

# ANNUAL REPORT

## 2019



**MARINE CORPS**  
ASSOCIATION & FOUNDATION

EST 1913

# PRESIDENT & CEO'S REPORT

Friends of MCA&F,

I am proud to provide you our Annual Report for Calendar Year 2019.

2019 was another successful year for MCA&F as we executed our global mission as the professional association and Foundation for All Marines and Friends of the Corps with unparalleled levels of commitment and pride. Throughout the year and in support of our Strategic Plan, the MCA&F team worked diligently to strike a healthy balance between pursuing improvements in current, day-to-day, professional development operations while concurrently looking to the future and posturing the organization for continued longevity and relevancy for years to come.

Marine Corps Association's overall net profit results exceeded projections in 2019 while expenses were less than expected. While we were disappointed that the overall number of MCA&F members declined from the previous year and have implemented actions to make improvements, we were pleased with increases in other areas including corporate sponsorship, advertising, and attendance of active duty Marines at our professional development and excellence award events. This past year we also achieved our 10th straight year of a "clean audit" of our financial records and processes. Another area of organizational pride in 2019 was the continued improvement in the overall quality of MCA&F communications products including those on-line and printed. Retail operations at The Marine Shop in the town of Quantico as well as on-line via our ecommerce site continued to successfully support our core mission of professional development.

The Marine Corps Association Foundation, as the charitable arm of the Association, enjoyed overall growth in the total number of Marines receiving support last year. Overall, 65,000 Marines benefitted through one of the four Foundation programs. Marines were supported thanks to the generous donations of our donors with over \$1.5 million contributed throughout the year.

In 2019 MCA&F received conditional approval from the Office of the Secretary of Defense to be designated a National Military Association. This designation, once received from OSD, will better position MCA&F to provide greater levels of support to the Commandant of the Marine Corps and Marines in the future. Other partnerships developed in 2019 include one with the Marine Corps League for the future conduct of the Modern Day Marine Expositions.

*W.M. Faulkner*

Lieutenant General William M. Faulkner, USMC (Ret)  
President & Chief Executive Officer  
Marine Corps Association & Foundation



# STATEMENT ON ACTIVITIES



<b>REVENUE</b>	<b>2019</b>
Retail Operations	\$7,005,615
Publications and Memberships	2,647,706
Group Benefits Program	98,750
Interest, Dividends and Realized Gains	955,349
Royalties	55,896
Sponsorships	1,017,389
Contributions	1,582,347
Other	642,185
Total Revenue	14,005,237
<b>EXPENSES</b>	
Retail Operations	\$6,490,841
Publications and Memberships	1,675,064
Professional Development	695,833
Awards and Other	1,035,768
Group Benefit Programs	54,964
Management and General	2,826,508
Fundraising	469,923
Total Expenses	13,248,901
Unrealized Gain (Loss) on Investments	439,391
<b>CHANGE IN NET ASSETS</b>	1,195,757
Net Assets - Beginning of Year	12,139,937
<b>NET ASSETS - END OF YEAR</b>	\$13,335,664

# THE MARINE SHOP

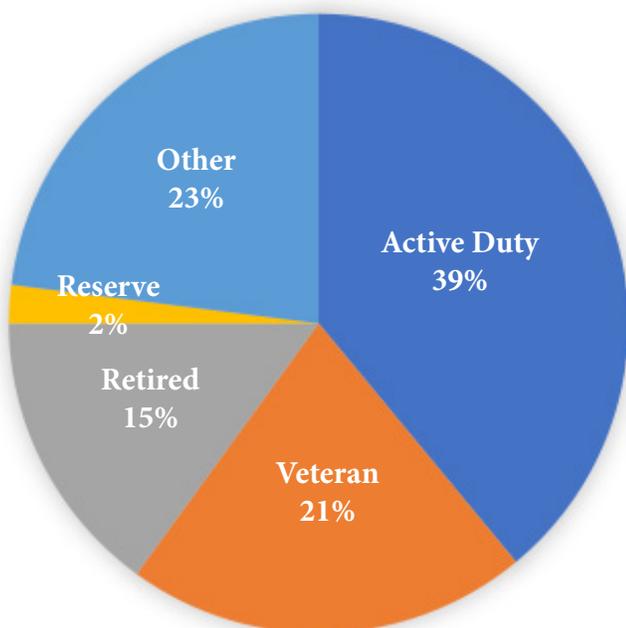
Our retail operations, which include both The Marine Shop in Quantico and e-commerce sales to Marines and their families around the world, topped \$7 million in total sales in 2019. We are especially proud that 65-70% of newly commissioned lieutenants chose The Marine Shop for their commissioning uniform needs. The tailors and support staff worked hard to ensure that our new officers – as well as the many career Marines who return year after year for their uniform needs - were happy with their choice. 2020 brings continued growth in our on-line store with a new platform which will allow us to improve quality of service and quantity of goods sold while gaining internal efficiencies. The e-commerce portion of TMS had some challenges throughout 2019. Our new platform will improve customer service and enhance our ability to provide quality Marine Corps themed products. Our Business to Business sales remained steady, principally through the sales of “The Guidebook for Marines.” The decision was made with reluctance to close the Camp Lejeune location of The Marine Shop. Despite the outstanding support provided to the Camp Lejeune community and the advantages of having a brick and mortar presence on the East Coast, the customer demand in the store did not make continuing operations there worthwhile. An enhanced sales and marketing plan for 2020 will also be a focus of effort for the sales of both uniforms and other items.



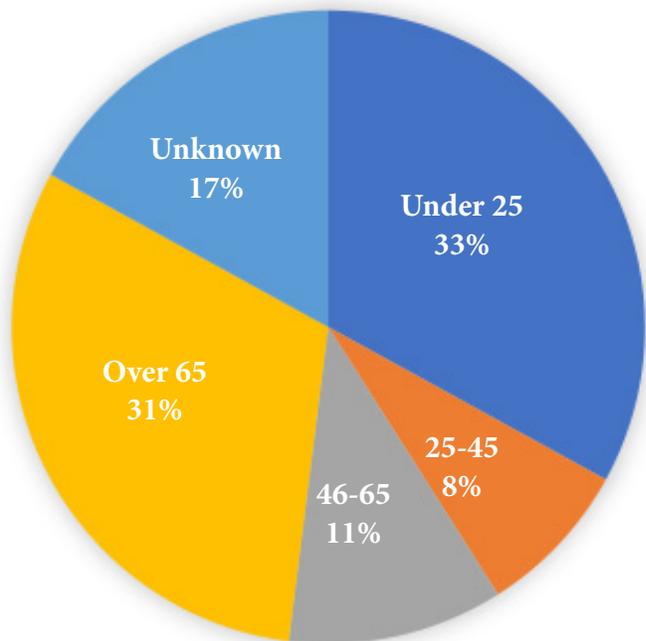
# MEMBERSHIP

Membership continued to be a challenge in 2019 as, like many organizations, MCA&F worked diligently to ensure prospective members knew the value of joining the Corps' professional association. Area representatives on each coast in the vicinity of Camp Lejeune and Camp Pendleton presented membership briefs to new Marines and other Marines attending various Marine Corps schools touting the benefits of membership. Other membership initiatives include special membership offers for Marine attendees at our Camp Lejeune, Camp Pendleton and Okinawa dinners. Another new initiative was an editorial in Leatherneck asking our current members to encourage veteran Marines they know to also join. All new members like our long term members receive the Marine Corps Gazette and/or Leatherneck Magazine of the Marines (or both depending on the type of membership chosen) as their primary benefit of membership but also have access to a variety of informative articles, podcasts, and discounts to our retail arm, The Marine Shop. And to ensure our members are kept informed of all that MCA&F are doing in support of Today's Marines, the President and Chief Executive Officer, LtGen William M. Faulkner sent a spring and fall newsletter to all of our members featuring stories and pictures of the variety of events, fundraisers, and professional development initiatives that MCA&F sponsored throughout the year.

**Membership by Type**



**Membership by Age**



# LEATHERNECK

Leatherneck continued to commemorate the anniversary battles of World War II throughout 2019 with feature articles on Cape Gloucester, Guadalcanal and Tarawa. Other historical articles included features on the Korean War and Operations Enduring Freedom and Iraqi Freedom. The Semper Fi Fund, Headquarters Marine Corps Awards Branch and The Marine Shop were also detailed in feature articles throughout the year.

The magazine also featured numerous articles from the annual Leatherneck Writing Contest with the winning article,

“The Leader,” by Cpl Taryn M. Brackett, published in the June issue. Leatherneck also celebrated two of its articles winning prestigious Heritage Foundation Awards at a ceremony at the Marine Corps Museum in April. Cpl Kyle Daly won the Master Sergeant Tom Bartlett award for superior writing on Marine Corps history by an enlisted writer for his article, “The Legacy of Holland M. Smith.” The Robert B. Heinl award for feature writing was presented to veteran Marine Kyle Watts for “The Flying Ladder” which was published in the April issue of 2018.

Advertising in Leatherneck began a slow but steady climb throughout the year with numerous new advertisers including the Central Intelligence Agency, retirement communities, and several new books.

The new website was put to good use throughout the year as reader submissions to Sound Off, Corps Connections, Crazy Caption and Sea Stories were received through the platform electronically. In addition, Leatherneck became more prominent on the MCA&F’s social medial platforms with the posting of articles, cartoons, and reunion notices. A selection and implementation of a new app for Leatherneck will be a top priority in 2020.



# GAZETTE

As the Corps' professional journal, the Marine Corps Gazette continues to be the preeminent source for professional debate on the most important issues affecting the Corps. In 2019, the Gazette continued to publish monthly "focus" editions coordinated with the offices of the deputy commandants and other senior Marine leaders focusing on innovation, ground operations, aviation, logistics, C4 and intelligence, special operations and acquisitions. These special editions are also coordinated with MCA&F's dinners and awards program to provide the greatest value to today's Marines and their leaders.

The Gazette continued to further its mission of professional development by taking a leading role in the planning and execution of panel discussions and Professional Military Education at the Modern Day Marine Exposition aboard Marine Corps Base Quantico in September. MCA&F and the Marine Corps League entered a historic partnership in support of the Commandant's vision for the Marine Military Exposition Series with significant enhancements planned to start in 2020 through 2022 and beyond.



The importance of the content in the Gazette drew unsolicited praise from BGen Jason Bohm, while serving as the Chief of Staff for Naval Striking and Support Forces NATO in Oeiras, Portugal:

“Speaking as one who has been out of the mainstream Marine Corps for the last two years, I can’t tell you how important it is to read the relevant and important topics that your authors provide each month. I feel that I am current on the issues driving the Corps in great part due to the material you provide...”

For 2020, the Gazette will continue to expand MCA&F's role as the professional association of all Marines and to offer new and unique resources for members through increased partnerships across multiple

communities of interest. With the help of the Gazette and MCA&F the TECOM Warfighting Society has grown to include “chapters” in Hawaii, Okinawa, and Camp Lejeune, all focused on wargaming the Corps’ future operating concepts like Expeditionary Advanced Base Operations. Teaming with other defense and foreign affairs related forums such as War on the Rocks and promotes broader professional reading on defense policy and strategy.

Content-sharing with innovative organizations like the Center for International Maritime Security increases material focused on the 38th Commandant’s guidance on naval integration and also provides added opportunities for Gazette authors to publish their work.

The Gazette will continue to sponsor writing contests including the new Colonel Thomas M. O’Leary Memorial Future Force Development Essay Contest, sponsored by General Alfred M. Gray and the Potomac Institute for Policy Studies.

It is always important to remember that the Gazette is authored primarily by Marines. From lance corporal to general, active duty, reserve, veteran and retired Marines choose to dedicate their personal time and effort to contribute to the debate in their professional journal. Their only compensations are an embrace of the profession of arms and satisfaction in making the Corps better. Thank you to all Marines who authored articles in 2019.



**NAVAL WARFIGHTING CLUB  
PACIFIC**



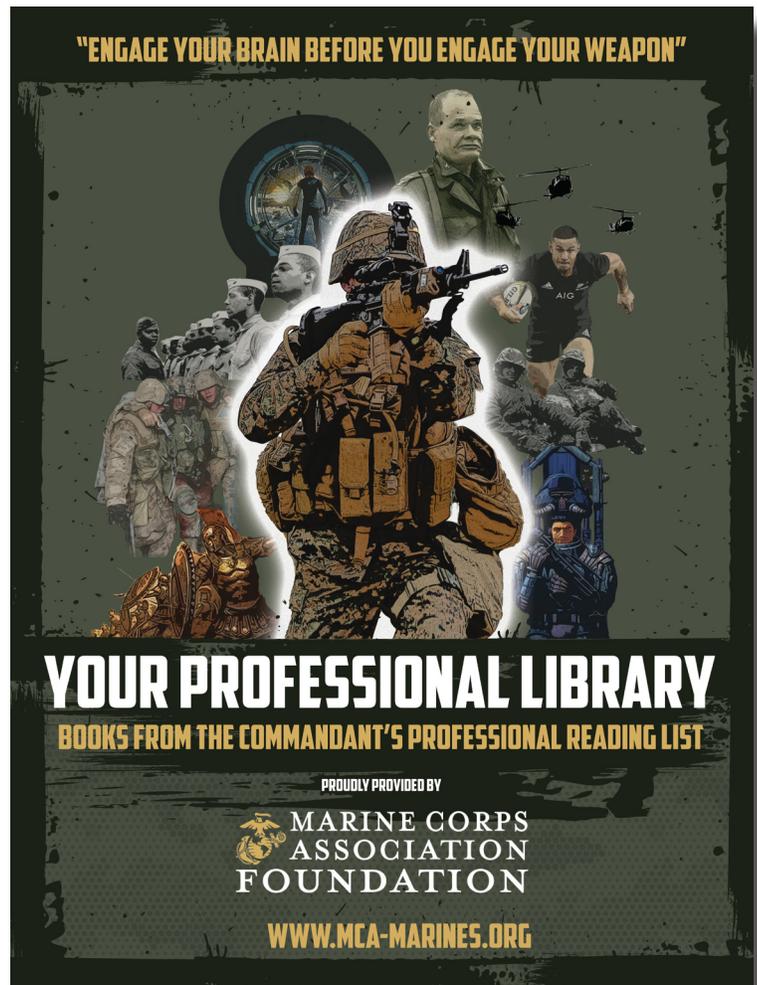
# MARINE CORPS

# ASSOCIATION FOUNDATION

Our Foundation continued to support the professional development of Marines in 2019 and looked for methods to enhance program delivery. The demand from Marine Corps units for Commander's Forums and Libraries continued to grow, and we spent over \$1 million on Today's Marines. We will continue to explore new means of increasing program demand in 2020.

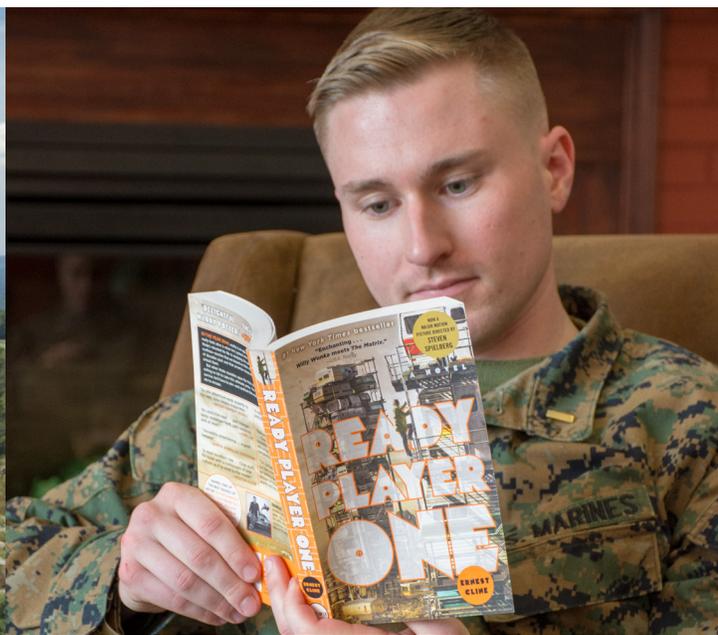
In 2019, we continued to support professional military education competitions on Quantico, which resulted in a small team of Marines who won an MCA&F sponsored contest traveling to the island of Tarawa. These Marines, three of whom were corporals, studied the battle in detail, wrote about it, and provided a professional presentation on the heroism and valor of the Marines who landed there in 1943. These Marines got the once in a lifetime experience, and literally stood in the sand where their predecessors fought and bled, and were victorious over a fanatical enemy. In addition, these Marines got to tour and work with a group that is excavating the remains of Marines and Sailors buried on the island at the end of the battle. It was a remarkably moving experience, and one only made possible because of a Marine Corps Association Foundation program.

Two years ago a new writing award in honor of LtGen. Bernard "Mick" Trainor, USMC (Ret.) was established in cooperation with MCA&F and 1st Reconnaissance Battalion Association. Remarkably, and mainly



because of the efforts of key members of the 1st Recon Bn Assn., we achieved the goal for raising enough funds to endow this writing award. This is a great example of how the Foundation and a motivated group of individuals can raise enough funds to endow a portion of one of our programs, and ensure it remains viable for years to come.

The Marine Corps Association Foundation has continued to support deploying units with Kindle e-readers as part of the Unit Library Program and continues to use funds raised to provide additional book titles for the Kindles so that deployed Marines have more access to the Commandant's reading list. Towards the end of 2019, we also provided more books to unit libraries across the Marine Corps. Often, the Marine units contact us to refresh their unit libraries because of the demand they are seeing from their Marines who are seeking out their required professional reading. As these units get caught up in other business because of their high operational tempo, the Marine Corps Association Foundation is not waiting to provide that support. Experienced MCAF staff members choose the titles we know those units need and ship them, to make sure we are meeting demand.



# EVENTS

Your Marine Corps Association & Foundation traversed the world again in 2019, hosting events from Arlington, Virginia all the way to Okinawa!

Along the way, we held events in Arlington, VA; Marine Corps Base Quantico; Camp Lejeune, NC; MCLB Albany, GA; Camp Pendleton, CA; Marine Corps Base Hawaii, and Camp Butler in Okinawa.

We experienced a 10% growth in active duty service member attendance at our events, hosting 2,435 Marines while our overall event attendance grew 5% to 5,467 guests.

Guest speakers included General James Mattis, USMC (Ret), former Secretary of Defense; General David Berger, Commandant of the Marine Corps; General Robert Neller, USMC, 37th Commandant of the Marine Corps; General John Paxton, USMC (Ret), 33rd ACMC; The Honorable James Geurts, Assistant Secretary of the Navy for Research Development & Acquisition; The Honorable Robert H. McMahan, Assistant Secretary of Defense for Sustainment; The Honorable Thomas Modly, Under Secretary of the Navy; LtGen Joseph Osterman, USMC, CG, I MEF; LtGen Brian Beaudreault, Deputy Commandant, PP&O; LtGen Lori Reynolds, Deputy Commandant, Information; BGen Arthur Pasagian, Commander, MCSC; LtGen Eric Smith, Deputy Commandant, MCCDC, and SgtMaj Robert K. Williamson, US Marine Corps Forces Pacific.

We also presented awards at the Logistics Awards, C4 Awards, Ground Awards, Acquisition Awards, and Intelligence Awards Dinners as well as at our Wounded Warrior Leadership Awards and Ammo Tech Awards Receptions. These 42 awards range from the Ground Awards' LtCol William G. Leftwich Trophy for Outstanding Leadership to the GySgt Edwin W. Johnson, Jr. Memorial Awards that are presented to our Ammo Techs.

MCA&F sincerely appreciates the support of our 180 sponsors that team with us to help us provide these events to our members and also provide free meals for all active duty attendees.

We continue to encourage our members and their friends to attend our events. You can find our schedule online at [www.mca-marines.org/events](http://www.mca-marines.org/events). Please join us. You'll be glad you did!



# MCAF BOARD OF DIRECTORS



LtGen George Flynn,  
USMC (Ret)  
Chairman of the Board



Mr. Jay S. Holmes  
Vice Chairman of the Board



LtGen William Faulkner,  
USMC (Ret)  
President & CEO of MCA&F



LtGen John A. Toolan,  
USMC (Ret)  
Board Member



Col Todd Ford,  
USMC (Ret)  
Board Member



Col Steven Zotti,  
USMC (Ret)  
Board Member



LtCol Skip Gaskill,  
USMC (Ret)  
Board Member



LtCol Christopher Davis,  
USMC (Ret)  
Board Member



Mr. Michael Martz  
Board Member



MajGen Jon Gallinetti,  
USMC (Ret)  
Board Member



LtCol H. Alexander Henegar  
USMC (Ret)  
Board Member



Mr. Christopher Bird  
Board Member



Mr. Kurt Chapman  
Board Member



Mr. Otto Frenzel  
Board Member



Mr. Tim O'Hara  
Board Member



Mr. David Storch  
Board Member



Col Robert Love,  
USMC (Ret)  
Board Member



Col Emily E. Swain,  
USMC (Ret)  
Board Member



Mr. Bryan H. Wood,  
Board Member



Dr. Susan Johnston, Ph.D.  
Board Member



LtCol Ron Eckert,  
USMC (Ret)  
Board Member



Mr. Eduardo Gaarder,  
Board Member

# MCA BOARD OF GOVERNORS



LtGen George Flynn,  
USMC (Ret)  
Chairman of the Board



Mr. Jay S. Holmes  
Vice Chairman of the Board



LtGen William Faulkner,  
USMC (Ret)  
President & CEO of MCA&F



LtGen John A. Toolan,  
USMC (Ret)  
Board Member



Col Todd Ford,  
USMC (Ret)  
Board Member



Col Steven Zotti,  
USMC (Ret)  
Board Member



LtCol Skip Gaskill,  
USMC (Ret)  
Board Member



LtCol Christopher Davis,  
USMC (Ret)  
Board Member



Mr. Michael Martz  
Board Member



LtCol Wendy Garrity,  
USMC (Ret)  
Board Member



Col William R. Costantini,  
USMC (Ret)  
Board Member



LtCol Brian Grana,  
USMC (Ret)  
Board Member



SgtMaj Alford McMichael,  
USMC (Ret)  
Board Member



SgtMaj Kim Davis  
USMC (Ret)  
Board Member



Mr. Tim O'Hara  
Board Member



Col Robert Love,  
USMC (Ret)  
Board Member



Col Emily E. Swain,  
USMC (Ret)  
Board Member



Mr. Bryan H. Wood,  
Board Member



Mr. Eduardo Gaarder,  
Board Member