



THE DEFENSE CREDIT UNION COUNCIL

ALERT

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A VIEW FROM THE BOARD ROOM

SPRING IS HERE! CAN SUMMER VACATION BE FAR BEHIND?

By: *Ralph R. Story, 1st Vice Chairman,
DCUC Board of Directors
Chairman Board of Directors, VyStar CU,
Jacksonville, FL*

Yes, spring has arrived, with the hint of warm weather and blooming flowers. As we adjust to the change of seasons, our thoughts drift to the anticipation of summer vacation and time spent with our families. As you begin to think of summer plans, I would ask that you also remember the DCUC Annual Conference for 2004. The conference theme this year is Defense Credit Unions: "A SURE BET FOR OUR ARMED FORCES" and will be held in Las Vegas from August 16-19, 2004.

All of us in the credit union industry have many options when it comes to conferences. There are literally hundreds to choose from but there is only **ONE** conference that is planned with defense credit unions in mind! The DCUC Conference program is designed for you — anyone who works for and with a defense credit union. Our educational emphasis is focused on the issues and concerns that face us each and every day. We feature speakers who are leaders in the DoD, NCUA and the credit union movement. The educational workshops

(See **BOARD ROOM**, p. 7)

CEO UPDATE



"Arty" Arteaga

A PASSION TO SERVE

By: *Roland A. "Arty" Arteaga
President/CEO, DCUC*

Last month the defense credit union community and DCUC lost a star performer and leader in Mr. Ludovico L.

DeCarlo. Affectionately known as "Mr. D" among his staff, Lou's sudden passing on the 20th of March was felt by many of us, but none more so than those Lou worked with and supported on a daily basis — his employees, his members, and his Marines.

To say Lou was dedicated and committed is an understatement of enormous proportions, fact is Lou devoted his entire life to serving...first, by serving his Country and leading Marines for 28 years, and second, by serving and leading Pacific Marine CU for 29 of its 51 years of existence! All things said, **for nearly six decades**, this great American gave unselfishly of himself and his family for the good of people and our Nation, and in my estimation, in so doing, Lou set the standard for Leadership.

From my perspective, Lou's values — his loyalty, respect, honor, integrity and courage — were the foundation to his support of the 80,000 plus Marines, family members and civilians on Camp Pendleton, and his "Attitude" (*with a capital "A"*) was his mantra for successfully and completely serving the financial needs of more than 69,000 members at Pacific Marine CU. Whether marketing "The Kids Quarters" (*a program for young-*

sters to learn about credit unions and money management), overseeing the preparation and delivery of "Care packages" for our Marines in combat, promoting financial readiness among Military Leaders at MCB Camp Pendleton, advocating the opportunities of shared branching (especially for military personnel), sharing his years of wisdom, offering sage advice, being creative, challenging his staff...or simply doing what he did best, "taking care of people", let there be no doubt, for a lifetime, Mr. Ludovico "Lou" DeCarlo gave us the best he had to offer. He was one of "the Few"; he was one of "the Proud"; he will always be a "Marine" — **SERVING HIS MEMBERS WHEREVER THEY MAY BE!**

As I step back and look at the elite membership of the Defense Credit Union Council — from the largest to the smallest, the oldest to the youngest...whether serving the Army, Navy, Marine Corps, Air Force or Coast Guard, I can honestly say that our members, and their respective leadership, staff and volunteers mirror Lou DeCarlo's persona and his values. While we will miss "Mr. D", his spirit and passion for service and support live on — not only at Pacific Marine CU and in Dave Davis, the new President and CEO, but also in each and every one of us.

On behalf of your fellow DCUC Board Members and the Defense Credit Union Council, thank you Lou. Thank you for sharing a moment in time with us!!

DEFENSE CREDIT UNION COUNCIL, INC

is an association of credit unions serving Department of Defense personnel, military and civilian, worldwide.

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ALERT

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PACIFIC MARINE CREDIT UNION MOURNS THE LOSS OF LOU DE CARLO

Lou De Carlo served as the President/CEO of the Pacific Marine CU for more than 29 years. Prior to joining the credit union, he served as an officer in the United States Marine Corps with tours of duty within the continental limits of the United States, in Korea and Vietnam. During his years in the Marine Corps, he acquired a master's degree in business from Southwestern University in Washington, D.C. He also completed 12 years of volunteer service with WesCorp, the largest corporate credit



union, as a member of the Supervisory Committee and the financial officer on the Board of Directors. He was a former

delegate of the California Credit Union League and participated in several committees of that League. For two years he held a position on the Board and Audit Committee of the Financial Service Cen-

ters Cooperative, and also on the Board of CU Cooperative Systems, Inc. He served on the board of CU Mortgage Corp. for four years and was Chairman for the last three years of his term. When they were purchased by CUNA Mutual Mortgage Corp. in 1998, he served on that

Board for over 3 years. He was currently serving on the Board of Directors of the Defense Credit Union Council.

MEMORIAL AT PENTAGON FUNDRAISER KICKS OFF

A press conference was held on Capital Hill to announce a nation-wide fundraiser to raise money for the construction of a memorial at the Pentagon for the 184 men, women and children lost at the Pentagon on 9/11. The Fund was created to raise the money necessary to design, build and maintain the Pentagon Memorial. A goal of \$30 million has been set. \$17.5 million will be used for the construction of the Memorial and the remainder will be used for maintenance. At this time \$2.2 million has been raised, including \$1 million donated by Anheuser-Busch.

James Laychak, president of the Pentagon Memorial Fund, lost his brother on 9/11. He stated that \$17 million needs

to be raised by the fall of 2005 to finish the memorial on time. The Pentagon Memorial is being built entirely from private funds and the design includes 184 cantilevered benches – one in memory of



each of the victims of the terrorist attack and the base of each bench will rest in a reflecting pool. Each bench will be arranged in a timeline of the victim's ages, from 3 to 71. The western edge of the site will have an "age wall" that grows an inch in height relative to the age represented by the rows of benches. The memorial design was chosen from over 1,000 entries submitted in a design competition.

At this time a date for the groundbreaking has not been set.

DCUC'S 41st CONFERENCE: AUGUST 16–19, LAS VEGAS, NV

41st Annual DCUC Conference Highlights

Defense Credit Unions: “A Sure Bet For Our Armed Forces” August 16-19, 2004

Once again, our goal is to bring our attendees the best of years past, combined with changes that will enhance your conference experience. In order to bring you a strong educational program, we have arranged the following key speakers:

- David S.C. Chu, Undersecretary of Defense for Personnel and Readiness (invited)
- Scott Waddle, Retired Commander of the USS Greeneville and author of “The Right Thing”
- Major General Alfred Valenzuela, U.S. Army, Retired
- Fred Becker, President/CEO, NAFCU
- Mary Martha Fortney, President/CEO, NASCUS
- Dr. Barry Asmus, Senior Economist with the National Center for Policy Analysis and author of “The Best is Yet to Come”

When you combine these fine speakers with pertinent educational workshops, stimulating corporate partner breakout sessions, and back by popular demand, **Hot Market Issues:** two roundtable discussions designed to spark your imagination and engage your mind – the programming this year is one of the best yet.

Due to the huge success of last year's Silent Auction, we will once again host this fundraiser in our DCUC Showcase. However, we have selected a new recipient for 2004!



This year's Silent Auction will raise funds for Fisher House: “Fisher House Foundation, dedicated to our greatest national treasure...our military service men and women, and their loved ones.”

Join DCUC as we raise funds for a unique program that supports our military in their time of need. Fisher House recognizes the special sacrifices of our men and women in uniform and works diligently to help military families in need. The DCUC contribution will directly assist our troops who have been wounded in Iraq and Afghanistan. Watch for the article in the June **ALERT** for more information about Fisher House or feel free to log on to www.fisherhouse.org.

The biggest news this year is that DCUC has gone high tech! Due to repeated requests, we have worked hard to put a safe and easy on-line registration system in place, now you can simply go to www.d cuc.org — look for the white box entitled 41st Annual DCUC Conference and click. An entire menu of information is available for you to review, including the actual conference registration, 11th Annual Vincent Lascara Golf Tournament registration, optional tours and even Caesars Palace hotel reservations. You can either pay by credit card or select the option to pay by check – it's up to you! Try it and see how easy registration can be!

Important changes:

This year, the pattern of the DCUC Conference has shifted by one day. A Saturday night stay in Las Vegas is not necessary. Please look carefully at the schedule of events before making your

travel arrangements.

Instead of an afternoon shotgun start for our 11th Annual Vincent Lascara Golf Tournament, we have chosen a 7 A.M. start on **Sunday** morning. This will avoid playing in the hottest part of the day and a continental breakfast is included.

We have planned a fabulous Optional Tour on **Sunday** afternoon – register and you'll see a side of Las Vegas that most people don't have a chance to experience!

Join us for cool and refreshing ice cream sundaes in the DCUC Showcase as we meet and greet our supportive corporate partners on **Monday** at 1 P.M!

The Opening General Session will take place on **Tuesday** morning at 9 A.M.

You won't want to miss an inspiring closing General Session provided by a renowned speaker on **Thursday** morning at 8:30 A.M. All attendees and guests are welcome. Here's a glimpse from a past attendee:

“I've never heard a speaker who could combine today's news, with yesterday's lessons, and tomorrow's promise as well as Barry Asmus. The laughter, the standing ovation and thought provoking commentary were bonuses.”

This year promises to be filled with highlights you won't want to miss! Join us in Las Vegas, August 16-19 for one of the best conferences you'll attend this year – **you can count on US!**



MARINE CORPS REPRESENTATIVE OPENING ON DCUC BOARD

The passing of Lou DeCarlo has left the position of Marine Corp Representative to be filled. Mr. DeCarlo brought a wealth of experience to the Board, and his services will be missed. His term of office expires in 2004.

The Bylaws of the Council state, "Any vacancy occurring on the Board of Directors between annual meetings may be filled by the vote of the remaining members of the Board of Directors, such appointment to hold until the next annual meeting." The Board recently met via a teleconference and voted to leave the position open. The Board opted to let the Marine Corps credit unions select their representative at the annual meeting to be held in August.

Mr. David Davis, who was recently appointed President/CEO of Pacific Marine CU, CA, has expressed an interest in the position and has submitted his name for the election to be held in August. Mr. Davis has been with Pacific Marine CU since 1989 serving as the VP Finance and Executive Vice President. With more than 25 years experience in the industry, he began his credit union career at Rohr FCU in 1979. He earned a B.A. in Education from Wichita State University prior to serving in the United States Navy during the Vietnam War. After his Naval service, he moved to San Diego and earned a B.S. in Accounting from San Diego State University. Dave is also a graduate of the CUES CEO Institute. He and his wife, Beverly, reside in Oceanside.

All other qualified candidates for this opening on the DCUC Board of Directors are welcome to submit their name to DCUC at 601 Pennsylvania Avenue, NW, South Building, Suite 600, Washington, DC 20004-2601 or e-mail to Beth Thompson at bthompson@cuna.com.

DoD – YOU SHOULD KNOW THAT

...the Secretary of Defense achieved a major milestone in the BRAC 2005 process on March 23, 2004. As required by law, DoD submitted their report to Congress attesting to the 24% excess capacity, certifying the need for BRAC 2005, and affirming that (as a result of BRAC 2005 action) each military department will realize an annual net savings by Fiscal Year 2011. While the report does not include a recommended list of bases for closure and/or realignment, it does provide a general analysis and an inventory of military bases. The Congressional Report also summarizes the Chairman of the Joint Chiefs of Staff Force Structure Plan, highlighting infrastructure needs and base capacity assessments through 2009. We mailed a copy of the 63 page basic report to our active members the first week in April and are in the process of adding the report and accompanying appendices to our website. Over the next year, the DoD will be reviewing and assessing all stateside facilities in accordance with selection criteria and will develop recommendations for the Independent Commission by May 16, 2005.

...one day after the recent BRAC Hearings on Capital Hill Rep Solomon Ortiz of Texas introduced House Bill H.R.4023, which would amend the Defense Base Closure and Realignment Act (BRAC) of 1990 to postpone the 2005 round of base closures and realignments until 2007. The bill has 29 Cosponsors covering 16 states and was referred to the House Committee on Armed Services.

...Congress has requested the General Accounting Office (GAO) investigate allegations that the Military, and the Army in particular, discouraged troops from purchasing supplemental life insurance policies prior to their deployment to Iraq. The GAO has been asked to review DoD regulations and policies, as they pertain to the solicitation of life insurance, and to look at the procedures used by DoD to process voluntary allotments for payment. At the crux of this issue is the revamping of the Department

of Defense Directive 1344.7 (Personal Commercial Solicitation on Military Installations) and the Military's concern regarding personal financial readiness. As we noted last month, the DoD is still in the process of drafting and coordinating their revised Directive. When complete, DoD will advise Congress of the final draft and subsequently publish the proposed rule in the Federal Register. As we did in August 2003, once published, we will ask for your comments on the proposed rule and participate in the Department's public hearing when scheduled.

...the Under Secretary of Defense (Comptroller) and Chief Financial Officer, Dov S. Zakheim, has tendered his resignation with an effective date of April 15, 2004. Ms. Tina W. Jonas was nominated by the President on March 9th to succeed Dr. Zakheim, however, at press time, her confirmation was still pending in the Senate. Prior to her current position as the Chief Financial Officer and Assistant Director of the Finance Division, FBI, Ms. Jonas served as the Deputy Under Secretary of Defense for Financial Management under Dr. Zakheim. As you know, the Under Secretary of Defense Comptroller is responsible for developing and monitoring policies pertaining to the establishment and operation of credit unions on military installations, and is also responsible for taking final action on exceptions to policy, as they apply to DoD Directive, 1000.11 (Financial Institutions on DoD Installations). More to come...

...the DoD issued guidance in late March asking the Office of Personnel Management (OPM) not to release names and contact information on DoD personnel. The Under Secretary of Defense for Personnel and Readiness (Dr. David Chu) asked OPM to refrain from providing personnel information about Defense employees and to forward requests for information to DoD's Freedom of Information and Security Office. Based on the Secretary's guidance and the new policy, names, street and e-mail addresses of Defense employees will no longer be released.

MORE U.S. TROOPS FOR IRAQ?

Military.com

U.S. military commanders have begun studying ways they might increase troops in Iraq should violence spread much more widely, a senior officer said recently.

Generals believe they have enough forces to handle the attacks that have been coming from various quarters, including the recent violence by a Shiite militia group, but they want to know what is available if the situation gets worse, said the officer, briefing reporters on condition of anonymity.

Separately, President Bush criticized the radical Shiite cleric, Muqtada al-Sadr, who leads the militia. Supporters have rioted in Baghdad and four other cities in fighting that killed U.S. troops, a Salvadoran soldier and at least 52 Iraqis.

"This is one person that is deciding that rather than allowing democracy to flourish, he's going to exercise force," Bush said. "We just can't let it stand."

The senior officer portrayed the violence as an attempt by al-Sadr to increase his influence in Iraq ahead of the expected June 30 transfer of power from the U.S.-led occupation to an Iraqi government. The officer is with U.S. Central Command, the military authority overseeing operations in Iraq.

Bush said he is committed to the June 30 deadline despite the violence and questions from some members of his own party whether the date should hold.

"The deadline remains firm," Bush said in Charlotte, N.C.

Gen. John Abizaid, the head of Central Command, and other senior generals ordered their staff to study options after the outbreak of violence from a previously relatively quiet sector of Iraq: members of the Shiite sect of Islam. Most violence so far has been attributed to Sunni Muslims - either members of Saddam's Sunni-led government, or Sunni extremists who follow al-Qaida.

The senior officer said the planning for additional troops was only a contingency in case violence spreads much more widely. At this point, the official said, that isn't believed likely. Most Iraqi Shiites at least tolerate the U.S.-led occupation, and officials tried to paint al-Sadr as a radical outsider with a limited

following.

An Iraqi judge has issued a murder arrest for al-Sadr for the killing of another Shiite leader, coalition officials said. The warrant was issued some time ago, but the senior Central Command officer suggested coalition forces had previously avoided going after al-Sadr because it appeared his influence was waning.

He has also been difficult to find, the officer said, except when he is speaking at mosques, where U.S. forces and their Iraqi allies are reluctant to enter for fear of angering Muslims.

The senior Central Command officer said al-Sadr's militia, the Mahdi Army, would be systematically disarmed. The militia numbers about 3,000 fighters. Many of the U.S. troops were killed retaking police stations in Baghdad that were captured by the militia, the officer said.

Sen. Dick Lugar, R-Ind., chairman of the Senate Foreign Relations Committee, had raised the prospect of extending the transfer deadline, questioning whether Iraq would be ready for self-rule.

John Kerry, the Massachusetts senator who is the presumptive Democratic nominee for president, called on the administration to explain its post-July 1 security plan.

"This administration has so stubbornly resisted what I've been calling for and what others have called for for months, which is a genuine significant outreach to the global community" to assist in Iraqi security, he said.

Bush spoke with reporters after meeting with the family of a soldier who died in Iraq. The president was in Charlotte to speak at Central Piedmont Community College.

In his speech, Bush said, "We're still being challenged in Iraq, and the reason why is a free Iraq will be a major defeat in the cause of terror. Terrorists can't stand freedom. They hate free societies."

"But we will stay the course," he said. "A free Iraq will change the Middle East. A free Iraq will make the world more peaceful. A free Iraq will make America more secure."

REPORT ON THE GEORGE E. MYERS FUND

The Defense Credit Union Council established the George E. Myers Scholarship Fund in 1969 in honor of Col. George E. Myers, USA (Ret.). Col. Myers, a past president of the Council, was elected to the first DCUC Hall of Honor with the Founding Fathers of the Defense Council.

The Fund's purpose is to raise funds for scholarships to professionals, volunteers and staff of DCUC member credit unions to further their credit union education, knowledge and leadership skills.

The Scholarship is available for credit union education based on the need of the individual to be used toward registration/travel expenses only. Educational programs at the following levels will be considered: a) DCUC conferences; b) chapter; c) league; d) national.

Contributions to the Fund are tax-deductible. Share drafts/checks should be made payable to the **National CU Foundation - GEM FUND**, and sent to DCUC at 601 Pennsylvania Avenue, NW, South Building, Suite 600, Washington, DC 20004-2601.

JACQUELINE R. C. CONNOR RECEIVES “EUGENE H. FARLEY JR. PROFESSIONAL OF THE YEAR” AWARD

Jacqueline R. C. Connor, vice president of marketing and business development for Fort Belvoir FCU, VA has been named the Virginia Credit Union League’s “Eugene H. Farley Jr. Professional of the Year.”

The statewide award is named for the retired CEO of the Virginia Credit Union League. It is given to one outstanding credit union professional each year by the League, which represents the Commonwealth’s 232 not-for-profit, member-owned credit unions.

“As credit union professionals, we have the opportunity to make a difference in our members’ lives and our communities every single day,” says Connor. “I think that is our real reward, being able to help members achieve their financial dreams, while working to make our communities better places to live and work.”

Connor was recognized for numerous professional accomplishments, including various professional designations in both marketing and credit union leadership. Having joined Fort Belvoir FCU in 1995, her award-winning marketing initiatives have led to membership and asset growth at the credit union, and the introduction of cutting-edge products and services for the credit union’s 22,000 member-owners.

She introduced a special loan plan for families personally affected by the Sep-



Presenting the award to Jacque is Rick Pillow, President of the Virginia and D.C. Credit Union Leagues

tember 11th terrorist attacks and Fort Belvoir FCU has also been recognized with various community service and community involvement awards. The credit union has also worked diligently to improve young people’s understanding of money management basics through school partnerships and classroom presentations.

Connor also remains an active member of various area civic organizations, including the Mount Vernon-Lee and Prince William regional chambers of commerce, and has served in numerous leadership roles within the Northern Virginia Chapter of Credit Unions, a network of some 35 not-for-profit, member-owned credit unions, which offers educa-

tional and networking opportunities to credit union volunteers and professional staff.

Committed to the legislative future of the credit union movement, Connor has worked to educate her local, state, and federal representatives about credit unions and their good works, and has often served as a campaign volunteer for legislators and political candidates.

“We are very proud of Jacque,” notes Fort Belvoir FCU CEO Patricia S. Kimmel. “She has been a champion of this credit union and the movement since she joined us in 1995. I think this award speaks volumes about her professionalism, her leadership and her passion for credit unions.”

“I have always been proud to be associated with credit unions because I truly believe in credit unions’ ‘People Helping People’ philosophy,” says Connor. “Credit unions are different from other financial institutions in terms of our philosophy and our structure as not-for-profit, member-owned financial cooperatives. As credit union professionals, I think we must strive to live up to the example set by those American credit union pioneers who fervently believed that everyday people deserved a financial institution that put their interests first and foremost; a financial institution where people are worth more than money.”

WISDOMS AND BASIC FACTS OF LIFE

If you are looking for a way to support our troops on a personal or business level here are some suggestions:

- Make a Financial Donation
Donate a calling card to help keep service members in touch with their families.
- Contribute to a Relief Society
Army Emergency Relief - <http://www.aerhq.org/>
Navy/Marine Relief Society - <http://www.nmcrs.org/>

- Air Force Aid Society - <http://www.afas.org/>
- Coast Guard Mutual Assistance - <http://www.cgmahq.org/>
- Support families whose loved ones are being treated at military and VA hospitals through a donation to the Fisher House - <http://www.fisherhouse.org/>. **DCUC will be sponsoring a Silent Auction at the Annual Conference in Las Vegas and Fisher House will be the**

- **recipient of the proceeds.**
- Donate blood to the Armed Services Blood Program - <http://www.tricare.osd.mil/asbpo/>.
- Send a greeting via e-mail through Operation Dear Abby - <http://any-servicemember.navy.mil/>
- Send a Military.com E-card - <http://ecards.military.com/postcard-direct/>

OFFICIALS CONSIDERING CONSOLIDATION

Military.com

Top Pentagon officials are studying a plan to combine the U.S. Southern Command, based in Miami, with the Northern Command, created in 2002 to defend the U.S. homeland from terrorist attacks.

Defense Department spokesmen said that the possible consolidation is a long way from reality, and is part of a larger, ongoing review of ways to overhaul the military's command structure, long a goal of Defense Secretary Donald Rumsfeld.

Army Gen. James Hill, commander of Southcom, was asked about the "rumor" of consolidation by Sen. Bill Nelson, a Florida Democrat, at a hearing of the Senate Armed Services Committee.

"It's under study and advisement," Hill said.

When Nelson defended the need for an independent Southcom working with Latin American leaders, Sen. John Warner, chairman of the committee, added his agreement.

"Given its value, and the fact that the Northern Command has a full plate, we ought to leave this as the status quo," said Warner, a Virginia Republican.

"Those words are gold," Nelson quickly responded.

One Capitol Hill staff member, who spoke on condition of anonymity, said Warner's comment was an important signal from a powerful chairman not to tinker with Southcom's independence.

The idea of consolidating the two commands first emerged two years ago, when Rumsfeld announced the formation of a Northern Command to coordinate military defense with what became the Department of Homeland Security.

"This idea has been suggested before, but we think our area of responsibility, Latin America, is just as important as ever, even after" the Sept. 11, 2001 attacks, said Steve Lucas, Southcom

spokesman.

A Pentagon spokeswoman, Navy Lt. Cmdr. Barbara Burfeind, said of the possible consolidation:

"The key word here is 'study' and that's all it is right now."

Southern Command, which moved from Panama to Miami in 1997, has brought economic benefits and some intangible prestige to South Florida. About 1,200 staff members work out of offices in the Doral area and throughout the

hemisphere.

Hill and his staff work closely with many civilian and military leaders in the region, and respond to crises such as the recent upheaval in Haiti. Nelson said such involvement might be diminished under consolidation.

"And the place of easiest destination for these leaders in the region is not Latin America, it's Miami," Nelson said.

"DEFENSE DEPARTMENT SPOKESMEN SAID THAT THE POSSIBLE CONSOLIDATION IS A LONG WAY FROM REALITY."

BOARD ROOM

(continued from p. 1)

this year are outstanding and we have a closing motivational speaker who is an economist extraordinaire, widely acclaimed for his knowledge and delivery. Bottom line: our goal is to provide you with the information you need to better "serve those who serve our country."

There is no better time to join with your fellow defense credit union professionals to be informed, network and socialize. You can count on DCUC's 41st Annual Conference to help you meet the challenges ahead.

Here's a brief glimpse of what's in store this year:

This year's conference begins with the 11th Annual VADM Vincent Lascara Golf Tournament at the Las Vegas National Golf Club on Sunday, August 15th at 7:00 A.M. Sunday afternoon is set aside for an optional tour with lunch.

Monday morning registration begins

at 10:00 A.M., followed by the Overseas DEFENSE CREDIT UNION SUB-COUNCIL MEETING, DCUC Grand Opening and Ice Cream Social in the Showcase, a Silent Auction to benefit Fisher House, Corporate Partner Break-out Sessions and from 6:00-8:00 P.M. the always anticipated and popular, Chairman's Reception.

Our opening ceremony and general session are on Tuesday, highlighting the keynote address and military and governmental speakers. Following the morning sessions, we will have the Military Awards Luncheon in the afternoon and then the CEO/Chairman and the Staff/Volunteer Roundtable discussions followed by our Hot Market Issues Roundtable Discussions and a Social Reception in the DCUC Showcase.

Wednesday is earmarked for updates on legislative and credit union issues followed by educational workshops, lunch and the DCUC Annual Business Meeting. An optional tour is available

Wednesday afternoon for all attendees and guests. The evening's festivities will begin at 7:00 P.M. with a reception followed by the 5th Annual Hall of Honor Awards Dinner and entertainment.

We'll conclude this year's conference on Thursday morning (8:30 A.M.) with a general session featuring motivational speaker Barry Asmus, "The Best is Yet to Come", the grand prize drawing, plus a preview of our Conference in 2005.

If you have not made plans, I urge you to do so promptly. Las Vegas is an excellent place to meet with your peers and DCUC's conference is the **ONE** conference to network and share ideas on how to better serve the military service members of your credit union. So take the easy route and go to the DCUC web site (www.d cuc.org) for online registration. The DCUC staff is busy putting the final touches on what is going to be a great conference and a great opportunity to network with the DoD family.

TROOPS GET FEDERAL TAX BREAK FOR COMBAT ZONE SERVICE

By *Gerry J. Gilmore*
American Forces Press Service

American troops serving in designated combat zones in support of the war against terrorism continue to get a tax break from Uncle Sam.

Depending upon rank, eligible service members can exclude from federal income tax either all or some of their active duty pay – and certain other pays – earned in any month during service in a designated combat zone.

The Internal Revenue Service's Armed Forces' Tax Guide for 2003 says "a combat zone is any area the president of the United States designates by executive order as an area in which the U.S. armed forces are engaging or have engaged in combat."

Service members who serve one or more days in a designated combat zone are entitled to federal tax exclusion benefits for that entire month, according to the IRS.

Current designated combat zones include, Afghanistan, Iraq and other specified parts of the Persian Gulf region — to include Kuwait, Saudi Arabia, Oman, Bahrain, Qatar and the United Arab Emirates – and parts of the Kosovo area.

Service members in several other areas specified in law as "qualified hazardous duty

areas" are eligible for the same tax breaks. Bosnia-Herzegovina, the Former Yugoslav Republic of Macedonia and Croatia have been listed since 1995.

The downloadable Armed Forces' Tax Guide for 2003 can be accessed on the IRS Web site. It lists many, but not all, designated combat zones.

Some service members providing

direct support for military operations within a designated combat zone or qualified hazardous duty area, such as Djibouti, Africa, Turkey, Yemen, and the Philippines, are eligible for income tax exclusions.

To be in direct support of a combat zone, a service member must be serving in an area the secretary of defense determines is directly supporting a combat zone. Service members deployed to Mediterranean waters east of 30 degrees east longitude also are eligible for combat zone tax relief, from March 19 to Aug. 1, 2003, as an "in direct support" area. Service members serving in Israel from Jan. 1 to Aug. 1, 2003, also were serving in an "in direct support" area.

While military members can use the tax guide in preparing their 2003 federal tax returns, those who have specific questions about designated combat zones should contact their unit personnel or pay officials or unit tax assistance officer.

The IRS guide notes service members normally don't need to claim the combat

zone exclusion or subtract eligible earnings on their federal tax returns. The services normally have already excluded combat zone earnings from the taxable gross income reported on service members' Form W-2s, the guide says.

The IRS points out that military retired pay and pensions aren't eligible as combat zone income tax exclusions.

In other military pay news, The National Defense Authorization Act for

2004 extended the increase in imminent danger pay to \$225 per month to eligible service members through Dec. 31, 2004.

The amount of service member federal tax relief depends upon a taxpayer's rank. For example, enlisted troops and warrant officers serving in a designated combat zone or qualified hazardous duty area for any part of a month exclude all gross income earned for military service that month from federal taxation.

For commissioned officers, the monthly income

exclusion is capped at the highest enlisted member pay (E-9), plus any hostile fire or imminent danger pay received. For example, in 2003, the most a commissioned officer could earn tax-free each month was \$5,957.70. For 2004, the cap increases to \$6,315.90 (\$6,090.90, the highest monthly enlisted pay, plus \$225 hostile fire or imminent danger pay.)

The IRS also allows troops deployed to an area entitled to combat zone tax exclusion extra time to file their federal taxes, usually 180 days after the service member leaves the combat zone or qualified hazardous duty area.

And, the Military Family Tax Relief Act of 2003 provides certain above-the-line tax deductions for reservists and National Guard members who travel more than 100 miles to attend military drills and meetings. This new provision allows reservists and Guard members who cannot itemize deductions to still take these deductions. This provision is effective for the 2003 tax year.

The act also provides a \$12,000 non-taxable death gratuity to families of service members who die on active duty, retroactive to Sept. 10, 2001.



THE IRS GUIDE NOTES SERVICE MEMBERS NORMALLY DON'T NEED TO CLAIM THE COMBAT ZONE EXCLUSION OR SUBTRACT ELIGIBLE EARNINGS ON THEIR FEDERAL TAX RETURNS. THE SERVICES NORMALLY HAVE ALREADY EXCLUDED COMBAT ZONE EARNINGS FROM THE TAXABLE GROSS INCOME REPORTED ON SERVICE MEMBERS' FORM W-2S...

NOTES ON DEFENSE CREDIT UNIONS IN THE NEWS . . .

Aberdeen Proving Ground FCU, MD has entered into a school-business partnership with Deerfield Elementary and Thomson Estates Elementary schools...*Ent FCU*, CO received a Dora Maxwell Social Responsibility Recognition Award from the Colorado Credit Union League for its Youth Endowment Series, Ent also made a pledge of more than \$65,000 to the United Way of the Pikes Peak region...*R.I.A. FCU*, IL will award two \$1,000 scholarships for the 2004-2005 school year. These scholarships will be awarded to students who demonstrate academic excellence and leadership in their school and community, and are R.I.A. FCU members...*Edwards FCU*, CA assisted the Antelope Valley Fairgrounds with their "Plant-a-Tree" program by donating \$500 to sponsor a large shade tree that will be placed at the new fairgrounds on H Street in Lancaster. The tree will be marked with a bronze plaque in front of the tree...

MORE NOTES ON DEFENSE CREDIT UNIONS IN THE NEWS . . .

Point Loma CU, CA opened its 12th branch in Riverside and a donation of more than \$3,100 was made to the Make-A-Wish Foundation...*Hanscom FCU*, MA celebrated its 50th anniversary with a reception where a trip for two members to Bermuda was given away... *Marine FCU*, NC celebrated the opening of its new 65,000 square foot corporate headquarters recently with a ribbon cutting by local officials and the Board of Directors... *Navy FCU*, VA presented Clarke American's President/CEO Charles Korbell with the inaugural 'Navy Federal Flagship Partner Award'. The credit union's partnership with Clarke American began in 1977 with Navy Federal's "Sharechek" pilot program...

STILL MORE . . .

Alaska FCU, AK recently opened up new branches in Federal Way, WA and in Homer, AK...*Wright-Patt CU*, OH announced that the credit union, Vec-

tren Foundation and MotorWerks, Inc., along with media sponsors WHIO-TV and Clear Channel Radio, are the proud sponsors of the 2nd annual U.S. Space Camp and Space Academy Scholarship Program. The scholarship was created in 2003 and will continue annually to provide four children the unique opportunity of winning a trip to Space Camp or Space Academy in Huntsville, AL...*Arkansas FCU*, AR gave its members more options and more choices by joining the DASH, CO-OP and CU HERE networks, making Arkansas FCU the state's largest provider of absolutely free ATMs...

MORE . . .

Travis CU, CA raised \$3,700 for the Children's Miracle Network...*SAC FCU*, NE has announced a partnership with ACCEL Members Financial Management to offer members and their family's unlimited access to free financial education and counseling services...Through the hard work of staff, *Marine FCU*, NC raised \$11,505 in the fight against cancer for the annual Relay For Life. Prior to the walk MFCU staff held bake sales, hot dog and Sloppy Joe lunches, breakfast, dress down day, and the auctioning of hand-made items. Marine FCU received a Silver Sponsor plaque, and awards for Most Money Raised By A Financial Institution and Most Money Raised By A Team! People Helping People....

NOTES ON DEFENSE CREDIT UNION PEOPLE IN THE NEWS . . .

The board of directors of AEDC FCU has named *Caren Gabriel* its new president/CEO. Ms. Gabriel came to AEDC in 1985 as the staff attorney. She later took on the rolls of the credit union's executive vice president and general counsel...*Colleen Sloan* of SAFE CU, CA has been elected chair of Statewide Consumer Counseling Network...*Thomas E. Ballow, Jr.* of MAX FCU, AL has been elected to the University of West Alabama board of trustees...Fort Campbell FCU, TN held a retirement reception for *Colonel (Retired) Arthur P. Lombardi* recently. Colonel Lombardi served as the Credit Union's Military Affairs Officer for more than 22 years...

MORE NOTES ON DEFENSE CREDIT UNION PEOPLE IN THE NEWS . . .

Renee Gutierrez was promoted to member service manager at Security Service FCU, TX... Fairwinds CU, FL named *Chad Weinkauff* to the financial advisor-investment services team... *William J. Rissel*, President/CEO of Fort Knox FCU, KY was presented the Gold Award, which is the highest honor given by the Radcliff-Hardin County Chamber of Commerce...*Ralph Story*, 1st Vice Chairman of the DCUC Board of Directors was recently elected Chairman of the VyStar CU, FL Board of Directors...

(See NOTES, p. 10)

ARMED FORCES FINANCIAL NETWORK UPDATE AFFN ATM Access Reaches a Milestone

AFFN is pleased to announce that Nationwide Money Services will proudly accept the AFFN ATM/Debit Card. Nationwide Money Services deploys ATMs in retail off premise locations such as Food Lion, Kash n Karry, Piggly Wiggly, Kwik Chek, Burger King, C Farms, and Miller Mart.



With the addition of Nationwide Money Services' ATMs to the network, AFFN now offers over 101,000 ATMs globally for access to AFFN cardholders.

If your credit union would like to learn more about AFFN, please contact John Broda, Executive Vice President, AFFN, at 973-257-1216 or John.Broda@AFFN.org

IDEAS FOR YOUR CREDIT UNION . . .

The Maine CU League set a goal of collecting 100,000 minutes in calling time to be donated to military personnel overseas, and is reporting they have collected 254,000 minutes for "Operation Phone Home 2004 – A New Resolve." 95 percent of Maine's credit unions participated in this program.

Keesler FCU, MS has partnered with WLOX-TV for the Veterans' History Project. The project was initiated in October 2000 by Congress to promote public learning and to preserve the heritage of American service men and women. It will feature first-person accounts of veterans who defended the United States in wartime. In April, the series will begin airing during the Thursday evening and Friday morning news program. It will include personal recollections of area veterans that served during World War II, the Korean, Vietnam and Persian Gulf wars. All interviews will be preserved at the Library of Congress in Washington, D.C. Co-sponsors for the project are Mississippi Gulf Coast Community College, who will be responsible for interviewing and filming the veterans' personal stories about the realities of war, and Chevron USA-Pascagoula Refinery.

NOTES

(continued from p. 9)

AND STILL MORE . . .

Monica Chairez of Security Service FCU, TX was promoted to service center manager at the Rolling Oaks location and Terry Jo Lechner was named service center manager at the Windsor Park Mall location...Chartway FCU, VA has named Anthony Figlio vice president of lending and Barbara Lane sales manager...David L. Davis has been named President/CEO of Pacific Marine CU, CA. Mr. Davis has been with Pacific Marine since 1989 serving as the VP Finance and Executive Vice President... Kristel Jones has joined R.I.A. FCU, IL as Vice President of Credit and Margo Hall recently completed 30 years of service to the credit union...

YOU SHOULD KNOW THAT . . .

- Linda Amiss, Hampton Roads Chapter League Director, resigned effective April 4, 2004. On March 24, 2004, the Executive Committee sent all HR Chapter credit unions an email notice advising any interested parties to submit a letter of interest to the Executive Committee no later than April 7, 2004. After April 7, 2004, the by-laws state that the Executive Committee will appoint a successor. Therefore, it is the pleasure of the Hampton Roads Chapter League to announce that Michael J. Guida, President, CEO, Fort Monroe Credit Union has been appointed as Chapter League Director. In addition, any parties interested in the HR Chapter Secretary's position please notify President Julie Bryant at jbryant@langleyfcu.org.
- Letters have been sent out to all Defense Credit Unions asking for updates on their credit union information. This information will be used to bring the DCUC Directory up to date. Starting this year DCUC will not be sending out hard copies but will be posting the Directory on-line at www.d cuc.org. Please return your updated information, by fax to 202/638-3410, as soon as possible.
- The early-bird registration for the DCUC Annual Conference ends June 11th, register now and make "A Sure Bet".



DEFENSE DIRECTORY UPDATES

- CA – Pacific Marine CU has named David L. Davis president/CEO.
- TN – AEDC FCU has named Caren Gabriel president/CEO.

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