

MINUTES
BOARD OF VISITORS ORGANIZATIONAL MEETING
JUNE 14, 2012
WEST POINT, NY

1. **DESIGNATED FEDERAL OFFICER'S REMARKS.** Lieutenant Colonel (LTC) Scott Smith stated for the record that the United States Military Academy (USMA) Board of Visitors (BoV or Board) operates under the authority of US Code Title 10, Section 4355. The Board is an Advisory Board subject to the Federal Advisory Committee Act.

2. **VICE CHAIRMAN'S REMARKS.** Vice Chairman John Shimkus called the meeting to order at 1204.

3. **ADMINISTRATIVE ANNOUNCEMENTS.** Meeting packages included the agenda and briefing slides.

4. **ROLL CALL.** For the record, a quorum of the Board was present. A list of attendees, annotated to reflect members departing early, is appended to these minutes.

5. **MR. LAMONT'S REMARKS.** Assistant Secretary of the Army for Manpower and Reserve Affairs, Mr. Thomas R. Lamont, addressed the BoV on the challenges facing the Army's personnel and budget decisions. The Army will be a bill payer for the Defense Strategic Guidance that focuses on the Pacific Region and emphasizes Air and Sea forces. Everything is now a zero-sum game; to expand personnel or expenditures in one area, a bill payer must be identified from another.

The 2012 National Defense Authorization Act requires Sexual Assault Coordinators and Victim's Advocates at each brigade-level organization across all services. This will add approximately 900 slots in the Army. The Army has opened up approximately 13,000 positions to female Soldiers. A pilot program was initiated in nine brigade combat teams, allowing female volunteers to serve in combat arms battalions. The Army is still targeting 490,000 as its end-strength by 2017. Budgetary issues may cause that number to become even smaller. However, the Army anticipates the US Military Academy to remain at 4,400 Cadets.

6. **BOARD BUSINESS.** Friday, October 26, 2012 was selected for the Fall BoV Visit and Meeting date at West Point. BoV members were invited to attend the Army vs. Ball State football game on 27 October.

Mr. Malek asked for a short information paper on the USMA admissions process, to include the Congressional nomination process (Appendix B). Mr. Brock asked for a financial update, to include summaries of any audits that identified material weaknesses or significant deficiencies and incidents of material fraud or embezzlement (Appendix C). Mr. Brock also asked that West Point examine the effectiveness of the outside housing contractor. Ms. McNally asked for information on minority and female acceptance and graduation rates (Appendix D). Mr. Shimkus asked that USMA continue to arrange for round table discussions with Cadets, staff, faculty,

and/or dependents during future BoV visits. Mr. Shimkus and Mr. Murphy encouraged USMA to add additional TAC NCOs to Cadet companies. They also encouraged USMA to refrain from administering mass punishment; USCC should target its punishment for Cadets who fail to uphold standards. MG Schwartz, Ms. Fulton, Ms. McNally, and Mr. Murphy recommended TAC NCOs receive additional training before assuming their duties.

7. USMA UPDATES.

a. MISSION, VISION, PRIORITIES, INITIATIVES. LTG Huntoon, USMA Superintendent, provided BoV members with copies of the 2012 Army football schedule, the United States Military Academy strategic message brochure, the West Point Cemetery Guide, and the AY 2012 Projects Day Guide. He focused attention on the mission of USMA, particularly the inspiration component and the commitment of the Corps of Cadets to serve Soldiers as leaders of character for the Nation.

A summary of the Class of 2012 Graduation was presented. Vice President Joe Biden served as the Speaker, handing out diplomas to the top 35 Cadets and, along with General Ray Odierno, personally shaking the hand of every graduating Cadet. Later that afternoon, each graduate participated in ceremonies where they were commissioned as second lieutenants in the Army. Metrics were presented for the incoming Class of 2016. Admissions were more competitive than ever. The target is for 1,150 candidates (plus international candidates) to arrive on July 2, 2012 for Reception Day. Indicators show that both quality and class diversity are increasing. Since 2009, the percentage of females has increased by 2% (14% to 16%) while the percentage of African American Cadets has increased by 2% (from 7% to 9%; but dropping from last year's historic high of 11%). The Academy remains sensitive to meeting Racial and Ethnic Designation Categories (REDCAT) needs of the Army. In addition, USMA continues to examine its composition of staff and faculty to ensure that it can appropriately mentor and develop the Corps of Cadets.

Sexual Harassment and Assault Response and Prevention (SHARP) continues to be emphasized at West Point. The Corps of Cadets is assuming ownership of and responsibility for this issue. USMA now has a coherent and comprehensive SHARP curriculum that is presented in a structured manner across the entire 47-month Cadet experience. West Point is in compliance with both DoD and DA SHARP requirements.

Projects Day was held on May 3, 2012. The extraordinary intellect and talent of the Cadets was on display. BoV members were encouraged to attend next year's Projects Day on May 2, 2013.

Congress and the Army have committed to providing West Point with its first new barracks in 40 years. The new barracks will provide the swing space necessary to renovate the nine existing barracks.

The West Point Cemetery has worked with Arlington National Cemetery (ANC) to develop a gravesite locator app for smart phones, as well as ensuring that SOPs and maintenance programs are in compliance.

The Superintendent's Honor Review Commission has been re-instituted to examine Honor Code issues such as the over-legalization of the honor process and system.

Military training has moved from a model of task, condition, and standard to one of outcomes based training. Cadets are placed in uncomfortable situations where they must use their critical thinking skills to solve complex problems. Cadets must learn to develop a sense of responsibility for themselves and for their subordinates. The role of the officers and NCOs is to provide a safety net that allows Cadets to make mistakes and learn without compromising their safety.

Cadets are also given greater exposure to international and socially-developmental experiences. Cadets are increasingly afforded the opportunity to go overseas for both military and academic Individual Advanced Development (IAD); experiences that help them develop greater cultural and social awareness. There are over 1,000 Military IADs (MIAD) and over 1,000 Academic IADs (AIADs). These IADs provide exceptional opportunities for the development of USMA Cadets across all dimensions of the West Point Leader Development System.

The USMA Academic Program is conducting an external review of its program goals. It is expected to be complete by mid-November. In the summer, faculty support several programs such as the Summer Term Academic Program (STAP), Summer Leaders Seminar (SLS), Cadet Basic Training (CBT), Cadet Field Training (CFT), Cadet Leader Development Training (CLDT), and several faculty development workshops and conferences. Faculty also conduct course development and program assessment, as well as conducting individual research and providing support to AIADs. Faculty are instrumental in Cadet development not only for their work in the classroom but also for their support of the myriad Cadet activities and clubs that take place outside of the academic day.

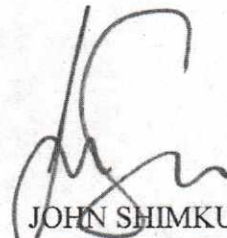
b. RESOURCES. COL Stafford, USMA Chief of Staff, updated the Board on FY2012 funding. Since the March meeting, USMA has been approved to receive \$6 million in mid-year unfunded requirements (UFR) to cover the costs of laboratory equipment, summer training, and laboratory technicians. Also, USMA was relieved from losing 67 additional civilian positions during the latest round of personnel cuts. Indications are that USMA will receive authorization for 21 additional faculty members in the coming year.

Cemetery costs over the next year will be approximately \$800,000. \$600,000 will be used for facility restoration and bringing the cemetery into compliance with ANC standards. West Point expects to have the cemetery in compliance by October, 2012. Annual maintenance contract costs will be approximately \$250,000. Additionally, USMA will reorganize internally to provide three additional civilian employee positions for the cemetery.

8. REMAINING BOARD BUSINESS. No other business was discussed.

9. **ADJOURNMENT.** There being no further comments, Congressman Womack moved to adjourn at 1420. The motion was seconded by Mr. Murphy and unanimously agreed upon. This concluded the 2012 Summer Meeting of the USMA Board of Visitors.

Certified by:



JOHN SHIMKUS
MEMBER OF CONGRESS
Vice Chairman
USMA Board of Visitors



SCOTT SMITH
LTC, US Army
Designated Federal Officer,
USMA Board of Visitors

Appendices:

- A Attendance Roster
- B Admissions Information Paper
- C Financial Update
- D Acceptance and Graduation Rates

APPENDIX A: ATTENDANCE ROSTER

Congressional Members:

Congressman John Shimkus
Congressman Steve Womack

Presidential Appointees:

Mr. Frederick Malek (departed at 1402)
Mr. Randolph Brock (departed at 1405)
Mr. Patrick Murphy
Ms. Elizabeth McNally
Ms. Sue Fulton
MG Errol Schwartz

The following members were absent:

Senator Jack Reed
Senator Kay Bailey Hutchison
Senator Mary Landrieu
Senator Richard Burr
Congressman Jerry Lewis
Congressman Maurice Hinchey
Congressman Mike Conaway

Based on the BOV attendance, a quorum was present.

Other attendees:

The Honorable Thomas Lamont, Assistant Secretary of the Army for Manpower and Reserve
Affairs (ASA-M&RA)
COL Lawrence Wark, ASA-M&RA
LTC Robert K. McGee, ASA-M&RA
MAJ Conrad Jakubow, SAFM-BUL
MAJ Josh Campbell, OCLL

Congressional Military Legislative Liaisons

Mr. Terry Redd, Army Fellow to Sen. Burr
Mr. Chris White, Legislative Assistant to Rep. Hinchey

USMA command and staff members in attendance:

LTC David Huntoon, 58th Superintendent of the United States Military Academy

BG Ted Martin, USMA Commandant

CSM Todd Burnett, USCC Command Sergeant Major

Dr. Jean Blair, Vice Dean

COL Tom Hiebert, Director of the Dean's Staff

COL Deborah McDonald, Director of Admissions

COL Gus Stafford, USMA Chief of Staff

Ms. Maureen Fitzgerald, Director of Strategic Communications

LTC David Jones, Simon Center for the Professional Military Ethic

LTC Scott Smith, Secretary of the General Staff

MAJ Jeff Pickler, Superintendent's Aide

Ms. Deadra Ghostlaw, Assistant Secretary of the General Staff

Ms. Theresa Brinkerhoff, USMA Public Affairs Office

Members of the Public

BG(Ret) Samuel K. Lessey

Mr. Mike Randall, Times Herald Record Reporter

APPENDIX B: ADMISSIONS INFORMATION PAPER

INFORMATION PAPER

MAAR
14 JUN 2012

SUBJECT: United States Military Academy (USMA) Admissions Information Paper

1. The mission of the USMA Admissions Office is to find and inspire qualified, diverse applicants to enroll at West Point – accounting for 19% of the officer accessions to the Army each year. Our end state goal is to ensure our admitted Cadets have the qualifications to graduate and be commissioned as leaders of character to serve in our Nation's Army. Title 10 USC 4342-4347 governs this process.

2. Admissions Program and Class Composition Goals: USMA uses a 65-year algorithm called the Whole Candidate Score (WCS) to measure candidate competitiveness. The WCS is based on 60% academic potential (CEER), 30% leadership potential (CLS), and 10% physical aptitude (CFA) and can range from a maximum score of 8000 points to a minimum score of 2000 points. The average entering WCS for recent classes has been around 6000 points. The WCS and corresponding CEER and CLS scores are proportional to graduation from West Point and are predictive measures for retention in the Army for most demographics with the exception of women. Women's graduation and retention rates are not accurately predicted by their WCS – and their attrition rates can most likely be attributed to societal influences rather than potential. Over the past 30 years, our graduation rates climbed and then remained steady at approximately 80% for recent classes.

a. The Academic Board in conjunction with the Army identifies the following as Class Composition Goals for Admission. These goals are reviewed and adjusted annually or bi-annually as needed:

- a. Scholars >30%. A scholar is defined by high academic (CEER) score above 650.
- b. Leaders >25%. A leader is defined by high community leadership score (CLS) above 650.
- c. Athletes 18-23%
- d. Women 14-20%
- e. Soldiers 7-10%
- f. Minorities 25-30%
 - i. Blacks 12-15%
 - ii. Hispanics 9-12%
 - iii. Asian 4-6%
 - iv. Native Americans >1%

b. Admission to West Point is a two-pronged process. First, an applicant must be medically, physically and academically qualified for admission and receive a nomination. Second, a fully qualified nominated candidate receives an appointment of admission based on his/her competitiveness within his/her nomination category. The Admissions Committee (an adjunct committee of the Academic Board) reviews and makes admissions decisions on all files. The competitive nature of the WCS ensures that, with very few exceptions, the most qualified candidates are offered admission in their nomination categories. In an average class, we have roughly 800-900 seats filled by congressional and service connected vacancies. Title 10 USC dictates that the top 150 qualified candidates (QC) who did not win

their congressional vacancies may be offered admission to the class. Depending on class size, the remaining 200-400 seats are admitted as additional appointees (AA), either in order of merit or out of order of merit to help achieve class composition goals. Minorities and recruited athletes make up the majority of the additional appointees for each class.

Nomination Sources per class by vacancy:

Congressional Vacancies (541 seats)		Service Connected Vacancies (350 Seats)	
Senate	100 seats	Presidential	100 seats
House of Representatives	435 seats	Regular Army	85 seats
Vice President	1 seat	Reserve Component	85 seats
Virgin Islands	1 seat	Medal of Honor	unlimited
Guam	1 seat	JROTC/SROTC	20 seats
Puerto Rico	1 seat	Sons / Daughters	10 seats
American Samoa	1 seat	100% Disabled Vets	
District of Columbia	1 seat	Superintendent	50 seats

c. National Waiting List: Historically we have between 300-600 fully qualified candidates on the National Waiting list who did not receive an offer to West Point. With the Class of 2016 we had over 1000 fully qualified candidates not offered admission. We coordinate heavily with ROTC and Accessions Command to help integrate these fully qualified candidates into their Army Accessions Programs if we are unable to offer them admission due to class size restrictions.

d. Appointment Charging: The table below depicts the appointment charging for the class of 2016 as of 14 June 2012.

Class of 2016	Total	Cong	VP	Pres (A)	Pres (R)	RA	RC	ROTC	S/D VET	SUPT	QC	AA (Total)	AA (WCS<6000)
Offers	1337	589	1	91	19	58	83	16	4	27	185	266	209
Accept	1183	504	1	71	16	58	83	14	3	24	150	248	205
Decline	154	75	0	20	3	0	0	2	1	3	35	17	4
Athlete	218	36	0	1	0	0	17	0	0	19	1	144	125
Black	103	26	0	0	0	4	10	1	1	4	2	58	45
Hispanic	116	49	0	5	1	5	6	0	1	1	5	66	44
Women	187	75	0	16	3	4	12	2	1	7	19	54	41
USMAPS	197	25	0	0	0	26	53	0	0	0	0	93	92

Prepared by: COL Deborah J. McDonald / DAD / (845) 938-5706

APPENDIX C: FINANCIAL UPDATE

INFORMATION PAPER

MARM
13 JUL 2012

SUBJECT: Financial and Management Internal Controls Update

1. The purpose of this paper is to provide the Board of Visitors an update on financial and management internal controls at the United States Military Academy (USMA) since 2009.
2. Since 2009, USMA has increased controls and reviews of financial processes to eliminate the potential for fraud or embezzlement. Audits and reviews of business processes and controls have produced no further instances of embezzlement or fraud; however they have identified deficiencies that are continually being addressed.
3. Each year, USMA conducts a review of management internal controls for specific business processes. Managers, Supervisors, and Accountable officials conduct these reviews by checking whether controls are operating properly. If deficiencies are noted during these reviews that do not require external assistance they are noted and included for additional review by Internal Review and Compliance, USMA Inspector General or addressed in revisions to USMA policy guidance by the Director of Resource Management. If deficiencies do require external assistance they are addressed as material weaknesses in the Superintendent's Management Internal Controls Annual Statement of Assurance. There has been no additional material weakness identified since 2009 beyond the one for the fraud/embezzlement case.
4. The business processes reviewed in FY 2010, 2011 and 2012 were Overtime, Compensatory Time and Holiday Pay for Civilians; Use and administration of the Defense Travel System (DTS); Government Purchase Card (GPC) Program; Supply Management; Signature Cards for Approving/Certifying Officials; Non-appropriated Fund (NAF) Contracting Management; Morale, Welfare, and Recreation (MWR) & Non-Appropriated Fund Instrumentalities (NAFIs); Government Travel Charge Card Program; Policies and Procedures for Property Accountability; Accounting for Cadet Advances in DTS; Tri-annual Review of Commitments and Obligations; Centralized NAF Accounting; USMA Treasurer - Cadet Account and Ration Fund Management; Clearing of Prior Year Un-liquidated Obligations; and Statement of Budgetary Resources - Key Control Objectives.
5. The majority of these reviews concluded controls were in place but deficiencies were noted specifically in training and evidentiary documentation, such as up-to-date signature cards for Approval Officials, receipts for travel reimbursements and hand receipts for property. As a result, the Directorate of Resource Management (DRM) is conducting a 100% review of all signature cards for Approving and Certifying Officer to ensure they are current, a 100% review of training documentation of Travel Approving Officials, and requiring all travel Approving Officials to retake training and ensure travelers are providing receipts for travel reimbursements in accordance with the Joint Travel Regulations. In addition, the DRM is conducting random sampling of travel orders and reimbursement vouchers. This review had identified

underpayments and overpayments to travelers based on receipts provided. The DRM has initiated payments to those travelers who were underpaid and established debts to recoup monies from those who were overpaid.

6. There was also an instance where food purchases did not have the proper evidentiary documentation, such as a legal opinion. These were reported to the Department of Army (DA) for additional legal guidance from the Office of General Counsel. DA found no fraud or legal objection once all evidentiary documentation was provided. As a standard practice, all food purchases are now required to have a legal review.

7. In fiscal year 2012, USMA stood-up a Directorate of Logistics who will focus for the next 18 months on addressing deficiencies in cemetery accountability and property accountability.

8. USMA instituted the following business process changes to tighten controls where deficiencies were noted during reviews and audits:

- a. Conduct surprise cash counts at all Cadet Activity NAF facilities and fund holders.
- b. Ensure more than one budget analyst reviews all financial transactions to ensure they are proper, legal, and supported by proper evidentiary documentation.
- c. Ensure information technology purchases have approval from the USMA Chief Information Officer.
- d. Conduct annual review of departmental GPC Billing Officials to ensure Billing Officials are conducting detailed reviews of purchases prior to certifying payments.
- e. Ensure initial and refresher training for all budget and financial analysts, Approving/Certifying Officers, and Billing Officials.
- f. Implement radio frequency identification barcodes on all laboratory and computer equipment to ensure proper accountability.
- g. Require legal reviews for all purchases involving expenditures for food.
- h. Require legal reviews for all gifts using official representation funds provided to dignitaries and foreign officials.

9. DA has implemented a new financial system called General Fund Enterprise Business System (GFEBS). USMA instituted GFEBS in JAN 2011. This system will tighten controls and was designed to enforce separation of duties. One of the key factors that led to the embezzlement at USMA was the lack of separation of duties. With the implementation of GFEBS, a single person cannot identify the requirement, approve the purchase, establish the contract, and approve the disbursement of funds. The GFEBS Governance and Compliance Representative, who resides within the DRM, will not allow any of these roles to be held by the same person.

10. The Internal Review and Audit Compliance (IRAC) Office continues to provide a thorough review of critical areas throughout West Point. During the year, the IRAC Office conducts approximately 50 audits. The following highlights several audits conducted with a summary of actions requiring attention:

a. Mixed Funding Program: This \$13 million annual program provides appropriated funds to our NAF Army Athletic Association and Directorate of Cadet Activities in accordance with federal legislation. The audit found improvements are needed to ensure documentation is on-hand to support expenditures and any changes to programmed amounts.

b. Cadet Mess: The audit identified savings of over \$100,000 by recommending changes to Cadet Mess waiter service requirements. Continuing efforts are on-going that will provide recommendations for additional savings.

c. Faculty Research Funds: This audit is in progress and is focused on the expenditures of research funds that totaled approximately \$20 million in FY 11. We found concerns with proper procedures for supporting financial transactions and contract administration. We are coordinating our audit findings with Resource Management and the Contracting Office for ensuring corrective actions are put in place.

d. Army Athletic Association Agreed-Upon Procedures: This annual National Collegiate Athletic Association (NCAA) required review of our Army Athletic Association is similar to an annual Financial Statement Audit. Revenues and expenses (totaling over \$25 million each) are reviewed to ensure they meet Generally Accepted Accounting Standards. During the past several years there have been no major findings or recommendations.

e. Military Academy Corps of Cadets (MACC) Gift Fund: The West Point IRAC Office performs an annual audit on this approximately \$13 million fund to ensure proper procedures are being followed. Except for a few minor deficiencies noted in past audits, this fund is properly maintained.

11. Since 2009, there have been two Inspector General (IG) inspections that included reviews of financial controls: USMA IG inspection of Civilian Overtime and the Department of the Army IG inspection of Airborne Support Activities at the USMA. The inspections did not identify evidence of fraud or embezzlement.

12. The Department of the Army is also preparing to produce an auditable Statement of Budgetary Resources by 2014. This effort will require independent auditors to audit and assess the strength of management controls and adherence to public laws and departmental policies for financial transactions across the Army. The Academy is currently in the test sample phase of this audit.

Prepared by: Debbie Pool / DRM / 845-938-6947;
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Patty Wing / IG / 845-938-2910

Approved by: COL Charles Stafford / COS / 845-938-3419

APPENDIX D: ACCEPTANCE AND GRADUATION RATES

	Fully Qualified*	Offered Admission	% Offered of FQ	Accepted	% Accepted of Offers	Graduated	% Graduated
Class of 2008							
Men	1899	1235	65%	1014	82%	820	81%
Women	371	251	68%	193	77%	150	78%
African-American	88	79	90%	70	89%	60	86%
American Indian	26	19	73%	13	68%	13	100%
Asian / Pacific Islander	170	109	64%	86	79%	61	71%
Caucasian	1809	1146	63%	940	82%	757	81%
Hispanic	128	101	79%	75	74%	61	81%
Total	2270	1486	65%	1207	81%	970	80%
Class of 2009							
Men	1814	1285	71%	1044	81%	822	79%
Women	317	240	76%	186	78%	145	78%
African-American	106	102	96%	87	85%	66	76%
American Indian	24	20	83%	18	90%	14	78%
Asian / Pacific Islander	151	103	68%	77	75%	63	82%
Caucasian	1663	1150	69%	930	81%	728	78%
Hispanic	138	114	83%	91	80%	77	85%
Total	2131	1525	72%	1230	81%	967	79%
Class of 2010							
Men	1792	1339	75%	1116	83%	892	80%
Women	302	251	83%	180	72%	139	77%
African-American	98	91	93%	78	86%	54	69%
American Indian	22	17	77%	13	76%	9	69%
Asian / Pacific Islander	150	104	69%	82	79%	71	87%
Caucasian	1625	1223	75%	996	81%	800	80%
Hispanic	145	120	83%	98	82%	74	76%
Total	2094	1590	76%	1296	82%	1031	80%
Class of 2011							
Men	1707	1330	78%	1071	81%	866	81%
Women	310	287	93%	224	78%	177	79%
African-American	95	91	96%	77	85%	54	70%
American Indian	24	24	100%	18	75%	12	67%
Asian / Pacific Islander	150	122	81%	100	82%	91	91%
Caucasian	1516	1182	78%	946	80%	759	80%
Hispanic	179	155	87%	119	77%	101	85%
Total	2017	1617	80%	1295	80%	1043	81%
Class of 2012							
Men	1637	1330	81%	1083	81%	812	75%
Women	282	247	88%	195	79%	138	71%
African-American	96	93	97%	80	86%	49	61%
American Indian	12	12	100%	8	67%	3	38%
Asian / Pacific Islander	124	93	75%	75	81%	57	76%
Caucasian	1480	1192	81%	969	81%	739	76%
Hispanic	159	143	90%	114	80%	77	68%
Total	1919	1577	82%	1278	81%	950	74%

*Fully Qualified: Physically, Academically, Medically (a few with waivers) and Nominated

** The Graduation percentage for the Class of 2012 will increase to near 80% as approximately 50 Cadets from the Class of 2012 are expected to graduate in the summer or December 2012.

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