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**ENCLOSURE 1 – Army National Guard (ARNG) Answers to Sen. McCaskill’s Letter of April 11, 2014**

**(1) Army National Guard, Army Reserve and Regular Army recruitment needs and goals for each of the last 5 years and the next two years, including targeted demographics of desired recruits.**

**ANSWER:**

The Army National Guard recruiting goals or “accessions mission” for enlisted and officer members is provided in the table below. The ARNG accessions mission is prioritized to target recruits by prior military service, needed skill sets, and geographic location. For prior military service, the accessions mission includes a target for “Non-Prior Service” (NPS) and “Prior Service” (PS). The table below shows both the total enlisted and officer accessions mission, and breaks out the enlisted mission by NPS and PS. The accessions mission prioritizes specific skill sets simply based on projected needs or shortfalls. Finally, the accessions mission prioritizes geographical location simply because ARNG members typically live within 50 miles of the National Guard vacancy they will fill.

The ARNG Recruiting and Retention Division (ARNG-GSS) accession mission does not target recruits by race, ethnicity or gender. The ARNG-GSS strives to direct relevant and appealing recruiting messages to qualified individuals of all backgrounds. While ARNG messaging is not specifically tailored to specific gender or specific socio-economic populations, it is focused on reaching diverse populations of qualified individuals who live near locations where the ARNG has vacancies. Each State Recruiting and Retention Command works their individual State accession mission based on the assigned DA mission and command priorities established by the State Adjutant General.

As noted above, the following table lists the FY09 to FY13 accessions missions for both enlisted and officer members. Also, current year FY14 and projected FY15 accession missions are included. The Total enlisted mission is broken down into Non-Prior Service and Prior Service missions. The officer accession mission is noted separately.

**FY09 to FY14 Accession Mission – FY15 Projected Mission**

<b>FY</b>	<b>NPS</b>	<b>PS</b>	<b>Total Enlisted Accession Mission</b>	<b>Officer Accession Mission</b>
2009	42,830	13,170	56,000	5,500
2010	46,582	13,418	60,000	5,358
2011	39,694	13,306	53,000	5,550
2012	34,500	11,500	46,000	5,034
2013	36,739	12,261	49,000	4,602

2014	38,310	12,690	51,000	4,052
2015	39,000	13,000	52,000	4,100

**NPS:** Non Prior Service

**PS:** Prior Service

**Total Enlisted Accession:** Includes NPS & PS accessions

**(2) Army National Guard, Army Reserve, and Regular Army's prioritization of recruiting spending (e.g., recruiters, handouts, events, sponsorships, etc.).**

**ANSWER:** The Army National Guard's main recruiting priority for the past decade has been to build a strong brand. Currently, however, the ARNG is transitioning its marketing priorities to brand-sustainment. This includes prioritizing knowledge of our brand and awareness of ARNG service opportunities, as well as generating quality leads within both our NPS and PS target demographics in the 17-24 year old age group. As budgets decline, the need to discontinue legacy branding programs and invest in high performing brand-sustainment activities is essential. These activities include national and localized media/advertising, high school entry vehicles, mobile event marketing teams, and recruiter promotional items.

**(3) The purpose(s) of the Army National Guard's, Army Reserve's and Regular Army's sports sponsorship and event marketing programs (e.g., lead generation, "brand" building, "influencer awareness," etc.).**

**ANSWER:** Depending on the program and to varying degrees, the ARNG obtains multiple synergistic effects that are beneficial to recruitment and retention. This said, the primary purpose of each program is as follows:

- a) NASCAR: Branding
- b) IndyCar: Branding
- c) High School Player Development (HSPD): Prospect Engagement/Lead Generation
- d) Youth Soccer: Prospect Engagement/Lead generation
- e) Mobile Event Team (MET): Prospect Engagement/Lead Generation
- f) Freedom Salute: Retention
- g) Action Sports: Prospect Engagement/Lead Generation
- h) Mission Zone: Recruiter Support

**(4) Total amount of Army National Guard, Army Reserve and Regular Army spending on all recruiting activities, including overhead, for each of the last 5 years, and any planned spending over the next two years, broken down by**

category (recruiters, recruiting support materials, direct response programs, awareness programs, etc.).

MDEP/Category	Notes	FY Funding level (in thousands (k))				
		2010	2011	2012	2013	2014
<b>FARC</b> – Recruiter support contracts (operational expenses)	FARC includes all support contracts that assists recruiters in their mission. Includes GSA cars, cell phones, contractor support, etc.	\$376,225	\$383,601	\$273,837	\$260,157	\$244,631
<b>VAMP</b> – marketing contracts	This includes all of the ARNG marketing and advertising programs. Including branding, retention, and lead generation programs.	\$186,900	\$186,382	\$183,410	\$119,061	\$120,053
<b>VIRS</b> – new recruiting initiatives	VIRS is for new programs only. This is designed as a test category to determine if programs are effective and useful. The intent is to run test pilots, and to build and shape programs. Once built, these programs will move out of	\$18,979	\$12,542	\$11,973	\$10,312	\$10,521

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	VIRS to VAMP or FARC within a 3-year test and development cycle					
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**NOTE:** This table does not include FY 2014 and FY2015. ARNG senior leaders are now in the process of reviewing current program return on investment (ROI) with a view toward making marketing program decisions for FY2015. These decisions are expected by the end of April 2014." FARC/VAMP/VIRS are MDEPs (Management Decision Evaluation Package) not acronyms. Explanations of what each MDEP encompasses are listed in the category and notes section.

**(5) For each Army National Guard, Army Reserve and Regular Army direct response program (including various sports sponsorships and the Army National Guard's motorcycle/hot rod displays) over the last five years and (where applicable) over the next two years:**

(a) Total annual spending

**ANSWER:** See table below

(b) The number of leads generated annually (please include the definition or standard for a "lead")

**ANSWER:** See table below for data. The ARNG defines as a "Lead" those individuals who have provided their name and one contact data point

(c) The number of leads converted to a contract annually (not available)

**ANSWER:** See table below

(d) The cost per lead

**ANSWER:** See table below

(e) The cost per contract

**ANSWER:** See table below (not available)

**ANSWER:** The Army National Guard's (ARNG) Mobile Event Team is its only direct response program. The Patriot Chopper is one component of this activity. The other components of this activity include...

The Mobile Event Team's (MET) mission is to provide Recruiters with an asset based focal point that physically draws recruits in to the Recruiter and allows the Recruiter to get in front of as many potential recruits as possible. An additional goal of the MET is to provide an activity that enhances State recruiting activities while simultaneously reducing the burden on the State to contract, manage, plan, and maintain equipment for such activities. In this way, the mobility of the MET is a cost-efficient force multiplier for recruiting because it provides a single activity from the ARNG that is available and travels to all 54 States and Territories.

The MET contract cost covers labor, fuel, vehicle maintenance, vehicle wraps etc...The current MET contract is with LMO advertising and was subcontracted to Docupak. All MET team members are Docupak employees and none are currently members of the Army National Guard. Their travel expenses and per diem are paid in accordance with the Joint Federal Travel Regulations guidelines and are billed as a contract line item as "Out of Pocket" expenses recovered as Other Direct Costs (ODC), which is billed to LMO who separately bills the Army National Guard.

**Mobile Event Team**

Year	Total Annual Spending per Fiscal Year	Total Annual Leads	Cost per Lead	Number of Leads Converted to Contract Annually	Cost per Contract
FY2010	\$6,725,661.00	30,722	\$218.92	n/a	n/a
FY2011	\$4,097,090.11	23,984	\$170.82	n/a	n/a
FY2012	\$2,549,796.88	36,436	\$69.98	n/a	n/a
FY2013	\$1,952,517.61	25,112	\$77.75	n/a	n/a
FY2014	\$3,336,786.85	n/a	n/a	n/a	n/a
FY2015 (projected)	\$3,336,786.85	n/a	n/a	n/a	n/a
FY2016 (projected)	\$6,500,000.00	n/a	n/a	n/a	n/a

**Note:** The ARNG defines as a "Lead" those individuals who have provided their name and one contact data point

**Note:** Over the past 10 years, the ARNG has used various methodologies for tracking the effectiveness of its marketing activities. The constant across all methodologies used is "leads" and that is the data provided in an effort to enable fair comparisons. As the ARNG does not obtain Social Security Numbers from

leads, it is impossible to conclusively link information provided by leads to contracts, and thus attribute cost per contract. Additionally, the fact that 18-20% of the population moves annually, coupled with the fact that the age-group the ARNG primarily targets is an especially transient group, the ability to reliably track leads-to-contracts data is nearly impossible (at best the data would grossly under-report contracts from advertising/marketing activities).

**(6) For each element of the Army National Guard's NASCAR program (Branding, Interactive Trackside Display, Mobile Event Team, Driver Visits, etc.).**

(a) The cost or estimated cost under the contract

**ANSWER:** In accordance with the current contract ceiling, the total cost of the ARNG NASCAR program for FY 2014 is \$32,181,497.48.

(b) The number of leads generated annually

**ANSWER:** NASCAR is primarily a branding program and not a lead generating program. Any leads generated by the NASCAR program are purely ancillary to its primary purpose of branding.

(c) The number of leads converted to a contract annually

**ANSWER:** Not Available

(d) The cost per lead

**ANSWER:** Not Available. As noted above, the NASCAR program is a branding program. As such, the ARNG does not have data showing leads generated.

(e) The cost per contract

**ANSWER:** Not available

**2014 Actual Operating Expenses (per Laughlin, Marinaccio and Owens, LMO – Prime Contractor for MET contract) as of 14 Apr 14**

	Description	Rate	Qty	Total
0001	MEDIA			
	Initial Coordination and Design Service – Sponsorship			

	Team/Crew/Driver Uniforms	\$561,000.00	1 LS	\$561,000.00
	Team Support Services	\$1,071,000.00	1 LS	\$1,071,000.00
	HMS Facility Displays	\$61,200.00	1 LS	\$61,200.00
	Pit Equipment Branding	\$32,640.00	1 LS	\$32,640.00
	Merchandise Management	\$49,470.00	1 LS	\$49,470.00
	Pit Wall Banners	\$7,140.00	1 LS	\$7,140.00
	Transporter Usage	\$280,500.00	1 LS	\$280,500.00
	Unlimited Off Track Image Rights of Driver	\$612,000.00	1 LS	\$612,000.00
	Initial Payment for Sponsorship – Balance funded prior to 01/01/2014	\$5,364,360.00	1 LS	\$5,364,360.00
	<b>Subtotal Sponsorship</b>			<b>\$8,039,310.00</b>
	<b>Misc. Program Support</b>			
	MRD & Trackside – Deposit required securing the MRD assets and locking in locations for the beginning of the race season. Total requirement is \$1,100,000 – Balance funded prior to 01/01/2014	\$561,000.00	1 LS	\$561,000.00
	Program Management – required labor for the 2014 design services for team race car, equipment, uniforms and collateral materials – Balance funded prior to 01/01/2014	\$122,156.00	1 LS	\$122,156.00
	<b>Subtotal Misc. Program Support</b>			<b>\$683,156.00</b>
	Handing Fee			\$178,009.00
	<b>TOTAL INITIAL FUNDING - FFP</b>			<b>\$8,800,475.00</b>

	Description	Rate	Qty	Total
<b>0002</b>	<b>MEDIA</b>			
	2014 Media Planning/Graphics/Public Relations	\$280,500.00	1 LS	\$280,500.00
	Balance of Sponsorship Advertising	\$18,608,190.00	1 LS	\$18,608,190.00
	<b>Subtotal Sponsorship</b>			<b>\$18,888,690.00</b>
	<b>Misc. Program Support</b>			
	Program Management - Balance Due - Execution of NASCAR Media Program	\$509,964.48	1 LS	\$509,964.48

	MRD & Trackside – Balance Due - Mobile Recruiting Display (MRD) & Trackside Support - Includes leasing space at race track venues supporting the MRD (in-field) and a public access location supporting the ITD or equivalent ARNG display; hospitality support and credentials as required	\$561,000.00	1 LS	\$561,000.00
	Media Account for race season Activations and Promotions	\$357,000.00	1 LS	\$357,000.00
	Race-2-Achieve High School Activation Program – Includes 2,000 Classroom RPI kits, web and social media activations and monitoring and analysis of the classroom participation	\$1,275,000.00	1 LS	\$1,275,000.00
	<b>Subtotal Misc. Program Support</b>			<b>\$2,702,964.48</b>
<b>3</b>	<b>OTHER</b>			
	RPIs - Budget requirement Only	\$612,000.00	1 LS	\$612,000.00
	<b>ODC &amp; Travel</b> – Misc trackside support to include but not limited to Guest Services, golf cart rentals, Hard Cards and special event licenses, race tickets, Support services, media collateral materials and press kits, etc.	\$612,000.00	1 LS	\$612,000.00
	<b>Subtotal Other</b>			<b>\$1,224,000.00</b>
	<b>Handling Fee</b>			<b>\$465,368.00</b>
	<b>SUBTOTAL Secondary Funding</b>			<b>\$23,281,022.48</b>
	<b>GRAND TOTAL - 2014 NASCAR Program</b>			<b>\$32,081,497.48</b>

**(7) Other data and information sufficient to show the effectiveness of sports sponsorships in achieving the purposes of item (2), including in comparison to spending on alternatives from item (3).**

**ANSWER:** The two primary metrics the ARNG uses to analyze marketing Return on Investment (ROI) are "engagements" (individuals who interact with our brand) and "leads" (individuals who provide contact info). Enclosed please find two documents that demonstrate ROI in these two areas. The first enclosure is a PowerPoint presentation of marketing and advertising ROI. The second enclosure provides a recruiting marketing overview.

**(8) Information sufficient to show the reason the Army National Guard, Army Reserve and Regular Army ended any sports sponsorships or event marketing programs over the last 10 years.**

**ANSWER:** See listing below

**ROI:** Return on Investment

**CPL:** Cost Per Lead

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## Program

## Reason Discontinued

3 on 3 Basketball	Other budget priorities/Low ROI/high local effort
American Drag Racing League (ADRL)	Vendor sought other incompatible partners
American Motorcycle Association (AMA)	Other budget priorities
Fishing League Worldwide (FLW)	Other budget priorities/state feedback/high CPL
Guitar Hero	Technology became dated/low ROI
Rock Star Hero	Technology became dated/low ROI
Hooahpalooza (Spring Break)	Other budget priorities
Hot Import Nights	Vendor partner became insolvent/ended tour
Mixed Martial Arts (MMA)	Vendor partner issues/state feedback
Paintball	Other budget priorities/low ROI
Rugby	State feedback/low ROI
Spring Break	Other budget priorities
World Wrestling Entertainment (WWE)	Other budget priorities/state feedback

**(9) The organizational chart(s) for the Army National Guard office formerly known as the Army Strength Maintenance Division, identifying responsibility for managing sponsorship programs, recruiting promotional items, and motorcycle displays. Please include any major changes in organizational structure over the last five years.**

**ANSWER:** The ARNG-GSS Marketing Branch is the office of primary responsibility for managing sponsorships programs, recruiting promotional items and motorcycle displays. Enclosed please find a two-slide PowerPoint presentation that provides the organizational charts for NGB-ASM as it existed in 2008 and for the ARNG-GSS as it currently exists in 2014. Note: In 2008, the ARNG-GSS Marketing & Advertising functions were under one branch (NGB-ASM). On March 12, 2012, the functions were split into two separate Branches (i.e., a Marketing Branch and an Advertising Branch). On April 1, 2014, the separate Marketing and Advertising Branches were again merged into a single branch known today as the ARNG-GSS Marketing Branch.

**(10) Information regarding the Army National Guard's motorcycles, including their contracts, cost, custodians, storage locations, servicing locations and servicing costs over the last five years.**

**ANSWER:** For the past five years the Army National Guard's Patriot Choppers have consisted of four motorcycles that tour the country as part of the Mobile Event Team (MET) contract. The original Orange County Chopper Patriot Chopper cost \$100,000 and its three replicas cost \$48,750 each. The Patriot Choppers are property book items of the Army National Guard. Docupak is the custodian of the Patriot Choppers when they are used as part of the Mobile Event Team. The Patriot Choppers are stored at either ARNG HQ or at Docupak in Alabaster, Alabama when not on the road for events. Finally, they are serviced at Docupak in Alabaster, Alabama as part of the MET contract. The

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MET contract with Docupak contains a line item of \$15,000 for servicing the Patriot Choppers during each Fiscal Year.

**(11) All communications and documents related to potential abuses in Army marketing programs (to simplify production, the Army may provide the same communications and documents produced for the Investigating Officer who completed the AR 15-6 [Procedures for Investigating Officers and Boards of Officers] that was provided to the Subcommittee on January 17, 2014).**

**ANSWER:** Both AR 15-6 Investigations (Investigating Officers, COL Tom Evans and COL Victoria Betterton) were turned over the RAP Task Force working group on previous RFIs. All communications (emails) and all pertinent documents relating to potential abuses in Army Marketing programs are embedded in each 15-6.

**(12) Has there been a rewrite of NGR 601-1 to determine the proper purpose, use and scope of Recruiting Promotional Items (RPIs), the definition of "Centers of Influence", and which officials can and cannot receive RPIs? If so, please provide the new policies and/or definitions.**

**ANSWER:** NGR 601-1 is currently under revision and is in staffing. The revised NGR 601-1 will specifically address the proper use of RPIs, define "Centers of Influence", and articulate which officials can and cannot receive RPIs. The current regulation governing proper use of Recruiting and Retention Promotional Items (RRPI) is NGR-601-1, dated 28 April 2006. Enclosed please find an extract of the current language in NGR-601-1 relevant to this query, as well as the proposed language for an update to NGR-601-1 that is currently being staffed for approval and reissuance.

**(13) Has the National Guard established a policy requiring all personnel to receive a JAG opinion before accepting any gifts? If so, please provide the new policy.**

**ANSWER:** The government ethics rules, as provided in the Joint Ethics Regulation, permit acceptance of *de minimis* gifts without legal opinion. However, to ensure all Soldiers and Army civilian employees are aware of the gift acceptance rules; the Army National Guard requires Soldiers and Army civilian employees to receive two hours of ethics training annually. The gift acceptance rules are covered during each of the training sessions.

**(14) Is state involvement with NGB programs now monitored to ensure compliance and reviewed by NGB leadership on a quarterly basis? If so, please provide the results of any review, if available.**

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**ANSWER:** In general, monitoring varies based on type of program, the deliverables of the contract, guidance from the Contracting Officer and NGB leadership, and the purpose of the program. All marketing event-based programs have an AAR (After Action Review) process, whereby the State/Territory is required to submit an AAR typically within 30 days of an event or deliverable to ensure the event or deliverable was executed properly and to monitor attendance. On some contracts, the AAR also requires submittal of event photos. Additionally, all marketing contracts include deliverables in the form of performance reports from the vendor intended to permit the Contracting Officer's Representative (COR) to monitor performance and deliverables by event and/or over time. Some of these reports will also include market data to help analyze what is occurring in the marketplace. Lastly, the CORs will also physically attend events during the contract period through a sampling process. The schedule and frequency of COR attendance will vary by every program, but in general, the COR will review contract performance during an event cycle (before, during, after) and frequency may vary from once per month to once per quarter.

As a program COR, the COR must review all reports in real time as they are submitted. Trends, performance challenges, and other issues are discussed between the COR, the ARNG-GSS Marketing Branch Chief, and frequently the ARNG-GSS Division Chief, (depending on the significance) as needed. Furthermore, the program office receives monthly and quarterly reporting to assess the effectiveness of marketing and advertising activities. The primary metrics used are "engagements" and "leads generated". It is important to understand that program purpose and ROI analytics vary (i.e. not every program is designed for prospect engagement or lead generation; some are structured to promote branding and awareness).

**(15) Are actions that require coordination and/or comments from other Divisions and Directorates now staffed through the Joint Application Staff Management System (JASMS)?**

**ANSWER:** Yes, since 2007 all official staffing actions for the National Guard Bureau are required to be staffed through the Joint Application Staff Management System (JASMS). This includes, for example, the draft rewrite of NGR 601-1 that is currently being staffed through JASMS.

**(16) Do NGB contracting documents now include a detailed listing and justification of specific line items in the SOW/SOO and/or Task Order?**

**ANSWER:** Yes. NGB contracting documents now include a detailed listing and justification of specific line items in the SOW/SOO and/or Task Order. Also,

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regarding justification of contract items/tasks, the Army National Guard is implementing a new Requirements Validation Board (RVB) process to fully vet requirements and determine mission critical needs of the organization. This quarterly process will fully validate ARNG requirements from the highest levels of leadership.

**(17) Have NGB contract officer representatives (CORs) been removed from program offices?**

**ANSWER:** To date, no CORs have been removed from their program offices. The Army National Guard (ARNG) Acquisition Program Management Office (APMO) was established in accordance with AR 70-13, *Management & Oversight of Service Acquisitions*, and the *Optimization of Army Services Acquisition Implementation Plan* dated 1 September 2011. Based upon these regulatory documents and guidance set out by the Deputy Assistant Secretary of the Army for Procurement [DASA(P)], the ARNG is establishing an organization that will use Defense Acquisition Workforce Improvement Act (DAWIA) certified professionals in either Program Management and/or Contracting to establish a portfolio approach to oversee and manage ARNG requirements. This office will identify those requirements that, by their nature, demand a more robust program management approach from cradle to grave, much like the Army Program Executive Offices (PEOs) handle major weapon system requirements.

For those actions identified, a DAWIA certified Program Manager will oversee the requirement and establish a Multi-functional Integrated Process Team (MFIPT). Within this MFIPT, a Contracting Officer Representative (COR) will still exist, and will still perform COR duties. However, now a DAWIA certified professional will be able to oversee the entire MFIPT and the duties and responsibilities of the COR.

In other cases, requirements will not demand a full program management team, but a DAWIA certified program manager will still oversee the requirement and provide management and oversight to the COR. The APMO office will also provide oversight to ensure that COR training, certification, and performance duties are completed in compliance with the NGB-PARC, NGB Contracting Office (NGB-AQ), and various DoD regulations, directives, instructions, publications, and policies. Current contracts are staffed through the APMO in conjunction with the designated General Officer Special Assistant to the Director of the Army National Guard.