

WISCONSIN STATE
LEGISLATURE
COMMITTEE HEARING
RECORDS

1993-94

(session year)

Assembly

(Assembly, Senate or Joint)

Committee on
Veterans and
Military Affairs
(AC-VMA)

Sample:

Record of Comm. Proceedings ... RCP

- 05hr_AC-Ed_RCP_pt01a
- 05hr_AC-Ed_RCP_pt01b
- 05hr_AC-Ed_RCP_pt02

➤ Appointments ... Appt

➤ **

➤ Clearinghouse Rules ... CRule

➤ **

➤ Committee Hearings ... CH

➤ **

➤ Committee Reports ... CR

➤ **

➤ Executive Sessions ... ES

➤ **

➤ Hearing Records ... HR

➤ **

➤ Miscellaneous ... Misc

➤ **93hr_AC-VMA_Misc_pt01**

➤ Record of Comm. Proceedings ... RCP

➤ **

WISCONSIN RETIREMENT SYSTEM

Workshops for Legislators and Staff

Wednesday, February 10, 1993

10:30 to 11:45 a.m.

Room 213 SE, State Capitol

Overview of the Wisconsin Retirement System

Mission, agency structures, functions and authority, program overview, governing boards, who's covered, uniqueness of trust.

Sponsored by

DEPARTMENT OF EMPLOYEE TRUST FUNDS

AND

STATE OF WISCONSIN INVESTMENT BOARD

Eric Stanchfield, Secretary

Patricia Lipton, Executive Director

WISCONSIN RETIREMENT SYSTEM

Depart. of Employee Trust Funds
Eric Stanchield, Sec'y

Investment Board
Patricia Lipton, Exec.Dir.

I. Purpose of Public Employee Trust Funds

- A. To aid public employes in protecting themselves and their beneficiaries against the financial hardships of old age, disability, death, illness and accident.
- B. To promote economy and efficiency in public service by
 - 1. Securing and retaining competent employes
 - 2. Enhancing employe morale
 - 3. Providing for orderly and humane departure of employes no longer able to perform their duties
 - 4. Establishing equitable benefit standards throughout public service
 - 5. Achieving administrative expense savings, and
 - 6. Facilitating transfer of personnel between public employers.

II. Highlights of the History of Wisconsin Retirement System

- A. Early development of public pension funds restricted to police and fire -- Milwaukee Police and Fire Pension Plans 1890s. Early 1900s law passed that gave other local governments the same authority.
- B. Teachers next to secure coverage -- Milwaukee teachers in 1909 and the remainder as a result of the laws of 1911.
- C. Non-teaching state employes first secured coverage during the 1930s and early 1940s. First plans covered conservation wardens and several employe groups in Milwaukee City and County. State and local employes outside of Milwaukee first covered in 1943.
- D. Wisconsin Retirement Fund established in 1948 and consolidated non-Milwaukee, non-teaching employes into one fund. City of Milwaukee Retirement Fund granted home rule authority. Joint Survey Committee on Retirement Systems established.
- E. State Teachers Retirement Board and State Investment Board established in 1951.

- F. Department of Employee Trust Funds and the ETF Board created by Laws of 1967.
- G. 1973 law pooled funds of the Wisconsin Retirement Fund, the State Teachers Retirement System and Milwaukee Teachers for investment by the State Investment Board.
- H. Laws of 1975 merged the Wisconsin Retirement Fund, the State Teachers Retirement System and Milwaukee Teachers Retirement Fund into the Wisconsin Retirement System. Chapter 96, Laws of 1981, completed the merger by:
 - 1. Consolidating 90%+ WI public employes under one system. (Except for teachers, Milwaukee City and County employes remain in separate plan.)
 - 2. Restructured and redefined the duties of the boards and their relationship to the ETF Board.
 - 3. Recodified the statutes.

III. DETF Responsibility and Structure (Attachment A)

- A. Secretary, appointed by the Employee Trust Funds Board
- B. Deputy Secretary and Executive Assistant, appointed by Secretary
- C. Classified employes
- D. Offices in both Madison (165.5 employes) and Milwaukee (4.5 employes)
- E. Administers broad range of employe benefits in addition to retirement
- F. \$9.5 million annual budget -- only 4/100 of 1% of assets to administer the program
- G. Annuity payments of \$900 million projected for 1993

IV. Investment Board Responsibility and Structure (Attachments B-H)

- A. Assets under management
- B. Current mix of WRS investments
- C. SWIB organization as a state agency
 - 1. Board of trustees
 - 2. Staff organization

3. Funding

V. Fiduciary Duty of Trustees

VI. DETF Governing Boards (Attachment I and J)

A. Role of the Legislature

1. Joint Survey Committee on Retirement Systems
2. Retirement Research Committee

B. Employe Trust Funds Board

1. Provides general oversight to the Department of Employe Trust Funds.
2. Comprised of 12 members--4 members of the Teachers Retirement Board and 4 members of the WI Retirement Board, appointed by the respective boards; 1 annuitant elected by annuitants in the WRS; the Governor or designee on the Group Insurance Board; the Secretary of Employment Relations or designee; and 1 public member appointed by the Governor who is not a member of the WRS and who has at least 5 years actuarial, insurance or employe benefits plan experience.
3. Appoints the Secretary of the Department of ETF

C. Teachers Retirement Board

1. Represents teachers and their employers.
2. Comprised of 7 public school teachers, 1 elected by Milwaukee public school teachers and 6 by non-Milwaukee public school teachers; 1 VTAE teacher elected by VTAE teachers; 1 teacher annuitant elected by teacher annuitants; 2 UW System teachers, 1 public school administrator and 1 school board member appointed by the Governor.

D. Wisconsin Retirement Board

1. Represents non-teacher employes and their employers.
2. Comprised of 1 chief executive or member of a governing body of a city or village, 1 city or village finance officer, 1 city or village employe, 1 member of a town or county governing body, 1 county clerk or deputy clerk, 1 town or county employe, 1 state employe, 1 public member who is not a WRS participant and the Commissioner of Insurance or an actuary in the Commissioner's office. The Governor appoints all members. (The Governor selects the first two members from a list

submitted by the League of WI Municipalities and the WI Counties Association respectively.)

E. Group Insurance Board

1. Administers the various insurance programs that are offered to state and local employes.
2. Comprised of 10 members. Governor, Attorney General, Commissioner of Insurance and Secretary of Administration and Employment Relations or their designees serve ex officio. Governor appoints 5 members which must include an insured teacher, insured non-teacher, insured local employe and a retired participant in the WRS.

F. Deferred Compensation Board

1. Oversees the deferred compensation program for state and local employes.
2. Comprised of 5 members all appointed by the Governor without statutory restrictions as to membership.

G. Common authority of all boards

1. Rule making authority
2. Fiduciary responsibility to maintain the fund for the benefit of the participants
3. Provide direction and oversight to the DETF and Secretary

VII. Programs Administered by Boards and DETF (Attachment K)

A. Wisconsin Retirement System -- provides retirement and disability benefits

1. Who's Covered Under the WRS?
 - a. State employes
 - b. Teachers, including Milwaukee teachers
 - c. County employes, except for Milwaukee County
 - d. Most local employes, except for Milwaukee City
2. Total numbers
 - a. 1,150 employers (The state and UW systems comprise just 85 of the total.)
 - b. 379,000 state and local employes including 81,000 annuitants

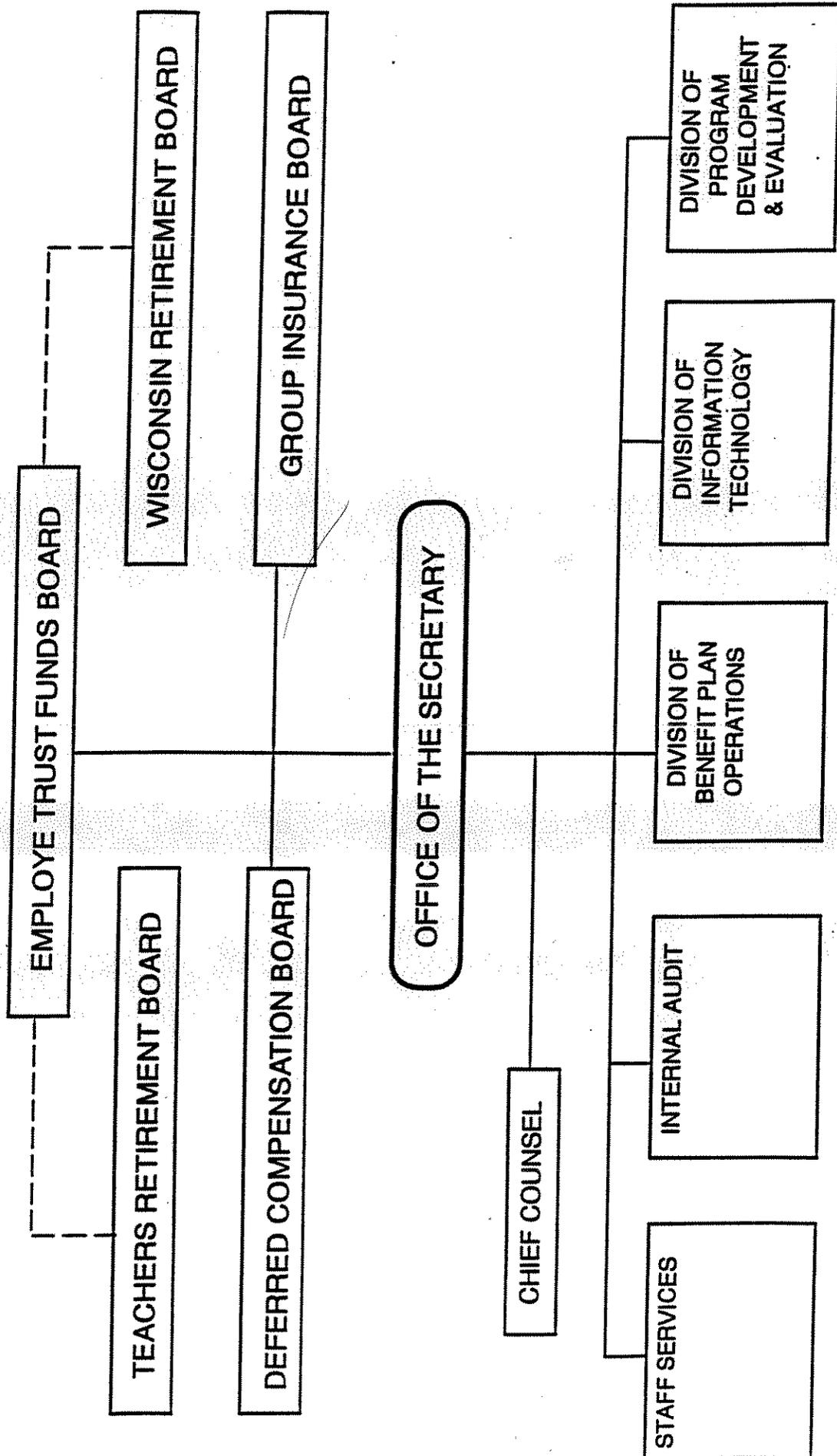
B. Group Life Insurance Program

1. State of Wisconsin Group Health Plan

2. Wisconsin Local Employers Group Life Plan
 3. Spouse and Dependent Group Life Program
- C. Group Health Insurance Program
1. State of Wisconsin Group Health Plan
 2. Wisconsin Public Employers Group Health Plan
 3. Retirees of Local Government Group Health Plan
- D. Income Continuation Insurance (Disability Income)
1. State of Wisconsin Classified Employee Group Plan
 2. University of Wisconsin Faculty Group Plan
 3. Wisconsin Public Employers Group Plan
- E. Deferred Compensation Program
1. State of Wisconsin Employees
 2. Local Government Employees
- F. Section 40.65 Duty Disability Program
- G. Long Term Disability Insurance Program (State only)
- H. Accumulated Sick Leave Conversion Credit Program (State only)
- I. Long Term Care Insurance Program (State only)
- J. Employee Reimbursement Accounts Program (State only)

DEPARTMENT OF EMPLOYEE TRUST FUNDS

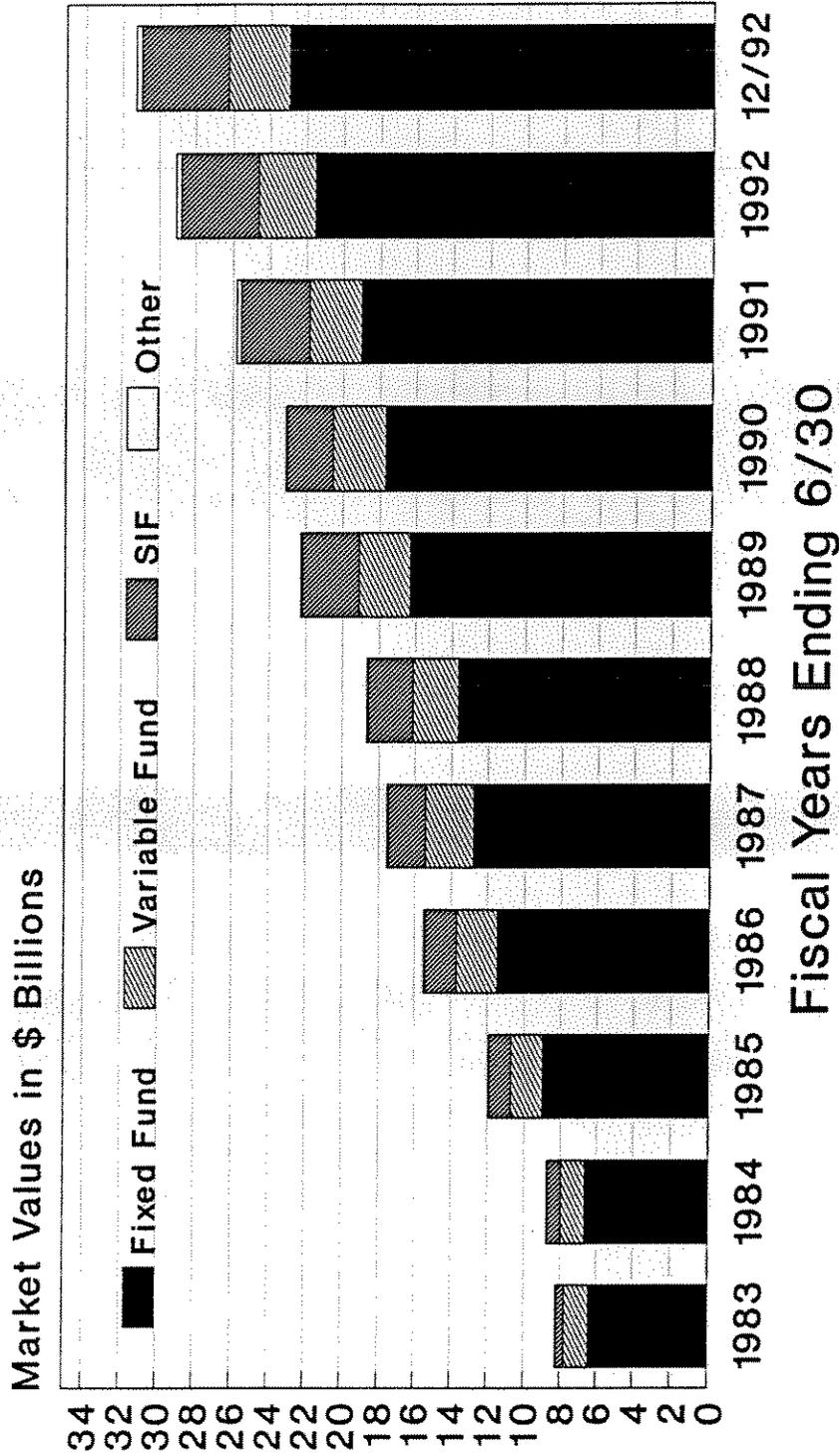
- o Organizational Chart
- o Board Structure



SUMMARY OF ASSETS AND FUND PERFORMANCE

Total Assets Under Management -12/31/92		
	<u>Market (\$Mil.)</u>	<u>%</u>
RETIREMENT FUNDS	26,274	84
Fixed	22,972	73
Variable	3,302	11
STATE INVESTMENT FUND (except Ret. Funds) (Includes Float)	4,679	15
STATE LIFE INSURANCE FUND	53	
LOCAL PROPERTY INSURANCE FUND	15	
HISTORICAL SOCIETY ENDOWMENT FUND ..	6	
PATIENT COMPENSATION FUND.....	222	1
TOTAL:	<u>\$31,249</u>	<u>100%</u>

Wisconsin Investment Board Assets Under Management



SIF: State Investment Fund
 Other: State Life Ins., Property Ins.,
 Historical Society, Patients Comp.

P&I/InterSec World 300

(U.S. \$ millions)

12/31/91

1	TIAA-CREF	U.S.	99,600	Los Angeles County	U.S.	11,091	125	UMWA	U.S.	5,562
2	ABP	Netherlands	99,400	Colorado Employees	U.S.	10,914	126	British Broadcasting	U.K.	5,470
3	Almanna (Boards 1,2,3)	Sweden	79,390	Prefectura Gov't	Japan	10,891	127	Mobil Oil	U.S.	5,426
4	California Employees	U.S.	64,658	Western Teamsters	U.S.	10,825	128	Mississippi Employees	U.S.	5,420
5	New York State & Local	U.S.	50,081	Shell Pensions Trust	U.K.	10,300	129	Illinois Municipal	U.S.	5,318
6	New York City	U.S.	48,876	Fed. Retirement Thrift	U.S.	10,198	130	Hospitals of Ontario	Canada	5,230
7	AT&T	U.S.	45,028	Rockwell International	U.S.	10,125	131	Super. Fund Inv't Trust	Australia	5,139
8	Nat'l Gov't Employees	Japan	43,255	Tenn. Consolidated	U.S.	10,077	132	Delta Air Lines	U.S.	5,020
9	Local Public Service	Japan	41,924	Alabama Kodak	U.S.	9,961	133	Alberta Public Sector	Canada	4,998
10	Public School Teachers	Japan	41,368	Alabama Retirement	U.S.	9,920	134	Unisys	U.S.	4,988
11	General Motors	U.S.	40,800	Illinois Teachers	U.S.	9,888	135	Midland Bank	U.K.	4,960
12	California Teachers	U.S.	37,367	USX	U.S.	9,850	136	Utah State	U.S.	4,900
13	New York Teachers	U.S.	32,514	United Nations	U.S.	9,798	137	Amoco	U.S.	4,825
14	New Jersey Investment	U.S.	31,280	Barclays Bank	U.K.	9,750	138	Alaska Retirement	U.S.	4,800
15	General Electric	U.S.	31,078	Imperial Chemicals	U.K.	9,730	139	United Airlines	U.S.	4,800
16	Texas Teachers	U.S.	29,477	South Carolina	U.S.	9,386	140	American Airlines	U.S.	4,750
17	IBM	U.S.	29,000	U S WEST	U.S.	9,370	141	Ontario Hydro	Canada	4,720
18	Central Provident Fund	Singapore	27,710	Connecticut State	U.S.	9,360	142	Unilever	U.K.	4,710
19	PGGM	Netherlands	25,570	United Technologies	U.S.	9,212	143	General Electric	U.K.	4,660
20	Florida State	U.S.	25,517	Nat'l Police Personnel	Japan	9,211	144	All Japan Mutual Credit	Japan	4,634
21	Ohio Public Employees	U.S.	24,272	National Westminster	U.K.	9,120	145	Caterpillar	U.S.	4,600
22	British Coal	U.K.	24,160	Southwestern Bell	U.S.	9,093	146	Dow Chemical	U.S.	4,594
23	British Telecom	U.K.	23,670	Lockheed	U.S.	9,052	147	San Francisco City/Co.	U.S.	4,586
24	Wisconsin State Board	U.S.	22,750	NSW State Super.	Australia	9,020	148	Sirathclyde Regional	U.K.	4,580
25	Ford Motor	U.S.	22,700	Exxon	U.S.	8,919	149	Hawaii Employees	U.S.	4,520
26	North Carolina State	U.S.	22,261	Arizona State	U.S.	8,850	150	Kentucky Teachers	U.S.	4,501
27	Ohio State Teachers	U.S.	22,000	British Petroleum	U.K.	8,850	151	Monsanto	U.S.	4,500
28	Ontario Teachers	Canada	21,370	Shell Oil	U.S.	8,783	152	Bayer AG	Germany	4,490
29	Du Pont	U.S.	20,501	Phillip Morris	U.S.	8,698	153	Greater Manchester Co.	U.K.	4,400
30	Quebec Pension Plan	Canada	20,380	Sears, Roebuck	U.S.	8,665	154	SBB	Switzerland	4,333
31	Michigan State	U.S.	20,120	British Steel	U.K.	8,520	155	United Methodists	U.S.	4,310
32	Pa. Public School	U.S.	19,300	Chevron	U.S.	8,377	156	Prudential Assurance	U.K.	4,308
33	Employees Provident	Malaysia	18,660	D.Bank/Bankergewerbe	Germany	8,340	157	Nat'l Elect. Contractors	U.S.	4,292
34	ATP	Denmark	17,760	Shell	Netherlands	8,160	158	Louisiana Teachers	U.S.	4,220
35	Electricity Supply	U.K.	17,620	Hughes Aircraft	U.S.	7,900	159	Los Angeles Fire/Police	U.S.	4,210
36	University of California	U.S.	16,998	Ontario Public Service	Canada	7,750	160	Illinois State Universities	U.S.	4,207
37	NYNEX	U.S.	16,740	Texas Employees	U.S.	7,683	161	Kansas Employees	U.S.	4,169
38	Washington State	U.S.	15,640	Metaalijverheid BPF	Netherlands	7,610	162	Nevada Employees	U.S.	4,150
39	Ameritech	U.S.	15,600	Bouwnijverheid BPF	Netherlands	7,440	163	Northrop	U.S.	4,150
40	Minnesota State Board	U.S.	15,105	General Dynamics	U.S.	7,234	164	Georgia Employees	U.S.	4,150
41	Post Office	U.K.	14,990	Procter & Gamble	U.S.	7,105	165	KLM	Netherlands	4,102
42	GTE	U.S.	14,976	Lloyds Bank	U.K.	7,060	166	Minnesota Mining/Mfg.	U.S.	4,090
43	Bell Atlantic	U.S.	14,741	Allied-Signal	U.S.	7,000	167	Grafische BPF	Netherlands	4,080
44	BellSouth	U.S.	14,570	British Airways	U.K.	6,960	168	State Farm Insurance	U.S.	4,056
45	British Railways	U.K.	14,050	McDonnell Douglas	U.S.	6,800	169	J.C. Penney	U.S.	4,040
46	Boeing	U.S.	14,010	Prudential Insurance	U.S.	6,764	170	British Aerospace	U.K.	4,030
47	NTT Mutual Aid	Japan	13,330	Westinghouse Electric	U.S.	6,667	171	Baugewerbe ZVK	Germany	4,028
48	Virginia Retirement	U.S.	13,300	Mass. Teachers/Emp'l	U.S.	6,591	172	Atlantic Richfield	U.S.	4,010
49	Maryland State	U.S.	13,200	Tokyo-to Public Service	Japan	6,395	173	Detroit Retirement	U.S.	4,000
50	Pension Fund Assoc.	Japan	13,124	Canadian Nat'l Railways	Canada	6,230	174	Chicago Teachers	U.S.	3,982
51	Private School Teachers	Japan	12,881	Lonmodiageres D'ford	Denmark	6,200	175	Southern Co.	U.S.	3,950
52	Phillips	Netherlands	12,810	Metaalindustrie BPF	Netherlands	6,080	176	World Bank	U.S.	3,900
53	Ontario Municipal	Canada	12,720	Iowa Public Employees	U.S.	5,942	177	Kentucky Retirement	U.S.	3,900
54	Pacific Telesis	U.S.	12,594	Neder. Spoorwegen	Netherlands	5,880	178	Migros	Switzerland	3,857
55	Oregon Employees	U.S.	12,536	Missouri Public Schools	U.S.	5,861	179	Metropolitan Life	U.S.	3,846
56	Georgia Teachers	U.S.	12,354	Chrysler	U.S.	5,834	180	Consolidated Edison	U.S.	3,820
57	B.C. Superannuation	Canada	12,320	Bayerische Arztevers.	Germany	5,740	181	Textron	U.S.	3,802
58	Universities Super.	U.K.	11,260	City of Zurich	Switzerland	5,690	182	Commonwealth Banking	Australia	3,802
59	British Gas	U.K.	11,240	State Service Super.	Australia	5,682	183	Ford Motor	U.K.	3,802
60	Central St. Teamsters	U.S.	11,163	Federation/Cities Pers.	Japan	5,600	184	Indiana Employees	U.S.	3,802
61	Pa. State Employees	U.S.	11,131	Pacific Gas & Electric	U.S.	5,600	185	CIBA-GEIGY	Switzerland	3,800
62	Agricultural Forest/Fish	Japan	11,126	Bell Canada	Canada	5,580				

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Asset Allocation Policy and Fund Performance Summary

ECONOMIC INDICATORS (% change, annualized)

	1 Year	5 Years	10 Years
	<u>Ending 12/31/92</u>	<u>Ending 12/31/92</u>	<u>Ending 12/31/92</u>
GDP Deflator	2.6%	3.8	3.7%
CPI	3.2	4.2	3.8
GDP (current dollars)	5.1	5.2	6.6
National Wage Rate Growth	3.3	4.0	4.0
S&P 500	7.6	15.8	16.1
Russell 2000	18.6	15.1	11.8
Merrill Lynch Domestic Master	7.6	10.6	11.7
IPC Real Estate Index (through 6/92)	-6.9	1.3	5.7

STATUS WITH CONTROL

PERFORMANCE (annualized)

	Market	12/31/92	Policy	1-Year Return	5-Year Return	10-Year Return
	\$(Mil.)	% Mix	Mix	Ending 12/31/92	Ending 12/31/92	Ending 12/31/92
RETIREMENT FUNDS						
FIXED FUND						
Equities	\$12,678	55%	40-65%	11.5%	13.9%	14.5%
Fixed Income	8,253	36	30-50	8.9	12.3	13.0
Mortgages & Real Estate	929	4	5-15	-0.3	5.5	6.1
Cash	<u>1,112</u>	<u>5</u>	0-20	4.9	7.6	8.3
Total	\$22,972	100%		9.7	12.2	12.9
VARIABLE FUND						
Equities	\$ 3,117	94%	90-100%	11.0	13.7	14.5
Cash	<u>185</u>	<u>6</u>	0-10	4.9	7.6	8.3
Total	\$ 3,302	100%		10.7	13.2	13.6



Board of Trustees (left to right): *seated* — Gary I. Gates, Secretary; Maureen J. Busby, Vice Chair; Eugene G. Martin, Chair; *standing* — Mark J. McMullen; George H. Hahner; Philip M. Gelatt; Richard H. Lillie, M.D.; James R. Klauser.

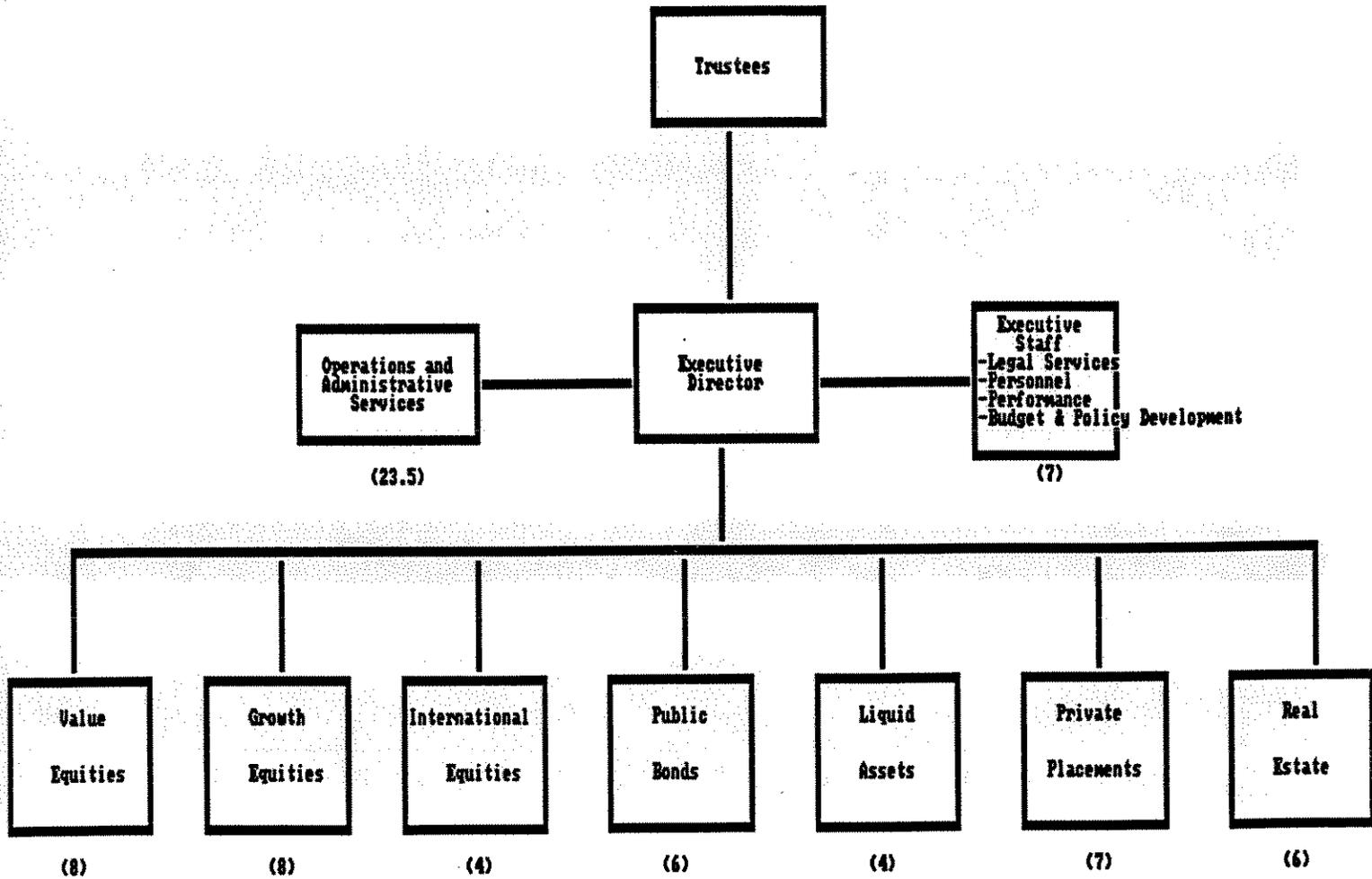
Introduction to the Board of Trustees

The Board of Trustees of the State of Wisconsin Investment Board consists of eight members. One member is the Secretary of the Department of Administration. Two members are participants in the Wisconsin Retirement System. One of these is a teacher who is appointed by the Teacher Retirement Board. The second represents other participants and is appointed by the Wisconsin Retirement Board. Five members of the Board, the public members, are appointed by the Governor. Of these public members, four are required to have at least ten years of investment experience. All appointed members of the Board of Trustees serve six-year terms.

Members of the Board of Trustees

- Eugene G. Martin—Chair. *Public Member*
Executive Vice President, National Investment Services of America, Milwaukee.
- Maureen J. Busby, C.F.A.—Co-Chair. *Public Member*
President, Johnson Asset Management, Milwaukee.
- Gary I. Gates—Secretary. *Wisconsin Retirement System Nonteacher Member*
Secretary, State of Wisconsin Department of Employee Trust Funds, Madison.
- George H. Hahner—*Wisconsin Retirement System Teacher Member*
Retired Teacher, Racine.
- James R. Klauser—*Secretary of the Department of Administration*, State of Wisconsin, Madison
- Richard H. Lillie, M.D.—*Public Member*
Investor. Real Estate Developer, Retired Surgeon, Milwaukee.
- Mark J. McMullen—*Public Member*
Executive Vice President-Investments, Associated Kellogg Bank, Green Bay.
- Philip M. Gelatt—*Public Member*
President, Northern Engraving Corporation, Sparta

State of Wisconsin Investment Board



State of Wisconsin Investment Board Senior Management

121 East Wilson Street
Madison, WI 53702
(608)266-2381

Patricia Lipton
Executive Director
(608)266-9451

James R. Severance
Assistant Executive Director
Investment Director-Value Equities
(608)266-2385

Richard V. Gibson
Investment Director-Liquid Assets
(608)266-2045

Kathleen Harris
Investment Director-International Equities
(608)266-2039

John F. Nelson, C.F.A.
Investment Director-Growth Equities
(608)266-7232

Robert Severance
Investment Director-Real Estate
(608)266-7111

Robert L. Zobel
Investment Director-Private Placements
(608)266-1316

John J. Zwadzich
Investment Director-Public Bonds
(608)266-2047

Kurt N. Schacht
General Counsel-Legal Services
(608)266-2040

George R. Natzke, C.P.A.
Administrator-Operations and Administrative Services
(608)267-2059

Monica A. Jaehnig
Executive Assistant to Executive Director
(608)266-9022



STATE OF WISCONSIN

Department of Employee Trust Funds

Eric Stanchfield
Secretary
201 East Washington Avenue
P.O. Box 7931
Madison, Wisconsin 53707

Numbers to Call with Questions

Eric Stanchfield, Secretary	266-0301
Dave Mills, Deputy Secretary	266-3641
Sandy Drew, Director of Legislation	267-2929
Dave Stella, Director, Retirement & Survivor Benefits	267-9038
Tom Korpady, Director, Health & Disability Programs	266-0207

Overview

- Tenth largest public fund in U.S. (book value)
25th largest fund in world (book value)
- Over \$26 billion in assets (market value)
- \$9.5 million annual budget—only 4/100 of 1% of assets to administer the program
- Annuity payments of \$900 million projected for 1993.
- Over \$350 million collected annually for non-retirement insurance programs
- 1,150 employers
- 379,000 state and local employees in WRS which includes 81,000 annuitants
- 170 department employees
- Locations in Madison and Milwaukee

(Data as of the end of 1992.)



STATE OF WISCONSIN

Department of Employee Trust Funds

Eric Stanchfield
Secretary
201 East Washington Avenue
P.O. Box 7931
Madison, Wisconsin 53707

Major Programs

- **Wisconsin Retirement System**
 - Retirement Program - 81,000 annuitants/\$900 million projected annuity payments in 1993
- **Group Life Insurance Program**
 - State of Wisconsin Group Life Plan - 43,000 employees + 9,200 retirees over age 65
 - Wisconsin Local Employers Group Life Plan - 61,000 employees + 13,000 retirees over age 65. 28,000 employees carry spouse and dependent
 - Spouse and Dependent Group Life Program - 22,000 employees carry spouse and dependent coverage
- **Group Health Insurance Program**
 - State of Wisconsin Group Health Plan - 56,000 employees + 16,000 retirees
 - Wisconsin Public Employers Group Health Plan - 6,600 employees and retirees
 - Local Government Annuitant Health Plan - 400 retirees
- **Income Continuation Insurance (disability income)**
 - State of Wisconsin Classified Employee Group Plan and University of Wisconsin Faculty Group Plan - 45,000 employees
 - Local Public Employers Group Plan - 2,400 employees
- **Deferred Compensation Program**
 - State of Wisconsin Employees Plan - 13,300 with \$213.8 million in assets
 - Local Government Employees - 5,000 with \$37.7 million in assets (300 local government employers participate)
- **Section 40.65 Duty Disability Program**
- **Long Term Disability Insurance Program (state only) - began October, 1992**
- **Accumulated Sick Leave Conversion Credit Program for health insurance premium payments (state only) - 6,500 of 16,000 retirees**
- **Long-term Care Insurance Program (state only) - none**
- **Employee Reimbursement Accounts Program (state only) - 4,900 participants**

WISCONSIN RETIREMENT SYSTEM

Workshops for Legislators and Staff

10:30 to 11:45 a.m. in Room 213 SE, State Capitol

Wednesday, February 10, 1993

Wisconsin Retirement System—Mission, agency structures, functions and authority, program overview, governing boards, who's covered, uniqueness of trust.

Wednesday, February 17, 1993

Retirement and Pension Funding Issues—How to finance a pension system, who contributes, who decides the amount of the contributions, sound vs. unsound funding, unfunded plans, actuarial determinations (e.g. life expectancy, assumptions), how benefits are determined.

Wednesday, February 24, 1993

Investment Functions—Assets under management, investment authority, types of investments for fixed and variable trusts, purpose of transaction amortization account (TAA), performance measures, how investment earnings translate into income credits and annuity dividends.

Wednesday, March 3, 1993

Broad Benefits Issues—Role of federal government, non-discrimination rules, taxation, rollovers to or from other plans.

Wednesday, March 10, 1993

Investment Policy Issues—Legal responsibilities of a fiduciary and SWIB's statutory mandates, role of institutional investors in corporate governance and social responsibility issues, Wisconsin investments, investment time horizons and realistic expectations for investment returns in 1990s, emergence of new investment areas.

Wednesday, March 17, 1993

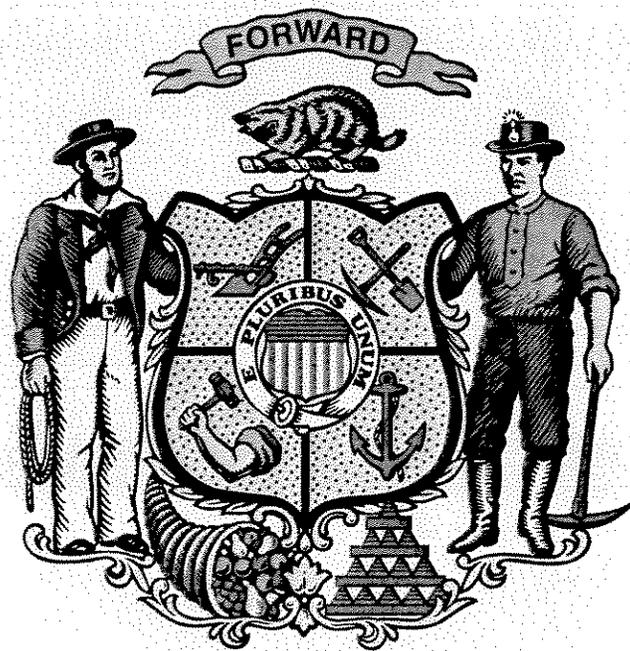
Other Non-Retirement Employee Benefits—Health, life and other insurances, deferred compensation, and employe reimbursement accounts.

Sponsored by

DEPARTMENT OF EMPLOYEE TRUST FUNDS *and* STATE OF WISCONSIN INVESTMENT BOARD

Eric Stanchfield, Secretary

Patricia Lipton, Executive Director



CORRESPONDENCE/MEMORANDUMSTATE OF WISCONSIN
Department of Revenue

DATE: March 9, 1993
TO: Distribution: Central - IS&E Newsletter
FROM: J. T. Pionkowski, Division Administrator
SUBJECT: Class Action Notice to Federal Retirees

*Internal
Memo*

The Wisconsin Tax Appeals Commission has ordered in the case of Hogan, et al. vs. Wisconsin Department of Revenue that federal retirees be notified of their rights as class action members and of their option to be excluded from the class.

The attached notice will be mailed on March 10, 1993 by the class counsel, Eugene Duffy of O'Neil, Cannon & Hollman, S.C., to all federal retirees or their survivors who were members of or retired from the United States retirement systems as of December 31, 1963 and who received federal retirement benefits taxable by Wisconsin in any of the years 1984 through 1988. (However, the notice will not be mailed to members of the Wisconsin Military Retirees Alliance who have already opted out of the class.) In addition, the attached notice to federal retirees will be published in the Wisconsin State Journal and Milwaukee Sentinel on March 12, March 19 and March 26, 1993.

**QUESTIONS AND ANSWERS ABOUT CLASS ACTION NOTICE AND
STATUS OF FEDERAL RETIREMENT CASES**

Question 1: What should I do if I receive an inquiry about the notice of class action and/or rights of class members?

Answer 1: Refer all questions about the notice or class action to Eugene Duffy of O'Neil, Cannon & Hollman, S.C., Suite 1400, 111 East Wisconsin Avenue, Milwaukee, WI 53202 Telephone (414) 276-5000. Don't comment on the class action or the class counsel. Also, don't counsel federal retirees on staying in or opting out of the class action.

Question 2: What should I do if I receive an inquiry from a member of the Wisconsin Military Retirees Alliance about the notice of class action and/or rights of class members?

Answer 2: Refer these questions to the Wisconsin Military Retirees Alliance power of attorneys, Harry F. Franke or Kathy L. Nusslock, Cook & Franke, 660 East Mason Street, Milwaukee, WI 53202 Telephone (414) 271-5900. Note that the notice will not be mailed to members of the Alliance but members may see the notice in the newspaper.

Question 3: What should I do if I receive an inquiry about the year or years for which a federal retiree filed a refund claim?

Answer 3: Refer these calls to Faye Cullen or Dale Kleven in Central Audit at (608) 266-2441 or (608) 266-0586.

Question 4: What is the status of the Hogan case?

Answer 4: The Wisconsin Tax Appeals Commission has ruled on two motions made in the Hogan case. First, the Commission ruled that its decision to uphold a refund claim is always retroactive. Secondly, the Commission ruled that it could and would hear a class action claim. Note that the Commission has not yet decided whether it will uphold the refund claim in Hogan. A decision is expected within 3 months.

Question 5: What is the status of Harper v. Virginia Department of Taxation, a case at the U.S. Supreme Court involving retroactive refund claims of federal retirees?

Answer 5: The U.S. Supreme Court has heard oral arguments and is expected to announce its decision in the next few weeks. The Department of Revenue will review this decision and other legal issues before acting on pending refund claims.

Tom Timkin

WISCONSIN TAX APPEALS COMMISSION

STATE OF WISCONSIN
DEPARTMENT OF REVENUE

MAR 09 1993

J. Gerard and Delores M. Hogan,
et al.,

Petitioners,

v.

Docket No. 91-I-386

Wisconsin Department of Revenue,

Respondent.

RECEIVED
LEGAL DIVISION

~~████████████████████~~
101 E Wilson
Madison 53702

NOTICE OF PENDENCY OF CLASS ACTION
AND RIGHTS OF CLASS MEMBERS

TO: ALL FEDERAL PENSIONERS AND THEIR SURVIVOR ANNUITANTS (INCLUDING THEIR GUARDIANS, HEIRS AND ESTATES) WHO WERE MEMBERS OF OR RETIRED UNDER A UNITED STATES GOVERNMENT RETIREMENT SYSTEM AS OF DECEMBER 31, 1963 AND RECEIVED FEDERAL RETIREMENT BENEFITS TAXABLE BY WISCONSIN IN ANY OF THE YEARS 1984 THROUGH 1988.

Notice is hereby given to you that the petitioners above named have filed an action in the Wisconsin Tax Appeals Commission on behalf of themselves and all members of the class herein addressed.

By orders dated October 28, 1992, November 6, 1992, February 16 and 23, 1993, the Commission has determined that this action should be maintained as a class action under the provisions of Rule TA § 1.39 and Wis. Stat. § 803.08, and by order dated March 8, 1993, the Commission directed the giving of this notice to class members. Notice is further given as follows:

1. The petitioners' petition alleges that the Respondent, Wisconsin Department of Revenue, violated federal and state law and the rights of the class, for which recovery is sought herein in the form of refunds and related relief, for members of the class, of all Wisconsin income taxes imposed or asserted to be due upon federal retirement benefits attributable to years 1984 through 1988. Respondent has denied any liability to petitioners or any member of the class on the basis that the class is not entitled to retroactive relief for years prior to 1989. This notice is not to be construed as an expression of any opinion by the Commission with respect to the merits of the respective claims or defenses of the parties. This notice is sent merely to advise you of the pendency of the action and the rights you have with respect thereto.

2. All members of the class will automatically be considered a member included in the class unless they request exclusion from the class. Members of the class will be entitled to

share in the benefits of any judgment favorable to the class or in any settlement of their claims, after deduction of attorney's fees and disbursements, but they will also be bound by a decision unfavorable to the class. Included class members will also be subject to the orders and notices hereafter given in this action with reference to the furnishing of statements and other matters of that nature. An unfavorable decision for petitioners will not result in any expense to you. If relief is granted in this action, petitioners' attorneys will seek as their fee 15% of the amount recovered for the class members. If there is no recovery, no fees will be sought.

3. Class Counsel - Counsel for the petitioners and for the members of the class included in this action is: Eugene O. Duffy of O'Neil, Cannon & Hollman, S.C., Suite 1400, 111 East Wisconsin Avenue, Milwaukee, Wisconsin 53202. All communications and questions concerning this notice should be sent to class counsel and should not be addressed to the Clerk of the Commission.

4. You will be considered a member of the class unless you request to be excluded. Persons who request exclusion will not be entitled to share in the benefits of a judgment if it is favorable to the petitioners and the class, and they will not be bound by the judgment if it is adverse to the petitioners and the class. If you decide to exclude yourself from the class, you will remain free to pursue on your own behalf whatever legal rights you may have. Requests for exclusion should be mailed to: FEDERAL RETIREE OPT-OUT, % O'Neil, Cannon & Hollman, S.C., Suite 1400, 111 East Wisconsin Avenue, Milwaukee, Wisconsin 53202. You may request that the Commission exclude you from the class provided that such request is made in writing postmarked on or before April 26, 1993. You may use the attached form to request exclusion from the class or submit a written request that states that you desire to be excluded from the class and include your name, address and social security number and the name and number of the case as stated above.

5. If you do not request exclusion, you may, if you desire, be represented by your own attorney. The cost of such individual representation will be at your own expense and shall be in addition to your share of fees awarded to counsel for the class from any recovery.

6. The pleadings and other papers filed in this action are available for inspection in the office of the Clerk of this Commission.

Dated at Mequon, Wisconsin this 8th day of March, 1993.

18/ Douglas H. Bartley
DOUGLASS H. BARTLEY

EXCLUSION REQUEST - OPT-OUT FORM

**Read the Enclosed Legal Notice Carefully/
Before Deciding If You Should Fill Out This Form**

**If You Want To Remain in the Petitioner Class,
Do Not Complete This Form**

The undersigned does NOT wish to remain a member of the petitioner class certified in the case of Hogan v. Wisconsin Department of Revenue, in the Wisconsin Tax Appeals Commission.

Date: _____

(Signature)

(Print name of person signing)

(Print title of person signing
if other than the taxpayer)

(Print address)

Social Security Number

If you want to exclude yourself from the class, you must fill in and return this form by mailing on or before April 26, 1993 to:

FEDERAL RETIREE OPT-OUT
178 O'Neil, Cannon & Holliman, P.C.
Suite 1400
111 East Wisconsin Avenue
Milwaukee, Wisconsin 53202

A separate request for exclusion should be completed and timely mailed for each person electing to be excluded from the class.

**ATTENTION FEDERAL RETIREES:
Read this class notice about
Wisconsin Department of Revenue
litigation carefully.**

IN THE WISCONSIN TAX APPEALS COMMISSION IN THE STATE OF WISCONSIN,
MADISON, WISCONSIN

IN RE: J. Gerard and Delores M. Hogan, et al. v. Wisconsin
Department of Revenue
Docket No. 91-I-386

Notice to former federal employees and their survivor annuitants (including their guardians, heirs and estates) who were members of or retired under a United States government retirement system as of December 31, 1963, of certification of a class in tax related litigation against the Wisconsin Department of Revenue for the years 1984 through 1988.

Notice is hereby given to you that the above-named petitioners have filed an action in the Wisconsin Tax Appeals Commission on behalf of themselves and all members of the class herein addressed. Pursuant to Orders of the Wisconsin Tax Appeals Commission, a class has been certified in this case. The petitioners seek recovery in the form of refunds and related relief for members of the class of all taxes imposed or asserted to be due on federal retirement benefits for the tax years 1984 through 1988. All members of the class will automatically be considered included in the class. Class counsel for the petitioners and members of the class is Eugene O. Duffy of O'Neil, Cannon & Hollman, S.C., Suite 1400, 111 East Wisconsin Avenue, Milwaukee, Wisconsin 53202. Members of the class who desire to be excluded from the class must request exclusion as set forth in the Notice of the Commission by April 26, 1993.

If you are a federal retiree or a survivor annuitant who was a member of or retired under a United States government retirement system as of December 31, 1963, and received federal retirement benefits taxable by Wisconsin in any of the years 1984 through 1988 you may be a member of the class and your rights may be affected by this litigation. If you have not yet received the detailed Notice of the Commission, you may obtain a copy by filling out the coupon below and mailing it to the address below.

PLEASE DO NOT CALL THE DEPARTMENT OF REVENUE OR THE WISCONSIN TAX APPEALS COMMISSION FOR INFORMATION.

WISCONSIN TAX APPEALS COMMISSION

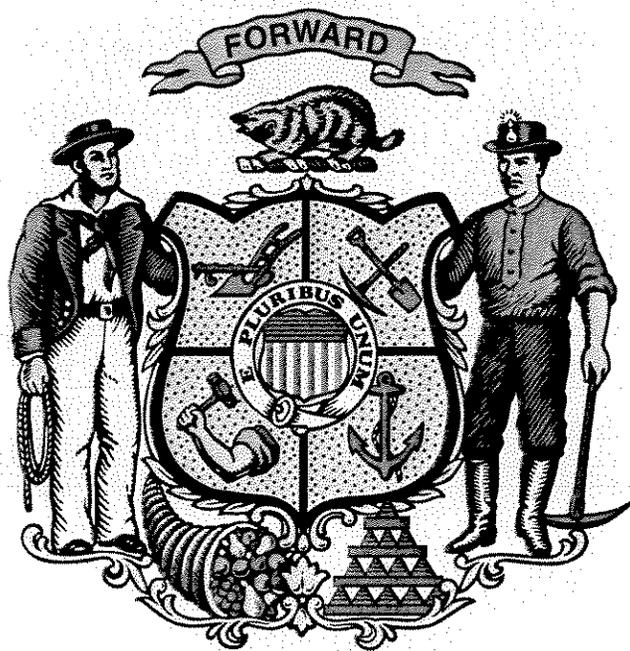
/s/ Douglas H. Bartley
DOUGLASS H. BARTLEY

To Receive a Copy
of the Notice,
Mail Completed
Coupon To:
Hogan Litigation
% O'Neil, Cannon &
Hollman, S.C.
Suite 1400
111 E. Wisconsin Ave.
Milwaukee, WI 53202

Send the Hogan Litigation Class Notice to:

PLEASE PRINT

Name: _____
Address: _____
City: _____
Phone: () _____
Soc. Sec. No.: _____ - _____ - _____



CHAPTER PROFILE: Chapter 172

Lasting Impressions



NANCY JAGEKA

Members of Chapter 172 and artist Lee Teeter (in suspenders) present Reflections to Mary Stout in 1988

BY CHARLES HAND

It is rapidly becoming one of the enduring images of the Vietnam veteran.

Reflections, a lithograph of a veteran in a three-piece suit leaning against the *Wall*, continues to transfix those who see it years after it was introduced.

Tens of thousands of the prints have been sold all over the world, according to W. Bryan Hall, one of the members of VVA Chapter 172 in Cumberland, Maryland, who helped convince the chapter to take a chance on an artist's offer to "do something" to help Vietnam veterans.

Hall, who is today an attorney in Cumberland but who spent a year along the Vietnam/Cambodia border gathering intelligence for the Fifth Special Forces, said he was by no means sure of the outcome of the deal he helped talk the chapter into.

"We didn't know how it would go, but we were impressed" with the painting, says Hall.

Jim Williams, another early supporter who became the model for the veteran in the photo, said he was not too sure how the chap-

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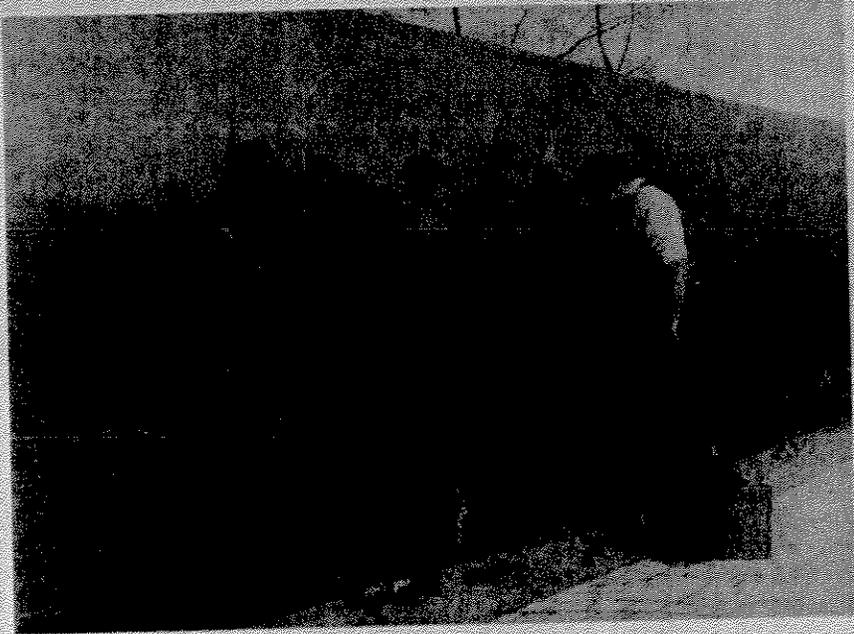
CHAPTER PROFILE

Continued from Page 23

ter's investment in the lithographs would fare either, but when he saw the painting, he was sure it had national potential. That view was not universal in the chapter. "We had a couple of skeptics," he recalls. "Well, you might say a couple thousand of them."

Since then, *Reflections* has demonstrated its appeal to veterans of Vietnam, not only in

As might be expected, *Reflections* has brought in considerable revenue to a chapter that had \$300 in its treasury after the first run of lithographs, though neither Hall nor Williams could estimate the value of *Reflections* to the chapter without going back through five years of records. It has been enough, though, to buy a building in down-



Reflections has captured the hearts and minds of veterans and non-veterans worldwide

this country but in others as well, and it is also highly regarded by non-veterans.

Hall said the chapter has received inquiries from a veteran of the former Soviet Union's venture in Afghanistan, as well as from a South African veteran who compared the Vietnam War with engagements in which he served. Orders also come from veterans in other nations, such as Australia, whose soldiers fought in Vietnam.

Lee Teeter, the artist who painted *Reflections*, was introduced to Chapter 172 by one of its members, Bill Farrell. Farrell told his fellow veterans that a friend of his, an artist who was not a Vietnam veteran but who wanted to help out somehow, had made an offer to use his talent for the chapter's benefit.

After a couple of meetings for discussion of the offer, the board of directors decided to adopt the concept of a fund-raiser, says Williams.

The painting was completed in 1988.

Teeter held the copyright on the painting but told the chapter he wanted to sell it. The chapter bought it, along with 16,800 lithographs signed and numbered by the artist.

Those first lithographs have long since been sold, and *Reflections* has matured into a worldwide phenomenon.

It has even begun making its way onto t-shirts and sweatshirts, no mean feat since, says Hall, no copy of *Reflections* gets out of the chapter's Cumberland headquarters unless it is as nearly perfect as it can be. Both lithographs and shirts have been rejected because of a flaw or failure to remain true to the original's color, he said.

The chapter goes so far as to replace without question a print damaged in shipping because of the perfectionist attitude. Hall said the chapter does not want a single flawed print on exhibit anywhere because of the importance of the image.

town Cumberland and to allow the chapter to renovate it.

Most of the money the chapter makes from *Reflections* goes to veterans affairs.

One of the chapter's pet beneficiaries is a reentry outreach counselor under contract to the VA. Because VA restrictions require the counselor, Peggy Mallotte, to either turn away some who come to her for help or to counsel them without reimbursement from the VA, and she chooses to forego the reimbursement instead of turning people away, the chapter provided a subsidy. Hall estimates the subsidy at approximately \$20,000.

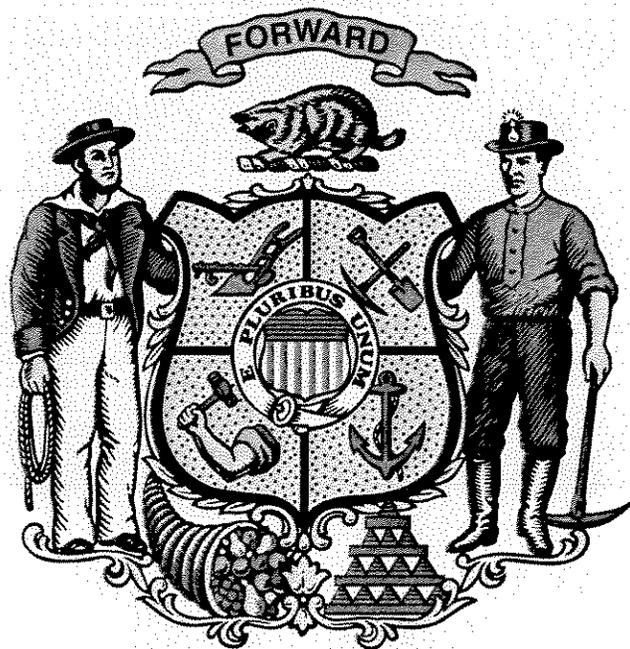
Another major beneficiary is the maintenance fund for the *Wall*, which receives approximately \$5,000 a year from the chapter.

Chapter 172 also funds scholarships, organizes a yearly bus trip to the *Wall*, hosts a Christmas party and summer picnic for its members and other Vietnam veterans, and plans to send \$5,000 to the victims of the flooding of the Midwest.

On occasion, *Reflections* becomes the donation. Copies of the print have been donated to the service academies, and one was sent to a center for incarcerated veterans. Another went to the New Mexico Museum of Military History and still another to Freedom Now, an organization working on the POW/MIA issue.

How long *Reflections* will endure is anybody's guess, said Hall. "As a conservative kind of thinker, I always think it's going to end next week," muses Hall, "but it never does."

"We'll keep selling *Reflections* until we drop," says Williams, who believes the print has a long run ahead of it because, despite its popularity, "there are a lot of people I've talked to who don't even know it exists." ■



lasting Impressions



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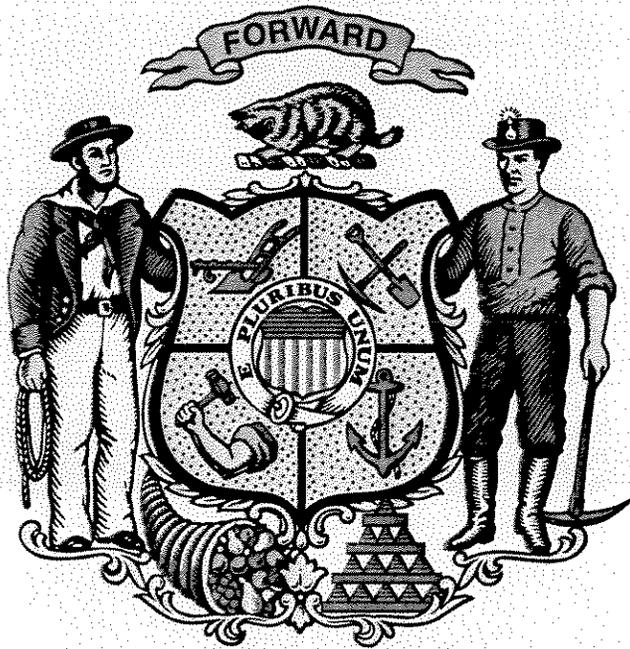
"REFLECTIONS"

by Lee Teter

Lee Teter created this inspirational art to give visual definition to the purpose and meaning that "The Wall" has for Americans.

Teter, who is not a Vietnam veteran, wanted to help out and offered to use his talent to benefit his friend's Vietnam Veterans of America chapter in Maryland.

That group is marketing the prints worldwide to benefit various veterans' causes.



June 8, 1994

Robert Gutsche
P.O. Box 108
Tomah, WI 54660

Dear Robert:

Thank you for your letter regarding peacetime homeless veterans and their qualifying for the Veterans Rehabilitation Program. I appreciate your concerns.

I agree with you one hundred per cent and have always believed that anyone who has served this country, at anytime, should be considered a veteran and qualify for veterans benefits. However, I am in the minority with that belief here in the state legislature.

Although the Veterans Rehabilitation Program is restricted to those who served during specific periods, it is a start. As you are well aware, it is the cost that places these restrictions.

I will continue to push here in the assembly for expanding the benefits for peacetime veterans. Gaining the support from the majority of the legislators is difficult.

I appreciate your input and please continue to contact me in the future with your views and concerns on state issues.

Sincerely yours,

Terry Musser
State Representative
92nd Assembly District

31 May 1994

Representative Terry Musser
Room 20 North
State Capitol
Madison, WI 53708

Dear Representative Musser;

As an elected official you have responsibilities of enormous magnitude, and for this I commend you. With your responsibility comes the opportunity to right wrongs that have occurred due to oversight in the process.

I would like to take this opportunity to point out what I believe to be a gross oversight which is resulting in a wrong to a significant percent of our homeless veteran population.

I commend those responsible for the development of the Veteran Rehabilitation Program which is becoming a reality due to joint cooperation of the State of Wisconsin Department of Veteran Affairs, Department of the Army, and the Federal Department of Veteran Affairs (VA). The oversight which I have referred to is in the eligibility requirement for this program as laid out by the Wisconsin Legislature (encl #1). I believe that to restrict this program to veterans who have served during a period of time which our country was involved in hostilities is in reality denying a critical service to peacetime homeless veterans who are a significant percent of the homeless veteran population of this country. I am enclosing for your consideration a copy of a recent study conducted by the Veterans Administration which supports the fact that peacetime veterans represent a significant percent of the homeless population.

The second area of concern I have, related to this issue, is in the rehabilitation program portion. The rehabilitation toward eventual employment appears to be the nucleus of the program and its goals to end the cycle of homelessness. By placing the restrictions of periods of military service as a requirement of participation in this program possibly a legality might be violated. By restricting participation we have, in fact, denied access to a federal program offered by the VA. Without the state portion of the program offering supported housing at Fort McCoy, the excluded homeless peacetime veteran is unable to participate and remains entangled in the existing web of homelessness.

Therefore, as a veteran (military retiree), professional Social Worker, and resident of the state of Wisconsin, I encourage you to participate in a bi-partisan venture to amend the eligibility requirements for this program to encompass all veterans who have served honorably in service to their country. In the spirit of the State of Wisconsin motto, let us move FORWARD together.

In closing I thank you for your consideration of this request and I leave with the words of Omar N. Bradley, Administrator of Veterans Affairs, 1945-1947:

"We are dealing with veterans, not procedures; with their problems, not ours".

Sincerely,



ROBERT GUTSCHE, MSW
P.O. Box 108
Tomah, WI 54660
(608) 372-1771 (W)
(608) 374-4081

**Eligibility Requirements for the
Veterans Rehabilitation Program (45.357)**

Military Service:

- Served under honorable conditions, and
- Served for a period of at least 90 days active duty with a minimum of 1 day active duty during a wartime period, or pursuant to Section 1 of Executive Order 10957 unless this service was foreshortened due to a service-connected disability, or death, or,
- Received the Armed Forces Expeditionary Medal, Marine Corps Expeditionary Medal, Navy Expeditionary Medal, Vietnam Service Medal, or,
- Served in Lebanon, Grenada, Panama, Somalia, or a Middle East Crises.

Residency Requirements:

- NONE

The Proportion of Veterans among Homeless Men

Robert Rosenheck, MD, Linda Frisman, PhD, and An-Me Chung, PhD

Introduction

Community surveys conducted during the 1980s reported that, on average, 38% of homeless men were veterans (range = 29% to 49%),¹⁻⁷ as compared with only 30% of men in the general population.⁸ While these findings suggest that veterans may be at a somewhat greater than expected risk for homelessness, such an overrepresentation is not easy to explain. Most veterans are entitled to special benefits, including educational assistance, home loan guarantees, pension and disability payments, and free health care. In 1990, veterans had higher median incomes, had lower rates of poverty and unemployment, and were better educated than nonveteran US men in similar age groups.⁹ These data suggest that veterans should be less vulnerable to homelessness than other Americans. The present study sought to determine whether veterans, in general, are disproportionately represented among homeless people or whether vulnerability to homelessness is specific to one or another age or race cohort of veterans.

Methods

Estimates of Proportions

The proportion of male veterans among homeless men was estimated through secondary analyses of the Urban Institute's 1987 national survey of homeless service users (n = 1140)¹⁰ and three single-city surveys conducted in Los Angeles (n = 270),¹¹ Baltimore (n = 295),¹² and Chicago (n = 486)¹³ between 1985 and 1987. These studies were chosen because of their sophisticated sampling strategies (see the original publications for details) and overall rigorous design. Veteran status, judged in all four studies from a single question concerning past US military service, was used to estimate the proportion of veterans among homeless men within each of five age cohorts (20 through 34, 35 through 44, 45 through 54, 55 through 64, > 64) and by race (White vs Black).

The 1987 Current Population Survey, a national household survey con-

ducted by the Bureau of the Census, was used to estimate the proportion of male veterans in the general population in each of these age-race cohorts.¹⁴ These data were used to estimate odds ratios (ORs) of homelessness among veterans as compared with nonveteran US men.

Adjustment Factors Associated with Veteran Status

To account for differences in the risk of homelessness among veterans relative to nonveterans in the various age-race cohorts, we also compared veterans and nonveterans in the general population on factors that have been associated with homelessness.

Socioeconomic characteristics. Further analyses of the Current Population Survey were undertaken to compare veterans and nonveterans on personal income, poverty rates, unemployment, educational achievement, marital status, and household size.¹⁴ Only the subgroup of men whose income was less than twice the poverty level were included in the last four analyses.

Psychiatric and substance abuse disorders. An analysis of the public access data tape of the Epidemiological Catchment Area Study was conducted to compare rates of lifetime psychiatric and substance abuse diagnoses among male veterans and nonveterans in each 1987 age-race cohort.¹⁵

Military service. Information regarding service era and combat exposure of veterans in various age groups was obtained through analyses of data from the Third Survey of Veterans, a 1987 survey of a representative national

The authors are with the Department of Veterans Affairs Medical Center, Northeast Program Evaluation Center, West Haven, Conn. Robert Rosenheck and Linda Frisman are also with the Department of Psychiatry, Yale University, New Haven, Conn. An-Me Chung is also with the College of Physicians and Surgeons, Columbia University, New York, NY.

Requests for reprints should be sent to Robert Rosenheck, MD/182, Department of Veterans Affairs Medical Center, Northeast Program Evaluation Center, 950 Campbell Ave, West Haven, CT 06516.

This paper was accepted July 13, 1993.

than that in the general population (34%). This overrepresentation is largely attributable to the disproportionate representation of veterans in the youngest age cohort (20 to 34 years) of homeless White men. Veterans in this group are 4.76 times more likely to be homeless than nonveterans. Other national data on this cohort reveal higher rates of unemployment, substance abuse, and antisocial personality among veterans than among nonveterans. (*Am J Public Health*, 1994, 84:466-469)

sample of 9442 noninstitutionalized veterans.¹⁶ These analyses were also limited to low-income veterans: those who earned less than \$15 000 per year (the bottom third of the veteran income distribution).

Results

Veterans among Homeless Americans

Results were similar from all four homeless surveys, and unweighted data were combined to simplify their presentation. Among homeless men more than 20 years old, 41% reported past military service, as compared with only 34% in the general population of US men surveyed in the 1987 Current Population Survey (Table 1).

Odds ratios (Table 2) show significantly greater likelihood of homelessness among veterans 20 to 34 and 45 to 54 years of age than among nonveterans in the general population. The most dramatic finding is that White veterans 20 to 34 years old were 4.8 times more likely to be homeless than their nonveteran counterparts in the general population (95% confidence interval [CI] = 3.8, 5.9). Although the risk of homelessness was also elevated among Black veterans in this age group, the odds ratio (2.1, 95% CI = 1.7, 2.7) was significantly lower than that for Whites. Homelessness was also increased among veterans 45 to 54 years old (OR = 1.7, 95% CI = 1.4, 2.1), but differences between races were not significant.

Socioeconomic Factors

Data from the 1987 Current Population Survey show that the average personal income among White veterans 20 to 34 years of age was about the same as that of White nonveterans (\$17 490 vs \$17 653), as were poverty rates (10.0% vs 10.8%). White veterans aged 20 to 34 were more likely to be unemployed than nonveterans (18.6% vs 11.4%), but veterans of all ages and races, including White veterans aged 20 to 34, were more likely to have a high school degree, more likely to be married, and no more likely to be living alone than their nonveteran counterparts (data available on request).

Psychiatric Risk Factors

Among White men in the 20- to 34-year-old cohort, prevalences of non-substance abuse psychiatric disorders and substance abuse disorders were two to three times higher among veterans

TABLE 1—Veterans among Homeless Men and among Men in the General Population, by Age and Race

Age, y	White		Black		Total Sample ^a	
	No.	% Veterans	No.	% Veterans	No.	% Veterans
Homeless surveys (n = 2223)						
20-34	400	33.7	483	25.6	939	30.6
35-44	253	42.4	297	33.6	576	37.2
45-54	240	64.6	161	48.0	412	58.7
55-64	154	67.4	89	51.9	251	61.7
> 64	22	67.8	23	7.1	45	37.4
Total	1 071	48.2	1 052	33.1	2 223	41.2
1987 Current Population Survey (thousands)						
20-34	25 522	9.6	3 487	13.8	30 021	10.0
35-44	14 202	38.0	1 566	33.3	16 310	36.9
45-54	9 696	49.9	1 805	21.9	11 845	44.8
55-64	9 133	72.2	941	53.9	10 304	69.9
> 64	10 418	47.5	941	37.6	11 550	46.3
Total	68 971	35.1	8 740	25.9	80 029	33.6

^aIncludes Whites, Blacks, and others.

TABLE 2—Odds Ratios of Homelessness among Veterans Compared with Nonveterans

Age, y	White		Black		Total Sample ^a	
	OR	95% CI	OR	95% CI	OR	95% CI
20-34	4.76	3.83, 5.93	2.13	1.68, 2.72	3.95	3.39, 4.58
35-44	1.19	0.92, 1.55	0.95	0.66, 1.37	1.01	0.85, 1.21
45-54	1.83	1.39, 2.42	3.25	2.29, 4.63	1.75	1.45, 2.15
55-64	1.42	0.56, 1.14	0.91	0.57, 1.45	0.69	0.53, 0.91
> 64	2.36	0.91, 6.40	0.15	0.04, 0.70	0.71	0.37, 1.34
Total	1.71	1.52, 1.94	1.42	1.22, 1.63	1.38	1.05, 1.85

Note. OR = odds ratio; CI = confidence interval.

^aIncludes Whites, Blacks, and others.

than among nonveterans, and rates of antisocial personality disorder were five to six times as high (Table 3). In contrast, Black veterans in this age cohort, in comparison with Black nonveterans, showed a significantly greater prevalence for lifetime substance abuse disorder only. Other veteran age-race groups, for the most part, showed no greater rates of these disorders than nonveterans.

Military Service Characteristics

Data from the Third Survey of Veterans revealed that veterans in the 20 to 34 and 45 to 54 cohorts were far less likely than other veterans to have served during a wartime service era or to have been exposed to combat (data

available on request). Among the 20 to 34 age group, 79% served during the post-Vietnam era (the era of the All Volunteer Force), and only 7% served in combat. Among the 45 to 54 age group, 78% served between the Korean and Vietnam eras, and only 17% served in combat. More than 40% of veterans in other age groups, in contrast, reported combat service.

Discussion

The proportion of veterans among homeless male Americans is greater than the proportion in the general population, but this overrepresentation is most striking among Whites 20 to 34 years old; to a lesser extent, Blacks 20 to

TABLE 3—Lifetime Prevalence (%) of Psychiatric Disorder among Men in the Epidemiological Catchment Area Study of Five US Cities, by 1987 Age Cohort, Race, and Veteran Status

Race/Age, y	n	Non-Substance Abuse		Substance Abuse		Antisocial Personality	
		Veterans	Non-veterans	Veterans	Non-veterans	Veterans	Non-veterans
White							
20-34	1146	39.0	16.5***	53.3	30.2***	24.7	4.8***
35-44	1255	21.0	22.7	38.6	31.1**	9.5	7.2
45-54	663	15.4	16.3	25.4	27.3	1.6	4.5**
55-64	581	13.1	20.6**	20.2	22.7	4.3	3.2
>64	2284	11.7	12.2	14.6	13.2	0.7	0.5
Black							
20-34	346	12.0	25.4	33.6	15.0*	4.9	2.2
35-44	324	21.0	22.2	39.5	22.0*	8.3	3.5
45-54	166	14.2	25.5	27.2	42.7	3.7	4.6
55-64	141	19.8	24.6	29.2	34.6	3.5	0.8
>64	451	20.7	34.0	28.0	24.7	0.8	1.6

* $P < .10$, ** $P < .05$; *** $P < .001$.

34 years of age and 45- to 54-year-old men of both races are overrepresented. Although Current Population Survey data are national rather than strictly urban, as in the case of the survey data, they suggest no special socioeconomic vulnerabilities among high-risk age-race cohorts of veterans. The much higher prevalence of psychiatric illness, substance abuse, and, especially, antisocial personality disorder among White veterans 20 to 34 years old would seem to be a likely contributor to the greater vulnerability to homelessness of this group. Veterans in these most vulnerable groups are the least likely to have served during wartime or in combat, reducing the role that can be attributed to combat stress in the genesis of homelessness among veterans.

Perhaps the most distinctive characteristic of veterans in the vulnerable age cohorts is that they served during nonwartime eras, especially during the post-Vietnam era, after establishment of the All Volunteer Force in 1973. The shift to the volunteer force marked an important change in military manpower policy, a change that was accompanied by widespread concern that the military would become an employer of last resort for poorly skilled youth.^{17,18} Studies comparing volunteer force recruits and age-matched civilians show these recruits to have had slightly lower socioeconomic status than their nonveteran peers,¹⁹⁻²¹ as well as poorer intellectual aptitude

test results^{22,23} and greater problems with substance abuse.²⁴⁻²⁶

Although it appears that, during the post-Vietnam era, young adults with greater psychopathology and lower earning potential joined the military, this does not appear to have been the case during the period between Korea and Vietnam.¹⁷ Nonwartime era veterans, however, are eligible for a more limited range of Veterans Affairs benefits. Only 25% of post-Korean era veterans used GI Bill educational benefits, as compared with 54% of Vietnam era veterans.¹⁶ More limited availability of Veterans Affairs benefits may therefore have played some role in increasing the risk of homelessness among veterans in the 45 to 54 age cohort.

Since veteran status in this study was not validated through a review of military records, it is possible that, either as a point of pride or in the hope of obtaining some other advantage, some homeless respondents may have falsely claimed military service, thus inflating estimates of the number of veterans among homeless people. This seems unlikely, however, since there is no reason to expect such falsification in some age-race cohorts more than in others.

Since the homeless surveys involved prevalence rather than incidence samples, an association between veteran status and duration of homelessness could have biased our results.²⁷ Other studies, however, suggest no difference

between veterans and nonveterans in duration of homelessness.²⁸

Veterans appear to be overrepresented among homeless men, but this overrepresentation primarily affects younger veterans who served in nonwartime eras, especially the post-Vietnam era. The increased vulnerability for homelessness among veterans may be related to the admission of poorly adjusted young men to military service during nonwartime eras and to the reduced availability of Veterans Affairs benefits to these veterans. □

Acknowledgments

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The Driver's License List as a Population-Based Sampling Frame in Iowa

Charles F. Lynch, MD, PhD, Nyla Logsdan-Sackett, MS, Sandra L. Edwards, MA, and Kenneth P. Cantor, PhD, MPH

Introduction

Epidemiology is among many research disciplines that struggle with subject selection for population-based studies. Complete population rosters are rarely available. Without such listings, researchers must identify sampling frames that adequately represent the target population.

In the United States, sampling frames can be compared with the decennial census, stratifying on a few factors that serve as indicators of overall representativeness. We applied this strategy to examine the adequacy of driver's license lists as a sampling frame. We identified age groups with high coverage and then stratified by sex, county, and four levels of county urbanicity to assess representativeness within these groups.

Methods

The Iowa Department of Transportation provided driver's license data in February 1991. We adjusted this data set to reflect resident license holders on

April 1, 1990, and then compared it with 1990 census enumerations.¹ Approximately 5% of these records were for nondrivers with picture identification cards.¹

The original data set contained 2 506 843 records. We eliminated (1) 18 records involving birth dates before January 1, 1870, or after April 1, 1990; (2) 1836 records listing a state of address outside Iowa; (3) 279 records listing nonexistent county codes; (4) 3081 duplicate records; (5) 2313 deceased individuals; (6) 121 887 individuals who had

Charles F. Lynch and Nyla Logsdan-Sackett are with the Department of Preventive Medicine and Environmental Health, University of Iowa, Iowa City, Sandra L. Edwards is with the Department of Family and Preventive Medicine, University of Utah, Salt Lake City, Kenneth P. Cantor is with the Environmental Epidemiology Branch, National Cancer Institute, Bethesda, Md.

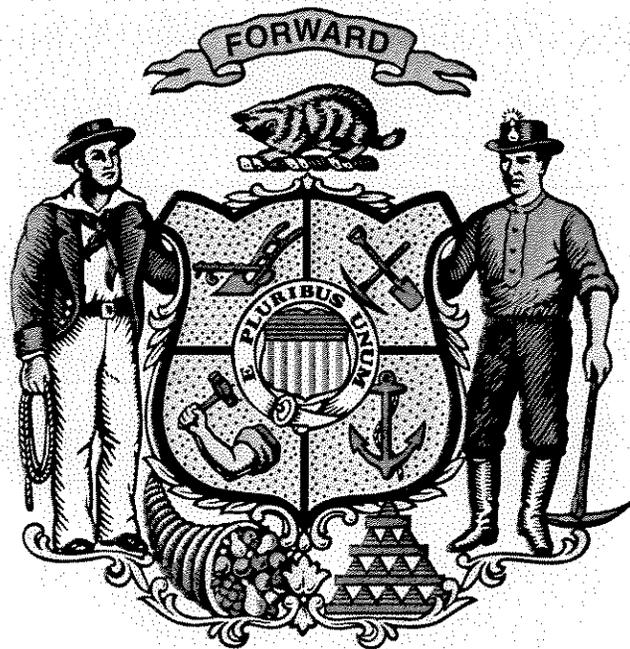
Requests for reprints should be sent to Charles F. Lynch, MD, PhD, Department of Preventive Medicine and Environmental Health, 2800 Steindler Bldg, University of Iowa, Iowa City, IA 52242.

This paper was accepted June 29, 1993.

ABSTRACT

Driver's license lists are commonly used as population-based sampling frames for epidemiologic studies. We compared with the 1990 census the coverage of driver's license lists for 25- to 64-year-old men and 15- to 64-year-old women, with uniform coverage by county and county urbanicity. Coverage exceeded 90% among 15- to 64-year-old men and 15- to 64-year-old women, with uniform coverage by county and county urbanicity. Coverage in these age ranges in Iowa's license lists are convenient and cost-effective and appear to be representative for 25- to 64-year-olds. The representativeness of driver lists in regard to other factors and in other geographic regions deserves further evaluation. (*Am J Public Health* 1994;84:469-472.)

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st successful heart transplant was conducted at Cape South Africa by Dr. Christian Barnard on January 2, 1968.

Page 3
Wisconsin Veterans of Foreign Wars News
December 1994

Facility offering rehabilitative services for homeless veterans to open at Ft. McCoy

Governor Tommy Thompson announced October 20 that Wisconsin has received final federal approval to open a veterans assistance center, designed to help homeless veterans, at Fort McCoy, Wis.

"Fort McCoy is now the first U.S. military base with a facility that will specifically help rehabilitate former members of the armed forces who are homeless," the governor said.

The veterans assistance center at Fort McCoy is part of the Veterans Rehabilitation Program, a collaborative effort involving the Wisconsin Department of Veterans Affairs (WDVA), the U.S. Department of Veterans Affairs and the Department of the Army. Another veterans assistance center in Milwaukee opened recently.

"Unlike homeless shelters, which are only able to offer temporary assistance, the Veterans Rehabilitation Program is comprehensive, back-to-work program that will help veterans get the services they need to

obtain steady employment and affordable housing," the governor said. "Estimates indicate that as many as 10,000 Wisconsin veterans are homeless or at-risk of becoming homeless."

Created through a partnership among state and federal agencies, the Fort McCoy facility and the Veterans Rehabilitation Program should become a model for the rest of the nation, according to WDVA Secretary Raymond Boland.

"This cooperative effort to address the problems of homeless veterans is due in large part to Governor Thompson's efforts," Boland said. "He included \$1.3 million in funding for the Veterans Rehabilitation Program in the 1993-1995 biennial budget."

Once it's fully operational, the veterans assistance center at Fort McCoy will house about 100 veterans, who will receive rehabilitative services at the nearby Tomah VA Medical Center. Veterans are expected to begin moving into the Fort McCoy facility by Veterans Day (November 11).

Background information on Ft. McCoy Veterans Assistance Center

With the opening of a veterans assistance center, Fort McCoy is now the only U.S. military installation with a facility specifically designed to help former members of the armed forces who are homeless.

Veterans Rehabilitation Program (VRP)

The Fort McCoy veterans assistance center is part of the Veterans Rehabilitation Program, a new statewide initiative launched by the Wisconsin Department of Veterans Affairs in partnership with the U.S. Department of Veterans Affairs and the Army. Local government agencies and non-profit organizations also are involved.

Another Veterans Assistance Center, called Vets Place Central, is operating in Milwaukee. Similar assistance centers also are planned for the Fox River Valley, Madison and Superior.

Goal & Purpose of the VRP

The VRP will help homeless veterans get the services they need to obtain steady employment and affordable housing.

Veterans who are not able to work because of physical or mental disabilities will get help in obtaining long-term housing and other services they need to re-enter the mainstream of society.

Number of Homeless and At-Risk Veterans

Estimates indicate that:

* Approximately 250,000 veterans sleep on our nation's streets every night, and up to 500,000 are homeless at some point during the year.

* As many as 10,000 Wisconsin veterans are homeless or at-risk of becoming homeless.

How the VRP Works

Veterans will be referred to an assistance center by County Veterans Service Offices, homeless shelters and other social service agencies.

Applicants with drug or alcohol problems must successfully complete a treatment program before proceeding with the VRP process. Assistance centers will ensure that the veteran receives appropriate treatment as quickly as possible. Generally, veterans will complete the VRP in four to six months.

Services at VRP Assistance Centers

Based on their individual needs, veterans will be able to get the services they need through the assistance center, which is a "one-stop" shop. These services include ---

- *Housing * Job Training
- * Education * Counseling
- * Health care, including treatment of post traumatic stress disorder (PTSD)

The VRP will not duplicate existing services. Instead, it will help veterans obtain existing services more efficiently through one central facility.

Each assistance center offers clean, safe housing. The staff members are well trained professionals who are dedicated to serving veterans. All veterans will work together to maintain the center. The discipline and hard work are designed to rekindle the veteran's pride and confidence and self-esteem.

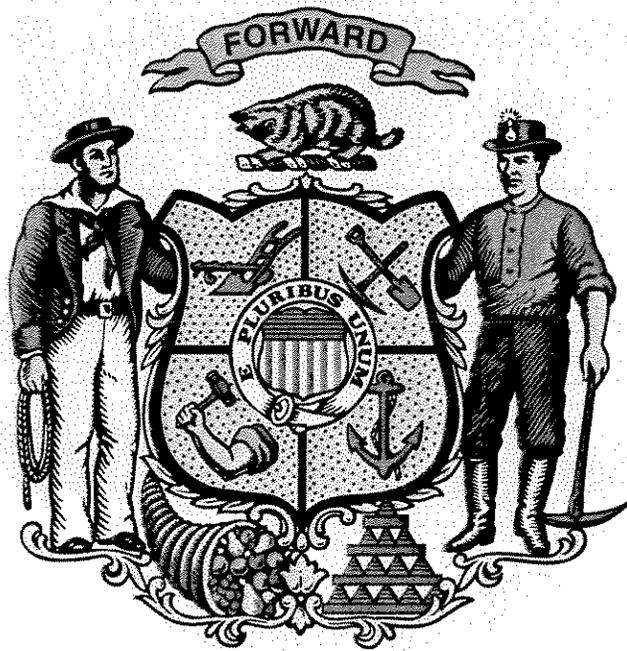
Funding

The Wisconsin Department of Veterans Affairs' biennial budget for 1993-1995 includes \$1.3 million in funding for the VRP.

The federal VA is providing \$170,804 to the Tomah VA Medical Center to fund 4.5 staff positions that will serve the Fort McCoy assistance center.

The Department of the Army is providing a \$383,411 grant to renovate four buildings at Fort McCoy for use by the VRP.

For more information, contact: Charles Hoslet, WDVA Executive Assistant 608-266-3081 or Steve Olson, WDVA Public Relations Director 608-267-3582.



MURPHY'S LAW OF COMBAT OPERATIONS

1. You are not Superman.
2. Recoilless Rifles - aren't.
3. Suppressive Fire - Won't.
4. Keep it simple stupid (Kiss).
5. If it's simple & it works, it ain't stupid.
6. Incoming fire has the right of way.
7. If the enemy is in range, so are you.
8. In battle, all the important things are very simple and all the simple things are very hard.
9. Try to look important - they may be low on name.
10. Professionals are predictable, it's the amateurs that are dangerous.
11. Fortify your front well enough and you won't get your tail shot off.
12. The enemy invariably attacks on only two occasions; when you're ready for them, and when you're not.
13. If you are forward of your position, the artillery will be short.
14. Teamwork is essential, it gives them someone else to shoot at.
15. If you can't remember, the Claymore is always pointed in your direction.
16. No combat ready unit ever passed inspection.
17. No inspection ready unit ever passed combat.
18. The enemy diversion you are encountering will turn out to be their main attack.
19. A sucking chest wound is nature's way of telling you to slow down.
20. If your attack is going really well, it's an ambush.
21. All of your five-second Grenades will have three-second fuses.
22. Close only counts if you are on the receiving end.

23. Don't look conspicuous, it draws fire.
24. Automatic weapons - aren't.
25. Friendly fire - isn't.
26. There is always a way; do one thing at a time.
27. When in doubt, employ the magazine.
28. The easy way is always mined.
29. Never draw fire, it irritates everyone around.
30. Your weapon was made by the lowest bidder.
31. When you secure an area, don't forget to tell the enemy.
32. All warfare is based on deception with the major problem being to feed the enemy and not yourself.
33. The bridge you've been trying to destroy for the past three months will fall apart on it's own three days after you take it.
34. Anything can get you shot - including doing nothing.
35. Make it tough for the enemy to get in and you won't be able to get out.
36. If you take more than your fair share of objectives, you'll have more than your fair share of objectives to take.
37. Never share a fighting position with anyone braver than yourself.
38. If you're short of everything but the enemy you are in combat zone.
39. No operation plan survives contact with the enemy.
40. Communications will always fail as soon as you need fire support.

(Author unknown)