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VA: PATH TO REFORM

HEARING

BEFORE THE

SUBCOMMITTEE ON NATIONAL SECURITY

OF THE

COMMITTEE ON OVERSIGHT
AND GOVERNMENT REFORM
HOUSE OF REPRESENTATIVES

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VA: PATH TO REFORM

Wednesday, March 1, 2017

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON NATIONAL SECURITY,
COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM,
Washington, D.C.

The subcommittee met, pursuant to call, at 3:28 p.m., in Room 2154, Rayburn House Office Building, Hon. Ron DeSantis [chairman of the subcommittee] presiding.

Present: Representatives DeSantis, Duncan, Amash, Hice, Lynch, Demings, DeSaulnier, and Sarbanes.

Mr. DESANTIS. The Subcommittee on National Security will come to order.

Without objection, the chair is authorized to declare recess at any time. The chair notes the presence of our colleagues from the full Committee of Oversight and Government Reform. We appreciate your interest in this topic and welcome your participation today, when you get here.

I ask unanimous consent that all members of the Committee on Oversight and Government Reform be allowed to fully participate in today's hearing.

Without objection, it is so ordered.

With a new administration and VA Secretary, we have an opportunity to set a new course at the Veterans Administration. The VA is the topic of our first subcommittee hearing for a reason. This subcommittee stands foursquare behind our veterans and is committed to ensuring that veterans receive the benefits they have earned.

Over the past several years, the VA has not lived up to the promises that have been made to our Nation's heroes. Many veterans have experienced significant problems receiving the health care they deserve. The problems and scandals of the last few years have undermined faith in the VA.

The point of this hearing today is to shed light on the continuing cases of fraud, waste, and abuse at the VA that require reform. The 2014 wait-time scandal brought to light a number of serious abuses. That has, sad to say, not been fully corrected. For example, the VA charged a doctor with prescribing high amounts of opiates to patients receiving care for mental health. This doctor received several thousands of dollars in bonus money 9 months after an OIG report exposed his poor prescription practices.

In addition, one VA senior executive volunteered to transfer to a new office. The new position required less responsibility, but this

employee still received relocation incentives and the same annual salary of over $180,000.

VA staff members in a southern Arizona VA manipulated patient wait times in order to meet incentive requirements and national scheduling procedures. These staff members received bonuses even though they were not meeting national scheduling standards.

Another doctor, this time in a Pittsburgh VA, received a $62,895 bonus for implementing an infection prevention program. Three days before receiving this bonus, the VA Office of Inspector General issued a report finding that six veterans died from Legionnaires' disease because of systematic failures.

In an Atlanta VA medical center, there was a backlog of 300 unsettled background investigations for new hires because of human resource delays.

These are a few of the examples that demonstrate the need for reform.

Now Secretary Shulkin has set out a vision for improving some of VA's programs to better serve our veterans. One of Secretary Shulkin's top priorities is to reshape the Veterans Choice Program. This includes removing a rule regarding veteran's ability to seek care at non-VA facilities. It's important to remove obstacles that make it difficult for veterans to receive medical care. The Choice Program needs to serve its intended function, and if that requires congressional action, then Congress should act forthwith.

The new Secretary will also prioritize, improve mental health care. According to recent VA statistics, an average of 20 veterans died from suicide each day in the year 2014. These statistics reveal the need to improve quality of care and suicide prevention.

We have today representatives from VA's Office of Inspector General to report on some of these troubling cases. We are also joined by Acting Assistant Secretary Pamela Mitchell, here to testify on behalf of Secretary Shulkin. It is my hope we can have an honest, frank, and positive discussion of the VA's shortcomings and chart a course to reform.

One reform that I've proposed is to expand treatment options for veterans suffering from post-traumatic stress by authorizing the VA to link veterans suffering from PTS with a specially trained service dog, which has proven to be effective with private organizations. For those that have tried more conventional forms of treatment and experienced no relief for their suffering, this could actually be a lifesafer, and we've had veterans say that their life has been saved because of a service dog.

Just as we ensure that warfighters have every resource available to protect them from the dangers of the battlefield, so too must we provide the veterans transitioning to civilian life with the resources to treat the invisible and lingering effects of the realities of war.

The lives of our returning soldiers, sailors, airmen, and marines are at stake. We can't afford to fail them after they served us. Those who risked their life for this country deserve the absolute best care upon their return. Time is of the essence.

I would like to thank our witnesses for their testimony today. And I now recognize the ranking member of the subcommittee who hails from the Super Bowl champion Boston area, yet another title, Mr. Lynch.

Mr. LYNCH. You are very kind, Mr. Chairman. I appreciate your courtesy as well.

And just because this is our first subcommittee hearing in the new session, I just want to say that I'd again like to express my commitment to working with you and your very capable staff. You've got great—we both have great staff here that work on behalf of the American people. And I think that our bipartisan oversight work will prove critical to identifying existing and emerging threats. It will also further the important national security missions carried out by Federal agencies and our dedicated military and civilian personnel on behalf of the American people.

Chief among these missions is ensuring that more than 21 million brave men and women who have served in defense of our Nation and represent America's veterans community receive the quality of care and the opportunity to transition to a civilian life that is commensurate with their service and their sacrifice. To this end, I welcome today's hearing to examine ongoing reform efforts of the Department of Veterans Affairs. And I'd also like to thank our witnesses for helping the committee with its work.

It is my understanding that this hearing will focus on recent audit work conducted by the Office of the VA Inspector General and to examine so-called recruitment, retention, and relocation incentives that were previously awarded to certain senior level and VA central office employees. In particular, a January 2017 audit report that was issued by the inspector general determined that, absent additional reforms, the VA will risk spending an estimated $158.7 million in unsupported bonuses and forfeiting $3.9 million in bonuses that should be recouped through fiscal year 2019. And I agree with the chairman that this area merits meaningful congressional oversight.

However, I would also urge that our subcommittee examine a more immediate and serious threat that is facing our veterans community, and that is, quite frankly, the negative impact on veterans services that will be caused by President Trump's executive memorandum to establish an indefinite, indiscriminate hiring freeze within the Federal Government. This action stops all Federal agencies from hiring full-time Federal workers, including individuals to fill 9,000 vacancies at the VA serving critical functions. The predictable consequences will be to degrade the essential services that our veterans and the American public rely on, rescind the opportunities that America's veterans have earned. And for that reason, veterans organizations, ranging from the American Legion, the Veterans of Foreign Wars of the United States, VFW, and the DAV, Disabled American Veterans, and Iraq and Afghanistan Veterans of America, continue to underscore the devastating effects of the hiring freeze on our returning servicemen and -women.

As I noted in a letter signed by 107 Members of Congress urging President Trump to reconsider his decision, past hiring freezes enacted during both Democratic and Republican administrations have proven to decrease government efficiency, accountability, and transparency at the expense of public services and the American taxpayer.

As reported by the independent Government Accountability Office in its seminal 1992 report examining the governmentwide

freezes implemented under both President Reagan and President Carter, these actions severely disrupted critical agency operations and diminished Federal oversight of agency programs. I would note that one Carter administration hiring freeze caused a clerical staff shortage at the VA medical center that required healthcare professionals to prioritize administrative duties over their core job functions. Not surprisingly, this led to increased patient wait times and severe delays in the processing of medical examinations.

The report also found the hiring freeze, quote, "caused decreased oversight of Federal programs, making it more difficult for the inspector general officers to do their jobs," close quote, something we should remember as we review the critical work of the inspector general for Veterans Affairs today.

Moreover, the current hiring freeze is already having a drastic impact on the ability of our veterans to transition back to civilian life. That's because America's veterans make up one-third of our Federal workforce and new hires at the Department of Defense, the VA, the Department of Transportation, and other agencies nationwide. According to the Office of Personnel Management, veterans hiring in the Federal Government has also risen significantly in recent years, with Federal agencies hiring an estimated 6,000 more veterans in fiscal year 2015 than the previous year. That's a total of 71,000 new veteran hires and a veteran hire percentage of 32.5 percent within the Federal Government.

So you see, by instituting a hiring freeze in the Federal Government, we're blocking out, we're freezing the opportunity of returning veterans to go to work. More than 31,000 of these new hires hired within the Federal Government were disabled veterans, including over 21,000 veterans with a disability rating of over 30 percent.

In order to ensure that the Federal Government does not close its doors to America's veterans seeking to continue to serve the American people in a Federal Government job, I recently introduced H.R. 1001, the Veterans Federal Hiring Protection Act. This legislation would simply exempt veterans from the hiring freeze within the Federal Government and is even more critical at a time when the Bureau of Labor Statistics just reported an unemployment rate for our newest generation of veterans of 6.3 percent in January of 2017. That's an increase from 5.7 the previous year and represents over 200,000 Iraq and Afghan veterans who are looking for work right now. H.R. 1001 has been cosponsored by over 25 Members of Congress. And I strongly urge my colleagues on both sides of the aisle to join me in this effort.

In his joint address to Congress last night, President Trump stated, quote, "Our veterans have delivered for this Nation, and now we must deliver for them," close quote. So the Federal hiring freeze will make it extremely difficult to live up to that promise.

Mr. Chairman, I look forward to today's hearing, and I yield back the balance of my time.

Mr. DESANTIS. The gentleman yields back. Thank you.

I will hold the record open for 5 legislative days for any members who would like to submit a written statement.

We'll now recognize our panel of witnesses. I'm pleased to welcome Ms. Pamela Mitchell, Acting Assistant Secretary at the Office

of Human Resources and Administration within the U.S. Department of Veterans Affairs; Mr. Nicholas Dahl, Deputy Assistant Inspector General for Audits and Evaluations within the Office of Inspector General at the U.S. Department of Veterans Affairs; and Dr. Irene Barnett, Director of the Bedford Office of the Audits and Evaluations within the Office of Inspector General at the U.S. Department of Veterans Affairs.

Welcome to you all.

Pursuant to committee rules, all witnesses will be sworn in before they testify. So if you can please rise and raise your right-hand.

Do you solemnly swear or affirm the that testimony you are about to give will be the truth, the whole truth, and nothing but the truth so help you God?

Thank you. Please be seated. All witnesses answered in the affirmative.

In order to allow time for discussion, we'd appreciate it if you would please limit your testimony to 5 minutes. Your entire written statement will be part of the record.

Assistant Secretary Mitchell, you're recognized for 5 minutes.

WITNESS STATEMENTS

STATEMENT OF PAMELA MITCHELL

Ms. MITCHELL. Good afternoon, Chairman DeSantis, Ranking Member Lynch, and members of the subcommittee. Thank you for the opportunity to discuss internal controls for use of recruitment, relocation, and retention incentives, commonly known as the 3Rs, within the Department of Veterans Affairs.

VA requires talented employees, including highly trained healthcare professionals, to serve the needs of our Nation's veterans. We're competing in tough labor markets for skilled personnel, both in the public and the private sectors. The 3Rs are important human resources tools to help us remain competitive in recruiting and retaining the best personnel to serve our veterans. To that end, we very much appreciate the inspector general's recommendations to improve controls over use of the 3Rs, as outlined in their January 2017 report. This report was based on incentives awarded during fiscal year 2014.

I'd like to draw your attention to what the Department has done, both in the years prior to and following the period covered by the IG report, to more effectively manage use of the 3Rs. First, I'd like to note that the size of the VA workforce has increased by 22.5 percent since 2011, from about 296,000 employees to about 362,000. During that same period, we decreased spending on the 3Rs by 50 percent, from approximately 144 million in 2011 to approximately 72 million projected for 2017.

In April 2015, we centralized processing of all senior executive personnel actions under the Corporate Senior Executive Management Office, or CSEMO, implementing additional internal controls for 3R payments to senior executives. This ensures that proper justifications are made to support payment of incentives and that executives are fulfilling agreed-upon service periods or that they repay or request a waiver from repayment.

As a result of this centralization, our use of retention incentives for executives in particular has decreased dramatically. From approximately $390,000 in fiscal year 2014 to about $17,000 in fiscal year 2017 to date.

Our VA handbook on pay administration was significantly revised back in April 2013 to require an explanation of an organization's workforce and succession plan as part of the request for or review of a retention incentive.

We're in the process of further updating the handbook to reinforce that requirement by requiring a senior leader to certify that this plan was reviewed. This process will also require the signatory to attest that all incentives have been reviewed for compliance with VA policy and that appropriate action has been taken to initiate debt collection from individuals who did not fulfill their required service obligation.

In the meantime, VA has published interim guidance emphasizing that HR specialists must obtain authorization for an incentive from the appropriate official prior to including one in a vacancy announcement. Significantly, this interim guidance also includes tools to assist our hiring managers and HR professionals, helping ensure they follow proper procedures when offering an incentive. Additionally, we've developed training designed to help them and us to help eliminate potential misuse of these flexibilities. And this year, we will ask each administration and staff office to submit a report on the incentives they authorized during 2016 certified by the most senior leader in each organization.

In closing, I'd like to express on behalf of the VA workforce our commitment to the Department's mission to serve veterans. To accomplish that mission requires continued competition for top talents in tough markets, particularly in the private sector for healthcare professionals. The 3Rs are key human resources tool we need to help us in that competition, particularly when we are faced with serious hiring challenges. We are also committed to ensuring careful consideration and effective oversight of 3R use in the VA.

Thank you. I look forward to answering your questions.

[Prepared statement of Ms. Mitchell follows:]

STATEMENT OF PAMELA S. MITCHELL

PRINCIPAL DEPUTY AND ACTING ASSISTANT SECRETARY

FOR HUMAN RESOURCES AND ADMINISTRATION

DEPARTMENT OF VETERANS AFFAIRS (VA)

BEFORE THE

HOUSE OVERSIGHT AND GOVERNMENT REFORM COMMITTEE

SUBCOMMITTEE ON NATIONAL SECURITY

MARCH 1, 2017

Good afternoon, Chairman DeSantis, Ranking Member Lynch, and Members of the Subcommittee. Thank you for the opportunity to discuss internal controls for use of Recruitment, Relocation, and Retention Incentives within the Department of Veterans Affairs (VA).

Introduction

VA requires talented employees, including highly trained health care professionals, to serve the needs of our Nation's Veterans. We are competing in tough labor markets for skilled personnel, both in the public and private sector. To remain competitive in recruiting and retaining the best personnel to serve our Veterans, we must rely on tools such as incentives to address staffing difficulties, and awards to recognize superior performance. Recruitment, Relocation, and Retention Incentives (3Rs) are important human resources tools designed to help agencies attract and retain employees, particularly when faced with serious hiring challenges. Incentives may only

be authorized when the hiring manager fully justifies the difficulty of filling a position with a highly qualified candidate or retaining an employee likely to leave without offering an incentive.

A *recruitment incentive* may be paid to an employee who is newly appointed to the Federal Government, if the agency has determined that a position is likely to be difficult to fill without the use of an incentive. VA requires hiring officials to carefully consider and fully document a number of factors before concluding that a recruitment incentive is required. For example, managers must consider whether candidates with the required competencies for similar positions have been successfully hired within the last six months; what salaries are usually paid outside the Federal Government for similar positions; what turnover has been for similar positions over the last six months; what special or unique competencies are needed; what attempts have been made to use non-pay incentives such as work schedule flexibilities; and whether the position is in a desirable geographic location.

A *relocation incentive* may be paid to a current employee who must relocate to a different geographic area to accept a position if the agency determines that the position will likely be difficult to fill in the absence of an incentive. A hiring manager must thoroughly consider the factors noted above in evaluating whether a relocation incentive is justified.

A *retention incentive* is an incentive an agency may pay to a current employee if the agency determines that the unusually high or unique qualifications of the employee, or a special need of the agency for the employee's services, makes it essential to retain the employee and the employee would be likely to leave the Federal service. The responsible manager must fully document why an employee would be likely to leave without an incentive. For example, the manager must consider the following: availability and quality of candidates in the labor market who have the competencies required for the position; successful efforts within the last six months to recruit and retain employees with similar competencies; special or unique competencies required; efforts to use non-pay authorities to retain the employee; or the extent to which the employee's departure would affect VA's ability to perform a mission critical function.

Inspector General Report

The Office of Human Resources and Administration (OHRA) received a draft VA Office of Inspector General (OIG) report on July 5, 2016, titled *Audit of Recruitment, Relocation, and Retention Incentives.* The OIG used fiscal year (FY) 2014 data in conducting its audit, and found that the VA "needs to improve controls over its use of 3R incentives to ensure these pay authorities are strategically and prudently used to assist in the recruitment and retention of highly qualified employees in hard-to-fill positions."

The VA concurred with the 10 recommendations in the report:

Recommendation 1: OIG recommended that the Assistant Secretary for Human Resources and Administration review and update procedures and add internal controls for Administrations to ensure recruitment and relocation incentives are fully justified and authorized before being included on vacancy announcements for hard-to-fill positions or before the final selectee is identified in cases where a position is not filled through a vacancy announcement.

Recommendation 2: OIG recommended that the Assistant Secretary for Human Resources and Administration review and update procedures and add internal controls for the Corporate Senior Executive Management Office to ensure Senior Executive Service recruitment and relocation incentives are fully justified and authorized before being included on vacancy announcements for hard-to-fill positions or before the final selectee is identified in cases where a position is not filled through a vacancy announcement.

Recommendation 3: OIG recommended that the Assistant Secretary for Human Resources and Administration review and update procedures and add internal controls for Administrations to monitor compliance with its employee certification requirement before relocation incentives are authorized for payment.

Recommendation 4: OIG recommended that the Assistant Secretary for Human Resources and Administration review and update procedures and add internal controls to monitor the Corporate Senior Executive Management Office's

compliance with the employee certification requirement before Senior Executive Service relocation incentives are authorized for payment.

Recommendation 5: OIG recommended that the Assistant Secretary for Human Resources and Administration review and update procedures and add internal controls for Administrations to monitor facilities' compliance with developing workforce and succession plans to reduce the risk of long-term reliance on retention incentives.

Recommendation 6: OIG recommended that the Assistant Secretary for Human Resources and Administration review and update procedures and add internal controls to monitor the Corporate Senior Executive Management Office's compliance with developing workforce and succession plans to reduce the risk of long-term reliance on retention incentives for Senior Executives.

Recommendation 7: OIG recommended that the Assistant Secretary for Human Resources and Administration monitor the Corporate Senior Executive Management Office to ensure its technical review and recommendations to the VA Chief of Staff regarding Senior Executive Service incentives are prudent and in full compliance with the VA Handbook 5007/46.

Recommendation 8: OIG recommended that the Assistant Secretary for Human Resources and Administration assess the feasibility of limiting the

number of consecutive years employees in specific occupations, or groups of employees in specific occupations, can receive retention incentive payments.

Recommendation 9: OIG recommended that the Assistant Secretary for Human Resources and Administration review and update procedures and add internal controls for Administrations to monitor facilities' compliance with the VA Handbook 5007/46 requirements to initiate debt collection from individuals who did not fulfill their recruitment, relocation, or retention incentive service obligations.

Recommendation 10: OIG recommended that the Assistant Secretary for Human Resources and Administration examine the capabilities of the HR Smart personnel system to determine the extent to which it is possible to develop an incentive-specific automated alert that notifies Human Resources (HR) personnel when employees have outstanding recruitment, relocation, or retention incentive service obligations.

The VA OIG released its final report on the 3Rs on January 5, 2017, and closed recommendations 2, 4, and 8 based on actions already executed. VA continues to implement the remaining OIG recommendations:

Recommendation 1: VA published Human Resources Management Letter No. 05-16-03 on July 8, 2016, and expects the final policy to be incorporated

in the VA Handbook 5005, Staffing, by late summer 2017. This guidance prescribes procedures to be used when offering recruitment and relocation incentives and relocation expenses.

Recommendation 3: VA revised the VA Handbook 5007, Pay Administration, to require HR Offices to ensure an employee maintains proof of residency in the specific geographic location for the duration of the service period by requesting periodic proof of continued residency from the employee. HR Offices are already responsible for ensuring an employee has established a residence in the new geographic location before a relocation incentive payment is processed. We expect the updated policy to be published by late summer 2017.

Recommendation 5: The VA Handbook 5007, part VI, chapter 3, was significantly revised in April 2013. Part of this major revision required a narrative explanation of an organization's workforce and succession plan to eventually eliminate or reduce the need for retention incentives. We are updating the Handbook to enhance the certification process and template to include certification that each retention incentive included workforce and succession plans to reduce the risk of long term reliance on retention incentives. We expect the updated policy to be published by late summer 2017.

Recommendation 6: The VA compensation policy, which specifically addressed all of the 3Rs, was signed and implemented in September 2016. The Corporate Senior Executive Management Office is working across the Department to establish and validate competencies for all executives, which will become the foundation of the VA Talent Management System and will inform succession planning decisions.

Recommendation 7: The VA compensation policy for senior executives and equivalents, which specifically addressed the 3Rs, was signed and implemented in September 2016. VA has ensured greater accountability over its use of the 3R incentives for its executive cadre by conducting a thorough analysis of every incentive package pertaining to senior executives across the VA. The Corporate Senior Executive Management Office ensures that each incentive is fully justified and meets the stringent criteria outlined in the Code of Federal Regulations and VA policy, prior to recommending approval to the VA Chief of Staff.

Recommendation 9: The VA Handbook 5007, Pay Administration, was revised to require all requests for waivers due to breach of service obligations to be submitted, through channels, to the Assistant Secretary for Human Resources and Administration. Requests for waivers were previously routed to the original approval official. This change elevates all requests for waivers to a higher level and will require technical review in the VA Central Office.

Additionally, the VA Handbook 5007 will be revised to include an enhanced review process and template requiring certification that appropriate action has been taken to initiate debt collection, as appropriate. We expect the updated policy to be published by late summer 2017.

Recommendation 10: VA's shared service provider for HR Smart has provided us with cost estimates to update the system. We have received approval for funding to allow us to modify the system. Upon release of the funds, anticipated for later this year, we will move forward with this modification.

Conclusion

Mr. Chairman, we take appropriate use of the 3Rs very seriously. As noted, we made improvements in managing these incentives before the VA OIG audit began, and continue to increase our ability to provide effective oversight of these essential compensation flexibilities. Unfortunately, the multi-year restrictions on employee awards and incentives that were enacted as part of the Comprehensive Addiction & Recovery Act of 2016 significantly inhibit our ability to use these tools as intended to help attract and retain employees when faced with serious hiring challenges. We ask that VA be afforded the opportunity to exercise budget flexibility in determining how best to apply our resources for desired outcomes. The Secretary of Veterans Affairs needs this flexibility if he is to transform VA. Without getting the right people and retaining

them, this will be a very difficult task. Thank you for the opportunity to testify before this subcommittee; I look forward to your questions.

Mr. DESANTIS. Thank you.
Mr. Dahl, you're up for 5 minutes.

STATEMENT OF NICHOLAS DAHL

Mr. DAHL. Mr. Chairman, Ranking Member Lynch, and Members of the Subcommittee, thank you for the opportunity to testify today on the Office of Inspector General's work related to two key human capital programs, the 3R incentive program and the drug-free workplace program.

VHA provides health care to about 7 million veterans each year through a large network of medical centers and outpatient clinics. To accomplish this, VHA employs over 350,000 people, including physicians, nurses, other healthcare professionals and administrative employees. VHA uses human capital flexibilities, such as the 3R incentives, to attract and retain talented employees for its medical facilities. These incentives provide VA with important tools to fill positions that support the agency's critical mission. In fiscal year 2015, VA spent more than $67 million on 3R incentives, with VHA accounting for almost all of this spending.

When used prudently and properly, recruitment and relocation incentives help VA attract qualified candidates with in-demand skills and competencies who would otherwise not consider working in the Federal Government or working at locations where positions are difficult to fill. Retention incentives enable VA to retain employees whose services are essential to its mission and who would otherwise leave Federal service.

VA also administers a drug-free workplace program, which serves an important role in VA fulfilling its responsibility to protect patients and employees. VA has a designated safety-sensitive occupational series that require drug testing as testing-designated positions, including positions such as physicians, nurses, and police officers. There are three key parts of this program: first, pre-employment drug testing for testing-designated positions; second, random drug testing of employees in testing-designated positions; and, third, drug testing of employees when there is a reasonable suspicion of on-the-job drug use or where drug use is suspected following a workplace accident or injury.

In January, we reported VA needed to improve controls over its use of 3R incentives to ensure these pay authorities are strategically and prudently used to assist in their recruitment and retention of highly qualified employees in hard-to-fill positions. We determined VA's controls over the incentives were inadequate and projected VA would spend almost $159 million on unsupported incentives in fiscal years 2015 through 2019.

Specifically, we reported the following related to VHA's use of 3R incentives: First, about 33 percent of the recruitment incentives VHA awarded in fiscal year 2014 were not properly authorized. Next, about 64 percent of the relocation incentives VHA awarded were not properly authorized. And, finally, about 69 percent of retention incentives VHA awarded did not include adequate workforce and succession plans.

We made 10 recommendations to the Assistant Secretary for Human Resources, including recommendations to review and update procedures to ensure recruitment and relocation incentives are

justified and properly authorized and to develop internal controls to monitor compliance with developing succession plans to reduce VA's reliance on retention incentives.

The Assistant Secretary concurred with our recommendations and provided responsive corrective action plans. We consider three recommendations closed due to actions VA has already taken, and VA continues to work on implementing the remaining recommendations.

In March 2015, we issued a report detailing the results of an audit of VA's drug-free workplace program. We identified program weaknesses in three areas. First, pre-employment applicant drug testing: For that, we reported VA did not ensure compliance with policy to drug test all applicants selected for testing-designated positions prior to appointment. Instead, VA only selected about 3 of every 10 applicants for testing.

Second, employee random drug testing: We estimated VA achieved a national drug testing rate of 68 percent of employees selected for random testing in fiscal year 2013.

And, finally, reasonable-suspicion drug testing: VA lacked sufficient oversight practices to monitor whether facilities referred all employees with a positive drug test result to the employee assistance program. Based on our work, we determined VA's program was not accomplishing its primary goal of ensuring illegal drug use was eliminated. We made five recommendations, of which one remains open.

In conclusion, VA has faced significant challenges in recruiting staff into key positions such as physicians and nurses. While we recognize the importance of VA having the ability to use the 3R incentives to meet staffing challenges and strategically manage its workforce, the results of our audit demonstrate that VA needs to take action to improve the management of its 3R incentive program. Also, in the absence of effective oversight of its drug-free workplace program, VA may not be adequately reducing the risks to the safety and well-being of veterans and employees.

Mr. Chairman, this concludes my statement, and we would be happy to answer any questions that you or other members of the subcommittee may have.

[Prepared statement of Mr. Dahl follows:]

STATEMENT OF NICHOLAS DAHL
DEPUTY ASSISTANT INSPECTOR GENERAL
FOR AUDITS AND EVALUATIONS
OFFICE OF INSPECTOR GENERAL
DEPARTMENT OF VETERANS AFFAIRS
BEFORE THE
SUBCOMMITTEE ON NATIONAL SECURITY
COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM
UNITED STATES HOUSE OF REPRESENTATIVES
HEARING ON
"ASSESSING VA'S HUMAN CAPITAL MANAGEMENT RISKS"
MARCH 1, 2017

Mr. Chairman and Members of the Subcommittee, thank you for the opportunity to testify today on the Office of Inspector General's (OIG) work related to two key VA human capital programs—the Recruitment, Relocation and Retention incentive program; and the Drug Free Workplace program. I am accompanied by Irene Barnett, Ph.D., the Director of the OIG's Audit Operations Division in Bedford, Massachusetts.

BACKGROUND

Providing health care to our nation's veterans is one of VA's key responsibilities. The Veterans Health Administration (VHA) provides inpatient and outpatient health care to about 7 million veterans each year through a network of over 140 medical centers and about 1,200 outpatient clinics in the community. To accomplish this mission, VHA employs over 300,000 employees including physicians, nurses, other healthcare professions, and administrative employees.

VHA uses human capital flexibilities such as recruitment, relocation, and retention (3R) incentives in order to attract and retain top talent for its medical centers and clinics. These incentives provide VA, as well as other federal agencies, with important tools to fill positions that support the agency's critical mission. In fiscal year (FY) 2015, VA spent more than $67 million on 3R incentives, with VHA accounting for almost all of this spending. Used prudently and properly, recruitment and relocation incentives help VA attract highly qualified candidates with unique and in-demand skills and competencies that would otherwise not consider working in the Federal government or at locations where positions are difficult to fill. Similarly, retention incentives enable VA to retain employees whose services are essential to its mission and who would otherwise leave Federal service. Effective use of these incentives requires robust workforce development and succession planning to include developing strategies to address current and future staffing needs.

VA's 3R incentive policies and procedures are the responsibility of VA's Office of Human Resources Management (OHRM). OHRM administers the program as set in VA Handbook 5007/46, *Pay Administration*. The Corporate Senior Executive Management Office (CSEMO) is responsible for conducting technical reviews of Senior Executive Service (SES) 3R incentives to ensure compliance with VA Handbook 5007/46. The

CSEMO Executive Director makes recommendations to the Secretary, or his designee, to approve or deny these 3R incentive requests for employees occupying positions centralized to that office, including SES employees, Title 38 SES-equivalents, and senior-level or scientific and professional positions. Human Resources Management Officers within each VA Administration are responsible for administering 3R incentives locally. Medical Center Directors are the approving officials for recruitment and relocation incentives of up to 15 percent of salary for VHA employees in non-centralized positions under their jurisdiction.

There are several components to VA's 3R incentives:

- Recruitment incentives may be paid to full or part-time employees newly appointed to Federal service for positions that are likely hard to fill without an incentive.
- Relocation incentives may be paid to full-time Federal employees for positions that are likely hard to fill without an incentive.
- Retention incentives may be paid to full or part-time employees or a group of employees if they possess unusually high or unique qualifications and are likely to leave without an incentive.

VA Handbook 5007/46 requires:

- VA Form 10016, *Justification and Authorization of Recruitment and Relocation Incentives*, be used to document the justification, authorization, and approval of all recruitment and relocation incentives.
- Employees establish a residence in the new geographic area and submit a written self-certification that includes the employee's new address to the Human Resources office in order to generate payment of a relocation incentive.

Whereas 3R incentives are tools VA can use to attract and maintain top talent, its Drug Free Workplace Program is intended to ensure that VA's workforce of physicians, dentists, nurses, police officers, firefighters, motor vehicle operators, and other employees carry out their missions without the influence of illicit drugs that could risk the safety of veterans and VA employees. Over 200,000 VA employees are in occupations that are subject to random drug testing.

The Federal Drug-Free Workplace Program was initiated by Executive Order 12564 in 1986 with the goal of a drug-free Federal workplace and made it a condition of employment for all Federal employees to refrain from using illegal drugs on or off duty. The following year, Congress passed legislation (P.L. 100-71, Supplemental Appropriations 1987) designed to establish uniformity among Federal agencies' drug testing, confidentiality of drug test results, and centralized oversight of the drug testing program.

Within VA, the Deputy Assistant Secretary for Human Resources Management is responsible for the implementation of the Department's Drug-Free Workplace Program.

Drug Program Coordinators at each VHA facility are responsible for scheduling drug tests each month for randomly selected employees. There are several components to VA's Drug-Free Workplace Program, including:

- Pre-employment applicant testing of final selectees for Testing Designated Positions (TDPs).
- Random monthly drug testing of employees in TDPs. Human Resources officials are responsible for properly coding employees in TDPs with the drug test code in VA's personnel information system and to ensure that randomly selected employees are drug tested.
- Drug testing of employees when there is reasonable suspicion of on-the-job drug use or where drug use is suspected following a workplace accident or injury.

VA'S MANANAGEMENT OF RECRUITMENT, RETENTION AND RELOCATION INCENTIVES

In January 2017, we reported VA needed to improve controls over its use of 3R incentives to ensure these pay authorities are strategically and prudently used to assist in the recruitment and retention of highly qualified employees in hard-to-fill positions.[1] We determined VA's controls over 3R incentives were inadequate and represented about $158.7 million in unsupported spending and about $3.9 million in repayment liabilities projected for FYs 2015 through 2019.

Specifically, we identified the following concerns:

- *Recruitment Incentives* – We found that of the estimated 1,546 recruitment incentives VHA awarded, about 33 percent were not properly authorized, representing about $6.7 million in unsupported spending in FY 2014, and about $33.3 million projected for FYs 2015 through 2019. We also found that the only two SES recruitment incentives awarded in FY 2014, totaling about $97,000, were not properly authorized, representing about $485,000 in unsupported spending projected for FYs 2015 through 2019. This occurred because VHA and CSEMO most frequently failed to obtain pre-authorization for recruitment incentives before the incentives were advertised on vacancy announcements. Pre-authorization is a necessary control to ensure senior officials support that a position is in fact hard to fill. In the absence of this control, VA has little assurance these incentives were used prudently to strategically recruit qualified candidates for hard-to-fill positions.

- *Relocation Incentive* – Of the estimated 727 relocation incentives VHA awarded in FY 2014, about 64 percent were not properly authorized. We also found that most of the nine relocation incentives awarded to non-SES VA Central Office (VACO) employees and all the relocation incentives awarded to SES employees were not properly authorized. This occurred because VA and CSEMO did not ensure that relocation incentives were properly pre-authorized. We identified

[1] *Audit of Recruitment, Relocation, and Retention Incentives*, January 5, 2017.

instances where relocation incentives were authorized after the final selectee was identified to fill a position, or even after an employee was brought on board. Improperly authorized relocation incentives for VHA, non-SES VACO employees, and SES combined represented about $8.7 million in FY 2014; and about $43.7 million in unsupported spending projected for FYs 2015 through 2019.

Human Resources Management Officers did not enforce VA's requirement that employees self-certify they moved to their new position's geographic location before authorizing relocation incentive payments. VHA authorized relocation incentive payments before employees certified they moved to a new geographic location for about 41 percent of the estimated 727 relocation incentives it authorized. We also found that local Human Resource Management Officers improperly authorized relocation incentive payments for almost all SES employees and non-SES VACO employees before ensuring employees certified they moved to the new geographic location.

- *Retention Incentives* – While there are no limits on the number of years an employee can receive retention incentive payments, according to VHA, employees were paid retention incentives an average of almost 4 years. Of the estimated 1,719 retention incentives VHA awarded, about 69 percent did not include adequate workforce and succession plans.

  This occurred because approving officials approved retention incentives without ensuring that workforce and succession plans included details on efforts to reduce or eliminate the need for the incentive. The purpose of workforce succession plans is to help VA reduce its long term reliance on retention incentives. We also observed that facilities did not actively pursue and successfully administer workforce and succession plans as required by VA Handbook 5007/46. We estimated VA spent about $16 million in FY 2014; and an estimated $80.1 million for FYs 2015 through 2019 on VHA and non-SES VACO retention incentives that lack adequate workforce and succession plans.

  Almost all SES retention incentives (10 of 11) were approved without workforce and succession plans that detailed efforts to reduce or eliminate the need for the incentive. SES employees received retention incentives an average of over 5 years. We estimated SES retention incentives awarded without a workforce and succession plan detailing efforts to reduce or eliminate the incentive represented an estimated $1.1 million projected for FYs 2015 through 2019.

  This occurred because CSEMO did not carry out its responsibility to advise management officials on the application of regulations and procedures, as well as conduct technical reviews to ensure the completeness of SES incentives. We found that a former acting executive director of CSEMO and the former deputy director of CSEMO made recommendations in a memo to the former VA Chief of Staff to approve 9 of 11 SES retention incentives despite noting for each incentive that VHA needed to develop workforce and succession plans. While a

former acting executive director and former Deputy Assistant Secretary of CSEMO did not effectively carry out their responsibilities when they advised the former VA Chief of Staff to approve these retention incentives without adequate workforce and succession plans, this former VA Chief of Staff also did not fulfill his responsibilities.

- *Repayment Liabilities* – VHA also did not enforce repayment requirements for about 55 percent of the estimated 238 incentives for which employees did not fulfill their recruitment or relocation service obligations. We estimated VHA's inaction resulted in an employee repayment liability of about $800,000 in FY 2014; and $3.9 million projected for FYs 2015 through 2019. This occurred because VA's previous personnel system, Personnel and Accounting Integrated Data (PAID) system, lacked capabilities to issue alerts when employees receiving incentives change jobs, locations, resign, or their employment was terminated. VA's PAID system was replaced by HR Smart in June 2016. However, we observed during a demonstration of the HR Smart system that the system lacks alerts specific to a 3R incentive. As a result, Human Resources personnel must manually review an employee's HR Smart record to determine what kind of service obligation prompted the alert. Furthermore, Human Resources personnel can override these alerts without supervisory approval.

We made ten recommendations to the Assistant Secretary for Human Resources and Administration. They are summarized below:

- Reviewing and updating procedures for Administrations to ensure recruitment and relocation incentives are justified and properly authorized
- Reviewing and updating procedures for Administrations to add internal controls to ensure that the employee self-certification requirement is fulfilled before relocation incentive payments are authorized
- Developing internal controls for Administrations and the CSEMO to monitor compliance with developing succession plans to reduce VA's reliance on retention incentives
- Developing internal controls for Administrations to monitor facilities' compliance with initiating debt collection when employees do not fulfill their incentive service agreement
- Reassessing the capacities of the HR Smart system to reduce VA's incentive repayment liability risks.

The Assistant Secretary for Human Resources and Administration concurred with our recommendations and provided corrective actions plans that were responsive to our recommendations. We consider three recommendations related to: (i) improving CSEMO's internal controls and procedures over the advertisement of SES recruitment and relocation incentives; (ii) the payment of SES relocation incentives; and (iii) the feasibility of limiting the consecutive number of years retention incentives are paid to employees or groups of employees in certain occupations closed due to actions the

Assistant Secretary took at the time we published our report. VA continues to work on implementing the remaining seven recommendations.

VA'S MANAGEMENT OF THE DRUG FREE WORKPLACE PROGRAM

In March 2015, we reported VA needed to improve the management of its Drug-Free Workplace Program to ensure the program was effective in maintaining a workplace that is free from illegal drug use.[2] We identified program weaknesses and determined VA's Program was not meeting its primary goal of ensuring that illegal drug use was eliminated to the extent feasible and VA's workplace was safe.

Pre-Employment Applicant Drug Test

We reported that VA's OHRM did not ensure facility Human Resource Management Officers complied with VA's policy to drug test all applicants selected for a TDP prior to appointment. Instead, VA tested about 3 of every 10 applicants selected for a TDP for pre-employment drug testing. If a tested applicant has a verified positive test result, VA should decline extending a final offer of employment. While VA's Drug-Free Workplace Program Handbook states every individual tentatively selected for employment in a TDP is subject to a drug test before appointment, OHRM officials interpreted this language as meaning only some finalists for TDPs needed to be drug tested before being appointed. Because of this interpretation, we estimated approximately 15,800 (70 percent) of the nearly 22,600 individuals VA reported appointing into TDPs during FY 2013 were not drug tested before being hired.

Employee Random Drug Testing

We estimated VA achieved a national employee random drug testing rate of 68 percent of the 3,420 employees selected for random drug testing in FY 2013. Of 22 randomly selected facilities we reviewed, 4 did not test any randomly selected employees, 10 had compliance rates ranging from 31 to 89 percent, and 8 tested at least 90 percent of their randomly selected employees. Facility Coordinators could not explain why the majority of the 32 percent of employees were not tested.

We also estimated at least 19,100 (9 percent) of about 206,000 employees in TDPs were not subject to the possibility of random drug testing because they were not coded with a Drug Test code, as required, in VA's personnel information system. Those not subjected to random drug testing included physicians, nurses, and addiction therapists. In addition, VA may have incorrectly identified as many as 13,200 employees with the Drug Test code—meaning, employees in positions that do not usually require random drug testing were subject to testing. We found VA did test non-TDP employees, which has the unintended consequence of reducing the probability that employees in high-risk, safety sensitive TDPs were selected for drug testing.

Reasonable Suspicion Drug Testing

OHRM lacked sufficient oversight practices to monitor whether facilities referred all employees with a positive drug test result to the Employee Assistance Program (EAP). VA's Drug-Free Workplace Program Handbook requires facilities to refer all employees

[2] *Audit of VA's Drug-Free Workplace Program,* March 30, 2015.

with a positive drug test result to its EAP for assessment, counseling, and referral for treatment or rehabilitation. However, facility Coordinators reported that only 17 of 51 employees who tested positive for drugs as a result of reasonable suspicion or after a workplace accident or injury were referred to their facility's EAP.

We made five recommendations to the Deputy Assistant Secretary for Human Resources Management. These recommendations included:

- Ensuring all final selectees for TDPs complete pre-employment drug testing prior to appointment
- Increasing accountability to ensure all employees selected for random drug testing are tested
- Improving the accuracy of Drug Test coding in VA's personnel information system
- Implementing procedures to ensure Custody and Control forms are accurately completed
- Ensuring compliance with Program requirements, such as referring employees who test positive to the EAP.

The then Acting Deputy Assistant Secretary concurred with our recommendations and provided action plans that were responsive to our recommendations. This included a plan to require mandatory pre-employment drug testing of all candidates selected for a TDP. Action in response to four of the five recommendations has been completed. VA continues to work on actions to ensure the accuracy of Drug Test coding in its personnel information system. Recently, VA notified us that they continue to work with their personnel information system business partner to implement this recommendation. We will continue to track their progress until we receive documentation that action is complete.

Human Resources Delays

In January 2017, we reported on delays in the processing of certain human resources functions at the Atlanta VA Medical Center (VAMC).[3] We conducted our work to assess allegations that there was a backlog of unadjudicated background investigations[4] and mandatory drug testing for new hires in TDPs [5] did not occur for a period of at least 6 months between 2014 and 2015. We substantiated both allegations. Regarding the allegation that the Atlanta VAMC did not administer the Drug-Free Workplace Program for 6 months, we found no drug testing was completed at the VAMC from November 2014 through May 2015. This lapse occurred because the facility Coordinator left the position in September 2014 and the alternate Coordinator did not assume the collateral duties required of this position. Further, other VAMC Human Resources personnel were unaware of the Drug-Free Workplace Program responsibilities. Despite the lack of drug testing for 6 months, we found no indications VA management was aware of the lapse. Because no drug testing occurred, the Atlanta VAMC lacked assurance that

[3] *Review of Alleged Human Resources Delays at the Atlanta VAMC,* January 30, 2017.
[4] An adjudication is considered backlogged after 90 days without a determination.
[5] There were also no monthly random drug tests for current employees in TDPs.

employees who should have been subject to drug testing remained suitable for employment. We made five recommendations in the report:

- Develop an action plan to ensure staff have appropriate background investigations and determinations are accurately recorded
- Ensure all suitability adjudicators receive the mandatory training and background investigation required for the position
- Provide training to all human resources staff on the requirements of the personnel suitability program
- Ensure human resources staff are trained on the requirements of the Drug-Free Workplace Program and the responsibilities of their positions
- Review the Drug-Free Workplace Program on a regular basis to ensure compliance with regulations and that employees hired during gaps are subject to corrective testing.

The Atlanta VAMC Director concurred with our recommendations and reported that action has been taken with regards to the Drug-Free Workplace Program. When we receive documentation of action related to those recommendations, we anticipate closing them.

CONCLUSION

Over the past several years, VA has faced significant challenges in recruiting staff into key positions such as physicians and nurses.[6] VA recognizes the importance of using the 3R incentives to meet future challenges to place high quality candidates into key positions. The results of our audits demonstrate that VA needs to take action to improve the management of its 3R Incentive Program and its Drug-Free Workplace Program. While 3R incentives can help VA strategically manage its workforce, VA needs to improve its controls to address the weaknesses we identified in its oversight of 3R incentives. Improved succession planning can strengthen VA's current and future organizational capacity and align its use of 3R incentives to address its workforce needs strategically. Furthermore, in the absence of effective oversight over its Drug-Free Workplace Program, VA may not be adequately reducing the risks to the safety and well-being of veterans and other VA employees. To that end, we concluded VA lacked reasonable assurance that it is achieving a drug-free workplace.

Mr. Chairman, this concludes my statement and we would be happy to answer any questions that you or Members of the Subcommittee may have.

[6] *OIG Determination of Veterans Health Administration's Occupational Staffing Shortages*, September 1, 2015; *OIG Determination of Veterans Health Administration's Occupational Staffing Shortages*, January 30, 2015; *OIG Determination of VHA Occupational Staffing Shortages*, September 28, 2016.

Mr. DESANTIS. Thank you.

Dr. Barnett, you're up for 5 minutes.

Ms. BARNETT. Thank you very much, but my colleague, Nick Dahl, gave our official statement.

Mr. DESANTIS. Wonderful.

Well, I now recognize myself for 5 minutes.

Secretary Mitchell, in a recent news article, Secretary Shulkin noted that one of his top priorities is to reform the Veterans Choice Act. How will the VA go about doing that, or how will the Secretary go about doing that?

Ms. MITCHELL. Chairman DeSantis, I have no personal knowledge of that that I can offer. But I do know that the Secretary is going to be testifying next week.

Mr. DESANTIS. In front of the House VA Committee?

Ms. MITCHELL. I believe that's correct.

Mr. DESANTIS. Are you familiar with the interview he gave to Stars and Stripes a couple days ago?

Ms. MITCHELL. I'm not extremely familiar, no, sir.

Mr. DESANTIS. So he wants to eliminate the 40-mile, 30-day rule for non-VA care under the Veterans Choice Act. I support that. I wonder, though, would that require a change of statute, or does he think he can do that through the regulations? I guess you don't know that?

Ms. MITCHELL. No, sir. That's not within my purview or area of expertise.

Mr. DESANTIS. Well, we would like to know because I think that is something that veterans have been frustrated with. Congress passed this several years ago. There was a lot of fanfare about it. It just has not actually done the job, and it has not met the obligations.

Let me ask you this, Secretary Shulkin in a recent interview on FOX News stressed the importance for VA employees to have due process. So what is exactly the process for firing an individual within the VA?

Ms. MITCHELL. Well, there are different processes depending on the situation. There are conduct-based issues that occur, and there are performance-based issues that occur. And so they take different paths, and then there are also different processes depending on whether it's a title 5 employee or a title 38 employee.

Mr. DESANTIS. So conduct-based is misconduct you're saying.

Ms. MITCHELL. Correct.

Mr. DESANTIS. People that do something wrong. I guess if you were to be convicted for something somewhere, that would obviously be an issue.

Performance-based, let's talk about performance-based. What is the process if somebody is a poor performer? How would the VA move to get that person out if they are not serving the veterans well?

Ms. MITCHELL. Well, typically, the first thing that would happen is that there would be a discussion between the supervisor and the employee. And that would be followed by what's called a performance improvement plan, or a PIP, and then an employee is given a period of time.

Mr. DESANTIS. How long typically?

Ms. MITCHELL. At least 30 days, but sometimes longer. It may depend on what the actual issue of performance is. And so then there's a period of time to look at, is the individual improving? Are there still issues to look at that? And then, if there is no improvement over a period of time, which again may vary, then a variety of things could happen. There has to be a proposal made as to what the employee's notified as to what will happen, and then a decision is made.

Mr. DESANTIS. By who?

Ms. MITCHELL. By the—well, if we're talking about a GS employee, so it would be the hiring—I'm sorry—the supervisor who would make a decision typically, or it could go up to higher level. Again, it's going to depend on the level of what we're talking about. But typically the supervisor would be working with the employee on this and making different decisions.

Mr. DESANTIS. Do you know how many human resources employees at the VA were terminated last year or the year before?

Ms. MITCHELL. No. I'm sorry. I don't have that detail. But I would be happy to take that for the record.

Mr. DESANTIS. Yeah, we would definitely like to get that.

In his interview, Secretary Shulkin claimed that he would fire any VA employee who had been complicit in any waste, fraud, or abuse, but I think that's a little bit easier said than done, given—I mean, you articulated a relatively complex process. Is there any way that this can be streamlined so that, when we identify examples of poor performance or misconduct, that this can be dealt with very expeditiously?

Ms. MITCHELL. Well, I know that we have had a team working with staffers here on the Hill to take a look at that. I know that a bill was introduced yesterday, and we're currently reviewing that right now.

Mr. DESANTIS. In the same interview, the Secretary said that he would like to use whistleblowers to bring issues to the forefront. I take this to mean that the Secretary believes that whistleblower process either has been inadequate or needs somehow to be reformed. Do you have any idea how he intends to do this? Is it going to be a revised process? Or what hasn't been done up to this point that now is going to be done?

Ms. MITCHELL. I'm sorry. I don't have any knowledge of that, but again, I would be happy to take that for the record.

Mr. DESANTIS. Well, I appreciate your testimony.

My time has expired. I want to recognize the ranking member now, Mr. Lynch, for 5 minutes.

Mr. LYNCH. Thank you, Mr. Chairman.

And, again, I want to thank the witnesses for your attendance and for helping us.

Ms. Mitchell, thank you for the wonderful care that many of our veterans receive at the VA and for all the good work that you do.

Mr. Dahl, Dr. Barnett, thank you very much for your oversight because I think the work that you do makes sure that we meet our obligations that we owe to our veterans. So I don't see an adversarial relationship here. I see people trying to do good work, and I see the Office of the Inspector General as just trying to make sure that we keep our game at a level that it should be.

Let me ask you, though, we've talked a little bit this morning about the hiring freeze in the VA and across the Federal Government. A lot of people don't realize that about 30 percent of the employees for the Federal Government that work in the Federal Government are veterans. And it's even higher at the VA. We have about 32.5 percent of the people who work at the VA are veterans. So I have three major VA hospitals in my district. One is in Brockton. One is in West Roxbury. And one is in Jamaica Plain. I'm a frequent flier to those hospitals. And I typically will just pull people aside and talk, whether they are orderlies or maintenance or nurses or docs or therapists. I'll often ask them how they came to work at the VA. And I don't think I've met anybody yet who was not a veteran. So maybe that's just in my district. But I am enormously proud of the work that they do there.

I know that we had problems down in Phoenix with the VA. Very unfortunate. We even had problems in a couple of other cities as well. I think San Antonio was one, but I'm very happy to say that, when the VA went back—and I know the Inspector General's Office was involved in that, and we did a whole assessment—my three hospitals got very, very high marks, as did the Bedford facility, which has a state-of-the-art Alzheimer's facility there. So I know this committee, we often have criticisms, but I don't want it just to be about criticisms. I want to understand you understand we appreciate the good work that's being done.

I have amazing people who work at the VA all around this country. And I know more personally the ones in my district, and they are a blessing each and every day what they for our veterans.

And what concerns me is this hiring freeze. So we have critical positions that are—about 9,000 positions are vacant right now at the VA. And these vacancies serve critical functions. And so I would like to ask Ms. Mitchell, can you tell me what the impact would be if we continue this hiring freeze that prevents us from filling those critical positions, especially—especially—with candidates who are veterans who normally would have a preference but now are being shut out?

Ms. MITCHELL. Thank you for that question. First of all, let me say that, by virtue of the authority conferred by the Presidential memorandum, then Acting Secretary Bob Snyder took fairly immediate action to exempt a number of positions from the hiring freeze as tied to public safety. And so those essentially included folks involved in providing direct patient care as well as our cemetery workers who take care of burials for our veterans and their families. So that itself was a large mitigating factor. And we continue to look as we move forward as to whether there are other positions that should be considered for exemption.

Mr. LYNCH. I've had veterans come to me, though, in radiology and other positions that are not exempted. So they've been stopped. A Navy veteran just last week trying to get on at the VA and is being prevented because of the freeze. So what about the positions that have not been exempted? There are a lot of them, based on the material I was given. There are there are a lot of positions that are not exempt.

Ms. MITCHELL. That's correct.

Mr. LYNCH. What will be the impact on those?

Ms. MITCHELL. Well, it is too early right now to assess the impact because we're about 30 days in. I think the most important thing I could tell you is that we continue to look at vacancies. And our leaders across the Department continue to look at the impact in their various areas. And certainly, as appropriate, we'll be coming in and asking for relief.

Mr. LYNCH. Okay.

Let me ask the same question to Mr. Dahl over at the VA Office of Inspector General. I know, in the past, the inspector generals have been critical of this type of freeze back when President Reagan did it and back when President Carter. This is not a partisan issue. Democrats and Republicans have tried this approach in the past, and it's had disastrous effects, but I would like to hear from you in terms of what you think this might lead to.

Mr. DAHL. A hiring freeze is definitely going have an impact on our immediate operations. We've been fortunate that Congress has been supportive recently to help us right-size. Historically, we are a small office of inspector generals, especially when compared to the size of the overall Department and the budget of the overall Department. Fortunately, we have got a 4-year appropriation. We've been given additional money to beef up our staff. But we have about 100 open positions right now below our ceiling. We've made the determination about half of those meet the exemptions because they deal with public safety or national security, but that leaves half of our positions that we have not exempted. So that will impact our ability to provide the level of oversight that we should be providing.

Mr. LYNCH. Okay. That's fair enough. And I know I'm over my time. So I appreciate that. And is it fair to say that the longer this freeze goes on, the more difficult it becomes?

Mr. DAHL. I would say so. I mean, obviously the Department will probably feel some impact too, but their operations are going to continue——

Mr. LYNCH. Okay.

Mr. DAHL. —without the bodies we need to provide the level of oversight that we should by providing.

Mr. LYNCH. Thank you.

I yield back. Thank you, Mr. Chairman.

Mr. DESANTIS. The gentleman's time has expired.

I will note for the record the VFW head—national commander actually spoke with Secretary Shulkin about this hiring freeze effect on the VA. And he reported that the Secretary's response was that the agency was satisfied with the exemptions. I just wanted—I know you can't necessarily speak for him as we had asked earlier, but that's what we have from the VFW.

The chair now recognizes the gentlewoman from Florida. We've actually had her husband testify with the joint committee here last Congress. We want to first welcome you to the committee. It is good to have another Floridian, and you're recognized for 5 minutes.

Mrs. DEMINGS. Thank you so much, Mr. Chairman.

And thank you again to our witnesses for being here today and for the critical role that you are doing for our country.

In holding this hearing on VA's path to reform, we should not lose sight of I think the larger issue, that far from progress on reform, veterans face substantial harm, I believe, from President Trump's hiring ban.

Secretary—or Assistant Secretary Mitchell, are you aware of the number of unfilled job openings at the VA?

Ms. MITCHELL. Right now, we have approximately 48,000 vacancies. In the neighborhood of 36,000 of those have been exempted from the hiring freeze.

Mrs. DEMINGS. Do you know how many jobs openings are from the Veterans Benefits Administration?

Ms. MITCHELL. I can take a moment to look that up very quickly, or I can take that for the record.

Mrs. DEMINGS. Please take it for the record.

Also, to Secretary Snyder, Secretary Snyder has exempted over 90 occupations from President Trump's recently announced hiring ban. Do you know if Secretary Snyder exempted any occupations within the VBA, any specific occupations?

Ms. MITCHELL. No. There were no occupations exempted within the VBA.

Mrs. DEMINGS. For fiscal year 2017, the VA requested funding from VBA to hire an additional 300 claims processors. Would you agree that the VA cannot now hire these additional claim processors because of President Trump's hiring ban?

Ms. MITCHELL. At this point, they are not exempt positions.

Mrs. DEMINGS. They are not exempt positions. Okay. Just a second.

The VA recently noted that it, and I quote, "has made dramatic progress in reducing the backlog and proving timeliness of decisions and reducing the overall pending inventory of disability rating claims while at the same time improving the quality of its decisions." Secretary Mitchell, how will President Trump's hiring ban impact the VA's progress on this front?

Ms. MITCHELL. At this point in time, I know that VBA is monitoring that very closely. And we are only about a month into the hiring freeze. So it is a little early to give you a strong assessment on that.

Mrs. DEMINGS. Would you say you've seen no change at all in the timeliness of the decisions, of the process at all within the last month?

Ms. MITCHELL. That's not within my area of responsibility. So I would be happy to take that for the record for you.

Thank you. I yield back.

Mr. HICE. [presiding.] All right.

I am going to recognize myself. I want to begin with the Office of the Inspector General and the report, the review of alleged human resources delays in the Atlanta medical center. I would ask unanimous consent for it to be added to the record.

Without objection, so ordered.

Mr. HICE. I have a great deal of issues, specifically with this report that has come out, and I want to thank you for being here, but it outlines some serious failures in the Atlanta VA. And in particular, some things that came out of great concern personally was the failure to conduct drug tests on employees, and they also al-

lowed over 200 employees who had not completed background checks to work directly with some of our veterans for several months and, in some cases, even years. This is a huge VA medical center in Atlanta, servicing some well in excess of 100,000 veterans a year. And I'm just curious how many of these people had no drug test or background checks? How many veterans potentially, if you can use the word, were exposed to these types of individuals, and why were they note adequately checked?

Mr. DAHL. Congressman, there was just a lack of appropriate oversight at the facility to ensure that the drug test program was being administered. The person that was responsible for the program left. The backup person did not take on the responsibilities as they should have. This happened for a 6-month period. I can't tell you how many people should have been subjected to the drug testing during the 6-month period. But they certainly were coming into contact with the patients and other employees at the medical center.

Mr. HICE. And how long did that take, did that last?

Mr. DAHL. Well, there was a 6-month period where there was no drug test at all.

Mr. HICE. Is that normal?

Mr. DAHL. No, sir.

Mr. HICE. How long typically?

Mr. DAHL. Well, we'd like to think that every facility would be conducting whatever drug testing they should be. But we have known from other work that there are facilities that don't conduct the test or conduct a low percentage of the test that they should.

Mr. HICE. Ms. Mitchell, have measures been taken to ensure that this won't happen again.

Ms. MITCHELL. Yes, sir, they have. Beginning in October of 2015, our local drug program coordinators began certifying monthly that employees selected for random drug testing were in fact tested. And in November of that year, our own office began reviewing that data for compliance, and we have continued to do that.

Subsequently, we are also working with our IT side of the house, not the Office of Information Technology, but with our partner to ensure that we have an automated way of making sure that everyone who should be considered for random drug testing is in fact considered.

Mr. HICE. So are you saying that specific to the Atlanta VA or across the board?

Ms. MITCHELL. Across the——

Mr. HICE. So are there any other medical centers where this type of thing could be happening?

Ms. MITCHELL. I don't have any personal knowledge of that.

Mr. HICE. Well, shouldn't you?

Ms. MITCHELL. Well, if I were to say to you, could it be happening, I think it would be——

Mr. HICE. And my question is, are there measures to ensure that it is not and that it will not happen?

Ms. MITCHELL. Those were the measures, sir, that I was just talking about.

Mr. HICE. And those are for all our VA medical centers?

Ms. MITCHELL. Yes, yes, they are, sir.

Mr. HICE. So you can ensure that that's not going to happen again.

Ms. MITCHELL. Exactly. That's why those measures were put into place.

Mr. HICE. And the same would apply to the drug testing?

Ms. MITCHELL. That's correct.

Mr. HICE. All right. And the background checks.

Ms. MITCHELL. Sir, I'm not personally involved in the background checks.

Mr. HICE. Who is?

Ms. MITCHELL. It is another office within VA, but I would be happy to take that for the record.

Mr. HICE. I would like that. Have there been any VA employees who have been fired for this or any management level who let this slip through?

Ms. MITCHELL. Sir, I'm not aware of that, but I would be happy to take that for the record.

Mr. HICE. I would like that for the record. It seems to me—would you not—would all of you not agree that this is inexcusable?

Ms. MITCHELL. Sir.

Mr. HICE. Then why is there no consequences?

Ms. MITCHELL. Sir, I don't have enough personal knowledge to comment on whether or not there have been consequences as I sit here today. Again, I would be happy to take that for the record.

Mr. HICE. Okay.

All right—Dr. Barnett, is there any recommendations that are coming down the pike timeframewise for corrections of these type of thing that you're aware of? I just wanted to give you an opportunity to weigh in.

Ms. BARNETT. We have one outstanding recommendation that still exists from a national drug-free workplace audit that we conducted. That was issued I want to say about a 1–1/2 year ago, closer to 2 years ago, where we did a random sample of facilities and then checked to see to what extent random drug testing was going on at that time. And there was one outstanding recommendation that still exists with that report, and that is specifically related to ensuring that folks in the occupations that are considered high risk or drug-testing-designated positions are in fact coded as such in VA's personnel system, which is the new HR smart system, so that those folks are actually eligible to be selected for random drug testing because, once you are an employee at VA and you are in a drug-testing-designated occupation—physicians, police officers, those sort of folks—you are eligible to be selected on a monthly basis for random drug testing. So random drug testing at the facilities should be occurring once a month. The folks at HR&A randomly selects employees. They then communicate those names down to the facility level. And then in the HR department, at a facility level, there's a drug testing coordinator, and it's that person's responsibility then to inform those employees and have them go to the lab to submit a urine sample.

Mr. HICE. Okay. All right. I thank you.

My time has expired.

The chair recognizes the gentleman from Maryland, Mr. Sarbanes, for 5 minutes.

Mr. SARBANES. Thank you, Mr. Chairman. I appreciate it.

I'm glad to be back on the Oversight and Government Reform Committee. This is my first hearing since I've come back after 10 years of being gone.

Mr. HICE. We're glad to have you back.

Mr. SARBANES. Thank you.

And I want to thank the panelists for coming and testifying obviously on a very important topic. And I share some of the concerns that I know have already been expressed about this hiring freeze and its impact on the agency. Obviously, we know that the VA has had some challenges, and those need to be addressed at various levels, and we want to make sure that's done, and input from the OIG periodically is certainly critical to that.

But if you step back and look at the overall context for this conversation, the hiring freeze and the impact that it's going to have on the ability of the agency to function at a high level and to meet the needs of the populations that it serves is obviously at stake here. So you've got two or three impacts that I know others have already called attention to, but I want to reiterate one is just the service to all the veterans out there who benefit from the VA and what it has to over. And you impose this draconian hiring freeze when you have thousands and thousands of positions that are open, and that's going to aggravate a situation in which the agency can't deliver at the level that it should be able it to deliver.

Secondly, as has been pointed out I know by a number of my colleagues, many of those who are currently employed by the VA, but certainly many who could be hired if the freeze was not in place, are veterans themselves and are bringing a very special set of experiences and perspectives and qualities to the job that I think are indispensable to the mission of the agency and the way that it functions.

And, thirdly, just to bring it back to the hearing today, obviously, a hiring freeze and other kind of resource restrictions on the VA that are imprudent can have an impact on the ability of the IG and others to do the work that they need to do as well. So all around it doesn't seem like the freeze is a good idea.

What I wanted to ask you, Ms. Mitchell, if you could respond, I imagine that the VA does focus groups, surveys with the folks that are served by the agency, as well as being in regular contact I'm sure with various veteran services organizations, and that that contributes to the perspective that you have on what the impact of a freeze can be. In other words, as you're doing these surveys, as you're getting this information, you may be identifying in that way that there are certain needs of the agency that need to be met that are going unmet because positions are not being filled or, alternatively, that there are certain strengths of the agency that we want to maintain that could be imperiled by not being able to keep positions filled going forward. So I was interested just to get your thoughts based on the kind of information feedback that you get from the populations that are served by the agency on exactly what some of the impacts of this freeze could be.

Ms. MITCHELL. So I have not seen anything since the hiring freeze began indicating anything like that, but I would be happy to take that for the record.

Mr. SARBANES. Are there surveys that have been done previously? In other words, it would be very interesting to know if some surveys or feedback you've received since the freeze has been put in place, but are there surveys that have identified needs that you think relate to the hiring freeze in terms of whether those needs can be adequately met going forward given that a freeze is now in place?

Ms. MITCHELL. I have not seen a survey myself indicating that. I know that different surveys are done. So I would certainly be happy to take that for the record.

Mr. SARBANES. Yeah, that would be interesting for us to get here in the committee because I think that might give us some additional context and perspective on the potential impact that this freeze is going to have going forward.

Thank you very much, Mr. Chairman. I yield back.

Mr. HICE. I thank the gentleman.

The chair now recognizes the gentleman from Tennessee, Mr. Duncan, for 5 minutes.

Mr. DUNCAN. Thank you very much, Mr. Chairman.

I'm sorry I had to be in some other meetings, and so I may ask something that's already been asked. I'm especially interested in this Veterans Choice Program and how it's working out. My staff Allen Johnson tells me that there's a billion dollars of unused funding in that pot. Are the veterans—are they not happy with that program for some reason? How is it working? Who can tell me about that?

Ms. MITCHELL. I'm afraid that's not within my area of responsibility, but I would be happy to take that for the record.

Mr. DUNCAN. Well, all right. Anybody else?

Mr. DAHL. Sir, I'm with the Inspector General's Office. We have done work in Choice. I believe we have a report coming out as soon as tomorrow on Choice, and we have other work in the pipeline. I'd be happy to speak with the folks in our organization if you're interested in a briefing on the results of our work.

Mr. DUNCAN. Well, I am very interested in that, how it's working. And I understand that there's some interest in trying to remove some of the requirements, like the distance and so forth, and the make it—give it a little more flexibility. I'm also—I didn't know about this big drug losses or theft of these opioids. It said—the report I have says it jumped from 200—these losses or theft at Federal hospitals jumped from 272 in 2009 to almost 3,000 in 2015. What is the story behind that, or what are we doing about that?

Mr. DAHL. Well, within the Office of Inspector General, we do have an active investigation program that looks at drug diversion by VHA employees within facilities for their own personal use, or diversion for illegal sale. I'm not within the Office of Investigations, but I'm sure we could provide you more information on that if you're interested.

Mr. DUNCAN. Yes, I would. All right. Since I struck out on my first two questions, I guess, let me ask you this, and this goes back several years ago. But I saw on 60 Minutes several years ago that there were some VA hospitals that had very low occupancy rates at that time, and I remember they mentioned one in Philadelphia that had only a 40-percent occupancy rate. Are there other VA hos-

pitals that are not being utilized at this point, any place that we know of?

Ms. MITCHELL. I hate to be the one to say "strike three," but unfortunately, that's also not within my area of responsibility, but I'd be happy to get back to you on that.

Mr. DUNCAN. Okay. Well, I would be curious about that too so—all right. Well, I think that's pretty much what I was interested in. I would like some additional information on all three of those topics if you can provide them for me.

All right. Thank you very much, Mr. Chairman.

Mr. HICE. I thank the gentleman.

And I would like to thank each of our—- yes.

Mr. LYNCH. Mr. Chairman, I just have a brief bit of business here. I would ask unanimous consent to enter into the record a letter to President Trump requesting him to reconsider the Federal hiring freeze, signed by I think 120 Members of Congress.

I also have a letter from J. David Cox, Sr., Eugene Hudson, Jr., and Augusta Thomas from the American Federation of Government Employees, AFL–CIO, regarding the hiring freeze and its impact on veterans.

And then we have a study, "Employment of Veterans in the Federal Executive Branch," by the United States Office of Personnel Management. I would like to have these entered into the record if I may.

Mr. HICE. Without objection so ordered.

Mr. LYNCH. Thank you. I yield back.

Mr. HICE. Again, I'd like to thank each of you witnesses for taking time to appear before the subcommittee today.

I ask unanimous consent that members have 5 legislative days to submit questions for the records.

Without objection, so ordered.

If there is no further business, without objection, the subcommittee stands adjourned.

[Whereupon, at 4:25 p.m., the subcommittee was adjourned.]

APPENDIX

MATERIAL SUBMITTED FOR THE HEARING RECORD

VA Office of Inspector General

OFFICE OF AUDITS AND EVALUATIONS

Veterans Health Administration

Review of Alleged Human Resources Delays at the Atlanta VA Medical Center

January 30, 2017
15-03401-76

ACRONYMS

CARDS	Consult, Assist, Review, Develop, and Sustain
DFWP	Drug-Free Workplace Program
FY	Fiscal Year
NACI	National Agency Check with Written Inquiries
OIG	Office of Inspector General
OPM	Office of Personnel Management
PAID	Personnel and Accounting Integrated Data
PIPS	Personnel Investigations Processing System
TDP	Testing Designated Position
VA	Department of Veterans Affairs
VAMC	Veterans Affairs Medical Center
VHA	Veterans Health Administration

To report suspected wrongdoing in VA programs and operations, contact the VA OIG Hotline:

Website: www.va.gov/oig/hotline

Email: vaoighotline@va.gov

Telephone: 1-800-488-8244

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Highlights: Review of Alleged Human Resources Delays at the Atlanta VAMC

Why We Did This Review

The VA OIG received allegations in March and April 2015 that the Atlanta VA Medical Center (VAMC) had a backlog of more than 300 unadjudicated background investigations and that mandatory drug testing of new hires did not occur over a 6-month period.

What We Found

We substantiated both allegations. Multiple VA officials confirmed that the Atlanta VAMC had a backlog of unadjudicated background investigations by mid FY 2015. For example, the Director of VA Central Office's Personnel Security and Suitability Service told us that the Atlanta VAMC had a backlog of about 200 unadjudicated background investigations as of July 2015. An adjudication is considered backlogged after 90 days without a determination. In addition, Atlanta human resources personnel acknowledged a backlog dating as far back as 2012.

The lack of available records limited our ability to quantify the extent of the backlog. However, we substantiated that backlogs were occurring by determining that the average adjudication processing time at the VAMC was about 170 days from January 2015 through June 2015.

We also substantiated that the Drug-Free Workplace Program (DFWP) was not administered from November 2014 to May 2015.

These lapses occurred because records within the personnel security program were inadequate, policies were not implemented as required, and human resources staff were not adequately trained. Finally, VAMC management did not ensure the continuity of the DFWP when the former coordinator left the position in September 2014.

Without proper controls over these human resources functions, the Atlanta VAMC cannot reliably attest to the suitability of its staff, exposing veterans and employees to individuals who have not been properly vetted. In addition, the facility lacks assurance that employees in Testing Designated Positions remain suitable for employment.

What We Recommended

We recommended the Medical Center Director assess the human resources program and ensure staff receive appropriate background investigations, provide training on the requirements of the personnel security program, and monitor the DFWP.

Agency Comments

The Atlanta VA Medical Center Director concurred with our recommendations. We consider the corrective action plans the facility submitted acceptable and will follow up on their implementation.

Larry M. Reinkemeyer

LARRY M. REINKEMEYER
Assistant Inspector General
for Audits and Evaluations

INTRODUCTION

Allegations

In March and April 2015, the VA OIG received allegations identifying delays in human resources activities at the Atlanta VA Medical Center (VAMC). Specifically, the complainant alleged that:

- The employee and labor relations division had a backlog of over 300 unadjudicated background investigations.
- Drug testing of new employees did not occur for a period of at least 6 months.

Background Investigations

All VA employees are evaluated and determined suitable for work through a background investigation process. VA determines the level of investigation by the sensitivity of the incumbent's position and rates the position as low, moderate or high-risk. At minimum, VA employees receive a National Agency Check with Written Inquiries (NACI) investigation to verify the individual is suitable for employment.

Positions that are determined to be in higher risk categories, such as human resources personnel, police officers, information technology specialists, and hospital administrators, require an additional review. Specifically, these positions require either a moderate-risk or high-risk background investigation. Employees are often allowed to begin work before background investigations are complete. Upon favorable determination, a certificate of investigation is included in the employee's personnel folder.

Drug-Free Workplace Program

The Drug-Free Workplace Program (DFWP) establishes mandatory guidelines for Federal drug testing. VA Handbook 5383 designates safety-sensitive occupational series, such as physicians, nurses, police officers, and all Senior Executive Service employees, as Testing Designated Positions (TDPs).[1] Components of DFWP include pre-employment applicant testing, random monthly testing of employees in TDPs, and reasonable suspicion testing of on-the-job drug use.

[1] VA Handbook 5383/1, Part 1, Appendix A

RESULTS AND RECOMMENDATIONS

Finding 1 The Atlanta VA Medical Center Experienced Delays in Adjudicating Background Investigations

We substantiated that the Atlanta VAMC had a backlog of unadjudicated background investigations as of mid-FY 2015, but the lack of available records limited our ability to quantify the extent of the backlog. This occurred because (i) the Atlanta VAMC management did not maintain adequate internal controls, including adequate records, within its personnel security program; (ii) Office of Personnel Management (OPM) and VA policies were not implemented as required, including local standard operating procedures for the VAMC; and (iii) human resources staff were not adequately trained to perform required functions.

Without proper record keeping and timely processing of employee suitability, the Atlanta VAMC cannot reliably attest to the status and suitability of its staff. In addition, veterans and employees are at risk of exposure to individuals who have not been properly vetted.

Background

Individuals appointed to a position in VA must be determined suitable for Federal employment through a background investigation appropriate to the risk-level of the position.[2] New employees are permitted to work during the background investigation process. Designated human resources personnel adjudicate the results, consider any negative information, and validate suitability for employment. Adjudicative decisions are recorded in VA's Personnel and Accounting Integrated Data (PAID) system and OPM's Personnel Investigations Processing System (PIPS). Appendix A provides additional information on background investigations.

Criteria

VA Directive 0710 requires human resources staff to ensure appointees and employees in low-risk or non-sensitive positions have background investigations initiated and adjudicated at the local level within established time frames.[3] However, the directive does not specifically set a time frame for completion. Adjudications are considered backlogged after 90 days without an adjudicative determination, according to VA's Personnel Security and Suitability Service. VA Directive 0710 further states that only appropriately trained personnel are to make adjudicative determinations.[4] Adjudication includes reviewing the effect of any derogatory information resulting from the investigation on the individual's suitability for employment.

[2] VA Directive 0710, Paragraph 2(h)(4)
[3] VA Directive 0710, Paragraph 3(g)(4)
[4] VA Directive 0710, Paragraph 3(g)(4)

What We Did

To determine the validity of the allegation, we obtained testimonial and documentary evidence from OPM, VA Central Office Personnel Security and Suitability Specialists, Veterans Health Administration (VHA) human resources consultants, and the Atlanta VAMC leadership and human resources staff. We reviewed available personnel and security files, investigation certifications, employee data, and applicable policies and procedures.

What We Found

Multiple VA officials and our review of recently completed adjudication records confirmed the VAMC had a backlog of unadjudicated background investigations during calendar year 2015, including carryover actions from 2014. The Director of VA Central Office's Personnel Security and Suitability Service told us that the Atlanta VAMC had a backlog of about 200 unadjudicated NACI background investigations as of July 2015. The office considered adjudications backlogged after 90 days without a determination.

In addition, VHA's internal Consult, Assist, Review, Develop, and Sustain (CARDS) review identified a backlog of NACI documents and Special Agreement Check adjudications in Atlanta as of February 2015. Finally, Atlanta VAMC human resources personnel acknowledged identifying a backlog of suitability adjudications dating as far back as 2012. For example, OPM completed an investigation on July 16, 2012, but the Atlanta VAMC human resources staff did not make a final determination until May 5, 2015, for a total processing time of 1,023 days, or 34 months.

The lack of records in regard to adjudicating the results of background investigations limited our ability to quantify the extent of the backlog. To assess whether adjudication processing delays increased significantly, we reviewed processing times for 100 individuals who began employment in calendar year 2014 and for whom the VAMC had adjudication responsibility. Processing times were measured from when OPM completed the individual's investigation until the VAMC made its suitability determination. From April to October 2014, it took an average of 27 days from the close of the background investigation to make an adjudicative determination. However, from January through June 2015, that average increased to about 170 days.[5] Specific examples include:

Example 1

> OPM completed an investigation on August 11, 2014, but the Atlanta VAMC human resources staff did not make a final determination until May 5, 2015, for a total processing time of 267 days, or nearly 9 months.

[5] The Atlanta VAMC did not complete an adjudication from October 2014 to January 2015.

Example 2

OPM completed an investigation on September 30, 2014, but the Atlanta VAMC human resources staff did not make a final determination until May 27, 2015, for a total processing time of 239 days, or nearly 8 months.

Why This Occurred

The backlog of unadjudicated background checks occurred because the Atlanta VAMC did not maintain adequate internal controls within its personnel security program. Specifically, management did not implement VA and VHA policies through local standard operating procedures nor did they use generally accepted tools available from OPM. Additionally, staff processing suitability determinations lacked the appropriate training and investigation level required to process cases.

Internal Controls Were Not Implemented

The Atlanta VAMC did not have a local suitability adjudication policy. VHA Handbook 0710.01 establishes requirements for facilities to set local policies and procedures to ensure that mandatory personnel screenings are accomplished and documented.[6] The handbook also provides a sample policy that outlines steps required and explains the roles and responsibilities of assigned individuals.[7] The Atlanta VAMC provided a draft policy for our review. However, according to Atlanta VAMC personnel, the draft policy was developed after the start of our review and, as of September 2016, remained in a draft status.

Human resources data at the Atlanta VAMC were inadequate for monitoring workload and performance due to long-standing weaknesses in how the facility collected and recorded the data. VAMC management and human resources staff could not account for the adjudicative status of personnel. We also found that VA's PAID system was not up to date in comparison with OPM data for that facility. Specifically, over 65 percent of PAID records for Atlanta VAMC personnel contained data that were erroneous or did not match the corresponding record in OPM's security and suitability investigations index.

In addition, the Atlanta VAMC did not conduct quarterly reviews of Personnel Suitability and Security Files prior to our review, as required by VHA guidance. Human resources personnel must review 10 percent of new appointments quarterly to determine if investigations were completed accurately, timely, and by the appropriate personnel.[8] This internal control is intended to identify issues in the adjudicative process. The responsible official stated that he was unfamiliar with the requirement and that quarterly reviews had not been conducted prior to the OIG's review. Subsequently,

[6] VHA Handbook 0710.1, Paragraph 2(d)
[7] VHA Handbook 0710.1, Appendix C
[8] VHA Handbook 0710.1, Appendix C, Paragraph 3(f)

the Atlanta VAMC began conducting these reviews in the fourth quarter of FY 2015.

Finally, the Atlanta VAMC also did not have access to OPM's PIPS. We did not identify a requirement for facilities to use PIPS during personnel screenings. However, according to the Director of VA's Personnel Security and Suitability Service, PIPS is a generally accepted tool used across VA. Suitability personnel with access to PIPS can directly connect to OPM's database, which allows them to review and process background investigations more efficiently. In August 2015, the Atlanta VAMC reported that a security clerk had submitted an application for access to PIPS. As of July 2016, no Atlanta VAMC personnel had access.

Suitability Adjudicators Lacked Appropriate Investigation and Training

The Atlanta VAMC staff who were assigned adjudication responsibilities were not qualified to process suitability adjudications from January 2014 through September 2015. OPM guidance requires adjudicators to have high-risk background investigations.[9] During the scope of our review, all three Atlanta VAMC staff assigned adjudicative responsibilities lacked a high-risk background investigation required for their role. Further, personnel records indicate that none of those individuals had ever been investigated at that level. We identified two human resources staff members with high-risk background investigations. However, neither staff member was assigned adjudicative responsibilities.

In addition, adjudicators at the Atlanta VAMC did not receive appropriate training to adjudicate determinations. VA Directive 0710 requires that only appropriately trained personnel may make adjudicative determinations.[10] Furthermore, in July 2014, the interagency Suitability and Security Clearance Performance Accountability Council issued the National Training Standards requiring all adjudicators to receive training. Agencies had until October 1, 2015 to ensure that all final suitability determinations were processed by a trained adjudicator. As of December 2015, according to the Associate Medical Center Director, only one human resources staff member at the Atlanta VAMC had received that training and assumed adjudicative responsibilities. The Acting Human Resources Officer confirmed that this remained the case as of July 2016.

What Resulted

Without proper controls to accurately record adjudicative determinations and the timely processing of employee suitability, the Atlanta VAMC cannot reliably attest to the status and suitability of its staff. In addition, errors in suitability determinations occurred because human resources staff were not properly trained to process them. We also identified several positions at the Atlanta VAMC that did not have the proper background investigation

[9] Title 5 Code of Federal Regulations §731.106 and OPM INV 15, Paragraph 2.0
[10] VA Directive 0710, Paragraph 3(g)(4)

completed for the designated risk category of the position. For example, 19 of 37 human resources specialists only had an NACI, even though a moderate-level investigation is required to maintain the position. Also, a nurse who began working in 1998 received only a fingerprint screening and never had an investigation.

Facilities are required to determine the sensitivity of a position and complete the adjudication process. If the facility cannot expeditiously and accurately ensure that employees are suitable for their positions, veterans and employees are at risk of exposure to individuals who have not been properly vetted.

Recommendations

1. We recommended the Medical Center Director assess the human resources program at the Atlanta VA Medical Center to develop an action plan to ensure all medical center staff have appropriate background investigations and determinations are accurately recorded.

2. We recommended the Medical Center Director ensure all suitability adjudicators receive the mandatory training and background investigation required for the position.

3. We recommended the Medical Center Director provide training to all human resources staff on the requirements of the personnel suitability program to include generally accepted resources and tools to standardize the processing of background investigations.

Management Comments

The Atlanta VAMC Director agreed with our findings and recommendations, stating that, effective August 23, 2016, the facilities Human Resources Management Service was organizationally realigned under her direct supervision. Additionally, the new Human Resources Management Officer started September 26, 2016, and recruitments have been posted for other critical staff who will oversee the Atlanta VA Personnel Security and Suitability program.

The VAMC Director stated that a workgroup will be chartered to review and streamline the background investigation and adjudication process. A database will be established to monitor and benchmark performance in comparison with practices across VA. Policy on the personnel security and suitability program will also be expedited. The VAMC Director anticipated implementation of the corrective actions by March 24, 2017.

The VAMC Director also stated that the facility will train a minimum of three human resources staff in the adjudication process as training becomes available. In the interim, the Veterans Integrated Service Network 7 Deputy Human Resources Office will assist in the adjudication process. The VAMC

Director anticipated implementation of the corrective actions by March 24, 2017.

Finally, the VAMC Director has tasked the Human Resources Management Officer to provide training to Atlanta human resources staff. Access to OPM's Personnel Investigations Processing System will be requested for all appropriate human resources staff. The Medical Center Director anticipates implementation of these corrective actions by November 25, 2016. Appendix C provides the full text of the VAMC Director's comments.

OIG Response

The Atlanta VAMC Director's comments and corrective action plans are responsive to the intent of the recommendations. We will monitor implementation of planned actions and will close the recommendations when we receive sufficient evidence demonstrating progress in addressing the issues identified.

Finding 2 The Atlanta VAMC Drug-Free Workplace Program Lapsed for a Period of 6 Months

We substantiated that the Atlanta VAMC did not administer the DFWP for a period of 6 months. Specifically, from November 2014 through May 2015, no drug screenings were completed or documented by medical center personnel. According to the Acting Human Resources Officer, drug screening resumed in June 2015. The lapse in the program occurred because the former DFWP Coordinator left the position in September 2014 and the alternate coordinator did not assume the collateral duties required of this position. In addition, other human resources staff were unaware of their responsibilities under DFWP. As a result, the Atlanta VAMC was not in compliance with the DFWP Program and lacked assurance that employees in Testing Designated Positions (TDPs) remained suitable for employment.

Background

A previous OIG report, the *Audit of the Drug-Free Workplace Program,*[11] identified weaknesses in VA's controls of pre-employment applicant drug testing and random employee drug-testing requirements. We recommended the Deputy Assistant Secretary for Human Resources Management implement processes to adequately monitor local compliance with VA's Drug-Free Workplace Program requirements.

Local facilities conduct random monthly drug testing of TDPs and are required to issue an individual notice to all employees in TDPs explaining that their position will be subject to random testing. Samples are sent to VA's Forensic Toxicology Drug Testing Laboratory in Minneapolis, MN, and reported to local-level Medical Review Officers, who are required to review all tests.

Criteria

VA Handbook 5383 requires the facility human resources officer to assure, through consultation with the medical review officer, that a drug test has been conducted on individuals selected for screening and determine whether the test result is a verified positive result.[12] In addition, all drug-testing information must be maintained in a secure location for 3 years.[13] Custody and Control forms are sequentially numbered and must be used in that order.[14]

What We Did

To determine the validity of the allegation, we obtained testimonial and documentary evidence from the Atlanta VAMC. In addition, we requested evidence of random drug testing from May 2014 through May 2015. We

[11] Report No. 14-02383-175, March 30, 2015
[12] VA Handbook 5383, Paragraph 11(f)
[13] VA Handbook 5383, Paragraph 14(e)
[14] VA Handbook 5383/5, Part II, Appendix B, Records

also interviewed human resources staff and the medical review officer responsible for administering the DFWP.

What We Found

The Atlanta VAMC did not conduct drug screenings for a period of 6 months. Specifically, we requested evidence of drug testing for the period of May 2014 through May 2015. However, the Atlanta VAMC could only provide Custody and Control forms[15] from May through November 2014. Furthermore, human resources personnel acknowledged that the DFWP was not administered or tracked between November 2014 and May 2015. Finally, the medical review officer stated that no requests were received from the Atlanta VAMC Human Resources Department during this period despite receiving screening requests from outlying clinics. According to the Acting Human Resources Officer, drug screenings resumed in June 2015 during our review.

Why This Occurred

Atlanta VAMC leadership did not properly manage or provide oversight for the DFWP. According to the Associate Medical Center Director, VAMC leadership was not aware of how personnel changes affected the program or that drug screenings did not occur. Specifically, when the former DFWP Coordinator left the position in September 2014, VAMC leadership did not ensure the alternate DFWP Coordinator assumed the collateral duties. In addition, according to the Associate Medical Center Director, the DFWP was not discussed during regular management meetings and the human resources staff did not report the lapse in the program.

What Resulted

As a result, the Atlanta VAMC was not in compliance with DFWP and lacked assurance that employees in TDPs remained suitable for employment. In addition, veterans and patients at the VAMC were put at potential risk to exposure to employees who were not properly vetted and deemed suitable for providing services at the facility.

Recommendations

4. We recommended the Medical Center Director ensure the Atlanta VA Medical Center human resources staff, to include the Drug-Free Workplace Program Coordinators and Medical Review Officers, are properly trained on the requirements of the Drug-Free Workplace Program and the responsibilities of their positions.

5. We recommended the Medical Center Director review the Drug-Free Workplace Program on a regular basis to ensure compliance with

[15] Federal Drug Testing Custody and Control forms are documents used to establish a paper trail and track seizure, custody, control, transfer, analysis, and disposition of physical and electronic evidence of human urine specimens.

regulations and that employees hired during screening gaps are subject to corrective testing.

Management Comments

The Atlanta VAMC Director agreed with our findings and recommendations, stating that the facility appointed a DFWP Coordinator and alternate coordinator to oversee the program. The coordinators have participated in DFWP awareness training provided by VA Central Office, to include duties and responsibilities of the position, and are involved in all communication related to DFWP. In addition, human resources staff will be trained to ensure the maintenance of a safe and drug-free workplace for all Federal workers.

The VAMC Director also stated that DFWP Coordinators will certify 100 percent of TDPs are in compliance with DFWP objectives. The coordinators will provide monthly reports to VA Central Office, the Veterans Integrated Service Network 7 Office, and the Atlanta VAMC Director on findings and test results to guarantee VA's duty to achieve a drug-free workforce. Appendix C provides the full text of the Atlanta VAMC Director's comments.

OIG Response

The Atlanta VAMC Director's comments and corrective action plans are responsive to the intent of the recommendations. We will monitor implementation of planned actions and will close recommendations when we receive sufficient evidence demonstrating progress in addressing the issues identified.

→ Commit to giving us this progress reports

Appendix A Background

Suitability Determinations

OPM requires applicants to covered positions to undergo a background investigation to determine their suitability for Federal employment.[16] Depending on the responsibilities of the position, the level of investigation varies. All individuals selected for employment receive a pre-screening Special Agreement Check, which is a limited investigation including law enforcement checks. Once appointed, the facility begins a background investigation appropriate to the risk level of the position. The table identifies the position risk categories and the investigation types associated with each category.

Table. Investigation Type and Position Risk Categories

Investigation Type	Risk Category	Occupations
Special Agreement Check	N/A	All
National Agency Check with Written Inquiries	Low	Most Employees
Moderate Risk Background Investigation	Moderate	Human Resources, Information Technology, Police, Program Managers
Background Investigation	High	Management, Adjudicators, Security Officers, Fiscal and Finance

Source: VA Handbook 0710, Appendix A, Paragraph 11(c) and VHA Handbook 0710.01

Local VA facilities adjudicate Special Agreement Check and NACI investigations. VA's Security and Investigations Center in North Little Rock, AR, adjudicates moderate- and high-risk level investigations.

Adjudicative Process

After the facility receives the results of the background investigation from OPM, the adjudicative process begins. Designated human resources personnel review NACI investigation results to validate suitability for employment. If the result of the investigation yields derogatory information, adjudicators consider the sensitivity level of the position, length of time since the offense, as well as the effect on the agency decision. Suitability decisions are recorded in VA's PAID system and OPM's PIPS.

[16] Title 5 Code of Federal Regulations § 731.104

Previous Inspector General Report

In March 2015, the OIG issued the *Audit of the Drug-Free Workplace Program* (Report No. 14-02383-175), which identified weaknesses in VA's controls of pre-employment applicant testing and random employee drug-testing requirements. We recommended the Deputy Assistant Secretary for Human Resources Management implement processes to adequately monitor local compliance with VA's Drug-Free Workplace Program requirements.

Appendix B Scope and Methodology

Scope

We conducted this review from May 2015 through September 2016. Our work focused on human resources activities at Atlanta VAMC for the period of January 2014 through December 2015.

Methodology

We obtained testimonial and documentary evidence from OPM, VA Central Office Personnel Security and Suitability Specialists, VHA HR Consultants, and the Atlanta VAMC leadership and HR staff. We reviewed personnel and security files, investigation certifications, employee data, and applicable policies and procedures.

We compared available employee data in the PAID system with OPM's Security and Investigations Index report. We also analyzed Certificates of Investigation from electronic Official Personnel Folders to compare the investigation close dates with signatures from Atlanta VAMC human resources staff.

Data Reliability

We relied on personnel information from OPM's PIPS, which we received via the Security and Investigations Index report. To test for reliability, we compared data elements, such as investigation completion dates, level of investigation, and position classification, with certificate of investigation documents extracted from the electronic Official Personnel Folder. We concluded that the data were reliable and appropriate for this review.

We also compared information extracted from PIPS with the information from VA's PAID system. Based on the information in the certificate of investigation documents previously corroborated by PIPS, we determined that PAID was unreliable to accurately account for the adjudicative status of Atlanta VAMC personnel. Our report used PAID data without independent verification to access administrative information, such as duty station, date of birth, name, and title.

We documented data limitations with respect to any errors and omissions in the data significant to our findings. Except for the limitations discussed in this appendix and the body of the report, we concluded that the data used were sufficiently reliable to reach the assessments of each allegation, conclusion, and recommendation made in this report.

Government Standards

We conducted this review in accordance with the Council of the Inspectors General on Integrity and Efficiency's *Quality Standards for Inspection and Evaluation*.

Appendix C Management Comments

Department of Veterans Affairs Memorandum

Date: October 12, 2016

From: Director, Atlanta VA Medical Center (508/00)

Subj: DRAFT REPORT – Office of Audits and Evaluations – Review of Alleged Human Resources Delay at the Atlanta VA Medical Center

To: Assistant Inspector General for Audits and Evaluations

1. I have reviewed the Veterans Affairs (VA) Office of Inspector General Office of Audits and Evaluations draft report the Review of Alleged Human Resources Delays at the Atlanta VA Medical Center, Decatur, Georgia.

2. I concur with the draft report and recommendations. Attached are responses to each recommendation.

(original signed by:)

Annette P. Walker

Attachment

Attachment

Comments to OIG's Report

The following comments are submitted in response to the recommendations in the OIG report:

OIG Recommendations:

Recommendation 1. We recommended the Medical Center Director assess the human resources program at the Atlanta VA Medical Center to develop an action plan to ensure all medical center staff have appropriate background investigations and determinations are accurately recorded.

Facility response: Concur

Target Completion Date: March 24, 2017

Effective August 23, 2016, Human Resources Management Service (HRMS) was organizationally realigned under the direct supervision of the Medical Center Director. In addition, the new Human Resource Management Officer (HRMO) arrived on station September 26, 2016. Recruitment for a new Assistant HRMO has been posted as well as a Supervisory Employee Relations/Labor Relations Specialist who will have oversight of the Atlanta VA Personnel Security and Suitability (PSS) program.

A Rapid Process Improvement Workgroup is being chartered to review the background investigation and adjudication process. The purpose of this workgroup will be to streamline the background investigation and adjudication process from selection to on-boarding to ensure that all new employees receive the appropriate background investigations within the established timeframe.

A database will be established to facilitate real time monitoring with benchmarking against identified best practices across the VA for continuous improvement with ongoing compliance reporting to leadership. The draft local policy on the personnel security and suitability program will be expedited through the Medical Center Memorandum approval process with designation for required training and documentation of understanding by all Human Resources personnel upon approval.

Recommendation 2. We recommended the Medical Center Director ensure all suitability adjudicators receive the mandatory training and background investigation required for the position.

Facility Response: Concur

Target Completion Date: March 24, 2017

Human Resources Management Service previously completed the background investigation and mandatory training of one assigned staff member that has since separated from the Atlanta VA. In the interim, the VISN7 Deputy Human Resources Officer is currently assisting in the adjudication process until staff training is available this fall. The medical center will train a minimum of three Human Resources staff in the adjudication process as training becomes available.

Recommendation 3. We recommended the Medical Center Director provide training to all human resources staff on the requirements of the personnel suitability program to include generally accepted resources and tools to standardize the processing of background investigations.

Facility Response: Concur

Target Completion Date: November 25, 2016

The Medical Center Director has tasked the Human Resources Officer to provide training to the Atlanta Human Resources staff and Medical Review Officers within the next 30 days. In addition, access to OPM's Personnel Investigations Processing System will be requested for all appropriate Human Resources staff.

Recommendation 4. We recommended the Medical Center Director ensure the Atlanta VA Medical center human resource staff, to include the Drug-Free Workplace Coordinators and Medical Review Officers, are properly trained on the requirements of the Drug-Free Workplace Program and the responsibilities of their positions.

Facility Response: Concur

Target Completion Date: November 1, 2016

The Atlanta VA Medical Center has appointed a Drug-Free Workplace coordinator and alternate coordinator to oversee the program. The coordinators have participated in the Drug-Free Workplace (DFWP) awareness training provided by VA Central Office (VACO) and are involved in all communication related to DFWP. They have been trained on the duties and responsibilities for Testing Designated Positions (TDP), Random Testing, Reasonable Suspicion, Injury, illness, unsafe or unhealthful practice, voluntary testing, and testing as a part of or as a follow-up to counseling or rehabilitation.

Human Resources staff will be trained to ensure the maintenance of a safe and drug free workplace for all federal workers. Appropriate staff were provided a list of Testing Designated Positions (TDP) and have been educated to ensure that all applicants selected for a TDP are tested and issued a copy of the Acknowledgement Notice.

Recommendation 5. We recommend the Medical Center Director review the Drug-Free Workplace Program on a regular basis to ensure compliance with regulations and that employees hired during screening gaps are subject to corrective testing.

Facility Response: Concur

Target Completion Date: Completed

The Drug-Free Workplace (DFWP) Coordinator(s) will certify 100% Testing Designated Positions (TDP) are in compliance with the Drug Free Workplace Program objectives. Additionally, the DFWP Coordinators will ensure internal employees transferring to a TDP are tested prior to transfer and will certify the completion of all required monthly random drug testing. The Coordinator(s) will provide monthly reports to VA Central Office (VACO), the VISN 7 Network Office and the Atlanta VA Medical Center Director on findings and test results to guarantee VA's duty to achieve a drug free workforce.

Additional Information. In addition, an update on the status of the unadjudicated background investigations backlog was requested. The Atlanta VA Medical Center did conduct initial onboarding requirements such as fingerprinting and preliminary Special Agreement Check requirements before any employee started on duty at this Medical Center. The facility is in the process of gaining access to OPM's Personnel Investigations Processing System and will implement an action plan to audit all facility employee background levels to validate complete background investigation compliance. Once the full review has been conducted, any employees found to have an insufficient background investigation will be provided assistance to complete all requirements in an expedient manner.

For accessibility, the format of the original documents in this appendix has been modified to fit in this document.

Appendix D OIG Contact and Staff Acknowledgments

Contact	For more information about this report, please contact the Office of Inspector General at (202) 461-4720.
Acknowledgments	Steven Wise, Director Dustin Clark Michael Derick Shawn Steele

Appendix E Report Distribution

VA Distribution

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This report is available on our website at www.va.gov/oig.

AMERICAN FEDERATION OF GOVERNMENT EMPLOYEES, AFL-CIO

Eugene Hudson, Jr.
National Secretary-Treasurer

J. David Cox, Sr.
National President

Augusta Y. Thomas
NVP for Women & Fair Practices

1/366913

March 1, 2017

Honorable Jason Chaffetz, Chairman
House Committee on Oversight and
Government Reform
2157 Rayburn House Office Building
Washington, DC 20515

Honorable Elijah Cummings, Ranking Member
House Committee on Oversight and
Government Reform
21471 Rayburn House Office Building
Washington, DC 20515

Honorable Ron DeSantis, Chairman
House Subcommittee on National Security
308 Cannon House Office Building
Washington, DC 20515

Honorable Stephen Lynch, Ranking Member
House Subcommittee on National Security
2369 Rayburn House Office Building
Washington, DC 20515

Dear Chairmen and Ranking Members:

On behalf of over 670,000 federal employees, including 230,000 employees of the Department of Veterans Affairs (VA) represented by the American Federation of Government Employees, AFL-CIO (AFGE), thank you for the opportunity to share our views for the March 1, 2017 hearing "VA: Path the Reform". We request that this letter be made part of the hearing record.

AFGE is very concerned about the impact of the federal hiring freeze on both the VA's ability to carry out its mission and much needed employment opportunities for veterans.

Veterans comprise 33 % of the VA workforce; over 120,000 veterans work for the VA and most of them have service-connected disabilities. Contrary to the Administration's claims, the VA hiring freeze does not "drain the swamp" but it does directly hurt veterans in every community across the country. The vast majority of VA jobs are outside of Washington DC.

Every position in the Veterans Benefits Administration (VBA) is still subject to the hiring freeze. Over half the VBA workforce are veterans. The VBA workforce carries out essential functions related to the processing of claims for vocational rehabilitation services and education benefit, both of which enable veterans to transition to civilian employment. VBA processing of disability claims are directly linked to the ability of the majority of veterans to access VA health care benefits. Thus, short-staffing VBA prevents veterans from getting access to the health care they have earned.

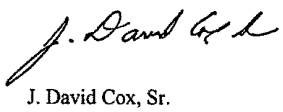
Before the freeze, VBA was making enormous progress in reducing the disability claims backlog. The backlog of pending disability claims needing initial review dropped from 56,000 in May 2016 to 18,000 by the end of January 2017. The timeframe for completing claims also significantly improved: In 2015, VA completed 45 percent of claims within 125 days. As of January 2017, VBA finished 66 percent of claims within the 125-day standard.

Although most VHA positions were exempted from the freeze by agency action, the freeze places yet another cloud of uncertainty over the future of the VA health care system, and the VA's ability to recruit and retain medical professionals and support personnel to fill the more than 45,000 vacancies.

The VA remains the most valuable and sought after place to work and receive job support services for our nation's veterans, as they struggle to overcome discrimination, service-connected physical and mental disabilities, homelessness, addiction and other employment barriers. The hiring freeze deals a terrible blow to veterans trying to give back to other veterans through a VA career, and undermines the Department's most honorable mission.

Thank you for considering the views of the American Federation of Government Employees.

Sincerely yours,



J. David Cox, Sr.
AFGE National President

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