

TESTIMONY OF SUBPOENAED WITNESSES ON THE
DEPARTMENT OF VETERANS AFFAIRS' ALLEGED
MISUSE OF RELOCATION PROGRAM AND IN-
CENTIVES

HEARING

BEFORE THE

COMMITTEE ON VETERANS' AFFAIRS
U.S. HOUSE OF REPRESENTATIVES

ONE HUNDRED FOURTEENTH CONGRESS

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**TESTIMONY OF SUBPOENAED WITNESSES ON
THE DEPARTMENT OF VETERANS AFFAIRS'
ALLEGED MISUSE OF RELOCATION PRO-
GRAM AND INCENTIVES**

Monday, November 2, 2015

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON VETERANS' AFFAIRS,
Washington, D.C.

The committee met, pursuant to notice, at 7:28 p.m., in Room 334, Cannon House Office Building, Hon. Jeff Miller [chairman of the committee] presiding.

Present: Representatives Miller, Lamborn, Bilirakis, Roe, Benishek, Huelskamp, Coffman, Wenstrup, Walorski, Abraham, Zeldin, Costello, Radewagen, Bost, Brown, Takano, Brownley, Titus, Ruiz, Kuster, O'Rourke, and Walz.

OPENING STATEMENT OF CHAIRMAN JEFF MILLER

The CHAIRMAN. Good evening, everybody. Thank you for being here at tonight's hearing to discuss, for the second time, the VA inspector general's final report entitled "Inappropriate Use of Position and the Misuse of Relocation Program and Incentives."

We are holding this second hearing tonight because the witnesses that we had requested to appear before this committee at the hearing on the 21st of October chose not to attend or were blocked by the Department of Veterans Affairs from attending. Their failure to appear led us to unanimously vote on and issue subpoenas to compel their testimony, something we have never done before.

The five individuals that we issued subpoenas to were Danny Pummill, Principal Deputy Under Secretary for Benefits; Ms. Diana Rubens, Director of the Philadelphia Regional Office; Ms. Kimberly Graves, Director of the St. Paul Regional Office; Mr. Robert McKenrick, Director of the Los Angeles Regional Office; Mr. Antione Waller, Director of the Baltimore Regional Office.

As we learned at our last hearing, the IG's report lays out the alleged abuse of VA's relocation expense and permanent change of station programs, costing hundreds of thousands dollars of taxpayer money, and how Ms. Rubens and Ms. Graves apparently inappropriately used their positions of authority to put their own personal and financial benefit ahead of veterans, taxpayers, and their subordinates.

As the saying goes, a picture is worth a thousand words. So let's start with a map, and let me describe in the simplest terms what tonight's hearing is all about. You can look at the screen up here.

Initially, Ms. Graves and Mr. Waller discussed his potential transfer to Philadelphia. Those discussions are eventually shelved because Mr. McKenrick is transferred from the Philadelphia RO Director's job to become the Los Angeles RO Director. Then Ms. Rubens transfers from VA headquarters here in DC to fill the now-vacant Philly RO job and receives about \$274,000 in relocation assistance.

Mr. Waller is subsequently transferred to the St. Paul RO Director job to become the Baltimore RO Director. Ms. Graves then transfers from her position as the Eastern Area Director in Philadelphia to fill the now-vacant St. Paul RO Director job and receives about \$129,000 in relocation assistance.

Finally, both Ms. Rubens and Ms. Graves retained their SES-level salaries despite assuming lower-responsibility jobs.

It seems to me that Ms. Rubens' and Ms. Graves' use of the relocation expense program is an expensive and confusing waste of taxpayer money, given they both volunteered to take these positions. As my colleague Mr. Coffman pointed out at the first hearing on this report, their relocation expenses were exorbitantly more than even the highest-ranking military officials receive when they and their families are ordered to move.

I am glad to see that VA has hit the pause button on this program. In my judgment, it ought to be scrapped altogether across the Federal Government.

The IG report sheds light on VA's policy of providing relocation expenses in what I can only describe as gross and haphazard abuse of the program. It also details a scheme by which transferred SES employees received big pay raises and large incentives with very little connection to the relative responsibilities, complexities, and challenges associated with a new position.

As I have said before, the report is damning. And I believe it is important to go over the facts and the findings of the report, as well as afford our witnesses, who are here tonight, those that are at the center of the report, to have an opportunity to present their accounts of how events transpired. This is important both for our constitutional oversight duty and the Department's transparency with the American people.

After issuing the subpoena on October 21, I received requests from representatives of some of the witnesses to postpone the hearing or, at the very least, excuse Ms. Rubens and Ms. Graves from appearing today. I want to make it clear that requiring these individuals, or any individual, to appear before us today is not done to embarrass them, as some may have asserted.

They are here before us today because they are the subjects of this damning report, which was completed at this committee's request. They are two of the individuals who allegedly created openings in Philadelphia and St. Paul for their own transfers to these locations and then also benefited significantly from VA's relocation program to move to the openings that they allegedly generated.

If this is not what happened, then I believe a public hearing is an ideal place for them to tell us what actually did happen.

This hearing is not a joke. The findings of this report provide a roadmap for further inquiry and reform. My suspicion is that this kind of behavior is rampant not only throughout the Department of Veterans Affairs but also the rest of the Federal Government. VA must take aggressive steps to rout it out, to hold employees accountable when warranted, and be better stewards of taxpayer dollars.

As I have said before, if VA put half the effort into pushing for true accountability or protecting their employees who come forth as whistleblowers as they have for the individuals investigated in this IG report, then I honestly think the Department would be in a much better place.

VA exists for veterans, not for itself or the unjust enrichment of its senior employees. That is why we take this IG report so seriously, that is why we are here tonight to ask the right questions, and that is why the public and America's veterans have a right to hear from these witnesses.

With that, I recognize the ranking member, Ms. Brown, for any comments she may have.

[The prepared statement of Chairman Jeff Miller appears in the Appendix]

OPENING STATEMENT OF RANKING MEMBER CORRINE BROWN

Ms. BROWN. Thank you, Mr. Chairman.

The hearing this evening is a followup to the committee hearing nearly 2 weeks ago regarding the September VA inspector general's report on inappropriate use of positions and misuse of relocation programs and incentives.

The IG report made a number of serious charges. As part of our oversight efforts, the committee is looking into the use of relocation incentives as well as looking into the culture of the Veterans Benefit Administration.

It is important that we get a better understanding of how VA uses relocation incentives to fill important positions, especially when we see a VA where many important leadership positions go unfilled. We must determine whether these programs work and are they working as intended. If they are not, then we must work together to make sure that they are used as a recruitment and retention tool and not simply a means to reward specific employees when the usual tools of bonuses and pay increases are not available.

To further our efforts in this area, the chairman joined me in requesting that GAO look into the Appraised Value Offer, or AVO, programs, not only at the VA but across the government. I am looking forward to their report in the very near future.

The allegations in the IG report are serious and highlight a culture of cronyism within the VA Benefit Administration. I hope our witnesses will be able to help us to get to the bottom of this.

We all respect the rights of any of our witnesses to avail themselves to any constitutional rights they may have. But, at the end of the day, we simply must find answers and make the reforms and changes we need to make to ensure that veterans come first.

With that, I yield back the balance of my time.

[The prepared statement of Ranking Member Corrine Brown appears in the Appendix]

The CHAIRMAN. Thank you very much, Ms. Brown.

Our first and only panel we have has the following individuals already seated at the table:

Mr. Danny Pummill, Principal Deputy Under Secretary for Benefits; Accompanied by: Ms. Diana Rubens, Director of the Philadelphia Regional Office; Mr. Robert McKenrick, Director of the Los Angeles Regional Office; Ms. Kimberly Graves, Director of the St. Paul Regional Office; Mr. Antione Waller, Director of the Baltimore Regional Office; and Ms. Linda Halliday, Deputy Inspector General for the VA's Office of Inspector General.

STATEMENT OF DANNY PUMMILL

I also invited former Under Secretary Hickey to testify tonight as a private citizen, as her activities were heavily featured in the report. However, she did not respond to my request.

I would ask the witnesses to please stand and raise your right hand so that we can swear you in for your testimony.

Do you solemnly swear, under penalty of perjury, that the testimony you are about to provide is the truth, the whole truth, and nothing but the truth?

Thank you. You may be seated.

And let the report reflect that all witnesses answered in the affirmative.

Before we start, I want to read rule 3(e) of the committee's rules, whereby it states, "Each witness who is to appear before the committee or a subcommittee shall file with the clerk of the committee at least 48 hours in advance of his or her appearance or at such other time as designated by the chairman after consultation with the ranking member a written statement of his or her proposed testimony."

We have been trying for over a week to get testimony from the Department. We were unable to receive that. I was told we would have it by Friday for Mr. Pummill to give us. Then, when I arrived in Washington today, I was told we would receive it by 2:30. Then I received a, really, two-sentence summary and was told this committee would receive nothing else from the Department. So I am going to read it to you.

"In summary, Danny Pummill's oral statement will cover VA's actions to date in response to the IG report. He will discuss VA's accomplishments, the elimination of the AVO Program across VA, and the ongoing review of other relocation incentives to ensure appropriate controls."

Mr. Pummill, I know you are not the one that made this decision, and I am sure whoever that person is is probably watching or listening, but it is not acceptable. I am sick and tired of asking for information from the Department and being given a runaround.

I mean, I was asked if you could provide the testimony, and I said, of course you can provide testimony if you provide a written statement prior to. And the reason for that is to allow members of this committee to read that testimony and be able to formulate

questions that are important to that testimony. And we don't have that.

And so, because of that, I am not going to recognize you for an opening statement, but I will be asking some questions of you in the next few minutes.

Ms. Rubens, the IG report concluded that you used your position of authority for personal and financial benefit. What evidence do you have to dispute that conclusion?

Ms. RUBENS. Sir, I've been advised by counsel not to answer that question to protect my rights under the Fifth Amendment to the Constitution.

The CHAIRMAN. Let the record reflect that Ms. Rubens has asserted her Fifth Amendment right against self-incrimination.

Ms. Rubens, let me be very clear. Are you declining to answer the committee's questions solely on the grounds that you believe the answer will incriminate you?

Ms. RUBENS. Sir, if the advice of counsel has been to not answer anything that will ensure I protect my rights under the Fifth Amendment, I will continue to assert that.

The CHAIRMAN. Ms. Rubens, was Mr. McKenrick lying when he said that he told you that he would only move from Philadelphia to Los Angeles if it was a direct reassignment?

Ms. RUBENS. Sir, I've been advised by my counsel not to answer that question to protect my rights under the Fifth Amendment to the Constitution.

The CHAIRMAN. Let the record reflect that Ms. Rubens has asserted her Fifth Amendment right against self-incrimination.

Ms. Rubens, please let me be very clear. Are you declining to answer the questions that this committee puts forth solely on the grounds that you believe that the answer will incriminate you?

Ms. RUBENS. Sir, I've been advised by counsel not to answer any questions that might incriminate me.

The CHAIRMAN. The report cites, Ms. Rubens, an email from former Under Secretary Hickey to you which said she was, quote, "all in to help and make it happen," close quote, as in move you to Philadelphia.

What was Ms. Hickey's role in your transfer and Mr. McKenrick's transfer?

Ms. RUBENS. Sir, I've been advised by counsel not to answer that question to protect my rights under the Fifth Amendment to the Constitution.

The CHAIRMAN. Let the record reflect that Ms. Rubens has asserted her Fifth Amendment right against self-incrimination.

Ms. Rubens, please let me be very clear. Are you declining to answer the committee's question solely on the ground that you believe the answer will incriminate you?

Ms. RUBENS. Sir, I've been advised that any question that might incriminate me I should, in fact, assert my Fifth Amendment rights.

The CHAIRMAN. Ms. Rubens, why didn't you post the Philadelphia job? Were there any other candidates other than you that were considered for the job?

Ms. RUBENS. Chairman Miller, I've been advised by counsel not to answer that question to protect my rights under the Fifth Amendment to the Constitution.

The CHAIRMAN. Let the record reflect that Ms. Rubens has asserted her Fifth Amendment right against self-incrimination.

And, Ms. Rubens, again, let me be very clear. Are you declining to answer the committee's question solely on the ground that you believe the answer will incriminate you?

Ms. RUBENS. Sir, questions that might incriminate me, in fact, I've been advised by my counsel to assert my Fifth Amendment rights.

The CHAIRMAN. Ms. Rubens, according to the IG report, the hiring effort for the vacant RO Director position in Los Angeles was suspended at the direction of your office in the midst of the hiring process. Why did you, seemingly out of the blue, stop the effort to fill this position?

Ms. RUBENS. Mr. Chairman, I've been advised by counsel not to answer that question to protect my rights under the Fifth Amendment to the Constitution.

The CHAIRMAN. Let the record reflect that Ms. Rubens again has asserted her Fifth Amendment right against self-incrimination.

And let me be clear. Ms. Rubens, you are declining to answer the committee's question solely on the ground that you believe the answer will incriminate you?

Ms. RUBENS. Sir, I've been advised by counsel not to answer questions to ensure I protect my rights to the Fifth Amendment under the Constitution.

The CHAIRMAN. Ms. Rubens, are you refusing to answer any questions put before you this evening?

Ms. RUBENS. No, sir.

The CHAIRMAN. Ms. Graves, the IG report concluded that you used your position of authority for personal and financial benefit. What evidence do you have that disputes that conclusion?

Mr. GRAVES. Upon advice of counsel, I respectfully exercise my Fifth Amendment right and decline to answer that question.

The CHAIRMAN. Let the record reflect that Ms. Graves has asserted her Fifth Amendment right against self-incrimination.

So, Ms. Graves, let me be clear with you. Are you declining to answer the committee's question solely on the grounds that you believe the answer will incriminate you?

Mr. GRAVES. Upon advice of counsel, I respectfully exercise my Fifth Amendment right and decline to answer that question.

The CHAIRMAN. Ms. Graves, with as many management challenges that have existed at the Baltimore office and your years of experience in VBA, why didn't you volunteer for the position?

Mr. GRAVES. Upon advice of counsel, I respectfully exercise my Fifth Amendment right and decline to answer that question.

The CHAIRMAN. Let the record reflect that Ms. Graves has asserted her Fifth Amendment right against self-incrimination.

Ms. Graves, please let me be clear again. Are you declining to answer the committee's question solely on the ground that you believe the answer will incriminate you?

Mr. GRAVES. Upon advice of counsel, I respectfully exercise my Fifth Amendment right and decline to answer that question.

The CHAIRMAN. Ms. Graves, at what point did you put your name in for the St. Paul opening, the same opening that the IG concluded that you helped create?

Mr. GRAVES. Mr. Chairman, upon advice of counsel, I respectfully exercise my Fifth Amendment right and decline to answer that question.

The CHAIRMAN. Let the record reflect that Ms. Graves has asserted her Fifth Amendment right against self-incrimination.

And, Ms. Graves, again, let us be clear. Are you declining to answer the committee's question solely on the grounds that you believe the answer will incriminate you?

Ms. GRAVES. Upon advice of counsel, I respectfully exercise my Fifth Amendment right, and I decline to answer that question, sir.

The CHAIRMAN. Ms. Graves, whose decision was it not to advertise the open position at the Philadelphia Regional Office?

Mr. GRAVES. Mr. Chairman, upon advice of counsel, I respectfully exercise my Fifth Amendment right, and I decline to answer that question.

The CHAIRMAN. Let the record reflect again that Ms. Graves has asserted her Fifth Amendment right against self-incrimination.

Ms. Graves, please let me be very clear. Are you declining to answer the committee's question solely on the grounds that you believe the answer will incriminate you?

Mr. GRAVES. Mr. Chairman, upon advice of counsel, I respectfully exercise my Fifth Amendment right under the Constitution and decline to answer that question.

The CHAIRMAN. Thank you.

Mr. McKenrick, since this report came out and prior to this hearing, have any senior leaders at VA reached out to you regarding the statements you made that were included in the report?

Mr. MCKENRICK. Sir, no senior leaders have talked to me about the statements that were made. It's my understanding that it's under investigation.

The CHAIRMAN. Did any VA officials instruct you as to what to say during this hearing?

Mr. MCKENRICK. No, they did not, Chairman.

The CHAIRMAN. The IG concluded in its report that you were essentially forced or coerced to move to the Los Angeles RO from the Philadelphia RO. Is this correct?

Mr. MCKENRICK. I was not forced or coerced, sir. I was direct reassigned.

The CHAIRMAN. And what does "direct reassigned" mean?

Mr. MCKENRICK. Direct reassignment means that the agency has determined, in the best interest of the agency, that, arguably, I was the right person at the right time to take that assignment. It went through a vetting process, Chairman.

The CHAIRMAN. And had you not taken that assignment, what would have occurred?

Mr. MCKENRICK. I don't know, Chairman.

The CHAIRMAN. Ms. Rubens stated in her interview with the IG that you contacted her on your own and you volunteered to go to Los Angeles and that she was dumbstruck that you called her.

Is Ms. Rubens' statement an accurate description of your initial contact that resulted in your transfer to Los Angeles?

Mr. MCKENRICK. She is correct in that I did contact her and we did discuss the reassignment and I was interested in the West Coast. That was based on my participation in ERB panels, which are hiring panels. I participated in San Diego as well as Los Angeles.

The CHAIRMAN. Mr. McKenrick, are you familiar with the penalties for perjury found in Title 18 of the U.S. Code?

Mr. MCKENRICK. I am, Chairman.

The CHAIRMAN. You stated that "I would have to be reassigned, meaning I'm not jumping up and down saying, 'Send me to L.A., send me to L.A.'" You also said, "It's not a volunteer, in my mind. I am not volunteering."

You said that under oath to the inspector general, and yet today it appears you are telling me something different. Do you wish to revise your statement to this committee?

Mr. MCKENRICK. In that statement, Chairman, it was a process of learning about the stations on the West Coast, the opportunities. I had several dialogues with several individuals about the challenges of those stations. I did express an interest by making that phone call and several other phone calls to inquire.

The final discussions were between myself and the chief of staff, then-VA chief of staff. And it was through that process and the offers that were made there that the final decision was made.

The CHAIRMAN. Mr. Waller, my time has run out, but I need to ask you very quickly, did you like your job at the St. Paul RO?

Mr. WALLER. Yes, Mr. Chairman.

The CHAIRMAN. How about your family? Did they want you to move from St. Paul?

Mr. WALLER. Not at the time that we had these discussions, no, they did not.

The CHAIRMAN. Did they like living in St. Paul?

Mr. WALLER. We enjoyed living there, yes.

The CHAIRMAN. Do you feel that you were pressured or manipulated to leave that position in St. Paul?

Mr. WALLER. I do believe there was pressure for me to take another assignment.

The CHAIRMAN. And by whom?

Mr. WALLER. Well, it started with, you know, telephone conversations with Ms. Graves as well as Ms. McCoy and Ms. Rubens as well.

The CHAIRMAN. Okay.

Ms. Brown.

Ms. BROWN. Thank you.

I am going to about back to Mr. McKenrick.

You're presently at the Los Angeles VA facility? Where are you presently?

Mr. MCKENRICK. I am.

Ms. BROWN. Yes. I have visited that facility. You are the top person at that particular position?

Mr. MCKENRICK. For the Department of Veterans Affairs, Congresswoman Brown, I am the Director of the Los Angeles Regional Office in that office.

Ms. BROWN. Okay. That is a very challenging position, but, also, I would think, a very interesting position, in that you have an op-

portunity to work with a very challenging community that needs a lot of help and assistance.

After doing your research, did you decide that you wanted to take that position?

Mr. MCKENRICK. I found that the position was very challenging, and I was confused in the process of what was being offered for me to go. And my position was that, if I was to go, I would have to be direct reassigned and that the agency would tell me that I was the one that had to go, the best candidate to go at that time, there was no one else that could do that mission.

I was committed to the mission and I am committed to the mission of the VA. I have struggled with a direct reassignment in other Federal agency in the past. A senior leader asked me—basically said, “We’re going to direct reassign you to another position in another city.” And I said, “What are the options?” and I was told none, and “What is the alternative?” and I was told, “You’re fired.”

Ms. BROWN. But that did not happen with the VA.

Mr. MCKENRICK. That did not happen here, so I literally reached out to find out as much information as I could. And I was very glad that the agency engaged me in a thorough process, to include many different levels. And, frankly, there were times when I was very committed to it, but I had to take family into consideration and my children and not being near them.

And I went through the process, and, in the end, my decision was, after talking all the way up the chain, that if I was going to go, I would have to be direct reassigned, meaning there were no other senior leader in the works that would take this position. There had already been two panels that had not produced a successful candidate from the outside, Chairman Brown—or, sorry, Congresswoman Brown.

Ms. BROWN. Yes, I like that word, but I am the ranking member.

Mr. MCKENRICK. I’m sure I’ll hear about that when the chairman gets back to me.

Ms. BROWN. Let’s go to Mr. Waller.

You are now at the—you are at Baltimore?

Mr. WALLER. Yes, Congresswoman.

Ms. BROWN. And you did not want to go to Baltimore?

Mr. WALLER. Well, at the time that I was approached about Baltimore Regional Office, I was not in a position or willing to accept voluntarily going to that regional office.

Ms. BROWN. So what happened? You got reassigned?

Mr. WALLER. Yes.

Ms. BROWN. Well, did you get compensation and the other—house relocation and all of that?

Mr. WALLER. There were the benefits of a AVO, appraised value offer, as well as a relocation incentive to go to Baltimore, along with a salary increase as well.

Ms. BROWN. Did you have additional responsibilities in that reassignment?

Mr. WALLER. I’m not sure I understand your question.

Ms. BROWN. Well, was it a lateral or was it a promotion?

Mr. WALLER. It was a lateral, as far as I was concerned. It was the same capacity as the director of a regional office, so I considered it to be a lateral transfer.

Ms. BROWN. I am asking, did you get additional reimbursement funds for it? It was just a lateral?

Mr. WALLER. Right. Yes, ma'am, it was just a lateral transfer.

Ms. BROWN. Let me ask a question to the IG.

You have heard the testimony. Is that contrary to your report?

Ms. HALLIDAY. VA classified the positions based on the pay bands that VA uses. St. Paul is a Pay Band 2 position, which is higher than Baltimore, which is a Pay Band 3 position. So Baltimore would essentially have lesser responsibilities.

Ms. BROWN. Than where?

Ms. HALLIDAY. Than the St. Paul, Minnesota, VARO, where Mr. Waller originally was.

Ms. BROWN. Well, that is interesting. Maybe VA needs to go back and reevaluate. Everything I know about Baltimore, it would definitely be more challenging than the other location, from actually physically going to Baltimore and visiting the VA facility.

What about Mr. McKenrick's testimony? Because it seemed to be contradictory to your report.

Ms. HALLIDAY. Mr. McKenrick, I believe, said all along that he would not go out to L.A. without a directed reassignment. I think it is consistent with our report, because he didn't go to L.A. because he wanted to go out there. And I think that's the testimony that we have that we provided to the committee.

And I think that when you don't take a directed management move, one option is you can be let go.

Ms. BROWN. That is one option, but the other option is that he was the best, he felt, qualified person for that particular position.

Ms. HALLIDAY. I can't answer whether he was the best qualified for that position or not. There were a number of candidates that applied for the L.A. position. I think it was over 100 candidates when Ms. Rubens' office canceled that last hiring action.

The CHAIRMAN. Would the gentlelady—

Ms. HALLIDAY. So I don't know. I guess it's VBA's opinion, not mine. I don't know Mr. McKenrick.

Ms. BROWN. Yes, sir. I will yield.

The CHAIRMAN. If you could just freeze the clock for just a minute. I just want to go back.

Ms. Halliday, on page 34 in the transcript, a question is asked of Mr. McKenrick, did he want to go to L.A. or did he want to stay. Basically, it says, "I guess your first discussion with Ms. Rubens on this, did you prefer to stay in Philadelphia or did you want to go to L.A.?" Mr. McKenrick says, "Stay in Philadelphia."

I yield back.

Ms. BROWN. Would you like to respond to that?

Mr. MCKENRICK. I can, Congresswoman Brown.

The process is a learning process. It's not static. It's getting information from different individuals and engaging them and saying, "I want to learn more about it." It is interesting. I know the position is open. I was part of the last panel. It is interesting to me. Does someone say, do you absolutely want to go? Well, I want to learn more about it. Yes, I'm interested in it.

And, then, as the process goes and you learn different things and you talk to family and you learn about the challenges, it's an interactive process that allows you to say, well, no, I'm not going to be

able to do this unless I'm direct reassigned. Because you are in the mission. You're part of a team. You care about what happens in VA. And if the agency has determined above me that I'm the right person at the right time to go, then, yes, I'm willing to do my part to step into it and continue.

As an Army Reservist, they didn't say, do you want to go to Iraq the first or second time. You stepped into what your job was because you were the right unit or the right members to go. And we did that.

Ms. BROWN. One last comment. I understand it was 100 applicants, and you turned out to be the best person, the VA felt, for the position. It seems to me that is a compliment.

Mr. MCKENRICK. I can't answer to what VA thought above me, ma'am.

Ms. BROWN. All right.

I am going to yield back the balance of my time.

The CHAIRMAN. Thank you.

Mr. Lamborn, you are recognized for 5 minutes.

Mr. LAMBORN. Thank you, Mr. Chairman. And, once again, thank you for your leadership in bringing these subjects up for hearing.

Mr. Pummill, I would like to ask you a few questions.

Both Secretary Gibson, in his letter to the chairman on October 20, and Chief of Staff Nabors, in response to the IG's recommendations, committed to completing proposed accountability actions by October 31, Saturday.

Now that this deadline has passed, what, if any, accountability actions have been taken?

Mr. PUMMILL. Congressman, besides the freezing of the AVO Program, a complete relook of all incentives and moves inside of not just VBA but VA, the dep sec, who is responsible for all SES, I guess you would say, punishment and enforcement inside of VA, delivered proposed actions to both Ms. Graves and Ms. Rubens on October—I believe it was on October 31.

They are under the new process, the Accountability Act. They are under the appeal timeframe right now. As soon as that appeal timeframe—I believe the first part is 7 days, and then there's an additional 5 days to the Merit Board—are complete, then he will release what that proposed punishment is.

Mr. LAMBORN. Okay. Thank you.

Now, at the committee's hearing in April, you stated that Ms. Rubens received the AVO Program benefit because the position was "tough to fill," quote/unquote. Is that correct? Were those your words?

Mr. PUMMILL. Yes, that's correct, Congressman.

Mr. LAMBORN. And, as we know, OPM policies restrict the use of relocation incentives for hard-to-fill jobs. However, at the committee's hearing last month, the inspector general concluded that the position was never advertised.

So my question is, how was Ms. Rubens eligible for these incentives if the VA never tried to fill it?

Mr. PUMMILL. The office in Philly is one of our larger regional offices. It's a very complex office. It has multiple lines of business. It's not just a claims office. They have a pension center there, an

insurance center. There's a lot going on. And we've had a history of problems in that office that we've been trying to work through.

We wanted somebody in that office that could not only do the claims but the other lines of businesses, but could also work with the local legislators, elected officials in the area, the unions—there was a union issue there—the employees, and the veterans and the veterans service organizations.

We felt that Ms. Rubens had all those attributes. She was probably our most experienced person in claims in all of VBA. I think I testified that that was our roughest, toughest RO at the time, and we wanted our best person there.

Mr. LAMBORN. So you didn't advertise the position, you didn't interview anyone else. You just determined she was the one and that it was tough to fill and needed the incentives all as one decision? Is—

Mr. PUMMILL. Yes, Congressman.

Mr. LAMBORN [continuing]. That correct?

Mr. PUMMILL. Yes.

Mr. LAMBORN. Okay.

Well, let's talk about Baltimore. We were told that 131 people applied for the Baltimore RO job when that one was advertised. Why were none of them considered for the position?

Mr. PUMMILL. Same set of circumstances, Congressman. When we're looking at filling an RO, every RO is different. Every RO has their own set of problems. Antione, in Minnesota, had done a very, very good job. He was very aggressive with handling union problems. He was good at working with the legislators and working with the local VSOs.

Baltimore had a history of problem after problem after problem, and nothing we seemed to do seemed to be able to fix it. Moving Antione there was the right call. He's dramatically improved production in almost every aspect in Baltimore since he's been there.

It's kind of like a—if you want to replace an infantry commander at Fort Riley, Kansas, you don't go out and look at a bunch of applicants. You look and say, who's my best infantry colonel or general promotable that I can put in that position? Antione was the person in that case.

Mr. LAMBORN. If you could go back in time, would you still have signed off on all the moves highlighted in the inspector general's report?

Mr. PUMMILL. If I could go back in time, I still would have made all the moves, yes.

Mr. LAMBORN. Thank you, Mr. Chairman. I yield back.

The CHAIRMAN. Mr. Pummill, before I recognize Mr. Takano, is there any reason why you cannot inform this committee of what the proposed actions are?

Mr. PUMMILL. I'm sorry, Congressman? I didn't—

The CHAIRMAN. Is there any reason that you cannot inform this committee as to what the proposed actions are?

Mr. PUMMILL. I was told by our legal advisors right before this hearing that I can't give the proposed action until they have a chance to go through the first part of the appeal process, but just to let you know that we are using the expedited new act to impose those punishments.

The CHAIRMAN. Okay. Thank you.

Ms. Rubens, Ms. Graves, I apologize. Before I recognize Mr. Takano, I wanted to, again, reassert to the committee that you both have asserted your Fifth Amendment right against self-incrimination numerous times. Both of you have done it as the basis for the refusal to answer the questions that have been posed to you because of your respective subpoenas.

Ms. Rubens and Ms. Graves, considering your assertions of privilege, the committee intends to end your questioning this evening. But be advised that this hearing will be held open to allow the committee to evaluate the validity of your Fifth Amendment assertions, and you both will be subject to recall in the future should the committee decide to question you in the future.

I ask unanimous consent that Ms. Rubens and Ms. Graves be excused from the hearing today, subject to a recall.

Without objection, so ordered.

Thank you very much. And we will also remove your nametags from your seats because you did appear. Thank you very much.

Mr. Takano, you are recognized for 5 minutes.

Mr. TAKANO. Thank you, Mr. Chairman.

Mr. McKenrick, you sat on a panel responsible for identifying and interviewing applicants for the L.A. VARO position. Why weren't one of the best-qualified applicants selected after the second job announcement?

Mr. MCKENRICK. I can't answer that. After the panel screened the resumes, came up with qualified and best qualified, I believe, and we chose the individuals for the interview, we interviewed those individuals, and then we selected the ones that we chose the strongest to pass forward. I am not even sure where they went once we were done with our part. The Executive Management Office would handle the packages from there.

Mr. TAKANO. So you don't know why anyone was selected in that panel?

Mr. MCKENRICK. I do not know whether they survived the process above us or they simply weren't interested in the end after they found out all the facts. I don't know.

Mr. TAKANO. Do you know why the position was advertised for a third time?

Mr. MCKENRICK. I assume because no one accepted it or was appointed in a prior panel.

Mr. TAKANO. But, as one of the panel members, you don't have any—

Mr. MCKENRICK. We move on to other panels. We have no longevity with the process, Congressman.

Mr. TAKANO. All right. Thank you.

During the course of your career in the Federal Government, did you ever negotiate salary, relocation incentives, or PCS in relation to prior relocations?

Mr. MCKENRICK. I have not. Salaries with individuals at a lower level in the GS scale, I have discussed that with them, but I was not the final negotiator.

Mr. TAKANO. Were you aware that if you had volunteered for the L.A. VARO position that you would not be eligible for the incentives or benefits?

Mr. MCKENRICK. I did not know that. I think you are entitled to travel and other incentives to go out and take the assignment.

Mr. TAKANO. But this had no bearing on whether or not you were maybe looking to be directed? I mean—

Mr. MCKENRICK. In my informational process of learning about the stations on the West Coast—and I believe, at one time, all three stations, Oakland, San Diego, and L.A., were open—and learning about the challenges of the different stations in the West Coast versus what I know to be the East Coast in the VA, I was interested in all that, and I did show interest in it. It was appropriate for people to ask me the questions they did, from my point of view. As a senior leader, I would have followed up on those leads, as well.

And, as I went through the process, it was clear to me that it would be very challenging for me. And I had said I would only go if direct reassigned.

Mr. TAKANO. But you were not aware—but that decision was not related to an awareness of eligibility for benefits or incentives, you know, related to whether or not you volunteered or were directed?

Mr. MCKENRICK. No, I had yet to work out the final details on what those would be. That was not part of what I was driving to when I said direct reassigned. It was, am I the best-qualified candidate? If you are going out again, you are obviously not finding anyone out there that's meeting the criteria.

And, as General Hickey had said, Under Secretary Hickey, I was all in, and I am all in. I want this agency to succeed and to serve the veterans.

Mr. TAKANO. Were you aware that a management-directed reassignment was, according to Ms. Hickey, quote, "the common process that CSEMO does," end quote?

Mr. MCKENRICK. I'm not aware of what that means within the VA or other agencies, Chairman.

Mr. TAKANO. Okay. But when you completed other relocations with the Federal Government, were interviews, relocations management-directed? I think you did answer a question like this before.

Mr. MCKENRICK. One was alluded to that was a management-directed reassignment. I have moved with other offices that were not.

Mr. TAKANO. Thank you.

Mr. Waller, when did you speak with Mr. Pummil about your reassignment to Baltimore?

Mr. WALLER. The date?

Mr. TAKANO. Yes, the timeframe.

Mr. WALLER. Congressman, I'm not sure of that date. Probably sometime in the month of April 2014.

Mr. TAKANO. Was it before or after you agreed to the relocation to Baltimore?

Mr. WALLER. Well, it had to do with a number of discussions that were leading up to my accepting the opportunity to go to Baltimore under reassignment.

Mr. TAKANO. What did you discuss?

Mr. WALLER. Well, we discussed some of the incentives that were being offered as far as my relocation that was going to be impor-

tant for me to accept in order to take on the new assignment of the Baltimore Regional Office.

Mr. TAKANO. Mr. Chairman, my time is up. I yield back.

The CHAIRMAN. Thank you, Mr. Takano.

Mr. Bilirakis, you are recognized for 5 minutes.

Mr. BILIRAKIS. Thank you, Mr. Chairman.

A question for Mr. McKenrick.

Why would you not go to L.A. unless you were direct reassigned?

Mr. MCKENRICK. The challenge for me, I want to serve, and I am committed to the people out there and the people in the community, as well as the regional office. That's my assignment. And I will always raise my hand if the agency says, "We can't find anyone."

My challenge is leaving my children back here in the Philadelphia area and the cost of living. I itemized that in my rebuttal to the chief of staff, that it was—I would have to go through and find the numbers for you, but I think 39 percent in housing; cost of living, 10 percent; 9-percent increase in health and food and other things. The cost of living was much more expensive in California.

And the regional office is located in Wilshire Boulevard, just west of Hollywood, and it's a very expensive part of the city. You don't have to live there, but you can commute for hours on end every day, just like Washington.

Mr. BILIRAKIS. So you definitely had reservations.

Mr. MCKENRICK. Could you say that again, sir? I can't—

Mr. BILIRAKIS. You definitely had reservations.

Mr. MCKENRICK. I did have reservations, yes. But when the decision was made and I was direct reassigned, I'm all in. That's the mission you receive, you soldier up, and you march on.

Mr. BILIRAKIS. Thank you, sir.

Ms. Halliday, was VA using the appraised value program inappropriately and too frequently, in your opinion? Or are existing OPM guidelines too broad and leave too much discretion to an agency?

Ms. HALLIDAY. The sample is really too small for the number of people that received the AVO benefit within VBA to give you a good answer. I do think that it was not being properly justified as to need, and it should have been looked at closer.

AVOs are very expensive, but they are a tool for recruitment. They are important when you're trying to move executives across the country. And all Federal agencies were participating in that program, not just VA.

Mr. BILIRAKIS. Okay.

The next question: Did you review the real estate market in Ms. Rubens' area as part of your investigation? And, if so, did those results support the eventual purchase and resale prices of her home?

Ms. HALLIDAY. The OIG did not review the real estate market for Ms. Rubens. We looked at the fact that there were two appraisals that are given on the potential sale of the potential house; they are averaged together, and that becomes the AVO average price that will be paid on the house. So we didn't really analyze the real estate market.

Mr. BILIRAKIS. Okay.

A question for Mr. Pummill: I understand the OPM regulations indicate that relocation incentives should be used sparingly. How can VA seriously conclude that all SES positions are critical needs and difficult to fill when they are normally dozens of applications to fill senior-filled positions?

Mr. PUMMILL. I don't think we can. I think that when we were using the AVO Program that we weren't paying attention to everything we should have been paying attention, and we weren't looking at all the procedures and policies that were in place.

One of the things that the Secretary has done, he's put a hold on that. And, inside of VBA, I've put a task force together to look at all moves, all incentives, all promotions, everything that we do for our senior executives, to make sure that everything is being done for the right reasons.

I think we leaned heavily toward "it's so important to get the right person at the right place at the right time to take care of our veterans" that weren't looking at the second- and third-order effects like we're supposed to. And we need to do a better job of that.

Mr. BILIRAKIS. When asked by OIG if moving SES employees around was a way to get around the mandated pay freeze, you responded, and I quote, "I would say that this is probably true." Do you stand by your statement?

Mr. PUMMILL. I did say that.

Mr. BILIRAKIS. Thank you.

No further questions. Thank you. I will yield back, Mr. Chairman.

The CHAIRMAN. Thank you.

Mr. McKenrick, did you write a letter to the Deputy Secretary, Sloan Gibson, asking to be moved back to Philadelphia in the summer of 2014?

Mr. MCKENRICK. I did not.

The CHAIRMAN. You did not?

Mr. MCKENRICK. Chairman, I did not.

The CHAIRMAN. Okay. Thank you.

Ms. Brownley.

Ms. BROWNLEY. Thank you, Mr. Chairman.

I just wanted to say that, prior to Mr. McKenrick's appointment, many of us who represent southern California had been in contact with then-Secretary Shinseki to urge the VA to quickly fill this position, which had been vacant for nearly a year. And there was an enormous backlog of claims at the L.A. office, and, without this position being filled, we were very concerned that veteran claims would continue to take far too long to process.

And I am certainly disappointed to learn that the delays in filling the vacant position in Los Angeles may have been exacerbated by senior VBA leadership.

I would also like to say that, since Mr. McKenrick filled the position, he has made a real effort to increase the VA's visibility in our community. He has come up to Ventura County, which is my congressional district, on several occasions to participate in veteran benefit events that were organized by my office and by other local veteran organizations. He has also come to participate even in VHA events to learn more about the community, for which I am very, very grateful. In my dealings with Mr. McKenrick, he has

been both professional and committed to helping the region's veterans.

However, the purpose of our hearing here today is to find out whether senior-level officials at VBA put undue pressure on employees to vacate their positions and relocate. The allegations against these VBA senior executives are serious, and I appreciate that Mr. McKenrick has appeared before the committee today to help us get to the bottom of what happened in Philadelphia.

So the L.A. Regional Office has long been—Mr. Pummill, this question, I think, is really for you.

The L.A. Regional Office has long been one of the poorest-performing offices in VBA, and filling this position should have been a very, very high priority. But, according to the IG's report, the first two job postings did not result in hiring the Director—I think that has been mentioned earlier—despite 168 applications, 5 of whom were considered “best qualified.”

When a third job posting was made, the 112 applicants who applied were not rated or ranked. So, according to the former VBA Deputy Chief of Staff, the hiring process was suspended at the direction of Ms. Rubens' office.

Were you aware of this action?

Mr. PUMMILL. Unfortunately, I wasn't.

The way we divided up duties and responsibilities is the Under Secretary was very much involved with her staff in the reassignments of the regional offices. I ran the staff, the headquarters, the budget, and the operations and pretty much didn't get into that unless I was called in specifically, like in Antione's case, because they felt there would be a conflict of interest, and they would ask me to do negotiations or things like that. I probably only did it for two or three.

I know peripherally there were lots of problems in Los Angeles. The Under Secretary was very concerned about getting the right person there. I do agree with you, Mac is the right person—strong leader, gets along great with the local communities. I think we made a good move there.

Ms. BROWNLEY. Again, Mr. Pummill, the Office of Personnel Management guidelines preclude any salary increases for SES employees across all Federal agencies. And, back in 2012, Secretary Shinseki stopped all VBA SES performance awards.

But my understanding is VBA paid \$321,000 in salary increases to reassign VBA employees in fiscal year 2013, 2014, and 2015. So can you explain how the VBA justified these salary increases?

Mr. PUMMILL. Yes, Congresswoman.

The first case that I was involved in was actually Antione's. And when we were negotiating and we were talking salary, I had to call over to the Chief of Staff and ask, “Are we allowed to do a salary increase for SES? I thought there was a pay freeze.” And the answer I got back was, “Actually, the only time that you can increase their salary is during a PCS move.”

So if the duties and responsibilities are such that they are more complex or greater, you are moving them from a lower SES level to a higher SES level, or there's issues, such as Los Angeles or Baltimore, serious issues, long-term issues that you have not been able to fix, then you have the authority to—we couldn't give the pay

raise, but we could recommend the pay raise to headquarters, and then the pay raise could be approved at our headquarters.

Outside of a PCS move, we could not raise their salaries.

Ms. BROWNLEY. Thank you.

I yield back, Mr. Chairman.

The CHAIRMAN. Dr. Roe, you are recognized.

Mr. ROE. Thank you, Mr. Chairman.

Just a couple of brief questions.

Mr. Pummill, I was just inquisitive about how a position would be hard to fill if you didn't take applicants for it.

Mr. PUMMILL. Congressman, I can't answer that. I don't know why they stopped taking applicants.

Mr. ROE. I mean, it looks to me like, if it was hard to fill, you wouldn't have a lot of applicants. But when you quit taking them and say it is hard to fill, I think you are—I think what happened was, and it is clear to me what happened, was that we are getting around some rules here.

And let me just speak to you from somebody who sees veterans every day at home that can't get their claim adjudicated, that their care is delayed, they can't get in. And I look here at people making hundreds of thousands of dollars, moving on close to 200, with 13-percent increases, 11 percent, 15 percent, on and on, and I have to go home and tell Social Security recipients, who also get a government check, that they get a big goose egg.

And do you see how inflammatory that is, when we go home and talk to people and try to explain that, how the VA is benefiting for themselves?

And, look, I understand it is a big, complicated organization. I do, I get that. And you do have to pay good people. I understand that.

But this is hard for me to understand when I go back and explain to veterans that can't get care, can't get a colonoscopy, can't get this, and they see this sort of behavior. Do you understand that?

Mr. PUMMILL. I absolutely do understand. I come from a very small town where people don't make very much money. It's a big deal; \$10,000 is a big deal where I come from.

I can tell you, as a veteran—I spent 33 years in the Army—I really care for veterans. I want to do the right thing. We had 20 vacancies in VBA this year, 20 RO vacancies, that we had to fill. And our goal was to get the right person to those right ROs.

One of the things we have done is, in the last couple years, we now pay more money to more veterans faster than we've ever done before. I'm responsible for making sure that \$90 billion a year is paid in benefits and services to veterans of the United States.

Mr. ROE. My point is that it doesn't matter about the \$90 billion. What matters is what gets paid to one veteran. That is what they see, is their check. And when they see this is one person that has a 13- or 14-percent increase when this veteran is getting practically nothing and our Social Security recipients this year get a big goose egg—they don't get anything, except their costs go up. And that is a problem I have for me, personally. I have a tough time with that.

And, Mr. McKenrick, did you—and I am asking you a fairly difficult question, but there was an inference in the OIG's report that

there would be some risk to you, to lose your job, if you didn't accept this mandatory move. And, obviously, you soldiered on. I appreciate that you went to a place that maybe you didn't want to go to in Los Angeles. You were more comfortable where you were, but you did that.

Were you worried about losing your job if you didn't take this assignment, if you weren't ordered to take this assignment?

Mr. MCKENRICK. I understand the——

Mr. ROE. If you just said, "I'm not going to move. I like it here where I am. I'm going to stay where I am."

Mr. MCKENRICK. I went through a process in many different levels. I showed interest at different levels. I was excited about the opportunities. I was interested in it.

Mr. ROE. So is the answer yes or no? I mean, I've heard all that before. Is your answer, "Yes, I was worried about it. It's sort of in the back of my head"——

Mr. MCKENRICK. If I would have said no——

Mr. ROE [continuing]. Or "no, I didn't have any concern about that." That's fine if that's the answer.

Mr. MCKENRICK. Congressman, if I would have said no, there was always the concern that they could use that to remove me. My prior experience told me that if I did not accept one, I would have been removed. That was not the case, and I do not feel like I was pressured in this instance.

Mr. ROE. Okay. That's fair enough.

Mr. Waller, I can't see you, but you for some reason, and I'd just like to have your explanation, you didn't use the AVO program, or opted out of it. What was the reason you did that?

Mr. WALLER. Well, at the time the AVO was offered, my house that I owned in St. Paul, or Minnesota, was devalued, undervalued from what it would take to pay off the loan. So the offering of AVO would not have been a benefit to me.

Mr. ROE. Been benefit to you. According to the IG's report, you and Ms. Graves had a conversation during which she asked you about moving back to the East Coast, and you said you'd be interested if there was an opportunity in Philadelphia.

During this conversation, was there a possibility of Baltimore ever mentioned to you by Ms. Graves? Did she ever mention Baltimore?

Mr. WALLER. Not in our initial conversation. Baltimore had not been a part of the conversation. It was only subsequent to my initial conversation that Ms. Graves asked for my interest in Baltimore.

Mr. ROE. Okay. My time is expired.

The CHAIRMAN. Thank you. Ms. Titus, you're recognized.

Ms. TITUS. Thank you, Mr. Chairman.

I'd like to ask Mr. Pummill some questions. I'm working on a letter right now to the IG, which I mentioned at a previous hearing, asking them to investigate if there are any G-15 employees who may have used their influence and power to better their situation at the expense of others. I'm also asking them to investigate how many GS-15's have moved to jobs with reduced responsibilities while retaining their previous salary.

I would invite and welcome any of my fellow members of this committee to join me in this request, and this brings me to a specific question about Mr. Ed Russell who was formally director of the Reno RO. Now, apparently, they couldn't get rid of Mr. Russell, even though he did a terrible job there. We know the RO there was one of the worst in the country. He was on leave with pay for about a year, I think. Now he is teleworking, teleworking as a senior advisor in VBA's office of field operations here in Washington, which is a 3-hour time difference.

I'm just wondering if you know anything about this, how many people applied for that job, was it created just for Mr. Russell, is he doing the same amount of work, getting the same amount of pay, and do you have any sense how often this type of special position is created at the central office here in Washington or in area offices or regional offices to take care of this kind of problem?

Mr. PUMMILL. Congresswoman, I don't know if that's ever been done before. I do believe that the position was created for Mr. Russell. Without getting myself in trouble here, I believe it was part of a court settlement that kind of restricts what we can and can't say about it. One of the issues we have is, one of the great advantages of this new accountability act with the SES's is it's pretty quick and it's done with and we'll see how it works out on these first couple of ones that we're doing.

But with our GS employees, it's the rules, the regulations, the protections are such that it's almost impossible to do anything. We try to do the right thing. In Mr. Russell's case, I can assure you that he is performing GS-15 work. He's being held accountable on a daily basis, but it was a very strange situation that we had to get him that job.

Ms. TITUS. Apparently he didn't have to move somewhere. He got to stay out there in Reno and work from home by phone or computer or something.

Mr. PUMMILL. Yes, Congresswoman. There are no provisions in the law that allow us to forcibly move a GS employee. We can only do that with SES employees, and with the SES's, we try not to. We try to negotiate as much as possible so they're not forced moves. We just don't have that available for a GS.

Ms. TITUS. Well, speaking of that, the Philadelphia VARO had a lot of problems under Mr. McKenrick, so you moved him to Los Angeles, which also had a lot of problems. Then you moved a person from Los Angeles to Reno, which had a lot of problems.

Is this really a good strategy that you move people from poorly performing offices to other poorly performing offices?

Mr. PUMMILL. The individual that was in Los Angeles that we moved was an acting. They were just there temporarily. We had gone through a series of people that we put there acting, and they had done a pretty good job for us while they were in Los Angeles.

Mac was brand new to VA. While I wasn't involved in the assignments, I felt that when we brought him in, I loved his leadership ability, I loved how he works with people, negotiates with them, and gets his organizations to work. In retrospect, we shouldn't have taken somebody that we hired outside of VBA and stuck them in our most complex, hard to work regional office. He did a good job for us there, but he was much better suited for the Los Angeles of-

fice than he was for the Philadelphia office, and I think that's played out.

I mean, he's literally improved them by 89 percent in the short time that he's been there. Sometimes we have to move people around. We always don't make the right decisions, and it was a huge domino affect this year with the 20 vacancies, trying to get the right people in the right place and move everybody around.

Ms. TITUS. So his primary qualification was not that he lived in Philadelphia and you needed that opening to put somebody else in?

Mr. PUMMILL. Not that I'm aware of, Congresswoman.

Ms. TITUS. Thank you, Mr. Chairman.

Mr. CHAIRMAN. Thank you very much.

Mr. Pummill, you said it was probably a mistake to have put Mr. McKenrick in the Philadelphia office?

Mr. PUMMILL. If I had been making that decision, I probably would not have put Mac in Philadelphia as his first assignment.

The CHAIRMAN. Because in his fiscal year 2013 performance evaluation, Mr. McKenrick's reviewing officer, Ms. Rubens herself wrote, and I quote, "His leadership through this fiscal year has resulted in multiple successes and a steady increase in production and quality in the last quarter, and I fully expect Mr. McKenrick's leadership to result in continued improvements during the coming year," closed quote.

Dr. Benishek, you're recognized.

Mr. BENISHEK. Thank you, Mr. Chairman.

Mr. Pummill, to the best of your knowledge, has any of the VA employees mentioned in the report, been interviewed or questioned by Federal agents in regard to the findings in the report?

Mr. PUMMILL. I have no knowledge of that.

Mr. BENISHEK. No knowledge of that, okay.

Can you tell me a little bit more about—I know we suspended the relocation program, and you mentioned some of the things, but could you tell me again what specifically has been done within the VA to counteract the culture that seems to have allowed this misuse of funds to happen?

Mr. PUMMILL. I had a long conversation actually again today with our Dep Secretary, Sloan Gibson. He absolutely understands, and so does the secretary, that we have an accountability problem. As I was telling the Congressman beside you a minute ago, we pay out a lot of money. I understand. You can't pay out that kind of money and not be held accountable.

I mean, we have to be accountable to the Congress of the United States. We have to be responsible for what we do in our jobs. The dep sec believes that we have to hold people accountable. If we don't hold them accountable, we can't make a cultural change. He's committed to, under the new law, holding at least the SES's accountable. One of the things he asked me to put out here is that in all the cases that he's worked since he's been given this position of overseeing the SES enforcement, he's proposed actions on all that he can, some of the decisions are final, some of the decisions are still in the appellate process, but he is moving forward on every single one of them, he understands the need to hold people accountable.

Mr. BENISHEK. I'd just like another commitment from you, Mr. Pummill.

Mr. PUMMILL. Yes.

Mr. BENISHEK. In that incident that Ms. Titus has just brought up about Reno and her—I think, disgust with the whole situation there. Would you be willing to work with us to try to develop better rules for those employees that we can make it easier to deal with this type of situation in the future?

Mr. PUMMILL. I personally would, but I think you're going to have to fight a large Federal Government. These are Federal—

Mr. BENISHEK. I know, but I think that we need to work on this. I think Ms. Titus believes that as well, and I'd like to get some advice from you as well to work on that.

Mr. Waller, do you believe that anybody in the VA has misused their positions in any way in this whole situation?

Mr. WALLER. Mr. Congressman, I believe during the course of my conversations and my ultimate decision to go to Baltimore, came with pressure to accept the assignment. I did in fact accept that assignment, and I went into that opportunity with all the passion that I could to lead and continue to lead the regional office.

Mr. BENISHEK. So that's a yes then; is that what you're saying?

Mr. WALLER. Well, the answer is—

Mr. BENISHEK. I mean, I understand what you're saying in that you took the assignment, but my question is, do you believe that anybody in the VA misused their position?

Mr. WALLER. I can't answer that, Congressman, if—

Mr. BENISHEK. Have you received any retribution or negative consequences from following this publication of the IG report?

Mr. WALLER. I'm sorry?

Mr. BENISHEK. Have you had any retribution or negative consequences following the publication of the IG report?

Mr. WALLER. No, no, Congressman, I have not.

Mr. BENISHEK. Mr. McKenrick, have you had anything like that?

Mr. MCKENRICK. Congressman, I can only answer that the constituents very well are aware of what goes on here in Washington, and when I go to town halls, just a week or two ago, there were questions about the documents that were shredded in LA. And I can tell you there were no documents shredded in LA, and the IG report found none. We have to be very careful how we get things out to the public, and the retribution comes from them for what's said or done.

I've received none from the agency, but from the constituents, they want to know answers, and they want accurate facts, and I would strive to say that we have to struggle to get those facts out from the VA as well. There's opportunities when we put misinformation out without getting all of the information.

Mr. BENISHEK. All right. Mr. Pummill, to the best of your knowledge, have Ms. Rubens or Ms. Graves apologized to American veterans and taxpayers in regards to their behavior?

Mr. PUMMILL. I have no knowledge of that.

Mr. BENISHEK. Thank you. My time is up.

The CHAIRMAN. Thank you. Ms. Halliday, if you would, clarify Mr. McKenrick's comment that no documents were shredded at LA?

Ms. HALLIDAY. I would gladly clarify that. During the shredding process, the documents go through a series of reviews. My audit staff, when they went to L.A., were acting on received a tip that there were documents in the final shred bin that was going off to destruction. My auditors took those documents out of those bins and certainly looked at them to see were they legitimate documents that needed to be recorded in VA's records.

They did not get destroyed. They got handed back to the senior officials at the VARO so that they would be processed correctly. We would have been negligent on our part had we just let them get destroyed. The fact was, the last bin had nine claims-related documents. The other problem was that you couldn't tell how many other documents may have been destroyed because there was a requirement to maintain a log on the destruction of claims documents. The L.A. VARO had not maintained that log for several months and did not have a records disposition officer. So there was nothing to really compare a period of time to another period of time. So Mr. McKenrick is technically—

The CHAIRMAN. So it's your testimony, had those documents remained in that final shred bin, they would have been shredded.

Ms. HALLIDAY. Absolutely.

The CHAIRMAN. Thank you. Dr. Ruiz, you're recognized. Oh, I apologize. Ms. Brown.

Ms. BROWN. Yes. I would like Mr. McKenrick to respond to that, and let me just say, I like the way you soldier up.

Mr. MCKENRICK. Thank you, Congresswoman. I'll try not to say chairman when I address you. I beg to differ. I don't know—we're not prepared to talk about shred here, and I acknowledge that, and I apologize to the agency for that being the issue. That was the answer to the question.

The shred is every employee has a red bin at their desk. In our regional office, every piece of paper that's not packing trash or food trash, newspaper or magazine goes in that bin under their desk, so they have every piece of paper in that bin. They go through that bin before the pickup. This is the old process. We changed it and made it better based on the recommendations, but everything that was found, the 16 documents, they looked at 13,800 documents taken from the red bins and the gray shred bins at the end of the process after the employee reviewed, the supervisor reviewed, the record management officer reviewed, then put in a locked gray shred bin 113,800 documents reviewed, batting a thousand in the gray shred bin, not one document found in the final process. All 16 additional documents were found in the red shred bins prior to the review process. Of that, nine were ultimately, by the IG, found to be of concern, and we've worked on that, and we disciplined individuals, and that's the responsibility we owe you all and the American people and the veterans, and we learn from our mistakes. That's what we require from our employees. But there was zero in the gray shred bins, ma'am.

Ms. BROWN. Thank you. And Mr. Chairman, you know, we had a hearing on this shredding before this committee. I yield back, thank you.

The CHAIRMAN. Thank you. I don't believe that changes the fact that 16 veterans would have been negatively affected had the in-

spector general not removed those documents from the final shredding bin.

Dr. Ruiz.

Mr. RUIZ. Thank you, Chairman Miller and Ranking Member Brown for holding this meeting. I was appalled to learn of the inspector general's report that concluded Ms. Rubens and Ms. Graves inappropriately used their positions of authority for personal and financial gain. And I'm disappointed that the VA is forced to use resources to investigate yet another potential scandal instead of focussing their time and attention on improving patient care.

We need to change the culture of the VA to be more veterans focused. Our veterans deserve access to a high-quality healthcare system and not subject it to one that is bogged down in personnel issues like this. The veterans in my district and across this great country deserve better.

I want to go back to Mr. McKenrick. Can you explain the process of shredding, one, and two, is do you have any concerns about the methodology or legitimacy of both reports from the inspector general's office?

Mr. MCKENRICK. Thank you, Congressman. Chairman, there were none found in the final gray lock-in shred bins. They were, and the IG report says, that they were found, and it wasn't clearly laid out that every employee has a red shred bin under their desk. Our process at the time was that the employee on pickup day, the records management officer, they knew they were coming around, the employee would go through the bin, the supervisor would go through the documents, the records management officer would ultimately go through the documents, and then they would end up in the locking gray shred bin. There was a process.

We needed to tighten that process up. There was a hiring. There was a transition. The old records management officer reapplied and became the new records management officer. He was seasoned in that. He was involved throughout the transition in the 6-month period. He was in place before—

Mr. RUIZ. Mr. McKenrick, let me remind you, I asked you the question.

Mr. MCKENRICK. Sorry, Congressman. I apologize.

Mr. RUIZ. So do you have any concerns in terms of the report, the methodology on the report?

Mr. MCKENRICK. We identified in our regional office that there were 24 errors, omissions, or misstatements in the IG report that were not factual or accurate or misleading from our point of view.

Mr. RUIZ. And you're referring to the shredding report? Now how about in terms of the investigation, which this hearing is about.

Mr. MCKENRICK. Correct. I believe that was your question, Congressman.

Mr. RUIZ. Oh, that's what you're referring to?

Mr. MCKENRICK. Correct.

Mr. RUIZ. Okay.

Mr. MCKENRICK. The shredding report.

Mr. RUIZ. All right. Ms. Halliday, what is the number one priority recommendation that you gave in terms of fixing the current scandal, and has it been accomplished?

Ms. HALLIDAY. Are you referring to the current scandal as the abuses related to the permanent change of station program?

Mr. RUIZ. Yes, correct.

Ms. HALLIDAY. I believe the process has to be tightened up so that this situation does not repeat. So I viewed all the recommendations in the report all dealing with strengthening the process as important.

Mr. RUIZ. If there was one thing that you would do that would make the biggest difference, what would that be, and has it been done?

Ms. HALLIDAY. The one thing that tends to make the biggest difference is holding people accountable for these actions.

Mr. RUIZ. Okay.

Ms. HALLIDAY. It sends a message.

Mr. RUIZ. And you're saying that that has not been done?

Ms. HALLIDAY. I believe Mr. Pummill said that they're in the process. I have no information from the IG's standpoint on what's happening.

Mr. RUIZ. How far are we, Mr. Pummill, in making sure that people held accountable are held accountable?

Mr. PUMMILL. Congressman, both the individuals were delivered their proposed punishment on October the 31st. They are in their appeal process right now. I believe that's 7 days. At the end of the appeal process, we can notify Chairman Miller and this committee what that punishment was.

Mr. RUIZ. Okay. I have no further questions.

The CHAIRMAN. Thank you. Dr. Wenstrup, you're recognized.

Mr. WENSTRUP. Thank you, Mr. Chairman.

Mr. McKenrick, I want to go back to your evaluation report, if you will, for just a second where it says, "I fully except Mr. McKenrick's leadership to result in continued improvements during the coming year," and that was by Ms. Rubens. And so you, based on that recommendation, sounds like you're doing well. You're succeeding in Philadelphia.

I do want to ask about the process just a little bit. You're familiar with an OER, officer's evaluation report. Is this similar to what you experienced in the military? Are the people rating you only allowed to give so many people the highest marks, or does everyone—everyone can get the highest marks? Did you have to do a support form? How is this process compared to that in which I'm familiar with and you are, too?

Mr. MCKENRICK. It is similar to the officer evaluation report. We do provide input. I am not aware of what the criteria is above my level. And I know what the ranking criteria is. I know what I put into it. There's a discussion with my senior, and then eventually, probably three levels up, it's approved, and we're told several months later what our evaluation is.

Mr. WENSTRUP. Was Ms. Rubens evaluating many people or just you? Did she have a lot of people under her that she's evaluating in this situation; do you know offhand?

Mr. MCKENRICK. I don't know the profile above me.

Mr. WENSTRUP. Okay. Because I'm curious as to why you would be the only person to have to be direct reassigned?

Mr. MCKENRICK. If you're giving me an opportunity to defend myself on the Philadelphia issue, I will. I personally am challenged by the investigation, which was a, according to Ms. Halliday, a very elaborative in-depth investigation, over 100 witnesses. No one ever asked me a question. I was the director for 2 years. I worked with the employees that were seated here that testified, the union president. I can tell you all the good work we do. I can tell you about the meetings we had.

We discussed those same issues they raised here, and we talked about challenges and how to work through those. You can always find bad in challenges in everything you do, but you've got to look for the good and acknowledge that as well. Thank you, Chairman.

Mr. WENSTRUP. Well, one of the things I'm trying to drive at is—and maybe someone else can come up with the answer to this, but it just seems strange to me that you were the only person in your position in America that was under consideration for a direct reassignment. Because the assumption that one might make is that, one, either you were the best person in America that could take this job, and that's why they wanted to directly reassign you, as opposed to someone else who maybe had similar qualifications and ratings, and they chose you. And I just can't believe that you're the only one that they felt could fill that position.

And so it leads people to wonder why that is the case. And I'm not knocking your qualifications or the job that you did, but I've just got to imagine that there might have been other people that have been considered, and I don't see that anywhere. Did you hear, in this process, of anybody else, and did you ever ask, hey, am I the only person being considered to be directly reassigned here?

Mr. MCKENRICK. Congressman, in the interactive process, I did discuss the challenges out there and why other directors weren't stepping up to go out there, why things were so hard to fill out there, and as I went through the process and learned, and as I went into the interactive process, and even with the chief of staff, I struggled with some of the challenges of the station. It is a much higher cost of living out there. It is a much different type of environment.

Mr. WENSTRUP. I understand that. My question is, why were you the only one that was targeted for direct reassignment? There has got to be other people with pretty good qualifications, and you weren't looking for this.

Mr. MCKENRICK. To be frank, I started the conversation. I engaged in it. I thought it was fair for the officials to say, are you interested, and I was interested and understanding all of it and what the opportunities might be, and I can't answer as to why I am the one that survived that process.

Mr. WENSTRUP. Well, are you the only one that got put through the process is really my question. At any time did you ask or find out, is there anyone else being approached for this assignment or just you?

Mr. MCKENRICK. The only other assignment I heard about was Mr. Waller going to Baltimore or—similar—I do not know of—

Mr. WENSTRUP. I'm not talking about that. I'm just saying, was there anyone else being considered for direct reassignment for the job that you got assigned to besides you?

Mr. MCKENRICK. Not that I'm aware of, Congressman.

Mr. WENSTRUP. That's what I wanted to find out, and hopefully will find out because I find that pretty curious. So why do you think Ms. Rubens was sent to do a job where you were seemingly doing very successfully.

Mr. MCKENRICK. I can't answer that question either. Not my decision.

Mr. WENSTRUP. Thank you, and I yield back.

The CHAIRMAN. Members, I refer you to page 33 and 34 of the transcript dated June 10, I quote, Mr. McKenrick said, "interested in the challenges and the position and how it's made up and wanting to learn more about it is different than either applying for or raising my hand and saying send me to LA," close quote.

Ms. Kuster.

Ms. KUSTER. Thank you, Mr. Chair, and my questions are directed to Mr. Pummill.

Is it typical for SES's in more senior positions at the VBA to take on these director positions with less responsibility and in a lower pay band? Does that typically happen?

Mr. PUMMILL. The first two that I'm ever aware of were the ones that occurred with Ms. Graves and Ms. Rubens.

Ms. KUSTER. And is it common for upper level VBA management of any level to take positions of lesser responsibility? Are you aware of that ever happening before?

Mr. PUMMILL. These are the first two that I'm aware of, Congresswoman.

Ms. KUSTER. Okay. And do you know why, in this case, these two individuals chose to—or took lower level positions? Do you know what the reasoning was behind that?

Mr. PUMMILL. I don't know for sure. I can speculate. I know that Ms. Rubens had been in her job for a long time and was a little bit wore out with the whole DC action and wanted to get back to the basics, to an RO again.

On Kim Graves, to be perfectly honest, I've been in my deputy job for 2 years, and in the first couple of weeks in the new job, I had discussions with the under secretary that maybe it was time to move Kim from an area director to an RO because we were having problems in the Eastern area. Kim was really, really good, but it just wasn't up to the other areas, and it was time for her to move on.

Ms. KUSTER. And I'm just curious, have you ever seen—so this was first time you've seen anybody step down, so you haven't seen somebody step down and keep the same high level of compensation?

Mr. PUMMILL. As a matter of fact, when they moved them to the new positions, I contacted the IG's office just to make sure that retaining their salaries was appropriate, and I was informed that under the law, unless it was a demotion or adverse action, there was no provision in the law to allow us to lower the salaries of somebody going from a higher position to a lower position.

Ms. KUSTER. That seems to me, Mr. Chair, something we could fix. I mean, these were full-time positions, right? They weren't moving to a part-time position or for some other reason—

Mr. PUMMILL. No, these are full-time, very demanding, tough positions, but they are not at the level that they were at before.

Ms. KUSTER. Okay. Great. Thank you.

And is it typical for all SES's to be directly reassigned even when they volunteer for a position? And I'm sorry, you may have covered this, but I'm just curious about this direct assignment compared to volunteering.

Mr. PUMMILL. No. An SES can volunteer or be directed. I don't believe we've ever directed somebody inside of VBA. I think that's something we need to change. I think that our RO directors, part of our problem is that they remain in position for too long. I think they should be like general officers in the Army where they don't spend 10, 20, 30 years at one location and become too comfortable. I don't think that's a good thing. And that we should use our ability to move people around a little bit more often.

Ms. KUSTER. Thank you. Thank you.

Ms. Halliday, I'm just curious, and you may or may not know the answer to this question, but we are learning that this is a practice across the government, not just at the Veterans Administration. Are you familiar with the practice in any other agencies, and have you run into anything quite like this in the other agencies?

Ms. HALLIDAY. I don't have experience or any data on the other Federal agencies. The Federal government is so large, you would have to think that there are some examples.

Ms. KUSTER. Okay. I have nothing further.

The CHAIRMAN. Thank you very much.

Mrs. Walorski, you're recognized for 5 minutes.

Mrs. WALORSKI. Thank you, Mr. Chairman.

My question is for Mr. Pummill. I said in a hearing 2 weeks ago that the VA continues to have what seems to be a crisis of confidence within senior level executives at the VA. Every day it seems like there's something new. We've heard project's over budget, behind schedule, whistleblowers retaliation, and now this issue of collusion among officials to line their pockets with fewer responsibilities.

When I go back to my district, it's the veterans and the taxpayers that are furious with what's going on in this agency. Constituents in all of our districts work hard for their money, they play by the rules, and they want this nonsense to stop. So I'm just sitting here thinking, listening to this testimony go on and on, and Mr. Pummill, you're a retired Army Colonel, correct?

Mr. PUMMILL. Yes.

Mrs. WALORSKI. And I appreciate your service. Thank you for your service to this country. But I think, and I guess I want to know, what do you think the effect of the morale of troops would be if their commander bent the rules to his or her own benefit? And then what does it do to the team? What does it do to the troops? What did it do in your former life in looking at this situation right now?

Mr. PUMMILL. It's devastating that the senior leaders are not held accountable at the same level as the lowest person in the organization.

Mrs. WALORSKI. And I would agree with that, and I would also say, you're also from a premier business school, the Wharton

School of Business advanced management program, and if they took this case study today, these professors, and said to their students, look at the realtime real life disaster we have on our hands. We all long for the day, for this organization to be healthy, but it's not, and we've tried everything. What would those school professors look at this case and what would they say to those students today as to how to fix this? How would you fix this?

Mr. PUMMILL. I'm actually doing an interview with Wharton Magazine in the next couple of weeks to discuss why somebody that went to Wharton would work as a public servant, and one of the discussions is how do we manage a workforce that we can't—when you're in the private sector, eliminate somebody or move somebody or discipline whenever you need to. We have such a complex set of rules, and it's hard, it's tough, the rules are there, but we have to work through those rules.

Mrs. WALORSKI. Let me ask you this, because most of us in here worked on the VA reform bill last October, conference committee, the report moved that thing through, and one of the things that the chairman has talked about virtually every time we meet is the ability for senior level executives to be fired, to be disciplined, to be moved out, to bear the brunt of transparency and accountability to the American people, but yet every time folks from the VA would come in and we'd ask the question how many people have been fired in this place, the answer may have gone from maybe two, maybe three, maybe they couldn't give us the name of somebody that was fired.

And to your point, I agree, to your point in this Wharton Magazine, that profile that you're going to do. Do you need more legislative action to be able to discipline and fire people who are not accountable and transparent, who have committed different kinds of egregious activities? Do you need more authority to do that?

Mr. PUMMILL. I personally think we need to wait out the new SES law and see how that works. One of the problems we've had in the past is I've personally disciplined senior executives in my current position with the intent of firing them, and they resign or retire before I could do that.

Under this new law, that's not possible. It goes too quick. So I think we play it out and see how it goes. I——

Mrs. WALORSKI. Well, I guess, and then to your point—and sorry for the interruption. But to your point, that's what the people in my district have watched on TV. They have watched the news reports where people have sat in these very hearings and they've been subpoenaed to tell the truth and nothing but the truth, and then we find out that they ended up with unbelievable retirement settlements, they are gone, they'll never answer any question again, in some cases they'll never answer a question, period. And then people in my district, double income households, retired veterans look at that, and it is absolutely demoralizing, as it would have been to troops as well, and to these students at Wharton, demoralizing to people in my district, to veterans.

And I guess my final question is, in that demoralizing environment, how in the world will the VA ever hire the doctors, the nursing professionals, and the administrators to run an agency that we here tonight with these two folks that are here, how in the world

can the VA ever attract the kind of employees they need to make this a healthy organization and provide services our veterans deserve?

Mr. PUMMILL. I think we can do it. I think that the secretary and the dep secretary are on track with their MyVA, with putting the veteran first in everything they do. There are good people out there that want to work for the government, that want to take care of veterans. Two of them are here at the table with me. These are really sharp guys that have done a good job and have given up a lot to take care of veterans.

There are of people out there that want to do it. We've just got to show the commitment that we're going to hold people accountable, that we want to do the right thing, and they'll come work for us.

Mrs. WALORSKI. I appreciate it. Thanks, Mr. Chairman. I yield my time back.

The CHAIRMAN. Thank you very much.

Mr. Walz, you're recognized.

Mr. WALZ. Thank you, Mr. Chairman, and I would have to associate myself with Dr. Ruiz. Once again we're focussing on leadership or issues with it instead of focussing on the veterans. And what I'd like to be talking about is reform, how to strengthen morale, improve workplace in the VA.

We all know leadership is directly linked to veterans' care. We can hire the best doctors in the world or the best claims processors, but in a toxic work environment, it's going to impact veterans' care.

I think the good news is, and there's great questions, and you're hearing them, these questions are coming from the American people. When I go to have breakfast Saturday morning, folks are asking me what I'm going to ask all of you, they want to know those things. And I think the good news is there's a simultaneous accountability piece in the Department of Justice, and I think at that point in time maybe we'll find out a little more.

But until we get to there, what I want to know, Mr. Pummill, dealing with veterans, as Ms. Graves is dealing with her own personal and the legal situation here, who is managing the day-to-day operations at the St. Paul regional office?

Mr. PUMMILL. We had a discussion after I talked to the dep sec on the 31st of October, and he informed MP that he was going to take proposed action against both Ms. Rubens and Ms. Graves. And we looked at Minnesota. We determined that the deputy at Minnesota is very strong and is more than capable of filling the position, if for some reason Ms. Graves is unable to fill that position. We're going to be okay there. She's really, really sharp and—

Mr. WALZ. So you give me your assurances, there's not a single veteran has been in any way negatively impacted by Ms. Graves' situation?

Mr. PUMMILL. I'll give you my assurance. We'll do everything we can to make sure that doesn't happen. One of my concerns, obviously, is going to be when we take action against senior people, as the Congresswoman over here said, that's their leader. There's an impact on the office. My job is to make sure that office stays motivated, they understand we're doing the right thing, we're not doing

this arbitrarily, it's for the country, it's for veterans, and for them to, as Mac said, soldier up and do their job.

Mr. WALZ. And I appreciate that because I'm concerned first with the veteran and secondly with those employees are who are going to work and doing it every day. And I think they soldier on, and they do, and they know moves happen, but I would make the case, I'm going to tie two things together here.

Did I hear you correctly, Mr. Pummill, you said Ms. Graves was moved to St. Paul because she wasn't performing to standard in her previous position?

Mr. PUMMILL. No, she wasn't moved to Minneapolis because she wasn't performing to standard. I just felt, in my position as the deputy, that of our area directors, that the eastern area, which is her area, was not our strongest it was our weakest.

Mr. WALZ. How would you rate the St. Paul office under Mr. Wallers' leadership?

Mr. PUMMILL. Excellent.

Mr. WALZ. I bring that up because I would say that, too. From my constituents and from what the VA has said in my personal interactions with that office that have been pretty extensive, they could not have been happier. So you talk about those employees and their leader. I would suggest to you their leader was Mr. Waller.

And my question is, when these decisions are made, who's looking at the second- and third-degree effects that it's happening on the workforce and that you move them. And so these questions started to be asked, and I'll close with this to ask you—I think Mr. McKenrick led into this, and brought up the question about the press.

I can tell you the press has a critical responsibility in our democracy, as all of you know, but I can tell you, trying to pull information out of you, all's they have to do, it's FOIA, FOIA, FOIA, they can't get a strong answer, they don't know what's going on, they're asking the veterans questions, too.

So Mr. McKenrick, you are right, that misinformation gets out there. When there's a vacuum, misinformation will fill it, but I would suggest to you, too, is don't expect in the VA in this environment to get the benefit of the doubt on anything. That's just simply the reality.

What I'm suggesting to all of you is what can we do to have these senior leaders who know what's going on, who have the trust of the VSOs, the trust of the veterans, are working with local elected officials, can't you give them some rein to answer questions to the press? Can't you let them get out there without having to clear it all the way back here and then all the way back down, so I've got reporters knocking on doors on TV. Does anybody have—

Mr. PUMMILL. We can, Congressman. The secretary—just so you know, I was supposed to retire on 1 November of this year. I put in my retirement about a year ago. The secretary asked me to stay and be the acting under secretary. I told him I would stay as long as he needed me and as long as he had confidence in my ability to do the job. I'll give you my word, I will give them more rein. I want them to engage with the press. I want them to engage with their local legislators, and—

Mr. WALZ. I appreciate that, and I don't know Mr. McKenrick personally, but I do know Mr. Waller. I think it would be in the VA's best interest, transparency, veterans trust in fixing it, is to have folks that you have confidence in. This is a senior executive. Give them the authority to talk to people and reassure them, because the minute this gets held back, the public thinks the worst because you're not getting the benefit of the doubt, so I appreciate that, that offer, and I yield back.

The CHAIRMAN. Thank you very much.

Dr. HUELSKAMP, you're recognized.

Dr. HUELSKAMP. Thank you, Mr. Chairman. Thank you for calling this hearing and trying to get to the bottom of some of these questions. I appreciate the line of questions from Mr. Walz, as well as Ms. Titus. I want to follow up. I believe Mr. Pummill made a statement to the extent that I wonder if you would restate or explain that a little more.

I think you said it is virtually impossible to fire a GS employee. Could you clarify and explain that a little more from your experience?

Mr. PUMMILL. In my experience—and it's not very much. I've been with the VA for 5 years. The civil servants, and I believe this is Federal Government-wide, have incredible protections and safeguards, and so the process of taking care of a problem employee takes an incredible amount of documentation, oversight, time, energy, and taxpayer dollars. It normally ends with somebody outside of our organization coming back and saying you missed a step, reinstate the person with back pay. I personally find it very, very hard and impossible to navigate through.

Dr. HUELSKAMP. So it's virtually impossible, in your opinion then.

Mr. PUMMILL. That's my opinion, yes, Congressman.

Dr. HUELSKAMP. What about senior executive service, and how would you describe that process of removing—or removing employees that are not doing their job?

Mr. PUMMILL. Well, I've learned a lot about the new process in the last couple of weeks. I think it's going to work. I think it's the right decision. I told Chairman Miller and Senator Blumenthal at a meeting they did a town hall with us a while back that I felt it should be government-wide, not just one department inside the Federal Government. I don't think that's quite fair.

It puts a lot of pressure on us, but I understand that this is the veterans committee and not the whole Federal Government, but I have a concern with that.

Dr. HUELSKAMP. Well, I appreciate that, and we tend to hear that from the—I believe the IG's office. It's rare a VA employee will give us a little more insight like you have, so I appreciate your honesty as well, and you know, compared to a couple, I don't know if they're soon to be former employees, what the status will be on the other two ladies, certainly at this point they weren't willing to share their experience. We're trying to improve this agency.

But before you did testify, did you, Mr. Pummill, have any conversations with superiors above you about what you would say at this particular hearing?

Mr. PUMMILL. The only conversation I had was with the—both the secretary and the dep sec. They told me to be honest, to tell the truth to this committee, and they both told me to please relay to this committee that they are absolutely committed to turning the culture of the VA around, to holding people accountable, and to making it veteran-centric.

The dep secretary said to say that he's responsible for posing all SES misconduct and to assure this committee that he's moving forward with all deliberate speed.

Dr. HUELSKAMP. Who made the decision to not testify and require us to issue a subpoena for you to come and the other folks here?

Mr. PUMMILL. I wish I knew, Congressman.

Dr. HUELSKAMP. So you weren't free to make—well, who made the choice for you? Weren't you—

Mr. PUMMILL. I was informed through a very complex chain of command that in order to ensure the due process of the individuals involved in this case, that it was inappropriate for us to testify at that time and that the dep sec had offered to come forward.

Dr. HUELSKAMP. Who told you you could not testify then?

Mr. PUMMILL. I don't know. That's probably a couple of people.

Dr. HUELSKAMP. Let me get this straight. I guess I'm a little confused. Someone told you you couldn't testify, and I appreciate your testimony tonight, but it was compelled by subpoena. Somebody told you you couldn't testify 10 days ago, and you don't know who that was?

Mr. PUMMILL. Well, I know who it was.

Dr. HUELSKAMP. Who was it?

Mr. PUMMILL. It would be one of the ladies that works in our OCLA department inside of VBA, so she's pretty low level who would be talking to OCLA, who would be talking to the legal, there was—there's a whole—so I don't want to put it on her. It clearly wasn't her decision either. She just came and said, hey, look, you guys are not going to be able to do this, and of course I received Chairman Miller's subpoena on a airplane on the way to Atlanta, of which I immediately emailed that I would be present at the hearing.

Dr. HUELSKAMP. Oh, yeah, absolutely. That's called a subpoena, but I was just trying to understand who was telling you—

Mr. PUMMILL. That's how—

Dr. HUELSKAMP. And if we're going to try to clear this up, and it sounds to me it's not just two poor performing employees that were clearly gaming this system. We're talking about folks above you that said, no, we don't want you to come and tell us the truth too soon.

Mr. PUMMILL. No, Congressman, I don't believe anybody was gaming the system. I believe that they were honestly trying to make sure under the new accountability act that they didn't screw it up, that they got the proposed punishments out, that they did the right things, they were—I think—I hate to say "think" here, but I don't believe that they wanted us to start testifying and saying things that would mess up that process because this is the first time we've used this process.

Dr. HUELSKAMP. Well, yeah, and you're talking about the response to our invitation to testify.

Mr. PUMMILL. Yes, Congressman.

Dr. HUELSKAMP. And the refusal of five employees to do that unless a subpoena was issued, but you do agree with the conclusion in the IG's report that they were gaming the system, those two employees?

Mr. PUMMILL. The only report I have seen is the public report. I have not seen any of the actual testimony. None of that has been released to me?

Dr. HUELSKAMP. Do you agree with the IG's report? I'll get a—

Mr. PUMMILL. I have complete confidence in the secretary and the dep sec. They've looked at everything, and if they believe that they've done the right things, I back them up 100 percent.

Dr. HUELSKAMP. Thank you. Mr. Chairman, I yield back.

The CHAIRMAN. Mr. O'Rourke, you're recognized.

Mr. O'ROURKE. Thank you.

Ms. Halliday, I wanted to see if I could summarize in a simple way some of the conclusions that are drawn in your report.

Two senior VBA officials used their positions to force out two regional office directors who are in regional offices that those two senior VBA officials want to occupy, St. Paul and Philadelphia, and then are compensated for their move at a figure that most of us find exorbitant, even though they do not need that compensation in order to make the move. They had already volunteered for that move to Philadelphia and to St. Paul. Is that—do I have it basically right?

Ms. HALLIDAY. Basically, yes.

Mr. O'ROURKE. Okay. So Mr. Pummill, do you disagree with any of that?

Mr. PUMMILL. I don't disagree with that, but I have not seen any of the evidence.

Mr. O'ROURKE. Okay. So one aspect of this that seems to be in disagreement tonight is whether Mr. McKenrick was forced out of Philadelphia to LA. Do you disagree with the IG's conclusion that that seems to be the case? And maybe "forced out" is the wrong word, but was pressured to move from a position where he wanted to stay, his family was there, his kids were there, he's quoted as saying I wasn't jumping up and down to do this. Do you disagree that he was pressured out by Ms. Rubens?

Mr. PUMMILL. I would have to see both of their testimonies to the IG before I could make that determination.

Mr. O'ROURKE. Okay. So because—I'm asking because you said that you have punished Ms. Rubens and Ms. Graves.

Mr. PUMMILL. The dep sec has punished them.

Mr. O'ROURKE. So the deputy secretary has punished them?

Mr. PUMMILL. He has seen the full testimony.

Mr. O'ROURKE. For what are they being punished?

Mr. PUMMILL. I don't know.

Mr. O'ROURKE. You don't know.

Mr. PUMMILL. No. This committee has actually seen more evidence than I have. I have only seen the public report. I have not—and that's not evidence. I haven't even seen my own testimony to the IG. Nothing has been released to me. So I'm coming in here

seeing the public report. I absolutely have confidence that the secretary and the dep sec have proposed a punishment, and whatever that punishment is, I assume that that punishment is appropriate because they have all the evidence to make their—

Mr. O'ROURKE We don't know what the punishment is for, and we don't know what the punishment is. Is it safe to say, Ms. Halliday, that the criminal referrals that have been made are connected to what I just described?

Ms. HALLIDAY. We have made a criminal referral, but the Department of Justice has not decided at this point whether they will accept it for prosecution. If they do not, then it moves to the department to take their administrative action, which is what Mr. Pummill is talking about with the Deputy Secretary Gibson and Secretary McDonald

Mr. O'ROURKE Okay. And you made 12 recommendations in your report, and the VA agreed with all 12 of them. Some of them had a deadline of Saturday, October 31st, and you mentioned that for two of them, for administrative action against Ms. Rubens and against Ms. Graves, that the VA has fulfilled that, and they are going through the due process related to that.

What about two others which are to recoup expenses paid to Ms. Graves and to Ms. Rubens? Have you sent them a bill to recoup that money?

Mr. PUMMILL. I have not sent them a bill, Congressman

Mr. O'ROURKE Or I'm sorry, has the VA sent them a bill?

Mr. PUMMILL. I do not know.

Mr. O'ROURKE That was supposed to happen by October 31st. Do you know if that's been fulfilled?

Ms. HALLIDAY. The VA, as far as I know, has to weigh all the evidence and determine the extent to which either individual would have to pay back funds. We put the full amount of the cost of Ms. Rubens' and Ms. Graves relocations in the recommendations 9 and 11. Because we believe they misused their position, we were trying to make the Government whole.

The decision will have to be with the Department as they weigh all the evidence to determine the appropriateness of recouping the expenses related to her relocation, because for the \$274,000, Ms. Rubens did not receive all of that money. Most of it goes to the AVO program to buy the house. She received approximately \$33,000

Mr. O'ROURKE But due to her actions, if we believe what is presented before us, the taxpayer is out that amount.

Ms. HALLIDAY. Yes. I believe the Government needs to be made whole since we drew the conclusion that Ms. Rubens and Ms. Graves misused their position.

Mr. O'ROURKE Mr. Pummill, we have a very ambitious goal and deadline for reducing the backlog of claims, and I first want to commend the VBA, you, the two gentlemen who are seated with you, and everyone who has worked on this to make extraordinary gains towards reducing that wait time. Has this debacle and the under secretary for the VBA stepping down, has that in any way impeded or progress towards achieving that goal?

Mr. PUMMILL. Yes, it has.

Mr. O'ROURKE Can you explain?

Mr. PUMMILL. It has because when—anybody who's been in the military knows that when you remove a commander, there's an impact on the organization, and to pretend there wasn't an impact, which is—it's silly. There was an impact. There was a downturn in claims for about 4 or 5 days after people got past, hey, our under secretary is gone for whatever reason, and we're back. I can tell you we're back on track. They picked it back up again and as of last Wednesday, they were hitting over 5,000 claims a day.

Mr. O'ROURKE And with the chairman's indulgence, can you tell us now, or when will you be able to tell us what the reset goal and deadline will be?

Mr. PUMMILL. We will—by the end of the calendar year around Christmas time, we are still going to be between 70- to 80,000 claims in what we consider the backlog, which is over 125 days. But as far as getting to zero, we will never get to zero. There will always be veterans that because of the complexity of their cases, say a veteran exposed to nuclear radiation, something like that, that you can't do in 125 days, but we are committed to get that number down as low as possible. And I personally think—okay, we spent all this time getting down to 125 days improving our quality, but none of that means anything if the veterans don't trust us, if they don't believe us, if they don't believe our numbers.

So how do we gain the trust and confidence not just of the American people, but of veterans, the VSOs, and this committee, we got to gain that, we've got to get that trust so we can show you guys that here's the number of days we've got. We are using the taxpayer dollars to the best of our ability, and we are going in the right direction to take care of veterans.

Mr. O'ROURKE Thank you. Thank you, Mr. Chairman.

The CHAIRMAN. Dr. Abraham, you're recognized.

Mr. ABRAHAM. Thank you, Mr. Chairman, and thank the witnesses for being here.

Mr. Pummill, Colonel, I'll go to you you first. We have—you said some elegant statements tonight about accountability. Congressman Walz certainly brought the issue up, and what this all boils down to in my opinion from our veterans is lack of accountability and the lack of trust within the VA system.

So just personally, I find it incredulous that we have to subpoena witnesses to testify when they are asked to do so. Going back to Mr. Huelskamp's question, I'll ask you a direct question. You said there was a lady that told you that you had—that you could not—will or will you will not reveal that name?

Mr. PUMMILL. Oh, Christina Detouche (ph).

Mr. ABRAHAM. Okay. And that's all I ask. Again, I just wanted—

Mr. PUMMILL. Just a clerk. I didn't want to—

Mr. ABRAHAM. And that's fine. We didn't want to, you know, bring her into the morass. I just want to make sure that we have an open dialogue and that there are no even innuendos of trying to hide or protect.

Ponying up on Dr. Benishek—Dr. Benishek's question, I will ask each of you, the three, and I realize that, Mr. Waller, you and Mr. McKenrick have done outstanding work, and we appreciate your service to the country and to the VA system, but have any of you

personally been interviewed or questioned by Federal agents on this IG report?

Mr. McKenrick?

Mr. MCKENRICK. I consider an IG investigator to be a Federal agent, if that's what you're asking me. Regarding this report, they interviewed me twice on the record, and I believe one other time we had extensive dialogue which continued through email.

Mr. ABRAHAM. Thank you. Mr. Pummill, Colonel?

Mr. PUMMILL. Congressman, just the IG.

Mr. ABRAHAM. Yes. Mr. Waller?

Mr. WALLER. Same here, just the IG.

Mr. ABRAHAM. Thank you, gentlemen.

Mr. Pummill, let's go back to the Baltimore application process. I think we were told as a committee there were 131 applicants that applied to that job. Were any of them interviewed or questioned as far as their ability to take this job?

Mr. PUMMILL. I don't know, Congressman.

Mr. ABRAHAM. Okay. Mr. McKenrick, were you aware that Ms. Rubens had family in Philadelphia?

Mr. MCKENRICK. I was, Congressman.

Mr. ABRAHAM. And do you think that influenced her decision to move you to Los Angeles for her to be closer to her family? And again, it's an opinion.

Mr. MCKENRICK. I don't have an opinion as to what she may have speculated, but I also believe it was not her decision to move me to Los Angeles. It was the chief of staff.

Mr. ABRAHAM. And did you read the IG report, sir?

Mr. MCKENRICK. I did, sir.

Mr. ABRAHAM. Okay. So, and you understand the implications of the possible misuse of her position to move into that position and possibly move you to LA?

Mr. MCKENRICK. I do, and I am the individual who was involved at all the different steps with multiple area directors, with Ms. Rubens as the office of field operations, deputy under secretary, as well as the chief of staff, and others that I talked to and learned more about the West Coast, and I didn't see it the same way that the IG saw it.

Mr. ABRAHAM. And we understand the cost of living, as you alluded to, is much higher in the LA area. What was your reimbursement, so to speak, for your moving expenses?

Mr. MCKENRICK. I believe they're listed in the IG report.

Mr. ABRAHAM. Do you know those—do you know those figures yourself?

Mr. MCKENRICK. I was given a relocation incentive.

Mr. ABRAHAM. Yes, sir. Do you know that figure, sir?

Mr. MCKENRICK. \$20,000.

Mr. ABRAHAM. Okay. And Mr. Waller, and what was yours, sir?

Mr. WALLER. My relocation was \$40,000.

Mr. ABRAHAM. Thank you. Okay. No more questions, Mr. Chairman.

The CHAIRMAN. Mr. Zeldin.

Mr. ZELDIN. Thank you, Mr. Chairman.

Mr. Pummill, who at the VA is responsible for approving of the \$288,000 for Ms. Rubens and the \$129,000 for Ms. Graves?

Mr. PUMMILL. The chief of staff of the VA is the approval authority for the SES moving incentives and AVO. I don't think that they would approve an exact number. That depends on the appraisals of the house and all that kind of—I don't think they would know that in advance.

Mr. ZELDIN. Aside from the IG investigation that we've been talking about all night, what investigations—other investigations may have gone on internally within the VA?

Mr. PUMMILL. I'm sorry?

Mr. ZELDIN. Other than the inspector general's investigation, which was done as a result of this committee requesting it, what kind of investigation has been initiated internally?

Mr. PUMMILL. Oh, whenever a case like this comes up, we initiate what's called an AIB, which is an internal investigation that we attempt to do in VA, but since the new secretary has arrived, he set up an Office of Accountability Review where he's brought in a team, and if it involves a senior executive anywhere in VA, they take that investigation from us now, and they handle it to make sure that it's done fairly and equitably throughout the VA.

Mr. ZELDIN. When was that investigation initiated?

Mr. PUMMILL. I don't know if there was one in this instance. I'd have to take that for the record and find out.

Mr. ZELDIN. Ms. Halliday, do you know there was an investigation initiated internally?

Ms. HALLIDAY. I do not know if there was an AIB concerned. I do know that the evidence was turned over to the Department to be reviewed by General Counsel and the Office of Accountability and Review and that they were doing that review.

Mr. ZELDIN. Ms. Halliday, do you have any information as to anyone else being the target of an investigation, other than Ms. Rubens and Ms. Graves?

Ms. HALLIDAY. I believe that there is at least one other example of potential misuse with a recruitment bonus and relocation, but it's in VHA, and that's being handled separately.

Mr. ZELDIN. Any reason, Mr. Pummill, why—or Ms. Halliday can answer this as well—why there isn't anyone being the target of an investigation for signing off on these exorbitant numbers?

Mr. PUMMILL. I don't think the investigation was limited to the individuals that got the payouts. I believe everybody in the entire chain of command is under investigation.

Mr. ZELDIN. To what level?

Mr. PUMMILL. All the way up to the Under Secretary. That was in the IG report. I believe, yes.

Mr. ZELDIN. Okay. So there may be another investigation that was done internally that you don't know about, Mr. Pummill?

Mr. PUMMILL. I don't believe there was. I just think the Office of Accountability looks at it, the IG looks at it, and, of course, they turn it over to the Justice Department. But that's all I'm aware of right now, Congressman.

Mr. ZELDIN. And, Mr. Pummill, you said earlier, I mean, it's your opinion that the VA should be accountable to Congress, correct?

Mr. PUMMILL. We should be accountable to the American people, the veterans, Congress, everybody. It's—we're going to spend taxpayer dollars to take care of veterans, we have to be accountable.

Mr. ZELDIN. So, I mean, Ms. Rubens, Ms. Graves, they're the target of these investigations, but it was signed off on by the chief of staff. What kind of accountability is being provided other than the target of your investigation? It goes up to the top of the VA.

Mr. PUMMILL. Congressman, I don't believe that the AVO program or the amounts of the AVO program are really under investigation. I think, this is Danny Pummill speaking, I think the investigation is whether or not people colluded to have people removed from positions so they could take positions.

This AVO program is a Federal-wide—it's a government program that's used for SESs and GSs throughout the government. The prices that we paid are not exorbitant. They're prices that are paid all over. I personally think it's too much, that we shouldn't be, you know, spending that kind of money in the Federal Government. But this is a legal, legitimate program that's available to everybody in the Federal Government.

Mr. ZELDIN. But, Mr. Pummill, going one step further beyond the money, you say Mr. Waller did an excellent job in St. Paul, correct?

Mr. PUMMILL. Yes, he did.

Mr. ZELDIN. Okay. And Ms. Graves is coming from a setting where it was underperforming, correct?

Mr. PUMMILL. Right.

Mr. ZELDIN. So doesn't it seem like—I mean, there are a lot of different examples this committee hears about where if it's not broken, break it. And, you know, if it is broken, then cover it up. I mean, this committee has heard, you know, hospital construction costs several hundred million dollars over budget, and we're being told here that they're operating off an artificial budget. One colleague asking when she was going to get a timeline of when she's going to get a timeline of there actually being a budget. Here, we're on another issue and Ms. Graves and Ms. Rubens are clearly the targets of an investigation. But there's no evidence whatsoever that anyone else above her in the chain of command, that there's any type of accountability that's being pursued. Is Ms. Graves still in charge at St. Paul?

Mr. PUMMILL. Yes, she is.

Mr. ZELDIN. Okay. So I would just offer that that accountability to Congress, that accountability to the American public, has not yet been provided. Your testimony was not provided to the chairman as he requested. That's why you're only here because of a subpoena. And that accountability still is desperately in need. And that is why we are meeting tonight, and I appreciate the chairman for having this really important hearing.

I yield back.

The CHAIRMAN. Mr. Costello, you're recognized.

Mr. COSTELLO. Thank you. I think I have questions for everybody here but Mr. Waller, if I can get to them.

I'll start with Ms. Halliday. On page 21, May 27, 2014, Ms. Rubens—this is the third one down. Ms. Rubens and Ms. Graves had email correspondence regarding Mr. McKenrick relocating. Specifically, Ms. Rubens wrote, quote, Okay, boss. Looks like I'm coming home, as Mac will choose one of the options. I went with the most expedient, exclamation point. Ms. Graves replied, Woo hoo, exclamation point. Have you talked with him about dates,

question mark, end parenthesis. Ms. Rubens responded, Remember, I can't be in the middle of his move, so you may want to check with Willie, Mr. Clark, end parentheses. At this time, Mr. Clark was VBA's Western Area Director.

First question here is—how did Mr. Clark, as a western area director, sort of become, if you know, the person to which the maneuvering for Ms. Rubens' to get the job, how did he become such a central figure there? Was that of Ms. Rubens' making, or did someone else assign him to that position?

Ms. HALLIDAY. I believe that was based on his position as the western area director.

Mr. COSTELLO. Okay.

Ms. HALLIDAY. Ms. Rubens, once she identified to General Hickey she wanted the Philadelphia position, should have recused herself from everything.

Mr. COSTELLO. But the western area includes Philadelphia?

Ms. HALLIDAY. No. That's the Eastern Area.

Mr. COSTELLO. Right. But we're talking about Philadelphia, then—

Ms. HALLIDAY. He was—you're talking about McKenrick going out to L.A.

Mr. COSTELLO. Oh, this is not—

Ms. HALLIDAY. It's in the Western Area.

Mr. COSTELLO. So I misread this to be—this is actually not Ms. Rubens—Ms. Rubens responded, "Remember"—oh. I see. Okay.

So here's my follow-up question to that, though, is Mr. Clark's involvement. I believe he was a central figure in actually charging the AIB in Philadelphia. Did you look into that at all in terms of—the charging letter for Philadelphia obviously did not include Ms. Rubens' unseemliness. But did you evaluate that any further in terms of there being any relationship between Ms. Rubens and Mr. Clark.

Ms. HALLIDAY. No.

Mr. COSTELLO. You didn't find that or—

Ms. HALLIDAY. As far as Mr. Clark's role with the AIB in Philadelphia, we did not do anything. That is a management function for VA to determine the extent of any culpability of staff based on the evidence we provided. The IG's role would be to allow sufficient time for corrective actions to take place and then go back in and look at whether the conditions have been corrected. So it's a little bit different.

Mr. COSTELLO. Okay. Mr. McKenrick, did you have an opportunity to review the IG report? And even more specifically, the recommendations made by Ms. Rubens at Philadelphia? Do you recall there was about 35 recommendations that she then followed up and said 32 out of the 35 were corrected or addressed? Do you have—

Mr. MCKENRICK. I am aware of the report. I did review the report on Philadelphia.

Mr. COSTELLO. Do you have any opinion on the report?

Mr. MCKENRICK. No. I don't know the facts, as I was not there at the time that the IG went through. And I'm not there today. So I don't know what Ms. Rubens did about all those issues. But I just

struggle with the initial aspect of how the IG did an investigative process in Philadelphia and didn't ask me a question.

Mr. COSTELLO. Well, that's what I was getting at. Yes. Did you find the IG report, or did you find any of Ms. Rubens' statements about the condition of the Philadelphia regional office to be too far reaching, too critical, inaccurate?

Mr. MCKENRICK. No. I found them in the parts that I could associate with from having been there, not knowing what Ms. Rubens had done after I left particularly. They were accurate with some of the struggles we had.

What I take exception to is the other side of the coin. All the good work and the other things we were working on and doing, and that's what I struggled to find in the IG report, is that fairness, which is listed in their standards, that they have to be equitable, and you know—

Mr. COSTELLO. Equitable in what respect?

Mr. MCKENRICK. In the IG standards, it looks for a wholesome communication between the IG, and we work with the IG, and they are there to help make us better and to identify things that we need to work on. But there's room to tell the good story of the things that we did do, the collaborative efforts that were done there, the way we redid some of the organization to get more efficient, more effective.

Mr. COSTELLO. Okay. You're directing your consternation more at the IG than at Ms. Rubens, is what I'm gathering?

Mr. MCKENRICK. I think Ms. Rubens was a great leader. She did great work.

Mr. COSTELLO. Okay. And obviously, I represent a district right near there. Some of my veterans go there. And the concern, as I have, and we—today we read about the number of VA employees on paid leave is, it's a stain on the credibility of any improvements that have been made at the Philadelphia regional office, when you have a director, and I think Mr. O'Rourke summarized what the conclusions are about her, about what Ms. Rubens did, and it's very, very difficult, I think, for those who use the facility who are looking for improvements, to be able to say, Oh, I believe that all that has happened, all that good reform has been made, when you have the person there who stewarded all that do what she did.

One last question, if I can, for Mr. Pummill. All SES positions appear to have been critical needs. The critical needs standard, I guess, is the standard you need in order to use the relocation program. Is that correct?

Mr. PUMMILL. It is correct. That's the standard you're supposed to use. All the SES RO directors, 56 ROs that are SESs are critical needs because they're so important. And I absolutely admit we got to do a better job. That's why everything's on hold and we're re-looking at the entire process.

Mr. COSTELLO. Okay. I yield back. Thank you.

The CHAIRMAN. Ms. Halliday, would you like to respond to Mr. McKenrick's statement just a minute ago?

Ms. HALLIDAY. Yes, I would.

The CHAIRMAN. Please do.

Ms. HALLIDAY. At the Philadelphia VARO, we received over 200 allegations of problems dealing with data manipulation, tinkering

with the numbers, poor performance, and mismanagement. We could not look at all 200 of these allegations individually instead, we took all the critical processes that we found in the VARO that would lead to an efficient operation, and we evaluated those.

I don't believe we needed to speak to Mr. McKenrick. I think we needed to look at the underlying processes, the data there, because it was very difficult to determine whether someone had an agenda and wanted us to come to some conclusion. We did much more work than we had to do to make sure we got the message right. The Philadelphia VARO had problems in its Pension Management Center and in its Compensation Service Center. Everywhere we looked, we had problems.

So I do take some exception to the opinion that I needed to talk to Mr. McKenrick, who was no longer working at the Philadelphia VACO while the OIG team was there. The team entered the Philadelphia VARO on June 19, 2014, and worked from that point on. I think by then, Mr. McKenrick was already in L.A., I don't know the exact dates. But I think looking at the evidence, looking at the process, and doing interviews of all the people that are doing the work in the trenches, was more than enough to provide an accurate picture of the Philadelphia VARO.

The CHAIRMAN. Thank you.

Ms. BROWN. Mr. Chairman.

The CHAIRMAN. Yes, ma'am.

Ms. BROWN. Before we move on, I just want to say that this committee went to Philadelphia, and we had a hearing there. And, in fact, the hearing that we had on that issue, veterans, came to this committee, and they wanted us to know that it was more than one side. Obviously, it was problems in Philadelphia, and, of course, it was problems in Philadelphia for a very long time. But I agree that we should have interviewed you, and also pointed out the strength and weaknesses that existed in Philadelphia.

I yield back.

The CHAIRMAN. Thank you, the ranking member, and it was a closed-door meeting with employees, it was not a full hearing of this committee.

Ms. Radewagen.

Ms. RADEWAGEN. Thank you, Mr. Chairman.

My question is for Mr. Waller. As the current director of the Baltimore RO, what have been your employees' reactions to Secretary Hickey's position that the Baltimore RO director's job would, quote, "Suck the last ounce of blood out of whomever took that job"? The source is the IG report, page 23, box 4.

Mr. WALLER. I would tell you, Congresswoman, that our employees at the Baltimore regional office, many of them extremely dedicated to service. Upon hearing the Under Secretary, or former Under Secretary's comments, there are a few that took it very disappointing. And that was certainly part of my conversation during a town hall upon returning back to the office to speak to the entire staff, and let them know that this information, or information that was being shared, would not define who they were as employees dedicated to serving veterans, and they needed to know that I was there to help lead them through this time of challenge and change as we move forward.

Mrs. RADEWAGEN. Thank you.

Mr. Pummill, in your interview with the IG, you were quoted as saying that it may be time to come to Congress and say maybe it's time not to have an RO in every State. Can you explain that, please?

Mr. PUMMILL. Yes, I can. I think we have come to the time in—with our automation and the systems that we have, where there needs to be a location in every State, maybe not one location, but multiple locations, where veterans can go to, like, a kiosk or a store front or something where they can go in, have a cup of coffee, get a glass of juice, say, How about my benefits? Where can I get medical care? I'm having a problem with my claim, and those kind of things. But generally, the claims can be done anywhere in the United States. And if we were to centralize them and bring them into different locations, we could put experts on different types of claims to do a better job with those claims.

We're not there yet. It's a little bit out of context, my statement, because we still don't have enough automation where I would be comfortable not having claims representatives in every State representing the people in that State. But I think we're getting closer to that point where we need to start looking at what's the best bang for the taxpayers, how do we best use this national treasure to support veterans, and it may not be that we have a claims office, a large claims office, in every State. That's something we seriously have to look at.

Mrs. RADEWAGEN. Thank you, Mr. Chairman. I yield back.

The CHAIRMAN. Thank you.

Mr. Bost.

Mr. BOST. Thank you, Mr. Chairman.

You know, I have a list of questions that I would have liked to ask Ms. Rubens, Ms. Graves, if they were here. And one of those is that concerns that I have was this question, and I want to get this on record: Is there anything that you would like to say to apologize to the American veterans and taxpayers in regard to your alleged behavior that is outlined in this report? But unfortunately, well within their legal rights, they took the Fifth.

Colonel Pummill, you have said that we've got to, and I agree, we've got to do something to bring back the VA and bring back the trust. But you're a colonel, and you had superiors you had to answer to. And if an underling of yours kept coming up and giving either false information or refused to give information, then you would be put in a situation that you would have to answer to your superiors. My superiors are the American taxpayers and the people of the 12th District. And since I've been on this committee, we have requested and then had to subpoena information. We have requested, and had to subpoena, now, people to come before us who should automatically come.

But yet you agree that you—a while ago you made the statement you felt you should have probably come, but you had to answer to your superiors. Is that correct? Or were you advised not to come?

Mr. PUMMILL. I was advised not to come, yes.

Mr. BOST. You were advised not to come. Do you see why the American people, first off, they feel like they're being lied to? And one of our other members said that you're gaming the system. It's

public perception that that's the case with the VA. Now I'm going to tell you, I've got a VA right in my district and one right on the edge of my district. And I believe that a majority of the people there are trying to provide the best possible service they can for our veterans.

And let me also tell you that the American people don't trust the administration, and many people who are really out to serve themselves rather than those veterans. And can you give me the answer I'm supposed to give to them, those people that ask me, How do we straighten the VA out?

Mr. PUMMILL. Congressman, I can't disagree with anything you said. All my friends are veterans, my brothers are all veterans, and every time I come home, they want to take me out behind the woodshed and beat me up because of how they perceive the VA as. I can tell you, VBA, we got a whole bunch of people that are dedicated, care about their job. They've been in mandatory overtime for the last 2 years. They're doing the right things.

But as I told Chairman Miller before, that doesn't matter if the perception of the American people and the veterans is that we're not honest, we're not doing our job. I feel more confident now, than any other time that I've been with the VA. In the last 5 years, under the leadership of Secretary McDonald and Deputy Secretary Gibson, that we're going in the right direction. They're committed to holding people accountable. I don't want to play games. I want to take care of veterans. I don't want to say, you know, I'm not going to come to this subpoena, or I got to come to this stuff. I want to do the right thing.

So, you know, somehow we've got to figure that out. I know my bosses agree. We have to stop this. We have to move forward. We have to take care of veterans. We're a bureaucracy. We're always going to make mistakes. We're never going to be perfect. Anybody that says we're perfect, that is not true. But how do we do best with the resources that we've got to take care of veterans? I got that.

Mr. BOST. One thing, let me tell you, that I think you should do. Is when this committee, because we are supposed to be the voice of the people, ask you for information, come forthright quickly and give us the information necessary. We're not out to destroy you. We're out to help because we believe that the job you do is a very good job that should be done for the betterment of our veterans. We want to help you do that. But we can't do it if we're always look like that, Oh, no, let's keep that from them. Let's hide that from them. That's some advice that I would to give you this evening.

Thank you, Mr. Chairman. I yield back.

The CHAIRMAN. Thank you.

Mr. Coffman.

Mr. COFFMAN. Thank you, Mr. Chairman.

Mrs. Halliday, this incentive package, not incentive, but, I guess, compensation to cover moving expenses, is that relegated to the Veterans Administration, or is that civil service-wide within the Federal Government?

Ms. HALLIDAY. It's a GSA contract that's available to all Federal agencies that choose to use it.

Mr. COFFMAN. Okay. It just seems to me when I look at the VA where there's corruption, it's almost like there's always—where there's corruption, there's money. And it's—that incentivized this behavior. This thing is so plussed up, and it needs to be reined in, this notion that someone could legitimately—now, what we're arguing here is that it wasn't legitimate because of the fact that they forced somebody out of a current position. But nobody's arguing that this \$274,000—really almost—around \$274,000 met the standard, the criteria, which is outrageous, which is incredibly outrageous. So no wonder why people are doing what they're doing. And that we had discussed earlier that the relocation allowance for the most senior officer in the United States military is \$4,514.29. That's for a four-star flag officer. Having been in the United States Marine Corps, that would be the commandant of the United States Marine Corps.

And so we give these outsized incentives or compensation packages that are just outrageous. And then we wonder why there's not corruption tied to it when people force moves or force people to move out of their current position so they can move and collect these incredible amounts of money.

Just like in the appointment wait time scandal, what fed the appointment wait time scandal was money, was the fact that you could earn a cash bonus by bringing down the wait times. Well, they just figured out, within this corrupt system called the Veterans Administration, that they could simply move veterans on to these secret wait lists and deny them health care and make it look like they were bringing the wait list down—the appointment wait time list down, and get those cash incentives.

You know, Mr. Pummill, you are were a colonel in the United States military. Let me tell you, in the military, good people are promoted, bad people are demoted. And the only cash incentives there are, are part of retention pay. But when you're—when we recognize good behavior, people are promoted. In the VA system, we are throwing hundreds of millions of dollars a year in these cash bonuses, creating this corrupt system, this bureaucratically incompetent corrupt system.

And let me tell you, there are good people in the Veterans Administration that fundamentally believe what they're doing and want to do a good job. And oftentimes, those are the people that come forward with, you know, with these incredible problems, and they make those problems public, and they bring them to us, and they are the people that are retaliated against by the leadership of the Veterans Administration. And I just think it's extraordinary.

And I don't see the leadership from the White House. And I don't see the leadership from this current Secretary. He is merely a placeholder. Merely a placeholder. Everything's just trying to be swept under the carpet. It's only when the problems get so bad that there's public awareness, that action is reluctantly taken. Reluctantly taken.

In the situation in Colorado, a hospital with over \$1 billion in cost overruns, nobody's been disciplined for it. Nobody's been disciplined for it. Unbelievably extraordinary. If these things happened in the United States military, you know that people would be court-martialed. You know that people would be relieved. And

because in the military, your job is not a property right. And thank God. Thank God the United States military does not hold the values of leadership of the VA. If we can say one good thing tonight, Americans can feel safe in that knowledge. And now we've got to clean up the VA. But the President has to care, the Secretary has to care, and I don't see that.

Mr. Chairman, I yield back.

The CHAIRMAN. Thank you. I'm going to yield to Ms. Brown for some final questions, and then I'll close.

Ms. Brown.

Ms. BROWN. Thank you.

First of all, I agree that the President, the Secretary, and the Congress got to care. It's a team effort. It's one team, one fight. And I want to start by thanking all of you all for your service and your commitment.

And Mr. Pummill, I have a couple of quick questions for you, but I do want to make one little statement to you. As you decide to centralize the benefit office, don't touch Florida. It's always down and to the right. And I know that that service is in St. Pete. We worked for years to get it straightened out. And I can tell you that me and Mr. Bilirakis, and the chairman, would be interested in—I don't care what you do about the rest of the country, but don't touch Florida, because we have so many veterans and we are finally getting the benefit office on track in Florida.

Now, you were interrupted when you were beginning to give your thoughts on the number of benefits that you all offer. And someone said, Well, we don't care that, you know, we have problems with 14. But you were saying we serve how many. Can you finish your thoughts on that area? I want to give you a chance to tell your side of what we're doing. Because there is some good things that we're doing. We just need to be doing more.

Mr. PUMMILL. Yes, Congresswoman. First of all, it would never be my decision to shut down any offices that—I could never make that call. I just gave my opinion.

Ms. BROWN. Yes, sir. I understand, but your opinion carries weight.

Mr. PUMMILL. Just to put it in a nutshell, we did claims for 1.4 million veterans this year. That's more than we have ever done before. That's good, but we still need to do better. We are paying more money to more veterans faster with higher quality than we ever have before. But now we got to show the American people that our numbers are real and that there is honesty and truth behind those numbers. We have an incredible workforce at the VA that work really, really hard. We try hard to get the right people in the right place to do the right jobs.

I really believe—I absolutely understood the comments about the military and how we work in the military. I believe that the Secretary and the dep sec have the best interests of VA and veterans at heart. They want change. They want accountability. They're pushing toward that. I'll back them as long as I'm in this position. It could be a day, it could be a year, I don't know. I'll stay until they don't need me. You have my commitment that I will hold the people in VBA accountable, and I will be accountable to this committee.

Ms. BROWN. Now, what was your comments about the two gentlemen to your right and to your left? You said that you think you got the best people in the position for those two complicated offices?

Mr. PUMMILL. Yes, Congresswoman. A lot of people will say, Okay, you took Antione out of Minnesota—

Ms. BROWN. Nice place, but—

Mr. PUMMILL. He was doing a great job there. The reason I took him out of there, or we took him out of there, was because he was doing a wonderful job. He got the organization squared away. He took care of the veterans there. He built a team. He got the union under control. He got the local community working. The VSOs working with him. They all respect him highly. Everything's going so well there, we knew we could put somebody else in. They can take care of it. We'll make sure that it doesn't drop. And now I'm going to take Antione's expertise and put someplace else that I need that has been a hole for years, and unfortunately he's so good, I'm going to use him to raise another position.

Mac's got the same kind of skills. Mac's a leader. It comes across how he talks. We needed a leader in L.A. He's a leader. He's changing things in L.A. In a couple more years, whoever takes my place will be trying to move Mac someplace else because they have a leadership problem.

Ms. BROWN. I can tell that.

Mac, I had one quick question for you. You mentioned that it was 23 or so that you did not agree with the IG's report. Do we have a copy of that? Or is that something that—I know I haven't seen it.

Mr. MCKENRICK. Ma'am, it was the interim report that the IG put out. And I'm challenged in that most reports, they come to us with a draft and we go through it, and we lay out what we saw, what they saw, what happened on the ground. That didn't happen here. It was released through the—I guess, the press or to Congress first. And we itemized 24 discrepancies. Some were opinions that, you know, they thought this, we thought that. But we didn't have a chance to air that internally. And I want that relationship with the IG. I want to work with them and make it better for us. And I want the truth to come out, and for it to be accurate and all of VA to say, This is what it is, this is how we are getting at it, and this is where we're going to go with it.

Ms. BROWN. One last statement, or question. You mentioned that—and I want to figure out how we move forward and make it better. And part of the problem is that constant discussion of the appraiser value offer, or the AVO, that is not a VA program. That is a program that comes from my committee, Transportation. And it comes from the—and so it's an agency-wide program. And if we need to change it, then we need to change it not just for VA, but for all of the 13 agencies. And I'm sorry that when you all move military people, that you all just give them \$4,000. They are being cheated. Because clearly, if you got to sell your home and you got to relocate, it is a problem. But, of course, I think that the way that this program is set up, we really do need to take a look at it. Because we are—it seems as if they're paying too much. They're getting two appraisals. And I understand, California is different from Minnesota maybe. Nothing personal. But we do definitely need to

look at the program and see how we can correct it or put some—yes, sir. You wanted to respond to that?

Mr. MCKENRICK. I think one of the things we're not talking about here is that the SES get their salary. And then there's what we call pay for performance. And I'm all about pay for performance. I studied it in graduate school, and that's the way to go in keeping the lines clear that it's true performance determines any bonus. But the military gets locality. They get adjustments based on—California is more expensive or Idaho or wherever you're at. The SES corps in America does not get that. You get your base salary, period.

Ms. BROWN. Yes. So those all of the facts that we need to consider as—and I really think that part of the problem that you all have hiring in the VA and relocating in the VA has something to do with the salaries and, of course, have something to do with Congress and how we dumb down and don't talk about the good things that you all do, that there are problems. We know that. But there are problems in every agency. There are problems in the Congress. And we just have to do the Army motto: One team, one fight. And we're all fighting for the veterans.

With that, Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. Thank you very much, Ms. Brown.

Mr. Pummill, just to clarify for the record, the AVO program, is it suspended or is it cancelled?

Mr. PUMMILL. It's suspended.

The CHAIRMAN. Okay. Because that's not the direction that I actually got.

Mr. PUMMILL. I believe it's suspended. I can check, and I'll call your office first thing tomorrow morning.

The CHAIRMAN. If you would.

Mr. PUMMILL. I believe it's suspended until it's completely—they look at everything, they check everything out, and they find, you know, whether or not we can use it and use it the proper way before they do anything with it.

The CHAIRMAN. All right. Mr. McKenrick, I want to go back and confirm, is it your testimony that you never contacted the Secretary's Office in any way to express a desire to get back to Philadelphia or to the East Coast?

Mr. MCKENRICK. That is correct. By the "Secretary's Office," I do need to clarify that I did have a process with the chief of staff who is in the Secretary's Office. And I did respond to his letter with my preferences, and he did respond with a re-assignment.

The CHAIRMAN. But after the re-assignment, you've never asked to come back?

Mr. MCKENRICK. I did not.

The CHAIRMAN. You have not. Okay. Thank you.

Mr. MCKENRICK. I am committed to where I am, Chairman.

The CHAIRMAN. And I can understand that. I think it's very apparent from your testimony tonight that you will go where you're told to go. I appreciate the diligence with which you approach your job.

Mr. Waller, the exact same thing. To be sent to an office where an Under Secretary would say that the life blood would be sucked

out of you if you went there, you know, that's a testimony in itself, that you'd be willing to go there.

And, again, we thank you both.

Mr. Waller, as I understand it, it's your testimony that you did feel pressured to make the move to Baltimore. Is that correct?

Mr. WALLER. That is correct, Chairman.

The CHAIRMAN. And, Mr. McKenrick, you—it's been a little difficult tonight. You keep bringing up the directed move, but you basically were glad to go to L.A.?

Mr. MCKENRICK. I'm glad to do this mission, Chairman. If it was Alaska, I'd be there. It's a commitment. I thank my children for being, you know, part of that selfless service. That's Army Corps values and the VA—

The CHAIRMAN. And I think if you were given any mission, you would take that mission. Is that not correct?

Mr. MCKENRICK. Clear, Chairman, if you're talking about a job here in the House, I'd think twice.

The CHAIRMAN. Nobody's offering you a job in the House, sir. You need to stay right where you are in L.A.

Ms. Halliday, I appreciate what the IG does. We've been cross-wise before, the IG. And interestingly enough, Mr. McKenrick brought up a very interesting dichotomy where the VA Office of Inspector General goes back and forth and negotiates with the VA as to the final report. I don't understand how that process evolved, but obviously it has over the years. So I guess that's why it's very easy once the report comes out, the Department signs off with all the recommendations because they already knew what the recommendations were going to be before they got the copy of the report.

I will say I appreciate the area now where you put into the report suggestions that have been made by the VA. I think it's important if you accept them or you don't accept them. I think that discussion is very important for us to have.

Again, this hearing tonight was only held because people would not come to testify at the hearing that we held 2 weeks ago. I do not believe that, Mr. Waller or Mr. McKenrick, you would have not come had somebody said, Don't come. I think you would have been here. And we had to subpoena you in order to get you to come here. Mr. Pummill, you obviously were subpoenaed because Ms. Hickey left her position, and I suspect that we may invite her to appear before us at a later date.

But with that, if there are no further questions, we are now in recess.

[Whereupon, at 10:08 p.m., the committee was adjourned.]

APPENDIX

PREPARED STATEMENT OF CHAIRMAN JEFF MILLER

Good evening and thank you all for being here at tonight's hearing to discuss, for the second time, the VA Inspector General's final report entitled "Inappropriate Use of Position and the Misuse of the Relocation Program and Incentives."

We are holding this second hearing, because the witnesses I requested to appear before this committee at the hearing on October 21st chose not to attend or were blocked by VA from attending. Their failure to appear led us to unanimously vote on and issue subpoenas to compel their testimony, something we have never had to do before. The five individuals that we issued subpoenas to were Mr. Danny Pummill, Principal Deputy Under Secretary For Benefits; Ms. Diana Rubens, Director of the Philadelphia Regional Office; Ms. Kimberley Graves, Director of the St. Paul Regional Office; Mr. Robert Mckenrick, Director of the Los Angeles Regional Office; And Mr. Antione Waller, Director of the Baltimore Regional Office.

As we learned at our last hearing, the IG's report lays out the alleged abuse of VA's relocation expense and permanent change of station programs costing hundreds of thousands of taxpayer dollars, and how Ms. Rubens and Ms. Graves inappropriately used their positions of authority to put their own "personal and financial benefit" ahead of veterans, taxpayers, and their subordinates.

As the saying goes, a picture is worth a thousand words so let's bring up the map to describe, in the simplest terms, what tonight is about.

[Map is put on screens]

Initially, Ms. Graves and Mr. Waller discuss his potential transfer to Philadelphia. Those discussions are eventually shelved, because: Mr. Mckenrick is transferred from the Philadelphia RO director job to become the Los Angeles RO director. Then Ms. Rubens transfers from VA headquarters in D.C. to fill the now-vacant Philly RO director job and receives about \$274,000 in relocation assistance. Mr. Waller is subsequently transferred from the St. Paul RO director job to become the Baltimore RO director. Ms. Graves then transfers from her position as the Eastern Area director in Philadelphia to fill the now-vacant St. Paul RO director job and receives about \$129,000 in relocation assistance. Finally, both Ms. Rubens and Ms. Graves retained their SES level salaries despite assuming lower responsibility jobs.

It seems that Ms. Rubens' and Ms. Graves' use of the relocation expense program is a confusing waste of money given that they volunteered for these positions. As my colleague, Mr. Coffman, pointed out at the first hearing on this report, their relocation expenses were exorbitantly more than even the highest ranking military officials receive when they and their families are moved. I am glad VA hit the pause button on this program. In my judgement, it ought to be scrapped altogether across government.

The IG report sheds light on VA's policy of providing relocation expenses, and what I can only describe as gross and haphazard overuse of the program. It also details a scheme by which transferred SES employees received big pay raises and large incentives with very little connection to the relative responsibilities, complexities, and challenges associated with the new positions.

The report is damning. And I believe it is important to go over the facts and the findings of the report, as well as afford our witnesses, who are at the center of the report, the opportunity to present their accounts of how events transpired. This is important both for our constitutional oversight duty and the department's transparency with the American people.

After issuing the subpoenas on October 21st I received requests from representatives of some of the witnesses to postpone the hearing, or at the very least excuse Ms. Rubens and Ms. Graves from appearing today. I want to make it very clear that requiring these two individuals, or any individual, to appear before us today is not done to embarrass them, as some have asserted. They are here before us today, because they are the subjects of this damning report, which was completed at the committee's request. They are the two individuals who allegedly created openings in Philadelphia and St. Paul for their own transfers to these locations, and then also benefitted significantly from VA's relocation program to move to the openings they allegedly generated. If this is not what happened, then I believe a public hearing is an ideal place for them to tell us what did happen.

This hearing is not a joke, and Ms. Rubens, despite what you reportedly told some of your employees, this is not a show. The findings of this report provide a roadmap for further inquiry and reform. My suspicion is that this kind of behavior is rampant not only throughout VA but also the rest of the government. VA must take aggressive steps to root it out, hold employees accountable when warranted, and be better stewards of taxpayers' money.

As I have said before, if VA put half of the effort into pushing for true accountability or protecting their employees who come forth as whistleblowers as they have for the individuals investigated in this IG report, then I honestly think the department would be in a much better place. VA exists for veterans, not for itself or the unjust enrichment of its senior employees. That is why we take this IG report so seriously; that is why we are here tonight to ask the right questions; and that is why the public and America's veterans have a right to hear from these witnesses.

With that I recognize the ranking member for any comments she may have.

[Yield to Ranking Member Brown]

Thank you.

On our first and only panel we have the following individuals: Mr. Danny Pummill, Principal Deputy Under Secretary for Benefits; Ms. Diana Rubens, Director of the Philadelphia Regional Office; Mr. Robert Mckenrick, Director of the Los Angeles Regional Office; Ms. Kimberly Graves, Director of the St. Paul Regional Office; Mr. Antione Waller, Director of the Baltimore Regional Office; And Ms. Linda Halliday, Deputy Inspector General for the VA's Office of Inspector General. I also invited Former Under Secretary Hickey to testify tonight as a private citizen, as her activities were heavily featured in the report, however she did not respond to my requests.

I ask the witnesses to please stand, and raise your right hand.

Do you solemnly swear, under penalty of perjury, that the testimony you are about to provide is the truth, the whole truth, and nothing but the truth?

Please be seated.

Let the record reflect that all witnesses answered in the affirmative.

I now ask unanimous consent that the ranking member and I each have ten minutes for questioning.

Hearing no objection, so ordered.

If there are no further questions, you are all now excused.

This hearing is now in recess.

PREPARED STATEMENT OF RANKING MEMBER CORRINE BROWN

Thank You Mr. Chairman.

The Hearing this evening is a follow-up to the Committee's hearing nearly two weeks ago regarding the September VA Inspector General report on "Inappropriate Use of Position and Misuse of Relocation Program and Incentives."

The IG report made a number of serious charges. As part of our oversight efforts, the Committee is looking into the use of relocation incentives as well as looking into the culture of the Veterans Benefits Administration.

It is important that we get a better understanding of how VA uses relocation incentives to fill important positions, especially when we see a VA where many important leadership positions go unfilled. We must determine whether these programs work, and are working as intended. If they are not, then we must work together to make sure that they are used as a recruitment and retention tool, and not simply a means to reward specific employees when the usual tools of bonuses and pay increases are not available.

To further our efforts in this area, the Chairman joined me in requesting that GAO look into the Appraised Value Offer, or AVO program, not only at VA but across the government. I look forward to their report in the very near future.

The allegations in the IG report are serious, and highlight a culture of cronyism within the Veterans Benefits Administration. I hope our witnesses will be able to help us get to the bottom of this. We all respect the right of any of our witnesses to avail themselves of any Constitutional rights they have. But at the end of the day we simply must find answers and make the reforms and changes we need to make to ensure that veterans come first.

Thank you, and I yield back the balance of my time.

