

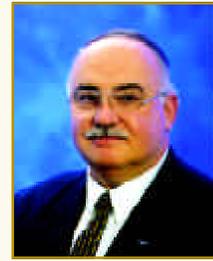
## — Message From the Chief Financial Officer

In my short tenure at VA, I have observed, first-hand, the VA Franchise Fund's commitment to sound business practices and customer service. The lines of business (VA Enterprise Centers) within the Franchise Fund are meeting the challenges set forth in the President's Management Agenda by leveraging technology and the expertise of their staffs to deliver best value services to VA and a wide range of other federal agencies. Within VA, program offices rely on the quality of the Enterprise Centers' products and services to be responsive to the needs of the Nation's veterans and their families.

VA's Enterprise Centers include an ultra-modern computer center with state-of-the-art equipment (**Austin Automation Center**), a debt collection center that employs every collection tool available to federal agencies (**Debt Management Center**), a federal financial solutions and service provider of a complete suite of financial management services (**Financial Services Center**), a sole provider of a unique federal law enforcement training program that emphasizes customer/patient safety in all our interactions, and uses aggressive action only as a last resort (**Law Enforcement Training Center**), a center that performs background investigations/adjudications and processes fingerprint and ID cards (**Security and Investigations Center**), and a cavern that serves as a highly secure records storage center (**VA Records Center and Vault**). We provide "one stop shopping" for comprehensive business solutions for today's government.

The Enterprise Centers do not have "captive" customers. All of their customers have the option of going elsewhere to obtain common administrative services. As such, we take great pride in the ability of the Enterprise Centers to retain and expand service offerings to their customers. Custom-tailored agreements that include performance measures make the Enterprise Centers truly accountable to their customers. Our centers consider themselves to be a business partner with every customer and strive to sustain superior relationships. Our success in sustaining these relationships is the result of focusing our technologies and business improvements on the customer, and our diligent pursuit to provide customers with the highest standards of excellence. Furthermore, independent auditors have attested to the sound financial condition of the VA Franchise Fund by issuing unqualified (clean) opinions in each of the past 5 years.

I am proud to be associated with such a dedicated group of professionals. Please take the time to review this report to see how the VA Enterprise Centers are working together to achieve the extraordinary in government and how the Department, other federal agencies, and the American taxpayer have benefited from their comprehensive business solutions.



**William H. Campbell**  
Chief Financial Officer

*On behalf of the Department of Veterans Affairs (VA), I am pleased to present the VA Franchise Fund Fiscal Year 2002 Annual Report. This report highlights how we are **Working Together to Achieve Extraordinary Performance in Government**. The diverse products we offer directly support the Department's goal of delivering world-class service to veterans and their families through effective communication and management of people, technology, business processes and financial resources.*

*FY 2002 was another successful year for the VA Franchise Fund. The total revenue generated by the VA Enterprise Centers, \$136.8 million, is comprised of three major segments (information technology, financial management, and security and law enforcement). The information technology segment generated 69 percent of the revenue, while the financial management and security and law enforcement segments generated 27 percent and 4 percent, respectively.*

A handwritten signature in black ink that reads "William H. Campbell". The signature is written in a cursive, flowing style.