April 27, 2010

STATEMENT OF

Daniel J. Crocker, State Director
Of Veterans Service for the
Department of Michigan
Veterans of Foreign Wars of the United States

BEFORE THE

House Military and Veterans Affairs
And Homeland Security Committee

WITH RESPECT TO

Senate Bill 250

STATEMENT OF

DANIEL J. CROCKER, DIRECTOR
VETERANS SERVICES
FOR THE
DEPARTMENT OF MICHIGAN,
VETERANS OF FOREIGN WARS

BEFORE THE

HOUSE MILITARY AND VETERANS AFFAIRS
AND HOMELAND SECURITY
COMMITTEE

LANSING, MICHIGAN **APRIL 27, 2010**

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE:

My name is Daniel J. Crocker, Director of Veterans Services for the Department of Michigan, Veterans of Foreign Wars. I appear before this committee today in an effort to shed some light on the topic of Senate Bill 250, its effect, and why we are at this crossroad in the delivery of service to our veteran community. My personal career, as a professional advocate, spans three decades with a history of why I am are here today.

In order to understand what was the genesis behind SB250, one needs to know a little bit about the history of the delivery of service to the veterans here in the State of Michigan.

Legislative appropriation to the Veterans Service Organizations (VSO's) began in 1927 with an award of $27,200 to the American Legion. The Veterans of Foreign Wars became a grantee in 1932, and the Disabled American Veterans joined in 1934. By 1960, The Am vets joined, followed by the Marine Corps League in 1962 and at that time, the total grant for all 5 VSO's was $543,000. In 1982 the Military Order of The Purple Heart, Paralyzed Veterans of America and the World War I Veterans were added. The total grant grew to $2.1 million, and in 1988-89 the Catholic, Jewish, Polish, Vietnam Veterans of America and Red Cross were part of the appropriations and the grant was $2.7 million.

That same year the Red Cross, and Catholic Wars Veterans were remove from the appropriations only to have the Catholic Wars Veterans restored at a latter date with a $1,000 grant.

In talking with Raymond G. O'Neill, the former Chairman of the Veterans Rehabilitation and Service Committee for many years, it appeared that a political line had been drawn to eliminate the Catholic War Veterans and it became a hotly contested issue especially

since the Jewish War Veterans and Polish Legion of Americans Veterans had remained in tack.

It was the contention of the Catholic War Veterans to get their $1,000 back so they could continue to be a voting member of the Commanders Group. From 1988 to present, the Catholic Wars Veterans' funding was increased only by COLA adjustments and a one-time adjustment to reflect their most recent funding of $41,200.

Funding to the noted organizations initially was based on two factors – the size of the organization and the federal money that was generated from their efforts. For several years, both of those tools have been utilized to seek additional funding beyond the annual COLA, and in some cases, were successful.

In 2000, the organizations, were required by the then Chairman of the Senate Sub-Committee on Appropriations for the Department of Military and Veterans Affairs, Senator Hoffman, to make individual organizations accountable and mandated that each organization make a presentation before his Committee.

At the conclusion of the meeting, a Senator from mid-Michigan requested to be heard, and was granted the permission to speak by Chairman Hoffman. The Senator alleged that one of the organizations, that he in fact was a member of, had misspent some of their State appropriations. Unfortunately this was not the only time the question has been raised regarding the integrity of the money given to some VSO's.

As a result of this allegation, the Chairman requested the Office of The Auditor General conduct a thorough audit of most of the organizations in the latter part of 2000. The Catholic War Veterans, Jewish War Veterans, and the Polish Legion of American Veterans were not required to provide specific expenditure testing because of their limited State grant amounts. In addition, these three VSO's were not required to provide specific testing of recovery computations because of their limited reporting of recoveries and activities.

In August of 2001, the Audit findings were published and I have my copy here today. The audit objective was to determine what processes are in place to ensure that the VSO's are providing effective services to the veterans of the State of Michigan.

The conclusion was that there were minimal processes in place to ensure that VSO's are providing effective services to the veterans of the State of Michigan, that the VSO's generally expended State grant funds for the purposes stated in the appropriations acts, and that the controls over the development and reporting of service-related information did not ensure that the information was accurate nor reliable.

I personally would disagree with the first assertion that VSO's were not providing effective services to the veterans of the State of Michigan.

From a historical perspective, on several occasions I have had the opportunity to testify before legislative committees, such as this, regarding this very issue. Setting aside the backlog of and delay of the claims at the Regional Office in Detroit or complaints regarding treatment at a VA Medical Center, I proposed the following questions: Has

any of your constituents contacted your office or staff and stated they were not being served? Not one of those legislators could answer in the affirmative.

Since that time, the VSO's have been under the scrutiny by the media both locally and nationally, by the Michigan State Legislature and others who have a concern on how State money should be used for the delivery of service.

In addition, qualifications, education, level of training and abilities to adequately understand the correct application of Title 38 of the Code of Federal Regulations for Veterans Laws, Rules and Regulations, have been put into question. To suggest that some VSO's have a higher level of expertise is certainly not out of the question.

Hence, Senate Bill 250 of Public Act 112 changes how we do business. I have had the opportunity to serve on both the devolvement of the boilerplate language in the bill and currently serve on the Advisory Board that was created in law by this act. The Advisory Board acts in an advisory capacity only, and to suggest otherwise is a misunderstanding of the boilerplate language.

SB 250 created five grants, two large and three small. One of the small grants, by virtual of boilerplate language, was earmarked for the Paralyzed Veterans of America. All eleven VSO's that were previously awarded grants had the opportunity to apply for the remaining four grants. No one was excluded from applying.

A coalition of five (the American Legion, Disabled American Veterans, Marine Corps League, Military of the Purple Heart, and the Veterans of Foreign Wars), acting as one, applied for the two large grants along with the Vietnam Veterans of America. The Department of Military and Veterans Affairs awarded the grants to the coalition.

The AmVets, the coalition and the Vietnam Veterans applied for the two remaining small grants. These two grants were awarded to the coalition and the Amvets respectively.

So it comes down to a mathematical calculation. Five grants, eleven organizations, eight apply only seven were successful.

I would conclude my remarks by stating that the system that has been in existence since 1927 will not change over night. This is a work in process and we all need to be as flexible as possible to ensure the veteran community here in the State of Michigan gets the best possible service that we all can offer.

Mr. Chairman, members of the committee, thank you for allowing me to appear here today, and if any member of the Committee has any questions, I would be more than happy to answer those at this time.