



NAVAL ENLISTED
RESERVE ASSOCIATION
WINDY CITY CHAPTER



July-August 2010
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From the President's desk...

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07-11-10

I am convinced that this is not the Navy that I served in. Over the last decade the Navy has wasted millions, if not billions, of dollars on ships, aircraft and systems that the DOD and the Navy Department have determined are either no longer necessary or have not met expectations (i.e. Zumwalt class DDG 1000, F-35 Lightning II (not yet but soon), Navy-Marine Corps Intranet, among others).

In addition to the millions mentioned above, the price tag on developing the new digital desert and woodland uniforms over a five year span is now at \$8.39 million and does not include the design of the blue Navy Working Uniform at \$2 million. Over 10 million dollars to design uniforms (and this is not counting all of the rest of the new uniforms that have hit the streets). I can't believe that the cost of an overpriced P-3C toilet seat had made national headlines in the early '90's.

Well, to save money, for those of us who are (**THANK YOU shipmates**) still serving, DOD and Congress are looking at trimming the force again. Even though they have recently admitted that "optimum manning" has not worked and that maintenance of ships, aircraft and infra-structure has suffered. For those of us who are retired; we are a burden on the system. So, once again, whether you are still serving, retired or soon-to-retire, we must continue to give our support to NERA and The Military Coalition in their efforts to fight to retain those benefits.

On a happier note do not forget that our chapter picnic is fast approaching. We will once again be at our "chapter clubhouse", AKA John & Darlene Nickelson's home, on 08-28-10. For more details check our website or this newsletter.

As usual, we are always we looking for people who want to be involved in the workings of our chapter. We need new blood to bring in new ideas, changes to the status quo and revitalize our organization. { Nominations and elections are forthcoming so time is of the essence to get onto the ballot for the upcoming term, Ed. }

Please consider attending your chapter meeting(s). They are still held on the second Tuesday of February, April, June, August, October and December at the Park Ridge VFW Hall at the intersection of Higgins Rd and Canfield Ave; we start promptly at 2000. The next meeting will be held on 08-10-10. Remember that, more than ever, "what Congress and DOD doth giveth, Congress and DOD can taketh away".

Butch Michaelson

Chapter President

Mark Your Calendar:

Meetings are conducted at 2000 on the second Tuesdays of even

numbered months at the VFW Post #3579 Canfield at Higgins (alongside the Kennedy Expressway) : on the 2nd deck adjacent to the bar. Remaining 2010 WCC Meetings: Aug 10, Oct 1 2th, Dec 7th

Planning Ahead!

WC Chapter Picnic: 1400 on Aug 28th @ Nickelsons' Woods. RSVP to Darlene @708-448-1300 b/4 8/23

Fish Fry 1400 on Sep 11 again call Darlene. Bring a desert or dish to pass. Paid for by WCC Treasury.

In this issue:.

Windy City Chapter meeting minutes – 6/8/2010 meeting of the Windy City Chapter convened @ 2003 hours. All Officers were Present.

Secretary's Report: Correction to minutes: Gene is a Huie, not a Huey! Motion by John Nickelson 2nd by Vicky Koehnke to accept minutes as amended.

Treasurer's Report: generated \$37 from 50/50 raffle, \$32 from T shirt sales, \$200 from HQ for recruiting drive. Paid annual Website & P.O.

Box fee. Still maintaining 5 figures in Treasury. NERA HQ's contribution was intended for coffee, rolls and gifts. Geno managed to provide so that entire amount went to raffle. Nine new members paid on the spot. Two were life members (paid by credit card). We could have used more help. Mot. By Jim Premeske 2x Ed. Whiteside to accept the Treasurer's report. Ayes

Reintroduction of BMCS Izquierdo from CHB 7 who has been absent (MIA) for some time.

Committee Reports:

Recruiting: Exec. Counselor Paul Smurawski reported on the successful GLakes recruiting drive; feels in more help were available more new members could have been achieved. No one knows how effective they will be until they try. Paul reflected on Jon Burrows effectiveness and hopes he'll be back soon. Reminds us that NERA is the only organization representing exclusively sea service reservists. Sunshine: \$202 of Sunshine Funds were donated to WCC Treasury.

Newsletter: Severe software compatibility glitches were encountered when the editor switched to MS7 operating system. This resulted in an unusual and somewhat disheveled format. Our apologies go out to our readership. We believe we've corrected the format for the next newsletter.

Nomination committee is working on a slate, reminds newsletter committee to bring it up in next two newsletters.

Old Business: Calling Post automatic calling tree has been test run with superb results.

National Convention planning is continuing, there are concerns that the economy will hinder ample participation.

Picnic and Fish Fry Planning in Progress. Fun can only be had if you are present. **Picnic 8/28 @ 1400 Fish Fry on 9/11 @ 1400.** Mot x Jim Premeske 2x Lois Edfors. Amendment x Geno for Treasury to pickup cost of meat, beer, soda, 2x Ed Whiteside. Stipulation, if you commit but don't attend you will be charged for number RSVP'd. Sign up sheets available next meeting.

New Business: add for National Conference Booster Book. Jerry Padour which will be reviewed / updated. Mot. X Geno Koelker 2x JC Edfors for WC to buy a full page ad.

Sep 25 is retiree appreciation day at GLakes, 0900-1500 @ theater, sponsored by Retiree Affairs Office.

Geno has new recruiting opportunity guidelines. (Are these the Navy's guidelines or NERA's?) Geno will pursue a banner for future WCC chapter recruiting efforts.

Good of the order: New CPOs will be initiated 9/18.

VP 60 reunion in 2011 & VP 90 in 2012 both at Great Lakes.

50/50 raffle won by Vicky Koehnke

Mtg. adjourned @2126 Mot x Premeske 2nd x Kathy O'Cull Ayes.

Supporting NERA- reward yourself while Paving back the favor

NERA 2010 Ford Fusion Hybrid Raffle



Ford Fusion Hybrid set a World Record with 1,445 miles on a single tank of gas in April 2009! That's gas money in the bank and not in the tank!

Purchase your Tickets now!

Tickets are \$25.00 each or 5 for \$100.00. Good Luck!!

Membership is not required to purchase a chance to win the 2010 Ford Fusion Hybrid. The drawing will be held 16 October 2010.

Tickets can be purchased by contacting Windy City's Paul Smurawski @ 630-782-6657 or Laura Martin lkmartin@nera.org or (800) 776-9020.

Now is the time to ramp up the volume of business we direct to **USAA** as they are now NERA's exclusive partner in financial matters. It is mandatory that you include **USAA** in any insurance and financial planning opportunities.

Sea service News

Navy Completes Boot Camp Overhaul –Navy Training Centered at Great Lakes

July 16, 2010- The Navy officially accepted its completely overhauled boot camp during a ceremony in Great Lakes, Ill., July 14, after more than a decade of constant demolition and construction zones.

Leaders from Naval Facilities Engineering Command (NAVFAC), Recruit Training Command (RTC), Naval Station Great Lakes, Navy

Region Midwest and Naval Service Training Command, along with more than 200 attendees, including representatives of more than a dozen design and construction companies who had been involved in the 12-year, \$770-million program, celebrated the milestone.

"Today is a special day for many of us who have supported and participated in this significant undertaking and a chance to say thank you for all you've accomplished as a team," said guest speaker Rear Adm. Kevin Slates, commander of NAVFAC Atlantic. "It's also a milestone event where we transition from a recruit training vision that was created nearly two decades ago to actual facilities that proudly serve as the training platform for the best recruits our country has to offer."

Following the Navy's consolidation in the mid-1990s of its basic training facilities into RTC Great Lakes, the Navy began a complete rebuilding of boot camp infrastructure to better meet the training requirements of 21st-century Sailors.

Beginning in 1998, the Navy built 13 new barracks - each with dining and computer classroom areas - three new drill halls and other new training facilities, steadily replacing 1950s-era buildings with state-of-the-art facilities for training, feeding and housing new recruits during their eight-week indoctrination into Navy life.

Each new barracks can accommodate 12 recruit divisions of up to 88 recruits each. These 172,000-square-foot buildings support a much more efficient training day for recruits by reducing their transit time between classes, meals and other activities.

"This phenomenal recapitalization has allowed us to dramatically change the way that we train men and women to become Sailors," said Capt. John Peterson, commanding officer of RTC. "The recapitalization has allowed us not only to be more efficient, but also to do much more in the time we have the recruits under our charge."

"To the Naval Facilities Engineering Command team, well done, shipmates," added Peterson. "Contractor or government, small or large, senior or junior, we, today's custodians of the recruit training mission, owe you a great debt. Thank you each for your superb teamwork - your execution of a vision that is RTC today."

NAVFAC Midwest Commanding Officer Capt. Jake Washington, in turn, praised the men and women of RTC, saying, "This magnificent training complex we have today could not have come together so successfully if not for the patience and flexibility of RTC, working around the barriers and the cones, putting up with the noise, dust and the many other challenges we asked your team to endure so that this day might come."

Washington, who also helped start the recapitalization program in 1998 when he was then a lieutenant commander on the staff of Engineering Field Activity Midwest, also noted his personal connection to the construction program.

"One of the reasons I wanted to return to Great Lakes was to see finished what was started back then," said Washington. "Between then and now stretches a chain of engineer custody I am honored to be a part of."

Washington also noted how then-Naval Training Center Great Lakes evolved over the intervening years, with the creation of Naval Service Training Command to oversee virtually all of the Navy's accessions training, the stand-up of Navy Region Midwest as Navy Installations Command's land owner in the Midwest and now-Naval Station Great Lakes providing support services for Great Lakes' tenant commands, including RTC.

"Organizationally, a lot has changed, NAVFAC notwithstanding," said Washington. "But there has been one constant, and it is the reason why we have done what we have done - and why we come to work every day at Great Lakes - to make civilians into U.S. Sailors."

They deserve our collective best, and in this effort, we can all be justifiably proud that we have given it to them," continued Washington.

US Deploys Aircraft Carrier to South Korea

July 19, 2010 The U.S. is sending the massive aircraft carrier the USS George Washington to South Korea this week, the military announced Monday.

The deployment is considered a show of force in the wake of the sinking of a South Korean warship last March that killed 46 sailors. South Korea and an international team of investigators have blamed North Korea for the attack.

The carrier was expected to be in South Korea's port of Busan by Wednesday and could participate in an upcoming military exercise.

The nuclear powered carrier, one of the world's largest warships, will be accompanied by three destroyers - the McCampbell, the John S. McCain and the Lassen.

Defense Secretary Robert Gates and Secretary of State Hillary Rodham Clinton were expected to announce more details this week about the upcoming joint military exercise. Gates and Clinton were visiting Seoul to meet with their South Korean counterparts.

The military exercise and deployment of the George Washington has been under discussion since shortly after the March attack on the South Korean navy vessel, the Cheonan.

The Cheonan's sinking was considered South Korea's worst military disaster since the Korean War, which ended in a cease-fire in 1953. No formal peace treaty was ever signed, and more than 28,000 U.S. troops remain stationed in the south with a vow to protect its critical ally.

The deployment of the aircraft carrier could be seen by North Korea as a particularly aggressive move by the United States because of the ship's sheer size. According to a Navy website, the George Washington is 244 feet high from keel to mast and can accommodate some 6,250 crew members.

Future USS Gravely Delivered

July 27, 2010

Navy News

WASHINGTON -- The Navy officially accepted delivery of the future USS Gravely from Northrop Grumman Shipbuilding during a ceremony July 26 in Pascagoula, Miss. Designated DDG 107, Gravely is the 57th ship of the Arleigh Burke class.

The ship successfully completed acceptance trials June 28. Due to the oil spill currently affecting the Gulf of Mexico, the trials were slightly modified, with the ship conducting pierside tests and inspections by the Navy's Board of Inspection and Survey (INSURV), followed by a 36-hour underway period to assess the ship's main propulsion, auxiliary, steering, damage control equipment, navigation systems, and deck equipment as well as overall completeness.

"Though the oil spill forced us to modify our normal trial schedule, we were still able to deliver Gravely as originally scheduled," said Capt. Pete Lyle, DDG 51 class program manager in the Navy's Program Executive Office (PEO) Ships. "That is really a testament to the maturity of the class, and the program's successful history of delivering ships on time and on schedule."

Gravely is a multi-mission guided-missile destroyer designed to operate in multi-threat air, surface and subsurface environments. The ship is equipped with the Navy's Aegis Combat System, the world's foremost integrated naval weapon system. The class provides outstanding combat capability and survivability characteristics while minimizing procurement and lifetime support costs due to the program's maturity.

The DDG 51 program continues to reinforce affordability and efficiency, with a commitment to deliver ships at the highest possible quality.

The new destroyer honors the late Vice Adm. Samuel L. Gravely Jr., the first African American commissioned as an officer from the Navy Reserve Officer Training Course. He was the first African American to command a warship (USS Theodore E. Chandler); to command a major warship (USS Jouett); to achieve flag rank and eventually vice admiral; and to command a numbered fleet (Third).

As one of the Defense Department's largest acquisition organizations, PEO Ships is responsible for executing the development and procurement of all major surface combatants, amphibious ships, special mission and support ships, and special warfare craft. Currently, the majority of shipbuilding programs managed by PEO Ships are benefiting from serial production efficiencies, which are critical to delivering ships on cost and schedule.

The military misconduct section

Judge Rules Stolen Valor Act Illegal

July 17, 2010

A law that makes it illegal to lie about being a war hero is unconstitutional because it violates free speech, a federal judge ruled Friday as he dismissed a case against a Colorado man who claimed he received two military medals.

Rick Glen Strandlof claimed he was an ex-Marine who was wounded in Iraq and received the Purple Heart and Silver Star, but the military had no record he ever served. He was charged with violating the Stolen Valor Act, which makes it a crime punishable by up to a year in jail to falsely claim to have won a military medal.

U.S. District Judge Robert Blackburn dismissed the case and said the law is unconstitutional, ruling the government did not show it has a compelling reason to restrict that type of statement.

A spokesman for the U.S. attorney in Denver said prosecutors are reviewing the decision and haven't decided whether to appeal. The spokesman said that decision would be made by the U.S. Justice Department in Washington and prosecutors in Denver.

Strandlof's lawyer, Bob Pepin, said he hadn't spoken to Strandlof since the ruling was issued. Pepin said he would advise Strandlof not to comment publicly because the case might be appealed.

"Obviously, we think this is the right decision, or we wouldn't have been making the objections to the statute to begin with," he said. Pepin said Strandlof has been living in a halfway house in Denver while his case is in the courts.

The law has also been challenged in California and in a case now before the 9th U.S. Circuit Court of Appeals.

Denver attorney Christopher P. Beall, who filed a friend-of-the-court brief for the American Civil Liberties Union of Colorado, said the Stolen Valor Act is fatally flawed because it doesn't require prosecutors to show anyone was harmed or defamed by the lie.

"The government position was that any speech that's false is not protected by the First Amendment. That proposition is very dangerous," Beall said.

"It puts the government in a much more powerful position to prosecute people for speaking out on things they believe to be true but turn out not to be true," he said.

Beall said the ACLU was not defending the actions Strandlof is accused of, but took issue with the principle behind the law.

Rep. John Salazar, D-Colo., who sponsored the Stolen Valor Act in the House, predicted the decision will be overturned on appeal.

"This is an issue of fraud plain and simple," Salazar said in a written release. "The individuals who violate this law are those who knowingly portray themselves as pillars of the community for personal and monetary gain."

Pam Sterner, who as a college student wrote a policy analysis that became the basis of Salazar's bill, said the issue isn't free speech but misrepresentation. Sterner, a former Coloradan who now lives in Virginia, said authentic medal winners' credibility suffers when impostors are exposed because the public becomes suspicious of even true stories of heroism

CG Commander Sacked Amid Porn Allegations

July 12, 2010

Military.com|by Christian Lowe

The senior officer of a West Coast-based Coast Guard command was sacked Friday over allegations he had used a government computer to surf the Web for pornographic material and browse other "restricted" sites.

Captain Fredrick G. Myer was relieved as commander of the U.S. Coast Guard Sector Portland, Ore., and reassigned to the 13th Coast Guard District staff pending a final disciplinary ruling by Coast Guard Commandant Adm. Robert Papp, the service said in a July 12 release.

"The decision to relieve a commanding officer is never easy and is taken very seriously," said Rear Adm. Gary Blore, the commander of the Coast Guard's 13th District, which includes the Portland sector.

"We take the Service's core values of honor, respect and devotion to duty as guiding principles of our personal and professional conduct."

The Portland sector is based on Swan Island, Ore., and covers operations from the Salmon River in Idaho to the Oregon and Washington coasts.

According to the Coast Guard, Myer was found to have "repeatedly viewed pornographic material and other restricted internet sites" on his government computer, though it is unclear whether this alleged activity was done at the office or off-site.

The Coast Guard has temporarily replaced Myer with Capt. Leonard Tumbarello, formerly the deputy commander of the Coast Guard's Seattle district.

This is the second controversial firing by Blore so far this year after he relieved former Seattle District commander Capt. Suzanne Englebert in April because of an "unacceptable command climate." The service also sacked Capt. James O'Connor, the commander of the Coast Guard air station in Sacramento, Calif., in March over a "loss of confidence" in his ability to command.

The *Portland Oregonian* reported that the investigation into Myer's computer use was launched after internal monitors caught the alleged unauthorized browsing in April.

"When any service member violates these core values they must be held accountable, especially our commanding officers," Blore added. "This action, while unfortunate and difficult, is in the long term best interest of the unit and the Service."

Navy Identifies SEAL Killed in BASE Jump

July 19, 2010

Virginian-Pilot

He loved history, was a good listener and did volunteer work in college.

Tyler S. Stimson, the Navy SEAL who died early Friday morning trying to parachute from a cell-phone tower, also loved to read all kinds of books, family friend Katie Donahue said Saturday.

"He was always looking to expand his knowledge," Donahue said.

The Wakefield, N.H., native was a petty officer first class and assigned to a Virginia Beach-based SEAL team, according to a news release from Naval Special Warfare Command.

Stimson died Friday in a BASE-jumping accident, Suffolk police said. BASE jumping involves parachuting off of fixed objects, and the letters stand for buildings, antennas, spans and earth.

Stimson's BASE-jumping partner, Jason James Tompsett, 31, of Virginia Beach, was charged with trespassing. Tompsett also is a member of an East Coast-based SEAL team, police said.

Donahue said Stimson lived an active lifestyle.

Stimson's Facebook profile picture shows him parachuting.

He liked going to the beach and being outside.

"He wasn't that big into TV," she said. "He was into being outdoors."

Stimson graduated magna cum laude from the University of New Hampshire in 2002, Donahue said.

He joined the Navy in June 2002 as a SEAL candidate and won several awards for combat deployments in support of Overseas Contingency Operations in Iraq and Afghanistan, the news release said.

Among his awards were two Combat Action Ribbons, the National Defense Service Medal and the Navy Unit Commendation Medal.

Donahue said Stimson also was dedicated to his wife, Chelsey, of Virginia Beach. They met while she served in the military. They would've been married for three years Nov. 10.

Stimson also leaves behind his parents in New Hampshire and a sister in Denver.

Naval Academy Head Ordered Out Early

July 15, 2010

Baltimore Sun

The Naval Academy superintendent, recently under fire over an off-the-books "slush fund," will be forced out of his position a month earlier than expected, officials said Tuesday, as the military also overturned his recommendations that two students be expelled.

Vice Adm. Jeffrey L. Fowler had planned to retire in September after three years at the academy's helm, but the chief of naval operations, Adm. Gary Roughead, directed an exit by the first week in August, saying it would "better position the Naval Academy for success in the upcoming year," according to a Navy spokesman.

The Navy also determined that there had been "inconsistencies" in the application of the academy's honor code involving seven Midshipmen alleged to have committed a violation, including two football players. Officials said recommendations by Fowler to expel two Midshipmen had been overruled and the students would be offered the opportunity to return.

W. Scott Hannon, a Baltimore attorney who said he was representing one of the students whose suspension was overturned, cheered the reversal, which he described as extremely rare.

"To not go along with the recommendations is almost Unprecedented," said Hannon, a former Marine officer. "It speaks to a lack of confidence by the secretary that this study was even conducted in the first place."

Cmdr. Joe Carpenter, a Naval Academy spokesman, said in a statement that Naval Academy leadership was "reviewing the findings of this recent report and will comply with Navy-directed corrective action."

Rear Adm. Denny Moynihan, the spokesman, played down the significance of Fowler's accelerated departure, noting that his successor, Rear Adm. Michael Miller, has been confirmed by the U.S. Senate and is available to assume control. A jump start would allow Miller to "shape corrective actions" related to recent reviews of the academy's programs and policies, he said. A change-of-command ceremony is slated for the first week in August.

But the decision comes two weeks after the release of a 110-page report by the Office of the Naval Inspector General, which found football bowl game sponsorship money had been placed into an off-the-books account and spent on "invitation-only" tailgate parties, catered receptions and gifts for coaches. The report concluded that the expenditures, some of them "extravagant and wasteful," did nothing for the intended beneficiaries: the academy's Midshipmen.

Though it was completed in November, the report was released just last month in response to a Public Information Act request by Navy Times.

The report's outcome "was a factor" in Fowler's pending retirement, Moynihan said, though he noted that Fowler made no financial gain. The report said there was no evidence he was "specifically aware of any of the improprieties related to the actions of his subordinates in this matter."

Secretary of the Navy Ray Mabus asked Roughead on June 11 to review the academy's honor code procedures after becoming aware of possible inconsistencies in the adjudication of violations. The review examined the adjudication of 27 Midshipmen who allegedly violated the code during the 2009-2010 academic year.

Roughead's report scrutinized eight cases and found that the disciplinary decisions were "within the authority and discretion" of the superintendent and commandant. But he said that there were "inconsistencies and therefore understandable perceptions of disparate treatment," with consideration given to factors including a Midshipman's status as a foreign national student, varsity football player or as a child of a senior officer.

The report redacts the name of the students but goes into some detail about their alleged violations, including one involving a Midshipman who created an elaborate series of lies regarding the death of her fiance and another friend.

Two cases involved football players; in one, a player committed at least three violations in one month but was retained and offered remediation based on the commandant's determination that alcohol was the root cause of the violation. After a subsequent alcohol-related incident, the player was dismissed.

In another case, Fowler recommended remediation for a varsity football player "despite numerous previous academic, conduct, and honor issues, and the recommendation of the entire chain of command to separate." Fowler included a "subjective" assessment of his personal development and support from his coach and retired senior officers in deciding to dispose of the violation.

The review did not determine that gender, race or ethnicity played a part in the disparities.

Hannon said his client, whom he declined to identify, was "not proud of his violation" but spoke of others who committed more serious infractions and were not disciplined. His incident occurred in February, and he was kept in a remediation program until two weeks before graduation, when he was recommended for expulsion.

Officials said the academy's honor and conduct system would be revamped and the new superintendent would begin personally briefing the vice chief of naval operations at the end of each semester, or three times a year, on disciplinary decisions.

Fowler was nominated to be superintendent in March 2007 by President George W. Bush and took over in the summer of 2007. Despite serving

during wartime, Fowler has led the academy to major increases in applications, including those from minority candidates.

Last month, Fowler said in a statement that he was "responsible and accountable" for the inspector general's findings. In a statement late Tuesday, Fowler did not address the reports or his accelerated departure, instead thanking alumni, parents, staff and students.

"During my tenure, every class that was present entered and graduated from the Naval Academy while the nation's military was engaged in combat," he said. "Many have proven their mettle with deployments in harm's way shortly after graduation. It with the greatest confidence that I say our Navy and Marine Corps will be in good hands with this newest generation of leaders."

Moynihan said "appropriate administrative actions" were taken against Fowler, though he would not go into detail. In addition, Robert Parsons, the academy's deputy for finance, was suspended without pay for five days, and Moynihan said "corrective measures" were taken against another academy employee whom he would not identify.

Editor's note: Those with internet access are no longer limited in information about where a charity invests its money. Check it out @

Charitynavigator.org

Find a Charity You Can Trust

Charity Navigator, America's premier independent charity evaluator, works to advance a more efficient and responsive philanthropic marketplace by evaluating the financial health of over 5,500 of America's largest charities.

Oregon Wants to Shut Nonprofit Vet Group

July 20, 2010

Knight Ridder

Oregon's Attorney General wants a popular nonprofit that awards honorary medals to military veterans shut down for deceiving donors.

John Kroger said that Veterans of Oregon telemarketers told donors their money would feed, house and provide medical care for homeless and ill vets. Instead, 80 percent of the cash raised over two years -- about \$500,000 -- went to the Michigan telemarketing firm making the calls.

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The Department of Justice has sued the nonprofit veterans group and its for-profit fundraiser, Associated Community Services, saying it "spent nothing or only token amounts on the programs described" in solicitations. The state alleges that much of the remaining 20 percent went to founder John Neuman and his associates' expenses for the \$6 medals and travel to award ceremonies.

Neuman was featured in a 2009 Veterans Day story in The Oregonian for his work awarding more than 9,600 vets the medal since 2006, including Gov. Ted Kulongoski and President George W. Bush. Neuman's organization also produces the Field of Honor, a travelling memorial of 1,000 flags planted in dramatic locales, including at the Portland Rose Festival.

On Monday, Neuman called the allegations "a crock," saying his organization is being caught up in the Attorney General's campaign against telemarketers and Kroger's political aspirations. An Air Force veteran who served in Vietnam, Neuman has worked for nearly 20 years to honor veterans with memorial highways, monuments and now medals. He defended using telemarketers to launch his nonprofit from

his Welches garage in 2006, saying he could account "for every penny" and plans to fight the charges in court.

"I've never been in it for profit, helping veterans is what I do, it's my own therapy and we're going to win this thing," says Neuman, 62.

The complaint is part of a larger Kroger campaign to stop charities that keep most of the money they raise. Veterans are among the "hero" charities, like firefighters and police, that enjoy wide support and are thus easily exploited, charity watchdogs say. There are 187 active nonprofits registered in Oregon with names indicating they serve veterans or Soldiers.

Since the wars in Iraq and Afghanistan, there has been "a proliferation of new veterans' groups being formed," says Daniel Borochoff, president of the American Institute of Philanthropy, a prominent independent watchdog group. That comes as giving overall dropped 3.2 percent in 2009, the steepest decline since 1956, according a just-released report by AIP. In Borochoff's view, spending \$35 or less to raise \$100 is reasonable for most charities

"Unscrupulous fundraisers are taking advantage of America's concern for veterans. It's a national scandal," Borochoff says. "And there is a broad concern that over \$1 billion [annually] is raised in the name of veterans in this country, and that so little of that is going to help the people in need."

Kroger asked his staff to investigate after he noticed that three of the 20 worst in Oregon in 2009 raised money for veterans. The Department of Justice lists the charities that spend 80 to 98 percent of donations on overhead.

Kroger, a Marine Corps veteran, said that in the midst of two wars, a nonprofit can easily exploit the desire to support and honor military service.

"People would not donate if you were honest and said, 'By the way, 80 percent of your donation will go to the telemarketing firm,'" he said. "Every dime that goes to all that overhead is a dime that doesn't go to a worthwhile group."

In May, the Justice Department also sued a Central Point non-profit, No Veterans Left Behind Association. Its founders sold embroidered vet hats and raffle tickets outside large retail stores in Marion and Klamath counties. They told donors 80 percent went to needy veterans.

Instead, the organizers, including registered sex offenders David Gilbert and Jeffrey Grischkowsky and associates Kenda Young and Molly Hicks, allegedly spent 80 percent of the \$17,000 raised on themselves. They paid for rent, food, salaries and a truck for their landscaping company, Attorneys at Lawn. The complaint was filed after they failed to show up for a May meeting with the Department of Justice staff. They could not be reached for comment.

The state also sued and settled with The Veterans Fund and its Florida telemarketing firm for making false statements. The two agreed to pay a combined \$180,000 in fines and to never solicit money in Oregon again.

Neuman's Veterans of Oregon is the largest and best-known vets group being sued. Volunteers award medals at every major veterans event in the state and monthly at the Portland Veterans Affairs Medical Center. They are scheduled to be in Lakeview on July 31.

The state says Neuman failed as a nonprofit director by entering into the telemarketing agreement and failing to monitor the fund-raising.

Neuman defended himself, saying he was quickly trying to build a nonprofit and didn't have the experience or the ability to do fundraising. ACS guaranteed a higher cut of the revenue than other telemarketers he talked to. Nonetheless, he and his board have discussed discontinuing that arrangement.

The AIP rates charities "satisfactory" if at least 60 percent of donations go to the program and "highly efficient" those that send 75 percent or more to direct services.

Kroger said that he is not trying to clamp down on telemarketing as much as stop improper practices.

"We're pretty adamant that in Oregon, charities have to be honest about where the money is going."

Headliners:

Afghanistan takes news lead over Iraq.

Afghanistan: the Quagmire deepens

July is deadliest month of Afghan war for US

KABUL, Afghanistan (AP) — Three U.S. troops died in blasts in Afghanistan, bringing the death toll for July to at least 63 and surpassing the previous month's record as the deadliest for American forces in the nearly 9-year-old war.

In Kabul, police fired weapons into the air Friday to disperse a crowd of angry Afghans who shouted "death to America," hurled stones and set fire to two vehicles after an SUV was involved in a traffic accident that killed four Afghans on the main airport road, according to the capital's criminal investigations chief, Abdul Ghaafar Sayedzada.

SUVs are often associated with foreigners, but it remained unclear who caused the accident because the occupants fled the scene. Sayedzada said two foreigners' vehicles at the scene were burned by the crowd.

A fatal traffic accident caused by a U.S. military convoy in 2006 triggered an anti-American riot in Kabul that left at least 14 people dead and dozens injured.

The three U.S. service members died in two separate blasts in southern Afghanistan on Thursday, a NATO statement said Friday. It gave no nationalities, but U.S. officials said all three were Americans. The officials spoke on condition of anonymity pending notification of kin.

U.S. and NATO commanders had warned casualties would rise as the international military force ramps up the war against the Taliban, especially in their southern strongholds in Helmand and Kandahar provinces. President Barack Obama ordered 30,000 reinforcements to Afghanistan last December in a bid to turn back a resurgent Taliban.

British and Afghan troops launched a new offensive Friday in the Sayedabad area of Helmand to try to deny insurgents a base from which to launch attacks in Nad Ali and Marjah, the British military announced. Coalition and Afghan troops have sought to solidify control of Marjah after overrunning the poppy-farming community five months ago.

In Kabul, a crowd threw stones and set fire to an SUV after a traffic accident Friday in which two Afghans were killed and two were injured, according to traffic official Abdul Saboor. SUVs are associated with foreigners, but Saboor said the occupants of the vehicle fled the scene.

The tally of 63 American service member deaths in July is based on military reports compiled by The Associated Press. June had been the deadliest month for both the U.S. and the overall NATO-led force. A total of 104 international service members died last month, including 60 Americans.

The American deaths this month include Petty Officer 2nd Class Justin McNeley from Kingman, Arizona, and Petty Officer 3rd Class Jarod Newlove, 25, from the Seattle area. They went missing last week in

Logar province south of Kabul, and the Taliban announced they were holding one of the sailors.

McNeley's body was recovered there Sunday, and Newlove's body was pulled from a river Wednesday evening, Afghan officials said. The Taliban offered no explanation for Newlove's death, but Afghan officials speculated he died of wounds suffered when the two were ambushed by the Taliban.

The discovery of Newlove's body only deepened the mystery of the men's disappearance nearly 60 miles (100 kilometers) from their base in Kabul. An investigation is under way, but with both sailors dead, U.S. authorities remain at a loss to explain what two junior enlisted men in noncombat jobs were doing driving alone in Logar — much of which is not under government control.

Newlove's father, Joseph Newlove, told KOMO-TV in Seattle he too was baffled why his son had left the relative safety of Kabul.

"He's never been out of that town. So why would he go out of that town? He wouldn't have," he said.

Senior military officials in Washington, who spoke on condition of anonymity because of the sensitivity of the case, said the sailors were never assigned anywhere near where their bodies were found.

A NATO official in Kabul shot down speculation the two were abducted in Kabul and driven to Logar — the same province where New York Times reporter David Rohde was kidnapped in 2008 while trying to make contact with a Taliban commander. Rohde and an Afghan colleague escaped in June 2009 after seven months in captivity, most spent in Taliban sanctuaries in Pakistan.

Samer Gul, chief of Logar's Charkh district, said the two sailors, in a four-wheel drive armored SUV, were seen Friday a week ago by a guard working for the district chief's office. The guard tried to flag down the vehicle, carrying a driver and a passenger, but it kept going, Gul said.

Gul said there is a well-paved road that leads into the Taliban area and suggested the Americans may have mistaken that for the main highway — which is much older and more dilapidated.

Elsewhere, violence continued Friday.

Four Afghan civilians were killed and three were injured when their vehicle was hit by a roadside bomb in Zabul province of southern Afghanistan, provincial spokesman Mohammed Jan Rasoolyar said. When police arrived at the scene, Taliban fighters opened fire. One insurgent was killed, the spokesman said.

In Kandahar, a candidate in September's parliamentary election escaped assassination Friday when a bomb planted on a motorcycle exploded, city security chief Fazil Ahmad Sherzad said. The Interior Ministry said a woman and a child were killed and another child was wounded.

About the exposed Afgan classified reports: What we know at this point is that an Army private emailed the journal entries to Iceland based Wikipedia which then exposed the secrets to several major newspapers. As difficult as it is for the CIA and Military Intelligence to recruit counter intelligence among the natives, giving the names of our operatives to the Taliban and Al Quida amounts to treason and will undoubtedly result in Allied and Afgan deaths. Because of the length of this report we have removed it from the GWOT section to begin on page 16. Following the lengthy Base Exchange report.

Iranian Backed Group Plots Rocket Attacks on Troops in Iraq: General Odierno



Iran's Revolutionary Guard Corps continues to train and arm Shia extremist groups in Iraq attempting to attack U.S. bases with a crudely built, but potentially very deadly, improvised rocket-assisted mortar, or what the military calls IRAM, Iraq commander Gen. Ray Odierno told Defense Tech this morning.

IRAM is basically a flying IED, consisting of a propane tank or other canister stuffed with explosives and launched by a rocket motor from simple rails mounted in a flat-bed truck into a base or outpost. It's the quantity of explosives contained in the crude devices which makes them so deadly; some contained upwards of 100 pounds of high explosive. The crude Katyushas are parked near a base's perimeter wall, the rails angled toward the target, and the rockets launched over the walls.

A group named Kataib Hezbollah, Iranian funded and controlled by Tehran, has received specialized training in Iran in the use of the Katyusha like IRAM, Odierno said at the press roundtable. "They're very primitive... but it can cause mass casualties," he said. Shia groups have attempted a number of IRAM attacks over the past few years, although most have failed. The latest intelligence indicates Kataib Hezbollah has refined the weapon and their tactics and over the last few weeks have been preparing some kind of mass attack, Odierno said.

Odierno said the Iraq draw down is on schedule and that the force level will be reduced to 50,000 by the end of August. The plan is to keep those 50,000 troops in Iraq through summer 2011, he said, then reassess the security situation and the proper troop level. All U.S. forces are scheduled to leave Iraq by December 2011.

The Army is looking at reducing the length of soldier's combat tours in Iraq from 12 months down to 9 months, although no final decision has yet been made, Odierno said.

New PTSD Rules Relax Definition

July 12, 2010

Military.com |by Bryant Jordan

Under a new process for claiming post-traumatic stress disorder, veterans will no longer have to engage in actual combat to make the case they suffered psychologically in war. Instead, the new policy

recognizes that living with the fear of death and injury may be enough for troops to develop mental health issues.

"With this new PTSD regulation we are acknowledging the inherently stressful nature of the places and circumstances military services, in which the reality and fear of hostile or terrorist activities is always present," Michael Walcoff, acting undersecretary for benefits for the VA, said during a press conference this morning at the VA headquarters in Washington DC.

Veterans will not have to cite specific incidents of stress -- a firefight or rocket attack, for instance -- and then back up the claim with documentation. Instead, veterans will now have only to show that he or she served in a combat zone and had a job consistent with conditions related to their PTSD symptom. Walcoff said many more veterans will now be able to file claims for PTSD, including troops who did not have direct contact with the enemy.

As a group, he said, women will be among the major beneficiaries because their military records often did not reflect combat experience, he said. Joe Davis, spokesman for the Veterans of Foreign Wars, said doctors, nurses and other troops in the medical care specialties often are witness to trauma even if they do not see the combat themselves. Other support troops also find themselves in particularly stressful roles, he said, specifically citing convoy drivers who routinely make their way along roads where roadside bombs have likely been placed.

"Knowing you're a truck driver going up and down the airport road every day, you're gripping that steering wheel intensely," he said.

Joseph Violante, legislative director for the Disabled American Veterans, told the press conference that the changes were welcome and that DAV had been pushing for the more relaxed rules for decades.

Many veterans were never able to successfully file a claim, he said, because they could not prove the stresses to the satisfaction of VA doctors in the past.

The new rules are retroactive, Walcoff said, so that any veteran from any past war may file a claim. This includes vets who previously were denied a claim, he said.

While there has been some concern that the new rules might create fraud -- primarily vets claiming PTSD for incidents that did not occur -- Walcott said the VA's overriding concern is getting care to those who do need and deserve it.

The VFW's Joe Davis said there will always be some who try to cheat, but that shouldn't obscure the fact the new rules will help a great many people.

"The overwhelming good this decision will produce outweighs the impact of a few cheaters who may attempt to game the system," he said. "We fully expect the VA to catch and prosecute them."

Study: Ecstasy Treats PTSD

July 16, 2010

Military.com|by Bryant Jordan

The drug Ecstasy shows positive results in the majority of patients when used to treat post-traumatic stress disorder, according to a report coming out Monday in the *Journal of Psychopharmacology*.

The study, which focuses on 20 patients for whom previous drug and psychotherapy treatments were unsuccessful, is the first of its kind and a stepping stone for a follow-up that will focus entirely on U.S. military veterans, said Rick Doblin, who founded the Multidisciplinary Association for Psychedelic Studies -- a group that analyzes the use of psychedelic drugs in mental health treatment.

"We want most of the veterans [in the next study] to come from Iraq and Afghanistan," Doblin told Military.com in an exclusive interview July 15. "But we want some Vietnam veterans as well because we want

to see if we can help people who have had these [PTSD] patterns for decades."

The current study group was mostly female victims of child sexual abuse and rape who suffered from PTSD for an average of about 19 years, said Dr. Michael Mithoefer, a South Carolina psychiatrist who oversaw the testing.

When the association got initial approval for its study from the Food and Drug Administration in 2001, the U.S. was not engaged in Afghanistan and Iraq, so the application specifically asked to test victims of crime. The same application went to the Drug Enforcement Agency, which only approved it in 2004.

The study was completed in late 2008 and Military.com first reported on the positive findings in March 2009. The study's publication in the British *Journal of Psychopharmacology* marks the end of nearly 10 years of paperwork and bureaucratic delays, as well as the research itself. The study will be available for free download starting Monday at <http://jop.sagepub.com/pap.dtl>.

In the study, 12 of the 20 registered patients were treated with a combination of MDMA and psychotherapy; the other eight were given a placebo and psychotherapy.

According to Mithoefer, 10 of the patients in the MDMA trial group saw clinically and statistically significant improvements in their PTSD, compared to just two of the eight people in the control group.

Those in the trial group who responded well to the MDMA treatments "no longer met the diagnostic criteria for PTSD," according to Mithoefer. This included three patients who reported prior to the treatments that they were unable to work. But after the treatments, they returned to the job.

The study also found no evidence patients who took the Ecstasy experienced any ill effects from the drug, Mithoefer said.

While the current study focused on women who were not exposed to combat, Mithoefer said the largest symptom groups [of PTSD] are the same regardless of the cause.

"But you can have differences," he said.

"As far as we know, the present research suggests the same basic approach works for people with any kind of PTSD, but there are some obvious important differences," he explained. "It is always individualized, so working with veterans is going to have some different qualities than, say, working with people with childhood sexual abuse. ... The veterans experience does have some particular aspects to it that are different from other trauma and that has to be taken into account."

Doblin established the Psychedelic Studies Association in the mid-1980s, just as MDMA was being criminalized in the United States and the pressure was on nationally and internationally to halt research into the use of psychedelics for medical purposes. Once possession or use of MDMA became a criminal violation, Doblin realized the only way to work with it would be to go through the FDA.

Although the DEA remains a tough sell in terms of supporting the use of an illegal drug as part of a therapy regimen, Doblin has the approvals from the FDA and has the follow-on project approved by an independent institutional review board -- a requirement when doing a human research study.

Retiree's Retreat

This is a yardstick to measure facts about the military base exchange system vs. Target, Walmart or your favorite discount store.

Be all that you can be and buy all that you can buy at the PX (Post Exchange). The Army and Air Force Exchange Service (AAFES) runs more than 3,100 facilities -- including PXs and BXs (Base Exchanges) - - at US Army and Air Force bases in more than 30 countries (including Iraq), all 50 US states, and five US territories. Its presence ranges from tents to shopping centers, including 175 retail stores, 1,300 fast-food outlets (brands like Burger King and Taco Bell), movie theaters, beauty shops, and gas stations. AAFES serves active-duty military personnel, reservists, retirees, and their family members. Although it's a government agency under the DOD, it receives less than 5% of its funding from the department.

Key numbers for fiscal year ending January, 2008:

Sales: \$8,704.5M

One year growth: (2.4%)

Net income: \$441.8M

Income growth: 3.3%

Officers:

Chairman: Richard Y. Newton III

Commander and Director: Maj. Gen. Keith L. Thurgood

Deputy Commander and Director EEO: Francis L. (Fran) Hendricks

Competitors:

Kmart

Target

Wal-Mart

Report of the Armed Forces Market Council on Consolidation and Future Viability of AAFES

***Armed Forces Marketing Council
The Case for Military Commissaries***

The military commissary system is a proven, cost effective government program. It provides taxpayers a substantial return on their investment, and contributes toward a properly compensated military force. Misguided proposals to privatize the commissary system fail to recognize or sufficiently credit the following:

1. Computation of total military compensation considers the savings realized from shopping in commissaries. It follows that any reduction in those savings amounts to a reduction in military pay.
2. Commissaries effectively reduce the Defense budget by over one billion dollars, because their non-monetary compensation value to military people is more than double the amount of taxpayer dollars appropriated for their operation.
3. Military members and their families consider commissaries to be the number one non-cash compensation program. To tamper with the commissary program would invite a severe adverse reaction and negatively impact morale, recruitment, retention, and readiness.
4. The Defense Commissary Agency (DeCA) has effected considerable reductions in operating costs and adopted the best commercial business practices, for which it has received three Hammer awards.
5. In operational productivity, commissaries surpass comparable commercial grocery stores in sales per operating hour, employee, store, and square footage.
6. In order to promote efficiency DeCA has already outsourced (contracted out) many in-store functions; such as, shelf stocking not provided by suppliers, custodial services, and delicatessens.
7. Privatization would cause the demise of many small and minority owned businesses; such as local and regional suppliers,

distributors, manufacturers' sales representative firms, and firms granted set-asides.

8. A private sector contractor would use cheaper foreign flag carriers for overseas transportation. However, the Fly America Act of 1974 and the Cargo Preference Act of 1904 and 1954 require the use of American flag carriers for overseas transportation. The Defense Transportation System that the DoD maintains and exercises in peacetime is a vital element of DoD's capability to project power worldwide, and is key to responsive force projection and a seamless transition between peacetime and wartime operations.
9. Privatization of commissaries without a sizable taxpayer subsidy would be an economic impossibility were a privatized system required to observe the same ground rules as the Defense Commissaries Agency; i.e.,
 - Sell all products at cost as required by law
 - Offer the same savings or compensation value
 - Stock the same product categories
 - Operate comparable physical facilities
 - Maintain service even in those small, remote and overseas locations where it is uneconomical to do so.
10. Commercial grocery stores carry a wider assortment of products to meet required gross profit margins and company profit expectations. This could not be done in commissaries without an adverse impact on the exchange services that must carry those products at a markup to cover operating expenses and inventory costs, while still generating dividends sufficient to meet MWR commitments.
11. A privatized system would no longer be exempt from the Robinson-Patman Act; i.e., manufacturers could no longer offer lower prices to a privatized commissary system than they do to other customers.
12. A privatized system would be required to collect state and local taxes, thus raising prices to the patrons.
13. Historically, government contract costs for large operations have frequently escalated to the point where they exceed the cost of performing the function in house. Privatization of the commissary system would be an irrevocable step with unforeseen long-term consequences.
14. Privatization would also result in loss of the following:
 - Surcharge revenue so essential to recapitalization. Currently, facilities built with this money, which is collected from the patrons, become the property of the federal government.
 - Vendor labor-saving support provided at no cost to the government; such as, shelf stocking and in-store merchandising which is not provided by vendors to the same degree in commercial grocery stores, except for Direct Store Delivery items -- dairy, soft drinks, and some snacks.
 - Small and disadvantaged business set-asides currently required of the Defense Commissary Agency.
 - Support for the NISH and the National Industry for the Blind (NIB) who currently supply goods and services to the commissary system.
 - DoD infrastructure support. Commissary use of DoD communications, accounting, subsistence, postal, and utilities functions leverage rates charged to other DoD customers.
15. Past reviews have concluded that privatization will not work:
 - In 1984, a joint GAO-CBO review could not validate the savings estimates for either closing or privatizing commissaries.
 - In February 1985, a GAO critique of the Grace Commission study concluded that estimates of savings from privatization were questionable.
 - A test of contracting out commissaries in the mid 1980's failed.

- Privatization recommended by the Defense Science Board in 1995 was deemed unworkable.
- In October 1997, a CBO study again proposed contracting out, but recognized that prices to the patron would rise.

**Armed Forces Marketing Council
Consolidation of Military Exchanges**

Success Criteria and Risk Factors

Success Criteria:

- First and foremost, the establishment of a compelling and proven business case for integrating the exchange services.
- Identifiable improvement in price savings, and merchandise selection, variety, and availability.
- Achievement of improved scores in both customer and employee satisfaction.
- Separate and distinct buyer groups to assure retention of the unique culture and shopping environment afforded by the current exchange services.
- Increased sales, earnings and dividends.
- No degradation in sales, earnings, or dividends during the transition.
- Realization of substantial savings in operating costs identifiable by both magnitude and source.
- Adoption of best business practices.
- Transition costs paid for out of appropriated funds.
- Assuring an equal voice by each of the military services in decision making and governance.
- Successful resolution of the potentially adverse financial impact of separating the Marine Exchange Service from the Marine Corps Community Services.

Risk Factors:

- Failure to realize the above critical success factors.
- Sidetracking of critical exchange initiatives due to diversion of human capital (i.e., best personnel resources) during the planning and implementation stages.
- Prime privatization target presented by a unified DOD exchange service.
- Potential for exchange earnings being used to offset the appropriated fund requirements for commissary operations. (Service members funding their own benefit.)
- Decrease in earnings, dividends, and capital improvements if projected savings are not realized.
- Lost sales with consequent reduction in earnings, dividends, and capital improvements.
- Magnitude of the up front impact upon the exchange services; e.g., early out pay-outs and IT system implementation.
- Increased bureaucracy and decreased flexibility.
- Stifling of creativity, and elimination of the current spirit of competition among the services, both of which foster innovation.

From: John S. Strong

Lawrence J. Ring

Date: January 15, 2004

Re: Review of Laseter Article

We have reviewed the article "Military Exchange Unification: The Strategic Case for Change", by Professor Timothy Laseter of the Darden School of the University of Virginia.

We present our comments organized by each section of Laseter's article. We show Laseter's statements/ findings in italics, followed by our response.

I. Introductory section (pp. 1-2)

1. Laseter claims that the exchange systems are in a weak position, and that stable revenues and contribution are not enough in today's retail environment.

Given the 9 percent decline in the total eligible population of active, reserve, and retired military personnel cited on p.3, the fact that the

exchange systems have been able to maintain stable and slightly growing revenues and contribution should be seen as a significant accomplishment. "Outside the gate" retailers have much better opportunities to grow revenue by adding new locations, which is not possible (or at best a limited option) for the military exchanges. Exhibits 1a, 1b, and 1c reflect good performance – contribution/dividend, revenue growth and inventory turns are getting better. Also, the best performances shown in Exhibits 1a, 1b, and 1c are by the smaller of the services (NEXCOM and MCX), which should raise at least some question about Laseter's asserted virtue of size.

2. Laseter claims that many studies have been done, all coming to the same conclusion showing the benefits of consolidation. He apparently agrees with the "mandate" of the current effort that there is "no need to argue over the numbers". He claims a "strategic rationale" (p.2) that claims the potential opportunity is in the tens of millions or hundreds of millions of dollars.

We have reviewed many of these prior studies and offer a few comments. First, not all studies reached the same conclusions. For example, our review of the recent study by PricewaterhouseCoopers indicates that the benefits from consolidation were significantly overstated and that the costs were significantly underestimated. Moreover, many of the benefits in these studies could be achieved through actions by the exchange systems themselves or through lower cost cooperative efforts.

We think it matters whether benefits are in the tens or hundreds or millions – or if they are there at all. The exchange systems have worked hard to establish a policy of "data-driven decisions", and this policy certainly should apply to an initiative as significant as consolidation.

II. Accommodating Structural Change (p. 2)

1. Laseter claims that the change in locations and positioning of active duty personnel will put pressure on the economics of the exchanges.

We are not sure about the claim that OCONUS exchange operations generate 53% of profits on 30% of sales (no reference is provided in the article). It is important to understand what activities are encompassed in the data as well (for example, does this data include slot machines, etc.?)

2. Laseter claims that "the larger, more profitable sites must cover the losses from the smaller ones".

This is an assertion without evidence to support it. No evidence is presented that larger sites are more profitable or that smaller sites lose money.

3. At the bottom of p. 2, Laseter notes that collaborative efforts help address fragmentation.

We agree that there are many opportunities to work together. We would note that such working relationships are common in business short of full-scale mergers.

III. Responding to Customer Needs (p.3)

1. Laseter notes that from 1985 to 2000, there was a 9 percent decline in the customer base.

Again, the ability to hold revenues and contribution stable in a declining environment should be seen as good performance by the exchange systems.

2. Laseter notes that retirees are a growing share of the eligible customer base, but says they are less likely to shop at exchanges because of other retailers, especially Wal-Mart.

This is another assertion – no evidence is provided. Are there any studies that show that retirees are spending less at exchanges? Indeed, the fact that revenues are stable with a declining customer base might indicate that "share of wallet" is growing! Moreover, the statement that retirees are solely price-driven is also an assertion without support in the article.

3. Laseter claims that "younger people show far less brand loyalty than older consumers".

What is the author's source for this statement? There is lots of evidence indicating that younger consumers are very brand-conscious. Indeed, one of the competitive advantages of the exchange systems is the ability to offer brands that many of the discount stores cannot.

4. Laseter claims that the contribution to MWR programs may be of limited interest to any individual serviceman/woman, and that they only care about price.

Again, no evidence is cited showing that active duty personnel are purely price-driven. In our experience with the exchange systems, we believe there are multiple customer segments, some price-oriented, some product- or brand-oriented, others service-oriented.

IV. Facing the Competition (pp. 3-5)

1. *Laseter cites data on Wal-Mart to show that it is a competitive threat to the exchange system.*

Wal-Mart is a competitive threat to almost everybody. The pressure on gross margins shown in Laseter's Exhibit 5 is widespread, affecting not just the military exchanges. The question that should be posed is whether consolidation would help the competitive position of the exchange systems.

2. *Laseter's Exhibit 4 shows retailer revenues as evidence of the weak position of exchanges.*

Exhibit 4 is in terms of total revenues, which reflect the fact that Wal-Mart and Target have opened hundreds of new stores, as well as undertaken many conversions of existing stores to supercenter formats. The fact that the exchanges have grown revenues compared with other broadline department stores (Sears, Dillard's, etc.) is evidence that the exchange systems in their current form are doing better than many of the other department stores.

Because the exchange systems cannot open new locations, a much better metric would have been to compare same-store sales for the companies in Exhibit 4.

3. *Laseter claims that Wal-Mart is a particular problem for the exchanges because Wal-Mart has 17% of its revenues from outside the US, including the UK and Germany where military exchanges are located.*

Wal-Mart bought ASDA in the UK and Wertkauf and Interspar in Germany as part of an overall expansion strategy. They inherited the existing store locations from these companies. To date they have not made money in Germany.

4. *Laseter describes exchange product categories, and states that 39% of exchange sales are in "safe" categories (that is, with lower threat of competition.)*

We would observe that having a base of such activities makes the exchanges better-positioned than many other retailers vis-à-vis discounters.

5. *Laseter asks (p. 5) "Can the independent exchanges avoid further margin erosion and fend off competition from discounters that are 30 to 100 times larger?"*

We agree that retail competition is tough – but the question that should be asked is whether consolidation can be the solution. Combining AAFES, NEXCOM, and MCX is saying \$7 billion plus \$2 billion plus \$1 billion = \$10 billion and that's what you need to compete. This is still very small compared to Wal-Mart, Target, etc. We are skeptical that "7+2+1" gives a significant incremental competitive boost to the military exchanges.

V. Leveraging Economies of Scale (p. 5)

1. *Laseter claims that to win, the exchange systems must "leverage scale".*

We do not know what he means by "win". As noted above, even with consolidation, the exchanges systems will never achieve the scale of Wal-Mart or Target. No data is cited with respect to the cost reductions in moving to "7+2+1", or why achieving this threshold is what is needed. He also ignores whether many of the purported benefits can be achieved short of full consolidation. We would note that many retail systems and investments are coming down in cost, so that smaller retailers have opportunities to use technology in ways that were not possible before. (For example, the cost of scanning technologies has fallen dramatically.)

2. *Laseter's Exhibit 7 claims to show the effect of scale on profit margins.*

We have a number of issues with this chart. First, we do not know if these approximately 70 data points are AAFES store locations or commands. This makes a difference – think about comparing one base

that has a central retail location with another base that has many far-flung retail centers.

Second, the regression line fit by Laseter is driven by the three locations with \$175-\$225 million in sales. We would note that the most profitable locations are NOT the largest. Excluding international locations, it appears in Exhibit 7 that the locations with the highest profitability (15% profit margins) have sales in the \$75-\$125 million range. We also would note that there is a large variation in profitability in any given sales range.

Third, we observe that only 6 of all the locations in Exhibit 7 are losing money. This would suggest that the need for large exchanges to support smaller ones (which Laseter claimed earlier in the article) is not true.

Fourth, Exhibit 7 indicates that overall profit margins are in the 5% to 10% range. While we recognize that tax status and other factors play a role, we would note that only 5 of the 35 largest retail companies in the United States in fiscal year 2002 achieved net profit margins (return on sales) of more than 5%. For reference, Wal-Mart's return on sales was 3.3% and Target's was 3.8%.

Fifth, even if Exhibit 7 did show that larger stores were more profitable, it says nothing about why a company with more stores is inherently more profitable than one with fewer stores. In other words, while it may be better to have more sales per store, it is not clear how consolidation would help that, or why it is better to have more stores in one organization rather than three.

3. *Laseter claims many benefits from centralizing buying and distribution. He claims that Wal-Mart gains 1%-2% of cost advantage from the scale of its distribution network.*

We would observe that a consolidated "7+2+1" exchange system is still very small relative to Wal-Mart, and that consolidation would likely have little effect on this cost advantage.

We agree that the exchanges might achieve cost savings and benefits from improvements and cooperation in supply chain activities, and would note that many of these are underway without full integration. Moreover, we would again point out that Laseter's own Exhibit 1b shows that the best performance in inventory turns are from the smaller of the exchange systems, not the largest, suggesting that bigger is not always better in practice.

VI. Achieving World Class

1. *Laseter claims that the entire military provides successful examples of consolidation, citing DFAS and core military operations like the Joint Strike Fighter.*

We do not think these examples are relevant to the question at hand, and indeed, are not sure that some of these examples have been successful. While we agree with his statement that military successes and logistics have been achieved by the Army, Air Force, Navy, and Marines working collaboratively, we would note that this collaboration stops short of full integration and consolidation of the different branches.

2. *Laseter claims that consolidation has enabled the Defense Commissary System to save customers 30% today versus 23% in 1991.*

This statement is based on a price comparison study, but it says nothing about whether the Commissary system is more profitable and more efficient than before. In addition, it is our understanding that such pricing is a deliberate strategy of the Commissary system – that is, the system is to provide benefits to our armed forces through lower prices. This is quite different than the objective of the exchange systems, including the role of dividends and contributions to MWR.

Moreover, if Laseter feels that lower prices are the goal, we would like to have seen comparable pricing studies for the exchange systems. For example, to what degree are exchange prices higher than outside, and how would integration affect this? Nothing is said on these points. It would also be useful to see how DECA prices compare to Wal-Mart Supercenter prices. We have seen many studies showing that Wal-Mart is underpricing the supermarket industry by 15 or more percent.

3. *Laseter claims that consolidation would create more rewarding jobs in more narrow categories, that all groups would enjoy their jobs more.* These are assertions without backup. A decision as important as integration deserves better.

4. *Laseter claims that consolidation will produce a “world class organization” with a “world class culture”.*

We do not know what to make of this statement – he never defines what “world class” is, nor why being bigger as a single organization gets you there. Indeed, in almost any “best” companies list we can recall, there are numerous examples of companies with less size than any of the exchange systems.

VII. The Choice is Clear (p. 6)

1. *Laseter claims that “huge synergies” would be released, leading to an “uncertain, challenging route to combined excellence”.* These are assertions without support and reflect unwarranted hyperbole. Certainly, any synergies associated with the “7+2+1” combination would hardly be “huge”.
2. *Laseter presents the choice to support consolidation as one to “make your country most proud”.*

Thinking about ways to improve the performance of the exchange systems is a difficult and complex task. Impugning the motives of those who have a different idea is wholly inappropriate.

The exposed classified Afghanistan reports: only a sampling, as there thousand are 92,000 that have been published on Wikipedia.

A six-year archive of classified military documents made public on Sunday offers an unvarnished, ground-level picture of the war in Afghanistan that is in many respects more grim than the official portrayal.

The secret documents, released on the Internet by an organization called WikiLeaks, are a daily diary of an American-led force often starved for resources and attention as it struggled against an insurgency that grew larger, better coordinated and more deadly each year.

The New York Times, the British newspaper The Guardian and the German magazine Der Spiegel were given access to the voluminous records several weeks ago on the condition that they not report on the material before Sunday (7/25/2010).

The documents — some 92,000 reports spanning parts of two administrations from January 2004 through December 2009 — illustrate in mosaic detail why, after the United States has spent almost \$300 billion on the war in Afghanistan, the Taliban are stronger than at any time since 2001.

As the new American commander in Afghanistan, Gen. David H. Petraeus, tries to reverse the lagging war effort, the documents sketch a war hamstrung by an Afghan government, police force and army of questionable loyalty and competence, and by a Pakistani military that appears at best uncooperative and at worst to work from the shadows as an unspoken ally of the very insurgent forces the American-led coalition is trying to defeat.

The material comes to light as Congress and the public grow increasingly skeptical of the deepening involvement in Afghanistan and its chances for success as next year’s deadline to begin withdrawing troops looms.

The archive is a vivid reminder that the Afghan conflict until recently was a second-class war, with money, troops and attention lavished on Iraq while soldiers and Marines lamented that the Afghans they were training were not being paid.

The reports — usually spare summaries but sometimes detailed narratives — shed light on some elements of the war that have been largely hidden from the public eye:

- The Taliban have used portable heat-seeking missiles against allied aircraft, a fact that has not been publicly disclosed by the military. This type of weapon helped the Afghan mujahedeen defeat the Soviet occupation in the 1980s.

- Secret commando units like Task Force 373 — a classified group of Army and Navy special operatives — work from a “capture/kill list” of about 70 top insurgent commanders. These missions, which have been stepped up under the Obama administration, claim notable successes, but have sometimes gone wrong, killing civilians and stoking Afghan resentment.

- The military employs more and more drone aircraft to survey the battlefield and strike targets in Afghanistan, although their performance is less impressive than officially portrayed. Some crash or collide, forcing American troops to undertake risky retrieval missions before the Taliban can claim the drone’s weaponry.

- The Central Intelligence Agency has expanded paramilitary operations inside Afghanistan. The units launch ambushes, order airstrikes and conduct night raids. From 2001 to 2008, the C.I.A. paid the budget of Afghanistan’s spy agency and ran it as a virtual subsidiary.

Over all, the documents do not contradict official accounts of the war. But in some cases the documents show that the American military made misleading public statements — attributing the downing of a helicopter to conventional weapons instead of heat-seeking missiles or giving Afghans credit for missions carried out by Special Operations commandos.

White House officials vigorously denied that the Obama administration had presented a misleading portrait of the war in Afghanistan.

“On Dec. 1, 2009, President Obama announced a new strategy with a substantial increase in resources for Afghanistan, and increased focus on Al Qaeda and Taliban safe-havens in Pakistan, precisely because of the grave situation that had developed over several years,” said Gen. James L. Jones, White House national security adviser, in a statement released Sunday.

“We know that serious challenges lie ahead, but if Afghanistan is permitted to slide backwards, we will again face a threat from violent extremist groups like Al Qaeda who will have more space to plot and train,” the statement said.

General Jones also decried the decision by WikiLeaks to make the documents public, saying that the United States “strongly condemns the disclosure of classified information by individuals and organizations which could put the lives of Americans and our partners at risk, and threaten our national security.”

“WikiLeaks made no effort to contact us about these documents — the United States government learned from news organizations that these documents would be posted,” General Jones said.

The archive is clearly an incomplete record of the war. It is missing many references to seminal events and does not include more highly classified information. The documents also do not cover events in 2010, when the influx of more troops into Afghanistan began and a new counterinsurgency strategy took hold.

They suggest that the military’s internal assessments of the prospects for winning over the Afghan public, especially in the early days, were often optimistic, even naïve.

There are fleeting — even taunting — reminders of how the war began in the occasional references to the elusive Osama bin Laden. In some reports he is said to be attending meetings in Quetta, Pakistan. His money man is said to be flying from Iran to North Korea to buy weapons. Mr. bin Laden has supposedly ordered a suicide attack against the Afghan president, Hamid Karzai. These reports all seem secondhand at best.

The reports portray a resilient, canny insurgency that has bled American forces through a war of small cuts. The insurgents set the war’s pace,

usually fighting on ground of their own choosing and then slipping away.

Sabotage and trickery have been weapons every bit as potent as small arms, mortars or suicide bombers. So has Taliban intimidation of Afghan officials and civilians — applied with pinpoint pressure through threats, charm, violence, money, religious fervor and populist appeals.

FEB. 19, 2008 | ZABUL PROVINCE *Intelligence Summary: Officer Threatened*

An Afghan National Army brigade commander working in southern Afghanistan received a phone call from a Taliban mullah named Ezat, one brief report said. “Mullah Ezat told the ANA CDR to surrender and offered him \$100,000(US) to quit working for the Afghan Army,” the report said. “Ezat also stated that he knows where the ANA CDR is from and knows his family.”

MAY 9, 2009 | KUNAR PROVINCE *Intelligence Summary: Taliban Recruiter*

A Taliban commander, Mullah Juma Khan, delivered a eulogy at the funeral of a slain insurgent. He played on the crowd’s emotions, according to the report: “Juma cried while telling the people an unnamed woman and her baby were killed while the woman was nursing the baby.” Finally he made his pitch: “Juma then told the people they needed to be angry at CF [Coalition Force] and ANSF [Afghan National Security Forces] for causing this tragedy” and “invited everyone who wants to fight to join the fighters who traveled with him.”

The insurgents use a network of spies, double agents, collaborators and informers — anything to undercut coalition forces and the effort to build a credible and effective Afghan government capable of delivering security and services.

The reports repeatedly describe instances when the insurgents have been seen wearing government uniforms, and other times when they have roamed the country or appeared for battle in the very Ford Ranger pickup trucks that the United States had provided the Afghan Army and police force.

NOV. 20, 2006 | KABUL *Incident Report: Insurgent Subterfuge*

After capturing four pickup trucks from the Afghan National Army, the Taliban took them to Kabul to be used in suicide bombings. “They intend to use the pick-up trucks to target ANA compounds, ISAF and GOA convoys, as well as ranking GOA and ISAF officials,” said a report, referring to coalition forces and the government of Afghanistan. “The four trucks were also accompanied by an unknown quantity of ANA uniforms to facilitate carrying out the attacks.”

The Taliban’s use of heat-seeking missiles has not been publicly disclosed — indeed, the military has issued statements that these internal records contradict.

In the form known as a Stinger, such weapons were provided to a previous generation of Afghan insurgents by the United States, and helped drive out the Soviets. The reports suggest that the Taliban’s use of these missiles has been neither common nor especially effective; usually the missiles missed.

MAY 30, 2007 | HELMAND PROVINCE *Incident Report: Downed Helicopter*

An American CH-47 transport helicopter was struck by what witnesses described as a portable heat-seeking surface-to-air missile after taking off from a landing zone.

The helicopter, the initial report said, “was engaged and struck with a Missile ... shortly after crossing over the Helmand River. The missile struck the aircraft in the left engine. The impact of the missile projected the aft end of the aircraft up as it burst into flames followed immediately by a nose dive into the crash site with no survivors.”

The crash killed seven soldiers: five Americans, a Briton and a Canadian.

Multiple witnesses saw a smoke trail behind the missile as it rushed toward the helicopter. The smoke trail was an important indicator. Rocket-propelled grenades do not leave them. Heat-seeking missiles do. The crew of other helicopters reported the downing as a surface-to-air missile strike. But that was not what a NATO spokesman told Reuters.

“Clearly, there were enemy fighters in the area,” said the spokesman, Maj. John Thomas. “It’s not impossible for small-arms fire to bring down a helicopter.”

The reports paint a disheartening picture of the Afghan police and soldiers at the center of the American exit strategy.

The Pentagon is spending billions to train the Afghan forces to secure the country. But the police have proved to be an especially risky investment and are often described as distrusted, even loathed, by Afghan civilians. The reports recount episodes of police brutality, corruption petty and large, extortion and kidnapping. Some police officers defect to the Taliban. Others are accused of collaborating with insurgents, arms smugglers and highway bandits. Afghan police officers defect with trucks or weapons, items captured during successful ambushes or raids.

MARCH 10, 2008 | PAKTIA PROVINCE *Investigation Report: Extortion by the Police*

This report captured the circular and frustrating effort by an American investigator to stop Afghan police officers at a checkpoint from extorting payments from motorists. After a line of drivers described how they were pressed to pay bribes, the American investigator and the local police detained the accused checkpoint police officers.

“While waiting,” the investigator wrote, “I asked the seven patrolmen we detained to sit and relax while we sorted through a problem without ever mentioning why they were being detained. Three of the patrolmen responded by saying that they had only taken money from the truck drivers to buy fuel for their generator.”

Two days later when the American followed up, he was told by police officers that the case had been dropped because the witness reports had all been lost.

One report documented the detention of a military base worker trying to leave the base with GPS units hidden under his clothes and taped to his leg. Another described the case of a police chief in Zurmat, in Paktia Province, who was accused of falsely reporting that his officers had been in a firefight so he could receive thousands of rounds of new ammunition, which he sold in a bazaar.

Coalition trainers report that episodes of cruelty by the Afghan police undermine the effort to build a credible security force to take over when the allies leave.

OCT. 11, 2009 | BALKH PROVINCE *Incident Report: Brutal Police Chief*

This report began with an account of Afghan soldiers and police officers harassing and beating local civilians for refusing to cooperate in a search. It then related the story of a district police commander who forced himself on a 16-year-old girl. When a civilian complained, the report continued, “The district commander ordered his bodyguard to

open fire on the AC [Afghan civilian]. The bodyguard refused, at which time the district commander shot [the bodyguard] in front of the AC.”

Rivalries and friction between the largest Afghan security services — the police and the army — are evident in a number of reports. Sometimes the tensions erupted in outright clashes, as was recorded in the following report from last December that was described as an “enemy action.” The “enemy” in this case was the Afghan National Security Force.

DEC. 4, 2009 | ORUZGAN PROVINCE *Incident Report: Police and Army Rivalry*

A car accident turned deadly when an argument broke out between the police and the Afghan National Army. “The argument escalated and ANA & ANP started to shoot at each other,” a report said.

An Afghan soldier and three Afghan police officers were wounded in the shootout. One civilian was killed and six others were wounded by gunfire.

One sign of the weakness of the police is that in places they have been replaced by tribal warlords who are charged — informally but surely — with providing the security the government cannot. Often the warlords operate above the law.

NOV. 22, 2009 | KANDAHAR PROVINCE *Incident Report: Illegal Checkpoint*

A private security convoy, ferrying fuel from Kandahar to Oruzgan, was stopped by what was thought to be 100 insurgents armed with assault rifles and PK machine guns, a report said.

It turned out the convoy had been halted by “the local Chief of Police,” who was “demanding \$2000-\$3000 per truck” as a kind of toll. The chief, said the report, from NATO headquarters in Southern Afghanistan, “states he needs the money to run his operation.”

The chief was not actually a police chief. He was Matiullah Khan, a warlord and an American-backed ally of President Karzai who was arguably Oruzgan’s most powerful man. He had a contract, the Ministry of Interior said, to protect the road so NATO’s supply convoys could drive on it, but he had apparently decided to extort money from the convoys himself.

Late in the day, Mr. Matiullah, after many interventions, changed his mind. The report said that friendly forces “report that the COMPASS convoy is moving again and did not pay the fee required.”

The documents show how the best intentions of Americans to help rebuild Afghanistan through provincial reconstruction teams ran up against a bewildering array of problems — from corruption to cultural misunderstandings — as they tried to win over the public by helping repair dams and bridges, build schools and train local authorities.

A series of reports from 2005 to 2008 chart the frustrations of one of the first such teams, assigned to Gardez, in Paktia Province.

NOV. 28, 2006 | PAKTIA PROVINCE *Civil Affairs Report: Orphanage Opens*

An American civil affairs officer could barely contain her enthusiasm as she spoke at a ribbon-cutting ceremony for a new orphanage, built with money from the American military.

The officer said a friend had given her a leather jacket to present to “someone special,” the report noted. She chose the orphanage’s director. “The commander stated that she could think of no one more deserving than someone who cared for orphans,” it said.

The civil affairs team handed out blankets, coats, scarves and toys. The governor even gave money from his own pocket. “All speeches were very positive,” the report concluded.

DEC. 20, 2006 | PAKTIA PROVINCE *Civil Affairs Report: Not Many Orphans*

The team dropped by to check on the orphanage. “We found very few orphans living there and could not find most of the HA [humanitarian assistance] we had given them,” the report noted.

The team raised the issue with the governor of Paktia, who said he was also concerned and suspected that the money he had donated had not reached the children. He visited the orphanage himself. Only 30 children were there; the director had claimed to have 102.

OCT. 16, 2007 | PAKTIA PROVINCE *Civil Affairs Report: An Empty Orphanage*

Nearly a year after the opening of the orphanage, the Americans returned for a visit. “There are currently no orphans at the facility due to the Holiday. (Note: orphans are defined as having no father, but may still have mother and a family structure that will have them home for holidays.)”

FEB. 25, 2007 | PAKTIA PROVINCE *District Report: Lack of Resources*

As the Taliban insurgency strengthened, the lack of a government presence in the more remote districts — and the government’s inability to provide security or resources even to its own officials — is evident in the reports.

An official from Dand Wa Patan, a small sliver of a district along the border with Pakistan, so urgently wanted to talk to the members of the American team that he traveled three and a half hours by taxi — he had no car — to meet them.

“He explained that the enemy had changed their tactics in the area and were no longer fighting from the mountains, no longer sending rockets toward his compound and other areas,” the report noted. “He stated that the enemy focus was on direct action and that his family was a primary target.”

Ten days earlier the Taliban crept up to the wall of his family compound and blew up one of the security towers, the report said. His son lost his legs in the explosion.

He pleaded for more police officers, weapons and ammunition. He also wanted a car so he could drive around the district he was supposed to oversee.

But the Americans’ situation was not much better. For months the reports show how a third — or even a half — of the team’s vehicles were out of service, awaiting spare parts.

NOV. 15, 2006 | PAKTIA PROVINCE *Civil Affairs Report: Local Corruption*

For a while the civil affairs team worked closely with the provincial governor, described as “very charismatic.” Yet both he and the team are hampered by corrupt, negligent and antagonistic officials.

The provincial chief of police is described in one report as “the axel of corruption.”

“He makes every effort to openly and blatantly take money from the ANP troopers and the officers,” one sympathetic officer told the Americans.

Other officers are more clever. One forged rosters, to collect pay for imaginary police officers. A second set up illegal checkpoints to collect tolls around Gardez. Still another stole food and uniforms, leaving his soldiers underfed and ill equipped for the winter.

The governor, meanwhile, was all but trapped. Such animosity developed between him and a senior security official that the governor could not leave his office for weeks at a time, fearing for his life. Finally, the corrupt officials were replaced. But it took months.

SEPT. 24, 2007 | PAKTIA PROVINCE *Civil Affairs Report: The Cost of Corruption*

Their meetings with Afghan district officials gave the American civil affairs officers unique insights into local opinions. Sometimes, the Afghan officials were brutally honest in their assessments.

In one case, provincial council officials visited the Americans at their base in Gardez to report threats — the Taliban had tossed a grenade into their office compound and were prowling the hills. Then the officials began a tirade.

“The people of Afghanistan keep losing their trust in the government because of the high amount of corrupted government officials,” the report quoted them as saying. “The general view of the Afghans is that the current government is worse than the Taliban.”

“The corrupted government officials are a new concept brought to Afghanistan by the AMERICANS,” the oldest member of the group told the civil affairs team.

In conclusion, the civil affairs officer who wrote the report warned, “The people will support the Anti-Coalition forces and the security condition will degenerate.” He recommended a public information program to educate Afghans about democracy.

The reports also evoke the rivalries and tensions that swirl within the presidential palace between President Karzai’s circle and the warlords.

OCT. 16, 2006 | KABUL *Intelligence Summary: Political Intrigue*

In a short but heated meeting at the presidential palace, the Kabul police chief, Brig. Gen. Mir Amanullah Gozar, angrily refuted accusations made publicly by Jamil Karzai that he was corrupt and lacked professional experience. The report of the meeting identified Jamil Karzai as the president’s brother; he is in fact a cousin.

General Gozar “said that if Jamil were not the president’s Brother he would kidnap, torture, and kill him,” the report said. He added that he was aware of plans by the American-led coalition to remove him from his post.

He threatened the president, saying that if he were replaced he would reveal “allegations about Karzai having been a drug trader and supporter of the Pakistan-led insurgency in Afghanistan,” presumably a reference to Mr. Karzai’s former links with the Taliban.

Incident by incident, the reports resemble a police blotter of the myriad ways Afghan civilians were killed — not just in airstrikes but in ones and twos — in shootings on the roads or in the villages, in misunderstandings or in a cross-fire, or in chaotic moments when Afghan drivers ventured too close to convoys and checkpoints.

The dead, the reports repeatedly indicate, were not suicide bombers or insurgents, and many of the cases were not reported to the public at the time. The toll of the war — reflected in mounting civilian casualties — left the Americans seeking cooperation and support from an Afghan population that grew steadily more exhausted, resentful, fearful and alienated.

From the war’s outset, airstrikes that killed civilians in large numbers seized international attention, including the aerial bombardment of a convoy on its way to attend President Karzai’s inauguration in 2001. An airstrike in Azizabad, in western Afghanistan, killed as many as 92 people in August 2008. In May 2009, another strike killed 147 Afghan civilians.

SEPT. 3, 2009 | KUNDUZ PROVINCE *Incident Report: Mistaken Airstrike*

This report, filed about the activities of a Joint Terminal Attack Controller team, which is responsible for communication from the ground and guiding pilots during surveillance missions and airstrikes, offers a glimpse into one of the bloodiest mistakes in 2009.

It began with a report from the police command saying that “2X FUEL TRUCKS WERE STOLEN BY UNK NUMBER OF INS” and that the insurgents planned to cross the Kunduz River with their prizes. It was nighttime, and the river crossing was not illuminated. Soon, the report noted, the “JTAC OBSERVED KDZ RIVER AND REPORTED THAT IT DISCOVERED THE TRUCKS AS WELL AS UP TO 70 INS” at “THE FORD ON THE RIVER. THE TRUCKS WERE STUCK IN THE MUD.” How the JTAC team was observing the trucks was not clear, but many aircraft have infrared video cameras that can send a live feed to a computer monitor on the ground.

According to the report, a German commander of the provincial reconstruction team “LINKED UP WITH JTAC AND, AFTER ENSURING THAT NO CIVILIANS WERE IN THE VICINITY,” he “AUTHORIZED AN AIRSTRIKE.” An F-15 then dropped two 500-pound guided bombs. The initial report said that “56X INS KIA [insurgents killed in action] (CONFIRMED) AND 14X INS FLEEING IN NE DIRECTION. THE 2X FUEL TRUCKS WERE ALSO DESTROYED.”

The initial report was wrong. The trucks had been abandoned, and a crowd of civilians milled around them, removing fuel. How the commander and the JTAC had ensured “that no civilians were in the area,” as the report said, was not explained.

The first sign of the mistake documented in the initial report appeared the next day, when another report said that at “0900 hrs International Media reported that US airstrike had killed 60 civilians in Kunduz. The media are reporting that Taliban did steal the trucks and had invited civilians in the area to take fuel.”

The reports show that the smaller incidents were just as insidious and alienating, turning Afghans who had once welcomed Americans as liberators against the war.

MARCH 5, 2007 | GHAZNI PROVINCE *Incident Report: Checkpoint Danger*

Afghan police officers shot a local driver who tried to speed through their checkpoint on a country road in Ghazni Province south of Kabul. The police had set up a temporary checkpoint on the highway just outside the main town in the district of Ab Band.

“A car approached the check point at a high rate of speed,” the report said. All the police officers fled the checkpoint except one. As the car passed the checkpoint it knocked down the lone policeman. He fired at the vehicle, apparently thinking that it was a suicide car bomber.

“The driver of the vehicle was killed,” the report said. “No IED [improved explosive device] was found and vehicle was destroyed.”

The police officer was detained in the provincial capital, Ghazni, and questioned. He was then released. The American mentoring the police concluded in his assessment that the policeman’s use of force was appropriate. Rather than acknowledging the public hostility such

episodes often engender, the report found a benefit: it suggested that the shooting would make Afghans take greater care at checkpoints in the future.

“Effects on the populace clearly identify the importance of stopping at checkpoints,” the report concluded.

MARCH 21, 2007 | PAKTIKA PROVINCE *Incident Report: A Deaf Man Is Shot*

Members of a C.I.A. paramilitary unit moved into the village of Malekshay in Paktika Province close to the border with Pakistan when they saw an Afghan running away at the sight of their convoy, one report recounted. Members of the unit shot him in the ankle, and medics treated him at the scene. The unit had followed military procedure — first shouting at the man, then firing warning shots and only after that shooting to wound, the report said.

Yet elders in the village told the unit that the man, Shum Khan, was deaf and mute and that he had fled from the convoy out of nervousness. Mr. Khan was “unable to hear the warnings or warning shots. Ran out of fear and confusion,” the report concludes. The unit handed over supplies in compensation.

The reports reveal several instances of allied forces accidentally firing on one another or on Afghan forces in the fog of war, often with tragic consequences.

APRIL 6, 2006 | HELMAND PROVINCE *Incident Report: Friendly Fire*

A British Army convoy driving at night in southern Afghanistan suddenly came under small-arms fire. One of the British trucks rolled over. The British troops split into two groups, pulled back from the clash and called in airstrikes from American A-10 attack planes. After several confusing minutes, commanders realized that the Afghan police had attacked the British troops, mistaking them for Taliban fighters. One Afghan police officer was killed and 12 others were wounded.

The shifting tactics of the Americans can be seen as well in the reports, as the war strategy veered from freely using force to trying to minimize civilian casualties. But as the documents make clear, each approach has its frustrations for the American effort.

Strict new rules of engagement, imposed in 2009, minimized the use of airstrikes after some had killed civilians and turned Afghans against the war. But the rules also prompted anger from American troops and their families. The troops felt that their lives were not sufficiently valued because they had to justify every request for air or artillery support, making it easier for the Taliban to fight.

OCT. 1, 2008 | KUNAR PROVINCE *Incident Report: Barrage*

In the days when field commanders had a freer hand, an infantry company commander observed an Afghan with a two-way radio who was monitoring the company’s activities. Warning of “IMMINENT THREAT,” the commander said he would “destroy” the man and his equipment — in other words, kill him. A short while later, a 155-millimeter artillery piece at a forward operating base in the nearby Pech Valley began firing high-explosive rounds — 24 in all.

NOV. 13, 2009 | HELMAND PROVINCE *Incident Report: Escalation of Force*

As the rules tightened, the reports picked up a tone that at times seemed lawyerly. Many make reference, even in pitched fights, to troops using weapons in accordance with “ROE Card A” — which guides actions of self-defense rather than attacks or offensive acts. This report described an Apache helicopter firing warning shots after coming under fire. Its reaction was described as “an escalation of force.”

The helicopter pilots reported that insurgents “engaged with SAF [surface-to-air fire]” and that “INTEL suggested they were going to be fired upon again during their extraction.”

The helicopters “fired 40x 30mm warning shots to deter any further engagement.”

The report included the information that now is common to incident reports in which Western forces fire. “The terrain was considered rurally open and there were no CIV PID IVO [civilians positively identified in the vicinity of] the target within reasonable certainty. There was no damage to infrastructure. BDA [battle damage assessment] recording conducted by AH-64 Gun Tape. No follow up required. The next higher command was consulted. The enemy engaged presented, in the opinion of the ground forces, an imminent threat. Engagement is under ROE Card A. Higher HQ have been informed.”

The reports show in previously unknown detail the omnipresence of drones in Afghanistan, the Air Force’s missile-toting Predators and Reapers that hunt militants. The military’s use of drones in Afghanistan has rapidly expanded in the past few years; the United States Air Force now flies about 20 Predator and Reaper aircraft a day — nearly twice as many as a year ago — over vast stretches of hostile Afghan territory. Allies like Britain and Germany fly their own fleets.

The incident reports chronicle the wide variety of missions these aircraft carry out: taking photographs, scooping up electronic transmissions, relaying images of running battles to field headquarters, attacking militants with bombs and missiles. And they also reveal the extent that armed drones are being used to support American Special Operations missions.

Documents in the Afghan archive capture the strange nature of the drone war in Afghanistan: missile-firing robots killing shovel-wielding insurgents, a remote-controlled war against a low-tech but resilient insurgency.

DEC. 9, 2008 | KANDAHAR PROVINCE *Incident Report: Predator Attack*

Early one winter evening in southern Afghanistan, an Air Force Predator drone spotted a group of insurgents suspected of planting roadside bombs along a roadway less than two miles from Forward Operating Base Huta, an American outpost.

Unlike the drones the C.I.A. operated covertly across the border in Pakistan, this aircraft was one of nearly a dozen military drones patrolling vast stretches of hostile Afghan territory on any given day.

Within minutes after identifying the militants, the Predator unleashed a Hellfire missile, all but evaporating one of the figures digging in the dark.

When ground troops reached the crater caused by the missile, costing \$60,000, all that was left was a shovel and a crowbar.

SEPT. 13, 2009 | BADAKSHAN PROVINCE *Incident Report: A Lost Drone*

Flying over southern Afghanistan on a combat mission, one of the Air Force’s premier armed drones, a Reaper, went rogue.

Equipped with advanced radar and sophisticated cameras, as well as Hellfire missiles and 500-pound bombs, the Reaper had lost its satellite link to a pilot who was remotely steering the drone from a base in the United States.

Again and again, the pilot struggled to regain control of the drone. Again and again, no response. The reports reveal that the military in Afghanistan lost many of the tiny five-pound surveillance drones with

names like Raven and Desert Hawk that troops tossed out like model airplanes to peer around the next hill. But they had never before lost one of the Reapers, with its 66-foot wingspan.

As a last resort, commanders ordered an Air Force F-15E Strike Eagle fighter jet to shoot down the \$13 million aircraft before it soared unguided into neighboring Tajikistan.

Ground controllers picked an unpopulated area over northern Afghanistan and the jet fired a Sidewinder missile, destroying the Reaper's turbo-prop engine. Suddenly, the satellite link was restored, but it was too late to salvage the flight. At 5:30 a.m., controllers steered it into a remote mountainside for a final fiery landing.

As the Afghanistan war took priority under the Obama administration, more Special Operations forces were shifted from Iraq to conduct secret missions. The C.I.A.'s own paramilitary operations inside Afghanistan grew in tandem — as did the agency's close collaboration with Afghanistan's own spy agency.

Usually, such teams conducted night operations aimed at top Taliban commanders and militants on the "capture/kill" list. While individual commandos have displayed great courage, the missions can end in calamity as well as success. The expanding special operations have stoked particular resentment among Afghans — for their lack of coordination with local forces, the civilian casualties they frequently inflicted and the lack of accountability.

JUNE 17, 2007 | PAKTIKA PROVINCE INCIDENT REPORT: Botched Night Raid

Shortly after five American rockets destroyed a compound in Paktika Province, helicopter-borne commandos from Task Force 373 — a classified Special Operations unit of Army Delta Force operatives and members of the Navy Seals — arrived to finish the job.

The mission was to capture or kill Abu Laith al-Libi, a top commander for Al Qaeda, who was believed to be hiding at the scene of the strike.

But Mr. Libi was not there. Instead, the Special Operations troops found a group of men suspected of being militants and their children. Seven of the children had been killed by the rocket attack.

Some of the men tried to flee the Americans, and six were quickly killed by encircling helicopters. After the rest were taken as detainees, the commandos found one child still alive in the rubble, and performed CPR for 20 minutes.

Word of the attack spread a wave of anger across the region, forcing the local governor to meet with village elders to defuse the situation.

American military officials drew up a list of "talking points" for the governor, pointing out that the target had been a senior Qaeda commander, that there had been no indications that women and children would be present and that a nearby mosque had not been damaged.

After the meeting, the governor reported that local residents were in shock, but that he had "pressed the Talking Points." He even "added a few of his own that followed in line with our current story."

The attack was caused by the "presence of hoodlums," the governor told the people. It was a tragedy that children had been killed, he said, but "it could have been prevented had the people exposed the presence of insurgents in the area."

He promised that the families would be compensated for their loss.

Mr. Libi was killed the following year by a C.I.A. drone strike.

APRIL 6, 2008 | NURISTAN PROVINCE Incident Report: A Raging Firefight

As they scrambled up the rocks toward a cluster of mud compounds perched high over the remote Shok Valley, a small group of American Green Berets and Afghan troops, known as Task Force Bushmaster, were confronted with a hail of gunfire from inside the insurgent stronghold.

They were there to capture senior members of the Hezb-e-Islami Gulbuddin militant group, part of a mission that the military had dubbed Operation Commando Wrath.

But what they soon discovered on that remote, snowy hilltop was that they were vastly outnumbered by a militant force of hundreds of fighters. Reinforcements were hours away.

A firefight raged for nearly seven hours, with sniper fire pinning down the Green Berets on a 60-foot rock ledge for much of that time.

Casualties mounted. By midmorning, nearly half of the Americans were wounded, but the militants directed their gunfire on the arriving medevac helicopters, preventing them from landing.

"TF Bushmaster reports they are combat ineffective and request reinforcement at this time."

For a time, radio contact was lost.

Air Force jets arrived at the scene and began pummeling the compounds with 2,000-pound bombs, but the militants continued to advance down the mountain toward the pinned-down group.

The task force reported that there were "50-100 insurgents moving to reinforce against Bushmaster elements from the SW."

Carrying wounded Americans shot in the pelvis, arm and legs — as well as two dead Afghans — the group made its way down toward the valley floor. Eventually, the helicopters were able to arrive to evacuate the dead and wounded.

Ten members of the Green Berets would receive Silver Stars for their actions during the battle, the highest number given to Special Forces soldiers for a single battle since the Vietnam War. By Army estimates, 150 to 200 militants were killed in the battle. **MARCH 8, 2008 | BAGRAM AIR BASE Meeting Report: A Plea for Help**

Toward the end of a long meeting with top American military commanders, during which he delivered a briefing about the security situation in eastern Afghanistan, corruption in the government and Pakistan's fecklessness in hunting down militants, Afghanistan's top spy laid out his problem.

Amrullah Saleh, then director of the National Directorate of Security, told the Americans that the C.I.A. would no longer be handling his spy service's budget. For years, the C.I.A. had essentially run the N.D.S. as a subsidiary, but by 2009 the Afghan government was preparing to take charge of the agency's budget.

Mr. Saleh estimated that with the C.I.A. no longer bankrolling the Afghan spies, he could be facing a budget cut of 30 percent.

So he made a request. With the budget squeeze coming, Mr. Saleh asked the Americans for any AK-47s and ammunition they could spare.

If they had any spare boots, he would also take those, he said.