

LETTER TO STAKEHOLDERS



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Executive in
Charge, Office of
Management, and
Chief Financial
Officer

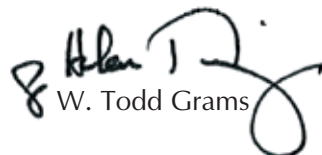
On behalf of the Franchise Fund, I invite you to examine our FY 2012 Annual Report outlining the VA Enterprise Centers' accomplishments and plans for next year, and the Franchise Fund's audited financial statements. This report documents the Franchise Fund's progress in the delivery of common administrative services to VA and other government agencies (OGA). We ended FY 2012 with total revenue of \$440 million, which is consistent with FY 2011 revenue.

The Franchise Fund's progress resulted in many noteworthy accomplishments. They include:

- ◆ Continuing to support the Secretary's Major Transformation Initiatives. These initiatives are part of the Department's goal to transform VA into a 21st Century organization and to ensure we provide timely access to benefits and high quality health care to our Nation's Veterans (CDCO).
- ◆ Collecting \$1.1 billion in debt during FY 2012 and increasing the number of phone agents and phone lines by 42 percent and 400 percent, respectively, in order to eliminate busy signals (DMC).
- ◆ Initiating a new section dedicated to the reconciliation of VA's intragovernmental differences. During FY 2012, the Intragovernmental Reconciliation Section processed over \$700 million in corrections to reduce the differences between VA and its trading partners (FSC).
- ◆ Initiating a Mobile Training Team (MTT) concept in FY 2012 to export specific training to field locations; ultimately saving thousands of dollars in travel. There were 10 classes held under the MTT concept, training 175 students and saving approximately \$172,000 in travel and tuition costs for our customers (LETC).
- ◆ Implementing an Office of Personnel Management (OPM) finger print scanner that converts hard card finger prints to an electronic file, allowing the possibility to scan the hard card finger prints and transmit the digitized file to OPM on the day received (SIC).
- ◆ Achieving an overall rating of 4.7 out of 5 during an FY 2012 customer satisfactory survey with high marks for timeliness and excellent service (RCV).
- ◆ Attaining an unqualified audit opinion of our financial statements for the 15th consecutive year.

These successful endeavors are examples of the Franchise Fund **providing efficient common administrative services to our Federal partners**. The success of the Franchise Fund would not have been possible without the support of its customers. We thank all of our customers for their continuing support.

I am pleased to submit the Department of Veterans Affairs Franchise Fund FY 2012 Annual Report. We look forward to the coming year and are confident that we will continue to demonstrate sound business practices.


W. Todd Grams