

Message From the Chief Financial Officer

To Our Customers, Employees, and the American Taxpayer

The entrepreneurial concept has given the VA Enterprise Centers the flexibility to provide VA and other Federal agencies comprehensive business solutions for today's government. The dramatic growth in revenue is but one indicator of our success, much of which can be attributed to strong leaders and managers within the individual Enterprise Centers. Together, they have successfully combined the best business practices with state-of-the-art technology.



D. Mark Catlett
Acting Chief Financial Officer and Chairman
of the Franchise Fund Board of Directors

As knowledgeable government professionals, we understand how to tailor our services to provide federal program managers with cost-effective, customer-driven alternatives to fulfill their common administrative support needs. Although Federal agencies have unique missions, our collective experience enables us to give expert advice and counsel from an insider's point of view. We, too, as a Federal agency know the unique requirements and constraints that Federal agencies face. The American public is holding us to high standards as we spend their money to administer government programs. Expensive and wasteful practices are not acceptable. Government program managers are looking to the VA Enterprise Centers for better information and ways to reduce costs.

Competition is making us better and more accountable to our customers. The VA Enterprise Centers primarily serve VA—the largest civilian agency in government—however, we have made great strides in acquiring business from other Federal agencies. Our customers rely on us to provide creative, practical solutions to achieve concrete business results. We continue to receive exceptional reviews from customers regarding the professionalism of our staff and the quality of our products and services. Because of this, a significant part of our business results from repeat business and referrals from satisfied customers.

Our in-house experts and commercial partners work together to replace outdated systems and processes with innovative solutions, such as:

- National development and beta test site for the core Financial and Logistics System (the planned replacement of VA's financial management system).
- Implementation of a best value, cost-effective solution for the migration of the Federal Highway Administration's data processing in just 10 weeks, resulting in approximately \$15 million in savings over a 3-year period.
- Development of a Web-enabled Consolidated Co-payment Processing Center-Lockbox application for the Veterans Health Administration (VHA), resulting in approximately \$11 million in savings annually.
- Payment to vendors on a daily basis through continuing use of the VA-developed on-line Credit Card System. This year, 2.6 million transactions were processed for more than 34,000 cardholders, resulting in over \$15.2 million in rebates.
- Development of an automated process for referring 83,663 accounts, valued at \$303 million, to the Department of the Treasury for cross servicing. This resulted in Treasury's collection of \$7.8 million and VA's Debt Management Center receiving a Certificate of Appreciation from Treasury.

- Attainment of the National Archives and Records Administration's new certification. VA was the first facility in the public and private sectors to be compliant with the new regulations.
- Successful completion and implementation of a firearms training program in 32 VA medical centers.
- Reduction in the closure time of investigations—from 87 to 62 days—despite the dramatic increase in the volume of background investigations.

Although we have achieved many accomplishments, we are not complacent. We continually look to leverage technology, deliver high-quality products and services at reasonable costs, and sustain superior relationships with customers.

Audits are conducted each year on our financial statements; therefore, customers know they can count on our financial integrity and sound stewardship. I am happy to report we have received our fourth consecutive unqualified "clean" audit opinion.

I invite you to examine our FY 2001 Annual Report highlighting the VA Enterprise Centers' accomplishments, lessons learned, outlook for next year, and audited financial statements. We look forward to the coming year in our quest to become the "preferred choice" as a provider of common administrative services.

A handwritten signature in black ink that reads "D. Mark Catlett". The signature is written in a cursive, flowing style.