
Civil Air Patrol
Board of Governors Meeting Minutes
11 June 2008
Washington DC

Chairman, Civil Air Patrol Board of Governors
Major General Richard L. Bowling, CAP
Member-at-Large

Vice Chairman, Civil Air Patrol Board of Governors
Lieutenant General John D. Hopper, Jr., USAF (Ret)
CEO, Air Force Aid Society

Members

Colonel Reggie L. Chitwood, CAP
Civil Air Patrol National Chief of Staff

Brigadier General Amy S. Courter, CAP
Civil Air Patrol Interim National Commander

Mister Paul L. Graziani, President and CEO
Analytical Graphics Inc.

Lieutenant General Nicholas B. Kehoe, USAF (Ret)

Major General Henry C. Morrow, USAF
Commander, 1st Air Force

Lieutenant General Charles J. Searock Jr., USAF (Ret)
General Aviation & Technology Consultant

Major General John M. Spiegel, USAF (Ret)
Lockheed-Martin

Colonel John E. Tilton, CAP
Member-at-Large

Mister Bruce N. Whitman, President
FlightSafety International Inc.

DRAFT

DRAFT

Appointments Current as of 1 June 2008

Civil Air Patrol
Board of Governors Meeting
11 June 2008
Washington DC

Schedule

CALL TO ORDER
Major General Richard L. Bowling, CAP

PLEDGE OF ALLEGIANCE
Lieutenant General John D. Hopper, Jr., USAF (Ret)

ROLL CALL
Mr. Don R. Rowland

OPENING REMARKS
Major General Richard L. Bowling, CAP

CIVIL AIR PATROL BOARD OF GOVERNORS AGENDA

CLOSING REMARKS
ADJOURNMENT
Major General Richard L. Bowling, CAP

Civil Air Patrol
Board of Governors Meeting
11 June 2008
Washington DC

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Agenda Item: 1

**Approval of 5 December 2007 Minutes
Maj Gen Bowling**

Background

The BoG met last on 5 December 2007 in Washington DC. The 11 June 2008 meeting of the Board of Governors is to review and approve the previous meeting minutes.

ACTION REQUIRED

Proposed BoG Action

That the Board of Governors approve the 5 December 2007 minutes.

Funding Impact

None.

Committee Recommendation

None.

BoG Action

LT GEN KEHOE, USAF (Ret), moved and LT GEN HOPPER, USAF (Ret), seconded a motion that the BoG approve the minutes of the December 2007 meeting.

THE MOTION CARRIED UNANIMOUSLY

FOLLOW-ON ACTION: Remove the word "DRAFT" from approved minutes.

Agenda Item: 2

**FY09 Corporate Budget
Mr. Rowland**

Background

The proposed FY09 Corporate Budget was presented to Civil Air Patrol's National Executive Committee (NEC) on 3 May 2008. The NEC discussed the budget and approved it as presented. Attached is the decision paper outlining the highlights of the budget.

See **Appendix A** for the proposed budget.

ACTION REQUIRED**Proposed BoG Action**

That the Board of Governors approve the FY09 Corporate Budget.

Funding Impact

As outlined in the budget proposal.

Committee Recommendation

The CAP Finance Committee has reviewed the financial data presented and forwarded these items through CAP's NEC for presentation to the Board of Governors.

BoG Action

MR. ROWLAND/EX reviewed the FY09 Corporate Budget and noted that it had been sent to board members earlier for review. Major Gen Morrow, USAF, was teleconferenced so he could participate in the discussion of especially this item. Mr. Rowland clarified that the FY09 Appropriated Budget has already been approved and this agenda item includes a decision paper recommendation to approve the proposed FY09 Corporate Budget.

There was discussion on the oversight of region and wing funds which are not a part of the National Corporate Budget. The total amount of those funds will be provided to the Board of Governors.

LT GEN SEAROCK, USAF (Ret) moved and COL CHITWOOD, CAP seconded a motion that the Board of Governors vote to approve the FY09 Corporate Budget.

THE MOTION CARRIED UNANIMOUSLY

FOLLOW-ON ACTION: (1) Execution of approved budget; (2) EX provide record of region and wing funds (not in budget) to BoG.

DECISION PAPER

ON

FY09 CORPORATE BUDGET

- **PURPOSE:** To obtain approval of the CAP FY09 Corporate Budget.

- **BACKGROUND:** During each budget cycle, the BoG is asked to approve the CAP budgets. This meeting will seek approval of the FY09 Corporate Budget.

Budget is at **Appendix A**. Mr. Rowland will brief the significant adjustments to the FY09 budget as compared to FY08.

- **HIGHLIGHTS:**

-- Senior and Cadet membership dues are based on actual membership as of 31 Match 2008

-- National Flight Academies combines Powered/ Glider Academies into eight Region events

-- 2% reduction from FY08

-- New Initiatives:

Evergreen Air Academy	\$ 6,875	
Evergreen Survival School	\$ 2,000	
National Cadet Advisory Council	\$ 4,500	

-- Increased Costs:

National Vice Commander Travel (FY08 Unfunded)	+\$15,000	+100%
Oshkosh Improvement Fund (FY08 Unfunded)	+\$ 2,000	+100%
AE Corporate Travel (Exhibit support)	+\$10,000	+400%
Region Commander Travel (Increased \$1k per CC)	+ 8,000	+ 11%

-- Decreased Costs:

Chief of Staff Travel (FY08 – CV Unfunded)	-\$20,000	-80%
Wing Commanders' Travel to National Board	-\$ 8,000	-20%
Oshkosh Utilities	-\$ 5,000	-42%
PAO Academy (Biennial - not scheduled)	-\$20,000	-100%
Membership Picture ID Cards (Less response than projected)	-\$14,220	-56%
Chaplain Staff College (Funded for biennial region events)	- \$14,000	-50%

- **DECISION:** Approve the CAP FY09 Corporate Budget

Agenda Item: 3

**Executive Director's Update
Mr. Rowland**

Background

Mr. Don Rowland, Executive Director of CAP and Executive Secretary to the BoG, will update the BoG on the following items:

- a. FY08 Corporate and Appropriated Budget Execution Year-to-Date Review
- Update only
- b. Line of Credit
- Update only
- c. Investments
- Update only
- d. CAP Foundation Funds Update
- Update only

Proposed BoG Action

None – Update only.

Funding Impact

None.

Committee Recommendation

None.

BoG Action

MR. ROWLAND/EX presented a slide briefing which reviewed recent and ongoing missions/exercises; Cost-effective Force Multiplier; "A", "B" & "C" mission comparison by category; and AF JROTC Orientation Flights.

In response to a question as to whether Civil Air Patrol voluntarily calls and offers help following a known disaster/need or waits for the call from agencies needing volunteer support that CAP can provide, Mr. Rowland responded that, in the past, CAP has waited for the call. He added that management could get more involved and encourage local units to initiate the offer of assistance. An added point was made for appropriate publicity to help ensure awareness of CAP's availability and capability. Mr. Rowland responded that CAP has a very good working relationship with the public affairs staff at 1st Air Force whose press releases always include the efforts of CAP.

BRIG GEN COURTER, CAP, briefed on several areas, including Safety; Aerospace Education; Cadet Programs; Membership & Resources; the wing banker program; consolidated maintenance; WMIRS; Logistics; NEC/NHQ Nov 07 and May 08 Teams; Dashboard—Management Display for Commanders; National Leadership; Air Force Association as a partner; and activities at the 2008 National Conference.

In response to a question about trends, Gen Courter responded that when some of the same kinds of accidents or incidents occur, more training is emphasized at region level. Also, reporting requirements have been changed to increase the kinds of incidents reported in an effort to address small issues before they escalate into something larger. Gen Courter added that more emphasis is being placed on Operational Risk Management across the nation. The importance of the cadet mentoring program was also discussed. There was clarification that consolidated maintenance is being worked for vehicles as well as aircraft. The Dashboard will be set up on e-services so it can be accessed by BoG members.

a. FY08 Corporate and Appropriated Budget Execution Year-to-Date Review

MR. ROWLAND presented a slide briefing providing an update and commented that 99.9 percent funds will be expended.

b. Line of Credit

MR. ROWLAND presented a slide briefing providing an update and commented that no further draws on the line of credit are anticipated in FY08, primarily due to faster transfers of funds from DFAS to CAP.

c. Investments

MR. ROWLAND presented a slide briefing providing an update and commented that all CAP investments have been moved to LPL (Lensco Private Ledger). There was clarification that no transfer fees were involved, that the 401K funds were not moved, and that CAP has a conservative investment policy.

d. CAP Foundation Funds Update

MR. ROWLAND presented a slide briefing providing an update and commented there is a Foundation meeting following the BoG meeting. He stated with the clearance from IRS, the application process should proceed in an expedited manner. The BoG was assured that any corporate funds used to support the Foundation will be visible.

Agenda Item: 4

**Item Brought Forward by NB & NEC Action
Brig Gen Courter**

Background

Brig Gen Amy Courter, CAP, will discuss the following Civil Air Patrol issues forwarded to the BoG by CAP National Board and National Executive Committee Action.

a. CAP Line of Succession – Constitution & Bylaw Change

This change would provide that the National Commander be succeeded by the National Vice Commander who would in turn be succeeded by the National Chief of Staff. This is to replace the current system in which the Commander's responsibilities are assumed by the Vice Commander seated as an interim. (See Attachment 4A, Proposed Changes to CBL – Succession.)

ACTION REQUIRED

b. National Controller Change of Duties - Constitution & Bylaw Change

This change would add the following to the National Controller's job description: [The National Controller shall:] *Ensure that all property received by Civil Air Patrol shall be managed (for example: acquired, titled, accounted for, safeguarded and disposed of) in a manner consistent with Civil Air Patrol policies and in accordance with applicable Federal directives.* (See Attachment 4B, Copy of Proposed Changes to CBL – Addition to Controller Responsibilities.)

ACTION REQUIRED

c. Investment Committee - Information

Proposed BoG Action

That the Board of Governors approve the two proposed changes to the CAP Constitution & Bylaws.

Funding Impact

None.

Committee Recommendation

CAP National Board, National Executive Committee and the Constitution & Bylaws Committee recommend approval.

BoG Action

BRIG GEN COURTER, CAP, presented items a. and b. and stated that both proposals had received the endorsement of the CAP Constitution & Bylaws Committee, the National Board, and the National Executive Committee.

- a. CAP Line of Succession – Constitution & Bylaws Change

BRIG GEN COURTER, CAP, moved and MAJ GEN SPEIGEL, USAF, (Ret) seconded that the Board of Governors approve proposed change:

a. CAP Line of Succession, to the CAP Constitution and Bylaws, amended to include an effective date of 9 August 2008.

In response to a question as to broad approval by the National Board and NEC, Gen Courter responded that there was a good supportive discussion and initially had been handled in the manner of a discussion group prior to the formal National Board/NEC agenda. She added that there were some amendments prior to this proposal with everyone recognizing that this year's situation has been difficult. Gen Courter further added that in this type situation, there is always a lot more work. She expressed an opinion that everyone was supportive of this change.

During discussion, there was explanation that initially two different proposals were looked at; the current proposal as well as a proposal to follow the U. S. Presidential line of succession. Many members had objection to the proposal that mirrored the U.S. Presidential line of succession. The proposal presented to the BoG was highly endorsed. The National Board felt strongly about having the option to elect a new National Commander as opposed to the vice commander automatically moving into the position as does the Vice President of the United States.

During discussion, there was clarification that the wording in Bylaws Section 10 clearly differentiates between the temporary "absence or incapacity" and the permanent "death, resignation, or removal" of a National Commander.

THE MOTION CARRIED UNANIMOUSLY

b. National Controller Change of Duties – Constitution & Bylaw Change

BRIG GEN COURTER, CAP, moved and LT GEN HOPPER, USAF (Ret) seconded that the Board of Governors approve proposed change

b. National Controller Change of Duties, to the CAP Constitution and Bylaws, amended to include an effective date of 9 August 2008.

In response to a question as to who currently handles the duties that would be added to the position of National Controller, Gen Courter responded that a volunteer was not in line with that function—there is not currently a logistics person under the Chief of Staff. During further discussion, Gen Courter stated that the commanders at the different echelons are ultimately responsible, and the National Headquarters should not be expected to provide the volunteer command and overall volunteer leadership, thus the request to add these volunteer duties to National Controller position. Gen Courter further explained that there are logistics duties at National Headquarters as well as on the volunteer side and they work hand in hand; this request is in line with the other functions of Civil Air Patrol and how they partner to get the job done. There was clarification that elevating this logistics function to the level of reporting directly to the National Commander, there would be continuity all the way up and down the chain of command. Gen Courter further clarified there are national volunteer positions in all other areas reporting directly to her except logistics and the recommendation is to add those fiduciary duties to the existing National Controller rather than creating another position. The National Finance Officer further explained the mechanics of how finance and logistics interface and how the National Headquarters implements policy issued by the governing boards. The Executive Director further endorsed approval of this proposed action to assist in the formulation and implementation of policy in this critical area.

THE MOTION CARRIED (1 No)

c. Investment Advisory Committee – Information

BRIG GEN COURTER, CAP, presented a slide briefing outlining the functions of this committee which is composed of five members appointed by the National Commander in consultation with the financial staffs.

DECISION PAPER**ON****CAP Line of Succession**

- **PURPOSE:** To obtain BOG approval to change the Commander and Vice Commander Line of Succession.

- **BACKGROUND:** Under the current Bylaws, when the position of National Commander is vacated as a result of death, resignation, or removal, the National Vice Commander assumes the role of Interim National Commander. The Interim Commander stays in office (is both "Interim Commander" and "Vice Commander") until the next General Membership National Board Meeting which occurs in the summer months, normally August, at which time the Bylaws allow the normal election process to take place. It is possible for the organization to have an Interim Commander for nearly a year before an election can take place.

At the Civil Air Patrol National Board Winter Meeting in March 2008, the board voted to change the Constitution and Bylaws to allow:

1. Commander position becomes vacant: Succeeded by Vice Commander who will serve as Commander (not an interim) in the grade of brigadier general and is succeeded by an elected successor at the next scheduled National Board meeting. If the election occurs at the winter National Board meeting, the term of office will start then and end three years from the following summer National Board meeting. The election, whether, at the winter or summer meeting of the National Board, can occur no earlier than 60 days following the absence of the National Commander.

2. National Vice Commander position becomes vacant. Succeeded by the Chief of Staff who serves as Vice Commander in the grade of colonel and is succeeded by an elected successor at the next scheduled National Board meeting. If the election occurs at the winter National Board meeting, the term of office will start then and end one year from the following summer National Board meeting. The election, whether at the winter or summer meeting of the National Board, can occur no earlier than 60 days following the absence of the National Vice Commander.

- **DECISION:** Approve changes to the Constitution and Bylaws concerning the Line of Succession of the CAP Commander or Vice Commander.

DECISION PAPER

ON

CAP National Controller Duties

- **PURPOSE:** To obtain BoG approval to change the duties of the National Controller.

- **BACKGROUND:** At the Civil Air Patrol National Board Winter Meeting in March 2008, the board voted to change the duties of the National Controller to include:

Constitution Section 10.6

Add paragraph g. "Ensure that all property received by Civil Air Patrol shall be managed (for example: acquired, titled, accounted for, safeguarded and disposed of) in a manner consistent with Civil Air Patrol policies and in accordance with applicable Federal directives."

- **DECISION:** Approve changes to the Constitution and Bylaws concerning the duties of the National Controller.

ATTACHMENT 4A
PROPOSED CBL CHANGES - SUCCESSION
(Succession of National Commander and Vice Commander)

CAP Constitution

Article XIV
[Changes in Italics]

Term of Office

1. The terms of office for corporate officers are as follows:

a. The National Commander shall serve a single, three-year term of office and shall not be eligible for reelection to that office. The term shall commence at the close of the National Board meeting at which elected, and conclude at the close of the third general membership National Board meeting thereafter. *In the event of death, resignation, or removal of the National Commander, the National Vice Commander shall immediately become the National Commander. An election for National Commander shall then commence at the next regularly scheduled National Board meeting, whether that meeting is in the winter or the summer. Only officers elected to the position of National Commander shall serve in the grade of Major General. Officers that become National Commander by virtue of succession shall serve in the grade of Brigadier General. Officers that serve as National Commander by virtue of succession shall be eligible to run for election to the office and, if elected, shall be eligible to serve a full term in the grade of Major General.*

b. The National Vice Commander shall serve an annual term of office commencing at the close of the National Board meeting at which elected, and terminating at the close of the next general membership National Board meeting. *In the event of death, resignation, or removal of the National Vice Commander, or in the event that the National Vice Commander becomes the National Commander by virtue of Section 1(a) above, the National Chief of Staff shall immediately become the National Vice Commander. An election for National Commander (National Vice Commander) shall then commence at the next regularly scheduled National Board meeting, whether that meeting is in the winter or the summer, no earlier than 60 days following the absence of the National Commander (National Vice Commander), as appropriate. Only officers elected to the position of National Vice Commander shall serve in the grade of Brigadier General. Officers that become National Vice Commander by virtue of succession shall serve in the grade of Colonel. Officers that serve as National Vice Commander by virtue of succession shall be eligible to run for election to the office and, if elected, shall be eligible to serve an annual term of office in the grade of Brigadier General.*

c. *The National Chief of Staff shall serve an annual term of office commencing at the close of the membership National Board meeting at which confirmed, and terminating at the close of the next general membership National Board meeting. If this office becomes vacant for any reason, including Section 1(b) above, said vacancy shall be filled as provided in Article XIII.*

d. *The National Legal Officer, the National Finance Officer, the National Controller and the National Chief of Chaplain Service shall serve an annual term of office commencing at the close of the membership National Board meeting at which confirmed, and terminating at the close of the next general membership National Board meeting. Vacancies in those offices shall be filled as provided in Article XIII above.*

e. The National Inspector General shall serve a three year term of office commencing at the close of the membership National Board meeting at which confirmed, and concluding at the close of the third general membership National Board meeting thereafter.

CAP Bylaws

SECTION 10

CORPORATE OFFICERS

[Changes in Italics]

10.2 National Vice Commander. The National Vice Commander shall:

d. In the event of the absence or incapacity of the National Commander, the National Vice Commander shall exercise any and all authority reserved to the National Commander until such time as a new National Commander is duly elected or until the National Commander is no longer absent or incapacitated. *In the event of death, resignation, or removal of the National Commander, the National Vice Commander shall immediately become the National Commander as defined by the Constitution of CAP.*

10.3 National Chief of Staff. The National Chief of Staff shall:

d. Act as assistant to the National Commander, performing such administrative and other duties as shall be directed by the National Commander; *may serve, at the Commander's discretion, as a member of the National Command Staff; and, in the line of succession, act as third-in-command of Civil Air Patrol.*

e. In the event of the absence or incapacity of the National Commander and the National Vice Commander, serve as the National Commander until such time as the National Commander or the National Vice Commander is no longer absent or incapacitated. *In the event of the absence of the National Vice Commander, serve as the National Vice Commander until such time as the National Vice Commander is no longer absent or incapacitated. In the event of death, resignation, or removal of the National Vice Commander, the National Chief of Staff shall immediately become the National Vice Commander as defined by the Constitution of CAP.*

ATTACHMENT 4B
PROPOSED CBL CHANGES - CONTROLLER
(Changes to Job Description)

CAP Bylaws Section 10.6

(Changes are shown in *italics*.)

10.6. National Controller *for Finance and Property*. The National Controller shall:

- a. Serve as a member of the National Board and National Executive Committee;
- b. Serve as Vice Chairman of the National Finance Committee;
- c. Serve as the Assistant Treasurer of the Corporation and act for the National Finance Officer in the National Finance Officer's absence;
- d. Ensure that Books of Account of all funds of Civil Air Patrol are kept which shall be open for inspection, at reasonable times, by any corporate officer of Civil Air Patrol;
- e. Ensure adherence to the financial *and property management* programs approved by the National Executive Committee or National Board;
- f. Ensure that all funds received by Civil Air Patrol shall be deposited to Civil Air Patrol's credit in such depositories as the National Board or the National Executive Committee may from time to time designate;
- g. Ensure that all property received by Civil Air Patrol shall be managed (for example: acquired, titled, accounted for, safeguarded and disposed of) in a manner consistent with Civil Air Patrol policies and in accordance with applicable Federal directives;*
- h. Render periodic reports and accountings to the National Finance Officer as may be requested; and*
- i. Perform such other duties as the nature of the office may require.*

Agenda Item: 5

**Historical and Future CAP Positioning
Brig Gen Courter**

Background

A Vision Retreat was held at NHQ Maxwell Feb 15-17, 2008. The National Commander, eight region commanders, and NHQ Directors followed a strategic plan process and the results are presented to you as information for your consideration at a later date.

Proposed BoG Action

None – information only.

Funding Impact

None.

Committee Recommendation

None.

BoG Action

BRIG GEN COURTER, CAP, presented a slide briefing and stated that some courses of action would be recommended.

MR. ROWLAND/EX welcomed and introduced Col Hamilton, USAF, SAF/MIR. He stated that the CAP manning structure at HQ USAF in the homeland security area is being phased out and CAP is being given the opportunity to offer preferences as to where those positions would best serve CAP needs. In conjunction with MIR and CAP-USA, CAP offered three proposals for discussion by the BoG as a prelude to a final decision. There was agreement that CAP needs an advocacy at the Air Staff level but needs to be in the operational chain. A strong recommendation was made to ensure proper manning at 1st Air Force level where there is almost daily mission contact. There was also discussion about budget decisions for CAP being made at a high enough level to protect CAP needs. There was also some discussion on the appropriate MAJCOM placement.

COL HAMILTON, USAF, presented some Air Force philosophy on elevating the visibility of CAP's requirements and that its interests are evaluated at the proper level (weekly-meeting level). The goal at the upcoming meeting will be to ensure CAP's best interests are represented and protected.

Agenda Item: 6

**Volunteer Support to Air Force Update
Mr. Richardson**

Background

- Kick off ceremonies held at Wright-Patterson AFB & Randolph AFB on Jan 28, 2008
- Wright-Patterson AFB participation:
 - Base Readiness Office
 - Military Personnel Flight
 - Deployment Fair
 - One CAP member has put in nearly 100 hours
 - Total participation estimated at 120 hours
- Randolph AFB participation:
 - Base Education Office
 - Mobility Deployment Office
 - Total participation estimated at 90 hours
- New location: Luke AFB
 - 56 Fighter Wing CC and CAP's Arizona Wing CC signed MOU on May 8, 2008
 - Significant synergy with the Phoenix-area CAP members: much larger membership base to draw from; many CAP members are fully retired; CAP Wing Hq and Wing Administrator offices are located at Luke AFB, along with the CAP-USAF State Director
- Issues:
 - Standard duty is Mon - Fri, 8 - 5 -- most CAP members have paying jobs with the same work schedule
 - CAC Card -- can't gain access to AF computer without a CAC card, but working details for a "token" card

Proposed BoG Action

None – information only.

Funding Impact

None.

Committee Recommendation

None.

BoG Action

MR. RICHARDSON/AEX presented a slide briefing on the progress of this program, the issues encountered, and the recognition of the participants.

There was clarification that CAP members who have access to government computers under this program do not need a security clearance, but must have a background check. There was also discussion on efforts to recruit retired military to join CAP and participate specifically in this program.

FOLLOW-ON ACTION: National Headquarters staffing to determine recruiting efforts to support VSAF.

Agenda Item: 7

**Operational Security Presentation
Brig Gen Courter**

Background

Civil Air Patrol's National Executive Committee directed that all CAP members complete Operational Security training. To date, approximately 75% of CAP personnel have completed the training since it became mandatory 1 April 2008. Those who have not completed training are not allowed to participate in operational missions. The OPSEC training has been incorporated into CAP's Level 1 training criteria so that all new members now complete the requirement as part of this initial course.

Proposed BoG Action

None – information only.

Funding Impact

None.

Committee Recommendation

None.

BoG Action

BRIG GEN COURTER, CAP, briefed that, as part of Level I training, CAP members cannot access e-services on the computer until they have completed Operational Security Training (OP-Sec). She added that Op-Sec is a good safety reminder to everyone.

Agenda Item: 8

**Audit Committee Report
Lt Gen Hopper**

Background

The Civil Air Patrol Board of Governors Audit Committee normally meets twice a year in conjunction with the regular meeting of the Board of Governors. Lt Gen Hopper, Chairman of the Board of Governors' Audit Committee, will provide an update on recent activities and findings.

Proposed BoG Action

To be determined.

Funding Impact

To be determined.

Committee Recommendation

To be presented by Lt Gen Hopper.

BoG Action

LT GEN HOPPER, USAF (Ret) reported that the 2007 Audit is complete and very comprehensive in its scope. He added that the committee was very confident and pleased with the work done on this audit as well as past audits. They visited about 45 wings and CAP received a Qualified Opinion. An Unqualified Opinion is expected with the next audit, due in great part to the financial controls that have been established. The revised system is great because assets have now topped \$100M. Some accounting terms have been changed: Reportable Conditions are now cited in the deficiency letter. There were some deficiencies and they were all visible in the reports to the National Commander and Executive Director. Corrective actions have been taken. He reminded that this is the only audit that Civil Air Patrol gets and must be very comprehensive. He noted the accomplishments such as the wing banker program, the savings from consolidated maintenance, and the progress with WMIRS including the intent to audit WMIRS in the future. The challenges are logistics and accountability.

He stated that the contract for CAP'S auditor runs out September 2008 and CAP must go out and conduct a competition to select another auditor. There is nothing that prevents Wilson Price, with some structural changes, from being a part of that competition. This was brought up to Wilson Price and they will get some information for CAP. He noted that Sarbanes-Oxley does not apply to nonprofits but many people will inherently apply their standards which recommend changing auditors about every 5 years. Wilson Price has been CAP's auditor for 10 years. Gen Hopper expressed an

opinion that no one is uncomfortable with that but it is something that CAP should consider through this process. Wilson Price has substantially changed in the way they look at the audit by selecting a new audit partner. There was clarification that Wilson Price will do the 2008 audit which should result in an Unqualified Audit.

COL TILTON, CAP, stated that the Audit Committee Charter—Membership—requires that a CAP corporate member be on the committee, and respectfully requested that he be appointed to that position.

LT GEN SEAROCK, USAF (Ret) moved and BRIG GEN COURTER, CAP, seconded that the BoG appoint Col John Tilton, CAP, as a member of the BoG Audit Committee.

THE MOTION CARRIED UNANIMOUSLY

FOLLOW-ON ACTION: Add Col Tilton's name to the membership of the Audit Committee

Agenda Item: 9**Membership Action Review Board Update
Col Worek**

Background

The Membership Action Review Board (MARB) was established by the Constitution as a board of final review for adverse membership actions taken by commanders at all levels. It has the authority to independently review demotions, removal from command, membership suspensions in excess of 60 days, and membership terminations. It has jurisdiction when a member claims that the adverse membership action was motivated by retaliation, reached without due process, or involved a material failure to follow applicable CAP regulations; and has the authority to affirm, reverse, or modify in favor of the member, the final adverse membership action. The Board of Governors has requested the MARB report on recent activities.

Col Worek, CAP National Legal Officer, will present an update on the actions taken by the Membership Action Review Board. There are three cases from the last BoG update that have now been resolved. Additionally, there are eight new cases that have been added since the last BoG update.

Proposed BoG Action

None – information only.

Funding Impact

None.

Committee Recommendation

None.

BoG Action

COL WOREK, CAP/NFO, briefed on the activities of the Membership Action Review Board for the period 1 June 2007 through 31 May 2008, and provided a written report.

Agenda Item: 10**Litigation Update
Mr. Odell**

Background

Mr. Gordon Odell, Headquarters Civil Air Patrol General Counsel, will update the Board of Governors on the status of litigation involving the Civil Air Patrol. See the attached Background Paper for a listing of the cases. A detailed account of each case will be presented at the BoG meeting.

Proposed BoG Action

None – information only.

Funding Impact

None.

Committee Recommendation

None.

BoG Action

MR. ODELL/GC briefed the BoG on the status of litigation involved CAP in a closed session.

BACKGROUND PAPER

ON

GC LITIGATION UPDATE

- **PURPOSE:** To update Board of Governors on status of lawsuits involving CAP.

- **BACKGROUND:** Below are the current lawsuits involving CAP. Details will be provided during BoG meeting. Any discussion on strategy employed or resolution of suits will require a closed-door session.

Pending

-- Aric Hall v Civil Air Patrol

-- Campbell v CAP (CAP collecting.)

-- CAP v Williams (Guilty plea.)

-- CAP v Zinnecker (Guilty plea.)

Resolved:

-- Plaszowiecki v Civil Air Patrol

-- Stella v CAP

-- NC Aircraft Accident Litigation

- **DECISION:** None required

Agenda Item: 11

Other Business
Maj Gen Bowling

Background

All other business brought to the table by members of the Board of Governors.

Proposed BoG Action

To be determined.

Funding Impact

To be determined.

Committee Recommendation

None.

BoG Action

MAJ GEN BOWLING, CAP, reminded that at the next BoG meeting in December, the chairmanship will be changing back to the Air Force. He recommended that the gavel be passed to newly elected chair at the end of the meeting instead of waiting until the following February. There was discussion as to whether the 2-year term dates tied to the establishment of the BoG are a technicality or if there needs to be a formal paperwork change.

FOLLOW-ON ACTION: EX check the records and determine appropriate action.

Agenda Item: 12

**Next Meeting
Maj Gen Bowling**

Background

The BoG normally meets twice a year. In 2008, the proposal is to conduct the second meeting of the year on Wednesday, 3 December 2008 in the Washington DC area. (Discussion in attached Decision Paper)

ACTION REQUIRED**Proposed BoG Action**

That the Board of Governors approve Wednesday, 3 December 2008 as the next meeting date and that it be held in the Washington DC area.

Funding Impact

None.

Committee Recommendation

None.

BoG Action

MAJ GEN BOWLING, CAP, stated that Maj Gen Morrow would like to host the December 2008 meeting at Tyndall AFB, FL.

BY UNANIMOUS VOTE the BoG agreed to conduct the December 2008 meeting at Tyndall AFB, FL, expanded to allow time for 1st Air Force briefings and a tour of the operations facilities there.

FOLLOW-ON ACTION: EX coordinate dates with Gen Morrow and set up at least a 2-day meeting.

DECISION PAPER
ON
NEXT BOG MEETING

- **PURPOSE:** To obtain Board of Governors (BoG) approval for their next meeting date and location.

- **BACKGROUND:**

- BoG is chartered to meet at least twice during the calendar year
- Historically meetings are held in June and December
- Last item on each BoG agenda is normally the selection of the next meeting date
- NHQ recommends the next meeting date of Wednesday, 3 December 2008 in the Washington DC area
- There are no national holidays or other significant events that would conflict with this date

- **DECISION:** Select Wednesday, 3 December 2008, Washington DC, as the next BoG meeting date and location.

