may or may not be able to recover the taxes. For each year in which repayment is made, you may claim the amount of the repayment as a miscellaneous itemized deduction if you itemize deductions on your tax return. This deduction will be subject to the 2-percent floor of your adjusted gross income. In some circumstances, you may be able to claim a tax credit under section 1341 of the Internal Revenue Code if the amount of repayment exceeds \$3,000. It is recommended that you consult with an accountant or a tax advisor.
  - **If I remarried after the age of 57, but before the effective date of the law, will I qualify to receive this benefit?** Yes, provided you made application to the VA to restore Dependency and Indemnity Compensation (DIC) before 16 DEC 04 and were granted such entitlement by the VA. However, if your DIC payments were restored because the post-57 remarriage ended prior to 16 DEC 03, then you are not eligible to receive full SBP without offset for DIC.
  - **If my first husband died in 1990 and I remarried after 57, but my 2nd husband died will I qualify?** If you qualified under the criteria of the previous question, the death of your second spouse will not result in loss of entitlement.
  - **If I remarried after 16 DEC 03 and after the age of 57, and my second marriage is terminated, will I continue to receive full SBP and DIC?** The entitlement to DIC by reason of remarriage after age 57 is the single criterion for entitlement to SBP without offset. If you qualify based on remarriage after age 57, dissolution of your subsequent marriage will not result in loss of the dual entitlement unless, upon investigation, the circumstances of the remarriage reveal intent to defraud the government.
  - **Is there a web site that I can track about the progress of implementation?** Due to the limited scope of this court ruling (there are about 800 widows affected) there will not be a dedicated web site. However, DFAS has posted some information at <http://www.dfas.mil/retiredpay/survivorbenefits/dicandsbp.html>, and will communicate progress and status through NAUS, SMW and other military survivor organizations.
- [Source: Gold Star Wives & NAUS Weekly Update 29 Jan 2010 ++]
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**VETERANS CONSORTIUM PRO BONO PROGRAM:** In 1991, the US Court of Veterans Appeals, later to be renamed US Court of Appeals for Veterans Claims, responded to the problem of its

## RAO BULLETIN 15 February 2010

large pro se caseload by asking Congress to reallocate part of the Court's own budget into efforts to secure representation for needy claimants. As a result of the ensuing and subsequent legislation, a consortium of four organizations received a grant to operate a pro bono program. The program recruits attorneys willing to volunteer to represent needy individuals at the Court. The program screens appeals so that pro bono representation can be provided in meritorious cases, and offers comprehensive training and support to participating attorneys. The organizations comprising the consortium are The American Legion, the Disabled American Veterans, the National Veterans Legal Services Program, and the Paralyzed Veterans of America. Upon request veterans and their qualifying family members who have an appeal pending at the U.S. Court of Appeals for Veterans Claims (Court) will be provided attorneys at no charge to review their BVA decision and their Department of Veterans Affairs (VA) claims file. Applicant must meet all of the following criteria:

- You are a veteran (or qualifying family members of a veteran)
- You have received an adverse decision from the Board of Veterans' Appeals (BVA);
- You have appealed that BVA decision to the U.S. Court of Appeals for Veterans Claims (the Court);
- You do not have an attorney to help you; and
- You ask them for their assistance and you meet their program's financial eligibility guidelines; and
- At least one meritorious issue to be argued before the Court can be identified.

### **The program will not:**

- Provide general legal advice or information about the VA or the Court;
- Provide legal advice or representation concerning a claim pending at the BVA or at the VA regional office;
- Provide general legal advice or representation concerning a Federal Tort Claims Act (FTCA) claim;
- Provide general legal advice or representation concerning correction of military records or upgrading a military discharge.

To request assistance go to [www.vetsprobono.org/newsite/forms.htm](http://www.vetsprobono.org/newsite/forms.htm) and download, complete, sign the Retainer Agreement and Power Of Attorney Form plus the Financial Disclosure Form and mail to: The Veterans Consortium Pro Bono Program, 701 Pennsylvania Avenue, NW, Suite 131, Washington, DC 20004. To contact the Case Evaluation and Placement Component send mail to the same address or call (202) 628-8164; (888) 838-7727; or Fax: (202) 628-8169. Appellants who wish to contact the Veterans Consortium Pro Bono Program via electronic mail at [mail@vetsprobono.org](mailto:mail@vetsprobono.org) should use the phrase "Veteran's Request for Assistance" in the message subject line to avoid blocking by the Program's security software. If a docket number has already been assigned by the US Court of Appeals for Veterans Claims, that number may be included. [Source: [www.vetsprobono.org](http://www.vetsprobono.org) Jan 2010 ++]

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**DEBT REDUCTION COMMISSION:** During consideration of H.J. Res. 45, the Senate rejected an amendment by Senators Kent Conrad (D-ND) and Judd Gregg (R-NH) proposing a statutory debt reduction commission. The proposed commission would be tasked to find ways to reduce the national debt by cutting spending on Medicare, Medicaid, Social Security and other so-called "entitlement" programs (which also might include military/VA/federal civilian benefits) or raising taxes, or a combination of both. The amendment also proposed a "fast-track" legislative process under which Congress would be required to vote quickly on the commission's recommendations, with no option to amend them and limited time for debate. In his state of the Union speech, President Obama (who had expressed support for the Conrad-Gregg amendment) pledged to appoint a similar commission this year by executive order. If he does the American people have to have a voice in the process, and the only way they can exercise that voice is through their legislators. Elected officials must bear ultimate responsibility for their action. Putting in law that legislators must conduct a short-notice, up-or-down vote with no

# RAO BULLETIN 15 February 2010

amendments would be abdicating Congress' responsibility and turning it over to a small number of commissioners who aren't accountable to anyone.

Almost certainly, the commission will have to propose some significant benefit cutbacks and tax increases to get the nation's fiscal house back in order. And the American public will have some sober reassessing to do in acknowledging that government revenues and expenditures eventually have to be reconciled - especially because millions of baby boomers are about to become eligible for Medicare and Social Security, and those programs don't have the resources to meet that reality for the longer term. Neither the public nor the Congress can hide from their responsibilities to deal with that situation. We can't just turn it over to 18 appointees and blindly buy whatever solutions they come up with. As we've seen all too often, even panels of extremely smart people can propose some extremely dumb things. [Source: MOAA Leg Up 29 Jan 2010 ++]

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**NAVAL WEBSITES OF INTEREST:** If you are current or former Navy, these Web sites should interest you, particularly those of you who served at sea onboard ships:

- Cold War Medal [www.foxfall.com/cwm.htm#OBTAIN](http://www.foxfall.com/cwm.htm#OBTAIN)
- Decommissioned ships [www.navy.mil/navydata/ships/lists/decoms.asp](http://www.navy.mil/navydata/ships/lists/decoms.asp) - What happened to your ship?
- Destroyer Online [www.destroyersonline.com](http://www.destroyersonline.com) - Alphabetical listing of ships, their crews, and contact data.
- DOD Dictionary of Military Terms [www.dtic.mil/doctrine/dod\\_dictionary](http://www.dtic.mil/doctrine/dod_dictionary)
- Homeports and the ships assigned list (current) [www.navy.mil/navydata/ships/lists/homeport.asp](http://www.navy.mil/navydata/ships/lists/homeport.asp)
- HullNumber.com [www.hullnumber.com](http://www.hullnumber.com) - Provides a means for shipmates of all ships to locate and keep in touch with one another.
- Military Funeral Honors [www.militaryfuneralhonors.osd.mil/intro.html](http://www.militaryfuneralhonors.osd.mil/intro.html) - History of Taps
- Military Records of World War II Veterans [www.ibiblio.org/hyperwar/USN/USN-ref.html](http://www.ibiblio.org/hyperwar/USN/USN-ref.html)
- National Association of Destroyer Veterans [www.destroyers.org/index.html](http://www.destroyers.org/index.html) - Alphabetical listing of all destroyer class ships, their crews, and individual's contact data.
- Naval Service Terms, Traditions and Customs [www.bluejacket.com/sea-service\\_tradition.htm](http://www.bluejacket.com/sea-service_tradition.htm)
- Naval Vessel Register [www.nvr.navy.mil](http://www.nvr.navy.mil) - Where your old ship is located now
- Navy Ships Alphabetical lists with their homeports. [www.navy.mil/navydata/ships/lists/shipalpha.asp](http://www.navy.mil/navydata/ships/lists/shipalpha.asp).
- The Official White Pages [www.whitepages.com](http://www.whitepages.com) - Locate people in U.S. by name, city, state and zip
- The Wall on the Web [www.vietvet.org//thewall/thewallm.htm](http://www.vietvet.org//thewall/thewallm.htm) l
- Together-We-Served [www.navy.togetherweserved.com](http://www.navy.togetherweserved.com) - Lists 486,560 profiles and contact info for current/ former serving members of the USN.
- Traditions, Customs and Terminology of our Naval Heritage [www.history.navy.mil/nhc11.htm](http://www.history.navy.mil/nhc11.htm)
- U.S. Navy Mortuary Affairs Burial at Sea Program [www.news.navy.mil/navydata/questions/burial.html](http://www.news.navy.mil/navydata/questions/burial.html)
- U.S. Navy ratings lists [http://en.wikipedia.org/wiki/List\\_of\\_United\\_States\\_Navy\\_ratings](http://en.wikipedia.org/wiki/List_of_United_States_Navy_ratings)
- USNO Master Clock Time <http://tycho.usno.navy.mil/what.html>
- Vietnam Veterans Memorial Wall <http://thewall-usa.com>
- Welcome to 411 Locate [www.411locate.com](http://www.411locate.com)

[Source: Various Jan 2010]

# RAO BULLETIN 15 February 2010

**TRICARE HANDBOOK UPDATE 02:** Hot off the press and filled with helpful tips and information, the newest Tricare Standard and Extra handbook is now available to all Tricare Standard beneficiaries. The 68-page handbook includes information on accessing routine, urgent and emergency care, as well as Tricare's prior authorization and referral requirements. Also provided are sections on what's covered by Tricare Standard's health and pharmacy benefits, and how to coordinate Tricare with other health insurance. Information on claims, appeals, grievances, reporting fraud and abuse and much more can also be found in the new Tricare Standard handbook. Tricare Standard and Extra are available to family members of active duty service members, retired service members and their families and others including those who purchase Tricare Reserve Select. With Tricare Standard, beneficiaries manage their own health care and have the freedom to seek care from any Tricare-authorized provider. Tricare Extra provides discounted cost-shares for seeking care from network providers. The "Tricare Standard Handbook: Your Guide to Using Tricare Standard and Tricare Extra" is available now on the Tricare Smart Site at <http://www.tricare.mil/standardhandbook>.

Tricare Standard beneficiaries can expect to see the annual Tricare Standard Health Matters newsletter, containing the latest updates and information about their benefits, in their mailbox in March 2010. Receiving the newsletters from Tricare is one more reason to keep personal information current in the Defense Enrollment Eligibility Reporting System (DEERS). Along with address or phone number changes, both active duty and retired beneficiaries should update their DEERS entry with any changes to their families (birth, adoption or death), changes in sponsor status, marriage, divorce, or when they become eligible for Medicare. For more information about DEERS visit [www.tricare.mil/deers](http://www.tricare.mil/deers). To download, view or print any Tricare benefit information product on the Web, visit [www.tricare.mil/tricaresmart](http://www.tricare.mil/tricaresmart). Tricare beneficiaries can make staying current on their health benefits easy by signing up for e-mail updates to have the latest Tricare news delivered straight to their e-mail inbox. Refer to [www.tricare.mil/subscriptions](http://www.tricare.mil/subscriptions) to sign up for Tricare e-mail updates. [Source: Tricare News Release 10-11 dtd 29 Jan 2010 ++]

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**DISTINGUISHED SAILORS STAMPS:** On 5 FEB the Post Office issued four new stamps called "Distinguished Sailors Stamps" to honor four Sailors who served with bravery and distinction during the 20th century. The the 44-cent stamps were unveiled in a ceremony at a First-Day-of-Issue Ceremony at the Navy Memorial in Washington, D.C. Those honored were:

- Vice Adm. William S. Sims who served as commander of U.S. Naval Forces in European waters during World War I. He was an outspoken reformer and innovator who helped shape the Navy into a modern fighting force. After his service, Sims continued to write and lecture about naval reform until his death in 1936, at which time the New York Herald Tribune declared that he had "influenced our naval course more than any man who ever wore the uniform." The Navy has named three destroyers after Sims. The most recent, USS W.S. Sims (DE-1059) was commissioned in 1970.
- Adm. Arleigh A. Burke who was one of the top destroyer squadron commanders of World War II. He had an equally distinguished post war career in which he played a major role in modernizing the Navy and guiding its response to the Cold War. When Burke died in 1996, he was hailed as a "Sailor's Sailor" who defined what it meant to be a naval officer: "relentless in combat, resourceful in command, and revered by his crews."
- Lt. Cmdr. John McCloy who was described by a shipmate as "like a bull" who couldn't be stopped. He has the distinction of being one of the few men in the nation's history to earn two Medals of Honor for separate acts of heroism. McCloy retired from active duty in 1928 after a 30-year career in the Navy and "a lifetime of service on all the seven seas," and died in 1945. In 1963, the Navy commissioned a destroyer escort, USS McCloy (DE-1038), which was named in his honor.

## RAO BULLETIN 15 February 2010

- Petty Officer Doris Miller who has been given the title of "the first African American hero of World War II." Miller became an inspiration to generations of Americans for his actions at Pearl Harbor on Dec. 7, 1941. Miller was a mess attendant aboard the USS West Virginia. Miller carried wounded sailors, including the ship's mortally injured captain, to safer spots. And although he wasn't trained to use a Browning anti-aircraft machine gun, he grabbed one and blasted away at Japanese planes. Miller was only the first of a number of African Americans to be recognized for their heroism in World War II. Miller is singularly remembered for providing inspiration to a campaign for equal recognition and opportunity for blacks in the military, a campaign that bore fruit in 1948 when then-President Truman ordered "that there shall be equality and opportunity for all persons in the Armed Forces."

[Source: NAUS Weekly Update 5 Feb 2010 ++]

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**DON'T ASK, DON'T TELL:** The nation's two most prominent veterans groups have come out in opposition to President Obama's plan to end the military's long-standing ban on open homosexuals in the ranks. The opposition from the American Legion, the largest American veterans group, and the Veterans of Foreign Wars, comes as the White House has begun a push in Congress to repeal the law this year. Pro-gay groups received a significant boost 23 FEB when the U.S.'s highest-ranking military officials, Defense Secretary Robert M. Gates and Adm. Mike Mullen, the Joint Chiefs chairman, told the Senate Armed Services Committee they support ending the gay ban, known as "don't ask, don't tell." Stiff opposition is expected, and spokesmen for the VFW and the Legion told The Washington Times on 24 FEB their groups do not want to see military readiness disrupted while the armed forces are fighting two wars. The two groups have more than 4 million members combined.

Legion spokesman Joe March said, "We support 'don't ask, don't tell' and the position is, now, since we are still fighting two wars in Iraq and Afghanistan, now is not the time to extend ourselves with a new social-engineering project. We expect the Pentagon will very carefully examine the implications before changing any policies to maintain that highest state of readiness." The Legion released the wording of a resolution adopted by its executive committee last fall. It states, "The American Legion recognizes that the U.S. military is in the highest state of up tempo short of that experienced in World War II, and as a result there is enormous stress upon the troops in the armed forces. Now is not the time to engage in a social experiment that can disrupt and potentially have serious impact on the conduct of forces engaged in combat. The American Legion will keep an open mind to the findings and information which results from military studies and findings. Now is the time to support the existing policy." The VFW similarly criticized changing the law as using the military as 'a control group for social engineering.' Spokesman Joe Davis said, "The VFW is fully aware that societal norms regarding homosexuality have changed since the 1993 passage of [the ban], but what is considered acceptable by civilians must not be blindly imposed on a military institution that the great majority of society chooses not to join." VFW delegates approved a resolution last summer in support of keeping the ban.

With battle lines drawn, it was unclear whether Congress will vote this year. Mr. Gates testified he has commissioned a high-level study, led by a four-star Army general and the Pentagon's top lawyer, to examine how to end the ban and lessen any impact on combat readiness. He acknowledged before the House Armed Services Committee on Wednesday he doesn't know what the impact would be, even as he endorsed ending the ban. Although he had said the study would be done by year's end, he later added, "I don't know how long it will take." Congress has the final say since the prohibition was signed into federal law in 1993 by President Clinton, who approved a spinoff policy, "don't ask, don't tell," which requires gay service members to keep their sexuality private or face discharge. Sen. Carl Levin (D-MI), Senate Armed Services Committee chairman, suggested 23 FEB he would attempt to repeal the ban in the 2011 defense-authorization bill, meaning voting would come before senators see Mr. Gates' study. But that's still not soon enough for those who favor lifting the gay ban. "I do think that a year

## RAO BULLETIN 15 February 2010

is too long," Aubrey Sarvis, who heads the Servicemembers Legal Defense Network, told PBS. "It has been considered for some time. In fact, the military has been studying this for 50 years."

A House aide involved in the repeal effort said Democrats see no reason there cannot be a vote to repeal as the study is being conducted. At this point, most Democrats seem in favor of ending the ban, while most Republicans think the current policy is working. "Supporters of 'don't ask, don't tell' accuse those who would change it of trying to impose a social agenda on the military," Mr. Levin said. "But at this point in our history, when gays and lesbians openly work and succeed in every aspect of our national life, it is the 'don't ask, don't tell' policy that reflects a social agenda out of step with the everyday experience of most Americans." Gays received another boost when Colin L. Powell, who supported the ban when he was Joint Chiefs of Staff chairman in 1993, announced he backs Mr. Gates' study approach. But he stopped short of saying the law should be changed. "I strongly believe that this is a judgment to be made by the current military leadership and the commander in chief," Mr. Powell said. "It is also a judgment Congress must make. For the past two years, I have expressed the view that it was time for the law to be reviewed by Congress. I fully support the new approach presented to the Senate Armed Services Committee this week." [Source: The Washington Times Rowan Scarborough article 4 Feb 2010 ++]

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**PENNSYLVANIA VETERANS' HOMES UPDATE 02:** The Hollidaysburg Veterans Home is receiving statewide attention, and it's not good news. A report from the state Department of Health and Human Services found the facility rated below average when meeting inspection requirements. As a result, they received the lowest possible ranking, one star out of five. The state's Department of Military and Veterans Affairs spokeswoman Joan Nissely said the inspections only report negative findings. She said they're always quick to fix any issues that may arise. She cited an incident from JAN 2009 when staff at the home reported a case of patient abuse to the Department of Health. Nissely also said they conducted their own investigation and fired two employees as a result. "You may have someone who doesn't do their job, but we have thousands of employees who care for our patients," she said. "We do take inspections seriously and take corrective actions when necessary." Rep. Russ Fairchild, R-Union/Snyder, Republican chairman of the House Veterans Affairs and Emergency Preparedness Committee, put out a release stating he thought there was a disconnect between the veterans homes and lawmakers. However, Nissely said they have hold six meetings a year with advisory boards from each home. She added there is a member of the house and senate on those boards as well. Sen. John Eichelberger, R-Blair, said he intends to make unannounced visits to the Hollidaysburg Veterans Home in the future.

Hollidaysburg is the largest of the state's veteran's homes. It opened with just five residents on 30 JUN 77, but the facility's history as a care-provider goes back to 1904, when the Blair County Hospital for Mental Diseases opened on what had been 150 acres of farmland. The original red brick building survives as the Old Administration Building, now home for the Pennsylvania National Guard's 28th Infantry Division Band. Arnold Hall has a total of 514 nursing care beds. The home also provides a unit for 76 Alzheimer's patients, the first provision for this type of care in the state system. The 514 beds include 66 for domiciliary care, 101 for personal care, 270 for nursing care, and 77 for dementia care. The major difference in the types of residency is the level of care required. Available to all residents are medical, clinical and nursing services; drug and nutritional therapy; rehabilitative services such as physical therapy and occupational therapy; dental services; social services; and laundry, transportation, housekeeping, maintenance, security, fiscal management and other related services. Additional services of a specialized nature, such as mental health services, podiatry, and speech/audiology therapy, are provided as necessary to maintain a resident's quality of life.

To contact the home mail to Hollidaysburg Veterans Home, P.O. Box 319, Hollidaysburg, PA 16648 or call (814) 696-5201. All applicants for admission must be either an eligible veteran, spouse or surviving spouse of an

## RAO BULLETIN 15 February 2010

eligible veteran. An 'eligible veteran' is defined as an individual who has served in the Armed Forces of the United States or the Pennsylvania Military Forces and was discharged under honorable conditions. They must also be a bona fide resident of the Commonwealth of Pennsylvania or the eligible veteran or spouse of an eligible veteran for who the Commonwealth of Pennsylvania is his/her home of record upon entry into the Armed Forces of the United States or the Pennsylvania Military Forces. Current residents have priority, however, in admission. A resident of a state veterans' home is required to make monthly payments against maintenance fee liability in accordance with the resident's ability to pay. Admissions are on a first-come, first-served basis. The admissions committee at the home shall determine the level of care, but its decisions may be appealed. The following are not eligible for admission:

- An applicant whose condition requires mental health care or custody.
- An applicant whose behavior creates a reasonable threat to the health, safety or welfare of himself/herself or to others. This exclusion applies to an applicant who is taking medication to control behavior where in the absence of the medication, the applicant's behavior would reasonably be expected to create a potential threat to the health, safety or welfare of himself/herself or others.
- An applicant whose condition requires treatment or level of treatment not available at the home, except under circumstances where alternative sources of treatment are reasonably available in the immediate vicinity of the home.
- An applicant with a history of alcoholism or drug abuse whose history indicates that the applicant may not be responsive to treatment or may not accept or participate in available treatment programs.
- An applicant with a contagious disease.
- An applicant who was convicted of a felony, unless the applicant has demonstrated good character and behavior and has no convictions of crimes or offenses for at least five years subsequent to incarceration.

[Source: WJACTV.com article & [www.dmva.state.pa.us/portal/server.pt/community/veterans\\_affairs/7179](http://www.dmva.state.pa.us/portal/server.pt/community/veterans_affairs/7179) 5 Feb 2010 ++]

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**VET CEMETERY CALIFORNIA UPDATE 07:** The Department of Veterans Affairs (VA) held a dedication ceremony 30 JAN in San Diego for the Miramar National Cemetery. The 313-acre Miramar National Cemetery will include both gravesite and columbarium development, providing a full range of burial alternatives to approximately 235,000 Veterans in the San Diego County area. The nearby Fort Rosecrans National Cemetery closed to first interment casketed burials in 1966, although it stays active with casketed interments of family members of those already interred and inurnments of cremated remains. Riverside National Cemetery, 90 miles from Fort Rosecrans National Cemetery, is currently the nearest national cemetery offering full burial options. The design contract for \$961,004 was awarded to Van Dyke Landscape Architects, a small business firm in San Diego. The first phase of construction will include approximately 11,500 conventional gravesites; 4,500 in-ground cremation sites; 10,000 columbarium niches; an administration building and maintenance complex; two committal service shelters; and a public assembly area. The project will also include systems for water distribution, roads, utilities, signs and landscaping. VA chose Kirk Leopard as director of the cemetery. He will continue as the director of Fort Rosecrans National Cemetery, a position he has held since 2007. Leopard is a 21-year Navy Veteran, having served as a hospital corpsman, medical laboratory technician and medical research technician during his military career.

Veterans with a discharge other than dishonorable, their spouses and dependent children are eligible for burial in a national cemetery. Burials in VA-run national cemeteries are also open to military personnel who die on active duty, their spouses and eligible dependents. Other burial benefits for eligible Veterans include a burial flag, a Presidential Memorial Certificate and a government headstone or marker - even if the burial is not in a national cemetery. Information on VA burial benefits can be obtained from national cemetery offices, from the Internet at <http://www.cem.va.gov> or by calling VA regional offices at (800) 827-1000. Additional information about the

## RAO BULLETIN 15 February 2010

Miramar National Cemetery is available by calling the Fort Rosecrans National Cemetery at (619) 553-2084. To make burial arrangements at the time of need at any VA national cemetery, call the national cemetery scheduling office at (800) 535-1117. [Source: VA News release 30 Jan 2010 ++]

**TSP UPDATE 26:** The Thrift Savings Plan (TSP) funds had one of the worst months in almost a year, with all but two funds showing declines: Refer to the below chart:

	L 2040	L 2030	L 2020	L 2010	L Income	G Fund	F Fund	C Fund	S Fund	I Fund
2005	-	-	-	-	-	4.49%	2.40%	4.96%	10.45%	13.63%
2006	16.53%	15.00%	13.72%	11.09%	7.59%	4.93%	4.40%	15.79%	15.30%	26.32%
2007	7.36%	7.14%	6.87%	6.40%	5.56%	4.87%	7.09%	5.54%	5.49%	11.43%
2008	(31.53%)	(27.50%)	(22.77%)	(10.53%)	(5.09%)	3.75%	5.45%	(36.99%)	(38.32%)	(42.43%)
2009	25.19%	22.48%	19.14%	10.03%	8.57%	2.97%	5.99%	26.68%	34.85%	30.04%
<b>2009</b>										
Feb	(8.52%)	(7.47%)	(6.22%)	(2.95%)	(1.98%)	0.21%	(0.39%)	(10.64%)	(10.22%)	(10.23%)
Mar	7.08	6.30	5.35	2.82	2.06	0.24	1.38	8.81	8.64	7.20
Apr	9.38	8.20	6.79	3.20	2.37	0.21	0.49	9.58	15.00	12.13
May	6.19	5.45	4.66	2.28	1.70	0.25	0.78	5.60	3.97	13.41
June	0.09	0.12	0.14	0.24	0.26	0.27	0.54	0.24	0.73	(1.08)
July	7.01	6.16	5.16	2.44	1.94	0.28	1.59	7.58	8.66	9.74
Aug	3.41	3.02	2.57	1.30	1.07	0.28	1.03	3.62	3.85	4.87
Sept	3.56	3.14	2.63	1.32	1.08	0.26	1.07	3.74	5.94	3.79
Oct	(2.15)	(1.81)	(1.39)	(0.38)	(0.26)	0.26	0.51	(1.86)	(5.51)	(2.41)
Nov	3.98	3.55	3.00	1.47	1.27	0.26	1.30	6.00	3.85	3.16
Dec	2.12	1.85	1.50	0.70	0.59	0.25	(1.55)	1.94	6.57	1.43
<b>2010</b>										
Jan	(2.88)	(2.49)	(2.03)	(0.58)	(0.45)	0.29	1.54	(3.60)	(2.43)	(5.17)
<b>Last 12 Months</b>	<b>31.68%</b>	<b>27.99%</b>	<b>23.63%</b>	<b>12.33%</b>	<b>10.00%</b>	<b>3.08%</b>	<b>8.56%</b>	<b>33.33%</b>	<b>43.31%</b>	<b>40.01%</b>

**Note:**

- The S Fund invests in small- and mid-size companies and tracks the Dow Jones Wilshire 4500 Index.
- The I Fund, invested in overseas companies.
- The C Fund invests in common stocks of large companies on the Standard & Poor's 500 Index.
- The F Fund invests in fixed-income bonds.
- The G fund, government securities.
- The L life-cycle funds investments are designed to move participants from riskier to safer investment balances as they near retirement

[Source: [www.myfederalretirement.com/public/237.cfm](http://www.myfederalretirement.com/public/237.cfm) 1 Feb 2010 ++]

**WRNMMC (WALTER REED):** Members of a House committee voiced their skepticism to DoD leaders in JAN that the new Walter Reed National Military Medical Center (MRNMMC) is on track to becoming a world-class medical facility. The new facility is currently under construction on the grounds of the National Naval Medical Center in Bethesda, MD, and is supposed to open in September of 2011. It is being built as a result of the 2005 BRAC Commission Report that directed DoD to shut down Walter Reed Army Medical Center and realign the

## RAO BULLETIN 15 February 2010

facility with the National Naval Medical Center. Members of Congress told DoD leaders they were concerned that an independent review presented to DoD in the summer of 2009 found that the plans for the new facility are not those of a 'world class medical facility.' "One of our key concerns is that the current plan and organizational structure are simply inadequate, and the patient care and wounded warrior care will suffer as a result," said House Armed Services Committee Military Personnel Subcommittee Chair Rep Susan Davis (D-CA) at a joint hearing held with the Readiness Subcommittee.

Military Personnel Subcommittee Chairman Rep Solomon Ortiz (D-TX) said it was "unacceptable" that the independent review determined that the facility would not be "world class." He noted that it has been 4 years since the BRAC report required the creation of the new facility and that "we still have a disorganized medical command, a disjointed funding authority, and an inconsistent construction design in support of a \$2.5 million effort." He was also disturbed that DoD stated in a written response to the independent review findings that the 'development of a world-class medical facility is not a destination, but rather a journey of continuous improvement.' "World class is most decidedly a destination—one that Congress expects a new facility to arrive at before the new center opens its doors," Soloman told DoD witnesses testifying.

Congress had asked for the independent review and a subcommittee of the Defense Health Board, an independent advisory panel to DoD, performed it. The purpose of the review was to determine whether the design and construction of the new facility was 'world class'. In the executive summary of its report, the panel stated that, 'the current plans for the WRNMMC are not those of a world class medical facility'. The independent review recommended multiple changes in how the new facility could meet its goal. The report stated that it did not appear that there is a comprehensive 'master plan' for the WRNMMC that includes WRAMC, NNMC, and the other entities that are on the grounds of the new medical facility. The panel also stated in the executive summary that 'significant input from frontline clinicians and other stakeholders does not appear to have been incorporated in the current plans' for the new center. The report also stated that there are 'circumstances' that impede the efforts of those working to achieve the integration of the combined facilities. 'Among these are Service-specific and facility-centric military health care cultures, a confusing and redundant chain of command, and ambiguity about the vision, goals, and expectation...'

Specific issues that the report stated needed to be addressed in the plans included that post-construction and renovation, there will be too few operating rooms, and that the ORs will be too small to accommodate current and expected future surgical technologies. In addition, plans for information management and information technology appear to be 'incomplete'. The report also stated that the current bed plan of the facility does not provide for 'broad conversion to single-patient rooms'. The facility would not be world class, according to the panel, if the majority of rooms are not single patient rooms rather than double patient rooms. Single patient rooms are believed to be important for infection control. Dr Ken Kizer, chairman of the Defense Health Board subcommittee that issued the report, said at the hearing that while DoD had no significant disagreement with the report detailing the deficiencies and needed corrective actions, it was unclear to him whether the corrective actions are on the 'right track'. He noted that the reviewers would feel more confident that plans were on the right track if DoD's statements of commitment "were accompanied by detailed plans for fixing the problems with clear milestones and deadlines, and if it were clear that someone had the necessary authority and control to execute those plans," he said.

Al Middleton, acting principal deputy assistant secretary of defense for DoD Health Affairs, told the committee that DoD is committed to making the facility world class, and that DoD does not disagree with the recommendations made by the independent review. He said that it "will have to go beyond the BRAC deadline," to do some of the needed renovations to the facility. In response to a question about what the additional cost would be for some of the additional renovations, Dorothy Robyn, DoD deputy under secretary of defense for Installations and Environment, said that "funding outside of the BRAC process" will need to be used. DoD anticipates knowing how much additional funding will be needed once a master plan is built, she said. Members of the committee also voiced

## RAO BULLETIN 15 February 2010

concern about who was responsible for what in the Walter Reed project. Middleton conceded that issues of jurisdiction must also still be worked out among the different Services and entities involved. "It is a complicated issue that is not yet resolved. I think that is what we are about to do in the next several months...to work through these thorny issues of authorities," he said. "I think the concern is that we are so far down the line and yet these issues exist," Rep Davis responded. Dr Kizer told the committee members that the independent review panel was "a little perplexed that this foundational issue of authority is problematic to resolve in a hierarchical organization like the Armed Forces." He said that what it boils down to is that "someone has to be in charge." [Source: U.S. Medicine [www.usmedicine.com](http://www.usmedicine.com) article Jan 2010 ++]

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**VA BUDGET 2011:** To expand health care to a record-number of Veterans, reduce the number of homeless Veterans and process a dramatically increased number of new disability compensation claims, the White House has announced a proposed \$125 billion budget for FY 2011 for the Department of Veterans Affairs. The budget request, which has to be approved by Congress, includes \$60.3 billion for discretionary spending (mostly health care) and \$64.7 billion in mandatory funding (mostly for disability compensation and pensions). Secretary of Veterans Affairs Eric K. Shinseki said, "VA's 2011 budget request covers many areas but focuses on three central issues that are of critical importance to our Veterans - easier access to benefits and services, faster disability claims decisions, and ending the downward spiral that results in Veterans' homelessness". Overall, the budget submission is for:

- **Reducing Claims Backlog** - An increase of \$460 million and more than 4,000 additional claims processors for Veterans benefits. This is a 27% funding increase over the 2010 level. The 1,014,000 claims received in 2009 were a 75% increase over the 579,000 received in 2000. Shinseki said the Department expects a 30% increase in claims - to 1,319,000 - in 2011 from 2009 levels.
- **Automating the GI Bill** - \$44 million to complete by DEC 2010 an automated system for processing applications for the new Post-9/11 GI Bill. VA also plans to start development next year of electronic systems to process claims from other VA-administered educational programs.
- **Eliminating Homelessness** - \$4.2 billion in 2011 to reduce and help prevent homelessness among Veterans. That breaks down into \$3.4 billion for core medical services and \$799 million for specific homeless programs and expanded medical care, which includes \$294 million for expanded homeless initiatives. This increased investment for expanded homeless services is consistent with the VA secretary's established goal of ultimately eliminating homelessness among Veterans. On a typical night, about 131,000 Veterans are homeless.
- **Targeting Mental Health, Preventing Suicides** - \$5.2 billion for mental health, an increase of \$410 million (or 8.5 %) over current spending, enabling expansion of inpatient, residential and outpatient mental health services, with emphasis on making mental health services part of primary care and specialty care. The secretary noted that one-fifth of the patients seen last year in VA's health care facilities had a mental health diagnosis, and that the department has added more than 6,000 new mental health professionals since 2005, bringing to 19,000 the number of employees dedicated to mental health care.
- **Reaching Rural Veterans** - \$250 million to strengthen access to health care for 3.2 million Veterans enrolled in VA's medical system who live in rural areas. Rural outreach includes expanded use of home-based primary care and mental health. Also, an increase of \$42 million for VA's home telehealth program which links patients and health care providers by telephones and includes telephone-based data transmission, enabling daily monitoring of patients with chronic problems. The effort already cares for 35,000 patients.

## RAO BULLETIN 15 February 2010

- **Serving Women Veterans** - \$217.6 million to meet the gender-specific health care needs of women Veterans, an increase of \$18.6 million (or 9.4%) over the 2010 level. Among the initiatives for women in 2011 are expanded health care services in Vet Centers, increased training for health care providers to advance their knowledge and understanding of women's health issues, and implementing a peer call center and social networking site for women combat Veterans. This call center will be open 24 hours a day, 7 days a week.
- **Delivering World-Class Health Care** - During 2011, VA expects to treat 6.1 million patients, who will account for more than 800,000 hospitalizations and 83 million outpatient visits. The total includes 439,000 Veterans who served in Iraq and Afghanistan, for whom \$2.6 billion is included in the budget proposal. That's an increase of \$597 million - or 30% - from the current budget. The proposed budget for health care includes:
  - a.) \$6.8 billion for long-term care, an increase of \$859 million (or 14%) over 2010. This amount includes \$1.5 billion for non-institutional long-term care;
  - b.) Expanding access to VA health care system for more than 99,000 Veterans who were previously denied care because of their incomes;
  - c.) \$590 million for medical and prosthetic research; and
  - d.) Continuing development of a "virtual lifetime electronic record," a digital health record that will accompany Veterans throughout their lives.
- **Advance Appropriations** - \$54.3 billion in advance appropriations for 2012 for health care, an increase of \$2.8 billion over the 2011 enacted amount. Planned initiatives in 2012 include better leveraging acquisitions and contracting, enhancing the use of referral agreements, strengthening VA's relationship with the Defense Department, and expanding the use of medical technology.
- **Preserving National Shrines** - \$251 million for cemetery operations and maintenance to support more than 114,000 interments in 2011, a 3.8% increase over 2010. In 2011, the department will maintain 8,441 acres with 3.1million gravesites. Also, \$37 million to clean and realign an estimated 668,000 headstones and repair 100,000 sunken graves.
- **Building for the Future** - \$1.15 billion for major construction for 2011 includes funding for medical facilities in New Orleans; Denver; Palo Alto, Calif.; Alameda, Calif.; and Omaha, Neb. Also budgeted for 2011 are major expansions and improvements to the national cemeteries in Indiantown Gap, Pa.; Los Angeles; and Tahoma, Wash., and new burial access policies that will provide a burial option to an additional 500,000 Veterans and enhance service in urban areas. A requested budget of \$468 million for minor construction in 2011 would fund a wide variety of improvements at VA facilities.

[Source: VA News Release 1 Feb 2010 ++]

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**VA BUDGET 2011 UPDATE 01:** Initial reviews are good for the Obama administration's proposed \$125 billion veterans budget for 2011. The Democratic chairman and top Republican on the House Veterans' Affairs Committee both used the word "robust" to describe a budget proposal that includes an 8.5% increase in medical care accounts and an unprecedented 27% increase in benefits funding. "I thank you for bringing us a budget we can be proud of," said Rep. Bob Filner (D-CA) who noted the VA budget is increasing at a time when the Obama administration proposes to freeze funding for most federal agencies. Veterans' advocates also are pleased. "This budget is as good as any we have seen," said Carl Blake of Paralyzed Veterans of America. "It is very rare that we show up at a hearing on the budget and don't have to beat up on someone," said Steve Robertson of the American Legion. Disagreements with the budget appear to be relatively minor:

## RAO BULLETIN 15 February 2010

- The medical research budget would increase by only 2%, an amount which Rep. Vic Snyder (D-AR) said is not enough to keep up with rising costs and likely would force cuts in research positions and projects.
- Veterans groups doubt that VA will get \$3.3 billion in 2011 in reimbursements from third-party insurers, which the budget plan assumes will help pay for health care costs.
- Funding for information technology also would increase by just 2%, essentially frozen at the same level as in 2009 for efforts that stand to provide long-term solutions to VA's problems with paying benefits on time and in allocating health care. Both lawmakers and veterans groups are pushing for an increase.

VA Secretary Eric Shinseki, appearing 4 FEB before the House committee, said the budget is designed to keep the department on a path that is more people-focused, results-oriented and forward-looking — a process that continues to be difficult because the number of veterans and survivors seeking help from VA continues to grow. The department, which broke the 1 million mark in benefits claims in a single year in 2009, expects the number to increase by 13% this year and 11% in 2011. And those estimates don't take into account the possibility of more than 180,000 more claims that may come in 2011 as a result of an expected change in eligibility for Vietnam veterans with health issues related to Agent Orange, Shinseki said. "This is my year to focus on the backlog," Shinseki said about the expected flood of claims. But things may get worse before they get better. Average claims-processing time is 159 days today, but that could stretch out to 190 days in 2011, even with VA's plans to create 4,000 permanent positions for claims processors.

The number of veterans seeking health care also is increasing, which is part of the reason for the requested boost in the medical budget for 2011. VA expects the patient load to increase 3% next year, partly because the number of Iraq and Afghanistan veterans seeking care is rising 15%. Paul Sullivan of Veterans for Common Sense said he thinks VA is underestimating the number of new patients and could face "colossal failure." Part of his concern comes from research that shows service members who have had multiple combat-zone deployments are far more likely to have post-traumatic stress than other veterans. The budget plan assumes VA will treat about 439,300 Iraq and Afghanistan veterans in 2011 and about 500,000 in 2012, but Sullivan said he thinks those figures may be short by as much as 200,000 patients per year, based on the current rate of 9,000 new patients coming to VA each month. [Source: FesderalTimes.com Rick Maze article 5 Feb 2010 ++]

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**DOD BUDGET 2011:** House Armed Services Committee Chairman Ike Skelton (D-Mo.) delivered an opening statement 3 FEB during a hearing on the Fiscal Year 2011 National Defense Authorization Budget Request. Included in Skelton's opening remarks were the following two comments which could impact adversely on veterans:

- "We convene today to receive testimony not only on the Fiscal Year 2011 budget request for the Department of Defense, but also to hear your perspectives on the recently delivered Report on the Quadrennial Defense Review (QDR)..."
- "While I am pleased that the President's budget request again acknowledged the importance of providing for full concurrent receipt of military retired pay and Department of Veterans Affairs disability compensation for veterans who were retired because of disabilities with less than 20 years of service, I was greatly disappointed that the budget request did not include the specific pay-go offsets that are required to cover the cost. This committee has a deep commitment to this issue and our veterans; but we simply cannot enact it unless the administration identifies and advocates for specific offsets."

The \$548 billion base request (which doesn't include \$159 billion for overseas operations) is up 3.4% from last year's base -- here's a quick look at how the individual sections stack up:

## RAO BULLETIN 15 February 2010

- \*\* Military personnel -- \$138.5 billion requested (up 2.6% from 2010)
- \*\* Operations and maintenance -- \$200.2 billion requested (up 8.5%)
- \*\* Procurement -- \$112.9 billion requested (up 7.7%)
- \*\* Research and development -- \$76.1 billion (down 5.0%)
- \*\* Military construction -- \$16.9 billion (down 19.5%)
- \*\* Family housing -- \$1.8 billion (down 19.3%)
- \*\* Management funds -- 2.4 billion (down 23.7%)
- \*\* Army -- \$143.4 billion (up 2.7%)
- \*\* Navy/Marines -- \$160.6 billion (up 3.1%)
- \*\* Air Force -- \$150.0 billion (up 4.6%)
- \*\* Defense-wide programs -- \$94.9 billion (up 3.3%)

Although Obama had pledged not to fund overseas operations through supplemental budgets (as President Bush did) the budget request does include a \$33 billion war supplemental for fiscal 2010. Most of that pile is connected to the 30,000 new troops being surged into Afghanistan by this summer, but it also includes a number of other related Afghanistan priorities, including:

- \*\* \$1.3 billion for military intelligence spending
- \*\* \$2.6 billion for Afghan National Security Forces
- \*\* \$1.0 billion for Iraqi Security Forces
- \*\* \$2.0 billion for increased fuel costs
- \*\* \$0.4 billion for IED defeat operations

[Source: Stars & Stripes Leo Shane article and House Armed Services Committee press release 1 & 3 Feb 2010 ++]

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**VA CLAIMS BACKLOG UPDATE 34:** The 2011 Veterans Affairs Department budget unveiled 1 JAN by the White House includes what VA officials called an “unprecedented” 27% funding increase for the Veterans Benefits Administration, some of which will be used to hire 4,000 permanent employees to process benefits claims. The increase does not mean disability, pension and survivors claims will be processed faster, however. In an admission that comes as no surprise to few who have been watching VA struggle with a backlog of benefits claims, Michael Walcoff, VA’s acting undersecretary for benefits, said veterans should be prepared for the average claims processing time to be longer in fiscal 2011 than it is today. The reason? Even though more workers are being hired, VA officials expect a big jump in the number of Vietnam-era veterans filing Agent Orange-related claims due to newly expanded eligibility.

It takes an average of 158 days to process a benefit claim today, Walcoff said. He expects that will rise to 190 days in 2011, at least for the first few months of the year, as new employees are hired and trained and a flood of complicated claims requesting retroactive benefits are received from Vietnam veterans. “Dealing with the claims backlog is complicated,” Walcoff said. “There is more involved than just the number of people we have handling claims.” VA officials expect to receive 1.3 million claims in 2011, part of a two-year, 30% jump that is greatly hampering VA’s efforts to achieve its goal of bringing the average claims processing time down to 125 days. In a statement, VA Secretary Eric Shinseki said there are long-term plans to harness technology to speed claims, such as establishing a paperless processing system and changing procedures to reduce steps as part of promised transformation. But in the short term, there is no quick solution.

In addition to the 27% increase in benefits funding, the proposed 2011 VA budget includes an 8.5% increase in medical funding. At a Monday press conference, VA Deputy Secretary W. Scott Gould called the 2011 budget a

## RAO BULLETIN 15 February 2010

“watershed moment” for veterans, citing the big funding increases and the fact that the budget includes, for the first time, advance funding for health care for the following fiscal year. The budget calls for 5,715 additional permanent employees, a 2% increase over the current workforce. This includes the 4,000 claims processors, about 1,300 medical care workers and a smattering of additional workers in other departments. The 4,000 claims processors are not necessarily new employees; about 1,800 are currently temporary employees whose positions would be made permanent, said W. Todd Grams, acting VA assistant secretary for management. VA expects big increases in patient loads in 2011 and 2012 as the number of Iraq and Afghanistan veterans seeking treatment rises. About 382,500 recent combat veterans use VA today. A 15% increase is projected for 2011 and an additional 13% increase is expected in 2012, Grams said. [Source: ArmyTimes Rick Maze article 2 Feb 2010 ++]

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**TRICARE USER FEE UPDATE 45:** Tricare recipients will see no increase in their premiums next year, if Congress approves that provision of the fiscal 2011 defense budget request, as expected. However, Defense Secretary Robert M. Gates told reporters 1 FEB he wants to work with Congress to find ways to help control escalating military health-care costs that are consuming an ever-increasing chunk of the budget. Noting the skyrocketing costs of the military health-care system – from \$19 billion in 2001 to \$50.7 billion in the fiscal 2011 budget request — Gates questioned during the Pentagon briefing how sustainable the program can remain without cost controls or higher premiums. "It's only going to go up," he said, with Military Health System officials estimating 5 to 7 percent annual cost increases through fiscal 2015. "And it is absorbing an increasing percentage of our budget." Officials predict that the program will grow from 6% of the defense budget to more than 10% by fiscal 2015. "We absolutely want to take care of our men and women in uniform and our retirees," Gates said, "But at some point, there has to be some reasonable tradeoff between reasonable cost increases or premium increases or co-pays or something and the cost of the program."

There's been no Tricare premium increase since the program was founded in 1995, Gates said, noting that Congress has rejected recent Pentagon proposals for "very modest" increases. Expecting the same action this year, the Defense Department recommended no increase this year, he said. "I ask anybody to point me to a health insurance program that has not had a premium increase in 15 years," Gates said. Tricare benefits, he said, are "generous, as they should be for our men and women in uniform." But Gates compared the \$1,200 average out-of-pocket costs for a family of three under Tricare to about \$3,300 for the same family under a health maintenance organization plan in the Federal Employees Health Care Program. "We see a lot of people coming back into Tricare because the benefits are so good and the costs are so low," he said

The Military Health System has 9.5 million eligible beneficiaries, including active-duty military members and their families, military retirees and their families, dependent survivors and certain eligible reserve-component members and their families. Military Health System officials expect more eligible beneficiaries to continue returning to the Tricare system as costs of programs offered through their employers or spouses continue to increase. The General Accountability Office recently found that more than 85% of retirees ages 45 to 49 and half of retirees between ages 60 and 64 had access to other group health insurance, but chose Tricare instead. As Tricare usage increases, so does the number of health-care visits that beneficiaries make, officials noted. Between fiscal 2005 and fiscal 2008, the average number of outpatient visits per enrollee increased from 8.7 to 9.97. Pharmacy use increased 5.5 percent over the timeframe. [Source: AFPS Donna Miles article 2 Feb 2010 ++]

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**PHILIPPINE U.S. MILITARY POLLUTION:** The U. S. military is long gone from bases in the Philippines, but its legacy remains buried there. Toxic waste was spilled on the ground, pumped into

## RAO BULLETIN 15 February 2010

waterways and buried in landfills for decades at two sprawling Cold War-era bases. Today, ice cream shops, Western-style horse ranches, hotels and public parks have sprung up on land once used by the Air Force and the Navy — a benign facade built on land the Philippine government said is still polluted with asbestos, heavy metals and fuel. Records of about 500 families who sought refuge on the deserted bases after a 1991 volcanic eruption indicate 76 people died and 68 others were sickened by pollutants on the bases. A study in 2000 for the Philippine Senate also linked the toxins to "unusually high occurrence of skin disease, miscarriages, still births, birth defects, cancers, heart ailments and leukemia." The 1991 base closing agreement gave the Philippines billions of dollars in military infrastructure and real estate at the bases and in return cleared the United States of any responsibility for the pollution. The Department of Defense told Stars and Stripes it has no authority to undertake or pay for environmental cleanup at the closed bases.

Philippine government efforts never gained traction. Philippine President Joseph Estrada formed a task force in 2000 to take on the issue, but it fell dormant and unfunded after he left office a year later. Efforts by private groups and environmentalists to force a cleanup have largely fizzled. After two decades, the base closing agreement has run up a troubling environmental record. Filipinos claim exposure to U.S. pollutants has brought suffering and death. As the U.S. military works to become greener in the 21st century, the Philippines stand as a dark reminder of how environmental responsibilities can go astray overseas. Both the Air Force and the Navy polluted haphazardly in the Philippines:

- The Navy pumped 3.75 million gallons of untreated sewage each day into local fishing and swimming waters at Subic Bay, according to a 1992 report by what was then known as the General Accounting Office.
- The bases poured fuel and chemicals from firefighting exercises directly into the water table and used underground storage tanks without leak detection equipment, the agency found.
- At least three sites at the Subic Bay Navy base — two landfills and an ordnance disposal area — are dangerously polluted with materials such as asbestos, metals and fuels, the Philippines government found after an environmental survey there.
- Clark Air Base was a staging area during the Vietnam War. Its aviation and vehicle operations contaminated eight sites with oil, petroleum lubricants, pesticides, PCB and lead, according to a 1997 environmental survey by the Philippine government.

Before the U.S. closed the bases, it drew up a rough bill for cleaning the hazardous pollution. Though they never tested the water or soil, the Air Force and the Navy estimated cleanup at each could cost up to \$25 million — the average cost of handling the most polluted sites back in the United States, according to the GAO. Rose Ann Calma is believed to be one of the warning signs of pollution at Clark Air Base. Now 13 years old, she weighs just 32 pounds and must wear diapers. Cerebral palsy and severe mental retardation have stolen her ability to speak or walk. Her mother and about 500 other families who were displaced by a volcanic eruption in 1991 moved onto the base and set up a tent village. They drilled shallow wells on a former motor pool site and drank the untreated water — despite an oily sheen — until they were moved off the land in the late 1990s. Records of the families, published by the Philippines Senate, said 144 people were sickened at the camp, 76 of whom died. It said at least 19 children were born with disabilities, diseases and deformities between 1996 and 1999. Tests in 1995 by the Philippine Department of Health confirmed wells on Clark were contaminated with oil and grease, a byproduct of decades of military use.

In a village near Subic Bay, Norma Abraham, 58, holds an X-ray showing the lung disease that killed her husband, Guillermo. Her husband worked through the 1980s and early 1990s sorting the Navy waste that went into local landfills, which are the most polluted sites at Subic Bay. Many aborigines like Abraham, who are among the poorest in a poor country, were paid about 30 cents per day to hand-sort recyclable metals from Navy waste that included asbestos, paint and batteries, villagers told Stars and Stripes. No protective equipment other than gloves was ever used, and asbestos dust was often thick in the air, the villagers said. Sometimes, when a truck dumped new waste for sorting, they said the workers would faint from the toxic fumes. Guillermo Abraham began to cough, feel

## RAO BULLETIN 15 February 2010

tightness in his lungs and have trouble breathing while working there, his wife said. The lung ailment plagued him through his life and after an X-ray in January showed he was terminally ill with lung disease, he died on 29 MAY, Norma Abraham said. His disease, which mirrors asbestosis, is the most common ailment and killer among the 70 or so families who worked with the Navy's waste, according to the villagers. The aborigines rarely get quality medical treatment and do not keep birth or death records. But they compiled a list for Stars and Stripes of 41 people who they believe died over the years from toxic exposure.

Any real chance for an environmental cleanup was scuttled by the two governments in the agreement that gave the Philippines billions of dollars in base infrastructure and real estate in return for absolving the United States of any responsibility for the pollution. As a result, the United States has no legal responsibility or authority to conduct a cleanup, and an influential Philippines politician said that government has little interest in the problem. "It is not one of its priorities," said Philippine Sen. Aquilino Pimentel Jr., a former majority leader and Senate president. "If it was, it would have been done a long time ago." Dolly Yanan keeps the records and photos of the gray-faced, emaciated and disabled children believed to have been poisoned by U.S. military pollution in the Subic Bay area. The records count 38 deaths from disease between 2000 and 2003. But the record-keeping has begun to lapse in recent years as hope for a cleanup and enthusiasm for the cause recedes. "For the past four or five years, we cannot track the leukemia," said Yanan, who runs a community center in Olongapo City. A coalition of citizens known as the People's Task Force for Bases Cleanup has fought for U.S. accountability for two decades and met with a string of disappointments. The Philippine Senate inquiry and task force in 2000 led to no action, and a lawsuit designed to force a U.S.-led environmental assessment survey, filed in the U.S. Court of Appeals for the 9th Circuit in San Francisco, was thrown out in 2003. [Source: Stars and Stripes Travis J. Tritten article 2 Feb 2010 ++]

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**HONOR FLIGHT NETWORK:** Honor Flight Network (HFN) recognizes American veterans for their sacrifices and achievements by flying them at no cost to Washington, D.C. to see memorials built in their honor. Many of these veterans have no other way to see "their" memorial and time is of the essence as more than 1,000 World War II veterans die each day. Veterans are flown on a "first-come, first-served basis. Top priority (for which applications are currently being accepted) is given to World War II and terminally ill veterans from all wars. Second priority is to Korean War veterans and then Vietnam War veterans. In order for HFN to achieve this goal, guardians fly with the veterans on every flight providing assistance and helping veterans have a safe, memorable and rewarding experience. Veterans need only bring money if they plan to buy souvenirs. Guardians do pay a fee depending on transportation costs from their location. A normal ratio is 8 veterans to 3 guardians. The program is equipped to handle veterans in wheelchairs and/or on Oxygen. If you know of someone who is a World War II veteran or a veteran with a terminal illness, fill out an application available at [www.honorflight.org/apply/Veteran-Application-2009-08-20.pdf](http://www.honorflight.org/apply/Veteran-Application-2009-08-20.pdf) and send it in. Guardian and volunteer applications are available at [www.honorflight.org/docs/Guardian%20Application20Aug09.pdf](http://www.honorflight.org/docs/Guardian%20Application20Aug09.pdf) and [www.honorflight.org/docs/VolunteerApplication-11282008.pdf](http://www.honorflight.org/docs/VolunteerApplication-11282008.pdf).

The inaugural Honor Flight took place in MAY 05. Six small planes Mail all applications to Honor Flight Inc., 300 East Auburn Ave., Springfield, OH 45505-4703. Guardian flew out of Springfield, Ohio taking twelve World War II veterans on a visit to the memorial in Washington, DC. In AUG 05, an ever-expanding waiting list of veterans led to their transition to commercial airline carriers with the goal of accommodating as many veterans as possible. Partnering with HonorAir in Hendersonville, North Carolina, the "Honor Flight Network was formed." In May 08, Southwest Airlines stepped up by donating thousands of free tickets, and was named the official commercial carrier of the Honor Flight Network. In 2009 they transported 35,996 veterans. Today, they are working aggressively to expand the programs to cities in all 50 states. For further information, call 937-521-2400, email at

# RAO BULLETIN 15 February 2010

[veteran-application@honorflight.org](mailto:veteran-application@honorflight.org); [guardian-application@honorflight.org](mailto:guardian-application@honorflight.org); [volunteer-application@honorflight.org](mailto:volunteer-application@honorflight.org)  
or go to [www.honorflight.org](http://www.honorflight.org). [Source: [www.honorflight.org](http://www.honorflight.org) Feb 2010 ++]

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**VETERANS' COURT UPDATE 05:** Pennsylvania's first special court for nonviolent criminal defendants who also happen to be military veterans got up and running in Pittsburgh last fall on the Marine Corps' birthday. Since then, veterans' courts also have begun operating in Scranton and Philadelphia, and next week in Harrisburg a statewide task force will hold its first meeting with the goal of expanding the effort to courthouses across the state. Delaware, Chester, Bucks, York and Erie counties are also looking at the issue. The "problem-solving courts" approach is not new, having been used in Pennsylvania and many other states to deal with mental illness, domestic violence and substance abuse by addressing underlying causes of defendants' misbehavior. About three years ago a judge in Buffalo, N.Y., set up the nation's first veterans' treatment court, and the federal Department of Veterans Affairs is helping other states adopt similar procedures. In Pennsylvania, the push is being led by state Supreme Court Justice Seamus P. McCaffery, a Marine veteran who observed the link between criminal behavior, mental illness and substance abuse as a longtime Philadelphia police officer and city judge. "It's not only proving to be effective, so beneficial for people with mental illness, it's also cost-effective," McCaffery said. "We're diverting people with mental illness out of the courts, getting them now the treatment that they need."

A report by the Administrative Office of Pennsylvania Courts said there are about 3,000 veterans currently serving time in state prisons, a figure that does not include those locked up in county jails. The veterans' court approach brings in the medical resources of the VA and employs volunteer mentors who work with the defendants. The cases are scheduled for the same courtroom on the same day, reinforcing a message that the defendants are not alone. "We've noticed that when veterans are tried separately, they feel that no one understands," McCaffery said. Michael E. Moreland, regional director for VA hospitals that include eight in Pennsylvania, said the agency is committed to helping any county that wants to establish a veterans' court — a decision ultimately up to each county's president judge. The idea is to tie together medical and psychiatric care with other veterans' services such as housing and job training. "Our goal is to reach veterans who have gotten into the legal system and help them get into treatment," said Moreland, who will co-chair the task force along with McCaffery. "Then we can help them turn their lives around."

In Buffalo, city court Judge Robert Russell set up the first veterans' treatment court after counting 300 veterans in local courts in 2007. The Buffalo program offers offenders the opportunity to have their charges dismissed or avoid jail time if they complete a lengthy series of court appearances, drug testing and treatment for such issues as post-traumatic stress disorder, depression, substance abuse or anger management. Veterans' courts are currently operating in Arizona, California, Georgia, Nevada, New York, Oklahoma and Wisconsin, said Karen Blackburn, the Pennsylvania court system's program administrator for problem-solving courts. [Source: Greenwich Times Mark Scoloro AP article 30 Jan 2010 ++]

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**WW1 VET SEARCH UPDATE 05:** Missouri native Frank Buckles, the nation's last living veteran of World War I celebrated his 109th birthday 1 FEB. "He's doing very well," daughter Susannah Flanagan said from the Buckles farm in West Virginia. "He's going to have lunch with a couple of close friends." Buckles, who was a guest at Kansas City's Liberty Memorial in 2008, supports efforts to designate the World War I Memorial in Washington as the national memorial to the war, but he does not oppose the Liberty Memorial gaining that status. "Papa loves Kansas City and Missouri and is totally behind this museum," Flanagan said of the National

# RAO BULLETIN 15 February 2010

World War I Museum at the Liberty Memorial. For more info on the Liberty Memorial and Museum refer to [www.libertymemorialmuseum.org](http://www.libertymemorialmuseum.org). [Source: Kansas City Star article 1 Feb 2010 ++]

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## MEDICARE FRAUD UPDATE 32:

- **Los Angeles CA** - The owners and operators of a Los Angeles-area durable medical equipment (DME) company Gevork Kartashyan, 45, and Eliza Shubaralyan, 42, were each sentenced to serve two years in prison by U.S. District Judge Stephen V. Wilson of the Central District of California. In addition, Kartashyan and Shubaralyan were ordered to serve three years of supervised release following their prison terms and to pay \$400,000 in restitution, jointly and severally. The couple, who are married, were convicted at a July 2009 trial in federal court in Los Angeles. He was found guilty of conspiracy to commit health care fraud and health care fraud, and she was found guilty of health care fraud. At trial, the evidence showed that they, through their company CHH Medical Supply, billed Medicare \$949,859 and were paid \$597,750 as a result of the billing. According to evidence presented at trial, virtually all the billing was for medically unnecessary power wheelchairs and wheelchair accessories. According to testimony at trial, Kartashyan regularly purchased power wheelchair prescriptions. The evidence also showed that after the power wheelchairs were delivered, she generated phony forms stating that the beneficiaries' homes were appropriate for the use of a power wheelchair, even though no home assessment was conducted.
- **Miami FL** - Maria A. Aloise, 41, the former president and owner of Aetnas Medical Equipment, Inc., was convicted of health care fraud charges 2 FEB. From the summer of 2006 until the spring of 2007, the company submitted approximately \$1,421,346 in fraudulent claims to Medicare seeking reimbursement for various types of DME. The DME included items used in the treatment of chronic obstructive pulmonary disease, such as oxygen concentrators; the treatment of incontinence, such as urinary leg bags; and DME used to treat other illnesses. The DME had not been legitimately prescribed by health care providers and had not been provided to Medicare patients. Aloise executed her fraud scheme using forged prescriptions, certificates of medical necessity, and delivery receipts. She also fraudulently used identifying information of numerous Medicare beneficiaries and physicians. She faces a maximum sentence of ten years' imprisonment on each of the health care fraud counts.
- **Columbus OH** - An Egyptian-born doctor has been sentenced to 3 1/2 years in prison and faces deportation for his role in a \$7 million health care fraud case in Ohio. Federal prosecutors say 48-year-old Dr. Hany Iskander shredded documents to block the investigation of his pain-management offices in Lewis Center and Bucyrus north of Columbus. He was convicted in October on a charge of obstructing justice and later pleaded guilty to health care fraud. The case involved claims to government-funded Medicaid and Medicare programs for the indigent and elderly, and other health care programs. The doctor's wife, Evat Hanna, was sentenced to one year of home detention for interfering with the investigation.
- **Miami FL** - Dulce Briceño was sentenced 8 FEB to 63 months in prison and ordered to pay \$1.8 million in restitution for her role in a \$2.3 million Medicare fraud scheme. She pleaded guilty 9 OCT 09 admitting that in SEP 06, she agreed with the owners of X-Press Center to manage the clinic on a day-to-day basis in exchange for a percentage of the profits the clinic generated. She also admitted that during the time the clinic was open, the clinic routinely billed the Medicare program for services that were medically unnecessary or were never provided and that she and her co-conspirators at the clinic had purchased only a small fraction of the medications that the clinic billed the Medicare program for providing. Medicare beneficiaries were not referred to X-Press Center by their primary care physicians, or for any other legitimate medical purpose, but rather were recruited to come to the clinic through the payment of kickbacks. In exchange for those kickbacks, the Medicare beneficiaries would visit the clinic and sign documents indicating that they had received the services billed to Medicare. Kickbacks paid at the clinic came in the form of cash and prescriptions for narcotic drugs. Between SEP 06 and MAR 07 she and her

## RAO BULLETIN 15 February 2010

co-conspirators at X-Press Center caused the submission of approximately \$2.3 million in false and fraudulent claims to the Medicare program. Medicare paid approximately \$1.8 million on those claims.

- **Tustun CA** - Vincent Rubio, Chief financial officer of Tustin Hospital, agreed to plead guilty to paying illegal kickbacks for patients recruited from downtown's Skid Row. He admitted paying kickbacks to "marketers" who recruited homeless people and had them taken to the hospital. In addition to health care fraud, Rubio admitted failing to report the payments he received from one of the marketers on his federal tax forms. He faces a statutory maximum penalty of 15 years in federal prison. Rubio is the fifth person charged in an ongoing investigation into health care fraud involving homeless people. Last month the former owners of the Los Angeles City of Angels Medical Center hospital agreed to pay \$10 million to settle a civil lawsuit over paying recruiters to bring in homeless people for unnecessary medical treatment. The hospital then charged Medicare and Medi-Cal for the services.

[Source: Fraud News Daily reports 1-14 Feb 2010 ++]

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### MEDICAD FRAUD UPDATE 08:

- **Houston TX** - Fred Jessie Cole Jr., 44, the majority owner and operator of a Houston durable medical equipment (DME) company, was arrested 3 FEB in connection with a \$1 million health care fraud investigation. Following an initial appearance before a U.S. Magistrate Judge, Cole was ordered released on \$100,000 bond pending trial. Cole is charged with 14 counts of health care fraud in an indictment returned under seal by a grand jury on 19 JAN 2010. According to allegations in the indictment, Cole engaged in a scheme to defraud the Texas Medicaid Program by submitting claims for incontinence supplies—namely diapers and briefs—that were not delivered, not wanted, and not medically necessary. Forged delivery tickets with inaccurate quantities of supplies were allegedly created to cover up the fraud. Approximately \$937,567 was paid by the Medicaid program for incontinence supply claims submitted by Cole to Medicaid through his DME company between 3 MAY 03 and 1 SEP 06. The maximum possible punishment upon conviction for health care fraud is 10 years in prison, a \$250,000 fine, and up to three years of supervised release.
- **Springfield MA** – A clinical laboratory, in a settlement to resolve allegations of Medicaid fraud, on 11 FEB agreed to reimburse \$450,000 to the state's Medicaid program. Between 2004 and last year, Life Laboratories billed Medicaid for urine and alcohol tests not properly ordered by a doctor or approved prescriber. The drug and alcohol tests were inappropriately ordered for non-medical purposes. An authorized prescriber must order the tests for medically necessary purposes in order for a provider to be reimbursed. Mark M. Fulco, a senior vice president for the Sisters of Providence Health System in Springfield, said the settlement included one client of the lab and one program of the client. The owner of the lab is an affiliate of the Sisters of Providence. The client ordered the urine tests for purposes of monitoring people for their sobriety while they were in a residential program to treat substance abuse. Medicaid does not recognize urine testing for sobriety as a valid medical purpose. Also, Life Laboratories, owned by System Coordinated Services Inc., overcharged Medicaid for the tests by failing to give the program its best price, a violation of state law and Medicaid rules.

[Source: Fraud News Daily reports 1-14 Feb 2010 ++]

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**FOUR CHAPLAINS DAY:** On the night of February 3, 1943, USAT Dorchester (a coastal liner that had been converted to a troop transport for World War II) travelling in convoy, was torpedoed by the German submarine U-223 off Newfoundland in the North Atlantic. The torpedo knocked out the Dorchester's electrical

## RAO BULLETIN 15 February 2010

system, leaving the ship dark. Panic set in among the men on board, many of them trapped below decks. Aboard were the Methodist Reverend George L. Fox, Rabbi Alexander D. Goode, the Roman Catholic Priest John P. Washington and the Reformed Church in America Reverend Clark V. Poling. The chaplains sought to calm the men and organize an orderly evacuation of the ship, and helped guide wounded men to safety. As life jackets were passed out to the men, the supply ran out before each man had one. The chaplains removed their own life jackets and gave them to others. They helped as many men as they could into lifeboats, and then linked arms and, saying prayers and singing hymns, went down with the ship. Grady Clark, a survivor recounted, "As I swam away from the ship, I looked back. The flares had lighted everything. The bow came up high and she slid under. The last thing I saw, the Four Chaplains were up there praying for the safety of the men. They had done everything they could. I did not see them again. They themselves did not have a chance without their life jackets."

In all, 230 of the 904 men aboard the ship were rescued. Life jackets offered little protection from hypothermia which killed most men in the water. Water temperature was 34 °F (1 °C) and air temperature was 36 °F (2 °C). By the time additional rescue ships arrived "...hundreds of dead bodies were seen floating on the water, kept up by their life jackets." On December 19, 1944, all four chaplains who all held the rank of lieutenant, were posthumously awarded the Purple Heart and the Distinguished Service Cross. The Four Chaplains' Medal was established by act of Congress on July 14, 1960, and was presented posthumously to their next of kin by Secretary of the Army Wilber M. Brucker at Ft. Myer, Virginia on January 18, 1961. The chaplains were also honored with a stamp, issued in 1948 and by an act of Congress designating February 3 as "Four Chaplains Day." [Source: Online Wikipedia Encyclopedia Feb 2010 ++]

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### MILITARY HISTORY ANNIVERSARIES:

- Feb 16 1804 - 1Lt. Stephen Decatur led a successful raid into Tripoli Harbor to burn the U.S. Navy frigate Philadelphia, which had fallen into the hands of pirates.
- Feb 16 1862 - Civil War: 14,000 Confederate soldiers surrendered at Ft. Donelson TN. Union Gen. Ulysses S. Grant's victory earned him the nickname "Unconditional Surrender Grant."
- Feb 16 1864 - Civil War: The H.L. Hunley becomes the first submarine to engage and sink a warship, the USS Housatonic.
- Feb 16 1865 - Civil War : Columbia, South Carolina is burned as Confederate forces flee from advancing Union forces.
- Feb 16 1944 - WWII: Battle of Eniwetok Atoll begins. The battle ends in an U.S. victory on 22 February.
- Feb 16 1944 - WWII: Operation Hailstone begins. U.S. naval air, surface, and submarine attack against Truk (Chuuk), Japan's main base in the central Pacific, in support of the Eniwetok invasion. (WWII)
- Feb 16 1945 - WWII: American troops landed on the island of Corregidor in the Philippines.
- Feb 17 1864 - Civil War: The Confederate submarine *Hunley* sinks the USS *Housatonic* in Charleston Harbor, South Carolina.
- Feb 18 1865 - Civil War: Union troops force the Confederates to abandon Fort Anderson, N.C.
- Feb 18 1865 - Civil War: Union forces under Major General William T. Sherman set the South Carolina State House on fire during the burning of Columbia.
- Feb 19 1942 - WWII: President Franklin D. Roosevelt signs the executive order 9066, allowing the United States military to relocate Japanese-Americans to Japanese internment camps.
- Feb 19 1943 - WWII: German troops of the Afrika Korps break through the Kasserine Pass, defeating U.S. forces. U.S. troops retake the pass 5 days later.
- Feb 19 1944 - WWII: The U.S. Eighth Air Force and Royal Air Force begin "Big Week," a series of heavy bomber attacks against German aircraft production facilities.

## RAO BULLETIN 15 February 2010

- Feb 19 1945 - WWII: Battle of Iwo Jima - about 30,000 United States Marines land on Iwo Jima.
- Feb 20 1864 - Civil War: Confederate troops defeat a Union army sent to bring Florida into the union at the Battle of Olustee, Fla.
- Feb 20 1942 - WWII: Lt. Edward O'Hare downs five out of nine Japanese bombers that are attacking the carrier *Lexington* and becomes America's first World War II flying ace
- Feb 20 1944 - WWII: The 'Big Week' began with American bomber raids on German aircraft manufacturing centers.
- Feb 21 1862 - Civil War: The Texas Rangers win a Confederate victory in the Battle of Val Verde, NM.
- Feb 21 1951 - Korea: The U. S. Eighth Army launches Operation Killer, a counterattack to push Chinese forces north of the Han River in Korea.
- Feb 22 1836 - Mexican General Antonio Lopez de Santa Anna began his 13 day siege of the Alamo Spanish mission in San Antonio, Texas.
- Feb 22 1944 - WWII: Franklin Roosevelt orders Gen. Douglas MacArthur to leave the Philippines.
- Feb 22 1984: Britain and the U.S. send warships to the Persian Gulf following an Iranian offensive against Iraq.
- Feb 23 1847 - Mexican-American War: Battle of Buena Vista - In Mexico, American troops under General Zachary Taylor defeat Mexican General Antonio López de Santa Anna.
- Feb 23 1903 - Cuba leases Guantánamo Bay to the United States 'in perpetuity'.
- Feb 23 1942 - WWII: A Japanese submarine surfaced off the coast of California, shelling the coastline near the town of Ellwood. The first Axis explosives to hit American soil.
- Feb 23 1945 - WWII: During the Battle of Iwo Jima, a group of Marines and a commonly forgotten U.S. Navy Corpsman, reach the top of Mt. Suribachi and are photographed raising the American flag. The photo would later win a Pulitzer Prize and become the model for the national USMC War Memorial.
- Feb 23 1945 - WWII: The capital of the Philippines, Manila, is liberated by American forces.
- Feb 23 1967 - Vietnam: U.S. troops begin the largest offensive of the war, near the Cambodian border.
- Feb 23 1991 - Gulf War: Ground troops cross the Saudi Arabian border and enter Iraq, thus starting the ground phase of the war.
- Feb 24 1813 - War of 1812: The American ship USS Hornet sank the British sloop HMS Peacock in an action off the coast of Guiana (north coast of South America).
- Feb 24 1944 – WWII: Merrill's Marauders, a specially trained group of American soldiers, begin their ground campaign against Japan into Burma.
- Feb 24 1968 - Vietnam War: The Tet Offensive is halted; South Vietnam recaptures Hué.
- Feb 25 1933 - USS Ranger, the first U.S. Navy ship to be built solely as an aircraft carrier, is launched.
- Feb 25 1942 - WWII: A UFO flying over wartime Los Angeles causes a blackout order at 2:25 a.m. and attracts a barrage of anti-aircraft fire, killing 3 civilians. Known as the Battle of Los Angeles.
- Feb 26 1943 - U.S. Flying Fortresses and Liberators pound German docks and U-boat lairs at Wilhelmshaven.
- Feb 26 1991 - Gulf War: On Baghdad Radio Iraqi leader Saddam Hussein announces the withdrawal of Iraqi troops from Kuwait.
- Feb 27 1864 - Civil War: The first Union prisoners arrive at Andersonville Prison in Georgia.
- Feb 28 1863 - Civil War: The Confederate ship Nashville was destroyed by the Union ironclad vessel USS Montauk on the Ogeechee River in Georgia.
- Feb 28 1916 - WWI: Beginning of the battle of Verdun, in France, which lasted ten months.
- Feb 28 1945 - WWII: U.S. tanks break the natural defense line west of the Rhine and cross the Erft River.
- Feb 28 1994: U.S. warplanes shoot down four Serb aircraft over Bosnia in the first NATO use of force in the troubled area.

# RAO BULLETIN 15 February 2010

[Source: Various Feb 09 ++]

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**ENLISTMENT UPDATE 09:** The U.S. Military Services make every attempt to assess the moral quality of potential recruits, and several categories of moral offenses may preclude enlistment. This is primarily accomplished based on criminal record. There is no such thing as a "sealed record," or an "expunged record" as far as the military is concerned. The recruiting services have access to law enforcement and FBI investigative records, which -- quite often will list arrests in these categories. Even if an offense is not found during the recruiter criminal background check, it is likely to come up during a possible (probable) security clearance criminal records check. If an applicant fails to disclose criminal history and it is later discovered, the individual may be charged under federal law, or the Uniform Code of Military Justice for False Statement, and/or Fraudulent Enlistment. Any offense which resulted in a conviction or adverse adjudication counts. Usually, if the charges were dismissed (without conditions), or resulted in an acquittal (finding of not guilty), they don't. However, sometimes the military will count an offense which resulted in a dismissal. For example, if you were caught shoplifting, and the charges were dismissed because the store owner didn't want to press charges, the military might count it. On the other hand, if the charges were dismissed because the DA determined there wasn't enough evidence to prove you committed the crime, the military probably wouldn't count it. When determining whether or not an offense counts for enlistment purposes, the services are primarily interested in whether or not the applicant actually committed the offense, not whether or not a legal conviction resulted. Criminal offenses that fall into one of the below categories count when it comes to enlistment purposes:

- **Conviction.** The act of finding a person guilty of a crime, offense or other violation of law by a court or competent jurisdiction or other authorized adjudicative authority. This includes fines and forfeiture of bond in lieu of trial.
- **Adverse Adjudication.** Any conviction, finding, decision, sentence, judgment, or disposition other than unconditionally dropped, unconditionally dismissed, or acquitted. Participation in a pretrial intervention program as defined below must be processed in the same manner as an adverse adjudication.
- **Pretrial Intervention/Deferment.** Every state has a program by which offenses are diverted out of the regular criminal process for a probationary period. While the programs vary from state to state, they all require the defendant to meet some requirement (e.g., reporting or non-reporting probation, restitution, or community service), after successful completion of which the charge is disposed of in a way that does not result in a final adjudication of guilt. Charges disposed in this manner are processed as an adverse adjudication.

The waiver process is a very subjective one. Each of the services have their own standards when it comes to criminal offenses, and whether or not the offense(s) are disqualifying. For complete details refer to the following web pages:

- Army <http://usmilitary.about.com/od/armyjoin/a/criminal.-u59.htm>
- Air Force <http://usmilitary.about.com/od/airforcejoin/a/criminal.htm>
- Navy <http://usmilitary.about.com/od/navyjoin/a/navcrime.htm>
- Marine Corps <http://usmilitary.about.com/od/marinejoin/a/criminal.-um-.htm>

[Source: About.com: U.S. Military Rod Powers article 19 Sep 09 ++]

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**TAX BURDEN FOR MASSACHUSETTS RETIREES:** Many people planning to retire use the presence or absence of a state income tax as a litmus test for a retirement destination. This is a serious

## RAO BULLETIN 15 February 2010

miscalculation since higher sales and property taxes can more than offset the lack of a state income tax. The lack of a state income tax doesn't necessarily ensure a low total tax burden. Following are the taxes you can expect to pay if you retire in Massachusetts:

**State Sales Tax:** 6.25% (food; prescription drugs; fuel costs; gas, oil, electricity; clothing costing up to \$175, are exempt).

### **Fuel & Cigarette Tax:**

- **Gasoline Tax:** 23.5 cents/gallon
- **Diesel Fuel Tax:** 23.5 cents/gallon
- **Cigarette Tax:** \$2.51/pack of 20

### **Personal Income Taxes**

**Tax Rate Range:** Flat rate of 5.3% of federal adjusted gross income.

**Personal Exemptions:** Single - \$3,200; Married - \$6,400; Dependents - \$3,200.

**Standard Deduction:** none

**Medical/Dental Deduction:** none

**Federal Income Tax Deduction:** None.

**Retirement Income Taxes:** Social Security, civil service, state/local government pensions are exempt. Pension income from other state or local governments that do not tax pension income from Massachusetts public employees is exempt from Massachusetts taxable income. For seniors and retiree tax tips refer to [www.mass.gov/Ador/docs/dor/TaxTips/seniors09.pdf](http://www.mass.gov/Ador/docs/dor/TaxTips/seniors09.pdf).

**Retired Military Pay:** Not taxed

**Military Disability Retired Pay:** Retirees who entered the military before Sept. 24, 1975, and members receiving disability retirements based on combat injuries or who could receive disability payments from the VA are covered by laws giving disability broad exemption from federal income tax. Most military retired pay based on service-related disabilities also is free from federal income tax, but there is no guarantee of total protection.

**VA Disability Dependency and Indemnity Compensation:** VA benefits are not taxable because they generally are for disabilities and are not subject to federal or state taxes.

**Military SBP/SSBP/RCSBP/RSFPP:** Generally subject to state taxes for those states with income tax. Check with state department of revenue office.

### **Property Taxes**

- Massachusetts does not provide for a general homestead exemption but does have a Homestead Act. The Homestead Act permits a homeowner who occupies a house as his/her principal residence to shield up to \$500,000 in equity in that house from creditors. By simply filing a Declaration of Homestead with the appropriate Registry of Deeds, a homeowner may be able to protect his/her residence from the claim of a future creditor. The Homestead Act permits only one spouse to file for the equity protection if each has an ownership interest in the home. The protection offered to the disabled and the elderly is even more comprehensive because it allows a husband and wife who own

## RAO BULLETIN 15 February 2010

their own home to each file for the \$500,000 equity protection. For details refer to [www.sec.state.ma.us/rod/rodhom/homidx.htm](http://www.sec.state.ma.us/rod/rodhom/homidx.htm) .

- Massachusetts also has a [circuit breaker program](#) that offers a real estate tax credit for persons age 65 and older. Certain taxpayers may be eligible to claim a refundable credit on their state income taxes for the real estate taxes paid during the tax year on the residential property they own or rent in Massachusetts that is used as their principal residence. If the credit due the taxpayer exceeds the amount of the total income tax payable for the year by the taxpayer, the excess amount of the credit will be refunded to the taxpayer without interest. For tax year 2009, the maximum credit allowed for both renters and homeowners is \$960. To be eligible for the credit for the 2009 tax year; the taxpayer or spouse, if married filing jointly, must be 65 years of age or older at the close of the 2009 tax year; the taxpayer must own or rent residential property in Massachusetts and occupy the property as his or her principal residence; the taxpayer's "total income" cannot exceed \$51,000 for a single filer who is not the head of a household, \$64,000 for a head of house hold, or \$77,000 for taxpayers filing jointly; and for homeowners, the assessed valuation as of January 1, 2009, before residential exemptions but after abatements, of the homeowner's personal residence cannot exceed \$788,000. [Click for details.](#)

***Inheritance and Estate Taxes.*** There is no inheritance tax and a limited estate tax on estates valued at \$1,000,000 or more.

Information for new residents can be found at [www.comp.state.md.us](http://www.comp.state.md.us) For further information, refer to the Massachusetts Department of Revenue site [www.mass.gov/?pageID=dorhomepage&L=1&L0=Home&sid=Ador](http://www.mass.gov/?pageID=dorhomepage&L=1&L0=Home&sid=Ador) .

[Source: [www.retirementliving.com](http://www.retirementliving.com) Feb 2010 ++]

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**VETERAN LEGISLATION STATUS 13 FEB 2010:** For or a listing of Congressional bills of interest to the veteran community that have been introduced in the 111<sup>th</sup> Congress refer to the Bulletin's Veteran Legislation attachment. Support of these bills through cosponsorship by other legislators is critical if they are ever going to move through the legislative process for a floor vote to become law. A good indication on that likelihood is the number of cosponsors who have signed onto the bill. Any number of members may cosponsor a bill in the House or Senate. At <http://thomas.loc.gov> you can review a copy of each bill's content, determine its current status, the committee it has been assigned to, and if your legislator is a sponsor or cosponsor of it. To determine what bills, amendments your representative has sponsored, cosponsored, or dropped sponsorship on refer to <http://thomas.loc.gov/bss/d111/sponlst.html>.

Grassroots lobbying is perhaps the most effective way to let your Representative and Senators know your opinion. Whether you are calling into a local or Washington, D.C. office; sending a letter or e-mail; signing a petition; or making a personal visit, Members of Congress are the most receptive and open to suggestions from their constituents. The key to increasing cosponsorship on veteran related bills and subsequent passage into law is letting

# RAO BULLETIN 15 February 2010

legislators know of veteran's feelings on issues. You can reach their Washington office via the Capital Operator direct at (866) 272-6622, (800) 828-0498, or (866) 340-9281 to express your views. Otherwise, you can locate on <http://thomas.loc.gov> your legislator's phone number, mailing address, or email/website to communicate with a message or letter of your own making. Refer to [http://www.thecapitol.net/FAQ/cong\\_schedule.html](http://www.thecapitol.net/FAQ/cong_schedule.html) for dates that you can access your legislators on their home turf. [Source: RAO Bulletin Attachment 28 Jan 2010 ++]

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## HAVE YOU HEARD? Confucius Say:

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Man who run in front of car get tired.

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Man who run behind car get exhausted.

\*~\*~\*~\*~\*~\*~\*~\*~\*~\*

Man with one chopstick go hungry.

\*~\*~\*~\*~\*~\*~\*~\*~\*~\*

Man who scratch butt should not bite fingernails.

\*~\*~\*~\*~\*~\*~\*~\*~\*~\*

Man who eat many prunes get good run for money.

\*~\*~\*~\*~\*~\*~\*~\*~\*~\*

War does not determine who is right, war determine who is left.

\*~\*~\*~\*~\*~\*~\*~\*~\*~\*

Wife who put husband in doghouse soon find him in cathouse.

\*~\*~\*~\*~\*~\*~\*~\*~\*~\*

Man who drive like hell, bound to get there.

\*~\*~\*~\*~\*~\*~\*~\*~\*~\*

Man who live in glass house should change clothes in basement.

\*~\*~\*~\*~\*~\*~\*~\*~\*~\*

Man who fish in other man's well often catch crabs.

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Crowded elevator smell different to midget.