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Dear BENS Members:

We are pleased to present our 2014 Leadership Report. The Leadership Report gives us a chance to echo our mission and highlight the many ways your leadership and support has improved our nation’s security. Through interactions with our nation’s top officials and pursuing actionable solutions, you have taken it upon yourself to learn about the issues facing our national security community and have demonstrated your willingness to apply business experience and expertise to address them.

You are our greatest asset. We are honored that you have chosen to invest your time, intellect and treasure in developing solutions to our nation’s most pressing national security challenges. This Report illustrates your contributions and their impact.

This past year, BENS has built on the foundation of our past efforts and sustained our long tradition of tightening the bond between the public and private sectors. Among other things, we have advised a congressionally appointed commission studying military compensation and benefit reform, continued to spotlight the importance of cybersecurity and provided military commanders with new tools and insights to address illicit threat financing. We also strengthened relationships with our government partners through trips to Indonesia and the Caucasus states, and by welcoming President Juan Orlando Hernández, the President of Honduras, in the fall, we assisted our partner U.S. Southern Command.

We also, with your generosity, held a record-breaking Eisenhower Award Dinner in New York this year and hosted 121 events and trips around the nation. These events featured the country’s most influential thought leaders discussing a myriad of topics ranging from public-private partnerships to Israeli-Palestinian relations. We visited places like Coronado, California to observe Navy SEAL training and Groton, Connecticut to learn how our Navy operates our nuclear submarine fleet.

Lastly, BENS members prepared a seminal report to be released in early 2015 that will strengthen how our country counters a more complex domestic terrorist threat and began to circulate a series of recommendations that will facilitate attracting our nation’s best and brightest toward public service. Moreover, with the assistance of several key members, we now have the support in place to build our community in the Midwest and establish a member presence in Chicago within the year.

We hope you take pride in the accomplishments outlined in this Report that you made possible. We encourage you to share it with your friends and colleagues and encourage other executives who embrace our mission to join with us in common cause. We will continue to push forward and build on our reputation as the go-to organization for business leaders who want to improve our national security, making 2015 another banner year for BENS.

Sincerely,

Bruce Mosler
Chairman

Norty Schwartz
President & CEO
BENS Is...
Founded in 1982 by business executive and entrepreneur Stanley A. Weiss, Business Executives for National Security (BENS) is a nonpartisan, nonprofit that applies best business practices to help government leaders address our most pressing national security challenges.

A National Organization

BENS is a national organization comprised of executives from across the country who come together to engage, learn, and build a more secure nation. BENS has offices in California, Texas, Missouri, Georgia, Washington D.C. and New York – with a growing presence in Chicago, Illinois.
Carrying Out a Unique Mission

From acquisitions to logistics to budget management, BENS offers members a chance to employ their profound business expertise to address a myriad of challenges facing our Defense and Homeland Security leaders. And because BENS is member-driven, self-financed, fiercely nonpartisan and completely volunteer, government officials from every administration for the last three decades have sought our advice. We are a trusted partner elevating the concept of public-private partnerships – a rarity in a policy climate dominated by self-serving interest groups.

The longer you are connected to BENS, the more you understand its importance. BENS provides helpful guidance over our nation’s defense enterprise, working to make all government agencies – local, national and international – more cost and program effective. But it also offers so much more. Sometimes all it takes is intervention on the part of BENS to assist government at all levels and tasks in making key decisions to sustain our security infrastructure. — Landon Rowland
Providing a Meaningful Way to Give Back

BENS provides members an opportunity to act upon their own sense of patriotism and give back to their country through membership in an organization making true strides toward improving our security capabilities and readiness. We match our business leaders’ know-how with the needs of government partners, resulting in valuable advice and consultation that create real solutions. It is because BENS is a meaningful vehicle for change that executives from all across the country and every business sector choose BENS as a philanthropy of choice. We offer not only the opportunity to give back; we offer the ability to make a difference.

I have benefitted from being a citizen of the greatest country in the world. I have lived and worked extensively throughout the world. I consider it an honor and a privilege that through BENS I can apply what I have experienced and learned over the last 40 years in business to give something back to the USA. — Norm Chambers
The Member Experience...
Engaging Key Decisionmakers and Promoting Best Practices

BENS members experience the rare opportunity of engaging key government decisionmakers in open dialogue and offer pragmatic solutions to our country’s security challenges. BENS has strong relationships with Defense and Homeland Security leaders, diplomats and policymakers, not to mention other business executives at the helm of some of the most important organizations in the United States. In 2014, our members:

Helped Special Operations Command Understand Virtual Currencies

BENS members and representatives met for a full day of conversation with U.S. Special Operations Command’s counter threat finance team and their interagency partners in September to discuss the explosive growth and popularity in novel payment methods like virtual currencies. As private sector business is at the cutting edge of these evolving currencies, the Command asked BENS to help get its organization ahead of the virtual currency curve, requesting assistance with furthering their understanding of virtual currency and emerging payment methods. The discussions ranged from virtual currency basics, transaction demonstrations, tracking and the international monetary system perspective. This came on the heels of BENS’ presentations at the Command’s Counter Threat Finance Seminar at Fort Bliss in El Paso, Texas earlier in the year.

Our efforts continued in November when Patrick Murck, Executive Director of the Bitcoin Foundation, represented BENS as an instructor at the Command’s Counter Threat Finance Course on Coronado Island in California. Mr. Murck provided the latest on virtual currencies with an overall focus on the pursuit of transnational organized crime such as terror and drug trafficking organizations. The goal of the training is to strengthen counter threat finance and network coordination to attack bad actors. Nearly 60 military analysts, operators and action officers who support Defense Department efforts in various capacities attended.

Dined with the Secretary of the Air Force

BENS hosted Secretary of the Air Force Deborah Lee James at the home of long-time BENS Director Dr. Paul Stern in September. The Air Force is in the process of rolling out a 20-year Strategic Master Plan, and Secretary James shared their strategy along with her insights on how the Air Force can make decisions in the near term to protect top modernization priorities with a $500 billion budget cut over the next decade looming. The Secretary, who previously served as BENS’ Chief Operating Officer, also discussed other challenges which have arisen during her first eight months in office, including the F-35 Joint Strike Fighter, safety of the nation’s nuclear enterprise and preparedness planning for potential operations in Iraq, among others.

BENS membership means a stimulating agenda of meetings and events coupled with the opportunity to connect with impressive people from both the government and the private sector.

— Tom Dolan
**Promoted Economic Opportunity in Indonesia**

At the invitation of United States Pacific Command, a BENS delegation traveled to Jakarta, Indonesia in November to assess and evaluate Indonesia’s economy, and provide the Command recommendations on how best to awaken the nation’s nascent economic potential. The delegation looked at Indonesia’s plan for improving its infrastructure, as well as the country’s maritime strategy, currently being shaped by recently elected President Joko Widodo. The visit allowed the delegation to travel throughout Jakarta, seeing first-hand the infrastructure challenges Indonesia faces. The delegation recommended, among others, that the Command should promote military and agricultural partnerships and provide steps toward prison reform.

The delegation’s visit to Jakarta included meetings with the U.S. and Australian Ambassadors to Indonesia; representatives of the American Chamber of Commerce in Indonesia, the United States-Indonesia Society, the Vice Chief of the Navy, the former Vice Minister of Defense, the editor of Tempo Magazine, Bambang Haymurti and Sidney Jones, an expert on terrorist organizations within Indonesia.

**Advised the New Director of the National Geospatial-Intelligence Agency**

Seeking advice, Robert Cardillo, the Director of the National Geospatial-Intelligence Agency, met with BENS members to discuss the challenges of taking over a large organization and best practices for dealing effectively with the commercial world. The meeting, which took place a mere eleven days after the Director took office on October 3rd, covered topics such as selecting an advisory board, engaging with big and small industry, and change management/culture change. Director Cardillo stressed a continued partnership with BENS throughout his tenure leading the Agency.

**Gave European Command Insights on Caucus States**

At the invitation of United States European Command, a BENS delegation visited Baku, Azerbaijan and Tbilisi, Georgia in July. The group’s mission was to assess and document observations concerning the commercial viability of the Caucasus Transit Corridor after the wind down of the Afghanistan International Security Assistance Force Mission and the transit of Force cargo along the corridor.

The delegation’s visit to Baku included meetings with the U.S. Ambassador to Azerbaijan; representatives of the American Chamber of Commerce in Azerbaijan; and the Azerbaijani Deputy Minister of Transportation and Deputy Minister of Foreign Affairs. While in Tbilisi, the group met with the U.S. Ambassador to Georgia; the Georgian Prime Minister; the Minister of Economy; the Minister of Defense; and the Minister of Foreign Affairs. The Tbilisi visit also included meetings with numerous private sector entities and a tour of the Customs Clearance Zone in Tbilisi.

Among their observations, the delegation noted that the corridor is in reasonably good physical shape (railroad track and equipment, Black Sea and Caspian ports, and cross-Caspian shipping infrastructure) and getting better, but an effective commercial monopoly in Azerbaijan and on the Caspian Sea makes the corridor a fundamentally high-cost and low-reliability route. Moreover, the wind-down of the Force’s mission is unlikely to affect the overall viability of the corridor, although it could have a significant short-term effect on individual freight forwarders, truckers and air cargo operators participating in certain high-margin business.
Hosted Honduran President Juan Orlando Hernández

General John Kelly, Commander of U.S. Southern Command, has actively facilitated a relationship between BENS and the highest levels of government in the Republic of Honduras. His hope is that by increasing trust and building bridges between the American business community, Honduras and their neighbors, we can create an economically integrated region that is stable and secure for their own citizens and provides the United States greater ability to combat illegal immigration and transnational organized crime.

While in New York in September for the meeting of the United Nations General Assembly, Honduran President Juan Orlando Hernández joined General Kelly at a private lunch with BENS members from around the country. He was accompanied by Mary Elizabeth Flores, Ambassador of Honduras to the UN and the Honduran Secretaries of the Treasury, Infrastructure & Utilities and Security.

This event followed an earlier meeting in Washington, DC, hosted by BENS CEO General Norty Schwartz and BENS Chairman Bruce Mosler, with the Honduran Ministers of Defense, Security and Strategy & Communications.

Both conversations focused on the current security and economic conditions of Honduras and the mutual goal of finding ways to increase foreign direct investment in the extremely complex security environment of Central America. BENS will continue to support General Kelly as requested in the months ahead.

Assisted Southern Command Counter Threat Financing

BENS members met with members of U.S. Southern Command in Miami, Florida in May to discuss countering threat finance in Latin America. Terrorist organizations rely on financing and support networks to sustain operations and launch attacks, and as the nature of the threat has evolved, the Defense Department has required Combatant Commands to better understand the financial networks that are enabling those who wish to do us harm. BENS members shared the many nuances associated with moving assets through the financial system and helped the Command better understand the legal means of the financial system so their analysts can see discrepancies more readily.

Visited Kansas City Terrorism Early Warning Group with Congresswoman Vicky Hartzler

BENS hosted U.S. Congresswoman Vicky Hartzler at the Kansas City Terrorism Early Warning Analysis Center in April. The Center is one of 78 national intelligence fusion centers and the visit provided the Task Force on Domestic Security Structures and Processes valuable in-the-field contacts and information for their ensuing counterterrorism report. Captain Daniel Gates of the Kansas City Police Department serves as Director of the Center and discussed the mission, capabilities and standards of fusion centers within the state.

Discussed Cybersecurity with General Keith Alexander, Michael Daniel and Mike Rogers

In roundtable sessions arranged in conjunction with the RSA Conference 2014, BENS members shared their cyber expertise and private sector viewpoints with government partners in the cyber arena. Sessions included a dinner with General Keith Alexander, the Commander of U.S. Cyber Command and Director of the National Security Agency and roundtables with U.S. Congressman Mike Rogers, Chairman of the House Permanent Select Committee on Intelligence, and Michael Daniel, Special Assistant to the President and Cybersecurity Coordinator. These private roundtables allowed for a frank and an in-depth exchange of information on the cyber challenges facing our nation and strategies to manage and mitigate cyber risk.
Recognized Senator Kit Bond at the 7th Annual Kansas City National Security Award Dinner

On September 25, 2014, former Senator Christopher S. “Kit” Bond was presented the 2014 BENS Kansas City National Security Award in recognition of his lifetime of public service and dedication to the protection of our Nation’s national security interests. Over the course of 40 plus years of distinguished public service, Kit Bond earned a reputation as a skilled legislator able to build coalitions and effectively work across party lines to achieve results. As a U.S. Senator from 1987 to 2011, he built a reputation as a statesman who advocated for a strong military posture, improved care for our Nation’s veterans and service members, an expert in Southwest Asia affairs, and a reformer of our Nation’s intelligence community.

Spotlighted the Importance of Cybersecurity with DHS Under Secretary Suzanne Spaulding

In October, BENS joined Suzanne Spaulding, Under Secretary for the National Protection and Programs Directorate at the Department of Homeland Security at the NASDAQ to spotlight National Cyber Security Awareness Month. Events which spanned two days included ringing the Exchange’s closing bell as well as a press conference and panel lunch with federal and industry cyber experts. This was the second year in which BENS has participated in these events, and supports BENS’ efforts to increase CEO and Board level awareness of the cyber threat – a hallmark initiative for the last several years. Remarks from BENS Board Member James Shira and BENS CEO Norty Schwartz were published and aired in the Wall Street Journal and Fox Business.

BENS Energy Council

Made up of over thirty members, the BENS Energy Council is a concerted group of BENS members with expertise and interest in improving American energy security through proactive education, evaluation, and recommendation of federal government energy policies related to procurement, consumption, expenditure, production, and reliability. They serve as the energy policy leaders within the membership.

Visit to Nuclear Facility

In November, David Christian, Dominion Power Generation CEO and BENS member, invited a group of members to tour the North Anna Power Generation Facility at Lake Anna, Virginia. Members observed one of two active nuclear units, the control station, and fuel storage and reactor facilities. The tour, which included both DC-Area members as well as members of the BENS Energy Council, provided a unique opportunity to view and discuss energy issues from many different perspectives. 

BENS Cyber & Tech Council

Formed in 2014, the Cyber and Tech Council is a group of BENS members with expertise and interest in addressing key cyber, technology and big data issues facing the U.S. national security community. The Council serves as the cybersecurity and technology policy leaders within the BENS membership and among the issues the Council has already begun to elevate is internet governance.

Internet Governance

BENS held a panel discussion on the ‘Future of Internet Governance’ in June. Panelists, which included Sean Kanuck, National Intelligence Officer for Cyber in the Office of the Director of National Intelligence and Michael Daniel, Special Assistant to the President and Cybersecurity Coordinator, engaged in a lively discussion on what exactly the US is giving up by transitioning its authority to oversee the Internet’s Domain Name System, the benefits to a decentralized governance model, and the importance of the government and private sector working together to ensure a secure, open and interoperable global internet.
2014 Eisenhower Award Recipients

Every year BENS honors outstanding Americans whose contributions reflect President Dwight D. Eisenhower’s definition of security as, “the total product of our economic, intellectual, moral and military strength.” Recipients are honored at one of two awards dinners that are typically in Washington, DC in the spring and New York City in the fall. Past recipients include former Secretaries of State Hillary Clinton and Condoleezza Rice; Senators John McCain and Sam Nunn; Secretaries of Defense Robert Gates and William Perry; and business leaders Fred Smith, Robert Rubin, and Ross Perot.

Admiral William H. McRaven & Congressman Mike Rogers

BENS honored Admiral William H. McRaven, Commander of the United States Special Operations Command and the Honorable Michael “Mike” Rogers, Chairman of the United States House Permanent Select Committee on Intelligence. These two men were recognized for their innovative approach to our national security challenges and the integral parts they have played in recent years in guiding our intelligence and operations community.

BENS members and special guests celebrated the contributions made by these two distinguished leaders at the Eisenhower Award Dinner in Washington, D.C. on May 15th. Under Secretary of Defense for Intelligence Michael Vickers was on hand and spoke at length about the two men’s accomplishments. The evening ended on a poignant high note when General Norty Schwartz, President and CEO of BENS, reunited for the first time an Air Force pilot whose plane went down during a 2011 military operation in Libya and the Marines who rescued him. The reunion reminded guests of the incredible sacrifice and bravery displayed by the men and women who wear the uniform.

Commissioner Ray Kelly & Reg Brack

BENS was pleased to honor former New York City Police Commissioner Ray Kelly and former CEO of Time Inc. Reginald (Reg) Brack. The honorees were recognized in October in New York to a crowd of over 400 industry and national security leaders.

Commissioner Kelly was recognized for his time leading New York’s Police Department where he established the first Counterterrorism Bureau of any municipal police department in the country while also building the Department’s Intelligence Bureau. Meanwhile, Mr. Brack, who serves as chairman emeritus of Time Inc., has played a key role in preserving an informed society throughout his four decades in publishing.

The Eisenhower Award Dinner in New York proved to be a record-setting event for BENS and included further recognition for Staff Sergeant Mike Malarsie, a US Air Force veteran who was blinded by an IED attack while serving in Afghanistan. Sergeant Malarsie gave a powerful speech on overcoming limitations that was widely regarded as the highlight of the evening.
Pursuing Results

BENS does much more than facilitate conversations between the public and private sectors. We consult every part of the government we are advising and follow through on our reports and recommendations to ensure objectives are reached. BENS has a 32-year track record of delivering advice to appropriate government agencies—actions that are sponsored and implemented.

Bolstering Our Nation’s Security in Cyberspace
At the suggestion of the National Security Agency and the U.S. Department of Homeland Security, BENS is continuing to undertake a series of efforts to heighten CEO and board member awareness of the severity of the cyber threat to U.S. critical infrastructure and intellectual property. Of particular note, BENS partnered with the nonpartisan, nonprofit National Cyber Security Alliance to build and maintain a webpage with cyber best practices and reference materials for CEOs and board members of small and medium companies. The webpage known as RE: Cyber launched in October 2013. The partnership entailed BENS member responsibility for the site’s content and building of an Advisory Committee that will take over responsibility for upkeep of the webpage. BENS formally transitioned responsibility of RE: Cyber to the Alliance in October. BENS continues to work with the organization as BENS maintains two seats on the Advisory Committee and will continue to contribute to the content of the webpage when appropriate.

In February, BENS participated in a panel on engaging the C-Suite on cybersecurity at the influential RSA Conference in California. The panel focused on how security professionals should talk to their Chief Executive Officer and Board of Directors about the company’s cyber risk and security expenditures. Panelists’ advice included putting cybersecurity discussions in the context of the existing risk management processes and providing leadership tangible information about the threat and plans to manage the risk.

Strengthening Our Ability to Counter Domestic Terrorism
Spearheaded by the BENS Task Force on Domestic Security Structures and Processes, and endorsed by a practitioner’s panel that includes the nation’s most senior intelligence leaders such as former Homeland Security Secretary Michael Chertoff and former Commissioner of the Boston Police Department, Ed Davis, BENS will release recommendations on January 21, 2015 that will strengthen the effectiveness of our domestic counterterrorism system.

Terrorism in the United States has proven to be a dynamic and evolving threat since the 9/11 attacks over a decade ago. While America still needs to pay close attention to extremist groups in the Middle East and North Africa, the capacity of al-Qaeda or a similar organization coordinating another major attack here at home has diminished. Instead, today, we are seeing a threat that is increasingly characterized by homegrown violent extremism and self-inspired radicals. The attacks at Fort Hood and Boston, and other attacks in France, Australia and Canada, illustrate that today’s domestic threats are lone actors or small groups of disenchanted citizens. Through increased sophistication and presence on social media, extremists have encouraged our own citizens to radicalize and take it upon themselves to go out and do harm. The diffuse nature of today’s threats has a unique set of challenges and requires greater exchange of information and coordination between all of our security and law enforcement entities.

Applying a business-oriented focus to the domestic intelligence community, BENS has assessed whether the organizational, authorities, process and incentives by which the domestic intelligence community operates have kept pace with the changing nature of this threat. Using the array of information gathered by members, BENS is making recommendations on what should be done to advance effective gathering, vetting, connecting and delivering of information needed today.
Ensuring We Attract Our Best Leaders to Public Service

Choosing candidates to fill civilian positions in the Executive Branch of the federal government is a cardinal responsibility of, and an increasingly difficult challenge for, the President. Personal and political barriers have become a hindrance to attracting quality individuals. And, post-employment restrictions further complicate career opportunities for the best-qualified appointees.

Proceeding from the premise that the President ought to be able to more easily fill the ranks of his senior officials and managers, BENS compared the current government processes with the best private sector practices in executive selection and business ethics and suggested ways that the federal process might be improved. The report provides recommendations targeted at the Office of Presidential Appointments and offers improvements in three areas: pre-nomination vetting, the confirmation process and post-government employment restrictions.

While the focus is directed primarily at positions in the Defense Department and Homeland Security that require scientific, technical and industrial expertise, the recommendations are broadly applicable to the vast majority of political appointments in the Department. BENS will dedicate time over the next two years meeting with stakeholders and policymakers to ensure our recommendations are in place as a new Administration takes office in 2017.

Improving the Nuclear Force at Minot Air Force Base

A BENS delegation visited Minot Air Force Base in North Dakota in June to assess the status of personnel and equipment assigned to our strategic nuclear forces. Minot is home to two major Air Force units: the 5th Bomb Wing and the 91st Missile Wing. Both are Air Force Global Strike Command units critical to the United States’ nuclear and national defense capabilities and had some challenges recently in terms of leadership dismissals, qualification cheating scandals, and aging weapon systems.

BENS members were impressed with the professionalism, dedication, and enthusiasm for the nuclear mission displayed by the officers and airmen at Minot, and noted these men and women were hamstrung by personnel shortages and inadequate funding. The members felt the care and support, both personally and materially, of the Airmen stationed at Minot must be an overriding priority despite compelling distractions and imposed cutbacks within the Department of Defense and the Air Force. Following the visit, the members recommended among other things that the Air Force should adjust the annual cost of living for those stationed at Minot, should institute a structured exercise and training feedback system, and should implement a multi-year action to modernize and upgrade the bomber and missile forces in terms of weapon platforms and support infrastructure.

BENS acknowledged the recent positive actions of the Air Force leadership to address these issues to include bonus pay to missile force members, reducing shortages of critical personnel, distinctive award recognition efforts, and accelerating modernization programs - though much still needs to be done.

Modernizing Military Compensation

Military personnel costs have grown considerably over the last decade or so. The military pension program for example doubled in cost in just the last ten years while military healthcare costs have mushroomed from $19 billion in 2001 to $52.8 billion in 2012. While these costs have largely been absorbed due to nearly equitable increases to the overall Defense budget, continued growth in personnel cost will have to be reined in to meet today’s more austere environment – particularly if the military would like to retain the current budgetary mix where 2/3 of the defense budget is dedicated toward operations and readiness.

Fortunately, the military personnel benefit system is ripe for changes that could curb costs while recruiting and retaining the ideal force for the 21st century. A ten member BENS task force examined military compensation – particularly retirement, health care, and the commissary benefit – and offered perspectives and recommendations aimed at helping policymakers better understand where improvements are available and needed. Among their recommendations is that the Department of Defense should adopt a hybrid, defined benefit-contribution retirement plan that takes into account savings, portability, flexibility, and retention. They also recommend that the military health care system adopt evidence-based best practices that reduce variation. Collectively, these recommendations could save the military billions annually.

The Task Force recommendations were presented to the Military Compensation and Retirement Modernization Commission in April. The Commission is a blue-ribbon panel mandated to offer Congress reforms to military personnel programs in early 2015.
Continued Impact in 2014

Policy change within the Federal government takes time and many recommendations made by BENS are not realized till years later. BENS nonetheless remains a persistent advocate of all our proposals and encourages policymakers to implement our recommendations no matter the time lapse. Some of our past recommendations implemented in 2014 include:

Creation of Public-Private Partnership Grants

For the first time ever, the Federal Emergency Agency announced in 2014 that they have awarded grants under the Continuing Training Grant program that focus on Maturing Public-Private Partnerships. The awards, which totaled $11 million, are in line with recommendations BENS made in 2007 in their report, Getting Down to Business: An Action Plan for Public-Private Disaster Response Coordination. The awards will support the development of national training on public-private partnerships that are geared towards public sector participants.

Reduction in Military Fuel Contract Times and Transition to Commercial Fuels

The Defense Logistics Agency continues to reduce overhead and streamline their organization, to include reducing times to award contracts which BENS recommended in a 2013 report. The BENS report, Finding Efficiencies in the Business of Defense: Reducing Fuel Cost for the Defense Logistics Agency, outlined steps the Agency could take to improve its fuel operations, specifically highlighting contract to award times as a key area for improvement. The Agency has reduced average award times by 35 percent with a goal to double that figure. Vice Admiral Mark Harnitchek, the Agency’s Director, expressed his mandate to reduce award times to his senior managers during a meeting with BENS that coincided with the release of our report. The report also recommended that the military transition to commercial fuel. Progress has been made in that recommendation as well.

Acquisition Reform

BENS continues to be recognized for its expertise in improving the way the Pentagon buys goods and services. Our advice was sought by the Armed Services Committees of both the House and Senate, the Senate Homeland Security and Government Affairs Committee and the U.S. Government Accountability Office. BENS members offered their views on acquisition issues ranging from reducing the cost of major equipment programs and improving the contracting and management of service contracts to recruiting and retaining a professional defense acquisition workforce. General Schwartz also contribute two articles to the Committee’s Permanent Subcommittee on Investigation’s compendium on “Defense Acquisition Reform: Where Do We Go From Here?” The topics of the essays were culture and accountability in the acquisition workforce and the Pentagon’s stakeholders roles in cost, schedule and performance tradeoffs.

BENS In the News:

“Getting to Cost in Department of Defense” – The Hill
“A Better Way to Close American Bases” – Politico Magazine
“Special Ops Grill Bitcoin for its Terror Fight” – CNBC
“Commissaries Won’t Close But Prices May Increase” – Military Times
“Sequestration: Bad Business Practice” – Defense News
“Driving Cybersecurity from the Corner Office” – The CIP Report
“No Air Force? No Way!” – Aviation Weekly
“Former Air Force Chief of Staff Sounds Off on Cyber...” – Fox News
“Budget Cuts Could Ground Unstoppable Warthog...” – PBS News Hour
Hands-On National Security Education

At both the national and regional levels, BENS organizes and hosts regular programs throughout the year that connect our members with the major issues affecting our nation’s security. We invite America’s top security experts, government and military representatives and leaders for private, off-the-record events where BENS members engage in in-depth conversations on a variety of defense and security topics. In 2014, BENS hosted 121 events and trips that covered a myriad of issues ranging from Israeli-Palestinian relations to integration of our nuclear arsenal to how we recruit and train a Marine.

Roundtable with the Office of the National Counterintelligence Executive

In January 2014, BENS hosted a roundtable with the Office of the National Counterintelligence Executive’s (ONCIX) Deputy Director to discuss foreign intelligence threats to U.S. national security and competitiveness. As part of the Office of the Director of National Intelligence, ONCIX provides leadership and support to the counterintelligence and security activities of the U.S. Intelligence Community, the U.S. Government, and U.S. private sector entities who are at risk of intelligence collection or attack by foreign adversaries.

The conversation opened with a discussion of the threat of economic espionage to U.S. corporations. Some of our competitors do not play fair; recruiting U.S. citizens as spies, gathering information as members of trade delegations, demanding intellectual property upfront in mergers and acquisition deals, and outright stealing trade secrets and competitive information. Improved cyber capabilities, including the proliferation of malware, use of third-party hackers, and abundance of portable devices allow intelligence services and non-traditional actors to anonymously target and steal large quantities of data with relative ease. Often, the victims of cyber espionage are not aware they have been targeted and thus remain vulnerable to future attacks while continuing to lose their competitive advantage. U.S. companies once believed they could out-innovate to counter theft of trade secrets. But today, countries such as China imitate as quickly as the U.S. innovates.

Admiral Jonathan Greenert, Chief of Naval Operations, on Today’s Navy

Admiral Jonathan Greenert, the Chief of Naval Operations, addressed a group of BENS members at a lunch in mid-October. Acknowledging the restrictive fiscal environment in which all the services will have to operate for the foreseeable future, Admiral Greenert detailed how the Navy is confident that despite a reduction in the number of its ships, it still could perform its primary duties of dominating any potential enemy fleet, supporting land operations, and safeguarding commercial sea lanes against pirates and other threats. Admiral Greenert detailed the extraordinary advances in technology which are enabling the Navy to compensate for the reduction in the overall number of ships by using the convertible platform of a single ship to carry out multiple missions which previously required multiple vessels.
Though I’ve never been in the military and don’t work in an industry that directly deals with national defense, BENS gives me an opportunity to be plugged into national security issues and contribute communications and marketing skills; that’s an opportunity few private citizens ever get.

— Jane Stout

Lieutenant General Theodore Nicholas on Public-Private Partnerships

In April, BENS members met with Lieutenant General Theodore Nicholas, Assistant Director of National Intelligence for Partner Engagement in the Office of the Director of National Intelligence, for a candid discussion on engagement and information sharing initiatives with private sector communities. The conversation included discussions on current threats to the homeland.

Airmen in Action - Trip to Holloman Air Force Base

BENS visited the 49th Wing of Air Combat Command at Holloman Air Force Base in New Mexico. The wing provides combat-ready Airmen via training for remote piloted aircraft, specifically MQ-1 Predator and MQ-9 Reaper pilots and sensor operators. Additionally, Holloman is also home to 96th Test Group. The Test Group operates test facilities for high speed sled track testing, navigation and guidance system testing, radar signature measurements, weapon systems flight testing, and serves as the Air Force Liaison for all Air Force programs tested at White Sands Missile Range.

The BENS delegation’s tour included: mission capabilities briefing of the 49th Wing; Remote Piloted Aircraft briefing, demo and simulator experience; 96th Test Squadron briefing and tour; lunch with Airmen assigned to the 49th Wing; F-16 static display; and briefing and discussion of sequestration impacts and public-private partnerships.
The Role of Public-Private Partnerships at Camp Shelby

BENS members traveled to Mississippi in June to visit the Camp Shelby Joint Forces Training Center where they exchanged ideas on issues ranging from strengthening public-private partnerships to business strategies for Camp Shelby leadership.

The delegation received briefings on the INNOVATE Camp Shelby initiative, a strategic partnership and plan to ensure the relevance of the installation in the Cyber Age through development of economic opportunities for Camp Shelby and the Southeastern Defense Corridor. BENS members provided a number of suggestions in support of the initiative. This was followed by a tour and demonstration of the UAV Systems Flight Center and lunch discussion at the Officers Club with Brigadier General Jessie R. Robinson, Assistant Adjutant General of the Mississippi National Guard.

The delegation then moved on to a tour of the Port of Gulfport, where BENS members got a firsthand account of the great potential public-private partnerships have for the local economy and future of Camp Shelby in the wake of fewer troop mobilizations. The visit concluded with a tour and briefing at the Combat Readiness Training Center with Colonel John “Hoss” Ladner, Commander of the Air National Guard facility.

Observing our Nuclear Submarine Fleet

In September, a BENS delegation visited Naval Submarine Base New London, Groton, Connecticut. The group was hosted by the base's Commanding Officer, Captain Carl Lahti, to gain insight and knowledge on the nation's nuclear submarine fleet and its importance to the country’s national security. The attending members were briefed on the different types of submarines, their strategic mission and challenges facing the fleet. Naval Submarine Base New London trains all officers and enlisted submarine Sailors, and the delegation received an up-close view of the rigorous training Sailors go through in order to serve on the most advanced submarines in the world. The group also received a tour of the U.S.S Providence, a Los Angeles class submarine, where they were able to view first-hand the complex nature of living and working on a nuclear submarine.

Visit to US Naval Special Warfare Command

In what has become almost an annual trip, 17 BENS members were hosted by the U.S. Naval Special Warfare Command in Coronado, California in February to view up close the business of forging Navy SEALs. The tour included dinner with a group of Navy SEALs, some of whom had returned from a deployment to Afghanistan within the past month.
Discussion with Daniel Gerstein on DHS Science & Technology Mission
Dr. Daniel Gerstein, Undersecretary for Science & Technology at the US Department of Homeland Security (DHS S&T) spoke to BENS in March. He described DHS S&T’s mission as strengthening America’s security and resiliency by providing products and innovative solutions for the Homeland Security Enterprise. Within this context, he discussed the capabilities, needs and opportunities that Homeland Security addresses on a continuous basis to protect the nation. He identified the five core DHS mission functions as preventing terrorism and enhancing security; securing and managing our borders; enforcing and administering immigration laws; safeguarding and securing cyberspace; and ensuring resilience to disasters.
Managing Resources Wisely

Our 2014 financial results are promising with preliminary reports showing BENS stayed within our $5.8 million spending plan and exceeded our revenue goal of $6.1 million. In 2013, BENS generated revenue of about $6.1 million and incurred expenses of about $5.9 million, with net assets of just under $4.7 million at year-end.

We also continue our long string of unqualified audit opinions. Complete Audited Financial Statements and IRS Form 990 are available on our website at www.bens.org. BENS’ expenses for 2014 are depicted in the chart below which emphasizes our strong focus on program activities.

**BENS Functional Expenses**
(including salaries)

- **23%** Fund Raising
- **11%** Administration
- **66%** Project and Program Related Activities
# Board of Directors

## Chairman of the Board
Bruce E. Mosler*
Chairman of Global Brokerage
Cushman & Wakefield Inc.

## Vice Chairmen
Denis A. Bovin*
Senior Advisor
Evercore Partners Inc.

## William F. Murdy*
Chairman
Thayer Leader Development Group

## President & CEO
Norton A. Schwartz*
General, USAF (Ret.)

## Directors

<table>
<thead>
<tr>
<th>Name</th>
<th>Position/Company</th>
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<tbody>
<tr>
<td>Raphael Benaroya</td>
<td>Managing Director</td>
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<tr>
<td>Mary M. Boies</td>
<td>Counsel</td>
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<tr>
<td>Biltmore Capital Group, LLC</td>
<td>Boies, Schiller &amp; Flexner, LLP</td>
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<td>Patricia C. Barron</td>
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<td>Alfred R. Berkeley</td>
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<td>Princeton Capital Management</td>
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<td>Norman C. Chambers*</td>
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<td>NCI Building Systems</td>
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<td>Howard E. Cox</td>
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<td>Greylock Partners</td>
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<td>Joseph M. DePinto</td>
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<td>7-Eleven Inc.</td>
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<td>Kenneth Fisher</td>
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<td>Atlas Air Worldwide Holdings Inc.</td>
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<td>Michael P. Galvin</td>
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<td>Mark J. Gerencser*</td>
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<td>Maurice R. Greenberg</td>
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<td>Thomas J. Higgins*</td>
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<td>Thomas M. Holder</td>
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<td>John K. Hurley</td>
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<td>Jamie D. McCourt</td>
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<td>Christopher C. Melton, Sr.*</td>
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<td>John P. Morgridge</td>
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<td>Charles E. Phillips</td>
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<td>James Shira</td>
<td>Chief Information Security</td>
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<td>Officer &amp; Head of Technology &amp; Architecture (CTO)</td>
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<td>Frank V. Sica</td>
<td>Managing Partner</td>
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<td>Tailwind Capital Partners</td>
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* Denotes members of the Executive Committee
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President & CEO
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Former Chairman of the Defense Business Board

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Professor, American University
Distinguished Fellow, Stimson Center
Former Associate Director for National Security and International Affairs at OMB

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Counsel
Boies, Schiller & Flexner, LLP

General Charles G. Boyd, USAF (Ret.)
Chairman
Center for the National Interest

David Cohen
Special Advisor, C.V. Starr & Co.
Former Deputy Commissioner of Intelligence, NYPD
Former Deputy Director for Operations, CIA

The Honorable Gordon R. England
Chairman, V1 Analytical Solutions
Former Deputy Secretary of Defense

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Chairman, CounterTack Inc.
Former Commander, U.S. Central Command
Former Commander, U.S. Pacific Command

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Retired Partner, Milback, Tweed, Hadley & McCloy
Former Director, Central Intelligence Agency/
Former Director, Federal Bureau of Investigation