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Executive Research Project
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Military Pay: A Breakdown in the Gulf War?

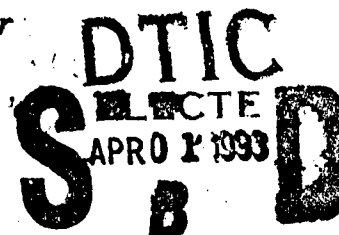
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93-06588



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Unclassified

SECURITY CLASSIFICATION OF THIS PAGE

REPORT DOCUMENTATION PAGE

1a. REPORT SECURITY CLASSIFICATION Unclassified			1b. RESTRICTIVE MARKINGS		
2a. SECURITY CLASSIFICATION AUTHORITY N/A			3. DISTRIBUTION/AVAILABILITY OF REPORT Distribution Statement A: Approved for public release; distribution is unlimited.		
2b. DECLASSIFICATION/DOWNGRADING SCHEDULE N/A			5. MONITORING ORGANIZATION REPORT NUMBER(S) Same		
4. PERFORMING ORGANIZATION REPORT NUMBER(S) NDU-ICAF-92- 842			7a. NAME OF MONITORING ORGANIZATION National Defense University		
6a. NAME OF PERFORMING ORGANIZATION Industrial College of the Armed Forces		6b. OFFICE SYMBOL (If applicable) ICAF-FAP	7b. ADDRESS (City, State, and ZIP Code) Fort Lesley J. McNair Washington, D.C. 20319-6000		
6c. ADDRESS (City, State, and ZIP Code) Fort Lesley J. McNair Washington, D.C. 20319-6000		9. PROCUREMENT INSTRUMENT IDENTIFICATION NUMBER			
8a. NAME OF FUNDING/SPONSORING ORGANIZATION		8b. OFFICE SYMBOL (If applicable)		10. SOURCE OF FUNDING NUMBERS	
8c. ADDRESS (City, State, and ZIP Code)		PROGRAM ELEMENT NO.		PROJECT NO.	TASK NO.
				WORK UNIT ACCESSION NO.	
11. TITLE (Include Security Classification) <i>Military Pay: A Breakdown in the Gulf War</i>					
12. PERSONAL AUTHOR(S) <i>James E. Hasty</i>					
13a. TYPE OF REPORT Research		13b. TIME COVERED FROM Aug 91 TO Apr 92		14. DATE OF REPORT (Year, Month, Day) April 92	
15. PAGE COUNT 54					
16. SUPPLEMENTARY NOTATION					
17. COSATI CODES			18. SUBJECT TERMS (Continue on reverse if necessary and identify by block number)		
FIELD	GROUP	SUB-GROUP			
19. ABSTRACT (Continue on reverse if necessary and identify by block number) SEE ATTACHED					
20. DISTRIBUTION/AVAILABILITY OF ABSTRACT ☒ UNCLASSIFIED/UNLIMITED ☐ SAME AS RPT. ☐ DTIC USERS			21. ABSTRACT SECURITY CLASSIFICATION Unclassified		
22a. NAME OF RESPONSIBLE INDIVIDUAL Judy Clark			22b. TELEPHONE (Include Area Code) (202) 475-1889		22c. OFFICE SYMBOL ICAF-FAP

ABSTRACT - Military Pay: A Breakdown in the Gulf War?

Over the years, Armed Forces military pay systems have performed reliably during peacetime. But, some claim that major components of the pay system sputtered and failed during the Gulf War.

This executive research paper examines military pay operations in the Gulf in terms of doctrine, past conflicts, standards of service, and customer expectations. It proposes creation of a Paymaster General of the Armed Forces to orchestrate joint pay operations and future battlefield finance support. The paper concludes with 10 challenges which the Paymaster General must undertake to build a joint pay system for the future.

Colonel James E. Hasty

ICAF, 13 April 1992

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Military Pay: A Breakdown in the Gulf War?

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Executive Summary

Military Pay: A Breakdown in the Gulf War?

During recent years, few support systems have performed more reliably than military pay. Although each military service has had its own version of a Joint Uniform Military Pay System (JUMPS), all met the peacetime needs of their respective constituencies.

The Gulf War put those systems to a severe test. The constraints of war - personnel turbulence, time and distance, sporadic communications, and competing missions for finance personnel - wreaked havoc with plans, systems, and operations. Some claim that the furious pace caused the system to break down.

Overpayments, nearly 200,000 of them totaling \$80 million, drew the wrath of Congress. Standards of service, formulated under peacetime conditions, were out of reach for forces operating under battlefield conditions.

"Military Pay: A Breakdown in the Gulf War?", assesses pay support in the Persian Gulf. Primarily, it deals with Army pay operations. The executive study begins with an obligatory look at doctrinal underpinnings for finance support as well as pertinent lessons from past conflicts. Then it follows finance forces into the Persian Gulf and scrutinizes pay operations and support.

The paper culminates with a recommendation to create a Paymaster General of the Armed Forces to lead military pay operations into the next century. And it lays out 10 challenges

for the new Paymaster:

#1 Fix Wartime Standards and Capabilities. Balance the disparity between pay capabilities, standards of performance, and customer expectations. Implement a four-part strategy which relies on teamwork and organization to share the burden of pay and battlefield support when finance units deploy.

#2 Streamline the Entitlement System. Add two new principles, mutual gain and practicability, to the entitlement doctrine.

#3 Create a Joint Theater Finance Center to orchestrate joint finance operations and coordinate finance support requirements for all services in the theater.

#4 Establish a Joint Finance Training Center. Four finance training centers for the four services is redundant.

#5 Equip Finance Units to Go to War. This problem has persisted from World War II to present day - it cannot be ignored.

#6 Create a Plans and Mobilization Office. It gives the Paymaster the flexibility to integrate reserve and active pay support and send a liaison element to the combat zone to fill a potential void.

#7 Modernize the Reserve Pay System. Sustain this critical effort at all costs.

#8 Centrally Manage Pay Operations and Systems Development. Unity of effort is the guiding principle to ensure consistency among services.

#9 Exercise Control over Pay Policy. Military Pay Policy drives systems development and operations. Pay policy, configuration control of pay systems, and pay operations must be the domain of one authority - the Paymaster General.

#10 Create a Blueprint for a True Uniform Joint Military Pay System. Is Joint Service Software (JSS) the system of the future? The Army's initial struggle with implementation may be more than just a learning curve phenomenon. JSS is fraught with human factors design flaws. It's tough to learn, tough to teach, and tough to troubleshoot. Choosing the system of tomorrow is a task for the Paymaster General.

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Military Pay: A Breakdown in the Gulf War?

Debris from the Storm

"Persian Gulf paycheck errors prove costly."¹ This October article in the Army Times touched off a nation-wide furor about overpaid GIs returning home from the Gulf. One Associated Press report put the total debt at \$40 million.² As the debt mounted, articles such as "Thousands may owe war pay" and "Dunning the victors" aroused Congress.³

Congress reacted by expressing dismay "that so many individuals could be overpaid by such a large aggregate amount."⁴ Congressional conferees attributed the indebtedness to "turmoil" which is characteristic of a contingency like Desert Storm. Nonetheless, Congress pulled no punches in assigning blame: "The conferees note that Department of Defense finance officials, and not servicemembers, appear to be responsible for the majority of the overpayments."⁵ By December 1991, the total debt had doubled to nearly \$80 million:

Desert Storm Overpayments⁶

	<u>\$1 to \$1,000</u>		<u>\$1,001 to \$20,000</u>		<u>Total</u>	
	Members	Dollars	Members	Dollars	Members	Dollars
Army	90,372	\$10.9M	26,119	\$36.3M	116,491	\$47.2M
Navy	55,767	8.6M	4,631	12.4M	60,398	21.0M
Air Force	10,167	5.0M	1,608	2.4M	11,775	7.4M
Marines	<u>8,707</u>	<u>3.8M</u>	<u>707</u>	<u>0.3M</u>	<u>9,414</u>	<u>4.1M</u>
	165,013	\$28.3M	33,065	\$51.4M	198,078	\$79.7M

The war churned up other problems as well. For example, the Defense Finance and Accounting Service (DFAS) Center in Denver is wrestling with a huge backlog of cases on back pay for airmen who served in the Gulf.' The DFAS Center in Indianapolis is mobilizing for an onslaught of tax problems from Army veterans of Desert Storm. And finance officials are debating such issues as untimely policy guidance, inadequate communications, and poor systems which plagued finance operations in the desert.

Why did a system which operates smoothly in peacetime sputter under the strain of war? Are we still plagued by the woes of World War II when "the most frequent complaint against the Army's pay system overseas was that it was designed for peacetime operations?"

The Air Force too had problems. What are the implications of those problems for the Army which adopted the Air Force pay system - ostensibly to improve pay support?

Our search for answers begins with an obligatory look at finance doctrine. Then we'll peer into the past at lessons-learned from Grenada and Panama. Those conflicts set the stage for a Gulf War commentary on what worked and what didn't. Vital components of pay service such as command and control, communications, entitlement rules, and systems will be put under the microscope. In the final assessment I will propose new strategies such as creating a Paymaster General and overhauling the principles of military compensation to improve pay service.

Finance Corps Doctrine for Battlefield Support

Finance doctrine provides the ground rules for wartime finance support. A convenient starting point, it gives us a window on the events in the Persian Gulf and a framework for assessing their impact.

Contemporary finance doctrine came to life in the 1980s. It owes its origin and design to the fast-moving battlefield support requirements of the Army's AirLand battle doctrine. First published in FM 14-6, and later in FM 14-7, it divides wartime support into two general categories: service to organizations and service to individuals.⁹

Service to organizations targets the needs of the commander. It includes local procurement of supplies and services, payment of legal claims, and administration of prisoner of war accounts. Some argue that local procurement multiplies the combat power of the Army by putting immediate purchasing power in the commander's pocket.¹⁰ The experience of the 11th Airborne Corps in the Gulf is a case and point. Corps finance units made an astounding 100,000 payments totaling \$74 million to local vendors.¹¹ The Army's chief logistician in the Gulf praised the effort by saying "that the rapid build-up (in Saudi Arabia) just could not have been accomplished without the contribution of the Finance Corps, particularly in supporting procurement operations."¹²

The second mission category is the central focus of this study - paying the troops. The standards of service in FM 14-7

are as follows:

- o Each soldier will be financially prepared to deploy. (This means family support matters taken care of and checkbook in hand).

- o All deployed soldiers will be placed on SURE-PAY (check to bank) or accrual (pay held in central account).

- o The soldier's central pay account in Indianapolis will be updated within 30 days of any pay change event. For instance, if a soldier is authorized a new entitlement on 1 May, the pay account should be updated by the 31st. If input to the pay account cannot be made from the combat zone, the field finance unit will send the pay document to a pre-designated office that has input capability.

- o Leave and Earnings Statements (LESSs) will be delivered to the soldier on a monthly basis.

Battalion and separate company Personnel Administration Centers (PACs) are vital to the effort. PACs prepare and forward pay documents to finance, resolve simple pay problems at unit level, and distribute LESSs. The PAC is a pillar in the system. Finance's lifeline to the soldier runs through the PAC. When the PAC fails, pay support flounders.

FM 14-7 depicts a typical Army finance organization at Figure 2.¹³ The diagram is especially instructive because it shows finance units with the units that they normally support.

COMMAND AND CONTROL RELATIONSHIPS

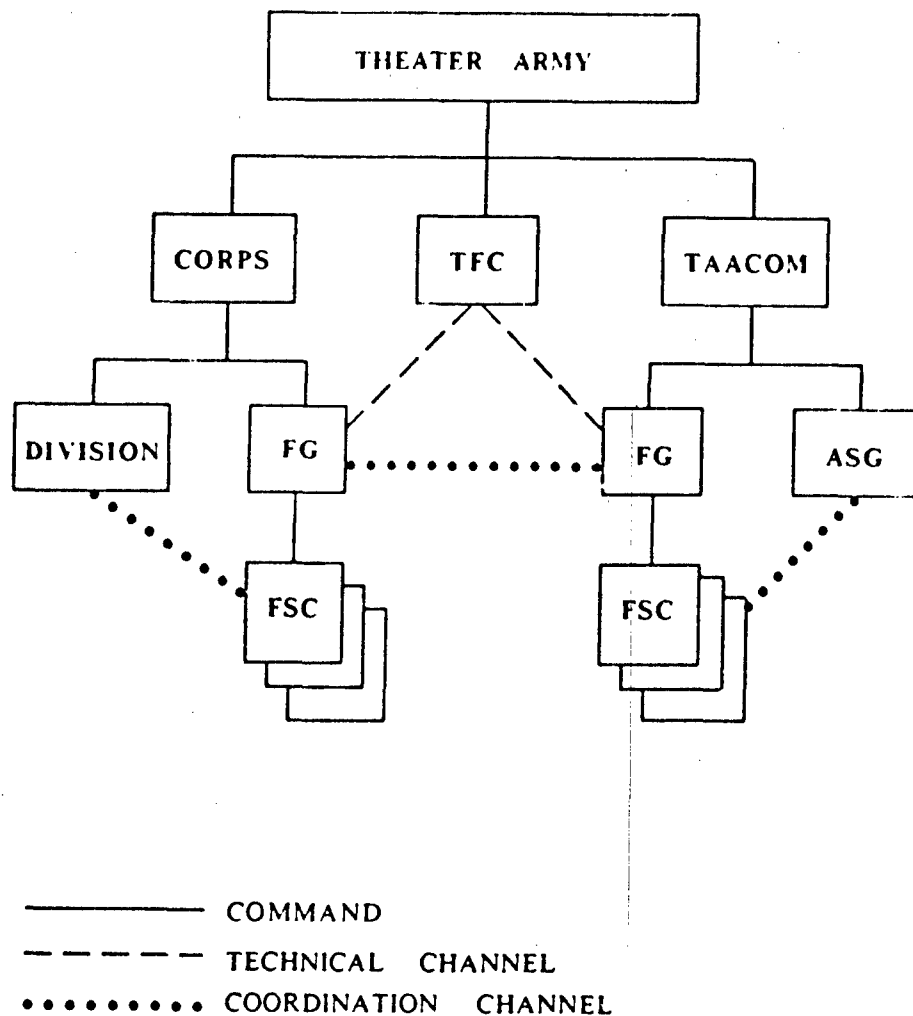


Figure 2

There are three types of finance units in the theater army support scheme. The Finance Support Command (FSC) typically supports a division and is commanded by a lieutenant colonel. The FSC (also called an FSU) has an area support mission. It

services all soldiers in a given area regardless of their unit designation. The Finance Group (FG) is commanded by a colonel, supports a corps, and controls several FSCs. At the apex of the structure, the Theater Finance Center (TFC), is commanded by a colonel in peacetime, a brigadier general in wartime. As the theater staff finance officer, the TFC commander coordinates finance support, gives technical guidance, and sets finance policy for the theater.¹⁴

The Department of the Army gave the doctrine and the structure a ringing endorsement in 1987 by approving 16 key FSUs as Command Designated Positions.¹⁵ Central selection is the Army's way of assuring that the most qualified officers are selected to lead its pivotal units. The move brought greater prestige to the units and added credibility to the corps.

The Chief of the Finance Corps capped this rise to prominence by coining a new slogan:

FINANCE CORPS

"You Can't Afford to Go to War Without Us"

In theory, on paper, and in spirit, the Finance Corps was prepared for war.

The Early Tests

Grenada. Although the invasion of Grenada occurred before current doctrine was fully developed, its lessons are too

important to overlook. Operation Urgent Fury was a tutorial in command and control. Finance units deployed from Fort Bragg to Grenada without common leadership.¹⁶ This 1983 lesson generated the idea of the Finance Group to control finance units in a corps area.

Pay service suffered another jolt when soldiers in Grenada realized they were unprepared to support their families and pay bills.¹⁷ The problem solved itself when the conflict ended abruptly and the troops returned home. Undaunted by the shortcomings, the Fort Bragg Finance Officer put the experience in a positive light. "... the Corps feels our financial management policies and procedures were also very successful."¹⁸

Panama. Operation Just Cause, according to chroniclers from 18th Airborne Corps Finance Group, "Validated the effectiveness of our command structure, the soundness of our basic structure, and the professionalism of our soldiers."¹⁹

But, troublesome trends were beginning to show up, trends which could hamstring a long term operation far from home. Few soldiers deployed with checkbook in hand. Pay teams made nearly 15 casual payments for each personal check cashed - over 7,000 payments during the first 30 days.²⁰ Each payment had to be collected back from the soldier's pay. The workload grew with new entitlements, allowances, and collections for field duty. Processing time was compounded. Since there was no battlefield input system, pay change data were again sent home

for input to the soldier's account. And finally, competing missions such as field operations, security, travel, and procurement support detracted from the pay effort.

Nevertheless finance units excelled during these early tests and their performance served notice that they could deliver first-rate support under tough conditions.

But these were brief conflicts close to home. Data processing equipment and a communications medium, tools of the trade for answering military pay inquiries, were reasonably available. And there was no disruption due to enemy forces.

Operations in Grenada and Panama briefly exposed finance to a war phenomenon predicted by Henry Eccles in his classic treatise Logistics in the National Defense. Admiral Eccles observed:²¹

The communications channels become clogged... and the flow of general information, both logistical and administrative, increases twenty to one-hundred fold in matter of a few days.

The big question loomed, could the system perform under such conditions in a protracted conflict? We would learn later that the "Eccles phenomenon" coupled with the many constraints of extended desert operations would overtax the system.

Army Finance eagerly looked ahead to the 90s; but, its hopes for modernization would suffer a setback when plans for a battlefield input system were scrapped. BG (Ret) Virgil Richard explains why: "A decision in... September 1989 by the Office,

Director of Finance and Accounting stopped most if not all of that effort."²² Instead, the Army put its money into a new pay system called JSS. It would not be ready until 1991.

Notwithstanding, Finance Corps units charged into Desert Storm with high standards, a healthy doctrine, and top-flight units. Unfortunately, they would depend on a pay system that would let them down.

Into the Storm

Deployment. The alert came in the early morning hours on 7 August 1990.²³ It began with crisis action planning at Fort Bragg for a deployment which would culminate with two Corps Finance Groups and nearly 700 finance soldiers in the Gulf.²⁴ Advance elements of the 18th Airborne Corps departed on 8 August. By the coming fall, 10 stateside FSUs would have soldiers in the desert under the control of 18th Corps Finance Group (CFG).²⁵ The 7th CFG from Germany was destined to follow in December. Deployed FSUs would be aligned on an area support basis.

Organization. The organization was doctrinally sound. But, as Major Eric Reid points out in his compilation of Pay Support Evaluation Team (PAYSET) Findings, "No finance element was deployed (to handle) echelon above corps issues."²⁶ Wartime doctrine clearly calls for a TFC, commanded by a brigadier general, to coordinate support. Major Reid explains that, "Early efforts by the Comptroller of the Army and the J-8, Forces

Command, to deploy a TFC were not approved by CG, ARCENT."²⁷ He adds, "The TFC is comparable to the 10th PERSCOM which was deployed to provide echelon above corps control of personnel activities."²⁸ This prompted a Finance School observer to echo what is now a widely-held sentiment that "A TFC deployed very early could have taken a large burden off the CFGs, provided for theater-wide policy, and absorbed the resource management mission."²⁹

A twisted maze of communications channels resulted:³⁰

Multiple Organizations and Channels for Policy

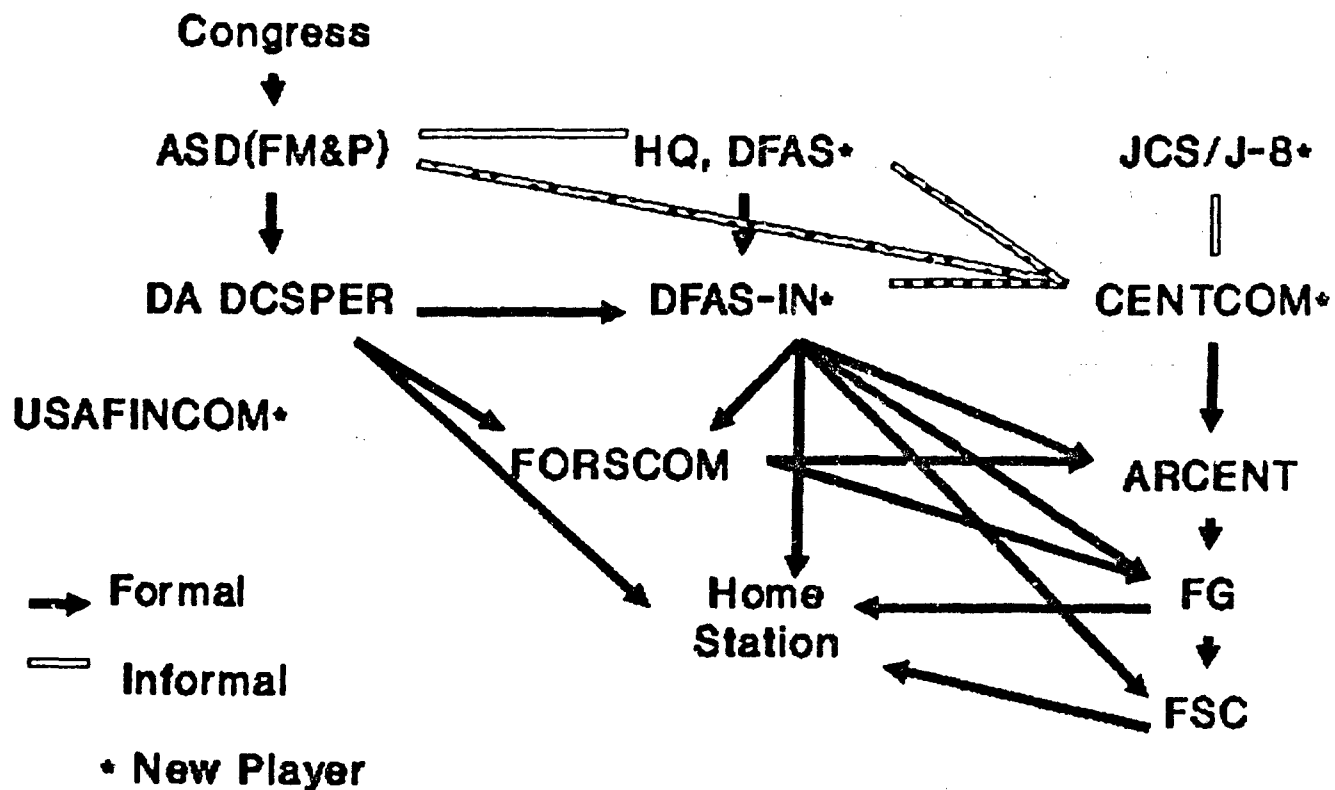


Figure 3

In addition to CENTCOM and FORSCOM, at least six organizations were providing policy guidance and information into the theater.³¹ The "Eccles phenomenon" was coming to life with frightening consequences. A brigadier general was not the answer.

Army Personnel System. No system suffered more from the long lines of communications in the Gulf than personnel. Commanders and finance personnel alike stated that the Army personnel system broke down during Operations Desert Shield/Desert Storm.³² PAC effectiveness was decimated by excessive cross-leveling and requirements for rear detachments.³³ Personnel turbulence also plagued the Air Force as their "effort to service members was inhibited by confusion over (where they are) and which command they belong to."³⁴ Over a year later the problem persists for Army forces.³⁵

Finance depends upon the personnel system. In Desert Storm, it did not deliver.

Tools of the Trade. In 1941, lack of equipment impaired the finance mission. "That the Army got paid at all is a tribute to the ingenuity of finance officers who made changes in the field", claimed historian Walter Rundell.³⁶

After fifty years nothing seems to have changed. Radios, vehicles, tents etc. - there still aren't enough to go around. Finance soldiers in the desert got what they needed and where they needed to go by using the same ingenuity that their

predecessors displayed in World War II. Colonel Russ Dowden observed, "They provided their own life support systems".¹⁷

The centerpiece of the equipment debate is a battlefield support system. How badly is it needed? While some argue that it was the number one shortfall of the war, others say it is better to send pay documents out of the theater for processing.¹⁸ JSS is supposed to fix the problem. But, the Air Force experience in the Gulf gives pause for concern. The Air Force had JSS when its forces deployed, yet it couldn't get an operating network with a communications line and computer workstations into Riyadh until late January, 1991!¹⁹ The ideal condition is to have a system. The ideal strategy for future finance support should not count on it.

Communications. Theater communications were far from the peacetime standard. A variety of methods were used by Army finance units to send pay changes back to home station for input. The 101st used mail, the 82d used courier, and the 24th used electronic mail. The 18th Airborne Corps had limited access to communication lines. Defense Data network (DDN) lines for JTELS (inquiry system) and COA Host (electronic mail) were not always available.²⁰ Their 7th Corps counterparts weren't so fortunate. According to the 7th CFG commander, "It moved into areas of nothing but dirt, no infrastructure at all."²¹

The "missing link" as defined by the Chief of the Finance Corps, "was systems and commo."²² Did this contribute to the

thousands of overpayments which stirred Congressional concern? It did, but it was not the foremost factor.

Reserve Components. What then was the major cause of the \$80 million debt? Much of the blame rests with the reserve pay process. Army Reserve Magazine quotes DFAS sources, saying that "35% of all Reservists released from active duty caused by Operation Desert Storm were indebted to the government at the time of separation."⁴³

PAYSET found that of 107,847 pay accounts which were centrally rolled over from the reserve to the active pay system, 8,346 (7.7%) belonged to soldiers who did not come on active duty.⁴⁴ Why? A lessons-learned package from 3rd CFG claims that Reserve units did not purge their lists accurately.⁴⁵ DFAS concurs with the assessment.⁴⁶

Air Force pay officials had the same problem.⁴⁷ Lt.Col. Michael McKinney, the Air National Guard Advisor at DFAS-Denver, defends the Reserves by pointing out that Reserve administrators had to deal with constantly changing procedures, lack of guidance, uncertain member status, and imposing workloads.⁴⁸

Entitlements. Transition to war brings a windfall of pay actions. Desert Shield/Desert Storm prompted nine significant entitlement changes and 26 computer system changes.⁴⁹ New legislation, policies, and procedures boiled over at a time when many finance units were on a war footing, fully absorbed with their support missions. Deployed FSUs were hard-pressed to keep

up with unfolding events. Department of Defense relaxed some peacetime rules in an attempt to simplify the process. The complexity of entitlements, which strains the system in peacetime, nearly overwhelmed it in war.

The Army Finance Center in Indianapolis, in an attempt to make timely pay adjustments, top loaded some actions.⁵⁰ The plan backfired when some finance offices were caught by surprise.

Pay change input tripled and deployed FSUs were stranded in the desert without input capability.⁵¹ To further compound matters many servicemembers didn't understand all of the changes to their pay. Most couldn't be reached and PACs were often inaccessible. The system was sputtering. It was too late to do much about it.

A Strategy for the Future

DFAS, Friend or Foe? The imposing job of implementing a financial strategy for DOD belongs to DFAS. The tight-fisted financial conglomerate with lofty goals is under pressure to show results quickly. In his article entitled "Making Ambitious Goals a Reality", the DFAS director places a premium on consolidation and standardization and promises to cut through parochialism and turf rivalries.⁵² In the works is a plan to cut costs by 50% within five years.⁵³ A large portion of military finance personnel will eventually be chopped away for combat roles.⁵⁴ It's a business strategy - the best strategy for coping with

a shrinking defense budget.

Military financiers are doubtful that DFAS's business strategy will mix with wartime planning. Wartime needs may again go unfulfilled because of the budget crunch and emphasis on peacetime. Many fear a resurgence of the kind of thinking by a former four-star TRADOC commander that could rob the Army of its battlefield finance capability.⁵⁵

I truly think we can civilianize the Finance Corps. We can grow manpower and budget managers from other branches especially with the finance and manpower interwoven.

General William Richardson

Results from the Gulf War stand in stark contrast to General Richardson's remark. One CFG alone made 455,000 cash payments to soldiers, 100,000 payments to local vendors, and cashed 263,000 personal checks.⁵⁶

DFAS admits that "Some degree of finance and accounting support will be required during all levels of conflict."⁵⁷ Thus, a military finance component of some sort must be kept in the DFAS organizational structure.⁵⁸ What's the right move for DFAS?

Under the ground rules set by the director, the optimum strategy is to consolidate the factors of military pay production (doctrine, training, policy, systems, and personnel) under a central authority. It ensures unity of effort and leaves room for decentralized execution. Who should control those resources

and balance the scales between peacetime and wartime needs?
The solution is to create a new DFAS directorate, headed
by a Paymaster General of the Armed Forces.

Out of the Storm - A Paymaster General of the Armed Forces

The Paymaster General - Advantages

(1) **A Spokesman for Pay.** JSS, says the DFAS Director, "When completed in 1992, will serve 2.2 million soldiers and airmen, making it the largest single pay system in the Free World."⁵⁹ It could grow with the addition of other services. Military pay is too important to be tucked away among the odd jobs of a Deputy Assistant Secretary as it was in the past or in an operations directorate as it is now. Pay must have a commissioner to champion its cause, oversee operations, and keep it in a position of prominence. It needs someone with influence and clout to attack longstanding problems. An authoritative title like Paymaster General with decisionmaking authority to match gives newfound credibility to the joint pay effort.

(2) **Centralized Authority and Control.** Strategic planning, systems development, policy formulation, and doctrine must have a common origin. A Paymaster General is the answer to the quest for uniform direction from a single source for all services. In the last war, military pay guidance streamed into the Gulf from everywhere. In the next war, military pay guidance should come from only one source - a central paymaster. It

provides a rapid means of setting priorities, making decisions, and solving problems. A Paymaster General is the solution for unifying the effort and integrating resources for DOD pay operations.

(3) **Joint Operations.** Interoperability is the watchword for defense operations of the future. As DFAS adopts common finance systems there will be a concurrent need for common policy, common doctrine, and eventually common training. Finance soldiers, sailors, airmen, and marines must someday be prepared to work together like interchangeable parts. It will certainly happen in peacetime; it is likely to happen during the next war. A Paymaster General with a joint staff is ideally suited to direct the interservice effort, mold centralized training, and procreate a joint doctrine.

(4) **Applying Means to Ends.** Manpower, systems, equipment, and dollars which were once owned by the separate military services now belong to DFAS. This vast array of resources must be concentrated under imaginative leadership toward a unified purpose. Creation of an Office of the Paymaster General with a joint staff is an innovative step toward aggregating the full power of military pay assets. Hold the Paymaster accountable for military pay. Assign the Paymaster staff responsibility for battlefield support. Bring all of the means together - tactical, installation, military, and civilian - under one leader.

(5) **Flexibility.** No factor is more critical for responding

in time of crisis. Chairman, JCS has often said that the next conflict will be a "come as you are war". The National Military Strategy calls for the United States to deploy with decisive force.⁶⁰ In the last war the Army was caught with two CFCs and no command and control headquarters in the theater. The Air Force faced similar problems. It could happen again. A Paymaster General's office with a joint military contingent gives DFAS the flexibility to go to the front with a liaison office or temporary staff. This concept is in keeping with the teachings of a logistics master:⁶¹

A temporary shift of staff officers from one command to another for the duration of the operation would greatly facilitate the establishment of a good command structure and would reduce the size of the staffs required.

Henry E. Eccles

There is no simpler means of introducing DFAS influence into a theater of operations.

The Paymaster General - Disadvantages As with any course of action, there are some disadvantages to creating an Office of the Paymaster General. DFAS is under severe pressure to slash costs. Creation of a new staff office entails a moderate start up cost.

Political considerations may be a factor. Four services - one Paymaster General. Balancing the scales between service prerogatives and strong central direction could be tricky.

It contradicts the status quo. DFAS is a fledgling operation and upheavals in its staff configuration would be particularly unwelcome in the stages of early development.

The Paymaster General - The Last Word. Status quo is a weaker option. DOD is reeling from an \$80 million breakdown and the debt may still be rising. The reputation of the defense financial community has been tarnished by Congressional censure and bad press. DFAS's answer to the crisis is that a new pay system is on the way. But, early returns on the new system are mixed as backlogs of pay cases are piling up in DFAS centers. Army commanders are complaining. Further complications with pay could impair the DFAS image, wreck customer confidence, and incite resistance to DFAS's infant programs. Establishment of a Paymaster General shows resolution and sends a message to Congress, taxpayers, and commanders that DOD is serious about overhauling military pay.

Challenges for the New Paymaster General

Challenge #1 Fix Wartime Standards and Capabilities. None of the senior finance officers in the Gulf found fault with the Army's basic finance doctrine. In fact, most knowledgeable observers felt that the operational concepts worked well. Trouble occurred because of a disparity among capabilities, standards of performance, and customer expectations. All sides of this support triangle weren't equal in the Gulf. Here's why:

Capabilities. Finance units deploy in part. Some members stay back to handle garrison support matters, namely family service and pay change input. A simplistic view of military pay capabilities after deployment looks like this:

<u>Garrison</u>	+	<u>Combat Zone</u>	=	<u>Total</u>
o Inquiry		o Inquiry		
o Cash		o Cash		
o Automated Input		o No Input		
o Ltd Family Support		o Pay Statements to Soldier		

Military pay capabilities in the combat zone are limited by the following constraints:

- o Threat Forces.
- o Communications.
- o Equipment
- o Time and Distance Factors
- o Competing Missions
- o Personnel Turbulence

Expectations and Standards. Constraints limit capabilities. One or more constraints can defeat the effort to provide pay support to the doctrinal standard. These constraints were at work during Desert Shield/Desert Storm. Three examples:

The standard promises to get LESs to the soldier on a monthly basis. Finance units could not locate soldiers and their PACs due to time and distance factors as well as personnel turbulence. Some soldiers never saw an LES.⁶²

The standard requires updating of the soldier's pay account within 30 days of the pay change event. This standard creates an Army of clock watchers. Tick...Tick...Tick! General Norman Schwarzkopf watched the clock and didn't like the results. He cited an "apparent lack of proactiveness and responsiveness by the CONUS finance community in providing policy guidance and procedures in a timely manner."¹³ Problems occurred with new pay legislation. Features such as combat zone tax exclusions were not fully implemented as quickly and as effectively as expected.

The 30 day standard was also beyond reach for deployed FSUs. Tick...Tick...Tick! Most of them didn't come close because of the effects of time and distance, equipment, and communications constraints.¹⁴

Finance units went into the Gulf saddled with a set of unattainable standards which were out of sync with capabilities. The deck was stacked against them and wartime constraints won out. Old ghosts from World War II reappeared in the Gulf with a familiar message: A peacetime system will not work under the rigors of war.

Standards and Proposed Strategies. The search for an effective combat pay system begins with the question, what makes war different from peace? The obvious answer is that war is fraught with the constraints previously addressed such as threat forces, no communications, time and distance, turbulence, etc.

Next, we assume that all of those constraints will occur simultaneously and devise a means to counter them. By this definition, an effective combat pay system will meet the acid test if: It will perform to standard while faced with a disruptive enemy threat; limited communications; competing missions other than pay; imposing time and distance factors; and limited equipment. An effective system must also handle legislative changes within the 30 day time standard. If the system cannot perform to standard under these constraints, then the current standards of service during conflict are unattainable. They must be changed.

Now that the objective is clear, we need to set an azimuth to get there. A wartime pay system is a series of strategies which tie means to ends. When the strategies are properly executed, finance units can meet the FM 14-7 pay standards under all constraints. The standards and proposed strategies are as follows:

STANDARD: Pay slips delivered to the soldier each month.

STRATEGY: Performance was not to standard in the Gulf War because of personnel turbulence. If the task is physically impossible (which it may sometimes be), the optimum strategy is to offer an alternative - one which will offset the inability to get the pay slip into the member's hands. The best alternative strategy: Put a pay slip in the hands of the member's family each month. When a member deploys, the pay system should

automatically produce a second NPA or LES (if the member elects) and send it to the designated family member.

Supporting strategies are to produce reports for deployed unit commanders, PACs, and finance units to help answer member inquiries in the combat zone. All services currently do this to some degree. In the final analysis, a new standard and strategy - family support - should be adopted to offset the occasional inability to get a pay slip to the deployed member.

NEW STANDARD: Essential Family Support.

STRATEGY: Increase pay services to the family while the member is deployed. Distribution of pay statements should be done in accordance with the member's wishes. Single soldiers should also be granted this benefit. A complementary feature is to allow family members who possess a power of attorney to submit pay change authorizations and receive cash payments during times of conflict. Enlist the support of General Colin Powell to abolish legal barriers which restrict the use of powers of attorney in this manner. General Powell advocates that the military family is the ultimate guarantee of the future.⁶³ Taking care of families ranks among his high priorities. A family support standard is an added insurance policy for the deployed member and it boosts morale. When finance cares for family needs, it gives the ultimate service to the deployed servicemember.

STANDARD: Each deployed soldier will be placed on SURE-PAY or accrual.

STRATEGY: Institute mandatory SURE-PAY for all members. SURE-PAY is DOD's guarantee that pay will go to the member's bank account under any constraint. SURE-PAY is a hallmark feature in the system. It is non-negotiable.

STANDARD: Each soldier will be financially prepared to deploy at all times by periodically being processed for overseas replacement.

STRATEGY: The Army is failing this standard. Lessons from Grenada, Panama, and Desert Storm underscore our shortcomings. One CFG made nearly twice as many cash payments as it cashed checks in the Gulf. Recall that the ratio was 15:1 in Panama. Too many servicemembers are not financially prepared for deployment. They are taken by surprise. Napoleon's maxim reminds us that war does not wait until everybody is ready:"

At the moment war is declared there are
so many things to do that it is wise
to begin them several years in advance.

The requirements are reasonable: (1) Pay goes to a checking account - a joint account if there are family considerations; (2) member deploys with checkbook in hand; and (3) family support arrangements are taken care of by the member before departure.

Members are not complying and enforcement is weak. Additional emphasis is needed. The new pay system can pinpoint whether a member has a checking or savings account. Give this information to the commander as part of the monthly unit

commander's financial readiness report (UCFR). Tighten up compliance inspections and call on the support of the Paymaster for command emphasis and enforcement.

Bad readiness hurts the soldier and requires cash payments. Check cashing is simple and cost effective, cash payments are not. Cash payments require subsequent collection. When made in large volumes, cash payments choke the system, slow down processing, and burn up resources. Backlogs then cause collections to be delayed which can have a calamitous effect on both the member and the Government. Poor financial readiness causes a chain reaction of negative effects which reverberate throughout the system. It happened in the Gulf War. The Paymaster must hold financial readiness to an uncompromising standard.

STANDARD: The soldier's master pay account is updated within 30 days of the pay change event. Tick...Tick...Tick!

STRATEGY: Implement a four-part strategy to streamline input requirements.

Part one, input all possible entitlement changes upon deployment. Third Corps Finance Group adopted this strategy at Fort Hood before its troops departed."

The 3rd Corps objective was to process entitlements prematurely and not wait for soldiers to be "in country" the minimum time in order to earn the entitlements. This gave 3rd CFG the advantage of processing all pay changes in mass. Much of

their input was handled before going to war. The changes went in at the same time soldiers were put in field status. It saved finance the trouble of doing it piecemeal later on and 3rd CFG's military pay performance in the Gulf benefitted accordingly."

The second part of the strategy is to relieve the deployed finance units of significant amounts of pay change input by doing it centrally from DFAS centers. All new entitlement authorizations should be toploaded for those members in a deployed status. Deployed finance units operating under the duress of competing missions, threat forces, and limited resources cannot be counted upon for timely input.

Third, improve contingency planning at DFAS. Because of the 30 day standard, the Paymaster must cut the lag time between the date of pay legislation and the date pay system credits member pay. Advance planning and anticipation are keys to performance. Once an entitlement is approved, the Paymaster pays it.

Last, streamline the entitlement system to make it more manageable in peace and war - a subject which is discussed at greater length later in this piece.

An effective combat pay system is the perfect manifestation of Napoleon's maxim - planning and preparation well in advance. These are the bulwarks of a combat pay system. When war breaks out, pay and status changes are input at home station, then the system goes on "auto-pilot". The finance unit deploys and DFAS takes over by toploading new entitlement transactions centrally.

Such a utopian strategy may draw criticism from some quarters; but, it is the best alternative for counteracting the crippling effects of wartime constraints on the pay system. Our past strategy of attempting to introject a peacetime system into a wartime environment has not fared well. During the Gulf conflict, US forces totally dominated the enemy and won a great tactical victory. And yet, the constraints of war preyed upon our military pay system. The Gulf lesson does not bode well for a future pay strategy based upon conventional wisdom.

This is not to insinuate that finance should go to war without a battlefield input system, communications, and other high-tech gadgetry. We should indeed have them; however, they are too unreliable to build a primary strategy around. If those means fail during the next war, the Paymaster cannot cite that failure as an excuse for bad pay support.

Challenge #2 Streamline the Entitlements System. Military compensation is complex and difficult to administer. According to the Military Compensation Background Papers, June 1987, the system is founded on six principles:"

- o Manpower/Compensation Interrelationship
- o Compatibility with Technology and Tactics
- o Equity
- o Effectiveness
- o Flexibility
- o Motivational Aspects

Two more principles, Mutual Gain and Practicability, should be added to the entitlement doctrine.

The Principle of Mutual Gain. Every entitlement or allowance should meet the mutual gain test. That is, both parties must gain something in every economic exchange. It is a fundamental economic principle.¹⁰ The mutual gain rule asks the question, does each party benefit in the exchange? For instance, the member gives a service; the Government gives compensation in return. When the Government doesn't follow the principle, the entitlement picture becomes clouded.

Basic Allowance for Subsistence (BAS) is an example. Enlisted members are entitled to either a monetary allowance or rations in kind. The member serves the nation; the Government provides subsistence in return. Certain members get no allowance if rations are available in a Government dining facility. Herein lies the problem. If they choose not to eat in a dining facility, the Government pays them nothing, a violation of the mutual gain provision.

Availability of meals has become an outmoded concept in a modern era in which the Government peppers its military bases with fast food franchises, PX/BX snack bars, and cafeterias. The Government entices members to use those facilities, and then penalizes them when they don't eat in a dining facility by withholding subsistence allowance. "Quid Pro Quo" should be a tenet of the modern pay system.

How should we handle meal charges? Install a computer workstation in each dining facility to record charges. Eventually, servicemembers will have a machine readable identification card which will simplify the process.⁷¹ Send the data disk to finance for transmission to the central pay system. No more burdensome starting and stopping BAS - members pay as they go instead. The result is a huge savings in paperwork for units and finance offices; a tremendous boost for many junior members; token extra work for dining facilities; and a moderate cost to the Government for military pay expense and automated equipment.

BAS and field rations have significant implications on the wartime pay strategy. Should we charge for meals in the combat zone? Under the mutual gain principle, Congress should recognize the member's service in the combat zone as worthy of additional compensation e.g. free meals. This rule will eliminate hundreds of thousands of transactions for BAS in the combat zone and constitutes a huge step toward making the "auto-pilot" process work.

Other mutual gain cases involve minimum "in country" requirements for foreign duty pay (8 days) and family separation allowance (30 days). Why does a member who serves 29 days get nothing while a member who serves 30 days qualifies for FSA? And what about the six day requirement in the combat zone to qualify for imminent danger pay? It doesn't square with the

rules for monthly combat zone tax exclusions which require only minimal presence to qualify. Some argue that the six day rule curbs abuse by discouraging short forays by members into the combat zone to qualify for pay. Nonsense! Integrity is the dominion of the chain of command and the moral bond that underpins our modern force. Its enforcement rests with the commander and not with arbitrary pay rules.

Attempts to document entitlements during wartime to satisfy peacetime rules can be overwhelming. Massive amounts of paperwork choke the system and pay service suffers. The Air Force is beset by thousands of cases of hostile fire pay for its flight crews and the war has been over for a year! When war is declared these allowances should be paid on a unit basis. Every member in the combat unit, squadron, ship etc. qualifies.

The Principle of Practicability. Policy makers have an obligation to consider the impact of their decision on systems capabilities and operations when designing pay policy. What are the implications of the policy on the system? Cost of implementation? Does the policy make sense? During a period of declining resources, a badly conceived pay policy can unnecessarily crowd out other services by wasting time and effort. This principle is becoming important in the business world as entrepreneurs seek ways to reduce costs by employing teamwork in the systems development process. Government can learn from their example. Practicability is not a foremost

consideration; but, it is an important one if the pay system is to operate efficiently.

Challenge #3 Create a Joint Theater Finance Center

The work of an organization is never done, and the structure has to be continually adapted to new and anticipated conditions.¹²

The quote from New Frontiers for Professional Managers sets the stage for one of the Paymaster's toughest challenges. Pay and finance service have entered the joint service arena. How does the Paymaster General exert control without jeopardizing the local commander's need to command his own logistics and services?

Lessons from the Gulf indicate that the Army corps finance structure is sound. CFG commanders maneuvered their finance forces superbly and the doctrinal support concepts worked.¹¹ Other services also fared fairly well in their efforts.

What about echelons above corps? The driving factor is common systems. If DFAS's ultimate goal of common finance systems is realized, then the echelon above corps command structure should eventually become a joint entity. A Joint Theater Finance Center (JTFC) avoids unnecessary duplication and conforms with DFAS's consolidation principle. JTFC provides the means for ensuring that all military services have the general support needed at corps level finance and below to perform their missions. Corps support elements would continue to be the field commander's means of direct support.

Communications flow between the Paymaster and the JTFC via the technical support channel shown in Figure 2. Similar channels must be created with each service's field finance units. In the absence of a JTFC, the Paymaster should set up a liaison element using the temporary staff concept mentioned earlier.

Challenge #4 Establish a Joint Finance Training Center.

Training is the engine of performance in peace and war. Does DFAS leave finance training under the respective military services or does it assume central control? Four finance training centers for four military services is redundant. Again, common systems and standards must be a unifying force. They form a nucleus for establishing a joint training center with responsibilities for training and doctrinal development. Consolidation of training is the forerunner of interoperability.

Challenge #5 Equip Finance Units to Go to War. Among the most alarming deficiencies in finance support over the past fifty years is the poverty of equipment in tactical finance units. These units have been equipped for peacetime support. Glaring disparities exist between standards, expectations, and equipment capabilities. If cost prohibits equipping every unit with enough radios, vehicles, etc., then the Paymaster should create a readiness pool of contingency stocks for use by finance upon deployment. The Paymaster must outfit finance units for war.

Challenge #6 Create a Plans and Mobilization Office. A plans and mobilization office provides the wherewithal for the

Paymaster to coordinate joint battlefield support and provide a liaison element to the unified commander in the absence of a JTFC. The office can be the focal point for development of contingency planning for active and reserve component support. It affords the Paymaster the means to be proactive in coping with the types of organizational, functional, and communications problems that bedeviled finance support during Desert Storm.

Challenge #7 Modernize the Reserve Pay System. The ongoing effort to merge the reserve pay system with the active pay system has to be sustained. DFAS must resist any temptation to reduce the reserve pay effort as it strains to meet budget objectives. Failure of the Reserve Pay System in the Gulf War buried reserve soldiers in massive debt problems. The Paymaster must champion and nurture the modernization effort to completion.

Challenge #8 Centrally Manage Pay Operations and Systems Development. Each major finance center (Army, Navy, Marines, and Air Force) has a central military pay directorate to orchestrate military pay operations. All military pay directors and configuration control officials should report to the Paymaster. This line of authority grants the Paymaster the means to ensure consistency in pay operations and systems development. It also lays the groundwork for further consolidation of pay operations into a single pay center. Unity of effort is the governing principle.

Challenge #9 Exercise Control over Pay Policy The

Paymaster General should be the central authority for interpretation of pay and entitlements issues for all services. Policy drives systems development and is a significant factor in the production of pay services. The unity principle dictates alignment of the policy function under the Paymaster.

Challenge #10 Create a Blueprint for a Uniform Joint Military Pay System. DOD entered 1992 with three military pay systems. None is clearly superior. The Army took a progressive step in 1991 by adopting the Air Force pay system (JSS). Although JSS is far better than its Army predecessor, it is weak in human factors engineering (not user friendly). The Army's initial implementation problems attest to difficulties in teaching, using, and troubleshooting the system. Questions about its wartime application are yet unanswered. A uniform pay system is an imperative for consolidation. Do we adopt a working system or develop a new one? Is JSS the system of tomorrow? The Paymaster must decide and implement a common system quickly to reap savings through consolidation.

Summary of Challenges. Standardization, consolidation, unity of effort, and elimination of redundancies are the techniques espoused by the DFAS Director to meet the ultimate goals: lower costs, streamlined operations, and improved service.¹⁴ How does creation of a Paymaster General measure up against the status quo? The following table assesses the Paymaster's ten challenges in light of the director's objectives.

These are ordinal measurements in which Y = positive effect; N = negative effect. The negative cost effect in row #2 stems from payment of BAS to all enlisted members; and in row #5 is due to initial outlay for new equipment. The aggregate impact of all ten challenges is positive.

Paymaster Challenges	Reduces Cost	Streamlines Operations	Improves Pay Service
#1 Fix Wartime Capabilities	Y	Y	Y
#2 Streamline Entitlements	N	Y	Y
#3 Create JTFC	Y	Y	Y
#4 Create Joint Tng Cen	Y	Y	Y
#5 Better Equip Units	N	Y	Y
#6 Create Mob Plans Ofc	Y	Y	Y
#7 Modernize Reserve Pay	Y	Y	Y
#8 Central Pay Mgmt	Y	Y	Y
#9 Central Policy Mgmt	Y	Y	Y
#10 Uniform Pay System	Y	Y	Y

Out of the Storm - Into the Future

Was there a breakdown in the Gulf? Clearly, there were serious problems. But, Walter Rundell's World War II observation about the extraordinary dedication of finance troops is as

applicable today as it was fifty years ago. They were superb. DFAS's centers also made heroic efforts to try to keep up with demands. Installation finance offices did too.

The breakdown occurred in the system. Individuals did not fail - our business practices did. The key words are "business practices". We cannot support a war the way we do business in peace. War is too chaotic. Peacetime systems bend under the constraints brought on by the incredible pace of events. Henry Eccles was correct in his assessment that information flow in war can become overwhelming. The winning pay strategy for the future anticipates this flow, absorbs the ponderous amount of new work that it causes, and delivers pay service to standard. It's a job for a Paymaster. The principles of unity and consolidation underlie the suggested organization of the new Paymaster (Figure 4).

And what about the future of the Army Finance Corps and its sister branches in other services as well. When there's doubt about the future, we can profit by looking at the past:

In 330 B.C., Alexander the Great and his army were in their fourth year of campaigning in Persia. They had traveled thousands of miles through torturous conditions. After conquering the famous city of Babylon the army approached the gates of Susa, the administrative center of Persia. Susa surrendered without a fight. When Alexander entered the central palace he was presented one of largest treasure troves ever

Office of the Paymaster General

Proposed Organization Chart

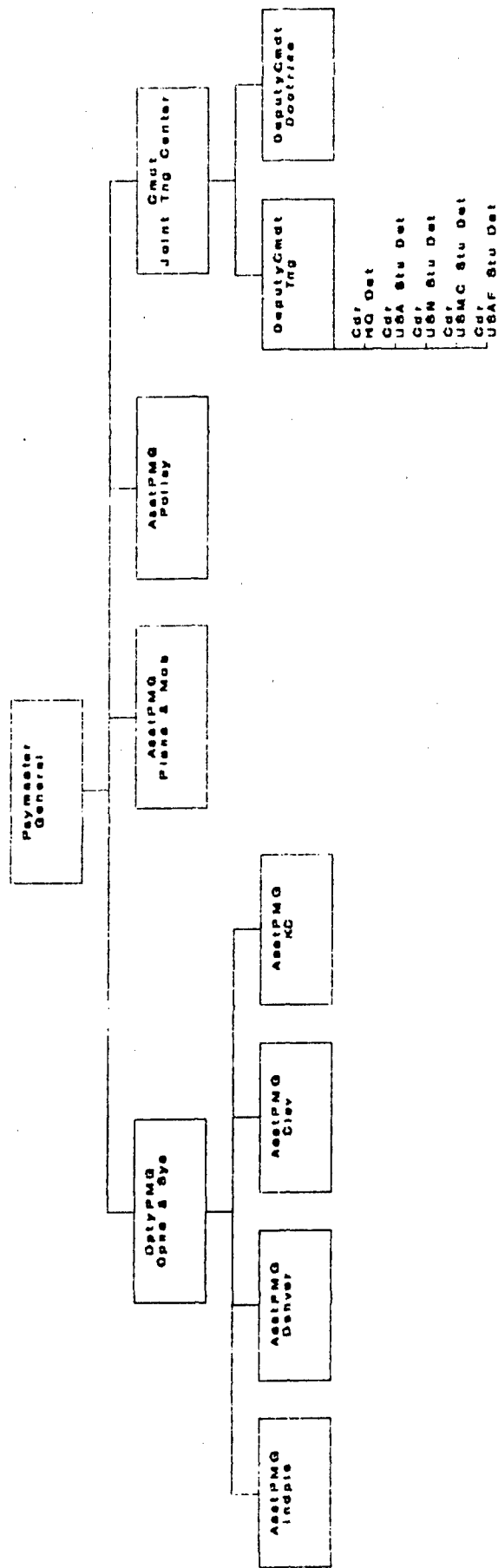


Figure 4

witnessed. Fourteen tons of silver and 9000 derrick's of gold laid before him. Alexander turned to his treasurer with instructions to distribute the wealth among his troops. The distribution of this long dormant treasure stimulated trade and prosperity throughout Persia.

For over 2,200 years combat forces have been sustained by their military treasurers, bursars, paymasters, and finance officers. Some type of battlefield finance support is emphatically called for. And it will fall to the Paymaster to ensure that the military finance profession has the vitality and substance to attract and retain quality servicemembers to do it. It's ironic that the most recent lesson comes from the Persian Gulf, not far from where Alexander the Great campaigned. That lesson has not changed:

Finance Corps

"You Can't Afford to Go to War Without Us"

1. P.J. Budahn, "Persian Gulf paycheck errors prove costly", Army Times, October 14, 1991, p. 78. Budahn charges that "Reservists and Guardsmen - especially in the Army - have paid a direct financial price for the honor of serving their country in war."
2. Associated Press, "Overpaid GIs Get Pentagon Break", The Washington Post, October 28, 1991, p. 19. AP states that veterans began receiving notice October 10th informing them of the overpayments and outlining the terms of repayment.
3. Editorial, "Dunning the victors", Army Times, October 28, 1991, p. 78; Grant Willis, "Thousands may owe war pay", Army Times, October 28, 1991, p. 4.
4. 102d Congress, 1st Session, National Defense Authorization Act for Fiscal Years 1992 and 1993, Conference Report to Accompany H.R. 2100, p. 557-558. The report cited preliminary estimates that over 120,000 servicemembers were overpaid and the amount of the erroneous overpayments is in excess of \$80 million. Congress is alarmed because the sum represents a substantial potential liability for taxpayers.
5. Ibid. p. 558.
6. Defense Finance and Accounting Service, "Desert Shield - Desert Storm Servicemembers' Indebtedness", December 19, 1991, p. 8-9.
7. Unattributed telephone interview with an employee of the Defense Finance and Accounting Service, February 3, 1991. The employee estimated that a backlog of 5,400 cases existed.
8. MAJ Jeffrey R. Eskridge, "An Analysis of Finance Operations from World War II to the Vietnam Conflict -- Was Any Progress Made?", Thesis presented to the Faculty of the U.S. Army Command and General Staff College, June 1, 1990, p. 14.
9. Headquarters, Department of the Army, FM 14-7, Finance Operations, October 1989, p. 1-1.
10. LTC Sander H. Heller, "The Finance Corps You Can't Afford to Go to War Without Us", Resource Management Education and Training, Defense Finance and Accounting Service, Indianapolis Center, December, 1991, p. 11.
11. MAJ Dennis E. Fields, "Finance Support During Operation Desert Shield", U.S. Army Finance School Paper, 10 April 1991, p. G-12.
12. MG William G. Pagonis, "AG and Finance Corps", TWX, DTG 270650Z Oct 90. General Pagonis contributes his comments to a group which is considering a recommendation to combine the AG (Adjutant General Corps) and the Finance Corps. Pagonis hails the contributions of the Finance Corps in writing that "Finance placed

purchasing power in the commander's hands by allowing ordering officers to immediately procure goods and services from the local economy to sustain our forces." He concludes with bottom line observations "that there is definitely a need for a TOE Finance Corps structure in our Army. It works and should not be civilianized nor combined with any other branch."

13. FM 14-7, p. 4-3.

14. Ibid, p. 3-1, 3-5.

15. LTC Russell Delaney, "Centralized Command Selection System for Finance LTC Commands", USAFAC All Points Bulletin, September, 1986, p. 9.

16. LTC Billie E. Braswell, "Financial Management in Support of Operation Urgent Fury - Grenada", USAFAC All Points Bulletin, November, 1984, p. 4. LTC Braswell explains that each deployed finance element (one from 1st Corps Support Command and one from 82d Airborne Division) was controlled by its parent unit. Thus, a unified finance organization did not exist. The result, according to Braswell, was a rather complicated relationship which impinged upon effective support. He recommended establishment of a Corps Finance Support Center Organization to render central command and control. The Finance Corps response to this valuable lesson was to create the Finance Group (FG) at corps level.

17. Ibid, p. 4.

18. Ibid, p. 7.

19. MAJ Thomas Mulyca and MAJ Timothy Wansbury, "Operation Just Cause", USAFAC All Points Bulletin, July 1990, p. 7.

20. Ibid. p. 4.

21. Henry E. Eccles, Logistics in the National Defense, (Westport, CT: Greenwood Press, Publishers, 1981), 22. p. 271. Eccles talks about the transition from peace to war. He warns that effective disposition of the increased workload can occur only in commands where staffs have been organized and manned based upon realistic appraisal

22. BG (Ret) Virgil A. Richard, Editorial, Finance Corps Association Newsletter, Winter Edition 1991, p. 3-4. General Richard makes the following comments on the subject of a battlefield support system: There also seems to be consensus that the lack of input/inquiry capability to the Central pay system was the largest single problem. I submit that shortfall has contributed in part to much of the bad press the Finance community has recently received regarding overpayments made in the theater. The many initiatives the Finance Center was pursuing documented in the "Battlefield Blueprint" were focused on solving those shortfalls. Unfortunately a decision in the first week of

September 1989 by the Office Director of Finance and Accounting stopped most if not all of that effort in lieu of devoting all resources on putting JSS in the field. Putting all of ones eggs in one basket is not usually a wise decision and history has shown that to be the case particularly when we have never, to my recollection, been able to field a new system in the original time frame planned particularly where it was generally recognized that it was not designed for deployed TOE unit environments. I understand JSS is proving to be a success in the garrison environment but unless I'm mistaken, it does little to solve the deployed unit problems enumerated in (past articles) without substantive change. It's time to get on with it without more procrastination and before another unexpected Desert Storm comes about!

23. Fields, "Finance Support During Operation Desert Shield", p. 6.
24. MAJ George Eric Reid, "Military Pay Support for the Army Operations Desert Shield/Storm", Defense Finance and Accounting Service, undated draft, App. Q. MAJ Reid compiled the findings and observations of the Pay Support Evaluation Team (PAYSET) by the direction of Mr. Albert Conte and under the leadership of BG Bruce W. Hall. He explains that the report is a culmination of "surveys and interviews with senior commanders, command sergeant majors, and finance personnel from the theater in addition to traditional data gathering and research."
25. MAJ Chris Mattingly and CPT Kevin Troller, "Battlefield Finance: A 'Payline' in the Sand", Finance Corps Association Newsletter, Fall Edition, 1991, p. 39.
26. Reid, "Military Pay Support for the Army Operations Desert Shield/Storm", p. 1.
27. Ibid. p. 1.
28. Ibid. p. 1.
29. Fields, "Finance Support During Operation Desert Shield", p. 23.
30. Defense Finance and Accounting Service, "Army PAYSET Briefing Slide", undated, 10C.
31. Reid, "Military Pay Support to the Army Operation Desert Shield/Storm", p. 22.
32. Ibid., p. 26.
33. Ibid., p. 26

34. Director, Military Pay Operations (AF) Memo, "Desert Shield/Storm Lessons Learned, 29 Mar 91, p. 2.
35. Gerald Winningham, "MACOM Weekly Status Report - SWA Finance Support", 13 Jan 92, p. 1. Winningham explains recent problems in reconciling strength figures with the comment, "By their own admission, the personnel organization lost control of accountability. Once that occurs it becomes impossible for the FAO to know where folks are."
36. Walter Rundell Jr., Military Money, (Texas: Texas A&M University Press, 1980), p. 1.; quoted in Eskridge, "An Analysis of Finance Operations from World War II to the Vietnam Conflict -- Was There Any Progress Made?" p. 14.
37. Editorial Staff Interview, "Thoughts from a Desert Shield/Storm Warrior", Finance Corps Association Newsletter, Fall Edition, 1991, p. 36.
38. Ibid, p. 37., COL Dowden makes a case that our inability to make field input was our number one shortfall and will prevent us from giving quality service in the future. Mattingly and Troller from "Battlefield Finance: 'A Payline in the Sand', p. 41, take the opposing view that battlefield input is too time consuming.
39. COA Host Message, "Air Force in JOA", LNA-AFAFC/Den, 8 Jan 91; sourced from a personal interview, Mr. Bruce Otte, AFAFC-SC, Denver, 8 Jan 91.
40. JULLS Long Report, "Finance-Automation Training", 18th CFG, 06/06/91, p. 9.
41. Editorial Staff Interview, "Thoughts from a Desert Shield/Storm Warrior", p. 38.
42. COL Jerry D. Heard, "From the Chief of the Corps", Finance Corps Association Newsletter, Winter Edition, 1991, p. 1.
43. Update, "Most 'Desert Storm' Reservists experienced pay problems", Army Reserve Magazine, Fourth Issue of 1991, p. 7.
44. Reid, "Military Pay Support to the Army Operation Desert Shield/Storm", p. 28.
45. 3rd Corps Finance Group, "Desert Shield Deployment Lessons Learned", undated, p. 12.
46. Reid, "Military Pay Support to the Army Operation Desert Shield/Storm", p. 28. PAYSET acknowledges that, "The primary cause of the problem was failure by units to identify these individuals and remove them from unit payrolls prior to requesting a roll-over by DFAS-IN.

47. Director, Military Pay Operations, "Desert Shield/Storm Lessons Learned", DFAS/DE memo, Mar 29, 1991, para 9. The memo charges, "The Reserve/ANG unit rolls are inaccurate. Unit mobilization caused members to be activated who should not have been."
 48. Lt. Col. Michael L. McKinney, "A Message from the Desert - Merge JUMPS and JUMPS-RF Now", Center for Professional Development, Maxwell AFB, AL, LD#85936A, p. 5-6.
 49. Reid, "Military Pay Support to the Army Operation Desert Storm/Shield", App. E and F.
 50. SAFM-FAA-EC, TWX subj: "JUMPS Army Message 91-003", DTG 181800ZOct90, p. 3.
 51. Fields, "Finance Support During Operation Desert Shield", p. 13.
 52. Albert V. Conte, "Making Ambitious Goals a Reality", Defense 91, November/December p 15-17. Mr. Conte states that "What is new is the Defense Finance and Accounting Service, a consolidated organization that can cut through the parochialism and turf rivalries that stood in the way so often in the past." In discussing savings, he gives several examples of systems being considered for savings through standardization or consolidation.
 53. DFAS, "Draft Strategic Plan, December 1991, p. 11.
 54. Ibid., p. 26
 55. General Richardson, TWX subj: Finance Doctrine Revision, DTG 201435ZMay85, penned margin note by direction of COL Tinder, HQ, TRADOC.
 56. Fields, "Finance Support During Operation Desert Shield", p. 11.
 57. DFAS, "Draft Strategic Plan", p. 26.
 58. Fields, "Finance Support During Operation Desert Shield", p. 1. The author indicates that there were no civilians in theater doing pay work. On page 4, he opines that support was not and could not have been provided by government civilians or contracted out.
 59. Conte, "Making Ambitious Goals a Reality", p. 16.
 60. JCS, Draft National Military Strategy, 1/25/92, p. 10.
 61. Eccles, Logistics in the National Defense, p. 232.
 62. Budahn, "Persian Gulf paycheck errors prove costly", p. 78.
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63. Reid, "Military Pay Support to the Army Operation Desert Shield/Storm", p. 2.

64. CSC 292 Reports & Station Profiles, 15th FSU and 24th FSU, for 1991. Late pay change percentages:

Date	15th FSU	24th FSU
0191	31.6%	58.1%
0291	19.9	63.6
0391	19.3	44.2
0491	30.6	6.4

65. GEN Colin L. Powell, "Base Force Living with Success", Defense 92, January/February, 1992, p. 17.

66. Napoleon, "Excerpts from Napoleon on Strategy", quoted from unpublished papers of Jay Luvaas, ICAF Advanced Studies Course #223, p. 113.

67. 3rd Corps Finance Group, "Desert Shield Deployment Lessons Learned", undated, p. 2-1.

68. CSC 292 Reports & Station Profiles, 15th FSU (3rd CFG unit) and 24th FSU (18th CFG unit), for 1991. See also footnote 64. Statistics show that although 24th FSU had twice as many accounts as 15th, it was making four times as much input during the months of Jan and Feb 91. As previously noted, late pay change performance by 15th was appreciably better.

69. Office of the Secretary of Defense, Military Compensation Background Papers, Third Edition, June 1987, p. 6-9.

70. William J. Baumol and Alan S. Blinder, Economics Principles and Policy, (New York, Harcourt Brace Jankovich, 1991), p. 4.

71. DFAS, "Draft Strategic Plan", p. 23.

72. Ralph J. Cordiner, New Frontiers for Professional Managers, (New York: McGraw Hill, 1956), p. 54; quoted in Eccles, Logistics in the National Defense, p. 196.

73. Editorial Staff Interview, "Thoughts from a Desert Shield/Storm Warrior", P. 38.

74. Conte, "Making Ambitious Goals a Reality", p. 17.