



**STATEMENT OF
 GEORGE KETTNER, PhD
 PRESIDENT, ECONOMIC SYSTEMS INC.
 before the
 SUBCOMMITTEE ON FEDERAL WORKFORCE, U.S. POSTAL SERVICE, AND THE
 CENSUS
 of the
 COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM
 UNITED STATES HOUSE OF REPRESENTATIVES
 on
 “Is OPM Processing Federal Worker Pension Claims on Time?”

 May 9, 2013**

Contents

Background on Economic Systems Inc.	2
The Challenge of Retirement Claims Processing at OPM	3
Lessons Learned with the EconSys Retirement Calculator	5
How EconSys Can Help OPM Modernize	7
Electronic Submission of Retirement Data	9
Lessons from OPM Partnerships with Hiring Software Vendors	10
Retirement Planning	11
George A. Kettner Biographical Information	11

Chairman Farenthold, Ranking Member Stephen Lynch and Members of the Subcommittee:

Thank you for allowing me the opportunity to appear before you today to contribute to the discussion regarding the progress of the Office of Personnel Management (OPM) toward reducing the backlog of Federal retirement claims, and the challenges OPM faces to modernize

both their retirement processing systems and the business processes that underlie the current system.

My company, Economic Systems Inc. (EconSys), has been in the Federal retirement calculation and claims processing business for more than twenty years and has a long-standing association, albeit not always well known, with OPM and many Federal agencies in connection with Federal retirement claims processing and related issues.

Background on Economic Systems Inc.

By way of background, EconSys is a small business based in Falls Church, Virginia. We are a research and human resources consulting and software provider and are probably best known for our Federal retirement calculation software which is used either agency-wide, or very extensively by several Federal Departments including: Agriculture, Homeland Security, Energy, Interior, Justice, Labor, Transportation, and Treasury, as well as numerous independent and small agencies and commissions.

In addition to our retirement calculator, our software supports the full range of Federal human resources functions including tools for recruiting, classification, hiring, on-boarding, training, and performance management. These primary modules are supported by productivity tools such as case tracking, reports, and eOPF integration.

Our retirement calculator addresses all of the Federal retirement plans – both the defined benefit and defined contribution and Social Security. We replicate the calculations that OPM uses in the adjudication of cases. Our past experience in working with OPM includes the following projects:

- We developed the original CSRS-FERS transfer model in 1985-1986. OPM distributed the final version throughout Government for agency use in counseling employees.
- In 1997 in response to the NDAA 1996 (PL 104-106), we developed a software package to model employee's decision to transfer retirement credits between appropriated fund (CSRS or FERS) and non-appropriated fund retirement plans. The project was vetted by OPM, which funded the work.
- In 1998, we developed a model for the short-duration FERS Transfer open season that was used throughout much of Federal government.
- We developed a simplified retirement calculation model for employee use that was posted on the OPM website for three years.
- We developed a Federal Employee Retirement Coverage Correction Act (FERCCA) decision model that was vetted by OPM and approved for use in counseling Federal

retirees. We subsequently processed thousands of FERCCA cases on behalf of OPM, using this tool.

As a contractor supporting Federal retirement processing, I am hoping today that I can provide the subcommittee and audience with some new perspectives.

The Challenge of Retirement Claims Processing at OPM

We commend OPM for its recent accomplishments toward reducing the inventory of unprocessed claims and the time needed to process claims, their efforts to partner with agencies to improve the quality of retirement submissions, and the steps they are attempting to take to move toward a paperless retirement process.

The recent progress that OPM has made in claims processing is the result of applying brute force at their claims workload. In the short-term, they have no other choice. However, given the current budget situation, OPM is about to lose a significant portion of its claim processing capacity because it will not be able to have its claims processors work overtime. Thus, it cannot apply this short-term, brute force approach to the extent it had planned and needs to do. Without some other relief, we can expect the inventory of unprocessed claims to rise and age unacceptably and performance for processing times and level of service to retiring Federal employees to diminish.

Federal retirement law has become increasingly more complex over time, driving more complex rules for processing claims for both the agencies and OPM. For instance, in addition to the general rules for basic CSRS and FERS cases, a wide variety of special computation rules apply to certain categories of Federal employees. Special rules apply only to certain cases such as employees with part time service and employees who transfer from one system to another. All of these rules are subject to change over time. The net effect of all of the special categories and specific rules means that the number of permutations of possible types of retirement cases is exponential in nature. For example, about six basic variables go into determining the full creditability of a period of Federal service, but there are at least 14,000 unique combinations of those variables.

The complexity of the rules can present a huge challenge for all participants in the retirement process. For employees who do not have a “simple” service history, it is difficult to understand their benefits prior to and after retirement. For agency HR staff, it is a challenge to provide accurate counseling that fully explains the benefits to employees and provide accurate and complete data for retirement processing. For OPM, retirement claim adjudicators must be highly trained, and even then it is a time consuming process to adjudicate complex cases.

The massive complexity of the Federal retirement rules also presents unique challenges when trying to automate the process through IT and software. Past attempts at developing a software based calculator for use in claims processing have produced a variety of fragmented systems or partial solutions. Many attempts have failed and have been abandoned. Development of a complete unified retirement calculator is not something that can be designed and implemented by a typical software development shop. It requires a high level, multi-disciplined skill set that is a combination of technical and analytical ability and subject matter expertise.

For the agencies, these complexities increases the occurrence of agency errors in the submission of retirement packages to OPM, cause processing delays at OPM, and also increase the opportunity for errors occurring at OPM. Federal retirement today has so many subtle and confusing aspects that there is a huge burden on Federal benefits specialists and claims processors to keep up with all of them, and to keep the tools current the tools that are used. In addition, there is a great burden on OPM to keep benefits staff across the agencies informed and educated about changes that occur in retirement law and processing procedures. For instance, the CSRS/FERS Handbook, which is a prime source of guidance to the agencies for retirement processing, has not been updated in 20 years.

OPM has developed a web-based retirement calculator, the Federal Annuity Claims Expert System (FACES), which based on our analysis, performs the computation of most Federal retirement annuities but requires significant operator input to do so. In addition, FACES is designed specifically to support claims processing at OPM; it does not support retirement counseling and processing at the agency. For instance, it does not address Social Security and TSP benefits and it does not project into the future factors such as average salary, inflation, and accumulation of leave. While FACES is useful to claims processors for computing most Federal annuities, it has little utility to agencies for retirement counseling purposes where an employee's social security benefits, TSP savings, and being able to project into the future are critical components of their retirement planning and counseling. Evidence of this lies in the fact that OPM offers FACES to agencies at no cost. However, nearly all agencies prefer to purchase a subscription to a Federal retirement calculator developed by a private sector vendor such as EconSys.

We note that OPM's Strategic Plan for Retirement Services and recent budget documents describe efforts to "feed" retirement data electronically into FACES. However, much of this is focused on retrieving this data from agencies' HR and payroll systems. These efforts are very complex, time-consuming, and attempts that might never come to fruition. For the foreseeable

future, OPM will continue to load data into FACES as it has for all of its retirement calculators over the years -- manual input.

Although we have heard some discussion coming out of OPM to re-engineer some of the business processes underlying retirement processing (such as using electronic signatures and electronic submission of retirement applications), for the most part, OPM and the agencies continue to accomplish this work using the same labor intensive paper processes that have been in place for many decades.

The Achilles Heel in Federal retirement is getting employees' service history accurately documented before they retire. This is a big challenge because:

- Data exists electronically in agency HR and payroll systems but is converted to hard copy format, submitted to OPM, then re-keyed into electronic format for OPM's systems
 - The specific nature of an individual's Federal service often drives the computation of his/her annuity
 - Capturing data needed for retirement processing in an electronic format using technology is an expensive and long-term initiative for OPM
- Accuracy of agency retirement submissions is problematical
 - Agency HR Benefits Specialists are of varying levels of competence
 - Consolidation of HR processing does not always deliver expected efficiencies and frequently results in a decline in service levels to Federal employees
- OPM does not have the outreach resources it needs to fully address agency issues
 - Our review of OPM's 2014 Congressional Budget Justification shows that only 3% of its total Trust Fund budget will go to improving its services to agency benefits officers and other outreach initiatives
 - OPM's focuses the much larger 97% on actual claims processing.

We believe that there are near-term and low budget opportunities that OPM and the agencies could employ that could improve the situation I have just described.

Lessons Learned with the EconSys Retirement Calculator

EconSys began developing software to perform Federal retirement calculations in 1985 when we developed a FERS Transfer model to help employees with the decision to transfer to FERS or stay in CSRS. Based on that experience, we developed a calculator for use by agency HR specialists in the early 1990s.

In 1995 we began developing what I'll call our unified retirement calculator. One of the first fundamental design decisions we made was that the logic would be based on the service history of an employee. The calculator itself would be responsible for interpreting the service history and determining what specific combination of rules should be applied for the particular case entered. The HR specialist would not have to know every specific and obscure eligibility rule before they could create an estimate. They could simply enter the data and all of the rules would be embedded in the calculator. A successful calculator must be a "smart" system that can take historical data "as is" and automatically determine the correct and unique rules to apply for special categories of service including type of employee and part time service.

While developing and improving our calculator for HR specialists, we also received requests for many other application configurations. One of the early design realizations was that each application configuration would require different front end user interfaces or different database back ends. Thus, it became critical that the retirement calculator itself was modular, independent and portable enough such that the same code could be reused in every configuration. Because of this design approach, over the next 18 years, we were able to integrate our retirement calculator into a wide variety of systems including a stand-alone windows version, a floppy disk based version, a client server version, an Interactive Voice Response system, an embedded web-based version, a FERCCA version, and an enterprise web/cloud based version. Any change to the calculator itself could immediately be pushed to each of the active versions with little effort. Another of our beliefs is that a successful retirement calculator must be able to be integrated into a variety of systems and platforms.

The first versions of the unified retirement calculator were used mainly for retirement estimation and projection. Over time the calculator evolved to support certain specific retirement processing functions. In 2003, we modified the calculator to support handling of FERCCA cases. This required a greater level of precision in the calculator and more detail in the data inputs required. The calculator began a transition such that it could better support the more detailed requirements for retirement processing while maintaining the ability to support retirement counseling and financial literacy through projection and estimation. This is especially true for employees who must make a decision prior to retirement such as the option to transfer to FERS or if they are required to make a FERCCA election.

As previously noted, an important design decision was to make the retirement calculator smart enough such that it could be used in cases where the operator lacks great knowledge of the Federal retirement rules. In software terms, this means that the calculator is what is called a "black box" where you simply put the inputs in and get out the answer. The user does not need

to know exactly how that answer was arrived at. In most cases this is generally a good thing. However, it turns out that for purposes of support, training and auditing, the purely black box approach may not be the best approach. In cases when a question about a particular result is asked, it is not always obvious what rules the calculator applied to achieve the result. The support staff must manually interpret the case and compare with the results from the calculator.

The latest generation EconSys calculator provides a more open view for the specific rules that are being applied. While our FERCCA calculator was certified as accurate by OPM, it operated as a “black box.” Our latest version is more transparent, containing not only the quantitative values, but also every unique business rule that is applied. These business rules are linked to documents that provide a detailed explanation of the rules and can also link to background references such as the OPM CSRS/FERS Handbook, Benefits Administration Letters, and the Electronic Code of Federal Regulations. This enables someone who is generally trained in the retirement regulations to quickly and easily audit the software and results. The latest calculator provides output of both the quantitative results along with documentation of how it arrived at the results.

EconSys developed these tools and systems over a period of time through self-financed R&D funding with EconSys bearing the entire risk of the investment. Through this process we have acquired unique knowledge and expertise of Federal requirements, and have developed tools that can help OPM quickly improve its retirement processing efficiency and continue to make reductions in its retirement backlog without increasing staff levels or overtime.

How EconSys Can Help OPM Modernize

OPM needs a “smart” and highly adaptable retirement calculator.

EconSys agrees with OPM that an incremental approach to modernizing and replacing legacy IT systems can be more successful than previous failed all-encompassing approaches. The incremental efforts must be part of a well thought out design that will in the end provide a full and complete solution. Reviews and audits of the previous failed modernization efforts have focused primarily on the failures of project management and testing. There has been little review focused on the actual IT design and engineering of the failed effort. The success of systems with enormous business rule complexity is ultimately dependent on the technical design, not just project management.

In the most recent OPM Retirement Systems Modernization effort, one of the big failures of the software was the inability to accurately perform the Federal retirement calculations required. This problem cannot be solved efficiently by throwing money and programmers at it. EconSys has developed a proven Federal retirement calculator by focusing on adaptable engineering. Adaptable engineering allows EconSys to accommodate change requirements, as demonstrated by our ability to quickly develop capability to effectively process FERCCA cases when other much larger contractors could not. During the FERCCA project, OPM vetted the EconSys calculator, and this collaboration (which is rare for OPM) produced a calculator that was suitable for processing FERCCA cases. This was accomplished with a software development budget that was a tiny fraction of taxpayer money spent by past vendors who failed. For the most recent RSM effort, EconSys offered to provide their calculator to multiple large-business vendors, including the winning contractor, Hewitt, for a fraction of the cost of what it would take to develop from the ground up. These vendors, however, were not subject matter experts in Federal retirement. They vastly underestimated the complexity of the task, and the length of time to acquire the knowledge, thinking they could throw programmers at it. Consequently, their efforts failed, and the EconSys calculator is still being used in numerous agencies throughout the government.

EconSys' experience in developing support for FERCCA, along with watching the multiple large-business failed efforts to modernize the adjudication process convinced us that traditional approaches are not viable. They are not viable because understanding of the subject matter complexity does not reside in large software developers and integrators, and the time and cost to acquire the knowledge will cost more than the failed efforts. We believe the most prudent course would be to leverage the expertise that EconSys has and expand our adaptive engineering approach.

EconSys has developed a next generation retirement calculator that is the centerpiece of a full service component across all aspects of the Federal retirement process. This includes not only serving our existing agency customer's requirements, but also claims adjudication, ongoing retiree benefits adjustments, and employee self-service.

EconSys' products can replace OPM's legacy retirement calculation systems. We could immediately replace the systems required for initial claims adjudication. The EconSys calculator is not tied to any specific user interface or database and can be integrated into a properly designed larger modernization roadmap. It would also be able to adapt to and integrate with legacy systems in the shorter term. Because so many Federal agencies are using EconSys' Federal Human Resource (FHR) Navigator product, we can easily begin transferring data

electronically to OPM such that it can be fed directly into the calculator without the need to rekey the data. That alone would greatly improve the current system.

With our new calculator in place, at OPM we can incrementally replace other systems for retiree and employee processing calculations. This can be accomplished at a much lower cost than the past failed projects, and in a shorter period of time.

Since there is very little existing integration between the fragmented legacy systems currently being used at OPM, it would not be difficult to replace these systems with a single unified calculator. The EconSys calculator is not tied to any specific user interface or database and can thus be integrated into any properly designed larger modernization roadmap. It would also be able to adapt to and integrate with legacy systems in the shorter term. Lastly, because so many Federal agencies are using EconSys' FHR Navigator product, we can easily begin transferring data electronically to OPM such that it can be fed directly into the calculator without the need to rekey the data.

Electronic Submission of Retirement Data

In addition to applying the EconSys retirement calculator to the OPM modernization effort, other approaches could be readily adopted to improve overall operations of retirement processing and significantly enhance retirement services for employees and annuitants. One of these approaches is electronic submission of retirement data and application packages.

OPM should work toward electronic submission of retirement data and packages.

As discussed previously, one of the biggest challenges is extracting accurate and complete service history data from extant agency HR and payroll systems. Agency retirement specialists prepare service history data for newly transferred employees from one agency to another, for employees about to retire, and at other times for counseling and keeping records up to date. This service history data could be transmitted to OPM electronically and used for calculation of annuities. This would obviate the need for OPM staff to "re-key" service history data that has already been developed and certified by the agency.

In addition, OPM should accept retirement application packages electronically that were prepared by agencies instead of by snail mail. EconSys provides productivity tools to agencies that facilitate the processing of retirement application packages including case tracking and a wizard-like system for filling out the retirement application similar to how Turbo Tax works for taxpayers preparing their tax returns. Our review of OPM audits of agency retirement submissions indicates that our retirement application wizard prevents many of the common

errors found on retirement submissions. OPM and the agencies can work with EconSys to build additional edits to fully address errors and omissions and greatly improve the accuracy and reliability of retirement data going to OPM.

In addition to case tracking and its eRetirement wizard tools, EconSys' cloud-based FHR Navigator system has a data import service whereby service-related and salary history data needed for computing retirement benefits are electronically imported bi-weekly from the agency's payroll service provider such as the National Finance Center. This productivity tool greatly increases the efficiency and accuracy of managing data as well as the other tools we have in place at agencies.

Lessons from OPM Partnerships with Hiring Software Vendors

EconSys has had a very positive experience working with the USAJOBS Program Office at OPM. USAJOBS is an online job posting and search system that vendors of Talent Acquisition Systems (TAS) must integrate with. Each individual TAS must integrate with USAJOBS according to the Software Integration Framework for USAJOBS. The USAJOBS system is a very complex project to manage. USAJOBS and the TASs are subject to many changing laws, regulations, and policies from different parts of OPM as well as different agencies. In the face of this, OPM has found a winning strategy: to work closely with agencies and TAS vendors. The USAJOBS Program Office has developed a partnership with the vendor community to develop solutions for the hiring process. The USAJOBS Program Office hosts an annual vendor's conference where TAS vendors can ask questions about changes in USAJOBS and give feedback. When the Program Office considers making a change in USAJOBS, the Program Office staff contact all the vendors to determine what impact it might have. In addition, the Program Office hosts regular conference calls with vendors. In our view, the open communication model in USAJOBS should be followed in reforming OPM's retirement processing system. With integration between the EconSys Retirement Calculator and OPM's retirement systems, OPM, for example, could eliminate duplicate data entry. The EconSys Retirement Calculator contains service history, salary history, and other inputs required for computing annuity calculations, in an electronic format. EconSys recommends collaboration between EconSys and OPM to develop a specification for providing data required by OPM for claims adjudication.

Even if OPM is not ready to accept electronic data into an integrated system, OPM could still begin to accept electronic data in other forms such as electronic retirement applications in PDF format. The data in the EconSys Calculator automatically flows to retirement application forms,

which can be saved as PDF documents. Today, agencies are required to print and mail those documents, even though they exist in an electronic format. If OPM accepted the application data electronically, it would cut costs significantly for the Federal government.

Retirement Planning

OPM has an opportunity to harness the energy that already exists in the agencies to capture complete service history before Federal employees are about to retire as part of the effort to enhance financial planning for employees.

There is a significant amount of interest among vendors, like EconSys, and financial planners to work with Federal agencies in support of the Federal Financial Literacy and other initiatives that motivate Federal employees to begin retirement planning and ask for retirement estimates early in their careers. We believe OPM should consider developing ways of leveraging this interest so that these vendors and financial planners can provide agencies with low cost approaches that promote the capture of employees' service history early in their careers, leverage tools agencies are already using to provide estimates and counseling, and support employees getting retirement estimates and reviewing their service history. Despite the angst that exists regarding so called financial advisors working with Federal employees, credentials can be developed and ordained by OPM which could identify those with expertise in Federal benefits and whose mission is to educate employees about their benefits and assist them in obtaining a reliable estimate of those benefits.

Good retirement planning should begin early in a worker's career. For Federal employees retirement planning requires highly reliable estimates of the annuity, Social Security, and TSP benefits. The reliability of annuity estimates most often is contingent upon having an employee's service history fully documented so that the correct calculations pertinent to it can be made in the computation of the overall annuity.

George A. Kettner Biographical Information

Dr. George Kettner founded Economic Systems Inc. in 1990 to help businesses and government agencies approach problems and decision-making more quantitatively. Today the company has two major divisions: Management Consulting devoted to research, analysis, and evaluation and Human Resources (HR) Software Development and Services. Our Management Consulting team conducts surveys, performs Congressionally-mandated program evaluations, conducts cost-benefit analysis, and determines key drivers of business outcomes. Our web-based HR software is deployed in well over 120 federal agencies and covers a full range of HR processes.

Dr. Kettner provides overall direction for the company's Federal Human Resource (FHR) Navigator. FHR Navigator provides e-business solutions to support position management and classification, workforce planning, hiring management, on-boarding, benefits and retirement calculations and processing, and forms processing. Dr. Kettner directs overall corporate efforts to develop HR systems to automate human resources functions and combine the latest computer technology with subject matter expertise in Federal HR management. In the retirement area Dr. Kettner directs the company's overall effort to develop and provide the Federal Retirement Benefit calculator and retirement delivery support services for HR specialists and employees in federal agencies.

Examples of projects that Dr. Kettner has worked on throughout his career include:

- Examined the business case for the employment of people with disabilities from the perspective of businesses. Identified strategies to increase participation of people with disabilities (PWD) in the Federal work force. Provided guidance to employers on effectively promoting the inclusion of people with disabilities.
- Served as Project Director on several evaluation projects for the Department of Veterans Affairs (VA), including Disability Compensation Program evaluation, Home Loan Guaranty Program evaluation, Survivor Benefit study, Pension Benefit study, and VA capital investment methodology. Dr. Kettner provided testimony to Senate Committee on Veterans Affairs.
- Directed project to process approximately 3,000 FERCCA retirement cases for the Office of Personnel Management.
- Served as project director in developing the Federal Employees Retirement System (FERS) transfer decision model that was adopted by the Office of Personnel Management for the entire federal government.
- Directed on-site human resource management support, particularly in the retirement area, to federal agencies such as the General Accounting Office, FDIC, National Archives, Comptroller of the Currency, and Department of Education.
- Conducted a study to review and assess productivity models used by Federal Agencies, in the areas of workforce planning and payroll cost control.
- Provided litigation support to the Equal Employment Opportunity Commission in age, race, and sex discrimination cases as labor economist or database management consultant in several cases.
- Developed dynamic workforce simulation models of personnel attrition, retirement, transfers, accessions, and promotions, based on econometric analysis of federal agency personnel events.

- Developed statistical models for staffing standards for both private sector and public sector organizations.

Dr. Kettner earned his doctorate degree in economics at UCLA, where he also obtained his baccalaureate degree in economics. He has over 35 years of experience in management consulting and human resource related work and has led his own consulting firm over the past 23 years.

Committee on Oversight and Government Reform
Witness Disclosure Requirement – “Truth in Testimony”
Required by House Rule XI, Clause 2(g)(5)

Name:

1. Please list any federal grants or contracts (including subgrants or subcontracts) you have received since October 1, 2010. Include the source and amount of each grant or contract.

I personally have not received any contracts or grants since October 1, 2010.

2. Please list any entity you are testifying on behalf of and briefly describe your relationship with these entities.

I am testifying on behalf of Economic Systems Inc. (EconSys) as President of EconSys. EconSys is a small business located in Falls Church, Virginia. EconSys provides management consulting and human resource software, including retirement software, to over 120 agencies in the Federal government.

3. Please list any federal grants or contracts (including subgrants or subcontracts) received since October 1, 2010, by the entity(ies) you listed above. Include the source and amount of each grant or contract.

Please see the attached list of all Federal funding we have received since October 1, 2010.

I certify that the above information is true and correct.

Signature:

George Kottmos

Date: May 9, 2013

Economic Systems Inc.
Income by Customer Summary

October 1, 2010 through May 6, 2013

Oct 1, '10 - May 6, 13

CON - BSD (Education)	194,274.54
CON - DWB & Associates	57,470.00
CON - GDC Integration, Inc.	847,083.42
CON - Hay Group	83,227.00
CON - LeadFirst Learning Systems, LLC	36,496.08
CON - National Academy of Public Admin.	192,217.80
CON - ODEP	3,952,230.47
CON - Rutgers, The State University	76,421.04
CON - TSA-Fed Marshall	114,196.34
CON - US Marshals Services	75,363.57
CON - VA(VR&E)	75,135.55
CON - WPCioffi Engineering Mgmt., Inc.	40,344.00
DC - DC Court of Appeals	2,317.50
DC - DC Superior Court	22,462.95
DC - Water and Sewer Authority	126,816.52
DHS-OIG - Inspector General	8,024.00
DHS - CIS	119,305.91
DHS - Coast Guard	83,879.70
DHS - Customs & Border Protection	553,900.00
DHS - Federal Law Enforcement Trng Ctr	9,442.76
DHS - FEMA	153,845.03
DHS - Hqs (CHCO)	41,977.80
DHS - ICE (software)	342,827.89
DHS - NPPD	33,483.46
DHS - TSA-HR Access-LMCO	550,200.00
DHS - TSA Hqs	9,574.88
DoD - Army ABC	23,892.00
DoD - Civ Pers Mgmt Svc (CPMS)	3,833.00
DoD - DLA Columbus (FERCCA)	20,497.25
DoD - NGB Arizona (Services)	47,411.00
DoD - NGB Arizona (Software)	5,580.00
DoD - NGB Delaware (FRB)	1,800.00
DoD - NGB Georgia - (FRB) FRB Tng	5,998.00
DoD - NGB Iowa (FRB)	5,580.00
DoD - NGB Kentucky (Seminar)	7,502.92
DoD - NGB New Hampshire (FRB)	19,080.00
DoD - NGB Ohio (FRB)	3,088.00
DoD - NGB Wash DC (FRB)	3,712.50
DoD - NGB Washington State (Software)	5,580.00
DoD - NGB West Virginia (FRB)	3,780.00
DoD - Rhode Island National Guard	3,825.00
DoD (USAF) - AFPC-Randolph	7,357.50
DoD (USN) - CIPO	0.00
DoEn - EMCBC	1,800.00
DoEn - Golden Field Office	3,780.00

Economic Systems Inc.
Income by Customer Summary

October 1, 2010 through May 6, 2013

Oct 1, '10 - May 6, 13

DoEn - Headquarters	27,306.00
DoEn - National Nuclear Security Admin	14,375.00
DoEn - Southwestern Power Admin	6,797.50
DoEn - Washington Navy Yard	2,000.00
DOI - Bureau of Indian Affairs	119,599.60
DOI - Bureau of Reclamation MT	13,061.25
DOI -Office of Inspector General	5,580.00
Dol (BLM) - Idaho	4,262.11
Dol (BLM) - Nevada	2,600.00
DOI (BLM) - New Mexico	1,620.00
DOI (BLM) - Oregon-Pat Hicks	38,095.45
Dol (BLM) Nat'l Ops Ctr Denver, CO	4,318.63
DOI (FWS) - Headquarters-Arlington	6,958.50
DOI (FWS) - Lakewood, CO	7,707.00
DOI (FWS) -Region 4-Atlanta	10,268.00
DOI (NPS) - Anchorage, AK	0.00
DOI (NPS) - Gulf Islands Nat'l Seashore	1,800.00
DOI (NPS) - Mammoth Cave National Park	1,600.00
DOI (NPS) - Yosemite National Park	2,190.00
DOJ - Alcohol, Tobacco & Firearms	23,326.03
DoJ - BoP Federal Correction Complex	500.00
DoJ - BoP Ret Center, Grand Prairie, TX	99,792.81
DOJ - Criminal Div, Wash, DC	5,670.00
DoJ - Drug Enforcement Admin (DEA)	58,742.04
DOJ - Office of Justice Programs (OJP)	1,150.00
DoJ - OIG (FRB WEb)	5,580.00
DoJ - U S Marshals Service (USMS)	12,600.00
DoL - Hqs Wash DC	7,468.00
DoL - Atlanta, GA	8,076.94
DoL - BLS -Bureau of Labor Statistics	6,000.00
DoL - Boston/New York	2,694.00
DoL - Chicago/Kansas City	8,472.57
DoL - Dallas/Denver	3,382.00
DoL - Philadelphia, PA	8,804.00
DoL - San Francisco, CA	5,510.00
DOT - FAA-Hqs-Benefits	300,150.41
DOT - Federal Highway Administration	18,101.74
DOT - Federal Railroad Adm	5,580.00
DOT - Federal Transit Administration	3,401.60
DoT - FMCSA	4,483.33
DOT - Maritime Administration	4,378.50
DOT - Office of the Inspector General	5,850.00
DOT - Office of the Secretary	8,080.00
DOT - Pipeline&Hazardous Materials Safety	2,722.50
DOT - RITA Volpe Center	3,240.00

Economic Systems Inc.
Income by Customer Summary

October 1, 2010 through May 6, 2013

Oct 1, '10 - May 6, 13

HHS - Bethesda Operations Center	37,237.50
HHS - DFO Congressional	79,051.26
HHS - Indian Health Service	1,800.00
HHS - NIH Benefits Office- 0303	41,581.58
HUD - Retirement Software	35,029.06
IA/GC- Alaska Railroad Corporation	5,220.00
IA/GC - CFTC	6,412.50
IA/GC - Corp for Nat'l & Comm Svc	3,825.00
IA/GC - Delta Regional Authority	19,094.25
IA/GC - Environmental Protection Agency	293,617.27
IA/GC - Farm Credit Administration (FRB)	12,481.25
IA/GC - FDIC - FRB Software & Services	148,287.52
IA/GC - Federal Communications Commission	7,036.04
IA/GC - Federal Election Commission	29,912.51
IA/GC - Federal Maritime Commission	5,260.63
IA/GC - Federal Trade Commission	245,782.67
IA/GC - FHFA (formerly OFHEO)	22,972.20
IA/GC - GAO -FRB Software	30,496.00
IA/GC - Govt. Account. Office GAO (53022)	294,812.64
IA/GC - Holocaust Memorial Museum	6,615.00
IA/GC - International Trade Commission	3,780.00
IA/GC - Metropolitan Washington Airports	9,675.00
IA/GC - Millennium Challenge Corporation	5,777.50
IA/GC - Nat'l Archives and Records Adm	9,911.69
IA/GC - Nat'l Labor Relations Board	16,664.89
IA/GC - National Mediation Board	0.00
IA/GC - NTSB	12,635.00
IA/GC - Occ'tional Safety&Health Rev Comm	4,772.50
IA/GC - Office of Government Ethics	1,800.00
IA/GC - PBGC (FRB)	5,821.00
IA/GC - Peace Corps	5,892.00
IA/GC - SBA Hqs	5,328.00
IA/GC - SBA Office of Disaster Assistanc	4,650.00
IA/GC - SSA - Atlanta	17,750.00
IA/GC - The Presidio Trust	3,780.00
IA/GC - US AID	34,865.50
IA/GC - US Forest Service - FERCCA	52,227.95
IA/GC - US Postal Service - FERCCA	360,537.82
Nancy Brooks Lane	-110.05
North Pacific Fishery Management Council	460.00
Office of the Special Counsel	3,991.44
P-James Colby	700.00
P - Moira Roberts	700.00
Quasi - Smithsonian Institution	15,552.60
Quasi - Tuskegee University	5,000.00

Economic Systems Inc.
Income by Customer Summary

October 1, 2010 through May 6, 2013

Oct 1, '10 - May 6, 13

R - Congress - Library of Congress	30,662.42
R - Congress Senate-U.S.Capitol Police	13,711.20
R - Congressional Budget Office	7,186.67
R - House Committee on Natural Resources	460.00
R - LMCO Air Force-FERCCA	46,326.36
Robert Seldon & Associates, P.C.	1,510.00
Treasury - Bureau of Engraving & Printing	12,465.75
Treasury - OCC	38,525.00
Treasury - OCC (FRB Software)	46,126.61
Treasury - Office of Thrift Supervision	103,485.45
VA Cemetery Indianapolis	2,484.00
VA HQS Wash DC (OHR)	12,375.00
VAMC - Cheyenne, WY	5,580.00
VAMC - Dallas, TX	29,925.00
VAMC - Indianapolis, IN	3,616.00
VAMC - Sheridan WY	9,464.00
VAMC - Temple, TX	28,875.00
Vendor-Atlantic Management Center	13,504.62
Vendor-LTC Partners	1,400.00
Vendor - Personnel Managment Services Inc	300.00
Vendor - Redhawk Financial Systems, Inc.	1,200.00
Vendor - Ronald Anderson	3,600.00
TOTAL	<u><u>11,181,981.69</u></u>