

VA Office of Inspector General

OFFICE OF INVESTIGATIONS &
OFFICE OF AUDITS AND EVALUATIONS



Department of Veterans Affairs

*Administrative Investigation
of the FY 2011
Human Resources
Conferences in Orlando,
Florida*

Redacted

September 30, 2012
12-02525-291

To Report Suspected Wrongdoing in VA Programs and Operations:

Telephone: 1-800-488-8244

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ACRONYMS AND ABBREVIATIONS

BAH	Booz Allen Hamilton
COR	Contracting Officer's Representative
CoS	Chief of Staff
CFR	Code of Federal Regulations
DAS	Deputy Assistant Secretary
DFAS	Defense Finance and Accounting Service
eCMS	Electronic Contract Management System
EES	Employee Education System
FAR	Federal Acquisition Regulation
GES	Global Experience Specialists, Inc.
HCIP	Human Capital Investment Plan
HR	Human Resources
HR&A	Human Resources and Administration
IA	Interagency Agreement
OALC	Office of Acquisition, Logistics, and Construction
OGC	Office of General Counsel
OHRM	Office of Human Resources Management
OIG	Office of Inspector General
OPM	Office of Personnel Management
RFP	Request for Proposal
SES	Senior Executive Service
SLA	Service Level Agreement
SRA	Systems Research and Applications Corporation
USC	United States Code
VA	Department of Veterans Affairs
VAAR	VA Acquisition Regulations
VALU	Veterans Affairs Learning University
VHA	Veterans Health Administration

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EXECUTIVE SUMMARY

VA OIG opened an administrative investigation upon receiving allegations of wasteful expenditures related to HR conferences held in Orlando, FL, in July and August 2011. We attempted to obtain a full accounting of the expenses associated with these conferences. While VA reported lower estimates of conference costs to Congress, we reconstructed the costs of the two conference events to be approximately \$6.1 million. However, we could not gain reasonable assurance that this figure represents a complete accounting of the conference costs. Overall, VA's processes and the oversight were too weak, ineffective, and in some instances, nonexistent to ensure that conference costs identified were accurate, appropriate, necessary, and reasonably priced. Accountability and controls were inadequate to ensure effective management and reporting of the dollars spent.

In our opinion, VA held these conferences to fulfill valid training needs. VA reports it provided 57 individual training classes per conference for about 1,800 VA employees. HR&A senior leadership set a tone that they wanted these conferences to be signature events, yet this same leadership failed to provide proper oversight in the planning and execution of the two 2011 HR&A-sponsored training conferences. Further, we found that 11 VA employees, tasked with conference management responsibilities, improperly accepted gifts from contractors seeking to do business or already doing business with VA.

We concluded that the Assistant Secretary for HR&A (Mr. Sepúlveda) abdicated his responsibilities when he failed to provide proper guidance and oversight to his senior executives in the operations of his organization. His performance was contrary to his statement in his memorandum to the CoS wherein he asserted that "our planning committee is pursuing all efforts to constrain and control cost." Mr. Sepúlveda also denied having any involvement with the General George S. Patton parody video. Several individuals have, in fact, testified that Mr. Sepúlveda viewed the videos before the conferences took place. His hands-off approach contributed to a lack of communication between HR&A senior executives resulting in confusion and a dysfunctional execution of roles and responsibilities. We concluded that the senior leadership accepted little responsibility for fiscal stewardship. In most instances, they delegated these important responsibilities to their employees who directly report to them but did not provide the oversight needed.

These conditions led to numerous examples of excessive costs, and unnecessary and unsupported expenditures. In fact, we questioned about \$762,000 as unauthorized, unnecessary, and/or wasteful expenses. Examples of the broad scope of mismanagement and wasteful spending follow:

- \$ 280,698 Costs in excess of VA's contract with the Orlando World Center Marriott (Marriott), including excessive expenditures for audiovisual services, catering, food, beverages, and other miscellaneous expenses.
- \$ 200,224 Unsupported expenses, including almost \$154,000 in contractor travel paid by VA.

- \$ 49,516 Unauthorized costs associated with the production of the General George S. Patton parody video; the conference planner lacked the authority to commit Government funds for this purpose.
- \$ 26,088 Unauthorized expenses for computer rentals used for registration and training classes. Although services were provided, the conference planner lacked the authority to commit Government funds for this purpose.
- \$ 97,906 Wasteful costs associated with the purchase of unnecessary promotional items.
- \$ 3,000 Unauthorized commitment for photographers. We questioned the need and purpose to contract for these services in light of having VA photographers available on staff.
- \$ 11,507 Questionable miscellaneous expenses, such as signs, table banners, exhibit booths, janitorial services, and pocket organizers. Payments were unauthorized, not allowed, or were determined unrelated to the conferences.
- \$ 10,666 Unnecessary costs associated with pre-conference planning site survey trips by VA employees incurred before the CoS authorized the conferences.
- \$ 2,086 A second unnecessary site visit to the Marriott by some members of the VA planning committee.
- \$ 37,489 Questionable travel-related expenses such as reimbursements for 169 VA employees (about 85 per conference) arriving early or staying late, especially when VA contracted for these support services.
- \$ 43,018 Questionable awards paid to VA staff for their roles in the management of these conferences, in light of the mismanagement and lack of professional care exercised in controlling and tracking conference-related costs.

More than a year after the conferences, VA was unable to provide an accurate and complete accounting of costs associated with these conferences. VA's estimates of the conference expenditures changed multiple times during the course of our administrative investigation. We identified serious management weaknesses that affected VA's ability to accurately account for conference costs and determined VALU does not have effective accounting practices that allow it to budget, manage, and track costs associated with a specific conference event. Further, we identified significant expenditures authorized by VA staff lacking authority to make the purchases, resulting in unauthorized commitments. Essentially, these expenditures represent unauthorized commitments as defined by the Federal Acquisition Regulation and require ratification actions if deemed appropriate.

We concluded a breakdown of accountability occurred for conference spending, and VA lacked transparency regarding whether it paid reasonable prices for the services rendered. The transparency was lacking for what VA purchased and paid. For example, one of the primary vendors, SRA, bundled invoice expenses, comingled conference expenses with other unrelated

conference expenditures, and did not provide appropriate support to demonstrate that its staff had actually incurred some of the expenses.

Conference planners relied heavily upon the use of IAs managed by the OPM. In fact, VA paid SRA almost \$2.8 million under these agreements. Neither OPM nor this vendor provided a complete list of the invoices paid by VA. SRA did not present invoices in sufficient detail to match expenditures to specific task orders. We identified \$85,000 in IA service fees that VA paid to OPM related to four IAs VA used to support the HR conferences.

We concluded that VA senior leadership, to include Mr. John U. Sepúlveda, Assistant Secretary for HR&A; Ms. Alice Muellerweiss, Dean of VALU; and Ms. Tonya Deanes, DAS for the OHRM, failed to provide proper oversight in the planning and execution of the two 2011 HR&A-sponsored training conferences held in Orlando, FL. This lack of proper oversight resulted in imprudent expenditures by senior employees, conference planners, and other HR&A employees. We substantiated that HR&A employees improperly accepted gifts from contractors seeking to do business or already doing business with VA. Prior to approving the proposal to hold the conferences, the CoS did not make sufficient inquiries concerning the details of the intended expenditures for the conferences.

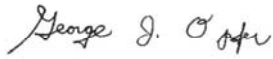
We also found that Mr. Sepúlveda made a false statement to OIG when he denied having viewed the video featuring an actor portraying General George S. Patton prior to the July 2011 conference. Further, we found that [REDACTED] inappropriately communicated with a Marriott representative and asked for a personal favor to enrich his and his family's stay at the Marriott during the conference. The Department of Justice declined to accept the matter of Mr. Sepúlveda's alleged statement for prosecution. [REDACTED]

We did not investigate, nor will we discuss, the appropriateness or relevance of the HR training provided at the two conferences because our review established that VA offered legitimate, substantive training courses at the conferences. It was beyond the scope of this review to assess the merits and effectiveness of the training curriculum and to determine whether VA's decision to deliver the training in the format of these two large conferences was appropriate. The conference agendas are attached at Appendices F and G.

Sound conference management practices offer a broad range of opportunities to conduct official business in an economical manner. Some expenses, such as participant travel, are generally controlled via the Federal Travel Regulations, including the requirement for participants to use standardized reimbursement rates for per diem, meals, and incidentals. Other conference support expenses, such as audiovisual services; catering; and the costs associated with reliance on contractors to provide support for activities, such as planning, registration, and speakers, can and should be tightly controlled to ensure adequate reporting of the dollars spent and that the program objectives are accomplished in the most economical manner.

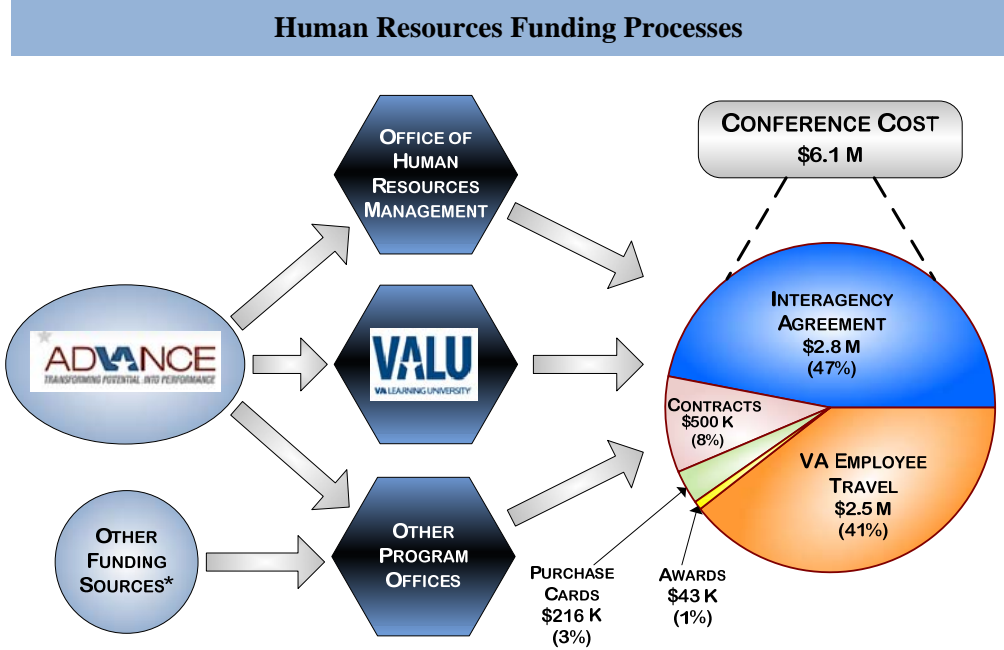
Overall, the management of these more controllable conference support activities and costs were the most significant areas whereby VA failed to provide effective oversight and where staff lacking an appropriate level of supervision made poor decisions that demonstrated a lack of

prudence and concern for controlling expenses. The issues described in this report and the lack of processes needed to control and track expenditures negatively affected the results of these HR conferences. As VA moves forward, this report should serve as lessons learned that all VA management officials and staff share responsibility and accountability for meeting program objectives in an economical manner and reflect proper fiscal stewardship of taxpayer funds.



GEORGE J. OPFER
Inspector General

Figure 1



Source: *OIG Analysis*

* We have not been able to identify all of the other funding sources related to the HR conferences. The amounts in the pie chart are rounded for presentation purposes.

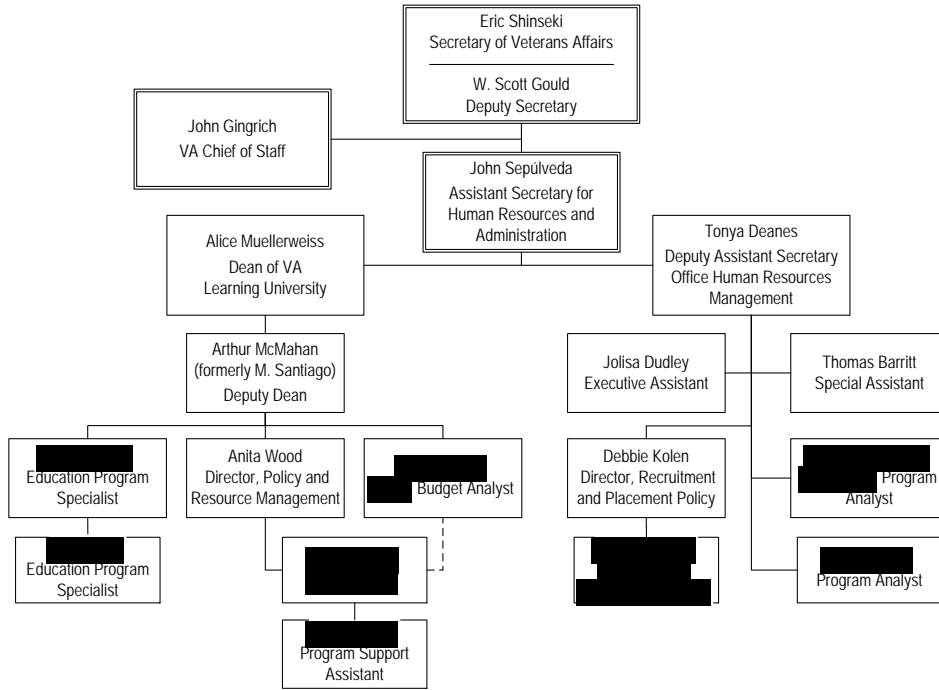
The majority of conference-related spending, including travel costs, used ADVANCE funds. ADVANCE funding for FY 2011 was about \$288.6 million. The program's budget is made up of interdepartmental fund transfers from each VA administration and several staff offices. The Veterans Health Administration (VHA), VA's largest administration and ADVANCE's largest contributor, provided about \$271.3 million (94 percent) of the total budget funding ADVANCE and VA's Corporate Senior Executive Management Office for this same year.

VHA funded ADVANCE in FY 2011 with \$141.7 million from its Medical Services appropriation, \$114.8 million from its Medical Support and Compliance appropriation, and \$14.8 million from its Medical Facilities appropriation.

Figure 2 outlines the organizational relationships involved with the actions discussed in this report.

Figure 2

Key Stakeholders' Roles in the VA Organization



Source: VA Organization Chart (excerpt)

Timeline of Significant Actions

On December 8, 2010, Mr. Sepúlveda sent a memorandum with the subject line of “Proposed Human Resources Professional Training Conference” to VA’s Chief of Staff (CoS) requesting authorization to “hold three training conferences in the third and fourth quarters of the fiscal year 2011 for HR professionals throughout the Department of Veterans Affairs.” The memorandum stated that the proposed dates were May, June, July, or August 2011; more than 3,000 HR professionals were to be trained; the location was to be determined; and the estimated costs were \$8 million (\$4 million for “travel/per diem” and \$4 million for the “conference[s]”). Mr. Sepúlveda further stated, “Our planning committee is pursuing all efforts to constrain and control costs.” Records reflected that the CoS signed with his authorization on December 20, 2010.

June 2011

A Service Level Agreement (SLA) was established to formalize the understanding among HR&A, VALU, and OHRM “to obtain VALU funding for specifically authorized FY 2011 training events, courses, and certification in support of its FY 2011 professional training conferences.” On

June 6, 2011, this agreement between VALU and OHRM, signed only by Ms. Muellerweiss on behalf of VALU, reflected that the SLA was missing Ms. Deanes' signature on behalf of OHRM. The SLA reflected that the funding for the agreement was available through the HR&A "Human Capital Investment Plan (HCIP) reimbursable authority provided by Office of Management and Budget (OMB) for General Operating Expenses (GOE)." It further stated that the total funding "shall not exceed ... a total estimate of \$9,300,846.00."

*July and
August 2011*

In July and August 2011, OHRM and VALU, two organizations within HR&A, held two conferences in Orlando, FL, to provide training to just over 1,800 HR professionals, according to VA. Ms. Dudley and Mr. Barritt told us that Mr. Sepúlveda wanted these to be "signature events," and Mr. Sepúlveda told us these conferences were "an opportunity for HR, as a community to have a signature event ... to have HR come together in a positive way." Oversight for the planning and execution of the two conferences fell under the directorates of Ms. Deanes and Ms. Muellerweiss. In December 2010, before the CoS authorized the conferences, OHRM and VALU employees conducted pre-selection visits to Dallas, TX; Nashville, TN; and Orlando, FL, to find an appropriate conference location. In March 2011, they conducted a second visit to the Orlando World Center Marriott (Marriott), the site selected to host the conference and one of the sites visited in December 2010. Several of these employees were also members of the technical evaluation team, which evaluated the proposals submitted by hotels responding to VA's solicitation. The two conferences were held in July and August 2011.

September 2011

On September 16, 2011, VALU issued an evaluation report titled *VA Human Resources 2011 Conference Evaluation Report*, which stated that the VA HR 2011 Conferences were:

... designed to promote and enhance HR programs within the VA. This transformative mission permeated the conference through its theme, 'One HR: Innovative Solutions for a Strategic Workforce.' The conference provided 1,829 VA HR professionals from all branches of VA with current information on Federal HR laws, regulations, and related issues, as well as personal and professional development opportunities.

The evaluation report concluded "the 2011 HR conferences were successful. The stated objectives of the conference were met and participants were satisfied with both the content and presentation of course material."

April 2012

In an April 25, 2012, memorandum to the CoS, Ms. Deanes reported that the "overall costs for the conference was approximately \$5.1 million," but a spreadsheet she provided us reflected that the total costs were just over \$4.7 million. However, since the conferences occurred, VA continues to provide varying estimates for the total costs incurred.

**Personnel
With
Conference
Responsibilities**

VA personnel and decision makers in these two HR training conferences:

- ***Mr. John U. Sepúlveda, Presidential Appointment With Senate Confirmation (PAS), Assistant Secretary for HR&A***

The U.S. Senate confirmed Mr. Sepúlveda as the VA Assistant Secretary for HR&A in May 2009. As Assistant Secretary and VA's Chief Human Capital Officer, Mr. Sepúlveda serves as principal advisor to the Secretary, his executive staff, and the Department's HR managers and practitioners on matters pertaining to HR, labor-management relations, diversity management and equal employment opportunity, resolution management, employee health and safety, workers' compensation, and Central Office administration.

- ***Ms. Tonya Deanes, SES, DAS for OHRM***

Ms. Deanes began her VA career in February 2008 as a Senior Executive Service (SES) appointment as Associate Deputy Assistant Secretary (DAS) for OHRM, and in January 2010, she was reassigned into her current position. As the DAS for OHRM, Ms. Deanes serves as the principal advisor to the Assistant Secretary for HR&A and other key officials within VA on matters pertaining to VA's human resources management programs, practices, applicable laws, and regulations. Ms. Deanes has over 20 years experience serving in the human resources field, including leadership positions in both the executive and judicial branches of the Government.

- ***Mr. Thomas Barritt, GS-15, Special Assistant to the DAS for OHRM***

Mr. Barritt began his VA career in April 1990 as an Employee Relations and Development Specialist (GS-9), and he was eventually promoted into a Supervisory Program Analyst (GS-15) position. In July 2008, he was reassigned into his current position. Email records reflected that from 2006 through 2009, Mr. Barritt also worked as a university professor teaching graduate-level courses in ethics.

- ***Ms. Jolisa Dudley, GS-15, Executive Assistant to the DAS for OHRM***

Ms. Dudley began her VA career in September 2008 in her current position.

- ***[REDACTED] Program Analyst, OHRM***

- ***Ms. Alice Muellerweiss, SES, Dean of VALU***

Ms. Muellerweiss began her VA career in June 2008 as an SES appointment as the Associate DAS for HR Career Development within the Office of Information Technology, and in January 2010, she was reassigned into her current position. Prior to her SES appointment at VA,

Ms. Muellerweiss served in the U.S. Army in both active-duty military and Federal civilian positions.

As Dean of VALU, Ms. Muellerweiss has the overall responsibility for ensuring that VA provides its employees with the full range of training and educational experiences required to perform their duties competently and efficiently. She assists the heads of major VA components, including the Under Secretaries, Assistant Secretaries, and Staff Office Directors with their training needs. These training needs include the development of appropriate training curricula, allocation of resources by training priority, aligning training efforts with strategic business plans, and evaluating the effectiveness of training in improving performance on the job.

- ***Dr. Arthur McMahan, Ph.D., GS-15, Deputy Dean of VALU***
Dr. McMahan began his VA career in July 2010 as the Director, Program Development and Evaluation (GS-15), VALU. In April 2011, he was named acting Deputy Dean and was permanently appointed by reassignment to that position in June 2011.

- [REDACTED] ***Education Program Specialist,*** [REDACTED]
[REDACTED]

- [REDACTED]
[REDACTED]

[REDACTED]

- [REDACTED]¹ [REDACTED]
- [REDACTED] *Program Support Assistant*, [REDACTED]
 - **Mr. John R. Gingrich, Non-Career SES, CoS**
Mr. Gingrich was appointed under a provisional SES limited-term appointment to the position of CoS in January 2009 and was converted to an SES non-career appointment in February 2009.

Ethics Training

Prior to the events discussed in this report, Mr. Gingrich, Mr. Sepúlveda, Ms. Muellerweiss, and Ms. Deanes took annual in-person ethics training in connection with their requirement to file public financial disclosure reports each year. In addition, Dr. McMahan, [REDACTED] Mr. Barritt, [REDACTED] and [REDACTED] took ethics training; however, [REDACTED] and Ms. Dudley did not.

[REDACTED] Ms. Dudley, and [REDACTED] signed a *Mandatory Ethics Material and Orientation for New Employees* form. They acknowledged receipt of a 20-page *Ethics Pamphlet for Executive Branch Employees* produced by the Office of Government Ethics, a copy of the *Standards of Ethical Conduct for Employees of the Executive Branch*, and an Ethics Point of Contact Listing. Each acknowledged their requirement to attend a mandatory 1-hour Ethics Orientation follow-up session.

Contracting Certifications

In connection with their role as members of the technical evaluation team, [REDACTED] Ms. Dudley, Mr. Barritt, and [REDACTED] signed a *Conflicts [sic] of Interest* certificate, certifying that they were “not aware of any matter which might reduce my ability to participate on the above referenced Technical Evaluation Team, proceed in any activities in an objective and unbiased manner, or which might place me in a position of conflict, real or apparent, between my responsibilities as a member of the Team and other interests.”

All of the employees above signed a *Confidentiality Certificate*, certifying that they would “not disclose, except pursuant to the order of a court of competent jurisdiction, any information either during the proceeding of the technical evaluation or at any subsequent time, any information concerning the evaluations, to anyone who is not also authorized access to the information by law or regulation, and then only to the extent that such information is required in connection with such person’s official

¹ The term Contracting Officer’s Representative (COR) has replaced the term Contracting Officer’s Technical Representative (COTR).

responsibilities.” They further certified that they would “report to the Chairperson of the Technical Evaluation Team any communication concerning the acquisition or the Technical Evaluation Team’s composition and activities directed to them from any source outside the Board.”

RESULTS AND RECOMMENDATIONS

Issue 1 VA Leadership Failed To Provide Proper Oversight

VA policy states that the public interest requires the maintenance of high standards of employee integrity, conduct, effectiveness, and service to the public, and when such standards are not met, it is essential that prompt and just corrective action be taken. The policy of VA is to maintain standards of conduct and efficiency that will promote the best interests of the service.²

OHRM Responsibilities

Mr. Sepúlveda provides direction and oversight to seven major program areas headed by DASs: Administration, OHRM, Diversity and Inclusion, Resolution Management, Labor-Management Relations, Corporate Senior Executive Management Office, and the Dean of VALU. With the assistance of these officials, the Assistant Secretary is responsible for directing both policy and operational functions in these program areas.³

Two VA executive core qualifications for members of the SES are Leading People and Business Acumen. VA policy states that Leading People is the “ability to design and implement strategies which maximize employee potential and foster high ethical standards in meeting the organization’s vision, mission, and goals.”⁴ Business Acumen is the “ability to acquire and administer human, financial, material, and information resources in a manner which instills public trust and accomplishes the organization’s mission, and to use new technology to enhance decision making.”⁵

HR&A SES performance plans include as critical elements the requirement for career senior executives to establish new and maintain current cooperative and constructive relationships. In addition, elements address partnerships, networks, and alliances that facilitate the delivery of care and service to veterans and to increase teamwork and improve communications within HR&A and across functional lines.⁶

Concept for Training Conferences

Mr. Sepúlveda told us that Ms. Deanes and members of her OHRM staff first approached him in October 2010 with a concept for the conferences. They presented him with data they obtained from competency assessments of VA’s HR professionals from across the country showing a critical need for training. Mr. Sepúlveda said he agreed with a need for the training, and he sought and obtained authorization from VA’s CoS to hold the conferences.

² VA Handbook 5021/3, Part I, Chapter 1, Paragraph 3(a), June 1, 2005.

³ VA Organizational Briefing Book, June 2010.

⁴ VA Handbook 5027, Part III, Appendix A, April 15, 2002.

⁵ VA Handbook 5027, Part III, Appendix A, April 15, 2002.

⁶ Performance Plans: Muellerweiss and Deanes, FY 2011.

Mr. Sepúlveda said:

As I said before, I never get involved in these training conferences. Even if I wanted to, I wouldn't, because again, it's improper for a political appointee to get to that level of detail. In previous administrations, we had political appointees getting involved in that kind of detail, and it's never worked out well. So I never do. There's no value added from my perspective for me to get involved, and I think it's inappropriate.

When asked to explain his comments to ensure they were understood in the proper context, Mr. Sepúlveda said,

Well, the way I meant it is that because I am a Presidential appointee, Senate confirmed, I have to assume a higher standard of ethics and conduct, which means, of course, that one area where you've got to be really careful about is that at no point should anyone see you directly or indirectly involved or influencing the selection of a contractor, or contract, or negotiating a specific venue for some event. You just shouldn't do that.

We questioned whether this justified him not asking questions about “money.” Mr. Sepúlveda said that he could not recollect specific conversations with Ms. Deanes and her staff during their presentations and said,

... my standard is always to ask questions about money and how much, and do we have money, and so forth. Those are what I would call the standard questions. That doesn't mean I just sit there and people make their presentations and I'm completely silent. Of course not. I would ask those questions.

Mr. Sepúlveda also said:

I have an organization that's close to 600 employees. I have a budget of over \$400 million. I have programs and responsibilities that are extensive ... I wear multiple hats. I'm the Chief Human Capital Officer. I'm also the Designated Safety Officer for the Department, the EEO (Equal Employment Opportunity) officer for the department ... so I never get involved, because I can't. Even if I wanted to, I couldn't.

Mr. Sepúlveda told us that he did not recall Ms. Muellerweiss attending any conference briefing he received or speaking with her about the conferences. He said that Ms. Deanes, Ms. Dudley, and Mr. Barritt would be there. He recalled that Ms. Deanes, in passing, mentioned the HR conference and telling him, “It's going well, sir. We've lined up speakers, and we've been contacting HR offices, and they're excited, and that kind of conversation.”

Further, he said he relied on his career senior executives—Ms. Deanes, who led the hosting organization, OHRM, and Ms. Muellerweiss, who led VALU—to run their respective organizations and handle all the details. We found no evidence that Mr. Sepúlveda ever paid attention to the details of this conference, including the costs. In fact, there is no evidence that the three, Mr. Sepúlveda, Ms. Deanes, and Ms. Muellerweiss, ever met together to discuss the conferences. Despite Mr. Sepúlveda's statement in his memorandum to the CoS that “Our planning committee is pursuing all efforts to constrain and control conference costs,” he was not involved in these details.

**VALU
Oversight**

Ms. Muellerweiss told us that she managed “16 different conferences ... going out the door every day.” In general terms, she acknowledged she was “familiar” with the 2011 HR conferences and knew her staff worked with the planning committee. She said she believed there was an SLA signed by her and Ms. Deanes that defined the roles and responsibilities of VALU and OHRM and identified how the conferences were funded. However, Ms. Muellerweiss said she did not “get involved with the details of planning the conference.” She said Dr. McMahan, her subordinate, oversaw the event planning for the conferences. Other than having a general knowledge that the conferences took place and that some of her staff were involved, Ms. Muellerweiss said she did not know of any specific details with regard to what her staff did or who authorized the expenditure of funds during the conference planning.

Ms. Muellerweiss’ 2011 annual SES Performance Plan contains an organizational performance goal to “[d]evelop and execute the Department’s Human Capital Investment Plan (HCIP).” In Ms. Muellerweiss’ 2011 Performance Plan, this goal is one of eight organizational performance goals that together comprise 60 percent of her overall performance rating. To be fully successful in meeting this HCIP funding goal, the plan provides the following performance measure: “[a]llocate 80% of HCIP training dollars for execution in FY 2011.” None of the other performance measures in Ms. Muellerweiss’ plan address conserving, reducing, or monitoring these HCIP training dollars.

VA stated in its 2011 congressional budget submission that “\$284.1 million will be used to continue the Human Capital Investment Plan initiatives begun in 2010.”⁷ Therefore, VA expected Ms. Muellerweiss would allocate at least \$227.3 million in HCIP for execution during 2011. Without any countervailing measure promoting prudence, her performance plan encouraged only spending of HCIP funds. HCIP funds were used for the HR conferences.

*“Allocate,
Obligate, and
Expend Entire
HCIP Budget...”*

Ms. Muellerweiss’ performance measure regarding spending HCIP funds appears directly derived from Assistant Secretary Sepúlveda’s own performance goals and measures. As a Presidential appointee, Mr. Sepúlveda does not have a performance plan and rating similar to an SES employee. However, Mr. Sepúlveda’s Transformation Leadership Performance Contract for FY 2011, dated July 18, 2011, and issued by the Deputy Secretary as Mr. Sepúlveda’s reviewing official, contains the following as the second of 12 performance measures: **“Performance Measure: Allocate, obligate, and expend entire HCIP budget by end of FY 2011.”**

⁷ VA 2011 Congressional Submission, p. 5F-1.

In a document we received from the Deputy Secretary's office entitled "FY 2011 Accomplishments" for Mr. Sepúlveda, the first accomplishment listed is under Program Management and states, "HCIP executed 100% of its budget to meet internal demands that ultimately improved services to our nation's Veterans." Under training, the accomplishments also stated "[I]nvested \$300M in VA's employees in FY11" and "[e]xecuted ADVANCE training of more than 146,000 VA professionals." Overall, in Mr. Sepúlveda's measures, one was spending the money to train the annual target number (135,000) without any specific accountability check on monitoring or avoiding unnecessary expenditures for such training.

Dr. McMahan told us that he did not know how much money VALU spent on the 2011 HR conferences, but that it would be documented in the SLA between Ms. Muellerweiss and Ms. Deanes. He said he reviewed and initialed the original draft of the SLA, but he never saw a copy signed by both Ms. Muellerweiss and Ms. Deanes. The SLA for the 2011 Orlando, FL, HR conferences was only signed by Ms. Muellerweiss.

Dr. McMahan also told us that many of his subordinates were on the planning team for the conferences and that as a primary instructor for the conferences, he taught a three-class course block for both the July and August sessions. However, he said that he had no decision-making authority when it came to issues involving the planning of the conferences. He said he focused more on the course curriculum he developed.

Dr. McMahan said he attended one or two conference planning sessions and was only generally aware of the details that were being planned. He said that he did not have a greater involvement because he had a GS-14 subordinate managing the details. He said he had overall supervisory responsibilities of his subordinates but "not down to the particulars of what was happening."

Dr. McMahan further told us that he did not have a role in the budget process for the conferences nor did he know how much money was involved. He said that Ms. Anita Wood, former Director, Policy and Resource Management, VALU, at the early stages of the planning process was not in his chain of command, but later in April 2011 became his subordinate. Ms. Wood was responsible for tracking VALU's budget for the conferences.⁸ Dr. McMahan told us that Ms. Wood maintained VALU's budget for Ms. Muellerweiss and that although he was "in the middle," or second in charge, Ms. Muellerweiss "handled the financials, overall financials in concert with our resource manager [Ms. Wood]."

Describing his responsibilities, Dr. McMahan said,

My job really is to sort of keep the herd together during the day, make sure everybody is on task and those types of things. That's really what I do. That's

⁸ Ms. Wood left VA in May 2012.

what she [Muellerweiss] hired me for, to be that guy, because she didn't have the bandwidth to do all that herself.

He also said, "There's no question that I was [Ms. Wood's] supervisor, but I'm telling you her work, a great deal of her work went directly between her and [Ms. Muellerweiss]. I did not, that was not my responsibility, and I did not track all those things."

Dr. McMahan also said that Ms. Wood supervised [REDACTED] [REDACTED] event planner for the conferences, and she was responsible for overseeing his activities, to include his use of his VA purchase card with a \$100,000 purchasing limit. Dr. McMahan said that whenever [REDACTED] was asked to purchase something, he should have first obtained Ms. Wood's permission, before making the purchase. However, he said that he could not say with certainty that this occurred.

Ms. Wood told us that [REDACTED] did not come to her for authorization each time he made a purchase using his VA purchase card because she said he was acting as a contracting specialist (contracting officer) and had the authority to make those decisions on his own.

Ms. Wood told us that during her tenure at VA, she was responsible for the coordination of training policies, training budget, training travel, facilities management, and event planning. She said she had 17 employees reporting directly to her. In 2010 she arranged for her office to receive "financial ethics" training and most, but not all, of her subordinates took the training. She said she was not aware of any VA policy that required her staff to take ethics training, but it was something she arranged on her own. She said she could not remember whether [REDACTED] or anyone else, specifically, attended the training, but believed most did. She further said ethics training was made available to her subordinates, but she could not say for sure whether they had a full understanding of Government ethics requirements. She also said her subordinates with contracting warrants went through a significant amount of training, which provided them with an understanding of the ethical requirements involved.

Ms. Wood told us she "didn't get involved with a lot of what the event planners did on the ground" with regard to the event planning activities for the 2011 HR conferences. She said, in her opinion as a VALU employee, the OHRM program managers were responsible for "bringing all the players together and all the pieces together to make that particular training event execute well." Ms. Wood said,

... they had several 15s that were physically brought over from [O]HRM office and physically sat over in the VA Learning University space. And their focus, those two 15s [Mr. Barritt and Ms. Dudley], their primary focus, was to work on the HR conferences.

Ms. Wood said that once an event was authorized, the event planner was "attached directly to the program manager to run that event."

Furthermore, as will be discussed in more detail below, we discovered that [REDACTED] did not have a contracting warrant. We determined that everyone in [REDACTED]'s supervisory chain at VALU—Ms. Muellerweiss, Dr. McMahan, and Ms. Wood—assumed that [REDACTED] had a warrant, but they never verified that he had a valid warrant before allowing him to act as a contracting officer.

**OHRM
Oversight**

Ms. Deanes told us OHRM hosted the 2011 HR conferences and she oversaw the entire conference initiative. She said OHRM last held a training conference in 2009 for about 600 HR professionals throughout VA, and it was her understanding that it had been OHRM's practice, prior to her becoming the DAS, to hold these types of training conferences every other year.

Ms. Deanes told us that she never held a conference before and relied on the expertise of event planning staff from VALU. When asked about the SLA between OHRM and VALU for the 2011 HR conferences, Ms. Deanes told us that she had never signed, or even received, any such agreement. She further told us that on February 11, 2011, she received an email from Ms. Muellerweiss stating,

*I just had an IPR [interim progress report] on Career Technical Training (SRA) and was alerted that [the] HR conference[s] are not on their management plan. I was surprised as I thought our team was working the HR conferences. [REDACTED] has been attending the committee meetings and **no decisions are being made.** Out of good faith, SRA accompanied [REDACTED] to the last meeting and from their perspective we are behind. VALU can assist similarly as we did with the Finance conference]....all a huge success. SRA led the entire conference – met with the conference committee, acquired venue, assisted with agenda[,] etc. They are like the wedding planner – **right now I am concerned we may have only a justice of the peace wedding. We are ready to engage – we have the funds and can execute as soon as you give a thumbs up.** (Emphasis added.)*

Ms. Deanes told us that she met with Ms. Muellerweiss and Ms. Mary Santiago, who at the time was the Deputy Dean of VALU. Ms. Deanes said that at the meeting “it was made very clear that VALU would have a significant role. My primary role was to set the agenda (since I knew what the HR needs were).” However, Ms. Deanes said that soon afterwards, Ms. Santiago was reassigned to a different office and that Dr. McMahan became the Deputy Dean. She said that to her knowledge, Dr. McMahan and his subordinate, Ms. Wood, ultimately were the managers from VALU who provided the event planning expertise. Ms. Deanes said, and email records confirm, that, shortly after these events, in March 2011, she informally detailed Ms. Dudley and Mr. Barritt to the VALU office to work closely with the event planning staff.

Ms. Deanes said that on or about February 18, 2011, she met with Dr. McMahan and Ms. Wood to discuss planning the 2011 conferences, and that during their meeting, they agreed that “VALU would be responsible for the contracts with the hotel, refreshments, travel costs for all participants,

instructor expenditures, and costs for video and photo services[,]" and that "VALU also assert[ed] responsibility to take the role of the contracting officer representative, identify instructors, select the photographer and videographer, and lead the logistical coordination on-site at the hotel with support from OHRM for this singular tasking." She further said,

...OHRM would have responsibility for assessing training needs (which had already been completed at the time of the meeting), establishing the training agenda, determining course content, identifying speakers for plenary sessions, developing and administering conference evaluations, coordinating any special activities such as the before and after-hour activities, keeping conference participants apprised of key information such as the specific location and dates of the conferences, and coordinating exhibit booths. OHRM will also purchase the promotional items and pay for the expenses associated with plenary speakers that the VALU contract did not cover. Both VALU and OHRM had responsibility to select the site and participate in the technical evaluation. I was aware that VALU performed market research for the potential venue; however I was not aware that anyone other than Mr. Barritt and Ms. Dudley participated in site visits. I certainly was not aware that six individuals from OHRM and VALU visited one or more sites.

Ms. Deanes said Mr. Barritt and Ms. Dudley reported to her; however, she said she gave them "a lot of authority" to take care of the details. She said they would inform her of their progress, and towards the end of the planning stage, they had weekly meetings, where if she needed to make a decision, they would let her know at that time. Ms. Deanes said that the types of issues brought to her for decisions involved brochures, name badges, and other materials needed for the conference.

Mr. Barritt and Ms. Dudley, as the co-chairs of the conference planning committee, had day-to-day decision-making responsibilities, to include knowing about the cost implications of their planning decisions and making sure Ms. Deanes was fully informed. For example, they recommended the venue that was ultimately selected for the conferences and decided which VA employees were assigned the upgraded rooms at the conferences. Mr. Barritt testified that he

... just kind of oversee or oversaw the overall planning for it, making sure that the courses were all established, that we had a location for it that could handle what we wanted to do, getting down into the weeds of who we were going to get to come to the conferences, making sure that we had a registration site that was established, those types of things.

General Patton Parody Videos

The conference program included some introductory remarks by an actor portraying General George S. Patton that was intended to be motivational and humorous. On the first 2 days of the conference, these remarks were delivered by video. On the third day, the actor appeared in person at the conference as General Patton. In addition to the General Patton comments against the backdrop of a large American flag reminiscent of the motion picture *Patton*, the videos contained clips interspersed with VA employees and veterans emphasizing the VA and its mission. The videos lasted approximately 9 minutes each and cost VA \$49,516 to produce. Each video

was shown once at each conference, and to our knowledge, was never reused. While we did not assess the value of the content of the General Patton segments of the videos, we raised this issue because we considered the cost a wasteful expenditure.

Ms. Deanes said she relied upon the VALU staff, as the experts in event planning, to let her know if costs were not appropriate and was never told they were inappropriate. However, she acknowledged that she did not follow up with the staff to ask certain costs. As an example, Ms. Deanes told us that she never realized there were costs associated with the production of the Patton parody videos because she was told they were being produced internally by the VHA's Employee Education System (EES).

She said previously EES had produced training videos for her at no charge, and when she learned they would be producing the Patton parody video, she did not think there would be a cost associated with its production since EES was a part of VA. Ms. Deanes said she was unaware that EES obtained the services of an outside contractor to produce the video and held VALU staff responsible for the costs associated with the production of the Patton parody videos. However, she said the actor who portrayed General Patton was considered the same as a speaker for the plenary sessions, and she was aware of the costs associated with his in-person appearances for those events.

██████████ and ██████████, Education Program Specialist ██████████, both VALU employees, were the only two persons who we could verify who knew there were going to be additional costs associated with the production of the Patton parody videos. ██████████ knew the exact amount because he paid for the videos after EES gave him the invoices. ██████████ knew there would be a cost based on her email communications with the EES producer, but since she told the producer to send the invoices directly to ██████████ for payment, she may not have ever known the amount. We have no evidence either ██████████ or ██████████ informed anyone in OHRM of the additional costs of the Patton parody videos.

Ms. Deanes said she authorized the overall concept of the Patton parody videos, which included veterans' testimonials. However, she said that it was only after the fact that she learned the videos, including the General Patton and veteran's segments, cost \$49,516. She said in December 2011, planning began for a new HR Academy training initiative called "Boot Camp," which was being developed for new HR professionals. She said the "Boot Camp" was scheduled to launch in early FY 2013 and would include the Patton parody videos.

As an illustration of the lack of concern or awareness of the true costs of the HR conferences, Mr. Barritt gave the following answer when asked if Assistant Secretary Sepúlveda was aware of the cost of the Patton parody videos,

No. No. No, I'm sure he was not, and I'm not sure if Ms. Deanes was aware of a cost of \$52,000.⁹ I think what she was aware of, that the cost of this was being borne by, by EES, under a contract that was already in place and that's where the cost was going to be borne, not that it was going to be costing the conference per se.

**Sepúlveda
False
Statement**

Mr. Sepúlveda denied having any involvement with the Patton parody videos and said that the first time he became aware that the video existed was on the first day of the conference held in July 2011, when it was presented to him and the other conference attendees. When asked, if he had seen the video prior to the first day of the conference, Mr. Sepúlveda stated he had not. When asked "If someone told us you had seen it before then, they would not be correct?" Mr. Sepúlveda replied, "They would not be correct, because I didn't see it until then." When asked again, "That was the first time you saw it?" Mr. Sepúlveda said, "The first time I saw it, it was that Monday when he came out ... If somebody says that I saw videos ahead of time, no, I did not. I didn't even know there was going to be a Patton video."

However, several individuals testified that Mr. Sepúlveda in fact viewed the videos before the conferences took place. Ms. Deanes told us that Mr. Sepúlveda knew about the General Patton video and was provided a preview of it before the conference. Ms. Dudley told us that Mr. Sepúlveda saw the video during the conference planning stage to ensure that he agreed with the concept. Mr. Barritt said that Mr. Sepúlveda thought the video "was good." And finally, ██████████ told us that he played the videos for Mr. Sepúlveda in the HR&A conference room at the VA Central Office, room 201, several days before the conference and that Mr. Sepúlveda requested some minor changes he wanted made to the videos, such as a misspelled name and another individual's cited military service. ██████████ said that Mr. Sepúlveda watched the first video in its entirety and believed he watched the second video in its entirety.

Federal law states that whoever, in any matter within the jurisdiction of the executive, legislative, or judicial branch of the Government of the United States, knowingly and willfully makes any materially false, fictitious, or fraudulent statement or representation shall be fined under this title, imprisoned not more than 5 years.¹⁰ VA regulations state that employees will furnish information and testify freely and honestly in cases respecting employment and disciplinary matters and that concealment of material facts or willfully inaccurate testimony in connection with an investigation may be grounds for disciplinary action.¹¹ The Department of Justice declined to accept this matter for prosecution. After the draft report was issued, Mr. Sepúlveda, provided an affidavit to VA senior management (For more information see Appendix E).

⁹ At the time of the interview, initial estimates for the Patton parody videos were approximately \$52,000.

¹⁰ 18 USC § 1001(a)(2).

¹¹ 38 CFR § 0.735-12(b).

**Promotional
Items
Purchased for
Conference
Attendees**

Email records reflected that before Ms. Deanes authorized the purchase of the promotional items, she asked Ms. Dudley, co-chair of the Planning Committee, to provide her with cost data of promotional items purchased for the 2009 conference and directed that the items being considered for purchase be vetted through the VA Office of General Counsel (OGC) to ensure that purchasing them was appropriate and permissible.

However, ██████████ assigned the responsibility of obtaining and vetting the promotional items through OGC, failed to inform OHRM managers, including Ms. Deanes, that an OGC attorney, whom ██████████ was told was an appropriations expert, opined that the purchase of certain items being considered would not be permissible under VA policy.

██████████ not only failed to disclose this critical information to Ms. Deanes, although she knew Ms. Deanes was in the process of deciding on whether to approve the purchase of the promotional items, she also failed to disclose this information to Office of Inspector General (OIG) investigators during her initial interview with OIG. ██████████ later told us that not disclosing what the OGC attorney advised was an unintentional oversight on her part. However, ██████████ had several opportunities to disclose the advice but failed to do so. Standards of Ethical Conduct for Employees of the Executive Branch require that employees put forth an honest effort in the performance of their duties and endeavor to avoid any actions creating the appearance that they are violating the law or ethical standards.¹²

Ms. Deanes told us that she learned for the first time on August 21, 2012, that ██████████ failed to disclose information from the OGC attorney regarding which items were permissible and which were not. She further said, "There is no way that I would have given the OK to purchase the items if I had been aware of this information."

We noted that in 2010, ██████████ was a subject in another OIG investigation. In that case, we substantiated that a former HR&A senior executive who had a pre-existing working relationship with ██████████ husband, unlawfully hired ██████████ into her current position as a ██████████ and then inappropriately gave her a higher than entry-level starting salary. In addition, we further concluded and reported to VA that ██████████ misrepresented information in her VA employment application and supporting documentation regarding her past income, which she used to justify a higher starting salary.

Furthermore, we reported that ██████████ intentionally made material false statements to OIG investigators while under oath. This matter is discussed in

¹² 5 CFR § 2635.101.

the OIG report *Administrative Investigation-Prohibited Personnel Practices, Abuse of Authority, Misuse of Position, and False Statements, Office of Human Resources and Administration, VA Central Office*.¹³

**Chief of Staff
Oversight**

Mr. Gingrich acknowledged that he authorized the conferences and took “full responsibility” for them. He said,

“I signed the thing authorizing the conferences. So, I should have made sure the conferences were executed better. Now, I think people should have done more prudent work. But, it’s my signature upon that page. And, I take the full responsibility. And, I should have asked, probably, harder questions than I did ... But, I also think there is a bunch of senior executives, regardless of whether they are SES or above, that have responsibilities for the execution.”

Prior to Mr. Sepúlveda submitting his request to the CoS to hold the HR conferences, guidance issued by the Executive Secretary on January 11, 2010, to all Under Secretaries, Assistant Secretaries, and other Key Officials, with the subject “Projections for Planned Conferences for FY 2011” stated, “To ensure prudent use and control of VA’s limited resources, all requests will be carefully reviewed for travel and conference costs for FY 2011.” The memorandum reiterated that any requests for conferences “involving 100 or more VA employees must be submitted to the [CoS] for approval prior to committing to any arrangements for any such conferences.” The memorandum further stated that consideration be given “to scaling back attendance requirements, conference length, combining conferences where possible, and deferring conferences that are not mission essential for FY 2011.”

On August 12, 2011, Mr. Gingrich sent a memo entitled “Fiscal Year (FY) 2012 Conferences, Training, and Related Travel” to Under Secretaries, Assistant Secretaries, and other Key Officials, that began “As has been Department policy for the last two years, we will again carefully review budgets and expenditures for conferences, training, and related travel.” The memorandum continued, “We must do everything we can to ensure tight control and prudent use of our limited resources.” Records reflect the HR conference costs were the second highest conference expenditures for FY 2011.

The memorandum that Mr. Sepúlveda submitted to Mr. Gingrich in December 2010 had minimal detail and requested authorization to train 3,000 people at a cost of \$8 million; a cost of over \$2,600 per person. In September 2012, Todd Grams, Executive in Charge for the Office of Management and the Chief Financial Officer, testified before the U.S. House Committee on Veterans’ Affairs that in a typical 2011 VA conference, approximately 80 percent of the conference expenditures were for travel; however, in Mr. Sepúlveda’s request, it was only 50 percent.

¹³ Report No. 10-00853-257, September 22, 2010.

Conclusion

We concluded that Mr. Sepúlveda abdicated his responsibilities as the Assistant Secretary when he failed to provide proper guidance and oversight to his senior executives in the operations of his organization. In particular, Mr. Sepúlveda failed to keep his commitment to Mr. Gingrich in the memorandum seeking the CoS' authorization for conferences that "our [OHRM's] planning committee is pursuing all efforts to constrain and control costs." His hands-off approach most likely contributed to a lack of communication between Ms. Muellerweiss and Ms. Deanes, resulting in a confusion of roles and a dysfunctional execution of responsibilities for the 2011 HR conferences that ultimately led to no one person really knowing who did what, or why. It is a fair inference that his efforts to distance himself from responsibility extended to making false statements under oath as to his knowledge of, and involvement in, the preparation of the Patton parody video, which has received considerable scrutiny and criticism since appearing in the press. The content and circumstances surrounding the submission of the Sepúlveda affidavit (dated September 25, 2012) do not provide any reason for OIG to change any findings in the report, and we decline to do so.

We found that Ms. Muellerweiss and Ms. Deanes were not communicating about the conferences until February 2011, when Ms. Muellerweiss expressed alarm over the conferences being behind schedule, and offered SRA's services. Further, she initiated an SLA to outline the roles and responsibilities of VALU and OHRM for their partnership in the execution of the two 2011 HR conferences; however, she failed to ensure that Ms. Deanes signed, or even received, the SLA. Without the SLA or direct communication between Ms. Muellerweiss and Ms. Deanes, there was never a clear delineation of the responsibilities of each organization.

Ms. Muellerweiss, by her own admission, knew nothing about her staff's activities involving the planning of the conferences and remained uninvolved. Her lack of participation and apparent ignorance of what was taking place within her organization was replicated two supervisory levels below her, by Dr. McMahan and Ms. Wood, respectively, and led to the inappropriate actions of a lower-grade employee going unnoticed and uncorrected. Dr. McMahan, contrary to Ms. Muellerweiss' stated expectation that he was responsible for the event planning staff, took no responsibility for any part of the conference initiative, except for the courses he taught. Likewise, Ms. Wood, contrary to Dr. McMahan's stated expectations that she was in charge of the event planning staff, took no responsibility because she mistakenly believed [REDACTED] was a warranted contracting officer capable of making independent decisions.

Consequently, the three officials whose responsibilities clearly included their own HR conferences and training funding failed to exercise those responsibilities to ensure public funds were spent appropriately and prudently. Under the principle one gets what one measures,

Ms. Muellerweiss' performance plan measure expecting spending 80 percent of HCIP funds during the year, as well as Mr. Sepúlveda's performance measure to spend 100 percent of HCIP funds without any countervailing measure for prudent spending, probably contributed to the wasteful spending on these conferences.

Ms. Deanes delegated her authority to two of her GS-15 senior employees, Mr. Barritt and Ms. Dudley, to co-lead the conference initiative only to learn later that they betrayed her confidence when they engaged in misconduct along with subordinate OHRM and VALU staff. Ms. Deanes had never before executed a conference and relied heavily on Mr. Barritt and Ms. Dudley and on VALU's expert event planners. Although Ms. Deanes, at times, attempted to exercise oversight and asked the right questions of her staff, most notably with regard to the promotional items, she did not consistently do so throughout the conference initiative.

In addition, we question Ms. Deanes' decision of naming both Mr. Barritt and Ms. Dudley as co-leaders. For an initiative as important and expensive as the HR conferences were, not having a clear line of authority most likely contributed to the dysfunctional execution of roles and responsibilities at the planning committee level. Mr. Barritt and Ms. Dudley, although in charge of the conferences and physically located within VALU space for 3 months prior to the first conference, paid no attention to spending, considering it someone else's responsibility.

We also concluded that [REDACTED] did not properly and competently exercise her duties and responsibilities when she failed to inform her leadership of OGC's legal advice that the purchase of certain promotional items was impermissible. She instead chose to leave out the parts of the advice pertaining to impermissible items which contributed to Ms. Deanes' decision to improperly purchase certain promotional items. [REDACTED] had several opportunities to provide full disclosure but failed to do so.

In addition, when initially questioned by OIG under oath about her role in the HR conferences, [REDACTED] was less than candid and failed to disclose the full legal advice she received. It was not until after being confronted by OIG with evidence of her failure to make a full disclosure that [REDACTED] acknowledged she sought the advice of an OGC attorney and then failed to forward all of that advice to her leadership. We do not accept as credible [REDACTED] assertion that her omission of the legal advice concerning the impermissible items was an unintentional oversight, as [REDACTED] knew that the legal advice she forwarded was not the full advice she received from the OGC attorney regarding the impermissible promotional items.

The CoS accepted "full responsibility" for the conferences because he authorized the conferences being held. We commend the CoS for his forthrightness and willingness to take responsibility for his actions.

However, we conclude that the CoS did not ask the right questions on the details of conference expenditures. Although Mr. Gingrich should have been able to rely upon the PAS Assistant Secretary and two SES employees who were directly responsible for conducting and funding these conferences to properly discharge their fiscal responsibilities, the high cost projected per attendee, plus the high proportion of non-travel expenses for the HR conferences, should have prompted Mr. Gingrich to ask more questions.

We did not make a recommendation regarding Ms. Wood, as she is no longer with VA.

- Recommendations**
1. We recommended the VA Secretary take the appropriate action against Mr. Sepúlveda.
 2. We recommended the VA Secretary confer with Human Resources officials outside VA Central Office's Office of Human Resources Management and attorneys in the Office of General Counsel to determine the appropriate administrative action to take against Ms. Muellerweiss and ensure that action is taken.
 3. We recommended the VA Secretary confer with Human Resources officials outside VA Central Office's Office of Human Resources Management and attorneys in the Office of General Counsel to determine the appropriate administrative action to take against Ms. Deanes and ensure that action is taken.
 4. We recommended the VA Secretary confer with Human Resources officials outside VA Central Office's Office of Human Resources Management and attorneys in the Office of General Counsel to determine the appropriate administrative action to take against Dr. McMahan and ensure that action is taken.
 5. We recommended the VA Secretary confer with Human Resources officials outside VA Central Office's Office of Human Resources Management and attorneys in the Office of General Counsel to determine the appropriate administrative action to take against Mr. Barritt and ensure that action is taken.
 6. We recommended the VA Secretary confer with Human Resources officials outside VA Central Office's Office of Human Resources Management and attorneys in the Office of General Counsel to determine the appropriate administrative action to take against Ms. Dudley and ensure that action is taken.
 7. We recommended the VA Secretary confer with Human Resources officials outside VA Central Office's Office of Human Resources Management and attorneys in the Office of General Counsel to determine the appropriate administrative action to take against [REDACTED] and ensure that action is taken.

8. We recommended the VA Secretary confer with Human Resources officials outside VA Central Office's Office of Human Resources Management and attorneys in the Office of General Counsel to determine the appropriate administrative action to take against Mr. Gingrich and ensure that action is taken.

**Agency
Comments
and OIG
Response**

The VA Secretary provided a responsive action plan to address our recommendations. Specifically,

Recommendation #1 – The Secretary accepted the Inspector General's recommendation that he take appropriate action with regard to Assistant Secretary Sepulveda. He carefully reviewed the IG's conclusions and the evidence upon which they were based. He spoke at length with Mr. Sepulveda concerning the IG's findings. The Secretary has accepted Mr. Sepulveda's resignation effective September 30, 2012.

Recommendations #2-7 – The Secretary will assign responsibility to appropriate VA officials outside the Office of Human Resource Management to review these recommendations of the Inspector General and all available evidence related to such recommendations. After consultation with human resource officials from outside VA's Office of Human Resource Management, and with the Office of General Counsel, the assigned officials shall determine what administrative action is appropriate with regard to each individual. The Inspector General will be informed of the Department's conclusions and any action taken.

Recommendation #8 – The Secretary has discussed the matter of the 2010 review of the proposal for the Human Resources Conferences with the COS. He has informed Mr. Gingrich that the policies and procedures that were in place to review and monitor the expenses of the conferences were inadequate and that he should have asked more questions when the proposal was submitted for authorization. The Secretary further directed the General Counsel to develop a comprehensive policy to address the issues identified in the IG's report.

We will monitor the Department's progress and follow up on its implementation until all proposed action are completed. We will assess the effectiveness of the new policies and procedures in our future work addressing VA conferences. Appendix D provides the full text of the VA Secretary's comments.

Issue 2 VA Employees Improperly Accepted Gifts

The following HR employees inappropriately accepted gifts from contractors seeking to do business or already doing business with VA. Table 1 lists the VA employees we identified as having accepted gifts while evaluating and/or recommending the hotels, or in connection with the conferences.

Table 1

VA Employees Inappropriately Accepted Gifts	
• Dr. Arthur McMahan, Ph.D. Deputy Dean of VALU	• Ms. Jolisa Dudley Executive Assistant to the DAS for OHRM
• [REDACTED] Education Program Specialist	• Mr. Thomas Barritt Special Assistant to the DAS for OHRM
• [REDACTED]	• [REDACTED] Program Analyst
• [REDACTED] Education Program Specialist	• [REDACTED] Program Analyst
• [REDACTED] Program Support Assistant	• [REDACTED] Human Resources Specialist
• [REDACTED] Education Program Specialist	

Federal law prohibits employees of the Executive Branch from soliciting or accepting anything of value from a person seeking official action from, doing business with the employee's employing agency or whose interests may be substantially affected by the performance or nonperformance of the employee's official duties.¹⁴ The law authorizes the U.S. Office of Government Ethics to promulgate regulations implementing this prohibition to include such reasonable exceptions as may be appropriate, provided that no gift may be accepted in return for being influenced in the performance of any official act.¹⁵ An employee who violates this section is subject to appropriate disciplinary and other remedial action in accordance with applicable laws, Executive Orders, and rules or regulations.¹⁶

The Standards of Conduct for Employees of the Executive Branch prohibit acceptance of gifts from a prohibited source or given because of an employee's official position, unless the item is excluded from the definition

¹⁴ 5 United States Code (USC) § 7353(a).

¹⁵ *Id.*, at § 7353(b)(1) and (2).

¹⁶ *Id.*, at § 7353(c).

of a gift or falls within one of the exceptions.¹⁷ A prohibited source is defined, in parts pertinent to this discussion, as a person who is seeking official action by the employee's agency or who does business or seeks to do business with the employee's agency, or has interests that may be substantially affected by performance or nonperformance of the employee's official duties.¹⁸

The definition of gift includes any gratuity, favor, discount, entertainment, hospitality, loan, forbearance, or other item having monetary value. It includes services as well as gifts of training, transportation, local travel, lodgings and meals, whether provided in-kind, by purchase of a ticket, payment in advance, or reimbursement after the expense has been incurred.

The gift definition has several exclusions, but none apply unless specifically discussed below.¹⁹ In addition, the standards also contain several exceptions to the gift prohibition; however, an employee is prohibited, even if one of the exceptions would otherwise apply from: (1) accepting a gift in return for being influenced in the performance of an official act, (2) soliciting or coercing the offering of a gift, or (3) accepting gifts from the same or different sources on a basis so frequent that a reasonable person would be led to believe the employee is using his public office for private gain.²⁰

All of the VA employees who participated in the pre-selection conference site visits to Dallas, TX; Nashville, TN; and Orlando, FL, accepted gifts in violation of laws and regulations. The hotels that offered the gifts were prohibited sources in that they were seeking official action by VA in selecting their venue for the conferences, and their interests could be substantially affected by the employees' performance or nonperformance of their official duties in evaluating and/or recommending the hotels for the conferences. Also, the gifts were offered because of the employees' official positions as VA representatives and potential hotel clients in booking conferences.

In addition to the pre-selection visits, several employees accepted additional gifts from Marriott at the conferences. We base this finding on admissions by employee sworn testimony and other records, which donor records corroborated. The Tables of Prohibited Gifts that follow summarizes the gifts accepted by each employee at each event. The gifts included meals, lodging, transportation, gift baskets, Rockettes entertainment tickets, spa treatments, and a helicopter ride.

Testimony and records reflected that members of the conference planning committee accepted complimentary lodging and upgraded rooms from the

¹⁷ 5 Code of Federal Regulations (CFR) § 2635.201.

¹⁸ *Id.*, at § 2635.203(d).

¹⁹ *Id.*, at § 2635.203(b).

²⁰ *Id.*, at § 2635.202(c)(1)–(3).

hotels that were involved in the pre-selection site visits. Tables 2 through 10 lists complimentary lodging as “free rooms” and the value is listed as the applicable Government lodging rate. While the regulations exclude from the gift prohibition items accepted on behalf of the Government, as distinguished from a personal acceptance, the employees did not follow the prescribed procedures for prior legal and supervisory approval to apply this exception.

The employees did not improperly claim the lodging on their travel vouchers, and, consequently, they did not seek official reimbursement for expenses they did not incur. As the employees would have been reimbursed by the Government for official lodging, they were not personally enriched by the complementary rooms. While the employees’ failure to follow agency policy regarding of acceptance of donated travel did not transform the free rooms into prohibited personal gifts, their failure to follow agency policy resulted in the agency neither accepting the donated rooms, nor in the alternative, paying for the rooms.

The upgraded rooms, however, are more problematic. For example, all the employees received an upgrade to a 725-square-foot room in one of the other Orlando, FL, hotels during a pre-selection visit. We have no evidence any VA employee solicited these upgrades. We did not assess a value for the upgraded rooms received during the pre-selection visits, because we do not know if the employees were aware of the upgrades and we cannot assess the value of these gifts based on the comparison between Government lodging rates, which are generally significantly lower than published commercial rates, and the published upgraded rates. Furthermore, employees who participate in frequent traveler membership rewards programs are entitled to accept rewards available to the public, and they may have earned the upgraded room by virtue of membership without their official position at this pre-selection visit. Because we found no evidence that these upgrades constituted prohibited gifts, we have not included room upgrades in the accompanying tables.

In addition, Marriott offered several upgrades at the conferences under the contract. The Deputy Secretary, Assistant Secretary Sepúlveda, and the conference planners used these upgrades to 780 sq. ft. rooms, with the exception of Mr. Barritt, who used the 1,200 sq. ft. room. Since these upgrades were part of the Government contract, they are not gifts to the employees. However, as the gift rules are designed to prevent the improper appearance of using public office for private gain, we make a recommendation that such upgrades not be solicited in future contract.

In the following Tables, “Limo Services” refers to stretch limousine, not a van or shuttle, provided to conference planning committee members to transport them from the airport to a hotel and from a hotel to the referenced helicopter tours.

Attendees received a specific amount of additional free rooms and free upgrades to rooms at the conferences; however, these rooms and upgrades were part of the original contract with Marriott and paid for by the Government. Therefore, we do not discuss them in this section as prohibited gifts.

The tables below include complimentary meals provided by the hotels to VA employees. While Federal regulations²¹ do not require an employee to deduct a complimentary meal provided by a hotel or common carrier from the *per diem* allowance on the travel expense voucher, we note that the employees who accepted the complimentary meals did not deduct the meals here.

Tables 2 through 10 itemize the prohibited gifts received by VA employees; to the extent our investigation was able to identify them.

Table 2

Prohibited Gifts—			
Gift	Description	Fair Market Value*	Comments
Meals	12 meals	\$378	Includes estimates and <i>pro rata</i> shares
Lodging	Free Rooms	\$709	1 Free Room (7 nights) Provided by hotel for family stay
Transportation	Free transportation services	\$76	Limo Service Includes 1/7 and 1/8 <i>pro rata</i> share, respectively
Entertainment	CDs, Rockettes tickets, tours	\$110	Helicopter Tour; Other Items—Value Unknown 1/8 <i>pro rata</i> share
Spa	2 Free Massages	\$235	1 Massage—\$120 1 Massage—\$115 N/A
Amenities	Gift Baskets & Food Items	\$158	N/A
Other	Gift Card	\$50	N/A
Total		<u>\$1,716+</u>	

²¹ 41 CFR § 301-11.17.

* Where fair market value of meals and lodging are unknown, local per diem rates (Dallas, Nashville, and Orlando) were substituted. Where values were received as a group total, *pro rata* rates were applied. All prices were rounded to the nearest dollar amount.

Table 3

Prohibited Gifts—[REDACTED]				
Gift	Description	Fair Market Value*		Comments
Meals	9 Meals	\$296		Includes estimates and <i>pro rata</i> shares
Lodging	N/A	\$0		N/A
Transportation	Free Transportation Services	\$76	Limo Services	Includes 1/7 and 1/8 <i>pro rata</i> share, respectively
Entertainment	Rockettes Tickets & Tours	\$110	Helicopter Tour; Other Items—Value Unknown	1/8 <i>pro rata</i> share
Spa	1 Spa Facial 1 Mani/Pedicure	\$245	1 Spa Facial—\$135 1 Mani/Pedicure—\$110	N/A
Amenities	Gift Baskets & Food Items	\$42		N/A
Total		<u>\$769±</u>		

Table 4

Prohibited Gifts—Ms. Jolisa Dudley				
Gift	Description	Fair Market Value*		Comments
Meals	11 Meals	\$388		Includes estimates and <i>pro rata</i> shares
Lodging	N/A	\$0		N/A
Transportation	Free Transportation Services	\$76	Limo Services	Includes 1/7 and 1/8 <i>pro rata</i> share, respectively
Entertainment	Tours	\$110	Helicopter Tour; Other Items—Value Unknown	1/8 <i>pro rata</i> share
Spa	1 Massage	\$115	N/A	N/A
Amenities	Gift Baskets & Food Items	\$221	N/A	N/A
Total		<u>\$910 ±</u>		

* Where fair market value of meals and lodging are unknown, local per diem rates (Dallas, Nashville, and Orlando) were substituted. Where values were received as a group total, *pro rata* rates were applied. All prices were rounded to the nearest dollar amount.

Table 5

Prohibited Gifts—Mr. Thomas Barritt			
Gift	Description	Fair Market Value*	Comments
Meals	9 Meals	\$324	Includes estimates and pro rata shares
Lodging	N/A	\$0	N/A
Transportation	Free Transportation Services	\$76	Limo Services
Entertainment	Tours	\$110	Helicopter Tour; Other Items—Value Unknown
Spa	1 Massage	\$130	Reimbursed hotel after OIG inquiry
Amenities	Gift Baskets & Food Items	\$232	N/A
Total		<u>\$872+</u>	

Table 6

Prohibited Gifts—[REDACTED]			
Gift	Description	Fair Market Value*	Comments
Meals	5 Meals	\$233	Includes estimates and pro rata shares
Lodging	N/A	\$0	N/A
Transportation	Free Transportation Services	\$124	Town Car Service—\$73; Limo Service—\$51
Entertainment	Tours	\$110	Helicopter Tour; Other Items—Value Unknown
Spa	1 Pedicure	\$45	N/A
Amenities	Food Items	\$78	N/A
Total		<u>\$590+</u>	

* Where fair market value of meals and lodging are unknown, local per diem rates (Dallas, Nashville, and Orlando) were substituted. Where values were received as a group total, pro rata rates were applied. All prices were rounded to the nearest dollar amount.

Table 7

Prohibited Gifts			
Gift	Description	Fair Market Value*	Comments
Meals	7 Meals	\$281	Includes estimates and <i>pro rata</i> shares
Lodging	N/A	\$0	N/A
Transportation	Free Transportation Services	\$76	Limo services Includes 1/7 and 1/8 <i>pro rata</i> share, respectively
Entertainment	Rockettes Tickets & Tours	\$110	Helicopter Tour; Other Items—Value Unknown 1/8 <i>pro rata</i> share
Spa	1 Massage	\$120	N/A
Amenities	Gift Baskets & Food Items	\$69	N/A
Total		<u>\$656+</u>	

Table 8

Prohibited Gifts—Dr. Arthur McMahan, PhD			
Gift	Description	Fair Market Value*	Comments
Meals	N/A	\$0	N/A
Lodging	N/A	\$0	N/A
Transportation	N/A	\$0	N/A
Entertainment	Golf Package	\$68	Reimbursed hotel after OIG inquiry
Spa	N/A	\$0	N/A
Amenities	N/A	\$0	N/A
Total		<u>\$68</u>	

* Where fair market value of meals and lodging are unknown, local per diem rates (Dallas, Nashville, and Orlando) were substituted. Where values were received as a group total, *pro rata* rates were applied. All prices were rounded to the nearest dollar amount.

Table 9

Marriott Chef's "Thank You" Dinner (Orlando, FL, Conference)			
Gift	Employees	Fair Market Value*	Comments
Meals	[REDACTED]	\$400	Provided by Marriott
Total		<u>\$400</u>	

Table 10

Total Prohibited Gifts Accepted by VA Employees		
Gift	Description	Fair Market Value*
Meals	Meals	\$2,300
Lodging	Free Rooms	\$709
Transportation	Limos & Town Cars	\$504
Entertainment	Tours	\$728
Spa	Massages, Pedi/ Manicures	\$890
Amenities	Food & Gift Baskets	\$800
Other	Gift Card	<u>\$50</u>
Total		<u>\$5,981</u>

Furthermore, we found that [REDACTED] took \$27 in meals. In comparison to gifts accepted by other employees, this was relatively small; however, it nevertheless was acceptance of a gift in violation of the regulations. We considered these costs to be *de minimus*; therefore, we do not offer a recommendation for administrative action.

Moreover, we found that [REDACTED] solicited a particular gift of lodging from Marriott in connection with the contract award. As a member of the technical panel, [REDACTED] signed a confidentiality agreement. He engaged in a series of email communications with the Marriott before the contract award on March 9, 2011. While we do not conclude that he disclosed confidential information to Marriott in breach of his obligation to protect proprietary

* Where fair market value of meals and lodging are unknown, local per diem rates (Dallas, Nashville, and Orlando) were substituted. Where values were received as a group total, *pro rata* rates were applied. All prices were rounded to the nearest dollar amount.

procurement information, ██████ acted improperly in engaging in these communications without reporting them as required. Specifically, in an email dated February 14, 2011, to a Marriott representative who had asked if VA was close to a decision, ██████ replied:

All I can say is from our recommendation, you are on the short list and we hopefully [sic] for more than one program. Please keep this between you and me and don't quote me to ██████ contract specialist]. I don't want it to look like we are communicating about the proposals. I just want to keep you in the loop so you know we are interested. The next step is the acquisition piece so I hope in the next 10 days or so we will have a definite answer.

**Needed To
Protect
Proprietary
Procurement
Information**

When questioned about this email, ██████ told us “I didn’t mean to do anything [in]appropriate, but I was just trying to communicate to her [Marriott representative] that we were still interested in their venue.” He further said, “I don’t think *what* I was telling her was wrong. But I think the *way I told her was definitely wrong.*” (Emphasis added.) When asked what ██████ would have said to him if she knew he had sent this email to the Marriott representative, ██████ said, “She would probably say I shouldn’t, I shouldn’t [sic] have been doing that.”

We consider this email unprofessional and detrimental to the Government as presenting the appearance of providing inside information or unfair advantage to one bidder through a back channel. In light of ██████’s subsequent solicitation for a gift, it circumstantially supports a conclusion ██████ was attempting to profit from his relationship with Marriott.

On March 8, 2011, the Marriott representative forwarded the signed contract to ██████ and thanked ██████ for VA’s business. In an email to ██████ 4 minutes later, the representative wrote: “█████—here is a copy of the agreement. THANK YOU VERY MUCH!! We are looking forward to serving the HR attendees and know that our partnership will produce a successful program!” ██████ replied 35 minutes later and wrote, “Thank you [representative’s name], I did want to talk with you about a personal item ... my family is going to come with me during one of these conferences. How would it work to get extra/joining rooms? I wasn’t sure what type of rooms would be available. It would be myself, my wife and three teenagers.” The representative replied, “WE have a couple of options. I think a King bedded suite with two connectors would work best and happy to arrange for you.”

Contract records reflected that on March 9, 2011, one day after ██████ asked the Marriott representative for “a personal item” to benefit himself and his family, VA and the Marriott signed a firm-fixed-price purchase order for \$335,800.

Marriott group guest list records reflected that Marriott reserved one 2-Bay King Suite and one standard double room for ██████ with an arrival date

of July 9, 2011. The Marriott Internet Web site reflected that a 2-Bay King Suite consisted of 780 square feet of space and included a double balcony with patio furniture, sleeper sofa, comfortable sitting area, wet bar, King and Double/Double connectors available, and high-speed Internet access. Travel records reflected that ██████ paid a rate of \$90 per night for one room for 7 nights, which was the 2011 Orlando, FL, per diem rate. The value of the adjoining room at the per diem rate, to include taxes, for 7 nights would have been \$709. ██████ told us that he was wrong to ask for and accept the upgrade and connecting room “to allow for my family to be there.” He said that he had “no excuse” for accepting it, and he “would like to make restitution” to Marriott.

The hotels also provided certain items we concluded were intended to market potential conference items rather than as gifts to individual employees. Among these items were champagne glasses with the VA ADVANCE logo, pillowcases with the embroidered employee names, and aprons with the VA ADVANCE logo.



Conclusion

We concluded that VA employees accepted improper gifts in violation of Federal law and the applicable Executive Branch standards of conduct. In addition, ██████ solicited additional lodging benefits from Marriott for his family joining him at the conference, the circumstances of which indicated he was soliciting at least a gift. ██████

None of the several exceptions to the gift rules apply to allow acceptance in these circumstances. For example, while discounts offered to all Federal employees are an exception to the gift prohibition,²² the items accepted in these cases were not offered to all Federal employees. Furthermore, the frequency and volume of gifts accepted here establish that the employees were using their public office for private gain. The employees also cannot claim they were sampling hotel products and services for purchase, as spa treatments, meals, and helicopter rides were never intended to be purchased for the conference.

Generally, an employee may avoid violating the gift prohibition by returning the gift, paying the donor fair market value of the gift, or in the case of perishable items or those impractical to return and at the discretion of the employee's supervisor, donate the gift to charity, share it within the office, or destroy the gift.²³ The standards provide that an employee who promptly consults an agency ethics official and returns the gift or otherwise complies with disposition of the gift will be considered to have complied with the

²² *Id.*, at § 2635.204(c)(1).

²³ *Id.*, at § 2635.205(a).

standards.²⁴ We have noted in the prior Tables of Prohibited Gifts that some employees made reimbursement for some of the gifts; however, reimbursements occurred after OIG questioned the gifts, approximately a year after their acceptance, and would not relieve the employee of culpability for their ethics violation.

While a supervisor or higher grade employee is not always responsible for a subordinate or lower graded employee's violation of the ethics prohibitions, particularly troubling in this instance is that several high-grade, supervisory-level employees (Mr. Barritt, Ms. Dudley, and Dr. McMahan) participated in accepting improper gifts in addition to the lower grade or subordinate employees. Several violations occurred in the form of jointly accepting group meals. Due to their positions, we submit they had a duty to set an example by not accepting improper gifts and advising these employees that such gifts were improper. While we do not consider Mr. Sepúlveda, Ms. Deanes, or Ms. Muellerweiss culpable for the ethical lapses of their subordinates, we do consider culpable those supervisory-level employees who were onsite and participated in accepting prohibited gifts.

Anything that is paid for by the Government or secured by the Government under Government contract and provided to employees is not a gift to employees and does not violate the ethics rules.²⁵ As part of the VA contract with Marriott, the hotel provided a fixed number of free rooms and upgraded rooms to VA for the conference. Inasmuch as VA received these rooms and upgrades pursuant to the contract it paid the Marriott, the employees who stayed in any of the free rooms and upgraded rooms did not violate the ethics rules.

- Recommendations**
9. We recommended the VA Secretary confer with Human Resources officials outside VA Central Office's Office of Human Resources Management and attorneys in the Office of General Counsel to determine the appropriate administrative action to take against Dr. McMahan and ensure that action is taken.
 10. We recommended the VA Secretary confer with Human Resources officials outside VA Central Office's Office of Human Resources Management and attorneys in the Office of General Counsel to determine the appropriate administrative action to take against [REDACTED] and ensure that action is taken.
 11. We recommended the VA Secretary confer with Human Resources officials outside VA Central Office's Office of Human Resources Management and attorneys in the Office of General Counsel to determine the appropriate administrative action to take against [REDACTED] and ensure that action is taken.

²⁴ *Id.*, at § 2635.205(c).

²⁵ *Id.*, at § 2635.203(b)(7).

12. We recommended the VA Secretary confer with Human Resources officials outside VA Central Office's Office of Human Resources Management and attorneys in the Office of General Counsel to determine the appropriate administrative action to take against [REDACTED] and ensure that action is taken.
13. We recommended the VA Secretary confer with Human Resources officials outside VA Central Office's Office of Human Resources Management and attorneys in the Office of General Counsel to determine the appropriate administrative action to take against [REDACTED] and ensure that action is taken.
14. We recommended the VA Secretary confer with Human Resources officials outside VA Central Office's Office of Human Resources Management and attorneys in the Office of General Counsel to determine the appropriate administrative action to take against Ms. Dudley and ensure that action is taken.
15. We recommended the VA Secretary confer with Human Resources officials outside VA Central Office's Office of Human Resources Management and attorneys in the Office of General Counsel to determine the appropriate administrative action to take against Mr. Barritt and ensure that action is taken.
16. We recommended the VA Secretary confer with Human Resources officials outside VA Central Office's Office of Human Resources Management and attorneys in the Office of General Counsel to determine the appropriate administrative action to take against [REDACTED] and ensure that action is taken.
17. We recommended the VA Secretary confer with Human Resources officials outside VA Central Office's Office of Human Resources Management and attorneys in the Office of General Counsel to determine the appropriate administrative action to take against [REDACTED] and ensure that action is taken.
18. We recommended the VA Secretary confer with Human Resources officials outside VA Central Office's Office of Human Resources Management and attorneys in the Office of General Counsel to determine the appropriate administrative action to take against [REDACTED] and ensure that action is taken.
19. We recommended the VA Secretary establish a policy that VA will no longer solicit lodging accommodation upgrades as part of contracts.

**Agency
Comments
and OIG
Response**

The VA Secretary provided a responsive action plan to address our recommendations.

Recommendations #9-18 – The Secretary will assign responsibility to appropriate VA officials outside the Office of Human Resource Management to review these recommendations of the Inspector General and all available evidence related to such recommendations. After consultation with human resource officials from outside VA's Office of Human Resource Management, and with the Office of General Counsel, the assigned officials shall determine what administrative action is appropriate with regard to each individual. The Inspector General will be informed of the Department's conclusions and any action taken.

Recommendation #19 – VA acquisition policy will be expanded to provide additional oversight.

We will monitor the Department's progress and follow up on its implementation until all proposed action are completed. We will assess the effectiveness of the new policies and procedures in our future work addressing VA conferences. Appendix D provides the full text of the VA Secretary's comments.

Issue 3 **HR&A Exceeded CoS Authorization for the Conferences**

HR&A spent above the amount authorized by the VA CoS. On December 20, 2010, Mr. John Gingrich, Chief of Staff, authorized \$8 million in total (\$4 million for travel and per diem and \$4 million for the conferences) for three HR conferences for 3,000 or more VA attendees in FY 2011. This authorization was a required procedure before committing to any arrangements for conferences following a memorandum from the Executive Secretary dated January 11, 2010. Based on the limited details contained in the request from Mr. Sepúlveda, it would seem each conference had an expected average cost of \$2.67 million (\$8 million for three conferences).

HR Conference Estimates

In contrast to amounts the CoS authorized, we determined VA spent at least \$6.1 million for the conferences. This resulted in an amount about \$760,000 more than authorized. Expectations fell short, as well, of the planned number of attendees. In fact, VA reports about 1,800 employees were trained, well below the 3,000 attendees upon whom the \$8 million conference authorization was based.

Once HR&A obtained the authorization of the CoS, senior leadership did not take the appropriate actions to ensure that the costs of the conferences remained within the authorization amounts provided. Notwithstanding Assistant Secretary Sepúlveda's statement in his approval memorandum that "Our planning committee is pursuing all efforts to constrain and control costs," many of the HR conference costs were excessive, inappropriate, and unnecessary. In June 2011, VALU drafted an SLA that set the cost estimate for two conferences at \$9,300,846, or about \$1.3 million more than the three conferences for 3,000 attendees authorized by the CoS and for one fewer conference.

An SLA is the tool VALU developed to budget for and control costs; however, VALU did not set the budget until a month before the first HR conference was held in July 2011. The budget for the two conferences was well above the amount granted by the CoS for three conferences. The SLA provides no justification for the significant increase in expected conference expenditures, while reducing the number of conferences and attendees. Table 11 illustrates some of the differences in expectations and outcomes of the two conferences.

Table 11

	Initial Conference Expectations	
	Chief of Staff Authorized	Service Level Agreement
HR&A Conference Cost	\$8 million (est.)	\$9.3 million
Number of Conferences	3	2
Average Cost of a Conference	\$2.7 million	\$4.65 million
Number of Staff Trained	3,000 (planned)	1,829 (actual attendees)

Internal Control Weaknesses

The significant difference between planned and authorized amounts occurred because of a lapse in communication between VALU and OHRM. Policies also did not require a detailed budget of expected costs. A detailed budget and spend plan in the request for approval may have prevented the inaccurate costs being authorized. Once a more detailed budget was identified, HR&A senior leadership failed to return to the CoS for authorization or to provide justification for the increase in expected costs.

Conclusion

HR&A senior leadership obtained required VA authorization to hold the conferences and took no further action to ensure actual conference costs stayed within the parameters authorized or to update the CoS on the changes in estimates. HR&A Senior leadership set a tone that they wanted these conferences to be signature events, yet this same leadership failed to provide proper oversight in the planning and execution of the two 2011 HR&A sponsored training conferences. Thus, HR&A employees did not attempt to track costs or notify the CoS once the authorized cost was exceeded. VA policies fell short of requiring subsequent authorizations where costs exceeded financial thresholds or other major changes occurred, such as in the number of conferences or attendees.

Recommendations

20. We recommended the VA Secretary modify VA procedures to include a requirement for a detailed spend plan to ensure cost estimates are reasonable.
21. We recommended the VA Secretary implement policy to ensure conference managers obtain subsequent authorization from the Chief of Staff or the Deputy Secretary once they determine estimated costs have been exceeded or other major changes occur.
22. We recommended the VA Secretary require an after-action report be provided to the Chief of Staff or the Deputy Secretary identifying planned-versus-actual costs, including justifications for significant differences.

Agency Comments and OIG Response

The VA Secretary provided a responsive action plan to address Recommendations 20 - 22. We will monitor the Department's progress and follow up on its implementation until all proposed action are completed. We will assess the effectiveness of the new policies and procedures in our future work addressing VA conferences. Appendix D provides the full text of the VA Secretary's comments.

Issue 4 VA Inappropriately Conducted Pre-Planning Site Visits

Unnecessary Pre-Planning Travel

VA employees involved in conference planning conducted inappropriate and unnecessary pre-planning site visits. Seven employees visited three locations to determine whether potential hotels could accommodate conference requirements. We determined these pre-planning site visits were unnecessary. Of the total seven employees, two traveled to Dallas, TX; six traveled to Nashville, TN; and six traveled to Orlando, FL—five of the seven employees traveled to more than one location. Other VA conference planning staff joined the group in Dallas, TX. The duration of each trip was roughly 3 days. We identified \$10,666 in unnecessary travel expenses for these seven VA employees to conduct pre-planning site visits to the three locations.

Travel Prior To VA Issuing RFP

The visits occurred prior to the VA CoS authorizing the conferences on December 20, 2010. The visits also took place prior to VA's issuance of the Request for Proposal (RFP) on January 6, 2011. Sound business practice entails that site visits be conducted after RFP issuance. ██████ explained that these pre-planning visits were intended to expedite development and issuance of the RFP and avoid anticipated lag time in the acquisition process. ██████ further stated that Ms. Dudley and Mr. Barritt, GS-15 managers within OHRM, and ██████ made the decision regarding which employees would conduct the pre-planning site visits.

Conducting these pre-planning site visits before RFP issuance was inappropriate. At the time of the pre-planning trips, there was no guarantee that hotels in the locations visited would ultimately bid on this contract. The trips were wasteful, as illustrated by the following example.

- Six VA employees conducted a pre-planning site visit to Nashville, TN, at a cost of roughly \$4,000. The purpose of the visit was to determine whether Nashville would be a viable location for the conference; however, they only went to one hotel. After the RFP was issued, that hotel submitted a proposal to host the conference. However, the hotel proposal did not meet the requirements outlined in the RFP and was therefore considered nonresponsive.

In an interview with a senior official within the Office of Acquisition, Logistics, and Construction (OALC), we confirmed that the pre-planning site visits were unnecessary. This official explained the information needed to perform market research and identify potential conference locations was readily available through online research. Information provided by Marriott included detailed blueprints and descriptions that would have allowed a user to determine if Marriott hotel space was appropriate for a particular event. Federal Travel Regulations²⁶ state that market research should be conducted

²⁶ Federal Travel Regulation, §301-74.19

at a minimum of three locations for competitive conference bids. The research should not have been conducted before the conferences were authorized and the RFP was issued.

Poor Decision Making and Absence of Clear Guidance

These unnecessary site visits occurred because of a lack of overarching policy guidance outlining the appropriate procedures for pre-planning site visits at taxpayer expense. There was a lack of oversight to ensure appropriate approvals were obtained and the site visits were justified. Further, there was no requirement for event planners to consult with OALC to ensure the conferences were managed in accordance with applicable regulations.

Conclusion

We questioned \$10,666 spent on the pre-planning site visits because they were conducted prior to CoS authorization and issuance of the RFP. The questioned amount only represents travel costs prior to RFP issuance; after RFP issuance, there were other additional costs associated with conference planning, as shown in Exhibit 11. Conference planning individuals also did not use sound business judgment in making the decision to conduct these site visits, which we determined were neither justified nor necessary. Due to a lack of internal controls and policy guidance, the conference planning team conducted the pre-planning visits without consulting OALC.

Recommendations

23. We recommended the VA Secretary issue policy outlining requirements for authorizing, justifying, and conducting pre-planning site visits for conferences.
24. We recommended the VA Secretary establish requirements to support major conferences with contracting officers and other support resources to ensure conferences and the supporting acquisitions are planned and managed in accordance with applicable regulations.

Agency Comments and OIG Response

The VA Secretary provided a responsive action plan to address Recommendations 23 - 24. We will monitor the Department's progress and follow up on its implementation until all proposed action are completed. We will assess the effectiveness of the new policies and procedures in our future work addressing VA conferences. Appendix D provides the full text of the VA Secretary's comments.

Issue 5 **Lack of Accountability and Control Over Conference Costs**

VA could not account for all conference-related costs more than a year after the conferences took place. This occurred because VA did not have a detailed conference budget or spend plan that could be tracked and monitored. Responsible VA officials also did not maintain accountability or question conference-related expenditures adequately. As a result, neither VA nor we could determine the full cost of the conferences. We determined VA made questionable, unnecessary, and wasteful purchases totaling about \$762,000 on conference-related goods and services (Table 14). Federal agencies, as stewards of public funds, should be able to account for program costs, and responsible officials should ensure funds are spent prudently.

Inadequate Process To Account for Costs

While the Assistant Secretary for HR&A requested authorization from the CoS for 3 conferences to train about 3,000 employees at an estimated cost of \$8 million, there was no detailed budget, spend plan, or mechanism, such as a cost center or budget code, to track all conference-related expenses. Without basic financial controls, VA was unable to adequately manage costs or accurately account for expenditures after conference completion. There was inadequate control of overall conference spending and individual purchases. The following example illustrates senior officials' lack of accountability and control over costs associated with the two conferences.

- In an April 2012 memorandum to the CoS, the DAS for HR&A reported approximately 2,000 employees had been trained at the two conferences at a cost of about \$5.1 million. On August 24, 2012, VA reported to several congressional committees that the HR conferences cost a total of \$5.2 million. On August 16, 2012, the Dean of VALU provided a spreadsheet showing VA spent about \$5.6 million on the two conferences. This figure was revised on August 24, 2012, with an increase of about \$5,000. After we asked for supporting documentation on travel costs related to the conferences, VALU again revised its spreadsheet on August 27, 2012, to show conference-related costs totaling about \$5.8 million. As detailed in Appendix A of this report, we identified conference-related costs of at least \$6.1 million. This would represent a difference of about \$300,000.

Multiple Purchase Methods Impair Accounting

Multiple methods used to purchase goods and services created a lack of transparency over conference costs. VA relied on the use of bundled Interagency Agreements (IA) and invoices did not clearly detail costs to acquire specific conference-related goods and services. Contract costs were not adequately monitored, leading to expenditures exceeding contract limitations. Moreover, the use of multiple purchase cards with limited oversight by managers or approving officials led to difficulties in accounting for conference-related expenses. These decentralized purchasing methods

with inadequate oversight led to questionable expenditures, as discussed in Issues 6, 7, and 8 of this report. The following example shows the difficulties VA had in identifying how much it spent on goods and services in support of the conferences.

- VA relied heavily upon contractors, through the use of IAs, to obtain conference planning and execution support. When accounting for conference costs, VA identified two IAs used to fund conference costs. However, we independently identified an additional four IAs used to fund conference expenses. Because VA does not have access to detailed invoices and supporting documentation, as discussed in Issue 6 of this report, we have not yet been able to account for the full costs associated with IAs. Accordingly, we believe conference costs may have exceeded the approximate \$6.1 million we have been able to identify to date.

**Key Oversight
Responsibilities
Abdicated**

Responsible officials did not exercise appropriate oversight and due professional care in ensuring conference costs were prudently managed and individual expenditures were appropriate and reasonable. We identified about \$762,000 in unnecessary, unsupported, and/or wasteful spending, including the following.

- \$ 280,698 Costs in excess of VA's contract with the Orlando World Center Marriott (Marriott), including excessive expenditures for audiovisual services, catering, food, beverages, and other miscellaneous expenses.
- \$ 200,224 Unsupported expenses, including almost \$154,000 in contractor travel paid by VA.
- \$ 49,516 Unauthorized costs associated with the production of the General George S. Patton parody video; the conference planner lacked the authority to commit Government funds for this purpose.
- \$ 26,088 Unauthorized expenses for computer rentals used for registration and training classes. Although services were provided, the conference planner lacked the authority to commit Government funds for this purpose.
- \$ 97,906 Wasteful costs associated with the purchase of unnecessary promotional items.
- \$ 3,000 Unauthorized commitment for photographers. We questioned the need and purpose to contract for these services in light of having VA photographers available on staff.
- \$ 11,507 Questionable miscellaneous expenses, such as signs, table banners, exhibit booths, janitorial services, and pocket

organizers. Payments were unauthorized, not allowed, or were determined unrelated to the conferences.

- \$ 10,666 Unnecessary costs associated with pre-conference planning site survey trips by VA employees incurred before the CoS authorized the conferences.
- \$ 2,086 A second unnecessary site visit to the Marriott by some members of the VA planning committee.
- \$ 37,489 Questionable travel-related expenses such as reimbursements for 169 VA employees (about 85 per conference) arriving early or staying late, especially when VA contracted for these support services.
- \$ 43,018 Questionable awards paid to VA staff for their roles in the management of these conferences, in light of the mismanagement and lack of professional care exercised in controlling and tracking conference-related costs.

We deemed these expenditures inappropriate in light of the mismanagement and lack of due professional care exercised in controlling, managing, and tracking related costs.

Key Responsibilities Not Clearly Assigned

As discussed in Issue 1 of this report, senior HR&A leaders, including the Assistant Secretary, the Dean of VALU, and the DAS for OHRM, abdicated and delegated to subordinates their responsibilities to oversee conference planning, execution, and spending. Roles and responsibilities were not adequately defined, and actions of those involved in planning the conferences were not adequately monitored. While the SLA loosely defined roles and responsibilities for VALU and OHRM, it was not created until June 2011—a month before the first conference and well after many conference-related decisions had been made.

Additionally, VA relied heavily on contractors—primarily the vendor, Systems Research and Applications Corporation (SRA)—for their expertise in planning and executing conferences. A work breakdown structure developed for the conferences indicated a significant number of conference tasks were the responsibility of contractors. More importantly, we could not determine to what extent conference-related decisions were made by the contractors involved and whether VA maintained an appropriate level of control over these decisions.

Senior VA Officials Authorized Cash Awards

We question the appropriateness of employee awards for conference planning and management. Seventeen VA employees received Special Contribution Cash and/or Time-Off Awards based on their work related to the HR conferences. The collective value of these awards totaled about \$43,000. Exhibits 14 and 15 contain additional information on employee

awards. Documentation in support of the awards noted five employees were specifically recognized for keeping senior leadership aware of conference issues, despite the same senior leaders acknowledging they were uninvolved in many financial and conference planning decisions. Five other employees were recognized for their actions to minimize conference costs, but we identified instances where expenditures were excessive or unnecessary. Of note, one employee was awarded for his work on the Patton parody video and another was recognized for paying for the use of a karaoke machine. We found neither the video nor the karaoke machine particularly valuable to the purpose of the conference. Ms. Muellerweiss or Ms. Deanes authorized the awards, with values ranging from about \$750 to \$5,500.

Ms. Muellerweiss and Ms. Deanes received significant cash awards based on their overall FY 2011 performance. Ms. Muellerweiss received an [REDACTED] rating and a cash award of about [REDACTED] while Ms. Deanes received an [REDACTED] rating and a cash award of about [REDACTED]. While their awards were not specific to the conferences, we believe their failure to demonstrate essential executive leadership and business acumen on conference decisions and spending should have had some impact on their performance ratings and associated cash awards.

*Oversight of
Travel
Expenses
Inadequate*

We determined VA approving officials did not provide adequate oversight to ensure that expenses associated with travel for these conferences were appropriate or in accordance with VA policy. In total, we questioned \$37,489 for several reasons. For example, while travelers should have been exempt from hotel taxes, VA reimbursed travelers \$4,156 for hotel taxes. Also, while it may be necessary for some employees to arrive before/stay later than the conference, we questioned the reasonableness of \$16,752 spent for a total of 169 employees (about 85 at each conference) arriving early or staying late especially when VA contracted for onsite conference setup and breakdown. Finally, we questioned \$16,581 spent on VA employees who used their privately owned vehicles instead of Government contracted modes of transportation. These employees did not include required cost comparisons with their travel receipts illustrating their travel by privately owned vehicles was cost advantageous.

Conclusion

Responsible senior leaders took a hands-off approach to conference management and oversight. VA did not establish a detailed budget or spend plan and did not have a system to track expenditures for these conferences. As such, VA could not account for all conference-related costs. Inadequate senior-level oversight and imprudent decisions by VA staff resulted in violations of law, failure to follow established policies and procedures, and excessive and wasteful spending. We identified conference-related costs of about \$300,000 above those reported to us by the Department. We questioned the appropriateness of spending about \$762,000.

- Recommendations**
25. We recommended the VA Secretary establish budgetary controls to ensure centralized accounting for individual conference expenditures.
 26. We recommended the VA Secretary ensure conference budgets are authorized and monitored to ensure appropriate expenditures.
 27. We recommended the VA Secretary establish controls to ensure senior officials exercise their responsibility and accountability for prudent management of conference funds.
 28. We recommended the VA Secretary require travelers and approvers to comply with the requirement to not incur hotel taxes in states which offer tax exemption to the Government.
 29. We recommended the VA Secretary require conference planning committees to identify, by name, individuals needed onsite for conference support before or after the conference and that this designation be provided to the traveler for inclusion in their travel receipts.
 30. We recommended the VA Secretary require travelers and approving officials to comply with the requirement to include a cost comparison when choosing to use a privately owned vehicle instead of a government contracted mode of transportation.

**Agency
Comments
and OIG
Response**

The VA Secretary provided a responsive action plan to address Recommendations 25 - 30. We will monitor the Department's progress and follow up on its implementation until all proposed action are completed. We will assess the effectiveness of the new policies and procedures in our future work addressing VA conferences. Appendix D provides the full text of the VA Secretary's comments.

Issue 6 **Inadequate Management of Interagency Agreements Terms and Costs**

VA needs to improve its management of IAs and related costs. Based on our review, IAs comprised at least 47 percent or almost \$2.8 million of total HR conference costs. VA used existing IAs, primarily those with OPM, to obtain services such as conference event planning, training, and evaluation. However, due to inadequate IA management, VA could not readily determine how many IAs and associated costs were used to support the HR conferences. A lack of transparency over IA costs impaired accountability and left the potential for duplicate purchases. VA also did not have a process in place to obtain detailed vendor invoice information associated with the IAs. As a result of these weaknesses, VA lacked reasonable assurance that it could account for all IAs and associated costs related to the HR conferences.

Inadequate Controls Over IAs

VA's controls were ineffective to monitor the use of IAs and related conference costs. IAs were largely funded through VA's ADVANCE program. While HR&A's Strategic Management Group prioritizes the use of ADVANCE dollars to fund program priorities—often met through IAs—HR&A does not have an adequate process to monitor and control IA costs and spending.

HR&A relies on about 19 initiative coordinators from 5 different offices to provide oversight of individual IAs. HR&A provided no guidance regarding how these coordinators should work together to track IA use and costs for the HR conferences. These coordinators, charged with monitoring IAs, were unable to verify all conference costs because VA does not require OPM to provide detailed invoices or documentation to support conference-specific expenditures. The lack of HR&A monitoring and guidance limited VA's ability to readily and accurately determine to what extent and at what cost IAs were used to support the HR conferences. An example follows.

- VA reported to us two IAs with SRA totaling \$2,705,710 that supported both HR conferences. We independently identified four additional IAs, as well as service fees, that VA did not report to us. Specifically, these IAs had contracts with vendors such as SERCO and Booz Allen Hamilton (BAH) that provided services for the HR conferences. In fact, we identified \$82,654 in SERCO and BAH costs that VA did not report to us.

VA reported conference costs that did not include IA service fees paid to OPM. It is common for one agency to charge a service fee when providing acquisition assistance to another agency through an IA. VA reported that OPM assesses VA service fees on most IAs and assessed a standard 4.5 percent service fee in FY 2011. We identified about \$85,000 in IA

service fees that VA paid OPM related to IAs used to support the HR conferences.

**Lack of
Transparency
Over IA Costs**

IA costs could not be reconciled or attributed to specific events such as the two HR conferences, which would have ensured accountability and transparency over expenditures. IAs used to support the HR conferences included deliverables to accomplish other ADVANCE program goals, such as additional training conferences, communication plans, competency gap assessments, and Web site maintenance. Given the lack of specificity as to what the IAs were used for, duplicate goods and services could be purchased through both the IAs and other means without awareness. For example:

- Conference planners purchased 1,000 water bottles and 1,100 notebooks from vendors at a cost of \$3,342 and paid for these purchases with a Government purchase card. Through an IA, SRA also purchased 2,500 water bottles and 2,500 notebooks at a significantly higher cost of \$17,364. VA's purchases through SRA appeared to be excessively priced and unnecessary. Regardless, water bottles have intrinsic value and are therefore unallowable. According to VA officials, the water bottles and notebooks in both instances were intended to be given away to conference participants.

**Lack of
Detailed
Invoices
Limits
Accountability**

VA did not require OPM to provide detailed invoices that included information on specific line-item costs incurred through IAs. Instead, initiative coordinators reviewed and authorized vendor payments for conference goods and services based on OPM's delivery receipt forms, which often consolidated the costs of several deliverables into one summary bill lacking line-item cost details. We reported similar weaknesses in our audit report, *Audit of VA's ADVANCE and Corporate Senior Executive Management Office Human Capital Programs*.²⁷

Sometimes OPM's consolidated receipt forms covered a range of vendor deliverables that were not related to the July and August 2011 HR conferences. The following examples illustrate how consolidated IA delivery receipt forms affected VA's ability to fully account for conference-related costs.

- VA authorized a \$1,343,411 payment to SRA based on a delivery receipt form that bundled costs for four subtasks related to planning and designing training conferences for VALU. SRA officials reported to us that only two of the four subtasks were related to the HR conferences in Orlando, FL, at a cost of \$1,203,529. This constituted a difference of \$139,882 between what VA paid and what expenses were related to the HR conferences.

²⁷ Report No. 11-02433-220, August 2, 2012. Appendix A provides further details on this report.

- SRA submitted travel invoices totaling \$174,529, which VA authorized for payment. However, our review of documentation revealed that only \$21,014 (12 percent) was supported with detailed billing information. As a result, VA paid \$153,518 in unsupported travel expenses.

Exhibit 2 provides additional details on SRA-related conference costs.

Conclusion

Because of ineffective controls over its management of IAs, VA could not fully account for all Orlando conference costs. This is a significant issue given that IAs comprised at least 47 percent or almost \$2.8 million of the total Orlando conference costs. VA could not readily determine how many IAs were used to support these HR conferences and at what cost. Poor visibility over IA costs made it possible for conference planners to make duplicate purchases of goods and services through other means. As a result of these weaknesses, we believe that there may be other IAs and related costs to support the HR conferences that remain unidentified.

Recommendations

31. We recommended the VA Secretary develop a process to track and monitor the use of interagency agreements.
32. We recommended the VA Secretary establish a mechanism to modify existing high-risk interagency agreements and ensure that all future interagency agreements account for costs associated with each single conference event.
33. We recommended the VA Secretary establish a process to obtain detailed vendor invoice information to support tracking and validation of costs associated with interagency agreements.

**Agency
Comments
and OIG
Response**

The VA Secretary provided a responsive action plan to address Recommendations 31 - 33. We will monitor the Department's progress and follow up on its implementation until all proposed action are completed. We will assess the effectiveness of the new policies and procedures in our future work addressing VA conferences. Appendix D provides the full text of the VA Secretary's comments.

Issue 7 **Contract Violations and Lack of Oversight Led to Excessive Costs and Illegal/Wasteful Expenditures**

VA acquisition personnel and VALU and OHRM program officials did not effectively plan or manage the firm-fixed-price contract with Marriott to support the conferences. Specifically, these officials did not:

- Identify conference requirements adequately
- Obtain a technical and legal review of the proposed contract
- Conduct and document price negotiations with the contractor
- Designate a Contracting Officer's Representative (COR) in writing
- Authorize conference expenditures properly
- Document contract actions in VA's Electronic Contract Management System (eCMS)

This occurred primarily because VA's lax oversight did not ensure acquisition personnel followed Federal and VA Acquisition Regulations. As a result, VA paid \$509,377, which was \$173,577 over the firm-fixed-price contract cost of \$335,800. The \$173,577²⁸ was improperly authorized, constituting unauthorized commitments by the conference planner and other VA personnel. Additionally, the contract was never modified. We questioned an additional \$107,121 paid to the Marriott, resulting in our identification of \$280,698 in questionable and/or excessive conference spending.

Poor Acquisition Planning

Inadequate identification of requirements and poorly stated contract terms led VA to include additional services that were not identified in the firm-fixed-price contract. A firm-fixed-price contract provides a price that is not subject to any adjustment of the contractor's cost. This contract places the maximum risk on the contractor rather than the Government. To minimize contract modifications, it is vital that contract requirements, in this case conference hotel support and service requirements, be identified and clearly stated.

██████████ submitted conference hotel requirements to contracting officials, which were incorporated into the solicitation for the contract. However, later in conference planning, he added audiovisual and catering requirements that were not included in the firm-fixed-price contract. The following example illustrates an audiovisual service that should have been identified by HR planning staff and added to the contract solicitation requirements.

²⁸ Of this amount, ██████████ unauthorized commitments totaled \$169,715. The remaining \$3,862 was incurred by other VA personnel.

- During the first morning session of the July 2011 conference, a senior VA official noticed that conference planners had not identified the need for services for the hearing-impaired participants attending the conference. This requirement was not identified by conference planners, including VA HR and conference planning staff, and thus was not included in the firm-fixed-price contract. Hearing-impaired services were later provided by the Marriott at a cost of \$15,175.

**No Technical
and Legal
Review of
Contract**

The proposed firm-fixed-price contract of \$335,800 with Marriott did not undergo a technical or legal review prior to award. VA Acquisition Regulations state that contracting officers, including purchase card holders, must obtain technical and legal reviews of all proposed contracts with hotels or similar facilities for conferences or similar functions (such as training and meetings) where VA's commitment, expenditure, and combined liability exceed \$25,000. This is to reduce VA's contractual, technical, and legal risks by ensuring the contract terms are clearly identified and defined to the Government's fullest advantage. Following is an illustration of a contract term that placed VA at great financial risk, introduced legal ambiguities, and validated the necessity of obtaining a technical and legal review of proposed contracts.

- A term of the contract guaranteed that VA would pay a cancellation fee equal to 100 percent of the revenue for total rooms guaranteed, or \$405,450. Had legal and/or technical reviews been conducted, this language potentially would have been removed because it contractually bound VA to paying up to 100 percent of room cancellations.

The contract specialist and contracting officer responsible for administering the Marriott contract were aware of VA's policy to have technical and legal reviews for contracts involving hotels costing over \$25,000; however, they told us that failure to perform these reviews was an oversight.

**No Price
Negotiations
Conducted**

Documentation did not exist to support the negotiations with hotels. We did not find evidence the contracting officer responsible for administering the Marriott contract negotiated prices with the hotel. The Federal Acquisition Regulation (FAR) requires that a Price Negotiation Memorandum be used to document a negotiated agreement, including the following principal elements.

- Purpose of the negotiation
- Description of the acquisition
- Government officials and the contractors' representatives involved in the negotiation
- Current status of any contractor systems to the extent they affected and were considered in the negotiation

- Whether certified cost or pricing data were required and the extent to which the contracting officer relied on such data
- A summary of the contractor's proposal
- Documentation of fair and reasonable pricing

Failure To Properly Designate a COR

VA acquisition staff did not ensure a COR was designated in writing for the Marriott contract. The FAR states that a contracting officer needs to designate and authorize, in writing with a delegation of authority letter, "... a COR on all contracts and orders other than those that are firm-fixed-price, and for firm-fixed-price contracts and orders as appropriate." The absence of this required documentation demonstrates a lack of professional care by the contracting officer.

The responsible contracting specialist and contracting officer told us that [REDACTED] was the COR for the Marriott contract. However, the VA staff were unable to provide a delegation of authority letter designating [REDACTED] or any other VA employee, as the COR. [REDACTED] told us he was unsure if he was formally designated as the COR. Contracting staff and other VA officials assumed [REDACTED] was the COR. A COR has no authority to make any commitments or changes that affect price, quality, quantity, delivery, or other terms and conditions of the firm-fixed-price contract.

Unauthorized Commitment of Funds

[REDACTED] along with other VA employees, improperly made commitments to pay expenses totaling \$173,577. We determined these expenses were outside the scope of [REDACTED]'s purchasing authority and constituted unauthorized commitments. An unauthorized commitment is an agreement that is not binding solely because the Government representative who made it lacked the authority to enter into that agreement on behalf of the Government. Only a properly authorized contracting officer would have the authority to make contract changes.

Payment for unauthorized commitments cannot occur unless approved through ratification. Ratification is the act of approving an unauthorized commitment by an official who has the authority to do so. The outcome of the ratification process is an issuance of a purchase order or contract. Without ratification, the purchaser can be held personally responsible for paying the vendor.

VA Paid Expenses Beyond the Firm-Fixed-Price Contract

The firm-fixed-price contract that VA negotiated with the Marriott provided VA with 14 refreshment breaks at \$13,200 per break, for a total of \$184,800. In addition, the contract provided audiovisual services not to exceed \$151,000. [REDACTED] and other VA employees committed a total of \$173,577 beyond the firm-fixed-price contract of \$335,800 by adding audiovisual; catering, food, and beverages; and other miscellaneous services using an account set up under the contract and their purchase cards.

Issue 8 provides details of [REDACTED]'s improper use of purchase cards to obtain conference goods and services. Table 12 summarizes the costs paid to the Marriott.

Table 12

Summary of Costs Exceeding Marriott Contract		
Goods or Services		Cost
Catering, Food, and Beverages	(a)	\$184,800
Audiovisual Services	(b)	\$151,000
Original Firm-Fixed-Price Contract	(a) + (b) = (c)	<u>\$335,800</u>
Cost in Excess of Firm-Fixed-Price Contract	(d)	\$173,577
<u>Total Paid</u>	(c) + (d) = (e)	<u>\$509,377</u>
Costs Exceeding Contract	(e) - (c) = (f)	<u>\$173,577</u>

The contracting officer responsible for the contract did not execute a contract modification to change the pricing schedule listed in the firm-fixed-price contract. The contracting officer should have issued a contract modification for all contract costs exceeding the original contract price of \$335,800 but never did so.

VA Incurred Excessive and Unnecessary Expenditures

In addition to the \$173,577 in improperly authorized expenses exceeding the firm-fixed-price contract, we questioned \$107,121 incurred in the areas of audiovisual; catering, food, and beverages; and miscellaneous goods and services for a total of \$280,698 in questioned costs. Exhibit 1 provides further explanation and a breakdown of the individual costs included in this total.

Audiovisual Costs Questioned

We identified \$189,682 in questionable audiovisual costs, added after negotiation of the firm-fixed-price contract. [REDACTED] lacked the authority to bind the VA to these financial obligations. In addition, we determined some of these costs were excessive and unnecessary (Exhibit 1A).

- o “Happy Face Video”—[REDACTED] improperly authorized the Marriott²⁹ to compile a daily “Happy Face Video,” which was a recapitulation of highlighted conference events from the previous day. The daily videos included dancing, karaoke singing, and non-training activities. The videos did not add value to the conferences and actually diminished the legitimate purpose of the training. VA paid \$16,500 for the labor and equipment associated with the production of these videos.

²⁹ Marriott subcontracted audiovisual support to American Audio Visual Center.

- Karaoke—VA held a karaoke night during the August conference. The audiovisual contractor did not charge VA for the use of the karaoke equipment but did charge VA \$863 for an employee to operate the equipment. We determined that this cost was unnecessary and did not add any training value to the conference.
- Other Audiovisual Costs—[REDACTED] improperly authorized additional audiovisual services, such as use of Nextel phones, closed captioning for general session tapings, and video recording services after negotiation of the firm-fixed-price contract. For example, VA rented 20 Nextel telephones to be used as walkie-talkies during the conferences at a total cost of \$5,000 for both conferences. This was a post-award addition (not part of the original contract for audiovisual services), which [REDACTED] improperly authorized.

*Catering, Food,
and Beverage
Costs
Questioned*

We identified \$72,350 in catering, food, and beverage costs that were questionable and unauthorized. These services were added after the negotiation of the firm-fixed-price contract by [REDACTED] who lacked the authority to bind the VA to these financial obligations. We determined these expenses to be excessive and unnecessary (Exhibit 1B).

- Hors d'oeuvres—Complimentary hors d'oeuvres were provided by the Marriott for each of the July and August welcome receptions. [REDACTED] added extra hors d'oeuvres for welcome receptions at both conferences. The additional hors d'oeuvres cost \$15,120. [REDACTED] did not have the authority to add items to the firm-fixed-price contract and the additional hors d'oeuvres were excessive and unallowable.
- Breakfast Sandwiches—The firm-fixed-price contract with Marriott included 14 breaks at \$13,200 per break for a total of \$184,800. Each break included refreshments. [REDACTED] negotiated with the Marriott to add breakfast sandwiches during one morning break at each conference. This decision cost an extra \$13,194. [REDACTED] did not have the authority to add items to the firm-fixed-price contract, and the breakfast sandwiches were excessive and unnecessary. It should be noted that conference attendees receive reimbursement for meals and incidental expenses (commonly known as M&IE)—providing breakfast sandwiches was an unnecessary additional expense.
- Breakfast and Cheese Displays for VA Senior Executives, Speakers, and Conference Planners—A limited number of breakfasts and artisan cheese displays were provided to VA senior executives, speakers, and conference planners in a separate breakout room for one day at each conference. The stated purpose of the breakout room was to provide these individuals with a distraction-free work area. This was not included in the firm-fixed-price contract. [REDACTED] did not have the authority to add items to the firm-fixed-price contract and the

breakfasts/cheese displays were unnecessary and not available to all. This cost an extra \$303.

- Beverages for VA Senior Executives, Speakers, and Conference Planners— [REDACTED] provided beverages, including sodas, juices, and hot water for VA senior executives, speakers, and conference planners in a separate room designated as a work area. He did not have the authority to add items to the firm-fixed-price contract providing additional beverages in the work room was excessive and wasteful. Unit prices for sodas were \$4.50, juices were \$5.00, and hot water was \$34.50. The total cost for the additional beverages was \$2,295.
- Banquet Service Charge—The firm-fixed-price contract included instructions on how to bill banquet service charges, but did not include the amount or percentage allowed. The terms in the contract regarding the amount to be charged were ambiguous. Again, had a legal and technical review been accomplished, this issue could have been addressed. Although service charges are a customary expense, we found the banquet service charges were not a negotiated item in the contract; and thus, they were not allowable. However, VA was charged \$41,438.

*Questioned
Miscellaneous
Costs*

We identified \$18,666 in miscellaneous costs, such as handling fees, delivery charges, electrical services, and security. For these charges, an audit trail was not identifiable to determine with certainty whether they were actually associated with VA's two conferences and whether in fact they were necessary (Exhibit 1C).

*Contract
Documentation
Missing in
eCMS*

We determined a significant amount of contract documentation for the Marriott contract was missing in VA's eCMS and contract folders. OALC implemented eCMS as the single mechanism for generating and managing procurement actions. OALC mandated that VA acquisition staff use eCMS to document contract actions. This application (eCMS) provides a centralized database for procurement actions and replaced a primarily manual and paper-based contract management operation used throughout VA.

The benefits of the system include the ability to reduce costs, integrate and standardize procurement processes, reduce workload, and improve communications. Because VA acquisition staff responsible for the Marriott contract did not adequately document their contract actions in eCMS, we could not identify a reliable history and auditable trail of key procurement actions. Again, this demonstrates a lack of professional care by the contracting officer.

Conclusion

Senior VA leaders' lax oversight of acquisition personnel and VALU and OHRM program officials to ensure compliance with Federal and VA Acquisition Regulations resulted in significant contract violations, excessive

costs, and wasteful spending of public funds. Interviews with contracting staff indicate that they were aware of Federal and VA Acquisition Regulations and their contracting responsibilities. However, inadequate controls over HR&A, VALU, and OHRM conference planning personnel demonstrated an egregious breakdown of the oversight mechanisms. These oversight mechanisms ensure services for conferences are not only a legitimate use of public funds but also need to pass public scrutiny.

- Recommendations**
34. We recommended the VA Secretary require that all VA program offices (Administrations, Boards, Centers, and Offices) that plan meetings, conferences, or events involving more than 50 staff identify and clearly state all event requirements to minimize contract modifications.
 35. We recommended the VA Secretary develop a mechanism to ensure that commitments, expenditures, and combined liabilities exceeding \$25,000 receive a legal and technical review.
 36. We recommended the VA Secretary ensure a Price Negotiation Memorandum be used to document negotiated agreements to minimize the possibility of future claims against the Government and to obtain a clear understanding from the contractor that all costs have been fully considered.
 37. We recommended the VA Secretary ensure contracting officers designate and authorize in writing a Contracting Officer's Representative on all contracts and orders other than those that are firm-fixed-price and for firm-fixed-price contracts as appropriate.
 38. We recommended the VA Secretary ensure that only authorized contracting personnel make commitments or changes that affect price, quality, quantity, delivery, or other terms and conditions of a contract.
 39. We recommended the VA Secretary ensure contract modifications are completed timely.
 40. We recommended the VA Secretary establish oversight mechanisms to eliminate excessive and wasteful conference expenditures of public funds.
 41. We recommended the VA Secretary ensure contracting officers document the results of all contract actions in VA's Electronic Contract Management System.
 42. We recommended the VA Secretary take action to ratify any legal agreements made by VA employees where there was no previous authority to commit payments for goods and/or services with the Marriott.

***Agency
Comments
and OIG
Response***

The VA Secretary provided a responsive action plan to address Recommendations 34 - 42. We will monitor the Department's progress and follow up on its implementation until all proposed action are completed. We will assess the effectiveness of the new policies and procedures in our future work addressing VA conferences. Appendix D provides the full text of the VA Secretary's comments.

Issue 8 **Inappropriate Use of Government Purchase Cards**

VA cannot identify all individuals who used their Government purchase cards to acquire goods and services for the HR conference and in some cases made inappropriate purchases. We determined at least seven employees used their individually assigned Government cards for purchases, such as promotional items valued at \$95,459³⁰ and rentals of computers and related equipment at \$26,088. In total, we estimated that at least \$215,826 was spent using Government purchase cards on both conferences. We found employees made purchases to support both HR conferences without the required supervisory approval, while in other cases, supervisors authorized purchase card activity without the required justifications.

Inappropriate Purchases

VA purchase cardholders bought inappropriate items. In some cases, the items purchased were not in the best interest of VA. In at least three instances identified below totaling about \$120,028, purchases were made for the conference that we considered questionable, wasteful, and not in VA's best interest.

General Patton Video

- VA spent \$49,516 between Maslow Media Group (Maslow) and Reel Impact Event Services (Reel Impact) for a motivational speaker, who portrayed General Patton, and the production of a video of his performance. We identified this expenditure as an unauthorized commitment, the conference planners lacked the authority to commit Government funds for this purpose. We considered the total costs spent as inappropriate. Further, our examination identified the cost to VA included approximately \$7,170 for production management services by Maslow, yet Maslow performed no direct video production work. In addition, as we examined the individual invoices, we questioned the appropriateness of VA paying for the majority of these services, as a subcontract between Maslow and Reel Impact. Exhibit 6 provides additional details on the General Patton video purchase.

Promotional Items

- VA spent \$82,429 for promotional items from a vendor, Jus N' Tyme Promos. We consider \$67,512 of that total as unnecessary, inappropriate, and wasteful. These items included all purpose bags, padfolios, and USB hubs. A VA employee requested a legal opinion on whether the items could be purchased to distribute at the conferences. The OGC determined the items were not allowable. In spite of the legal opinion, VA personnel purchased the items. Exhibit 8 provides additional details on the VA's purchase promotional items.

Photography

- VA spent \$3,000 for photography services from Total Media at the August conference. A VA photographer was reportedly used for the July

³⁰ In addition to the \$95,459, VA staff spent an additional \$17,364 on promotional items via IAs bringing the total spent to \$112,823.

conference. However, an OHRM employee was not satisfied with the photographer's work and requested another contracted photographer for the August conference. VA staff determined obtaining a photographer through the hotel was expensive. So [REDACTED] located a Service-Disabled Veteran-Owned Small Business in Florida to provide the services. We questioned the need and purpose of contracting for these services and it did not appear to add value to the training event. Exhibit 9 provides additional details on the VA photography purchases.

Planner Exceeded Authority; Lacked Valid Warrant

[REDACTED] exceeded his \$3,000 micro-purchase limit on numerous occasions. He used two purchase cards, one for supplies and the other for contracts. All of his procurements were required to be made in accordance with applicable laws and regulations, including but not limited to, the FAR and the VA Acquisition Regulation.

Any delegation as COR from a contracting officer automatically terminates upon the COR's reassignment to another office within VA. [REDACTED]'s purchases over the \$3,000 micro-purchase threshold were not valid because he did not have a current warrant. The warrant supporting his purchases over the \$3,000 limit was issued by VHA but unsigned thus rendering it invalid. Also, it was not transferrable to VALU. His approving official inappropriately relied upon this invalid warrant as the authority for his purchase card transactions over \$3,000. Thus, any purchase [REDACTED] made for these two conferences or any other event over \$3,000 was not a valid purchase. He should not have obligated the Government. His purchase limits for his specific cards are listed in Table 13.

Table 13

[REDACTED]'s Government Purchasing Limits		
Purpose of Card	Single Purchase Limit	Monthly Limit
Supplies	\$15,000	\$25,000
Contracts	\$100,000	\$250,000
Tuition	\$50,000	\$100,000

[REDACTED] used his purchase card in support of the HR conference expenses. He purchased at least \$110,420 using his Government cards during July and August 2011. Further, he purchased and received approval for at least 10 transactions totaling \$102,407. These transactions exceeded his \$3,000 limit on purchasing supplies or services using simplified acquisition procedures, or his \$2,500 limit under the Service Contract Act.

Purchases Split To Circumvent Competition Requirements

Orders associated with paying two invoices were inappropriately split to stay below the micro-purchase threshold of \$3,000—the FAR requires competition for purchases valued over \$3,000. VA conference event planners did not follow procurement regulations by paying invoices

separately using a purchase card for services. Any expenditure related to the two conferences should not have been split. For example:

- VA paid Reel Impact \$1,643 on two separate invoices—one for each conference—for the General Patton actor appearance fee and travel expenses for a total of \$3,286. This action inappropriately split the purchases to stay under the \$3,000 micro-purchase limit and avoid competition requirements (Exhibit 6). Further, the use of the purchase card was not the right method to pay these invoices. The requirements for fair and open competition were inappropriately avoided by these actions.

**Required
Supervisory
Approvals
Need
Strengthening**

VA purchase card approvals were not always adequate. A process was in place for purchase cardholders to submit monthly transactions and supporting documentation. The approver used this information to reconcile the purchases made on the card. ██████████ may have worked at least 29 conferences since October 2010. Also, purchase card transactions were not consistently identified by individual event. Thus, it is reasonable that the approver would need to pay more attention to detail and gather enough support to know with certainty if purchases were appropriate. Without requiring documentation, the approver places tremendous reliance and trust in each purchase cardholder. For example:

- In the case of ██████████, the approver had a copy of his unsigned warrant on file but did not accomplish due diligence and ensure the warrant was valid. Purchases made over the \$3,000 spending limit should not have been authorized. In another instance, ██████████ made purchases totaling \$8,675 for additional audiovisual services for the August 2011 conference on his purchase card. This charge was authorized and payment was made even though it exceeded his authority.

Conclusion

Weak internal controls over accounting for conference costs and approving purchase card transactions resulted in violations of acquisition rules, excessive and wasteful spending, and an inability for VA to accurately identify the total spent on the two conferences via purchase cards. We concluded, because controls were not in place, a special review should be accomplished. This review needs to determine if transactions made by VALU staff with purchase cards lacked proper authority and whether contract ratification actions should be completed.

Recommendations

43. We recommended the VA Secretary establish an effective cost system for credit card purchases that appropriately assigns costs to individual major VA events.
44. We recommended the VA Secretary ensure purchase card approvers are trained on proper oversight of purchase card transactions.

45. We recommended the VA Secretary ensure VA Learning University personnel with acquisition support responsibilities have valid warrants and that the warrants match their purchase authorization.
46. We recommended the VA Secretary issue guidance regarding the proper procedures for transferring warrants within VA organizations.
47. We recommended the VA Secretary ensure VA Learning University employees are trained on purchase card policies related to splitting purchases.
48. We recommended the VA Secretary ensure supervisors have the required documentation prior to approving purchase card transactions.
49. We recommended the VA Secretary require the Department to accomplish a special review of purchase card transactions made in support of VA Learning University conferences.

***Agency
Comments
and OIG
Response***

The VA Secretary provided a responsive action plan to address Recommendations 43 - 49. We will monitor the Department's progress and follow up on its implementation until all proposed action are completed. We will assess the effectiveness of the new policies and procedures in our future work addressing VA conferences. Appendix D provides the full text of the VA Secretary's comments.

Appendix A Detailed Examination of Conference Expenditures

On August 27, 2012, VA reported to the OIG that the two HR conferences in FY 2011 cost \$5.8 million. During our review, we identified at least \$6.1 million in conference-related expenditures. Due to the weaknesses in VA's processes for tracking conference spending, we cannot be certain all costs have been identified. Table 14 identifies VA's reported costs, OIG's determined costs, the differences between the two, and the costs OIG is questioning as either violations of law, inappropriate, unnecessary, excessive, and/or wasteful.

Table 14

Overall Analysis of VA Reported Costs and OIG Determined Costs					
Expenses	(a) VA Reported Costs	(b) OIG Determined Cost	(a) - (b) = (c) Difference	(d) Questioned Costs	Exhibit
Orlando World Center Marriott	\$507,722	\$509,377	(\$1,655)	\$280,698	1, p 62
SRA–Contractor	2,688,346*	2,768,384	(80,038)	200,224	2, p 67
SERCO–Contractor	0	80,486	(80,486)	0	3, p 68
BAH–Contractor	0	2,168	(2,168)	0	4, p 68
Conference Speakers	7,480	7,480	0	0	5, p 69
Patton Video	49,516	49,516	0	49,516	6, p 70
Computer Rental	26,088	26,088	0	26,088	7, p 70
Promotional Items	112,973	112,823	150	97,906	8, p 71
Photographers	3,000	3,000	0	3,000	9, p 72
Miscellaneous	22,704	22,704	0	11,507	10, p 73
Conference Pre-Planning Travel	6,836	10,666	(3,830)	10,666	11, p 74
Conference Planning Travel	0	2,086	(2,086)	2,086	12, p 74
Conference Travel	2,377,359	2,499,781	(122,422)	37,489	13, p 75
Subtotal	<u>5,802,024</u>	<u>6,094,559</u>	<u>(292,535)</u>	<u>719,180</u>	
Cash Awards to VA Employees	0	43,018	(43,018)	43,018	14, p 76
Total	<u>\$5,802,024</u>	<u>\$6,137,577</u>	<u>(\$335,553)</u>	<u>\$762,198</u>	

* VA reported \$2,705,710 total cost paid to SRA. We placed \$17,364 in promotional items to accurately report total spent in that category.

**Questionable
Hotel
Expenses**

VA awarded Marriott a firm-fixed-priced contract totaling \$335,800. VA failed to follow contracting regulations in many of the procurements associated with this contract and wasted taxpayer dollars. The firm-fixed-price contract did not undergo a technical or legal review prior to award, as required by VA Acquisition Regulations. As a result, financial and performance obligations were increased unnecessarily for items such as unused rooms and conference cancellation. Specifically, a term of the contract guaranteed that VA would pay a cancellation fee equal to 100 percent of the revenue for total rooms guaranteed or \$405,450.

We reviewed VA reported costs as well as invoices provided by the Marriott to identify VA reported costs and OIG determined cost, respectively. Exhibit 1 presents a breakdown of the actual cost expenditures paid to the Marriott.

Exhibit 1

Summary of Orlando World Center Marriott Expenses					
Expense	Description	VA Reported Cost	OIG Determined Cost	Questioned Costs	Exhibit
Audiovisual	AV Support	\$290,739	\$334,944	\$189,682	1A, pg 63
Catering, Food, and Beverage	Breaks, Beverages, Snacks	218,031	213,950	72,350	1B, pg 64
Miscellaneous	Delivery, Handling, and Other Items	0	18,666	18,666	1C, pg 64
Credit		(1,048)	0	0	
Subtotal		<u>\$507,722</u>	<u>\$567,560</u>	<u>\$280,698</u>	
Credits	Room Rebate & Comp Rebate	0	(\$58,183)*	0	
	Total	<u>\$507,722</u>	<u>\$509,377</u>	<u>\$280,698</u>	

* VA did not accurately report total conference costs for audiovisual services. VA reported costs lower than the OIG determined costs because VA accounted for non-audiovisual charges and credits, including food and beverage and miscellaneous items in its calculation. Specifically, VA applied credits shown of \$58,183 into the line-items for audiovisual services. OIG determined cost included all audiovisual costs paid to the Marriott for both conferences. However, the OIG verified that all applicable sales tax amounts were properly credited to VA. For audiovisual services, food and beverages, and miscellaneous charges, we included applicable sales tax credits in our calculation. In addition, we verified that VA received the appropriate credits for room and compensation rebates per the contract, which totaled almost \$58,200.

**Questioned
Marriott
Audiovisual
Costs**

Exhibit 1A elaborates on the questioned costs identified with the amount VA paid to the Marriott for audiovisual support during the conferences. We reviewed proposals, emails, order summaries, and final invoices for both the July and August conferences. We included all audiovisual costs for both conferences to determine the total amount spent on audiovisual. This amount included both payments made on the firm-fixed-price contract as well as payments made to the Marriott using individual purchase cards.

Exhibit 1A

Questioned Marriott Audiovisual Expenses		
Item or Service Questioned	Description	Amount Paid
“Happy Face Video”	Video of the attendees enjoying the previous day’s conference, including after-hours activities	\$16,500 ^a
Karaoke	Engineer and technician provided support for karaoke after hours	863 ^a
Other Post-Award Additions Made to the Firm-Fixed-Price Contract Amount	Various services to include Nextel phones, closed captioning, video recording, services, labor, etc.	<u>172,319^b</u>
Total Questioned Expenses		<u>\$189,682</u>

^a This expense is an unauthorized commitment of funds made by [REDACTED]. In addition, it was unnecessary and wasteful.

^b [REDACTED] lacked the authority to commit the Government to funds in excess of the firm-fixed-price contract. This also represents an unauthorized commitment of funds.

**Questioned
Marriott Food
and Beverage
Costs**

Exhibit 1B expands on the questioned costs identified with the amount VA paid to the Marriott for catering and food and beverage services during the conferences. We reviewed and analyzed the refreshment costs for both the July and August 2011 conferences. We looked at the final refreshment break invoices and compared them to the refreshment costs specified in the contract to determine the actual amount spent. Those items that were not specified in the contract as authorized refreshment break costs were identified as questionable costs.

Exhibit 1B

Questioned Marriott Catering, Food, and Beverage Expenses		
Item or Service Questioned	Description	Amount Paid
Hors d'oeuvres	Food provided at welcome reception	\$15,120 ^a
Breakfast Sandwiches	Provided during one of the four morning breaks during each conference	\$13,194 ^b
SES Breakfast/ Artisan Cheese Displays	Modified American Breakfast and cheese displays provided in a designated SES breakout room	\$303 ^b
Sodas/Juices etc	Available throughout the day in the breakout room for SES, speakers, and conference planners	\$2,295 ^c
Banquet Service Charges	Charges to provide the morning and afternoon breaks that were not included in firm-fixed-price contract	\$41,438 ^d
Total Questioned Expenses		<u>\$72,350</u>

^a This represents an unauthorized commitment of funds made by [REDACTED]. In addition, it was an inappropriate and unnecessary use of Government resources.

^b This represents an unauthorized commitment of funds made by [REDACTED].

^c This represents an unauthorized commitment of funds made by [REDACTED]. It also was an unnecessary and wasteful use of Government resources.

^d This represents an unauthorized commitment of funds made by [REDACTED].

Questioned Marriott Miscellaneous Costs

Exhibit 1C provides details on the questioned costs identified with the amount VA paid to the Marriott for miscellaneous goods and services provided during the conferences. We reviewed invoices for both the July and August 2011 conferences to determine the total miscellaneous costs incurred by the VA. We reviewed all miscellaneous charges, as well as miscellaneous credits applied to VA, to identify the total amount paid.

Exhibit 1C

Questioned Marriott Miscellaneous Expenses		
Item or Service Questioned	Description	Amount Paid
Miscellaneous	Handling fees, delivery charges, total electrical, total phone usage, and security	\$18,666*
Total Questioned Expense:		<u>\$18,666</u>

* Unauthorized commitment of funds made by [REDACTED].

**Questionable
Interagency
Agreement
Expenses**

VA obtained goods and services related to the HR conferences through interagency agreements (IA). We identified at least four IAs that were used by VA to provide goods and/or services in support of the two HR&A conferences.

**SRA Conference
Support**

OPM contracted with SRA for the following services related to the HR conference:

- Planning, communication, and instructional design
- Administrative tasks, including registration
- Development of a conference logo and brand
- Coordination of conference space, food and beverages, and audiovisual requirements
- Subject matter expertise and support services
- Delivery of training
- General session speaker
- Evaluation of training
- Supplies, training materials, and shipping

We gained reasonable assurance that the invoices billed through OPM by SRA were associated with expenditures for the HR conferences. Exhibit 2 summarizes SRA expenditures into four main categories:

- Contractor travel
- Separately purchased items—includes speaker fees, online registration, supplies, printing, and shipping
- Service fees paid to OPM
- All other expenses—includes conference planning, execution, and evaluation; course development; and contracted instructors

**Questioned
SRA Contract
Costs**

Exhibit 2 provides details on the questioned costs identified with the amount VA paid to SRA for expenditures incurred during the conferences. Questioned costs generally occurred because VA did not receive detailed invoices, and multiple tasks were included on invoices without a detailed cost breakdown of each task. To determine SRA's role in the HR conferences, including their responsibilities and the goods and services they provided, we reviewed the related management plans and tasks.

We requested OPM and SRA provide all delivery receipt forms and invoices summarizing amounts billed and paid, as well as supporting documentation for HR conference-related expenditures. This documentation included expenditures related to other tasks, in addition to the HR conferences. We interviewed SRA officials to identify which expenditures were related to the HR conferences; therefore, our cost analysis is based on testimonial evidence.

We reviewed supporting documentation provided by OPM related to SRA and sub-contractor travel expenses billed to VA. At the time of our review, OPM's documentation only provided support for \$21,012 (12 percent) of the \$174,529 that VA was billed. We selected a small sample of travelers that OPM did not provide supporting documentation for and requested documentation from SRA supporting the actual travel costs for those travelers. SRA provided detailed invoices; however, we identified potentially inappropriate charges—such as first class airfare upgrades, incorrect per diem, and unsupported miscellaneous expenses. Therefore, we cannot be sure that OPM:

- Received detailed supporting documentation from SRA for all billed travel expenses
- Reviewed the supporting documentation that was provided
- Monitored and questioned potentially inappropriate charges for travel

Further, we identified \$21,420 in billed travel costs for one of SRA's subcontractors. SRA provided this total but noted that detailed information on this travel was not provided to their company, but rather sent directly to OPM. OPM did not provide documentation supporting these travel expenses.

Therefore, we question the \$153,517 in billed travel expenses where OPM did not provide supporting documentation.

We could not conduct a detailed review of the fourth category (all other expenses) because of the way OPM bills VA. SRA sends invoices to OPM who provides a delivery receipt form to VA with billed goods and services. The delivery receipt forms we reviewed included costs related to the HR conferences as well as other tasks. However, the forms did not include a breakdown of costs related to specific tasks—it only listed an all-inclusive billed amount—one line-item.

We verified conference cost amounts by comparing the billed amount to the associated task orders; however, the task orders also did not relate costs to specific deliverables. Due to these limitations, we were unable to conduct a comprehensive review or question costs in the fourth category.

Exhibit 2

SRA Contractor Expenses			
Expense	VA Reported Cost	OIG Determined Cost	Questioned Costs
Contractor Travel	\$174,530	\$174,529	\$153,517 ^a
Separately Purchased Items	186,575	185,292	46,707 ^b
Service Fees	0	81,122	0
All Other Expenses, including conference design and evaluation	<u>2,327,241</u>	<u>2,327,441</u>	(see note c)
Total^d	<u>\$2,688,346</u>	<u>\$2,768,384</u>	<u>\$200,224</u>

^a Travel expenditures in the amount of \$153,517.

^b Items purchased without required OPM approval totaled \$37,707, plus potential duplicate charge of \$9,000 for conference speaker—Jeanne Meister.

^c We could not conduct an adequate review of approximately \$750,000 of the \$2.3 million paid to SRA in the All Other Expenses category. SRA reported this amount based on subcontractor pricing, which contained proprietary information. Therefore, we were unable to review this portion of SRA's costs.

^d Total SRA contractor expenses listed in this exhibit do not include \$17,364 paid for notebooks and water bottles—promotional item expenses captured in Exhibit 8. As a result, total SRA contractor expenses do not match the totals presented in Table 14.

**SERCO
Conference
Support**

SERCO provided coordination and management services for the conferences. SERCO set up and staffed the “VA for Vets” exhibit booth at each conference.

**Questioned
SERCO
Contract Costs**

To determine how much VA paid SERCO to set up and staff the “VA for Vets” exhibit booth at each HR conference, we reviewed SERCO’s vendor management plan, invoices, and delivery receipt forms. We obtained copies of related invoices and delivery receipt forms from OPM. In cases where invoices included as that appeared not to be related to VA’s HR conferences, we interviewed VA’s initiative coordinator charged with monitoring SERCO’s performance and costs to clarify questions about specific expenditures. As a result, portions of our cost analyses are based on testimonial evidence. VA also was unable to provide OIG with documentation regarding SERCO’s labor and other direct and indirect costs.

Exhibit 3

SERCO Contractor Expenses			
Expense	VA Reported Cost	OIG Determined Cost	Questioned Costs
Contractor Travel	\$0	\$12,916	\$0
Separately Purchased Items	0	16,388	0
OPM Service Fee	0	3,465	0
Labor	<u>0</u>	<u>47,717</u>	<u>0</u>
Total	<u>\$0</u>	<u>\$80,486</u>	<u>\$0</u>

BAH Conference Support

Booz Allen Hamilton (BAH) provided training and communication design services at each conference relating to the course titled “Workforce Planning—Basic Training for the VA HR Consultant.”

Questioned BAH Contract Costs

To determine how much VA paid BAH to furnish training and communication design services at each conference for the course titled “Workforce Planning—Basic Training for the VA HR Consultant,” we reviewed BAH’s vendor management plan as well as available invoices and delivery receipt forms. Because of the lower costs associated with this IA, we limited our testing of the reviewed data.

Exhibit 4

Booz Allen Hamilton Contractor Expenses			
Expense	VA Reported Cost	OIG Determined Cost	Questioned Costs
Contractor Travel	\$0	\$1,944	\$0
Separately Purchased Items	0	131	0
OPM Service Fee	<u>0</u>	<u>93</u>	<u>0</u>
Total	<u>\$0</u>	<u>\$2,168</u>	<u>\$0</u>

Conference Speaker Costs

Exhibit 5 identifies non-Federal speakers for the HR conferences. VA employees also spoke at the HR conferences. Officials reported that employee speakers did not receive fees or payment; however, VA did pay for their travel to the conferences.

We reviewed the schedules for the July and August 2011 HR conferences to come up with a complete list of speakers. We requested and reviewed related invoices to determine how much VA paid each speaker and whether or not travel expenses could be separated from speaking fees.

Exhibit 5

Conference Speaker Expenses				
Speakers	Services Ordered	VA Reported Cost	OIG Determined Cost	Questioned Costs
Maria Paz-Barrientos (IBM)	Speaker at July Conference	\$0	\$0 ^a	\$0
Jeanne Meister (Future Workplace)	Speaker at July & August Conferences	9,000	9,000 ^b	0
Dana Bowman (Veteran/Motivational Speaker)	Speaker at July & August Conferences	6,000	6,000 ^c	0
Mark Addelson (George Mason University)	Speaker at August Conference	1,480	1,480 ^c	0
Credits	N/A	<u>(9,000)</u>	<u>(9,000)</u>	<u>0</u>
Total		<u>\$7,480</u>	<u>\$7,480</u>	<u>\$0</u>

^a No associated expenses.

^b Expenses for this speaker captured in Exhibit 2.

^c Includes travel and fees for appearance.

Travel expenses for VA employee speakers are included in Exhibit 6. One OPM official spoke at the July HR conference; however, VA did not pay a fee and did not reimburse for the speaker's travel expenses.

General Patton Parody

VA spent \$49,516 for a motivational speaker, who portrayed General Patton, and the production of a video of his performance. We considered the total costs inappropriate.

As we examined individual invoices, we questioned the appropriateness of VA paying for the majority of these services as a subcontract between Maslow and Reel Impact. The cost to VA was \$7,170 for production management services by Maslow with no direct video production work performed.

We reviewed the invoices related to the production of the General Patton videos. We compared the invoices to purchase card transaction records to determine how much was paid for the production and actor services, how much was charged for each transaction (over or under \$3,000), and which purchase card was used. We interviewed employees from Maslow, the contractor that produced the videos, to obtain information on expenses related to the videos. We also interviewed the owner of Reel Impact.

We determined VA paid Reel Impact \$1,643 on two separate invoices—one for each conference—for the General Patton actor appearance fee and travel expenses for a total of \$3,286. These purchases were split inappropriately to

stay under the \$3,000 micro-purchase limit and avoid competition requirements.

Exhibit 6

General Patton Motivational Speaker and Video Expenses				
Vendor	Expense	VA Reported Cost	OIG Determined Cost	Questioned Costs
Maslow	Video Production	\$46,230	\$46,230	\$46,230 ^a
Reel Impact	Actor's Fee	<u>3,286</u>	<u>3,286</u>	<u>\$3,286</u> ^b
Total		<u>\$49,516</u>	<u>\$49,516</u>	<u>\$49,516</u>

^a Unauthorized commitment of funds made by ██████████, thus it was inappropriate.

^b Unauthorized commitment of funds made by a program specialist. Although paid in two split transactions, the overall fee exceeded the micro-purchase threshold. Therefore, it was inappropriate.

Questioned Computer Rental Costs

This exhibit identifies the computer rental expenditures for the HR conferences that were purchased using ██████████'s purchase card. Due to the fact that six of the training classes required computers and the additional computers were needed for registration purposes, we determined there was a need to rent the computers for the conferences. However, these transactions were made by ██████████ on his purchase card, and all of the transactions exceeded the \$3,000 micro-purchase limit. ██████████ did not have a warrant, and we determined \$26,088 of the costs to be questionable.

Invoices supporting the rental of computers from Rush Computer Rentals were requested and obtained from VALU employees. The costs contained within the invoices were then compared with the amounts reported by Ms. Muellerweiss. All costs associated with the rental of computers from Rush Computer Rentals matched the invoices.

Exhibit 7

Computer Rental Expenses				
Vendor	Goods Procured	VA Reported Cost	OIG Determined Cost	Questioned Costs
Rush Computer Rentals	Computers for registration & training sessions	\$26,088	\$26,088	\$26,088*
Total		<u>\$26,088</u>	<u>\$26,088</u>	<u>\$26,088</u>

* Unauthorized commitment of funds made by ██████████. The overall fee exceeded the micro-purchase threshold.

**Questionable
Costs for
Promotional
Items**

Exhibit 8 identifies the promotional item expenditures for the HR conferences. Prior to making purchases, OHRM obtained an opinion from OGC on whether certain promotional items would be allowed; however, OHRM employees made some purchases that OGC opined as inappropriate. We also questioned notebooks purchased at a greater unit price than \$2.00.

Generally, the purchase of a notebook would be allowable; however, the guidance provided by OGC to OHRM limited the purchase price to \$2.00. Though additional notebooks were purchased for less than \$2.00, these notebooks were deemed to be in excess. With this second purchase, a total of 3,600 notebooks were purchased for fewer than 2,000 conference attendees. Thus, \$14,917 of the expenditures was appropriate. The remainder of the expenses, valued at \$97,906, was determined to be unnecessary and wasteful.

Invoices supporting the purchase of promotional items were requested and obtained from OHRM, VALU, and SRA employees. The costs contained within the invoices were then compared to the amounts reported by Ms. Muellerweiss. We applied the OGC guidance provided to OHRM for the purchased items to determine whether the costs were questionable. If the OGC guidance did not cover an area, we determined whether the items were reasonably necessary based upon additional purchases. We consider the amount spent on promotional items as well as the quantity of items purchased per employee to be unnecessary and wasteful.

Exhibit 8

Promotional Item Expenses				
Vendor	Goods Procured	VA Reported Cost	OIG Determined Cost	Questioned Costs
Jus N' Tyme Promos	All-Purpose Bags, Padfolios, and USB Hubs	\$82,429	\$82,429	\$67,512 ^a
4imprint	Fitness Walking Kits, Exercise Bands, & Pedometers	7,890	7,890	7,890 ^b
Staples	Notebooks	2,010	1,860	1,860 ^c
4imprint	Water Bottles	1,482	1,482	1,482 ^b
Discount Mugs	Duffel Bags	1,264	1,264	1,264 ^d
Branders	Squeezies	534	534	534 ^d
Dougherty and Associates	Water Bottles and Notebooks	<u>17,364</u>	<u>17,364</u>	<u>17,364</u> ^{b/e}
Total		<u>\$112,973</u>	<u>\$112,823</u>	<u>\$97,906</u>

- ^a OGC opined to [REDACTED], Management Analyst, HR&A, that these items were not allowable.
- ^b These items have intrinsic value and were not allowable. VA previously purchased 2,500 water bottles; therefore, these water bottles were unnecessary.
- ^c VA had previously purchased 2,500 notebooks—these additional notebooks were unnecessary.
- ^d These items have intrinsic value and were not allowable.
- ^e Water bottles have intrinsic value. Although notebooks would normally be allowed, these notebooks exceeded the Environmental Protection Agency guidance of \$2.00 per item referred to by OGC.

Questionable Photography Costs

Exhibit 9 identifies photography expenses totaling \$3,000. A VA photographer was reportedly used for the July conference, but an OHRM employee was not satisfied with the photographs taken so she asked for a contracted photographer for the August conference. Since the hotel rate to provide a photographer was so high, [REDACTED] reportedly found a Service-Disabled Veteran-Owned Small Business in Florida to provide a photographer's services at a lower rate.

The invoice supporting the photographer for the August HR conference was requested and obtained from a VALU employee. The cost of this invoice was compared with the amount reported by Ms. Muellerweiss. The amount charged on the invoice matched the amounts provided by Ms. Muellerweiss.

Exhibit 9

Photography Expenses				
Vendor	Services Ordered or Goods Procured	VA Reported Cost	OIG Determined Cost	Questioned Costs
	Photography			
Total Media	Services	<u>\$3,000</u>	<u>\$3,000</u>	<u>\$3,000*</u>
	Total	<u>\$3,000</u>	<u>\$3,000</u>	<u>\$3,000</u>

* This cost was incurred for the August conference only. We questioned this expense because it did not appear to add value to the training event.

Questioned Miscellaneous Costs

Exhibit 10 identifies miscellaneous expenses for such items as conference support, exhibit booths, janitorial services, signs, and banners. We questioned the purchases for the booths and janitorial services as split purchases. In addition, the table banners were specifically not allowed by OGC.

We identified two invoices for janitorial services and 20 exhibit booths provided by Global Experience Specialists, Inc. (GES) for the July and August conferences. We compared the invoices with [REDACTED]'s purchase card transaction records and determined that he made both payments with his

purchase card. We also reviewed the invoices for the remaining miscellaneous expense items and OGC's opinion that the banners were not allowed.

Exhibit 10

Miscellaneous Conference Support Expenses				
Vendor	Services Ordered or Goods Procured	VA Reported Cost	OIG Determined Cost	Questioned Costs
DFAS	Conference Support	\$10,400	\$10,400	\$0
Elite Digital Graphics	Signs	5,833	\$5,833	\$5,833 ^a
GES	20 Exhibit Booths and Janitorial Service	1,974	1,974	1,974 ^b
GES	20 Exhibit Booths and Janitorial Service	1,698	1,698	1,698 ^b
Jus N' Tyme Promos	Table Banners	1,770	1,770	1,770 ^c
Candy Warehouse	Candy and Candy Jars	417	417	0 ^d
Northeast Office Supply	Six Pocket Organizers	232	232	232
UPS	Shipment of Conference Materials	380	380	0
Total		\$22,704	\$22,704	\$11,507

^a Unauthorized commitment of funds made by ██████—purchases that exceeded his purchase authority were an unauthorized commitment.

^b The requirement for exhibit booths and janitorial services were identified prior to the July conference and should have been paid for as one requirement. Therefore, this is a split-purchase exceeding ██████'s purchase authority and was an unauthorized commitment.

^c Specifically not allowed by OGC.

^d Candy and candy jars purchased at minimal cost can be an allowable expense.

Questioned Travel Expenses

Exhibit 11 identifies VA's expenses for conference planning. We identified two distinct billing periods when VA employees traveled, notably for conference planning—one prior to the RFP being sent to prospective hotels and the other as part of the technical review of received proposals.

Questionable Travel Prior to RFP

The travel occurred prior to the issuance of the RFP on January 6, 2011, well in advance of the CoS authorizing the conferences on December 20, 2010. In Exhibit 11, we identified approximately \$10,666 associated with VA employees' travel expenses associated with survey site visits to three major cities in advance of this conference being authorized. VA employees visited hotels in Dallas, TX; Nashville, TN; and Orlando, FL. The same employees did not travel for each visit. Due to the different sources of funding, VALU

and HR&A, the travel expenses reported could not be reconciled and the difference is reflected in the Exhibit 11.

We questioned these costs in their entirety as unnecessary and wasteful. Further, senior VA acquisition officials opined that the pre-planning site visits were unnecessary and inappropriate expenses since all of the information needed to conduct market research was available online. We interviewed VA employees and hotel personnel to identify those individuals who attended pre-RFP site visits. Once the VA employees' names were identified, all travel vouchers and receipts for Dallas, TX; Nashville, TN; and Orlando, FL, from August 2010 through June 2011, were requested and reviewed.

Exhibit 11

VA Employee Travel Expenses Prior to RFP				
OIG Identified Number of Travelers	Source of Funding	VA Reported Cost	OIG Determined Cost	Questioned Costs
4	VALU	\$0	\$3,830	\$3,830
3	HR&A	<u>6,836</u>	<u>6,836</u>	<u>6,836</u>
Total		<u>\$6,836</u>	<u>\$10,666</u>	<u>\$10,666</u>

Questionable Travel After Contract Award

We identified the planning travel expenses that occurred after the contract was awarded to the Marriott (Exhibit 12). Generally, travel for pre-conference planning visits would be considered appropriate. However, we considered two visits to the same hotel unnecessary, thus we questioned the \$2,086.

We interviewed VA employees and hotel personnel to identify those individuals who attended a planning site visit. Once the VA employees' names were identified, all travel vouchers and receipts to Orlando, FL, in March 2011 were requested and reviewed.

Exhibit 12

VA Employee Travel Expenses After Contract Award				
OIG Identified Travelers	Source of Funds	VA Reported Cost	OIG Determined Cost	Questioned Costs
1	VALU	\$0	\$546	\$546
2	HR&A	<u>0</u>	<u>1,540</u>	<u>1,540</u>
Total		<u>\$0</u>	<u>\$2,086</u>	<u>\$2,086</u>

**Reported
Travel
Training Costs
Inaccurate**

Exhibit 13 identifies VA employee travel expenses for the conferences. VA reported the travel costs for VA staff to attend the July and August HR conferences \$1,224,002 and \$1,153,357, respectively for a total cost of \$2,377,359. This travel was paid by VALU. We determined the VALU amount was overstated by \$19,696, due to duplication and the inclusion of employees not traveling to Orlando, FL. However, we also identified an additional \$142,118 in travel paid by non-VALU funds. In total, we identified \$2,499,781 paid to send 1,930 travelers to attend, provide support, or to present or speak at the conferences.

We determined that VA approving officials did not provide adequate oversight to ensure that expenses associated with travel for these conferences were appropriate and in accordance with VA policy. In total, we questioned \$37,489 for several reasons. For example, while it may be necessary for some employees to arrive before or stay later than the conference, we question the reasonableness of \$16,752 spent for a total of 169 employees (about 85 employees at each conference) arriving early or staying late, especially when VA contracted for onsite conference set up and break down.

We reviewed all VA employee travel to Orlando, FL, immediately before and during the time frame of the July and August 2011 conferences. We reviewed attendance lists provided by VA, reservation records provided by the Marriott, and comments within FedTraveler records to identify those travelers that were in Orlando, FL, for the conferences. We also interviewed VA employees and contractors to identify a complete list of speakers at the conference whose travel was paid via the FedTraveler system. We reviewed employee travel vouchers and associated expense receipts to identify questionable travel costs.

Exhibit 13

VA Employee Travel-for-Training Expenses				
OIG Identified Travelers	Source of Funds	VA Reported Cost	OIG Determined Cost	Questioned Costs
1,817	VALU	\$2,377,359	\$2,357,663	\$33,298
113	Other Sources	0	142,118	4,191
Total		<u>\$2,377,359</u>	<u>\$2,499,781</u>	<u>\$37,489</u>

**Awards
for VA
Employees**

VA spent \$43,018 for 17 VA employees who received Special Contribution Cash and/or Time-Off Awards for their work on the HR conferences. Generally, awards for an employee's special contribution would be allowable as VA Handbook 5017/9 states that a Special Contribution Award recognizes a contribution, act, service, or achievement that benefits VA and the Federal Government.

We reviewed VA Incentive Awards Recommendation and Approval documents for 17 VA employees who received Special Contribution Awards for their work on the July and August conferences. We reviewed the justification memoranda to determine if the employees' awards were related to cost savings or return on investment and/or communication/updates with senior leadership during the planning of the conferences. We also contacted VA to determine if any of the employees who were awarded Time-Off Award hours had used any since July 1, 2011, and their pay grade and hourly wage at the time the hours were used to determine the dollar value of the Time-Off Awards.

We identified five employees who received awards recognizing their actions in keeping senior leadership aware of conference concerns. We also identified five other employees who received awards recognizing their actions to minimize conference costs. However, based on the lack of management oversight and awareness of decisions and actions regarding the conferences and other issues, we questioned whether senior leadership was aware enough of the actions taken by employees to decide to award individual efforts.

Exhibit 14

Special Contribution Awards for VA Employees				
Award Type	Award Cash Value	VA Reported Cost	OIG Determined Cost	Questioned Costs
Cash	\$40,749	\$0	\$40,749	\$40,749
Time-Off	<u>\$2,269</u>	<u>0</u>	<u>\$2,269</u>	<u>\$2,269</u>
Total	<u>\$43,018</u>	<u>\$0</u>	<u>\$43,018</u>	<u>\$43,018</u>

Exhibit 15 provides a list of the VA Employees who received Special Contribution Awards during FY 2011 for their efforts contributing to the success of the conferences.

Exhibit 15

Breakdown of Special Contribution Awards by Recipient		
Employee	Type of Award	Award Value
Tom Barritt	Cash	\$5,500
Jolisa Dudley	Cash	\$5,500
[REDACTED]	Cash	\$3,000
[REDACTED]	Time-Off	\$938 ^a
[REDACTED]	Time-Off	\$1,331 ^b
[REDACTED]	Cash	\$4,000 ^c
[REDACTED]	Cash	\$3,000 ^d
[REDACTED]	Cash	\$3,000
[REDACTED]	Cash	\$2,500
[REDACTED]	Cash	\$2,000
[REDACTED]	Cash	\$2,000
[REDACTED]	Cash	\$2,000
[REDACTED]	Cash	\$749 ^e
[REDACTED]	Cash	\$2,500
[REDACTED]	Cash	\$2,000
[REDACTED]	Cash	\$1,500
[REDACTED]	Cash	\$1,500
Total		<u>\$43,018</u>

^a [REDACTED] used 18 of the 40 hours awarded after July 1, 2011—estimated cost \$938.

^b [REDACTED] used 24 of the 40 hours awarded after July 1, 2011—estimated cost \$1,331.

^c The award commended [REDACTED] on his work with the General Patton video.

^d The award commended [REDACTED] for purchasing a karaoke machine with his own money.

^e A Time-Off Award was also given but was not taken before the hours expired.

Limitations on Available Information

VA could not provide precise or complete data to support costs of the July and August 2011 HR conferences, as we stated in our report. Throughout our review, VA continued to modify its cost totals and provide piecemeal documentation to support conference expenditures. We compared VA's data with other available supporting documents from other sources such as the Marriott, OPM, and SRA to determine data consistency and reasonableness. We did not review about \$750,000 of the \$2.8 million paid to the SRA contractor. These were SRA's subcontract costs and contain proprietary information. However, we believe the information obtained appears to be sufficiently reliable for this report. Nonetheless, our review may not necessarily disclose all costs or all instances of noncompliance.

Appendix B Prior Report Identified Weaknesses in VA's ADVANCE Program Management

VA incurred almost \$2.8 million in costs under Interagency Agreements (IAs) with the Office of Personnel Management to hold two Human Resources (HR) conferences in Orlando, FL. VA relied upon its ADVANCE program to manage the funding needed to provide many of the conference support services. The issues associated with the HR conference expenditures magnify the process failures reported in a recent OIG report, *Audit of ADVANCE and the Corporate Senior Executive Management Office Human Capital Programs*.³¹

During this prior audit, the OIG held several meetings with senior HR&A staff to discuss the lack of a process to provide an accurate accounting for expenses and weaknesses in controls. Specifically, we reported that VA needed to strengthen its management of IAs with OPM and improve its measures to more accurately assess program impact. We reported that weaknesses occurred because VA deployed ADVANCE rapidly and did not establish adequate controls over IA costs and terms. Further, VA lacked reasonable assurance it effectively spent program funds during FYs 2010 and 2011 and that its spending plans for FY 2012 would achieve the intended impact on VA's workforce. In addition, VA reported it did not evaluate the reasonableness of IA service fees.

More importantly, in this current administrative investigation we found VA had not developed effective processes to allow it to assess the costs and terms of its IAs with OPM in spite of its reliance on IAs to acquire conference planning and management support services. These same IAs were used to acquire contractor and trainer support services associated with the two HR conferences discussed in this report. Our review of the funding, budgeting, and cost controls for the HR conferences continues to identify similar persistent and systemic weaknesses, specifically regarding inadequate monitoring and oversight of IA terms and costs.

VA did not require OPM to provide detailed invoices that included specific program costs incurred through IAs. VA program officials reported they would have to obtain copies of contractor invoices from OPM and review them manually to monitor and account for specific program costs. Yet the same program officials reported that it took OPM as long as 6 months to provide VA with signed copies of ADVANCE-related IAs. The lack of effective internal controls over VA's IAs with OPM and lack of assurance that VA's processes ensure compliance with the FAR and guidance from the Office of Management and Budget's Office of Federal Procurement continues to negatively impact VA training initiatives.

³¹ Report No. 11-02443-220, August 2, 2012.

Our prior report emphasized that without access to complete cost data, VA could not make fully informed spending decisions for the ADVANCE program. Further, we reported VA needed to take steps to collect data that allows it to more reliably estimate the impact of its investments on key agency outcomes. By strengthening its management controls and improving its program impact measures, we reported that VA could improve its accountability over ADVANCE program funds. These controls need implementation and remain critical for VA to effectively manage the risks associated with future program initiatives, especially its oversight of conference management and management of active IAs.

Mr. Sepúlveda did not agree with certain aspects of our report, particularly as it related to the management and oversight of IAs and estimated service fee overpayments—in spite of FAR requirements for agencies to assess if an IA represents the best procurement method prior to making a choice. We reaffirmed that an assessment should include an evaluation of the servicing agency's capacity to provide services and cost reasonableness, including service fees.

Mr. Sepúlveda specifically disagreed with our earlier report's finding that VA's standardized service fee agreement with OPM for FY 2011 was not economical and cost VA an additional \$2.5 million. However, while we offered Mr. Sepúlveda the opportunity to provide the OIG with supporting documentation on how HR&A met FAR requirements, he did not provide adequate documentation to support his disagreement.

In our prior audit as well as in this administrative investigation, we also found VA's IA contract files to be incomplete and insufficient to facilitate an audit as required by the FAR. For example, in our prior audit we found that IA contract files did not include documentation detailing market research or assessments of the reasonableness of agency service fees for the reviewed IAs. Further, after an attempt to reconcile the invoices between OPM and a vendor providing support services, both OPM and the vendor's information was incomplete.

Mr. Sepúlveda disagreed that the terms and costs of IAs with OPM were not adequately monitored. He stated contracts issued under the IAs with OPM are firm-fixed-price contracts that protect VA against contractor cost overruns. VA monitors and accounts for costs such as contractor travel and consultant fees through the management plan and from OPM's deliverables receipt form that is submitted to VA. The Deliverables Receipt form contains a description of the goods and services purchased and the costs associated with those deliverables. Further, Mr. Sepúlveda stated the terms of IAs with OPM are subject to several layers of performance monitoring and review that include monthly service agreement meetings with OPM, biweekly program management reviews, as well as a formal change control process.

In spite of Mr. Sepúlveda's disagreement with certain aspects of our report issued on August 2, 2012, the inability to provide a full accounting of conference expenditures again demonstrates the problems identified in this report. Federal agencies should be able—as stewards of public funds—to account for program costs. The processes VA developed to monitor the terms of IAs assumed timely possession of signed IAs. Officials reported that in some cases, they did not have copies of signed IAs to allow them to monitor an agreement's terms until well into the period of performance. Without timely and complete copies of IAs, VA's processes to monitor IA terms cannot be effective.

FAR Part 17.5 requires agencies to evaluate fully the costs and benefits of IAs and to take into consideration whether service fees are reasonable. Agencies are also required to ensure a complete understanding between them regarding each agency's roles and responsibilities. In the prior work for our report issued on August 2, 2012, our ability to examine the budget and expenditure data was limited by HR&A's delayed responses to our data requests, which were necessary for achieving our audit objective. Furthermore, our ability to conduct a full review of some IAs, which was also key to achieving our audit objective, was limited by the lack of availability of data, both hard copy and electronic. We could not verify cost data for ADVANCE offices, such as VALU, against data captured in VA's Financial Management System because these offices operate on ADVANCE and other funding sources that cannot be separated in VA's Financial Management System.

**Appendix C Potential Monetary Benefits in Accordance With
Inspector General Act Amendments**

Recommendation	Explanation of Benefits	Better Use of Funds	Questioned Costs
26	Establish controls to ensure senior officials exercise their responsibility and accountability for prudent management of conference funds.	\$0	\$762,198
Total		<u>\$0</u>	<u>\$762,198</u>

Appendix D VA Secretary Comments

Department of Veterans Affairs

Memorandum

Date: September 28, 2012

From: Secretary (00)

Subj: Office of Inspector General (OIG) Draft Report – Administrative Investigation of FY 2011 Human Resources Conferences in Orlando, Florida (12-02525-197)

To: Office of Inspector General (50)

1. Thank you for the opportunity to review and comment on the subject draft report. The OIG review outlines the results of its investigation into questions of wasteful expenditures related to the conferences held in Orlando, Florida, in July and August 2011. A workgroup comprised of senior Department officials, including leadership from the Veterans Health Administration, the Office of Management, the Office of General Counsel, and the Office of Information & Technology thoroughly reviewed the subject report and identified areas of agreement with its contents. These are noted in the attachment, "Response to Office of Inspector General (OIG) Administrative Investigation of FY 2011 Human Resources conferences in Orlando, Florida." This collaborative document provides detailed VA responses, as well as implementation plans to the OIG recommendations.
2. We appreciate your consideration of the comments provided with the goal of publishing a comprehensive final report. We will ensure that future efforts apply the lessons learned and build a foundation to improve upon conference planning, execution, and accountability.



Eric K. Shinseki

Attachment

Response to Inspector General Administrative Investigation of FY 2011 Human Resources Conferences in Orlando, Florida (12-02525-197)

Introduction

The mission of the Department of Veterans Affairs (VA) is to honor and serve America's Veterans. This is a sacred obligation both for the Department and for the Nation. As the need for benefits and services increases, so does the urgency of VA's mission.

Our commitment to our mission informs our response to the report from the VA Office of Inspector General, "Administrative Investigation of FY 2011 Human Resources Conferences in Orlando, Florida." This report assesses allegations of wasteful spending and insufficient oversight related to two conferences sponsored by VA's Office of Human Resources and Administration (HR&A).

The Inspector General's report identified several examples of wasteful expenditures. These findings are troubling. The actions cited in the report represent lapses in oversight, judgment, and stewardship.

The Department is committed to effectively addressing the issues outlined in the IG report. This will include appropriate personnel measures. It will also include the enforcement of current guidelines and, as needed, the enactment of new rules and procedures to improve accountability and help ensure that such incidents do not occur again.

In fully addressing the incidents alleged in the report, the Department must also continue to provide the kind of training that has improved its performance and increased the competencies of its employees.

Recommendations Regarding Individual VA Employees

In Recommendations 1-18 of his report the IG has recommended that the Secretary take appropriate action with regard to named VA employees. The Secretary responds to the IG's recommendations as follows:

Recommendation #1 – The Secretary accepted the Inspector General's recommendation that he take appropriate action with regard to Assistant Secretary Sepulveda. He carefully reviewed the IG's conclusions and the evidence upon which they were based. He spoke at length with Mr. Sepulveda concerning the IG's findings. The Secretary has accepted Mr. Sepulveda's resignation effective September 30, 2012.

Recommendation #8 – Recommendation #8 – The Secretary has discussed the matter of the 2010 review of the proposal for the Human Resources Conferences with the COS. He has informed Mr. Gingrich that the policies and procedures that were in place to review and monitor the expenses of the conferences were inadequate and that he should have asked more questions when the proposal was submitted for authorization. The Secretary further directed the General Counsel to develop a comprehensive policy to address the issues identified in the IG's report.

Recommendations #2-7 and #9-18 – The Secretary will assign responsibility to appropriate VA officials outside the Office of Human Resource Management to review these recommendations of the Inspector General and all available evidence related to such recommendations. After consultation with human resource officials from outside VA's Office of Human Resource Management, and with the Office of General Counsel, the assigned officials shall determine what administrative action is appropriate with regard to each individual. The Inspector General will be informed of the Department's conclusions and any action taken.

VA Training Conferences and the Advancement of the Organizational Mission

Ongoing military operations assured continuing growth of a Veteran population with increasingly complex health care concerns. In 2009, VA recognized that the changing needs of Veterans required it to improve and enhance the training of its employees. At that time, training programs were scattered, siloed, and underutilized.

The Veterans Affairs Learning University (VALU) was created to meet the need for higher quality training for all employees on a consistent and easy to use basis. VALU identifies critical knowledge, skills, and behaviors needed to accomplish our mission, compares them to current organizational capabilities and targets training to fill the gaps. This process informs the course offerings in our training programs, including training conferences. As training courses are developed, we give strong consideration to ensuring courses are available to the largest population of employees, and are carried out in a cost-effective manner. VALU also developed a training evaluation methodology – regularly reporting training completion, training results, and future training needs.

These priorities and processes provide context for our training conferences and prepare our employees to carry out our mission effectively, efficiently and ethically.

VA Measures to Ensure Effective, Cost-Efficient Conferences

Conference oversight is not a new priority. Since 2009, VA has implemented a series of new policies and controls on the planning and execution of conferences:

- On January 29, 2009, VA issued the first of several memoranda establishing a centralized conference review process to assure the prudent use of our resources.
- Another VA memo, issued on August 12, 2011, required Under Secretaries, Assistant Secretaries, and other key officials to submit a consolidated list of proposed conferences and training events for FY 2012 to the Office of the Secretary for review. This memo required that any proposed conference or training session involving 50 or more VA employees must be submitted to the Chief of Staff for review and authorization.
- In November 2011, VA's Office of Management published a detailed conference-planning policy document, which made clear that all conference travel must be performed in the most economical and effective manner, and should be limited to those expenses that are necessary to accomplish the purpose of the conference.

- Additionally, VA has fully implemented conference-related guidance from the Office of Management and Budget (OMB):
 - On September 21, 2011, OMB issued Memorandum 11-35, “Eliminating Excess Conference Spending and Promoting Efficiency in Government,” which instructed all agencies “to conduct a thorough review of the policies and controls associated with conference-related activities and expenses.”
 - OMB expanded on this directive with Memorandum 12-12 (OMB M-12-12), “Promoting Efficient Spending to Support Agency Operations,” issued on May 11, 2012. M-12-12 outlined a series of policies and practices for conference sponsorship, hosting, and attendance.
 - Through a VA memo issued on July 3, 2012, VA implemented guidance provided by OMB with respect to conference sponsorship and planning.
- In direct response to the allegations stemming from the Orlando conferences, the Secretary directed the removal of purchasing authority of any employees who may be under investigation, mandated ethics training for all VA personnel involved with the planning or execution of training conferences, and ordered outside independent reviews of all training policies and procedures.
- On September 16, 2012, VA issued a revised conference-oversight memo that superseded previous guidance. That memo – which was updated by a memo dated September 26, 2012 (see below) – requires VA to comply with OMB M-12-12 policy, in addition to instituting new mandatory guidelines for review and approval requirements for all conferences.
 - For example, conferences that are projected to cost VA in excess of \$500,000 are prohibited. Exceptions to this prohibition require review by the Chief of Staff and the Deputy Secretary, and a waiver by the Secretary. The Chief of Staff and Deputy Secretary will continue to review conferences costing VA in excess of \$100,000. Conferences projected to cost more than \$20,000, but less than \$100,000, must be reviewed by the Under Secretary, Assistant Secretary, or equivalent senior official of the organization proposing the conference.
 - The memo also established important new roles in the approval, planning, and execution of conferences. First, each Administration and staff office shall designate in writing at least one Conference Certifying Official (CCO) who is a Senior Executive or SES equivalent. All conference proposals will be reviewed and certified to comply with all regulations and policy by the CCO before moving forward for clearance at the Under Secretary, Assistant Secretary, Chief of Staff, or Deputy Secretary level.
 - In addition to the CCO, each individual conference will be required to have a Responsible Conference Executive (RCE), who is also a Senior Executive or SES equivalent. The RCE’s role is to oversee the day-to-day planning and execution of a conference costing \$20,000 or more – and to ensure that the conference is executed in accordance with regulation and policy, as approved.

- These roles were created to build additional accountability and oversight into VA's conference practices and to address any gaps identified in our procedures. For example, the lack of a specific individual to oversee the day-to-day planning, overall expenditures, and ultimate execution of conferences.
- On September 26, 2012, VA issued a memo that revised and expanded upon the September 16 guidance.
- This memo details the two external, independent reviews that the Secretary has ordered to ensure that conference-oversight practices fully match our previously stated policies. One review will assess VA training generally; the other will focus on conference planning and related acquisition processes. Both reviews will thoroughly examine VA's internal policies and seek "best practices" from other government agencies in an effort to implement the Administration's directive to reduce expenses.
- The memo also establishes four distinct phases for VA conferences: Concept, Development, Execution, and Reporting. Each phase will have its own defined objectives, metrics, and standards of execution.
- In October 2012, VA will introduce a quarterly Conference Planning and Execution Briefing Cycle that will require all VA Administrations and Staff Offices to brief the Chief of Staff quarterly on any conferences they plan to host or co-host over the subsequent 12 months. This requirement extends to any conference (whether sponsored by VA or another federal agency) that VA employees plan to attend over the subsequent 12 months. All planned conferences costing VA over \$20,000 will require a concept plan; all planned conferences costing VA less than \$20,000 each will be submitted in a lump-sum estimate as part of the quarterly briefing to the Chief of Staff.

The Necessity and the Purposes of the Orlando Conferences

According to the IG's report of the Orlando conferences, flawed oversight resulted in the misuse of taxpayer dollars. We continue to examine and modify our policies in order to prevent similar incidents from occurring in the future. While the IG report details alleged abuses and lapses in oversight, it is also clear that the Orlando conferences themselves served a legitimate training purpose. As the report stated, "In our opinion, VA held these conferences to fulfill valid training needs."

VA commissioned these conferences to address one of the challenges facing the human-resources community because of its highly decentralized nature. VA has a nationwide network of more than 160 HR offices, with about 4,000 employees. The integration of this team is vital to the standardization of our procedures and the dissemination of "best practices." Simply put, the HR team hires the doctors, nurses, and other medical personnel who care for our Veterans.

Nowhere else in VA is the training of HR personnel of greater significance than in the Veterans Health Administration (VHA), which must contend with the complex medical challenges facing

the Veteran community. VHA's strong interest in HR-development issues is suggested by the fact that 79 percent of attendees at the Orlando conferences were from VHA.

The high level of attendance from such a large and scattered workforce points to one of the crucial considerations in organizing these training sessions: the selection of location. Since one of the objectives of the conference was to bring together HR personnel from across the country, organizers sought to find an accessible major-city location that could offer venues and supporting facilities at a reasonable price to the taxpayer.

Of the cities under consideration, Orlando had the lowest per-diem rate; the lowest average air-travel costs; and the lowest costs for meals and incidental expenses. These financial considerations weighed significantly in favor of meeting in central Florida.

The instructional program awaiting the attendees in Orlando placed significant focus on addressing identified training gaps, with nearly 100 classes and workshops. The evidence gathered suggests that these sessions had significant return on investment. According to surveys of conference participants a full year later, 74 percent of respondents agreed or strongly agreed that they had become more productive on the job following the Orlando training conferences.

What is more, 78 percent of responding supervisors of conference attendees reported that they had seen evidence that their employees had used new skills or knowledge on the job as a result of conference attendance. Seventy percent of supervisors stated that their employees' job performance had improved after the conferences.

These HR employees support our employees who are directly responsible for the well-being of our Veterans. The Orlando training conferences materially helped these professionals do their jobs better – an outcome strongly suggested by the survey results. While we acknowledge gaps in our conference practices, we are continually working to identify process improvements and implement stronger controls that promote more effective oversight.

The following responses (attached) to Recommendations 19-49 from the IG report are intended to help ensure that these efforts to improve conference planning, execution, and accountability will be fully reflected in the policies and practices of our organization.

Eric K. Shinseki
Secretary of Veterans Affairs
September 27, 2012

RESPONSE TO OIG ADMINISTRATIVE INVESTIGATION OF FY 2011 HUMAN RESOURCES CONFERENCES IN ORLANDO, FLORIDA

VA Response to OIG recommendations for the Secretary of Veterans Affairs:

IG Recommendation	VA Response	Implementation Date (if applicable)
IG Recommendation		
19. We recommended the VA Secretary establish a policy that VA will no longer solicit lodging accommodation upgrades as part of contracts.	<p>Concur: VA acquisition policy will be expanded to provide that contracting officers shall not include room upgrades as a contract requirement in Requests for Proposals and Requests for Quotes. However, routine practices of the hotel industry, available to the general public, should not be excluded from employee acceptance. The rationale for this policy is employees may accept goods that are procured by the government under a government contract because the gift prohibition no longer applies. 5 C.F.R. § 2635.203(b)(7). Thus, the use of a premium quality room by a government employee is not a violation of the standards of conduct. Assuming the Government paid the same price for upgraded rooms as for standard rooms, and assuming the VA employee did not direct the acquisition of upgraded rooms, use of public office for private gain is not implicated.</p> <p>VA has developed guidance to ensure appropriate allocation and consideration for upgrades.</p>	<ol style="list-style-type: none"> 1) Expansion of acquisition policy by 1st Qtr FY13 2) Guidance issued 9/26/2012 3) After 3rd Party review of VA's conference planning, execution, and oversight policies and practice, a "Conference Planning, Execution, and Oversight" Directive and Handbook will be published. Target completion by 3rd Qtr FY13.
IG Recommendation		
20. We recommend the VA Secretary modify VA procedures to include a requirement for a detailed spend plan to ensure cost estimates are reasonable.	<p>Concur: Starting in October 2012, VA will begin a quarterly Conference Planning and Execution Briefing Cycle. Each Administration and Staff Office will be responsible for briefing the Chief of Staff quarterly on any anticipated conferences VA proposes to host or co-host, or Federal or non-Federal hosted conferences VA employees will attend, during the next twelve months. All planned conferences costing VA over \$20,000 each will require a concept plan. The format for the concept plan will be posted on the portal (to be developed) and will be the same as the format currently utilized for current fiscal year submissions. However, all planned conferences costing VA less than \$20,000 each will be submitted in a lump-sum estimate as part of the quarterly briefing to the Chief of</p>	<ol style="list-style-type: none"> 1) Guidance issued 9/26/2012 2) After 3rd Party review of VA's conference planning, execution, and oversight policies and practice, a "Conference Planning, Execution, and Oversight" Directive and Handbook will be published. Target completion

IG Recommendation	VA Response	Implementation Date (if applicable)
	<p>Staff.</p> <p>Ninety days prior to the start of a fiscal quarter, the Chief of Staff will host a meeting of the Administrations and Staff Offices to review and authorize planning and business case development for all conferences proposed to cost VA \$20,000 or more in funds or resources. After the Chief of Staff performs an initial review of the fiscal year plan, each Administration and Staff Office are required to brief the Chief of Staff on their individual fiscal year conference plan. Each Administration and Staff Office must ensure that their budget officer is fully integrated into the decision process of all four phases to ensure fiscal discipline.</p>	<p>by 3rd Qtr FY13.</p>
<p align="center">IG Recommendation</p>		
<p>21. We recommend the VA Secretary implement policy to ensure conference managers obtain subsequent approval from the Chief of Staff or the Deputy Secretary once they determine estimated costs have been exceeded or other major changes occur.</p>	<p>Concur: Each Administration and Staff Office must ensure that their budget officer is fully integrated into the decision process of all four phases of VA's conference planning process to ensure fiscal discipline. Deviations of more than 5 percent above the approved conference budget require notification back to the approving authority and will require additional approval if budgetary thresholds are crossed.</p>	<p>1) Guidance issued 9/26/2012</p> <p>2) After 3rd Party review of VA's conference planning, execution, and oversight policies and practice, a "Conference Planning, Execution, and Oversight" Directive and Handbook will be published. Target completion by 3rd Qtr FY13.</p>
<p align="center">IG Recommendation</p>		
<p>22. We recommend the VA Secretary require an after-action report be provided to the Chief of Staff or the Deputy Secretary identifying planned-versus-actual costs, including justifications for significant differences.</p>	<p>Concur: Administrations and Staff Offices will ensure that conferences were executed in accordance with applicable policies and regulations, and they must also conduct After Action Reviews (AAR). Administrations and Staff Offices will assist in VA's continuing duty to track and report conference attendance and spending in accordance with Public Law 112-154 and OMB M-12-12.</p>	<p>1) Guidance issued 9/26/2012</p> <p>2) After 3rd Party review of VA's conference planning, execution, and oversight policies and practice, a "Conference Planning, Execution, and Oversight" Directive and Handbook will be published. Target completion</p>

IG Recommendation	VA Response	Implementation Date (if applicable)
		by 3 rd Qtr FY13.
<p align="center">IG Recommendation</p>		
<p>23. We recommend the VA Secretary issue policy outlining requirements for authorizing, justifying, and conducting pre-planning site visits for conferences.</p>	<p>Concur: VA will clarify in acquisition policy that pre-planning site visits are not necessary for market research, as the conference information is generally available on-line or at the request of the Government Subject-Matter Expert. No travel will be undertaken prior to conference approval. Pre-Award site visits may be authorized by the Contracting Officer (CO) based on pre-award processes. A post-award/kick-off meeting shall be held to include the Contracting Officer Representative (COR), Responsible Conference Executive (RCE), designated Program Manager (PM), and CO to ensure that all parties properly understand the terms and conditions of the contract.</p>	<p>1) Guidance issued 9/26/2012</p> <p>2) Revised policies implemented 1st Qtr FY13.</p> <p>After 3rd Party review of VA's conference planning, execution, and oversight policies and practice, a "Conference Planning, Execution, and Oversight" Directive and Handbook will be published. Target completion by 3rd Qtr FY13.</p>
<p align="center">IG Recommendation</p>		
<p>24. We recommend the VA Secretary establish requirements to support major conferences with contracting officer and other support resources to ensure conferences and the supporting acquisitions are planned and managed in accordance with applicable regulations.</p>	<p>Concur: To address this recommendation, VA will dedicate a RCE to each major conference (i.e., costs to VA exceed \$100K) and work with a warranted Contracting Officer (CO). Any acquisition greater than \$3,000 must be executed by a warranted CO in accordance with existing regulations. For assignment of a warranted CO, the RCE must contact their responsible Head of Contracting Activity (HCA). The post-award process will be strengthened to ensure proper RCE/PM oversight and management of post-award delivery of services and commodities as well as ensure review of all deliverables to include invoices.</p> <p>To avoid the use of multiple vehicles (purchase cards, contracts and IAAs), VA will establish a strategically sourced, enterprise-wide, conference/event vehicle. This will ensure transparent and consistent requirements across the enterprise. It will also ensure assignment of the appropriate CO for each action.</p>	<p>1. Guidance issued 9/26/2012</p> <p>2. After 3rd Party review of VA's conference planning, execution, and oversight policies and practice, a "Conference Planning, Execution, and Oversight" Directive and Handbook will be published. Target completion by 3rd Qtr FY13.</p> <p>3. Enterprise-wide conference/event vehicle by 2nd Qtr FY13.</p>

IG Recommendation	VA Response	Implementation Date (if applicable)
IG Recommendation		
<p>25. We recommend the VA Secretary establish budgetary controls to ensure centralized accounting for individual conference expenditures.</p>	<p>Concur: VA will develop a repository that will contain documents and information to support established budgetary controls as defined by the appropriate Department organization. There will be a fund-site for each conference. A basic repository will be in place by 10/01/2012 (Initial Operating Capability (IOC)) which will evolve as the final requirements are defined and the appropriate system developed and deployed. The Office of Information & Technology (OIT) will also support the development of the business requirements and provide assistance to the business sponsors in the funding approval process for the repository. This will ensure that it is developed using the established Program Management Accountability System (PMAS) framework. Data elements will include conference expenditures, such as lodging, transportation, M&IE, registration, meeting room, audio visual, printed media, contractor, and conference scouting trip costs. OIT has the lead to develop, and will work with appropriate business sponsors, to define the specific business requirements.</p> <p>VA issued guidance on 9/26/2012 that established a process for individual conference approval, conference budgeting, and tracking of expenditures on each conference. This process requires the appointment of a Conference Certifying Official (CCO) and a Responsible Conference Executive (RCE). These two individuals, as appointed by their organizations, will be responsible for ensuring proper approvals for each conference are received, costs are recorded, and total expenditures do NOT exceed the approved budget amount. A portal will be used as the centralized repository for all conference-related information. The portal will also be used to collect data, summarize data for reporting, and provide details necessary for proper monitoring and oversight. The data entered into the portal will be monitored to ensure appropriate costs are captured and reported.</p>	<ol style="list-style-type: none"> 1. 10/1/2012 (IOC) 2. Guidance will be issued 9/26/2012 3. After 3rd Party review of VA's conference planning, execution, and oversight, policies and practice, a "Conference Planning, Execution, and Oversight" Directive and Handbook will be published. Target completion by 3rd Qtr FY13.
IG Recommendation		
<p>26. We recommend the VA Secretary ensure conference budgets are approved and monitored to ensure appropriate expenditures.</p>	<p>Concur: The repository discussed in response to recommendation 25 will provide data capture of conference expenditures, among other data elements. OIT has taken the lead to begin requirements development and will work in conjunction with appropriate business sponsors,</p>	<ol style="list-style-type: none"> 1) Guidance issued 9/26/2012 2) After 3rd Party review of VA's conference

IG Recommendation	VA Response	Implementation Date (if applicable)
	<p>to include the Department's Chief of Staff, to build the data storage repository to meet the specific business requirements.</p> <p>Additionally, the process as discussed in recommendation 25 will also incorporate quarterly meetings, at the Chief of Staff level, that will approve conferences in concept and hold the CCO and RCE accountable for ensuring conferences costs do not deviate from what was approved.</p>	<p>planning, execution, and oversight, policies and practice, a "Conference Planning, Execution, and Oversight" Directive and Handbook will be published. Target completion by 3rd Qtr FY13.</p>
IG Recommendation		
<p>27. We recommend the VA Secretary establish controls to ensure senior officials exercise their responsibility and accountability for prudent management of conference funds.</p>	<p>Concur: Guidance was issued on September 16, 2012 requiring each Administration and Staff Office to designate a Conference Certifying Official (CCO) and a Responsible Conference Executive (RCE). These two individuals must be Senior Executives or the equivalent.</p> <p>The CCO is required to be familiar with the regulations, policies, and laws governing conferences, training, and meetings and will certify that conference proposals are in line with regulations that require, in part, the prudent and economical use of public funds.</p> <p>The RCE will be responsible for certifying that the conference was executed in line with all relevant regulations and policies. This includes ensuring that no funds were used for impermissible purposes.</p>	<p>1) Guidance issued 9/26/2012</p> <p>2) After 3rd Party review of VA's conference planning, execution, and oversight, policies and practice, a "Conference Planning, Execution, and Oversight" Directive and Handbook will be published. Target completion by 3rd Qtr FY13.</p>
IG Recommendation		
<p>28. We recommend the VA Secretary require travelers and approvers to comply with the requirement to not incur hotel taxes in states which offer tax exemption to the Government.</p>	<p>Concur: As part of the creation of the RCE's role, a guidance document has been developed to help the RCE ensure that the value of expended public funds is being maximized. The RCE will be responsible for examining the relevant state laws to determine whether hotel taxes are waived for Federal employees and ensuring that all travelers are aware of that status. The RCE will ensure that Instructions-to-Travelers (ITT) are issued to all conference attendees to provide travel instructions, including tax information.</p>	<p>1) Guidance issued 9/26/2012</p> <p>2) After 3rd Party review of VA's conference planning, execution, and oversight, policies and practice, a "Conference Planning, Execution, and Oversight" Directive and Handbook will be published. Target completion by 3rd Qtr FY13.</p>

IG Recommendation	VA Response	Implementation Date (if applicable)
IG Recommendation		
<p>29. We recommend the VA Secretary require conference planning committees to identify, by name, individuals needed onsite for conference support before or after the conference and that this designation be provided to the traveler for inclusion in their travel receipts.</p>	<p>Concur: As part of the creation of the RCE's role, a guidance document has been developed to help the RCE ensure that the value of expended public funds is being maximized. One of the guidance document's items directly addresses this issue. The RCE will be responsible for identifying which VA employees are needed at the conference location to support pre and post-conference activities. This determination will be made with a focus on minimizing the number of people and the duration of their stays.</p>	<p>1) Guidance issued 9/26/2012</p> <p>2) After 3rd Party review of VA's conference planning, execution, and oversight, policies and practice, a "Conference Planning, Execution, and Oversight" Directive and Handbook will be published. Target completion by 3rd Qtr FY13.</p>
IG Recommendation		
<p>30. We recommend the VA Secretary require travelers and approving officials to comply with the requirement to include a cost comparison when choosing to use a privately-owned vehicle instead of a government contracted mode of transportation.</p>	<p>Concur: VA policy requires this in Volume XIV, Chapter 3, Transportation Chapter. A reminder to travelers and the approving officials to follow travel policy shall be included in the Instructions to Travelers (ITT) by the RCE. Also, VA will update travel policy regarding the requirements and training of approving officials on expense vouchers.</p>	<p>1) Guidance issued 9/26/2012</p> <p>2) After 3rd Party review of VA's conference planning, execution, and oversight, policies and practice, a "Conference Planning, Execution, and Oversight" Directive and Handbook will be published. Target completion by 3rd Qtr FY13.</p> <p>3) Updated policy by 3rd Qtr FY13</p>
IG Recommendation		
<p>31. We recommend the VA Secretary develop a process to track and monitor the use of interagency agreements.</p>	<p>Concur: A policy for the management of Interagency Agreements (IAA) currently exists in the form of Information Letter (IL) 001AL-09-04, Managing Interagency Agreements. However, the IL is silent regarding the post-award process, which requires the responsible RCE/PM to manage the execution of the IAA. VA will strengthen the post-award process and</p>	<p>1st Qtr FY13</p>

IG Recommendation	VA Response	Implementation Date (if applicable)
	<p>revise the IL to ensure proper RCE/PM oversight and management of post-award delivery of services and commodities as well as ensure review of all deliverables to include invoices.</p> <p>VA will review its use of interagency agreements and determine adequate controls.</p>	
IG Recommendation		
<p>32. We recommend the VA Secretary establish a mechanism to modify existing high-risk interagency agreements and ensure that all future interagency agreements account for costs associated with each single conference event.</p>	<p>Concur: The post-award process for IAAs will be strengthened to ensure proper RCE/PM oversight and management of post-award delivery of services and commodities as well as to ensure review of all deliverables, to include invoices. As part of the fee paid to the servicing agency, reconciliation of invoices for each conference event should be accomplished by the servicing agency, certified, and provided as a deliverable to the VA.</p> <p>The Head of Contracting Activity (HCA) in coordination with the Program Management Office (PMO) will review IAAs concerning potentially high-risk conferences (i.e., conference wherein costs to VA exceed \$100K) and provide corrective action as necessary.</p>	<p>Amend IL 001AL-09-04, Managing Interagency Agreements, by 1st Qtr FY13 to incorporate requirement.</p> <p>HCA review and corrective action as necessary, by 1st Qtr FY13.</p>
IG Recommendation		
<p>33. We recommend the VA Secretary establish a process to obtain detailed vendor invoice information to support tracking and validation of costs associated with interagency agreements.</p>	<p>Concur: The existing IL will be revised to include a deliverable template for prime contractor invoices to be provided to the servicing agency. As part of the fee paid to the servicing agency, reconciliation of invoices for each conference event should be accomplished by the servicing agency, certified, and provided as a deliverable to the VA.</p>	<p>1st Qtr FY13</p>
IG Recommendation		
<p>34. We recommend the VA Secretary require that all VA program offices (Administrations, Boards, Centers, and Offices) that plan meetings, conference, or events involving more than 50 staff identify and clearly state all event requirements to minimize contract modifications.</p>	<p>Concur: Current acquisition policies mandate well defined requirements documents. Further, VA Procurement Policy Memorandum, Mandatory Use of VA's Electronic Contract Management System, provides a comprehensive listing of all pre-award documentation that must be provided prior to executing a contract.</p> <p>In the case of the responsible [REDACTED] and [REDACTED] appropriate corrective action has been taken, to include removal of [REDACTED] warrant, reduction in purchasing authority, additional oversight reviews, and referral to the OIG for investigation of fraudulent activity.</p>	<p>1) Guidance issued 9/26/2012</p> <p>2) After 3rd Party review of VA's conference planning, execution, and oversight, policies and practice, a "Conference Planning, Execution, and Oversight" Directive and Handbook will be published. Target completion by 3rd Qtr FY13.</p>

IG Recommendation	VA Response	Implementation Date (if applicable)
IG Recommendation		
<p>35. We recommend the VA Secretary develop a mechanism to ensure that commitments, expenditures, and combined liabilities exceeding \$25,000 receive a legal and technical review.</p>	<p>Concur: The mechanism for a technical and legal review exists in policy via IL 001AL-09-02, Integrated Oversight Process (IOP) for conferences exceeding \$25,000. VA will reinforce this requirement in the training provided to contracting officers who are tasked to award and administer hotel contracts.</p> <p>In addition, the appointment of an RCE is integral to ensuring obtaining the best value for public funds. One of the guidance document's items directly addresses this issue. The RCE will be responsible for ensuring that the contracting officer handling the conference's proposed contracts obtains a legal and technical review of conferences in line with the Deputy Assistant Secretary for Acquisition and Material Management memorandum (IL 049-02-12) Subject: Legal & Technical Review of Proposed Contracts, dated July 30, 2002.</p> <p>In the case of the responsible [REDACTED] and [REDACTED] appropriate corrective action has been taken, to include removal of [REDACTED] warrant, reduction in purchasing authority, additional oversight reviews, and referral to the OIG for investigation of fraudulent activity.</p>	<p>1) Guidance issued 9/26/2012</p> <p>2) After 3rd Party review of VA's conference planning, execution, and oversight, policies and practice, a "Conference Planning, Execution, and Oversight" Directive and Handbook will be published. Target completion by 3rd Qtr FY13.</p>
IG Recommendation		
<p>36. We recommend the VA Secretary ensure a Price Negotiation Memorandum be used to document negotiated agreements to minimize the possibility of future claims against the Government and to obtain a clear understanding from the contractor that all costs have been fully considered.</p>	<p>Concur: The Federal Acquisition Regulation, at 15.406-3, requires a Price Negotiation Memorandum (PNM). This requirement to include a PNM in the file is reinforced by VA Procurement Policy Memorandum, entitled "Mandatory Usage of VA's Electronic Contract Management System." Recently issued guidance reinforces use.</p> <p>In the case of the responsible [REDACTED] and [REDACTED] appropriate corrective action has been taken, to include removal of [REDACTED] warrant, reduction in purchasing authority, additional oversight reviews, and referral to the OIG for investigation of fraudulent activity.</p>	<p>1) Guidance issued 9/26/2012</p> <p>2) After 3rd Party review of VA's conference planning, execution, and oversight policies and practice, a "Conference Planning, Execution, and Oversight" Directive and Handbook will be published. Target completion by 3rd Qtr FY13.</p>
IG Recommendation		
<p>37. We recommend the VA Secretary ensure contracting officers designate and authorize in writing a</p>	<p>Concur: Current policy does not clearly state the appointment requirement; however, Contracting Officers (COs) are trained to</p>	<p>1) Guidance issued 9/26/2012</p>

IG Recommendation	VA Response	Implementation Date (if applicable)
<p>Contracting Officer's Representative on all contracts and orders other than those that are firm-fixed-price and for firm-fixed-price contracts as appropriate.</p>	<p>appoint qualified/certified Contracting Officer's Representatives (CORs). VA will clarify existing policy. Where the CO fails to appoint the COR, the CO becomes responsible for the inspection and acceptance of deliverables and verification of invoices.</p> <p>In the case of the responsible [REDACTED] and [REDACTED] appropriate corrective action has been taken, to include removal of [REDACTED] warrant, reduction in purchasing authority, additional oversight reviews, and referral to the OIG for investigation of fraudulent activity.</p>	<p>2) After 3rd Party review of VA's conference planning, execution, and oversight, policies and practice, a "Conference Planning, Execution, and Oversight" Directive and Handbook will be published. Target completion by 3rd Qtr FY13.</p> <p>3) Clarification of policy by 1st Qtr FY13</p>
<p>IG Recommendation</p>		
<p>38. We recommend the VA Secretary ensure that only authorized contracting personnel make commitments or changes that affect price, quality, quantity, delivery, or other terms and conditions of a contract.</p>	<p>Concur: As part of the creation of the RCE's role, a guidance document has been developed to help the RCE ensure that the value of expended public funds is being maximized. One of the guidance document's items directly addresses this issue. The RCE will be responsible, in part, for ensuring that an approved conference or training event is executed with strict adherence to all applicable regulations and policies. As part of this, the RCE shall ensure that only properly warranted COs make modifications to existing conference contracts. Further, such modifications will be made only when appropriate and within the overall spending limits contemplated in the conference's approved spending plan.</p> <p>In accordance with the Federal Acquisition Regulation (FAR), only a warranted Contracting Officer (CO) may bind the Government contractually. All requests for contract changes/modifications must be properly submitted to the CO for consideration and action/execution. The regulation is clear regarding authorities. Oversight must be enforced. VA is providing new training to program officials so they understand their roles in the procurement process.</p> <p>In the case of the responsible [REDACTED] and [REDACTED] appropriate corrective action has been taken, to include removal of [REDACTED] warrant,</p>	<p>1) Guidance issued 9/26/2012</p> <p>2) After 3rd Party review of VA's conference planning, execution, and oversight, policies and practice, a "Conference Planning, Execution, and Oversight" Directive and Handbook will be published. Target completion by 3rd Qtr FY13.</p>

IG Recommendation	VA Response	Implementation Date (if applicable)
	reduction in purchasing authority, additional oversight reviews, and referral to the OIG for investigation of fraudulent activity.	
IG Recommendation		
39. We recommend the VA Secretary ensure contract modifications are completed timely.	<p>Concur: Current procurement action lead time allows for 30 days for the execution of a bilateral modification to a contract. The responsibility to timely execute bilateral modifications has been reinforced through the recent issuance of guidance.</p> <p>In the case of the responsible [REDACTED] and [REDACTED] appropriate corrective action has been taken, to include removal of [REDACTED] warrant, reduction in purchasing authority, additional oversight reviews, and referral to the OIG for investigation of fraudulent activity.</p>	<p>1) Guidance issued 9/26/2012</p> <p>2) After 3rd Party review of VA's conference planning, execution, and oversight, policies and practice, a "Conference Planning, Execution, and Oversight" Directive and Handbook will be published. Target completion by 3rd Qtr FY13.</p>
IG Recommendation		
40. We recommend the VA Secretary establish oversight mechanisms to eliminate excessive and wasteful conference expenditures of public funds.	<p>Concur: Guidance was issued requiring each Administration and Staff Office to designate a Conference Certifying Official (CCO) and a Responsible Conference Executive (RCE). These two individuals must be Senior Executives or the equivalent.</p> <p>The CCO and RCE are responsible for tracking all conference spending from proposal to completion as well as certifying that the spending was in accordance with all regulations and policies. All conferences must be planned and executed to the highest ethical standards and in compliance with VA's ICARE values.</p>	<p>1) Guidance issued 9/26/2012</p> <p>2) After 3rd Party review of VA's conference planning, execution, and oversight, policies and practice, a "Conference Planning, Execution, and Oversight" Directive and Handbook will be published. Target completion by 3rd Qtr FY13.</p>
IG Recommendation		
41. We recommend the VA Secretary ensure contracting officers document the results of all contract actions in VA's Electronic Contract Management System.	Concur: The policy already exists via VA Procurement Policy Memorandum - Mandatory Usage of VA's Electronic Contract Management System. Beyond established performance agreements, which require Office of Acquisition Operations' compliance with the Policy, the Office of Acquisitions, Logistics, and Construction monitors compliance via eCMS audits and A-123 reviews. Non-compliance	1 st Qtr FY13

IG Recommendation	VA Response	Implementation Date (if applicable)
	<p>enforcement is the issue. A directive will be issued to have modified performance measures to ensure mandatory compliance.</p> <p>In the case of the responsible [REDACTED] and [REDACTED] appropriate corrective action has been taken, to include removal of [REDACTED] warrant, reduction in purchasing authority, additional oversight reviews, and referral to the OIG for investigation of fraudulent activity.</p>	
IG Recommendation		
<p>42. We recommend the VA Secretary take action to ratify any legal agreements made by VA employees where there was no previous authority to commit payments for goods and/or services with the Marriott.</p>	<p>Concur: The Federal Acquisition Regulation provides clear guidance for the processing of ratifications. However, whether the actions in question are ratifiable is subject to the determination by the appropriate Head of Contracting Activity, subject to advice by a contracting officer and legal review.</p>	<p>To begin immediately – target completion by 1st Qtr FY13</p>
IG Recommendation		
<p>43. We recommend the VA Secretary establish an effective cost system for credit card purchases that appropriately assigns costs to individual major VA events.</p>	<p>Concur: See answer to recommendation 25. The repository will store data related to purchase card transactions. This data, as well as all other data fields in the repository, will be populated by appropriate VA staff.</p>	<p>October 1, 2012</p>
IG Recommendation		
<p>44. We recommend the VA Secretary ensure purchase card approvers are trained on proper oversight of purchase card transactions.</p>	<p>Concur: VA's financial policy provides that all purchase card holders are required to take purchase card training every 2 years and pass a test upon completion of the training. This training (also available in Talent Management System) covers the proper use of the purchase card, explains appropriation law, and specifically outlines prohibited uses, such as buying employee food or refreshments. VA policy provides that if the cardholder's training is not current, the cardholder's Agency Organization Program Coordinator is required to request suspension of the cardholder's purchase card. Senior leaders have the latitude to direct any subordinate having responsibility for the review and approval of funds for conferences or training sessions to complete this training. Supervisors at all levels will ensure designated personnel within these categories complete this training.</p> <p>Required training by card holders and approvers is part of VA policy and has been the responsibility at the local level. However, as part of VA overall oversight of the purchase cards, VA is taking action to ensure all</p>	<p>Guidance documents were issued on 9/16/2012 and 9/26/2012</p>

IG Recommendation	VA Response	Implementation Date (if applicable)
	purchase card holders and approvers are current on the required training and then to ensure that the local level is taking action when necessary. If training is not current for a purchase card holder or approver their authority for purchase cards will be removed, as per current policy.	
IG Recommendation		
45. We recommend the VA Secretary ensure VA Learning University personnel with acquisition support responsibilities have valid warrants and that the warrants match their purchase authorization.	Concur: No warrants should be issued to a non-FAC-C certified 1102 staff outside of a contracting organization, such as VALU. Purchasing authorization for non-1102s must be limited to purchase card authorizations up to \$3,000. Senior Procurement Executive (SPE) shall require Heads of Contracting Activity to validate current warrants and enforce rescission of all non-1102 warrants.	1 st Qtr FY13
IG Recommendation		
46. We recommend the VA Secretary issue guidance regarding the proper procedures for transferring warrants within VA organizations.	Concur: SPE shall issue guidance regarding warrant authority, as well as the rescission and reissuance of warrants. Additionally, the SPE shall establish a warrant-list repository. It is noted that there is no "transfer authority" for contracting officer warrants. Warrants are specific to the assigned contracting officer's organization and the limitations noted in the warrant language.	1 st Qtr FY13
IG Recommendation		
47. We recommend the VA Secretary ensure VA Learning University employees are trained on purchase card policies related to splitting purchases.	<p>Concur: Shortly after being briefed by the OIG on the subject of this Investigation, the Secretary of Veterans Affairs directed the supervisors of all VA purchase card holders, which includes VALU purchase card holders, to ensure their employee's purchase card training was current. Part of this training addresses the impermissibility of splitting purchases. Supervisors were also reminded that they can direct refresher training as they see fit.</p> <p>VA currently provides and requires training that covers both of these issues for both the purchase card holder along with the approver. Currently, policy requires the immediate removal of the purchase card holder's authority to have a purchase card when training is not current or upon misuse of the card. Also, current policy provides for penalties for misuse, such as admonishment, 2-day work suspension, reprimand, 4-day work suspension, etc., based upon the severity of the purchase holder's actions. The policy also provides for VA to make debt collection efforts to recoup what was lost to the Government. See: http://www.va.gov/finance/docs/VA-</p>	<p>1) Guidance issued 9/26/2012</p> <p>2) After 3rd Party review of VA's conference planning, execution, and oversight, policies and practice, a "Conference Planning, Execution, and Oversight" Directive and Handbook will be published. Target completion by 3rd Qtr FY13.</p>

IG Recommendation	VA Response	Implementation Date (if applicable)
	<p>FinancialPolicyVolumeXVIChapter01.pdf pages 14-15.</p> <p>Required training by card holders and approvers is part of VA policy and has been the responsibility at the local level. However, as part of VA overall oversight of the purchase cards, VA is taking action to ensure all purchase card holders and approvers are current on the required training and then to ensure that the local level is taking action when necessary. If training is not current for a purchase card holder or approver their authority for purchase cards will be removed, as per current policy.</p>	
<p>IG Recommendation</p>		
<p>48. We recommend the VA Secretary ensure supervisors have the required documentation prior to approving purchase card transactions.</p>	<p>Concur: Shortly after being briefed by the OIG on the subject of this Investigation, the Secretary of Veterans Affairs directed the supervisors of all VA purchase card holders, which includes VALU purchase card holders, to ensure their employee's purchase card training was current. Part of this training addresses the impermissibility of splitting purchases. Supervisors were also reminded that they can direct refresher training as they see fit.</p> <p>VA currently provides and requires training that covers both of these issues for both the purchase card holder along with the approver. Currently, policy requires the immediate removal of the purchase card holder's authority to have a purchase card when training is not current or upon misuse of the card. Also, current policy provides for penalties for misuse, such as admonishment, 2-day work suspension, reprimand, 4-day work suspension, etc., based upon the severity of the purchase holder's actions. The policy also provides for VA to make debt collection efforts to recoup what was lost to the Government. See: http://www.va.gov/finance/docs/VA-FinancialPolicyVolumeXVIChapter01.pdf pages 14-15.</p> <p>Required training by card holders and approvers is part of VA policy and has been the responsibility at the local level. However, as part of VA overall oversight of the purchase cards, VA is taking action to ensure all purchase card holders and approvers are current on the required training and then to ensure that the local level is taking action when necessary. If training is not current for a purchase card holder or approver their authority for purchase cards will be removed, as per</p>	<ol style="list-style-type: none"> 1) Guidance issued 9/26/2012 2) After 3rd Party review of VA's conference planning, execution, and oversight, policies and practice, a "Conference Planning, Execution, and Oversight" Directive and Handbook will be published. Target completion by 3rd Qtr FY13.

IG Recommendation	VA Response	Implementation Date (if applicable)
	current policy. Adherence to these requirements has been reinforced through the recent issuance of guidance.	
IG Recommendation		
49. We recommend the VA Secretary require the Department to accomplish a special review of purchase card transactions made in support of VALU conferences.	Concur: Both the Financial Services Center (FSC) and Office of Business Oversight (OBO) will work together to conduct a 100% review of [REDACTED]'s purchase card transactions. In addition, VA will identify any other VALU employees having purchase card authority and their purchase card transactions from FY 2010 through present. A determination will then be made if any transactions were unauthorized commitments. The appropriate HCA will determine whether the actions in question are ratifiable. The HCA will seek the advice of a contracting officer and legal counsel.	Start 1 st Qtr F Y13. Expected completion date within six months.

Appendix E Affidavit of Mr. John U. Sepúlveda, September 25, 2012

Sworn Statement

I, John U. Sepulveda, want to make the following statement under oath:

I attest that I did not knowingly and willfully provide a false statement to OIG investigators when I was interviewed on August 16, 2012 regarding my knowledge of the two short motivational and educational films labeled by the media as the "Patton" videos.

When specifically asked by OIG investigators whether I personally viewed these videos prior to their first public viewing during the VA "One HR" training conference in Orlando, FL, July 11-15, 2011, I answered "no". This response was based on my recollection at the time. I believed at the time that this answer was accurate and truthful.


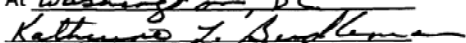
In fact, at the time I did not accurately recollect that my staff had indeed arranged for me to briefly preview, for the first time, the two videos on July 7, 2011. This short and unmemorable 30-minute meeting took place five days before the videos were shown on July 12, 2011 at the first of two "One HR" conferences.

During a later review of my calendar for July 7, 2011, I saw that I attended several high priority meetings on that same day, including a Capitol Hill briefing for Senate staffers. These meetings presumably held my primary focus and attention throughout most of the day, which may account for my not remembering, one year later, that on that day I had previewed the videos prior to the start of the July conference.

I would like to express my sincerest apologies for not correctly recollecting this brief July 7, 2011 meeting where the "Patton" videos were previewed and thus mistakenly providing OIG investigators incorrect information.

I, John U. Sepulveda, have read this statement which begins on page 1, and ends on page 1. I fully understand the contents of the entire statement made by me. The statement is true. I have made this statement freely without hope of benefit or reward, without threat of punishment, and coercion, unlawful influence, or unlawful inducement.

Received from
General Counsel
Will Gunn
9/26/12 3pm
M. Mallowe
DAIGI (51A)


John U. Sepulveda
Subscribed and sworn before me, a person
Authorized by law to administer oaths, this
25th day of September, 2012
At Washington, DC

(Signature of Person Administering Oath)
Katherine Beideman
(Name of Person Administering Oath)
Notary Public, District of Columbia
My Commission Expires 9/14/2015

OIG Response to the Sepúlveda Affidavit:

Mr. Sepúlveda was interviewed by three OIG employees—two senior administrative investigators and an audit manager—on August 16, 2012. The interview was under oath and audio-recorded. As with all such interviews, OIG provided Mr. Sepúlveda an opportunity to supplement, amend, or correct his testimony at that time or after the interview. During this interview, Mr. Sepúlveda made the false statement described in our report. Since the interview, Mr. Sepúlveda has not contacted the OIG. OIG first saw the affidavit of Mr. Sepúlveda on September 26, 2012, when the VA General Counsel met with the Inspector General. The affidavit was not made to OIG staff, and we had no opportunity to question Mr. Sepúlveda about it. The affidavit is dated September 25, 2012, which was 8 days after OIG had provided sworn testimony of all witnesses concerning the false statement issue. The content and circumstances surrounding the submission of the affidavit do not provide any reason for OIG to change any findings in the report, and we decline to do so.

Appendix F VA's HR Conference Agenda (July 2011)



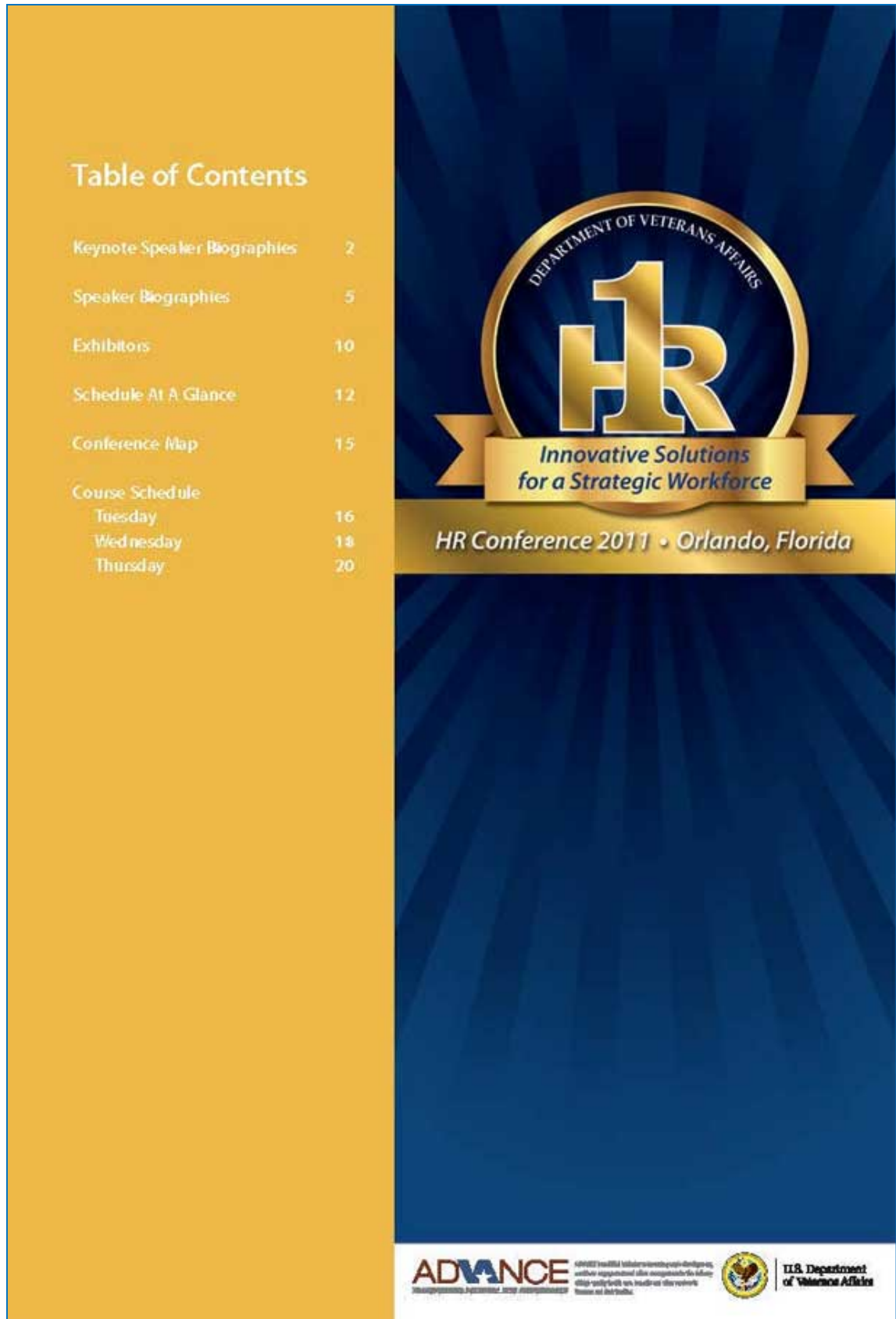
The image is a promotional graphic for the VA's HR Conference. It features a collage of three photographs: a golf course with palm trees and a building in the background, a group of five business professionals in a meeting, and a close-up portrait of a woman. The background is split into blue and yellow sections. A gold circular logo with '1 HR' and 'Department of Veterans Affairs' is positioned in the upper right. Below the logo, the text 'Department of Veterans Affairs HR Conference' is displayed. At the bottom right, the dates and location are listed.

1 HR
Department of Veterans Affairs
*Innovative Solutions
for a Strategic Workforce*

Department of Veterans Affairs
HR Conference

*One HR – Innovative Solutions
for a Strategic Workforce*

July 11 - 15, 2011
Marriott World Center
Orlando, Florida





WELCOME



DEPARTMENT OF VETERANS AFFAIRS
ASSISTANT SECRETARY FOR HUMAN RESOURCES AND ADMINISTRATION
WASHINGTON DC 20420

**A MESSAGE FROM THE ASSISTANT SECRETARY FOR HUMAN
RESOURCES AND ADMINISTRATION**

July 11, 2011

Welcome to the Department of Veterans Affairs 2011 Human Resources Professionals Training Conference. By participating in this conference, you are not only gaining an opportunity to learn and network as an HR professional, you are also helping to advance the transformative goals of the Department.

As you know, VA is undergoing dramatic changes. This is the result of a variety of factors, including changes within the Veteran populations we serve, new technology, and increasing levels of impending retirements. The theme of our conference, *One HR – Innovative Solutions for a Strategic Workforce*, aims to build our capacity to manage these changes. Most importantly, it will provide you with strategies that will enhance your role in supporting VA's mission to serve our Veterans and their families.

As HR professionals, you are critical to the success of VA. You are responsible for supporting VA's most valuable resource, its people. Consequently, it is our expectation that you leave this conference with the skills and tools needed to help our employees ensure a 21st-century VA.

Thank you.


John U. Sepúlveda

ONE HR – INNOVATIVE SOLUTIONS FOR A STRATEGIC WORKFORCE



THE HONORABLE W. SCOTT GOULD

Deputy Secretary, Department of Veterans Affairs

W. Scott Gould was nominated by President Obama to serve as Deputy Secretary of the Department of Veterans Affairs (VA) and subsequently confirmed by the Senate Veterans Affairs Committee on April 2, 2009.

As Deputy Secretary of Veterans Affairs, Gould serves as the chief operating officer of the federal government's second largest department, responsible for a nationwide system of health care services, benefits programs and national cemeteries for America's veterans and their dependents.

Prior to his appointment to the VA, Gould was Vice President for public sector strategy at IBM Global Business Services where he focused on strategy and innovation. Previously, he was Chief Executive Officer of The O'Gara Company, a strategic advisory and investment services firm, and Chief Operating Officer of Exolve, a technology services company.

The former Chief Financial Officer and Assistant Secretary for Administration at the Department of Commerce, Gould has also served as Deputy Assistant Secretary for Finance and Management at the Treasury Department. As a White House Fellow, he served in the Export-Import Bank of the United States and in the Office of the White House Chief of Staff. Gould was also appointed by the Governor of Massachusetts to conduct a financial and operational work-out of the city of Chelsea, the first municipality in the state to be placed in receivership by the general court.

Gould is a veteran of the U.S. Navy, having served at sea aboard the guided missile destroyer Richard E. Byrd. As a Naval Intelligence reservist, Capt. Gould was recalled to active duty for Operation Noble Eagle and Enduring Freedom. After President Obama's election, he served as co-chair of the VA Agency Review Team for the Presidential Transition Team.

A fellow of the National Academy of Public Administration and former member of the National Security Agency Technical Advisory Group and the Malcolm Baldrige National Quality Award Board of Overseers, Gould has been awarded the U.S. Department of Commerce Medal, the U.S. Department of Treasury Medal and the Navy Meritorious Service Medal. He is coauthor of "The People Factor: Strengthening America by Investing in the Public Service." He holds an AB degree from Cornell University and MBA and Ed.D. degrees from the University of Rochester.



KEYNOTE BIOGRAPHIES



THE HONORABLE JOHN BERRY

Director, Office of Personnel Management

John Berry is the Federal Government's Chief People Person. As the Director of the United States Office of Personnel Management, he is responsible for recruiting, hiring, and setting benefits policies for 1.9 million Federal civilian employees. Calling this a new day for the civil service, he is reinigorating the Federal workforce to meet the challenges of the 21st century.

John is working closely with partners both inside and outside of government to fulfill President Obama's charge to "make government cool again" by developing flexible, results-oriented HR policies and working to change how Americans view their public servants. His goal: build a workforce of dynamic innovators who put serving the American people at the heart of everything they do.

With over twenty years of experience in the Federal government, Berry is a passionate and aggressive advocate for public service and Federal workers. He first developed expertise in Federal employee and retirement issues during ten years as Legislative Director for Congressman Steny Hoyer of Maryland, now the House Democratic Whip.

During the Clinton Administration, Berry served as Deputy Assistant Secretary and Acting Assistant Secretary for Law Enforcement at the Department of the Treasury, where he had direct-line authority over 40% of the Federal law enforcement community, including the Secret Service and the ATF. He then served as Assistant Secretary for Policy, Management and Budget at the Department of the Interior.

From 2001 to 2008, Berry pursued his interest in conservation as Director of the National Fish and Wildlife Foundation and then as Director of the National Zoo, where John the Lion is named after him.

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THE HONORABLE JOHN U. SEPÚLVEDA

Assistant Secretary for Human Resources and Administration,
Department of Veterans Affairs

John U. Sepúlveda was nominated by President Obama to serve as the Assistant Secretary for Human Resources and Administration for the Department of Veterans Affairs and subsequently confirmed by the Senate on May 18, 2009. He was sworn in by the Secretary of Veterans Affairs, Eric K. Shinewski, on May 20, 2009.

As Assistant Secretary and VAS Chief Human Capital Officer, Mr. Sepúlveda serves as principal advisor to the Secretary, his executive staff, and the Department's human resources managers and practitioners on matters pertaining to human resources; labor-management relations; diversity management and equal employment opportunity; resolution management; employee health and safety; workers' compensation; and VA Central Office administration.

Mr. Sepúlveda brings over 25 years of experience as an innovative leader in the public and private sectors. As Deputy Director of the Office of Personnel Management (OPM) during the Clinton Administration, Mr. Sepúlveda led various initiatives to promote greater diversity throughout the U.S. Government, including increasing the representation of Latinos within the Federal workforce. While at OPM, he served on the White House Interagency Task Force on Asian American and Pacific Islanders, the President's Council for Y2K Conversion, and the President's Council on Integrity and Efficiency. He recently served on the Obama-Biden Presidential Transition Team as an advisor to the OPM agency review team.

Before joining OPM, Mr. Sepúlveda successfully managed a \$5 billion portfolio of federally-insured hospital mortgages at the U.S. Department of Housing and Urban Development. He also led efforts to restructure and reengineer several major programs within the Federal Housing Administration. From 1996-1997, he worked at the White House in the Office of Presidential Personnel.

Since 2004, Mr. Sepúlveda has served on a special panel advising the Director of National Intelligence and various intelligence agencies on human capital and diversity policy issues. For the past several years, he worked as a senior executive in the housing finance industry.

Before coming to Washington, D.C., in 1993, Mr. Sepúlveda held various local and state executive and appointed positions in Connecticut. Early in his career, he taught political science at Hunter College and Yale University.

A native of New York City, Mr. Sepúlveda holds two Masters Degrees from Yale University and a Bachelor of Arts degree from Hunter College.



SPEAKER'S BIOGRAPHIES

Speakers:

MARIA-PAZ BARRIENTOS

Ms. Maria-Paz Barrientos is a Partner with IBM Global Business Services, and leads the corporation's Human Capital Management business for public sector clients.

Ms. Barrientos has 20 years of consulting experience focused in the area of organizational transformation in the areas of finance and human resources. She has performed business transformation projects for a number of organizations, including the US Department of Veterans Affairs, the US House of Representatives, the Asian Development Bank, the Inter-American Development Bank, the International Finance Corporation, the State of Florida, and FEMA.

In addition to her experience in transformation, Ms. Barrientos has also led projects in Strategy Consulting, Knowledge Management and Organizational Change, as well as Disaster Recovery operations. Ms. Barrientos holds a BA from the University of Maryland as well as an MA from the George Washington University.

DANA BOWMAN

Mr. Dana Bowman has astounded the nation and the world with his drive, determination, and will to succeed. He is a retired Sergeant First Class with the U.S. Army where he was a Special Forces Soldier and a member of the U.S. Army's elite parachute team, the Golden Knights. Dana Bowman is a double amputee. He lost his legs in an accident during the annual Golden Knights training in Yuma, Arizona, in 1994.

On February 6, 1994, Bowman gained world-wide attention when he and his teammate Sgt. Jose Aguillon collided in midair during the team's annual training. Bowman and Aguillon were practicing a maneuver known as the Diamond Track. The maneuver calls for the jumpers to streak away from each other for about a mile and then turns 180 degrees and fly

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back toward each other crisscrossing in the sky. Bowman and Aguillon had demonstrated the Diamond Track more than fifty times without a mistake, but this time was different. Rather than crisscrossing, the two skydivers slammed into each other at a combined speed of 300 miles per hour. Aguillon died instantly. Bowman's legs were severed from his body, one above the knee and one below the knee. Bowman's parachute opened on impact. He was taken to a hospital in Phoenix where doctors closed his leg wounds and stopped his internal bleeding.

Nine months later, he turned this tragedy into a triumph when he became the first double amputee to re-enlist in the United States Army. Bowman re-enlisted in the United States Army airborne style, skydiving with his commander into the ceremony, making his dream a reality. This achievement is just one example of Bowman's many successes under adverse circumstances.

Dana has given more than 400 speeches in the last few years and has been featured in magazines such as Sports Illustrated, Reader's Digest, People and many more. There have also been numerous television programs which focused on Dana and his story. Some of the programs include: *Dateline*, *A Current Affair*, *Real TV*, *NBC Person of the Week*, *Day and Date* and *Extra*. Dana spends a great deal of his personal time working with other amputees and disabled or physically challenged people. Dana inspires other amputees to walk again. His future plans are to continue to speak to the public and fly helicopters.

CHRISTY COMPTON

Ms. Christy Compton joined VA and the ODI team in March, 2010 as the Departmental Disability Program Manager. In the first six months, she implemented the Centralized Fund for Reasonable Accommodations, updated VA's Handbook 5975.1 "Procedures for Providing Reasonable Accommodations for Applicants and Employees with Disabilities" to bring it into

compliance with U.S. Equal Employment Opportunity Commission (EEOC) guidance, wrote the 2% hiring goal memorandum for the Secretary, followed by guidance on meeting the goal, and procured a Department-wide system for tracking accommodation requests.

She has provided training on disability issues to VA's SES level managers and to VHA EEO Managers, created guidance on the Schedule A appointment authority, and enhanced the Disability Program website. Christy is working to raise VA's awareness of the legal requirements for affirmative employment and disability accommodation.

Prior to coming to ODI, Christy served as the MD 715 Report Coordinator for the U.S. Department of Transportation (DOT), preparing DOT's annual report and guiding DOT's ten Administrations through the MD 715 reporting process. In this position, she provided on-going training to the Special Emphasis Program Managers (for the Hispanic, Women's and Disability Programs). As DOT's Disability Program Manager, she wrote the Secretary's memo setting a 3% hiring goal for individuals with targeted disabilities; created a brochure on the various hiring authorities; conducted training on affirmative employment, diversity, barrier analysis, and disability issues; and designed an automated system for tracking accommodation requests. During her tenure at DOT, the employment ratio for individuals with targeted disabilities improved.

From 2001 to 2004, Christy was an EEO Analyst at the Equal Employment Opportunity Commission, where she served as liaison to twenty Federal agencies. She met one-on-one with staff from each agency, providing feedback and training on barrier analysis and sharing best practices. She created a one day training course on the Disability Program and presented it to Federal Disability Program Managers. While at EEOC, she conducted data analysis which informed EEOC of the low participation rate of White Women in the Federal government



SPEAKER'S BIOGRAPHIES

and the ten year decline in the employment of individuals with targeted disabilities. She also contributed to the reporting requirements for the MD 715 report and wrote the instructions for the Data Tables.

She started in the Federal government as an Accountant and after ten years, moved into the EEO arena, training the Health and Human Services agencies how to conduct barrier analysis for their annual reports.

Christy earned a degree in Sociology and Accounting at Gallaudet University, graduating with honors. She holds a Masters in Business Administration.

TONYA M. DEANES

Ms. Tonya M. Deanes is the Deputy Assistant Secretary (DAS) for Human Resources Management, Department of Veterans Affairs. In this capacity she serves as the principal advisor to the Principal Deputy Assistant Secretary (PDAS) for Human Resources and Administration (HR&A) and other key officials within the Department of Veterans Affairs (VA) on matters pertaining to VA's human resources management programs, practices, applicable laws, and regulations. Prior to this assignment, she served as the Associate Deputy Assistant Secretary for Operations, Office of Human Resources Management, where she provided leadership and oversight for five HR service organizations: Central Office Human Resources, Human Resources Information, Executive Resources, Veterans Employment Coordination, and the Center of HR Excellence.

Ms. Deanes has over 20 years experience in the human resources field. Before joining VA in 2008, she was the Human Resources Officer for the Department of Justice, Office of the Inspector General overseeing all human resources operations, policy implementation, and strategic planning. She also served as Deputy Division Director for Human Resources with the Judicial Branch's Administrative Office of the United Courts (AO)

providing human resources management services to Federal judges and all court staff. During her tenure with the AO, she led efforts to implement new classification and qualifications standards and a new compensation system. She also had a leadership role in the agency's conversion from a legacy personnel and payroll system to *PeopleSoft*.

Ms. Deanes holds a Bachelor's degree in psychology and is certified as a Senior Human Resources Professional by the Human Resources Certification Institute.

SUE R. DYRENFORTH, PH.D.

Dr. Dyrenforth is the Director of the VHA National Center for Organization Development. She also maintains a private practice offering psychotherapy, executive coaching, and organizational consultation. She has been involved in psychological research, practice, and education for over thirty years and has consulted to organizations for more than twenty years. Within VA, Dr. Dyrenforth has been active in programs enriching the workforce and workplace: the continuum of leadership development programs, the CREW initiative, the All Employee Survey administration, analysis, and action planning. She acts as the Executive Coach for many of the system's leaders and provides support to VA's planning processes at all levels of the organization.

JEANNE C. MEISTER

Ms. Jeanne C. Meister is an internationally recognized leader in creating innovations in the operation and management of an enterprise learning function. Jeanne's name is synonymous with the establishment and institutionalization of global corporate universities and customer education programs among FORTUNE 1000 firms and agencies of the federal government. Jeanne is skilled working at top executive levels

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as a leading edge thinker, researcher and author. She has written two books on corporate universities which have helped to accelerate the corporate university movement globally. Most recently, Jeanne was nominated to receive “the top 20 most influential training professional” by Training Industry; she was nominated and selected by her peers for her exceptional contribution to the growth in the training industry.

She is often called upon to be an executive coach working with Chief Learning Officers and Presidents of for-profit universities in their quest to create high performing learning organizations.

Jeanne has written for such publications as; *Chronicle of Higher Education*, *CLO Magazine*, *Financial Times*, *HR Executive* and *Workforce Magazine*. Jeanne is also a highly sought after keynote speaker at business conferences, corporate university meetings and industry symposia worldwide. Her current passion is speaking on innovations used by corporations and universities to attract motivate and retain the Net Generation.

ALICE MUELLERWEISS

Ms. Alice Muellerweiss was appointed Dean of the VA Learning University (VALU) in the Office of the Assistant Secretary for Human Resources and Administration at the Department of Veterans Affairs (VA) in January 2010.

As VALU Dean, Muellerweiss creates and maintains Department-wide training policy; leads strategic planning for Department-wide training and education; defines and implements education, training and leadership development program standards; and measures the success of training and its impact on the individual and business results of the organization.

Muellerweiss served as VA's Associate Deputy Assistant Secretary of IT Human Resources Career Development within the Office of Information and Technology from June 2008 to December

2009, leading corporate human capital management transformation to build and sustain a high-performing workforce.

She began her Federal career in the U.S. Army military police nearly three decades ago. She held a variety positions, including Drill Sergeant at Fort McClellan, Alabama, Platoon Sergeant at Operation Restore Hope in Mogadishu, Somalia; and ended her Army career as an Operations Sergeant in Kitzingen, Germany in 1996. She continued her work as a civilian employee in Army operations, training and leadership development in Germany and the United States.

From 2004 to 2007, Muellerweiss served as Chief, Civilian Leader Development Division in the Office of the Deputy Chief of Staff, Army Training Directorate. During her tenure, she was selected as the Secretary of the Army's Task Force Chief of Staff for the Review of Education, Training, and Assignments for Leaders. In this role, she advanced the Army's leader development program by creating and implementing the Army's first deliberate and systematic process to develop civilian leaders of the highest caliber. Muellerweiss established and acquired approval of a \$260 million, five-year budget plan.

Muellerweiss earned her Masters degree in Strategic Studies from the U.S. Army War College in Carlisle, Pennsylvania, in June 2008. She holds a Masters degree in Human Relations from the University of Oklahoma and a Bachelor's of Science in Management from the University of Maryland, University College.

Muellerweiss' civilian awards include a Meritorious Civilian Service Award, Commanders Awards for Civilian Service, Army Management Staff College Exceptional Achievement Award for Leadership and Academics, Equal Opportunity Special Emphasis Program Outstanding Member, and United States Army Europe Commanding General's Award for Quality and Productivity Improvement. She is a life member of the Veterans of Foreign Wars and the Association of the U.S. Army.



SPEAKER'S BIOGRAPHIES

MARY M. SANTIAGO

Ms. Mary M. Santiago came to the Department of Veterans Affairs February 2010 as Program Analysis Officer and key staff advisor to the Assistant Secretary, Office of Human Resource and Administration, the Principal Deputy Assistant Secretary and senior management HR officials in the development of organization-wide performance management processes, performance initiatives, performance measurements and strategic planning. She was reassigned as the Deputy Dean of the VA Learning University and was integral in the organization accomplishing its goals to train 135,000 VA employees. She successfully executed strategic initiatives and ensured VALU obligated over \$200 million in support of HRA's Human Capital Investment Plan. She currently serves as the Senior Advisor to the Deputy Assistant Secretary for the Office of Human Resources Management (OHRM) responsible for providing high-level advice and consultation on the day-to-day operations of OHRM's business strategies and needs through increased productivity, improved quality of products and services, and better operational efficiencies.

Ms. Santiago has over 27 years of experience in the area of HR program management and development. Prior to joining VA, Ms. Santiago worked in the banking regulatory agencies in the Federal Government. As an Assistant Director in the Division of Administration at the Federal Deposit Insurance Corporation, she managed the development of a business infrastructure, taking the training budget from \$12M for outside services to \$5.3M.

At the Office of the Comptroller of the Currency she served as Director of HR Solutions where she successfully developed and implemented a concept called the District Service Center, which provided direct HR services to customers in the field and provided each district with a senior HR consultant. She reengineered Continuing Education's functions to enhance efficiency and

increase value of training products and services by implementing the Learning Center concept, which relocated training services to district offices in Dallas and Chicago. These initiatives resulted in a decrease in travel dollars and an increase in accessible training and HR services for employees located outside of Washington DC.

As Chief Human Capital Officer at the Office of Thrift Supervision, Ms. Santiago established a Human Capital Subcommittee to create a formal process for the executive core team to serve as an advisory and approval group to ensure consistency and compliance in all human capital programs.

Prior to starting her career in Federal Government, Ms. Santiago served nine years in the U.S. Army as a Senior Executive Assistant. Ms. Santiago received her masters in Human Resource Development, with a specialty in adult learning theories, from Marymount University.

LESLIE B. WIGGINS

Ms. Leslie B. Wiggins was named Deputy Assistant Secretary for Labor Management Relations in February 2010. As Deputy Assistant Secretary, Ms. Wiggins serves as the principal advisor to the Assistant Secretary for Human Resources and Administration on all matters pertaining to the development and management of labor relations within the Department.

Ms. Wiggins began her career with the Department of Veterans Affairs (VA) in 1993. Prior to her current appointment, she served VA in many capacities, including Nurse Executive, Medical Center Quality Manager, and her most recent role as Medical Center Associate Director.

Ms. Wiggins earned Bachelor's Degrees from both the Ohio State University and Indiana University, and a Master's Degree in Business Administration from the Indiana Wesleyan University.

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CONFERENCE EXHIBITORS

- 1** Labor Management Relations (LMR)
- 2** Office of Diversity and Inclusion (ODI)
- 3** Office of Resolution Management (ORM)
- 4** Office of Personnel Management (OPM)
- 5** Strategic Human Capital Planning Service (SHCPS)
 - HR Academy
 - Knowledge Management
- 6** Strategic Human Capital Planning Service (SHCPS)
 - Workforce Planning
- 7** VA Learning University (VALU)
 - Career and Technical Training (CTT)
 - My Career@VA
 - Talent Management System
- 8** Veterans Benefits Administration (VBA)
 - VETS Success
- 9** Veterans Employment Coordination Service (VECS)
 - VA for Vets
 - Veteran Recruitment
- 10** Office of Acquisitions and Logistics (OAL)
 - VA Acquisitions Academy
- 11** Veterans Health Administration (VHA)
 - WEB-HR
- 12** Worklife & Benefits
 - WIN
- 13** Worklife & Benefits
 - Telework

COMING THIS FALL



VA for Vets will provide comprehensive resources to help HR professionals recruit, retain and reintegrate our valuable Military Service Member and Veteran employees.

VETERANS ARE
PROVEN PERFORMERS.

They distinguished themselves in uniform and they distinguish themselves as employees.

THEY WILL HELP ALL OF US
ACHIEVE OUR MISSION.

— VA Secretary Eric K. Shinseki

Visit our booth to find out what *VA for Vets* has to offer HR professionals, hiring managers and Veterans at VA.



ONE HR – INNOVATIVE SOLUTIONS FOR A STRATEGIC WORKFORCE

Monday, July 11, 2011

10:00 am – 08:00 pm Conference Registration / Check-in
 12:00 pm – 05:00 pm Exhibit Hall Open – Grand Ballroom 7A/B
 05:00 pm – 07:00 pm Welcome Reception – Crystal Ballroom (Hosted by Orlando World Marriott)

Tuesday, July 12, 2011

06:00 am – 05:00 pm Registration / Information Desk Open
 06:00 am – 06:45 am Morning Stretch and Walk (meet in the hotel lobby, near reservations)
 07:45 am – 09:40 am Opening Plenary – Crystal Ballroom
 – *A Vision for VA HR with The Honorable John U. Sepúlveda, Assistant Secretary for Human Resources and Administration*
 09:40 am – 10:00 am Break
 10:00 am – 12:00 pm Training Classes
 12:00 pm – 01:30 pm Exhibit Hall Open (Grand Ballroom 7A/B) and Lunch (on your own)
 01:30 pm – 03:30 pm Training Classes
 03:30 pm – 03:50 pm Break
 03:40 pm – 03:50 pm Stretch Activity sponsored by WIN
 03:50 pm – 05:00 pm General Session – Crystal Ballroom
 – *VA for Vets Program with Ms. Mary Santiago, Senior Advisor/VA for Vets Program Manager*
 05:10 pm – 06:00 pm *VA for Vets Program Plenary Discussion – Grand Ballroom 8A with Ms. Mary Santiago, Senior Advisor/VA for Vets Program Manager*
 05:10 pm – 06:00 pm *VHA Meet & Greet with Ms. Annie Spiczak, – Crystal Ballroom Chief Officer, Workforce Management and Consulting*
 05:10 pm – 07:00 pm Exhibit Hall Open – Grand Ballroom 7A/B
 05:10 pm – 10:00 pm Optional Evening Activity – Downtown Disney (meet at the hotel front entrance)
 08:30 pm – 10:00 pm Optional Evening Activity – Spades Tournament – Grand Ballroom 7A/B

Wednesday, July 13, 2011

06:00 am – 05:00 pm Information Desk Open
 06:00 am – 06:45 am Morning Stretch and Walk (meet in the hotel lobby, near reservations)
 07:45 am – 09:40 am General Session – Crystal Ballroom
 – *Innovation – A Core Competency for Success with Ms. Maria-Paz Barrientos, Partner, IBM Global Business Services*
 – *HR's Role in VA Disability Program with Ms. Christy Compton, Office of Diversity and Inclusion (ODI)*
 09:40 am – 10:00 am Break
 10:00 am – 12:00 pm Training Classes
 12:00 pm – 01:30 pm Exhibit Hall Open (Grand Ballroom 7A/B) and Lunch (on your own)
 01:30 pm – 03:30 pm Training Classes
 03:30 pm – 03:50 pm Break
 03:40 pm – 03:50 pm Stretch Activity sponsored by WIN



SCHEDULE AT A GLANCE

03:50 pm – 05:15 pm	General Session – Crystal Ballroom – <i>Commitment to Learning – Achieving Results with Ms. Alice Muellerweiss, Dean, Veterans Affairs Learning University (VALU)</i> – <i>Labor Management Forums in the Department of Veterans Affairs, a Discussion about Executive Order 13522 with Ms. Leslie Wiggins, Deputy Assistant Secretary, Labor Management Relations (LMR)</i>
05:15 pm – 07:00 pm	Exhibit Hall Open – Grand Ballroom 7A/B
08:30 pm – 10:00 pm	Optional Evening Activity – Celebrity Charades – Grand Ballroom 7A/B
09:00 pm – 11:00 pm	Optional Evening Activity – Karaoke – High Velocity Lounge

Thursday, July 14, 2011

06:00 am – 05:00 pm	Information Desk Open
06:00 am – 06:45 am	Morning Stretch and Walk (meet in the hotel lobby, near reservations)
07:45 am – 09:40 am	General Session – Crystal Ballroom – <i>At Last – An Investment in YOU with Ms. Sue Dyrenforth, Director, National Center for Organizational Development (NCOD)</i> – <i>How to Prepare Now for the 2020 Workplace with Ms. Jeanne Meister</i>
09:40 am – 10:00 am	Break
10:00 am – 12:00 pm	Training Classes
12:15 pm – 01:00 pm	General Session – Crystal Ballroom – <i>Partnering with You to Build an Innovative Workforce with The Honorable John Berry, Director, Office of Personnel Management (OPM)</i>
01:00 pm – 02:30 pm	Exhibit Hall Open (Grand Ballroom 7A/B) and Lunch (on your own)
02:30 pm – 04:30 pm	Training Classes
05:00 pm – 10:00 pm	Optional Evening Activity – Universal Studios, Islands of Adventure – (meet at the hotel front entrance)
09:00 pm – 11:00 pm	Optional Evening Activity – Dance of the Ages: A 70's, 80's, 90's Dance Party – Crystal Ballroom

Friday, July 15, 2011

06:00 am – 06:45 am	Morning Stretch and Walk (meet in the hotel lobby, near reservations)
07:00 am – 12:00 pm	Information Desk Open
08:00 am – 11:00 am	Closing Plenary – Crystal Ballroom – <i>The Honorable W. Scott Gould, Deputy Secretary, Department of Veterans Affairs</i> – <i>Conquering Adversity with Mr. Dana Bowman</i> – <i>Conference Closing Remarks with The Honorable John U. Sepúlveda, Assistant Secretary for Human Resources and Administration</i>
11:00 am – 01:00 pm	Certificate Distribution – Registration Area
11:00 am – 03:00 pm	Conference Departure



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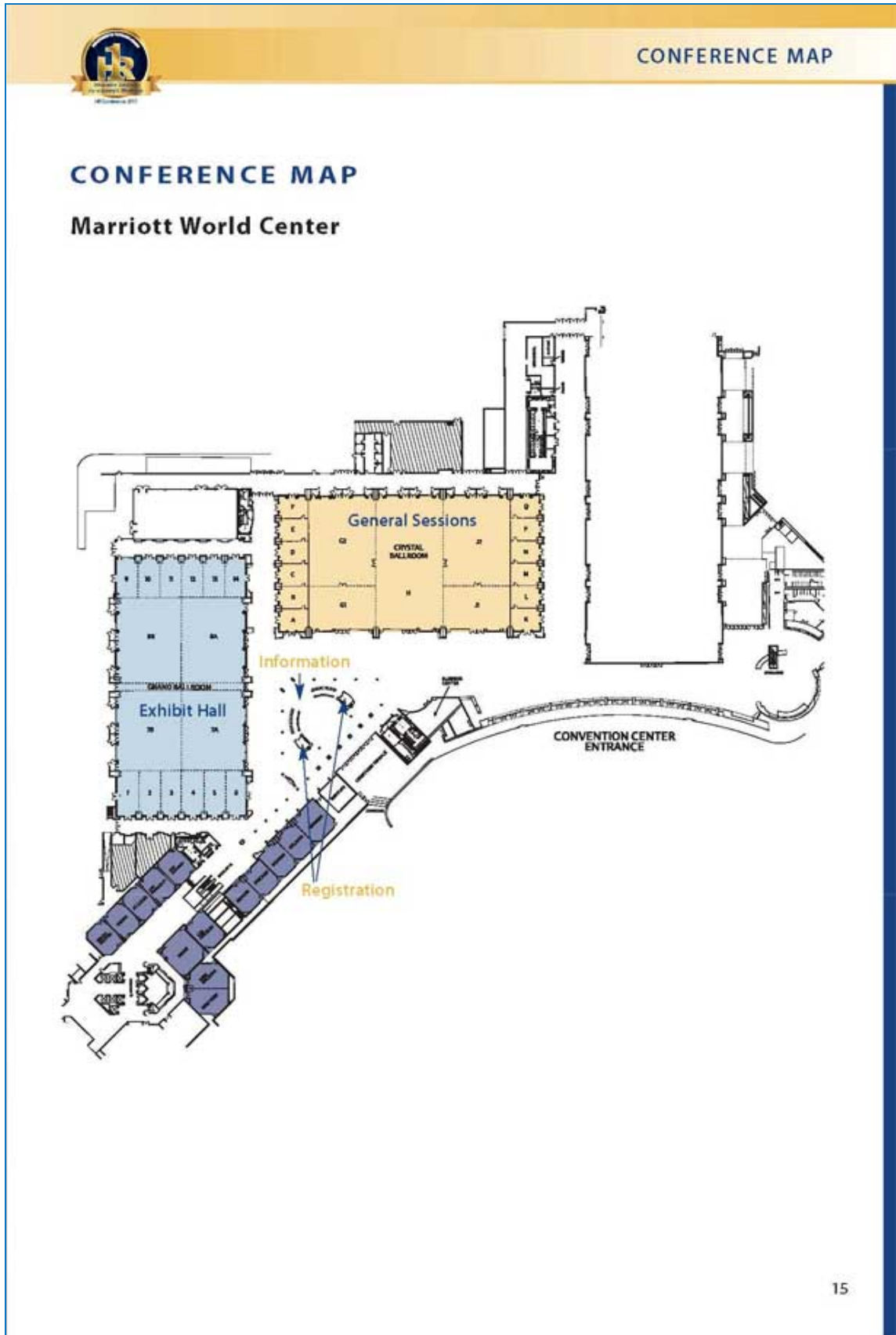
Learn more about ADVANCE,
the VA-wide Initiative to invest in people
development, workforce engagement
and talent management.

<http://vaww.va.gov/ADVANCE>
1-888-566-3982

An HR&A Initiative to invest in people development, workforce engagement
and talent management for the delivery of high-quality healthcare, benefits
and other services to Veterans and their families.



Department of
Veterans Affairs



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Tuesday, July 12, 2011

Class Name	Track	Time	Room Location
Achieving Positive Performance Results	HR Leadership & Management	10:00 am-3:30 pm (4 hour class)	Crystal A
Assessing Applicants	Human Resources	10:00 am-12:00 pm	Grand Ballroom Salon 9
Assessment Questionnaires in USA Staffing	Human Resources	10:00 am-12:00 pm	Anaheim
Coaching Conversations	Professional Development	10:00 am-3:30 pm (4 hour class)	Grand Ballroom Salon 5
Communication Skills for Emerging Leaders	HR Leadership & Management	10:00 am-3:30 pm (4 hour class)	Crystal B
Creative Thinking and Innovation	Professional Development	10:00 am-3:30 pm (4 hour class)	Grand Ballroom Salon 6
First Time Manager	HR Leadership & Management	10:00 am-3:30 pm (4 hour class)	Crystal C
How to Develop and Deliver Dynamic Presentations	Professional Development	10:00 am-3:30 pm (4 hour class)	Tampa
HR Academy: Career Mapping	Human Resources	10:00 am-12:00 pm	Grand Ballroom Salon 10
HR Flexibilities – Staffing and Placement (Title 5)/ Hot Topics Discussion	Human Resources	10:00 am-3:30 pm (4 hour class)	Grand Ballroom Salon 8 A/B
HR's Role in Occupational Safety and Health	Human Resources	10:00 am-12:00 pm	Grand Ballroom Salon 11
Improving Civility in the Workforce: An Evidence-Based Approach	Human Resources	10:00 am-12:00 pm	Grand Ballroom Salon 12
Increase Efficiency – Tackling Issues The Project Management Way	HR Leadership & Management	10:00 am-3:30 pm (4 hour class)	Crystal D
Managing Stress	Professional Development	10:00 am-3:30 pm (4 hour class)	Emerald
Managing Time: Turning Chaos into Order	Professional Development	10:00 am-3:30 pm (4 hour class)	San Antonio
Navigating the Defense Civilian Pay System and Remedy	Human Resources	10:00 am-12:00 pm	Grand Ballroom Salon 13
P3: A Guide to Leadership and Management Success	HR Leadership & Management	10:00 am-12:00 pm	Crystal Q
Payroll Debts/Deductions	Human Resources	10:00 am-12:00 pm	Grand Ballroom Salon 14
Recruiting Veterans	Human Resources	10:00 am-12:00 pm	Crystal F
Resolving Conflict	HR Leadership & Management	10:00 am-3:30 pm (4 hour class)	Crystal E
ROWE – Results Only Work Environment	HR Leadership & Management	10:00 am-12:00 pm	Crystal P
Schedule A Authority for Hiring Individuals with Disabilities	Human Resources	10:00 am-12:00 pm	Crystal N
Telework: A Manager's Perspective	HR Leadership & Management	10:00 am-12:00 pm	Crystal M
Telework in the Federal Government	Professional Development	10:00 am-12:00 pm	Washington
The Further Adventures and Use of E-Classification	Human Resources	10:00 am-12:00 pm	Atlanta



COURSE SCHEDULE

Class Name	Track	Time	Room Location
The Merit System and Prohibited Personnel Practices	Human Resources	10:00 am-12:00 pm	Crystal L
Understanding Consultative Relationships	Human Resources	10:00 am-12:00 pm	Crystal K
Updates on the AFGE Master Agreement	Human Resources	10:00 am-12:00 pm	Grand Ballroom Salon 1
Using Workers' Compensation – Occupational Safety and Health/ Management Information System	Human Resources	10:00 am-3:30 pm (4 hour class)	Chicago
VA for Vets Deployment and Reintegration Services	Human Resources	10:00 am-12:00 pm	Grand Ballroom Salon 2
WebHR Reports – Everything You Never Wanted to Know	Human Resources	10:00 am-12:00 pm	Denver
Workers' Compensation	Human Resources	10:00 am-12:00 pm	Grand Ballroom Salon 3
Workforce Planning – Basic Training for the VA HR Consultant	Human Resources	10:00 am-12:00 pm	Grand Ballroom Salon 4
Addressing Misconduct and Unacceptable Performance	Human Resources	1:30 pm-3:30 pm	Grand Ballroom Salon 10
Assessing Applicants	Human Resources	1:30 pm-3:30 pm	Grand Ballroom Salon 9
Attracting, Leading, and Retaining a Cross-Generational Workforce	Human Resources	1:30 pm-3:30 pm	Grand Ballroom Salon 11
CSRS and FERS Benefits Applications	Human Resources	1:30 pm-3:30 pm	Grand Ballroom Salon 12
Diversity Outreach and Recruitment	Human Resources	1:30 pm-3:30 pm	Grand Ballroom Salon 13
Employee Development	Human Resources	1:30 pm-3:30 pm	Grand Ballroom Salon 14
HR Learning and Knowledge Sharing	Human Resources	1:30 pm-3:30 pm	Crystal L
Payroll Debts/Deductions	Human Resources	1:30 pm-3:30 pm	Diamond
Recruiting Veterans	Human Resources	1:30 pm-3:30 pm	Crystal F
Retention, Relocation, Recruitment	Human Resources	1:30 pm-3:30 pm	Crystal Q
ROWE – Results Only Work Environment	HR Leadership & Management	1:30 pm-3:30 pm	Crystal P
Schedule A Authority for Hiring Individuals with Disabilities	Human Resources	1:30 pm-3:30 pm	Crystal N
Telework: A Manager's Perspective	HR Leadership & Management	1:30 pm-3:30 pm	Crystal M
Telework in the Federal Government	Professional Development	1:30 pm-3:30 pm	Washington
The Further Adventures and Use of E-Classification	Human Resources	1:30 pm-3:30 pm	Atlanta
Understanding Consultative Relationships	Human Resources	1:30 pm-3:30 pm	Crystal K
Updates on the AFGE Master Agreement	Human Resources	1:30 pm-3:30 pm	Grand Ballroom Salon 1
USA Staffing Referral	Human Resources	1:30 pm-3:30 pm	Anaheim
VA for Vets Deployment and Reintegration Services	Human Resources	1:30 pm-3:30 pm	Grand Ballroom Salon 2
WebHR Reports – Everything You Never Wanted to Know	Human Resources	1:30 pm-3:30 pm	Denver
Workers' Compensation	Human Resources	1:30 pm-3:30 pm	Grand Ballroom Salon 3
Workforce Planning – Basic Training for the VA HR Consultant	Human Resources	1:30 pm-3:30 pm	Grand Ballroom Salon 4

ONE HR – INNOVATIVE SOLUTIONS FOR A STRATEGIC WORKFORCE

Wednesday, July 13, 2011

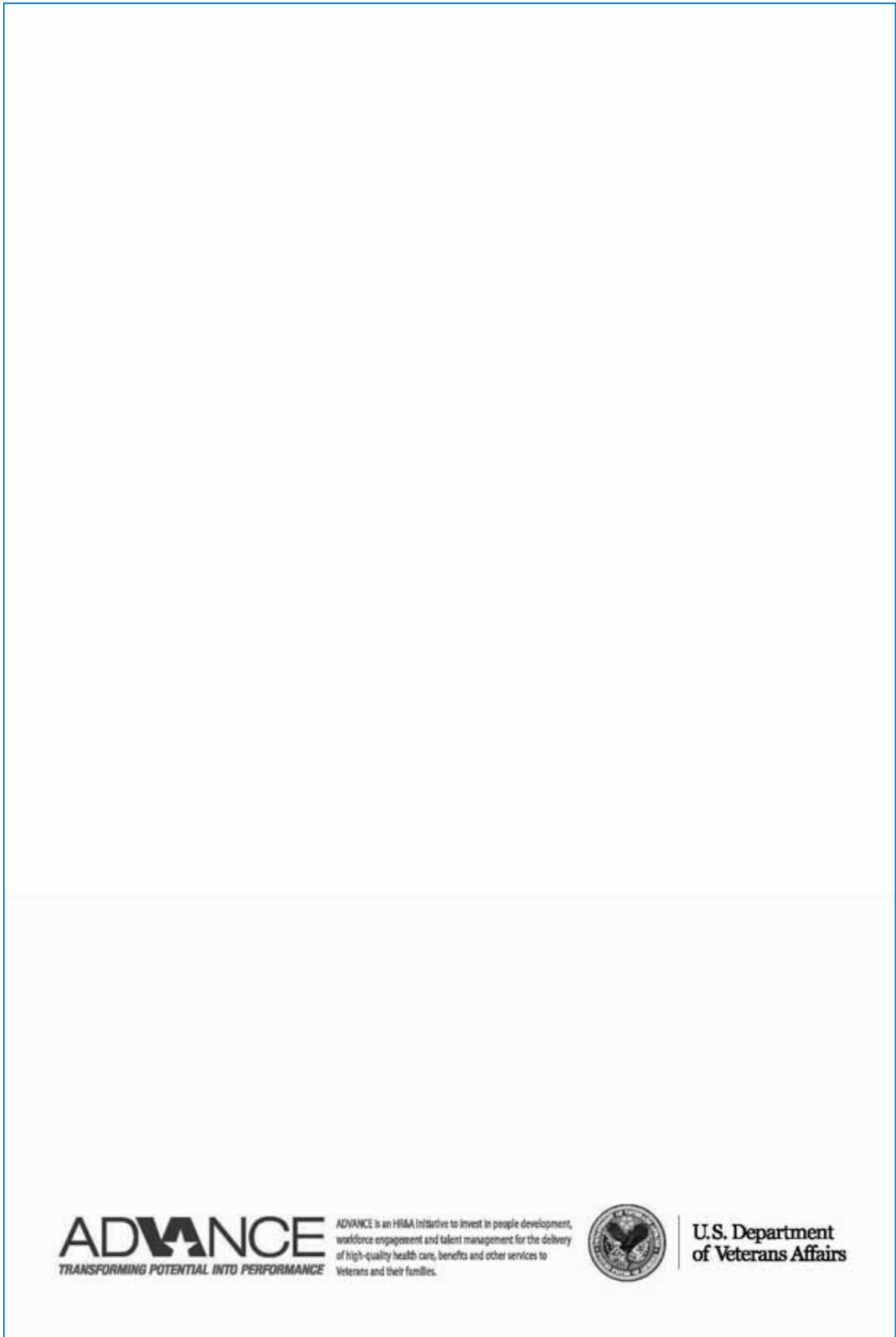
Class Name	Track	Time	Room Location
Assessing Applicants	Human Resources	10:00 am-12:00 pm	Grand Ballroom Salon 9
Assessment Questionnaires in USA Staffing	Human Resources	10:00 am-12:00 pm	Anaheim
Avoiding EEO Pitfalls and Resolving Workplace Disputes	Human Resources	10:00 am-3:30 pm (4 hour class)	Crystal A
Better Working Relationships for Better Customer Service	Professional Development	10:00 am-3:30 pm (4 hour class)	Grand Ballroom Salon 6
Coaching Conversations	Professional Development	10:00 am-3:30 pm (4 hour class)	Crystal B
Change Bargaining	Human Resources	10:00 am-12:00 pm	Grand Ballroom Salon 1
Communication Skills for Emerging Leaders	HR Leadership & Management	10:00 am-3:30 pm (4 hour class)	Crystal C
Creative Thinking and Innovation	Professional Development	10:00 am-3:30 pm (4 hour class)	Crystal F
Dealing with Conflict at Work	Professional Development	10:00 am-3:30 pm (4 hour class)	Crystal D
Dynamic Decision Making	Professional Development	10:00 am-3:30 pm (4 hour class)	Grand Ballroom Salon 8B
Effective Communication	Professional Development	10:00 am-3:30 pm (4 hour class)	San Antonio
Employee Development	Human Resources	10:00 am-12:00 pm	Grand Ballroom Salon 11
HR Academy: Career Mapping	Human Resources	10:00 am-12:00 pm	Grand Ballroom Salon 10
Improving Civility in the Workforce: An Evidence-Based Approach	Human Resources	10:00 am-12:00 pm	Grand Ballroom Salon 12
Increase Efficiency – Tackling Issues The Project Management Way	HR Leadership & Management	10:00 am-3:30 pm (4 hour class)	Grand Ballroom Salon 8A
Is It Negotiable?	Human Resources	10:00 am-12:00 pm	Grand Ballroom Salon 13
Managing Stress	Professional Development	10:00 am-3:30 pm (4 hour class)	Tampa
Measuring HR Effectiveness: Using Proclarity and other HR Data Tools	Human Resources	10:00 am-12:00 pm	Chicago
P3: A Guide to Leadership and Management Success	HR Leadership & Management	10:00 am-12:00 pm	Crystal Q
Payroll Debts/Deductions	Human Resources	10:00 am-12:00 pm	Grand Ballroom Salon 14
Position Classification and Evaluations	Human Resources	10:00 am-12:00 pm	Grand Ballroom Salon 2
Position Management	Human Resources	10:00 am-12:00 pm	Grand Ballroom Salon 3
Resolving Conflict	HR Leadership & Management	10:00 am-3:30 pm (4 hour class)	Crystal E
Retention, Relocation, Recruitment	Human Resources	10:00 am-12:00 pm	Grand Ballroom Salon 5
ROWE – Results Only Work Environment	HR Leadership & Management	10:00 am-12:00 pm	Crystal P
Schedule A Authority for Hiring Individuals with Disabilities	Human Resources	10:00 am-12:00 pm	Crystal N

 COURSE SCHEDULE			
Class Name	Track	Time	Room Location
Telework: A Manager's Perspective	HR Leadership & Management	10:00 am-12:00 pm	Crystal M
Telework in the Federal Government	Professional Development	10:00 am-12:00 pm	Washington
The Further Adventures and Use of E-Classification	Human Resources	10:00 am-12:00 pm	Atlanta
The Merit System and Prohibited Personnel Practices	Human Resources	10:00 am-12:00 pm	Crystal L
Understanding Consultative Relationships	Human Resources	10:00 am-12:00 pm	Crystal K
WebHR Reports – Everything You Never Wanted to Know	Human Resources	10:00 am-12:00 pm	Denver
Workforce Planning – Basic Training for the VA HR Consultant	Human Resources	10:00 am-12:00 pm	Grand Ballroom Salon 4
Assessing Applicants	Human Resources	1:30 pm-3:30 pm	Grand Ballroom Salon 9
Attracting, Leading, and Retaining a Cross-Generational Workforce	Human Resources	1:30 pm-3:30 pm	Grand Ballroom Salon 2
Change Bargaining	Human Resources	1:30 pm-3:30 pm	Grand Ballroom Salon 1
CSRS and FERS Benefits Applications	Human Resources	1:30 pm-3:30 pm	Grand Ballroom Salon 3
Diversity Outreach and Recruitment	Human Resources	1:30 pm-3:30 pm	Grand Ballroom Salon 5
HR Learning and Knowledge Sharing	Human Resources	1:30 pm-3:30 pm	Grand Ballroom Salon 10
Improving Civility in the Workforce: An Evidence-Based Approach	Human Resources	1:30 pm-3:30 pm	Grand Ballroom Salon 12
Is It Negotiable?	Human Resources	1:30 pm-3:30 pm	Grand Ballroom Salon 13
Measuring HR Effectiveness: Using Proclarity and other HR Data Tools	Human Resources	1:30 pm-3:30 pm	Chicago
Navigating the Defense Civilian Pay System and Remedy	Human Resources	1:30 pm-3:30 pm	Crystal L
Retention, Relocation, Recruitment	Human Resources	1:30 pm-3:30 pm	Grand Ballroom Salon 11
Retirements	Human Resources	1:30 pm-3:30 pm	Crystal Q
ROWE – Results Only Work Environment	HR Leadership & Management	1:30 pm-3:30 pm	Crystal P
Schedule A Authority for Hiring Individuals with Disabilities	Human Resources	1:30 pm-3:30 pm	Crystal N
Telework: A Manager's Perspective	HR Leadership & Management	1:30 pm-3:30 pm	Crystal M
Telework in the Federal Government	Professional Development	1:30 pm-3:30 pm	Washington
The Further Adventures and Use of E-Classification	Human Resources	1:30 pm-3:30 pm	Atlanta
Understanding Consultative Relationships	Human Resources	1:30 pm-3:30 pm	Crystal K
USA Staffing Referral	Human Resources	1:30 pm-3:30 pm	Anaheim
WebHR Reports – Everything You Never Wanted to Know	Human Resources	1:30 pm-3:30 pm	Denver
Workforce Planning – Basic Training for the VA HR Consultant	Human Resources	1:30 pm-3:30 pm	Grand Ballroom Salon 4

ONE HR – INNOVATIVE SOLUTIONS FOR A STRATEGIC WORKFORCE

Thursday, July 14, 2011

Class Name	Track	Time	Room Location
Achieving Positive Performance Results	HR Leadership & Management	10:00 am-3:30 pm (4 hour class)	Grand Ballroom Salon 6
Assessing Applicants	Human Resources	10:00 am-12:00 pm	Grand Ballroom Salon 9
Assessment Questionnaires in USA Staffing	Human Resources	10:00 am-12:00 pm	Anaheim
Avoiding EEO Pitfalls and Resolving Workplace Disputes	Human Resources	10:00 am-3:30 pm (4 hour class)	Crystal A
CSRS and FERS Benefits Applications	Human Resources	10:00 am-12:00 pm	Grand Ballroom Salon 1
Dealing with Conflict at Work	Professional Development	10:00 am-3:30 pm (4 hour class)	Grand Ballroom Salon 14
Dynamic Decision Making	Professional Development	10:00 am-3:30 pm (4 hour class)	Grand Ballroom Salon 8B
Effective Communication	Professional Development	10:00 am-3:30 pm (4 hour class)	San Antonio
Effective Written Communication	Professional Development	10:00 am-3:30 pm (4 hour class)	Crystal C
Employee Development	Human Resources	10:00 am-12:00 pm	Grand Ballroom Salon 5
First Time Manager (4 hour class with 1.5 hour lunch)	HR Leadership & Management	10:00 am-3:30 pm	Crystal B
Formal Discussions and Weingarten Meetings	Human Resources	10:00 am-12:00 pm	Crystal N
HR Academy: Career Mapping	Human Resources	10:00 am-12:00 pm	Grand Ballroom Salon 10
Improving Civility in the Workforce: An Evidence-Based Approach	Human Resources	10:00 am-12:00 pm	Grand Ballroom Salon 12
Increase Efficiency – Tackling Issues The Project Management Way	HR Leadership & Management	10:00 am-3:30 pm (4 hour class)	Crystal D
Managing Stress	Professional Development	10:00 am-3:30 pm (4 hour class)	Grand Ballroom Salon 8A
Managing Time: Turning Chaos into Order	Professional Development	10:00 am-3:30 pm (4 hour class)	Crystal F
Measuring HR Effectiveness: Using Proclarity and other HR Data Tools	Human Resources	10:00 am-12:00 pm	Chicago
Navigating the Defense Civilian Pay System and Remedy	Human Resources	10:00 am-12:00 pm	Crystal M
P3: A Guide to Leadership and Management Success	HR Leadership & Management	10:00 am-12:00 pm	Crystal Q
Position Classification and Evaluations	Human Resources	10:00 am-12:00 pm	Grand Ballroom Salon 2
Position Management	Human Resources	10:00 am-12:00 pm	Grand Ballroom Salon 3
Reasonable Accommodation Procedures	Human Resources	10:00 am-12:00 pm	Grand Ballroom Salon 11
Recruiting Veterans	Human Resources	10:00 am-12:00 pm	Grand Ballroom Salon 13
Retirements	Human Resources	10:00 am-12:00 pm	Crystal E
ROWE – Results Only Work Environment	HR Leadership & Management	10:00 am-12:00 pm	Crystal P



Appendix G VA's HR Conference Agenda (August 2011)

1 HR
*Innovative Solutions
for a Strategic Workforce*

Department of Veterans Affairs
HR Conference

*One HR – Innovative Solutions
for a Strategic Workforce*

August 8 - 12, 2011
Marriott World Center
Orlando, Florida

DEPARTMENT OF VETERANS AFFAIRS
 ASSISTANT SECRETARY FOR HUMAN RESOURCES AND ADMINISTRATION
 Washington DC 20420

A MESSAGE FROM THE ASSISTANT SECRETARY FOR HUMAN RESOURCES AND ADMINISTRATION

Welcome to the Department of Veterans Affairs 2011 Human Resources Professionals Training Conference. By participating in this conference, you are not only gaining an opportunity to learn and network as an HR professional, you are also helping to advance the transformative goals of the Department.

As you know, VA is undergoing dramatic changes. This is the result of a variety of factors, including changes within the Veteran populations we serve, new technology, and increasing levels of impending retirements. The theme of our conference, *One HR – Innovative Solutions for a Strategic Workforce*, aims to build our capacity to manage these changes. Most importantly, it will provide you with strategies that will enhance your role in supporting VA's mission to serve our Veterans and their families.

As HR professionals, you are critical to the success of VA. You are responsible for supporting VA's most valuable resource, its people. Consequently, it is our expectation that you leave this conference with the skills and tools needed to help our employees ensure a 21st-century VA.

Thank you.


 John U. Sepúlveda





HR Conference 2011 - Orlando, Florida



ADVANCE
 HUMAN RESOURCES AND ADMINISTRATION
 U.S. Department of Veterans Affairs

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THE HONORABLE W. SCOTT GOULD
Deputy Secretary, Department of Veterans Affairs

W. Scott Gould was nominated by President Obama to serve as Deputy Secretary of the Department of Veterans Affairs (VA) and subsequently confirmed by the Senate Veterans Affairs Committee on April 2, 2009. As Deputy Secretary of Veterans Affairs, Gould serves as the Chief operating officer of the federal government's second largest department, responsible for a nationwide system of health care services, benefits programs and national cemeteries for America's veterans and their dependents.

Prior to his appointment to the VA, Gould was Vice President for public sector strategy at IBM Global Business Services where he focused on strategy and innovation. Previously, he was Chief Executive Officer of The O'Gara Company, a strategic advisory and investment services firm, and Chief Operating Officer of Evolve, a technology services company.

The former Chief Financial Officer and Assistant Secretary for Administration at the Department of Commerce, Gould has also served as Deputy Assistant Secretary for Finance and Management at the Treasury Department. As a White House Fellow, he served in the Export-Import Bank of the United States and in the Office of the White House Chief of Staff. Gould was also appointed by the Governor of Massachusetts to conduct a financial and operational work-out of the city of Chelsea, the first municipality in the state to be placed in receivership by the general court.

Gould is a veteran of the U.S. Navy, having served at sea aboard the guided missile destroyer Richard E. Byrd. As a Naval Intelligence reservist, Capt. Gould was recalled to active duty for Operation Mobile Eagle and Enduring Freedom. After President Obama's election, he served as co-Chair of the VA Agency Review Team for the Presidential Transition Team.

A fellow of the National Academy of Public Administration and former member of the National Security Agency Technical Advisory Group and the Malcolm Baldrige National Quality Award Board of Overseers, Gould has been awarded the U.S. Department of Commerce Medal, the U.S. Department of Treasury Medal and the Navy Meritorious Service Medal. He is coauthor of "The People Factor: Strengthening America by Investing in the Public Service." He holds an AB degree from Cornell University and MBA and Ed.D. degrees from the University of Rochester.



GENERAL ALLISON A. HICKEY
Under Secretary for Benefits

As Under Secretary for Benefits, Hickey leads more than 20,000 employees in the delivery of a wide range of integrated programs of non-medical benefits and services to Veterans, their dependents and survivors. Through a nationwide network of 57 regional offices, special processing centers, and VBA Headquarters, she directs the administration of VAS disability compensation, pension, education, home loan guaranty, vocational rehabilitation and employment, and life insurance programs, and an annual budget of more than \$72.3 billion.

Prior to her appointment, Hickey led Human Capital Management for the consulting company Accenture in their work for the National Geospatial-Intelligence Agency – supporting operational business processes for intelligence community organizations in the areas of customer relationship management, call center practices and 21st Century information technology systems.

As the Director of the Air Force's Future Total Force office at the Pentagon, she provided leadership and oversight for four divisions in the areas of strategic planning, mission development, public and congressional affairs, and program and resource implementation for more than 140 new Air Force units. Hickey was responsible for shifting billions of dollars towards new capabilities across the Air Force portfolio and directing new organizational models for a world-wide 500,000 person organization including active duty, Air National Guard and Air Force Reserve units and personnel to create a common Air Force policy, mission, and culture – known in the Department as the Total Force Perspective.

Prior to that assignment, Hickey served as the assistant deputy director of Strategic Planning, where she provided leadership and oversight for five divisions. She also served as chief of the Air Force Future Concepts and Transformation Division focused on the integration of technologies, organizations and concepts of operation to model for the Air Force of 2025.

Hickey is a 27-year Veteran of the Air Force having served on active duty in the Air National Guard and the Air Force Reserves. Her Air Force career began in 1980 as a graduate of the U.S. Air Force Academy's first class to include women. As a pilot and aircraft commander, she accumulated more than 1,500 hours of flight time in KC-10A, KC-135A, F-38 and T-3 aircraft.



THE HONORABLE STEVE L. MURO
Under Secretary for Memorial Affairs

Steve L. Muro was sworn in as the Under Secretary for Memorial Affairs on June 6, 2011. As Under Secretary, he leads 131 National Cemeteries in providing dignified burial services for military Veterans and eligible family members. His responsibilities also include: maintaining the cemeteries as national shrines; land acquisition, design, construction, and other activities relating to the establishment of new national cemeteries; overseeing other memorial programs to honor the service of deceased Veterans, including provision of headstones, markers, medallions and Presidential Memorial Certificates; and administering federal grants to help states, territories and tribal governments establish Veterans cemeteries.

Under Mr. Muro's leadership, the National Cemetery Administration (NCA) developed an unsurpassed record of achievement on the American Customer Satisfaction Index (ACSI). For the 2010 survey, and for the fourth consecutive time in 10 years, NCA attained the highest ranking of any participating entity, besting over 100 other federal agencies and industry leaders like Ford, FedEx and Coca Cola.

Mr. Muro served as Deputy Under Secretary and then Acting Under Secretary for Memorial Affairs. From February 2003 to October 2008 he was Director of the Office of Field Programs, and also served as its Acting Director from December 2002 to February 2003. In these roles, he provided leadership and direction to agency field offices and facilities and guided NCA through the largest expansion of the cemetery system since the Civil War. He initiated a new NCA Training Center to centralize and provide consistent training to employees. He led the process to create a National Cemetery Scheduling Office and a centralized Human Resources function to support all national cemeteries.

Mr. Muro began his NCA career in 1978 as an automotive mechanic at Los Angeles National Cemetery. He then held multiple positions of increasing responsibility, including Directorships and Assistant Directorships at seven national cemeteries and the Memorial Service Network V, headquartered in Oakland, Calif.

Mr. Muro served in the U.S. Navy from 1968 to 1972, including two tours of duty in Vietnam on board USS Benjamin Stoddert (DDG-22) and with the Seabees of Mobile Construction Battalion TEN.

He is a graduate of Mt. San Antonio Junior College, Leadership VA, the Federal Executive Institute, and the Senior Executive Service Candidate Development Program. In 2008, Mr. Muro was selected by the President of the United States to receive a Presidential Meritorious Rank Award. Awarded to fewer than five percent of senior federal executives, the award recognizes exceptional leadership, accomplishments and service over an extended period of time.



THE HONORABLE JOHN U. SEPÚLVEDA
Assistant Secretary for Human Resources and Administration,
Department of Veterans Affairs

John U. Sepúlveda was nominated by President Obama to serve as the Assistant Secretary for Human Resources and Administration for the Department of Veterans Affairs and subsequently confirmed by the Senate on May 18, 2009. He was sworn in by the Secretary of Veterans Affairs, Eric K. Shinook, on May 20, 2009.

As Assistant Secretary and VA's Chief Human Capital Officer, Mr. Sepúlveda serves as principal advisor to the Secretary, his executive staff, and the Department's human resources managers and practitioners on matters pertaining to human resources, labor-management relations; diversity management; and equal employment opportunity; resolution management; employee health and safety; workers' compensation; and VA Central Office administration.

Mr. Sepúlveda brings over 25 years of experience as an innovative leader in the public and private sectors. As Deputy Director of the Office of Personnel Management (OPM) during the Clinton Administration, Mr. Sepúlveda led various initiatives to promote greater diversity throughout the U.S. Government, including increasing the representation of Latinos within the Federal workforce. While at OPM, he served on the White House Interagency Task Force on Asian American and Pacific Islanders, the President's Council for Y2K Conversion, and the President's Council on Integrity and Efficiency. He recently served on the Obama-Biden Presidential Transition Team as an advisor to the OPM agency review team.

Before joining OPM, Mr. Sepúlveda successfully managed a \$5 billion portfolio of Federally-insured hospital mortgages at the U.S. Department of Housing and Urban Development. He also led efforts to restructure and reengineer several major programs within the Federal Housing Administration. From 1996-1997, he worked at the White House in the Office of Presidential Personnel.

Since 2004, Mr. Sepúlveda has served on a special panel advising the Director of National Intelligence and various intelligence agencies on human capital and diversity policy issues. For the past several years, he worked as a senior executive in the housing finance industry.

Before coming to Washington, D.C., in 1993, Mr. Sepúlveda held various local and state executive and appointed positions in Connecticut. Early in his career, he taught political science at Hunter College and Yale University.

A native of New York City, Mr. Sepúlveda holds two Masters Degrees from Yale University and a Bachelor of Arts degree from Hunter College.

Speakers:

MARK ADDLESON

Mark Addleson is an Associate Professor attached to the Organization Development and Knowledge Management Master's degree program (ODKM) at George Mason University's School of Public Policy. Before joining Mason, in 1994, Professor Addleson taught for more than 20 years in his native South Africa at the University of the Witwatersrand's Graduate School of Business Administration, where he was head of the General Management program (marketing, strategy, and economics). From 1996 until 2006 Professor Addleson directed the Master's program in ODKM. The program focus is group and team-based approaches to organizing knowledge-work, including understanding the role of communities of practice in the workplace. In 2001 Professor Addleson introduced a Masters program in Knowledge Management in the School of Public Policy. Professor Addleson was a director of Econometric, a firm of consultants with clients across all sectors of the economy. He has consulted with many companies and public and non-profit organizations both in the United States and South Africa and is an Associate of the Organizational Coaching and Leadership (OCL) Group, LLC. Professor Addleson's new book is *Beyond Management: Taking Charge at Work*. He publishes regularly in academic journals and has written newspaper articles and presented papers at local and overseas conferences on

topics ranging from urban and regional policy to organizational change. He also has a blog "Management is Dead", at <http://www.managementisdead.com>, about why we need to change the way we organize work. You are invited to read and contribute to it.

DENISE BIAGGI-AYERS

Denise Biaggi-Ayers is the Staff Director for the Department of Veterans Affairs' Office of Labor-Management Relations. She has been working in the VA since 2003. Mrs. Biaggi-Ayers moved to Washington D.C. in 2002 to continue her legal education and pursue work with the Federal Government. Before becoming a Federal employee, she worked in several law firms in Puerto Rico, specializing in litigation.

Mrs. Biaggi-Ayer graduated from Villanova University, Villanova, PA in 1994. She received her Juris Doctor from The University of Puerto Rico, School of Law in 1998 and her LL.M in Litigation and Dispute Resolution from George Washington University in 2002.

DANA BOWMAN

Mr. Dana Bowman has astounded the nation and the world with his drive, determination, and will to succeed. He is a retired Sergeant First Class with the U.S. Army where he was a Special Forces Soldier and a member of the U.S. Army's elite parachute team, the Golden Knights. Dana Bowman is a double amputee. He lost his legs in an accident during the annual Golden Knights training in Yuma, Arizona, in 1994.

On February 6, 1994, Bowman gained worldwide attention when he and his teammate Sgt. Jose Aguilon collided in midair during the team's annual training. Bowman and Aguilon were practicing a maneuver known as the Diamond Track. The maneuver calls for the jumpers to streak away from each other for about a mile and then turns 180 degrees and fly back toward each other crosscrossing in the sky. Bowman and Aguilon had demonstrated the



Diamond Track more than fifty times without a mistake, but this time was different. Rather than crosscrosing, the two skydivers slammed into each other at a combined speed of 300 miles per hour. Aguilon died instantly. Bowman's legs were severed from his body, one above the knee and one below the knee. Bowman's parachute opened on impact. He was taken to a hospital in Phoenix where doctors closed his leg wounds and stopped his internal bleeding.

Nine months later, he turned this tragedy into a triumph when he became the first double amputee to re-enlist in the United States Army. Bowman re-enlisted in the United States Army airborne style, skydiving with his commander into the ceremony, making his dream a reality. This achievement is just one example of Bowman's many successes under adverse circumstances.

Dana has given more than 400 speeches in the last few years and has been featured in magazines such as Sports Illustrated, Reader's Digest, People and many more. There have also been numerous television programs which focused on Dana and his story. Some of the programs include: *Dateline, A Current Affair, Real TV, ABC Person of the Week, Day and Date and Extra*. Dana spends a great deal of his personal time working with other amputees and disabled or physically challenged people. Dana inspires other amputees to walk again. His future plans are to continue to speak to the public and fly helicopters.

CHRISTY COMPTON

Ms. Christy Compton joined VA and the OOI team in March, 2010 as the Departmental Disability Program Manager. In the first six months, she implemented the Centralized Fund for Reasonable Accommodations, updated VA's Handbook 5975.1 "Procedures for Providing Reasonable Accommodations for Applicants and Employees with Disabilities" to bring it into compliance with U.S. Equal Employment Opportunity Commission (EEOC) guidance, wrote the 2% hiring goal memorandum for the Secretary, followed by guidance on meeting the

goal, and procured a Department-wide system for tracking accommodation requests.

She has provided training on disability issues to VAS SES level managers and to VHA EEO Managers, created guidance on the Schedule A appointment authority and enhanced the Disability Program website. Christy is working to raise VAS awareness of the legal requirements for affirmative employment and disability accommodation. Prior to coming to OOI, Christy served as the MD 715 Report Coordinator for the U.S. Department of Transportation (DOT), preparing DOT's annual report and guiding DOT's ten Administrations through the MD 715 reporting process. In this position, she provided on-going training to the Special Emphasis Program Managers (for the Hispanic, Women's and Disability Programs). As DOT's Disability Program Manager, she wrote the Secretary's memo setting a 3% hiring goal for individuals with targeted disabilities; created a brochure on the various hiring authorities; conducted training on affirmative employment, diversity, barrier analysis, and disability issues; and designed an automated system for tracking accommodation requests. During her tenure at DOT, the employment ratio for individuals with targeted disabilities improved.

From 2001 to 2004, Christy was an EEO Analyst at the Equal Employment Opportunity Commission, where she served as liaison to twenty Federal agencies. She met one-on-one with staff from each agency, providing feedback and training on barrier analysis and sharing best practices. She created a one day training course on the Disability Program and presented it to Federal Disability Program Managers. While at EEOC, she conducted data analysis which informed EEOC of the low participation rate of White Women in the Federal government and the ten year decline in the employment of individuals with targeted disabilities. She also contributed to the reporting requirements for the MD 715 report and wrote the instructions for the Data Tables.

ONE HR - INNOVATIVE SOLUTIONS FOR A STRATEGIC WORKFORCE

She started in the Federal government as an Accountant and after ten years, moved into the EEO arena, training the Health and Human Services agencies how to conduct barrier analysis for their annual reports.

Christy earned a degree in Sociology and Accounting at Gallaudet University, graduating with honors. She holds a Masters in Business Administration.

TONYA M. DEANES

Ms. Tonya M. Deanes is the Deputy Assistant Secretary (DAS) for Human Resources Management, Department of Veterans Affairs. In this capacity she serves as the principal advisor to the Principal Deputy Assistant Secretary (PDAS) for Human Resources and Administration (HR&A) and other key officials within the Department of Veterans Affairs (VA) on matters pertaining to VA's human resources management programs, practices, applicable laws, and regulations. Prior to this assignment, she served as the Associate Deputy Assistant Secretary for Operations, Office of Human Resources Management, where she provided leadership and oversight for five HR service organizations: Central Office Human Resources, Human Resources Information, Executive Resources, Veterans Employment Coordination, and the Center of HR Excellence.

Ms. Deanes has over 20 years experience in the human resources field. Before joining VA in 2008, she was the Human Resources Officer for the Department of Justice, Office of the Inspector General overseeing all human resources operations, policy implementation, and strategic planning. She also served as Deputy Division Director for Human Resources with the Judicial Branch's Administrative Office of the United Courts (AO) providing human resources management services to Federal judges and all court staff. During her tenure with the AO, she led efforts to implement new classification and qualifications standards and a new compensation system. She also had a leadership role in the agency's conversion from

a legacy personnel and payroll system to PeopleSoft.

Ms. Deanes holds a Bachelor's degree in psychology and is certified as a Senior Human Resources Professional by the Human Resources Certification Institute.

RUTH FANNING

As Director of the Department of Veterans Affairs' Vocational Rehabilitation and Employment (VR&E) Service, Ms. Fanning is responsible for the oversight of comprehensive rehabilitation services provided nationally to veterans with service-connected disabilities.

Program services include assistance that enables veterans to achieve maximum independence in daily living activities with an ultimate goal of each veteran obtaining and sustaining suitable employment. VR&E serves more than 110,750 disabled veterans annually, with approximately 77,998 veterans entering the program for the first time each year.

Prior to her appointment as the VR&E Service Director, Ms. Fanning worked in the Cleveland VA Regional Office as the Assistant Director and Acting Director. In those roles, she worked with Cleveland's management team to ensure quality and timely services to Ohio's 1.1 million veterans. Services provided included the adjudication of compensation claims for disabled veterans and Vocational Rehabilitation and Employment services. The office served as a Regional Loan Center, responsible to administer VA's home loan program and Specially Adaptive Housing grant program for a six state area. The Cleveland Regional Office also provided special missions through three special units: the Tiger Team, the Resource Center, and the Virtual Information Center.

Prior to working in Cleveland, Ms. Fanning was the Vocational Rehabilitation and Employment Officer at one of the largest Regional Offices in the country, the St. Petersburg VA Regional Office. While in St. Petersburg, Ms. Fanning led the VR&E division to become a top performing

office, leading the nation by rehabilitating over 700 veterans in fiscal year 2005. Prior to becoming the VR&E Officer, Ms. Fanning was the Assistant VR&E Officer and a Vocational Rehabilitation Counselor at the St. Petersburg Regional Office. Before beginning her VA career, Ms. Fanning worked in the private sector rehabilitation field and mental health field. She has an MA degree in Rehabilitation Counseling from the University of South Florida and is a certified Rehabilitation Counselor and Certified Vocational Evaluator with over 26 years of experience in the counseling and rehabilitation fields.

JEANNE C. MEISTER

Ms. Jeanne C. Meister is an internationally recognized leader in creating innovations in the operation and management of an enterprise learning function. Jeanne's name is synonymous with the establishment and institutionalization of global corporate universities and customer education programs among FORTUNE 1000 firms and agencies of the federal government. Jeanne is skilled working at top executive levels as a leading edge thinker, researcher and author. She has written two books on corporate universities which have helped to accelerate the corporate university movement globally. Most recently, Jeanne was nominated to receive "the top 20 most influential training professional" by Training Industry; she was nominated and selected by her peers for her exceptional contribution to the growth in the training industry.

She is often called upon to be an executive coach working with Chief Learning Officers and Presidents of for-profit universities in their quest to create high performing learning organizations.

Jeanne has written for such publications as: *Chronicle of Higher Education*, *CLO Magazine*, *Financial Times*, *HR Executive and Workforce Magazine*. Jeanne is also a highly sought after keynote speaker at business conferences, corporate university meetings and industry symposia worldwide. Her current passion is

SPEAKERS BIOGRAPHIES

speaking on innovations used by corporations and universities to attract motivate and retain the Net Generation.

ALICE MUELLERWEISS

Ms. Alice Muellerweiss was appointed Dean of the VA Learning University (VALU) in the Office of the Assistant Secretary for Human Resources and Administration at the Department of Veterans Affairs (VA) in January 2010.

As VALU Dean, Muellerweiss creates and maintains Department-wide training policy, leads strategic planning for Department-wide training and education; defines and implements education, training and leadership development program standards; and measures the success of training and its impact on the individual and business results of the organization.

Muellerweiss served as VA's Associate Deputy Assistant Secretary of IT Human Resources Career Development within the Office of Information and Technology from June 2008 to December 2009, leading corporate human capital management transformation to build and sustain a high-performing workforce.

She began her Federal career in the U.S. Army military police nearly three decades ago. She held a variety of positions, including Drill Sergeant at Fort McClellan, Alabama, Platoon Sergeant at Operation Restore Hope in Mogadishu, Somalia; and ended her Army career as an Operations Sergeant in Kitzingen, Germany in 1996. She continued her work as a civilian employee in Army operations, training and leadership development in Germany and the United States.

From 2004 to 2007, Muellerweiss served as Chief, Civilian Leader Development Division in the Office of the Deputy Chief of Staff, Army Training Directorate. During her tenure, she was selected as the Secretary of the Army's Task Force Chief of Staff for the Review of Education, Training, and Assignments for Leaders. In this role, she advanced the Army's leader development

ONE HR - INNOVATIVE SOLUTIONS FOR A STRATEGIC WORKFORCE

program by creating and implementing the Army's first deliberate and systematic process to develop civilian leaders of the highest caliber. Muellerweiss established and acquired approval of a \$260 million, five-year budget plan.

Muellerweiss earned her Masters degree in Strategic Studies from the U.S. Army War College in Carlisle, Pennsylvania, in June 2008. She holds a Masters degree in Human Relations from the University of Oklahoma and a Bachelor's of Science in Management from the University of Maryland, University College.

Muellerweiss' civilian awards include a Meritorious Civilian Service Award, Commanders Awards for Civilian Service, Army Management Staff College Exceptional Achievement Award for Leadership and Academics, Equal Opportunity Special Emphasis Program Outstanding Member, and United States Army Europe Commanding General's Award for Quality and Productivity Improvement. She is a life member of the Veterans of Foreign Wars and the Association of the U.S. Army.

MARY M. SANTIAGO

Ms. Mary M. Santiago came to the Department of Veterans Affairs February 2010 as Program Analyst Officer and key staff advisor to the Assistant Secretary, Office of Human Resource and Administration, the Principal Deputy Assistant Secretary and senior management HR officials in the development of organization-wide performance management processes, performance initiatives, performance measurements and strategic planning. She was reassigned as the Deputy Dean of the VA Learning University and was integral in the organization accomplishing its goals to train 135,000 VA employees. She successfully executed strategic initiatives and ensured VALLU obligated over \$200 million in support of HRA's Human Capital Investment Plan. She currently serves the Director of the Veteran Employment

Services Office, responsible for planning, developing and implementing a comprehensive Agency-wide Veteran recruitment, retention, deployment and reintegration program. Ms. Santiago has over 27 years of experience in the area of HR program management and development.

Prior to joining VA, Ms. Santiago worked in the banking regulatory agencies in the Federal Government. As an Assistant Director in the Division of Administration at the Federal Deposit Insurance Corporation, she managed the development of a business infrastructure, taking the training budget from \$12M for outside services to \$5.3M. At the Office of the Comptroller of the Currency she served as Director of HR Solutions where she successfully developed and implemented a concept called the District Service Center, which provided direct HR services to customers in the field and provided each district with a senior HR consultant. She reengineered Continuing Education's functions to enhance efficiency and increase value of training products and services by implementing the Learning Center concept, which relocated training services to district offices in Dallas and Chicago. These initiatives resulted in a decrease in travel dollars and an increase in accessible training and HR services for employees located outside of Washington DC.

As Chief Human Capital Officer at the Office of Thrift Supervision, Ms. Santiago established a Human Capital Subcommittee to create a formal process for the executive core team to serve as an advisory and approval group to ensure consistency and compliance in all human capital programs. Prior to starting her career in Federal Government, Ms. Santiago served nine years in the U.S. Army as a Senior Executive Assistant. Ms. Santiago received her masters in Human Resource Development, with a specialty in adult learning theories, from Marymount University.

COMING THIS FALL



VA for Vets will provide comprehensive resources to help HR professionals recruit, retain and reintegrate our valuable Military Service Member and Veteran employees.

VETERANS ARE PROVEN PERFORMERS.

They distinguished themselves in uniform and they distinguish themselves as employees.

THEY WILL HELP ALL OF US ACHIEVE OUR MISSION.

— VA Secretary Eric R. Shinewski

Visit our booth to find out what VA for Vets has to offer HR professionals, hiring managers and Veterans at VA.





Monday, August 8, 2011

10:00 am – 08:00 pm Conference Registration / Check-in
 12:00 pm – 05:00 pm Exhibit Hall Open – Crystal Ballroom H
 05:00 pm – 07:00 pm Welcome Reception – Grand Ballroom (hosted by Orlando World Center Marriott)

Tuesday, August 9, 2011

06:00 am – 05:00 pm Registration / Information Desk Open
 06:00 am – 06:45 am Morning Stretch and Walk (meet in the hotel lobby, near reservations)
 08:00 am – 09:40 am Opening Plenary – Grand Ballroom
 – A Vision for VA HR with The Honorable John U. Sepúlveda, Assistant Secretary for Human Resources and Administration
 Break
 09:40 am – 10:00 am Training Classes
 10:00 am – 12:00 pm Exhibit Hall Open (Crystal Ballroom 10 and Lunch (on your own))
 12:00 pm – 01:30 pm Training Classes
 01:30 pm – 03:30 pm Break
 03:30 pm – 03:50 pm Stretch Activity sponsored by WIN
 03:40 pm – 03:50 pm General Session – Grand Ballroom
 – VA for Vets Program with Ms. Mary Santiago, Senior Advisor/VA for Vets Program Manager
 04:00 pm – 05:15 pm Vets Program Manager
 – Vets Success Program with Ms. Ruth Fanning, Director, Vocational Rehabilitation and Employment Service, VBA
 05:30 pm – 06:30 pm VA for Vets Program Plenary Discussion – Crystal Ballroom d1 with Ms. Mary Santiago, Senior Advisor/VA for Vets Program Manager
 05:30 pm – 7:00 pm Exhibit Hall Open – Grand Ballroom TAB
 05:30 pm – 10:00 pm Optional Evening Activity – DOWNTOWN DISNEY (meet at the Convention Center entrance – lower level near Health)
 08:00 pm – 11:00 pm Optional Evening Activity – Karaoke – High Velocity Lounge

Wednesday, August 10, 2011

06:00 am – 06:45 am Morning Stretch and Walk (meet in the hotel lobby, near reservations)
 07:00 am – 05:00 pm Registration / Information Desk Open
 07:45 am – 09:40 am General Session – Grand Ballroom
 – Change and Knowledge Management with Mr. Mark Addison, Professor of Management Economics at George Mason
 – HR's Role in VA Disability Program with Ms. Christy Compton, Office of Diversity and Inclusion (ODI)
 Break
 09:40 am – 10:00 am Training Classes
 10:00 am – 12:00 pm Exhibit Hall Open (Crystal Ballroom 10 and Lunch (on your own))
 12:00 pm – 01:30 pm Training Classes
 01:30 pm – 03:30 pm Break
 03:30 pm – 03:50 pm


03:40 pm – 03:50 pm Stretch Activity sponsored by WIN
 03:50 pm – 05:15 pm General Session – Grand Ballroom
 – Labor Management Forums in the Department of Veterans Affairs, a Discussion about Executive Order 13522 with Ms. Denise Blugny-Ayers, Staff Director, Labor Management Relations (LMR)
 – Commitment to Learning – Achieving Results with Ms. Alice Muellerweiss, Dean, Veterans Affairs Learning University (VALU)
 Exhibit Hall Open – Crystal Ballroom H
 05:30 pm – 07:00 pm Optional Evening Activity – Dance of the Ages: A 70's, 80's, 90's Dance Party – Grand Ballroom

Thursday, August 11, 2011

06:00 am – 06:45 am Morning Stretch and Walk (meet in the hotel lobby, near reservations)
 07:00 am – 05:00 pm Registration / Information Desk Open
 07:45 am – 09:40 am General Session – Grand Ballroom
 – General Allison A. Hickey, Under Secretary for Benefits
 – The National Cemetery Administration – A Relentless Focus on Veterans and Their Families with The Honorable Steve L. Munro, Under Secretary for Memorial Affairs
 Break
 09:40 am – 10:00 am Training Classes
 10:00 am – 12:00 pm Lunch (on your own)
 12:00 pm – 01:30 pm Training Classes
 01:30 pm – 03:30 pm Break
 03:30 pm – 03:50 pm Stretch Activity sponsored by WIN
 03:40 pm – 03:50 pm General Session – Grand Ballroom
 – How to Prepare Now for the 2020 Workplace with Ms. Jeanne Meister
 05:00 pm – 10:00 pm Optional Evening Activity – Universal Studios, Islands of Adventure (meet at the Convention Center entrance – lower level near Health)
 08:00 pm – 11:00 pm Optional Evening Activity – Card Games – Spades Tournament – Grand Ballroom

Friday, August 12, 2011


07:00 am – 12:00 pm Registration / Information Desk Open
 08:00 am – 10:00 am Closing Plenary – Grand Ballroom
 – The Honorable W. Scott Gould, Deputy Secretary, Department of Veterans Affairs
 – Conquering Adversity with Mr. Dana Bowman
 – Conference Closing Remarks with The Honorable John U. Sepúlveda, Assistant Secretary for Human Resources and Administration
 10:45 am – 12:00 pm Certificate Distribution – Registration Area
 11:00 am – 03:00 pm Conference Departure



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Learn more about ADVANCE, the VA-wide Initiative to invest in people development, workforce engagement and talent management.

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1-888-566-3982



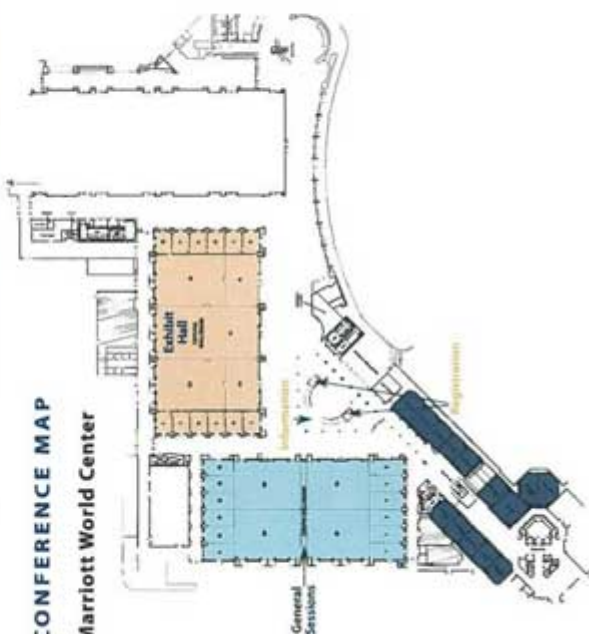
An HHSVA initiative to invest in people development, workforce engagement and talent management for and delivery of high quality health care services and other services to Veterans and their families.

CONFERENCE EXHIBITORS / MAP

CONFERENCE EXHIBITORS

- 1 Big Idea
- 2 Labor Management Relations (LMR)
- 3 Office of Diversity and Inclusion (ODI)
- 4 Office of Resolution Management (ORM)
- 5 Office of Personnel Management (OPM)
 - USA Staffing
- 6 Strategic Human Capital Planning Service (SHCPS)
 - HR Academy
 - Knowledge Management
- 7 Strategic Human Capital Planning Service (SHCPS)
 - Workforce Planning
- 8 VA Learning University (VALU)
 - Career and Technical Training (CTT)
 - My Career@VA
 - Talent Management System
- 9 Veterans Benefits Administration (VBA)
 - VETS Success
- 10 Veterans Employment Coordination Service (VECS)
 - VA for Vets
 - Veterans Recruitment
- 11 Office of Acquisitions and Logistics (OAL)
 - VA Acquisition Academy
- 12 Veterans Health Administration (VHA)
 - WEB-HR
- 13 Worklife & Benefits
 - WVN
- 14 Worklife & Benefits
 - Telework

CONFERENCE MAP



Marriott World Center

ONE HR – INNOVATIVE SOLUTIONS FOR A STRATEGIC WORKFORCE

Tuesday, August 9, 2011

Class Name	Track	Time	Main Location
Achieving Positive Performance Results	HR Leadership & Management	10:00 am-3:30 pm (4 hour class)	Katy Hillist
Assessment Questionnaires in USA Staffing	Human Resources	10:00 am-12:00 pm	Norfolk Beach
Coaching Conversations	Professional Development	10:00 am-3:30 pm (4 hour class)	Crystal L
Communication Skills for Emerging Leaders	HR Leadership & Management	10:00 am-3:30 pm (4 hour class)	Crystal P
Creative Thinking and Innovation	Professional Development	10:00 am-3:30 pm (4 hour class)	Crystal N
First Time Manager	HR Leadership & Management	10:00 am-3:30 pm (4 hour class)	Baltimore
How to Develop and Deliver Dynamic Presentations	Professional Development	10:00 am-3:30 pm (4 hour class)	Boston
HR Academy: Career Mapping	Human Resources	10:00 am-12:00 pm	Aruba
HR Flexibilities – Staffing and Placement (Title 5) / Hot Topics Discussion	Human Resources	10:00 am-3:30 pm (4 hour class)	Grand Cayman/Puerto Rico/ St. Thomas/West Indies
HR's Role in Occupational Safety and Health	Human Resources	10:00 am-12:00 pm	Grand Ballroom Salon 3
Improving Civility in the Workplace: An Evidence-Based Approach	Human Resources	10:00 am-12:00 pm	Tampa
Increase Efficiency – Tackling Issues The Project Management Way	HR Leadership & Management	10:00 am-3:30 pm (4 hour class)	Miami
Managing Stress	Professional Development	10:00 am-3:30 pm (4 hour class)	Diamond
Managing Time: Turning Chaos into Order	Professional Development	10:00 am-3:30 pm (4 hour class)	Jude
Navigating the Defense Civilian Pay System and Remedy Management Success	Human Resources	10:00 am-12:00 pm	Grand Ballroom Salon 10
Payroll Debits/Deductions	HR Leadership & Management	10:00 am-12:00 pm	Grand Ballroom Salon 12
Recruiting Veterans	Human Resources	10:00 am-12:00 pm	Crystal K
Resolving Conflict	HR Leadership & Management	10:00 am-3:30 pm (4 hour class)	Crystal M
Reviewing Applicants	Human Resources	10:00 am-12:00 pm	Grand Ballroom Salon 1
Schedule A Authority for Hiring Individuals with Disabilities	Human Resources	10:00 am-12:00 pm	Grand Ballroom Salon 6
Talent Management System (TMS) Training for End Users	Human Resources	10:00 am-12:00 pm	New York
Telework: A Manager's Perspective	HR Leadership & Management	10:00 am-12:00 pm	Crystal Q
Telework in the Federal Government	Professional Development	10:00 am-12:00 pm	Denver
The Further Adventures and Use of E-Classification	Human Resources	10:00 am-12:00 pm	Vikey

COURSE SCHEDULE

Class Name	Track	Time	Main Location
The Merit System and Prohibited Personnel Practices	Human Resources	10:00 am-12:00 pm	Grand Ballroom Salon 5
Understanding Consultative Relationships	Human Resources	10:00 am-12:00 pm	Los Angeles
Updates on the AFGE Master Agreement	Human Resources	10:00 am-12:00 pm	Grand Ballroom Salon 4
Using Worker's Compensation – Occupational Safety and Health Management Information System	Human Resources	10:00 am-3:30 pm (4 hour class)	Metro Island
VA for Vets Deployment and Reintegration Services	Human Resources	10:00 am-12:00 pm	Chicago
WebHR Reports – Everything You Never Wanted to Know	Human Resources	10:00 am-12:00 pm	Sawgrass
Worker's Compensation	Human Resources	10:00 am-12:00 pm	Grand Ballroom Salon 8
Workforce Planning – Basic Training for the VA HR Consultant	Human Resources	10:00 am-12:00 pm	Grand Ballroom Salon 14
Addressing Misconduct and Unacceptable Performance	Human Resources	1:30 pm-3:30 pm	Grand Ballroom Salon 3
Attracting, Leading, and Retaining a Cross-Generational Workforce	Human Resources	1:30 pm-3:30 pm	New Orleans
CSRS and FEBS Benefits Applications	Human Resources	1:30 pm-3:30 pm	Grand Ballroom Salon 11
Diversity Outreach and Recruitment	Human Resources	1:30 pm-3:30 pm	Grand Ballroom Salon 5
Employee Development	Human Resources	1:30 pm-3:30 pm	Grand Ballroom Salon 10
HR Learning and Knowledge Sharing	Human Resources	1:30 pm-3:30 pm	Grand Ballroom Salon 12
Payroll Debits/Deductions	Human Resources	1:30 pm-3:30 pm	Crystal K
Recruiting Veterans	Human Resources	1:30 pm-3:30 pm	Grand Ballroom Salon 2
Retention, Relocation, Recruitment	Human Resources	1:30 pm-3:30 pm	Grand Ballroom Salon 9
Reviewing Applicants	Human Resources	1:30 pm-3:30 pm	Grand Ballroom Salon 1
RDWE – Results Only Work Environment	HR Leadership & Management	1:30 pm-3:30 pm	Tampa
Schedule A Authority for Hiring Individuals with Disabilities	Human Resources	1:30 pm-3:30 pm	Grand Ballroom Salon 6
Telework: A Manager's Perspective	HR Leadership & Management	1:30 pm-3:30 pm	Crystal Q
Telework in the Federal Government	Professional Development	1:30 pm-3:30 pm	Denver
The Further Adventures and Use of E-Classification	Human Resources	1:30 pm-3:30 pm	Vikey
Understanding Consultative Relationships	Human Resources	1:30 pm-3:30 pm	Los Angeles
Updates on the AFGE Master Agreement	Human Resources	1:30 pm-3:30 pm	Grand Ballroom Salon 4
USA Staffing Referral	Human Resources	1:30 pm-3:30 pm	Norfolk Beach
VA for Vets Deployment and Reintegration Services	Human Resources	1:30 pm-3:30 pm	Chicago
WebHR Reports – Everything You Never Wanted to Know	Human Resources	1:30 pm-3:30 pm	Sawgrass
Workforce Planning – Basic Training for the VA HR Consultant	Human Resources	1:30 pm-3:30 pm	Grand Ballroom Salon 14

COURSE SCHEDULE



ONE HR – INNOVATIVE SOLUTIONS FOR A STRATEGIC WORKFORCE

Wednesday, August 10, 2011

Class Name	Track	Time	Room Location
Assessment Questionnaires in USA Staffing	Human Resources	10:00 am-12:00 pm	Harbor Beach
Avoiding EEO Pitfalls and Resolving Workplace Disputes	Human Resources	10:00 am-3:30 pm (4 hour class)	Grand Ballroom Salon 13
Better Working Relationships for Better Customer Service	Professional Development	10:00 am-3:30 pm (4 hour class)	Chicago
Change Bargaining	Human Resources	10:00 am-12:00 pm	Grand Ballroom Salon 9
Coaching Conversations	Professional Development	10:00 am-3:30 pm (4 hour class)	Crystal L
Communication Skills for Emerging Leaders	HR Leadership & Management	10:00 am-3:30 pm (4 hour class)	Crystal P
Creative Problem Solving	Professional Development	10:00 am-3:30 pm (4 hour class)	Crystal K
Creative Thinking and Innovation	Professional Development	10:00 am-3:30 pm (4 hour class)	Crystal N
Dealing with Conflict at Work	Professional Development	10:00 am-3:30 pm (4 hour class)	Bahamas
Dynamic Decision Making	Professional Development	10:00 am-3:30 pm (4 hour class)	Key West
Effective Communication	Professional Development	10:00 am-3:30 pm (4 hour class)	Key Biscayne
Employee Development	Human Resources	10:00 am-12:00 pm	Grand Ballroom Salon 10
HR Academy: Career Mapping	Human Resources	10:00 am-12:00 pm	Aruba
HR Flexibilities – Staffing and Placement (Title 5) / Hot Topics Discussion	Human Resources	10:00 am-3:30 pm (4 hour class)	Grand Cayman/Puerto Rico/ St. Thomas/West Indies
Improving Civility in the Workforce: An Evidence-Based Approach	Human Resources	10:00 am-12:00 pm	Washington
Increase Efficiency – Tackling Issues The Project Management Way	HR Leadership & Management	10:00 am-3:30 pm (4 hour class)	Miami
Is It Negotiable?	Human Resources	10:00 am-12:00 pm	Grand Ballroom Salon 2
Managing Stress	Professional Development	10:00 am-3:30 pm (4 hour class)	Diamond
Measuring HR Effectiveness: Using Proclarity and other HR Data Tools	Human Resources	10:00 am-12:00 pm	Marco Island
P3: A Guide to Leadership and Management Success	HR Leadership & Management	10:00 am-12:00 pm	Grand Ballroom Salon 12
Payroll Debts/Deductions	Human Resources	10:00 am-12:00 pm	Grand Ballroom Salon 11
Position Classification and Evaluations	Human Resources	10:00 am-12:00 pm	Grand Ballroom Salon 3
Position Management	Human Resources	10:00 am-12:00 pm	Grand Ballroom Salon 4
Resolving Conflict	HR Leadership & Management	10:00 am-3:30 pm (4 hour class)	Crystal M
Retention, Relocation, Recruitment	Human Resources	10:00 am-12:00 pm	New York
ROWE – Results Only Work Environment	HR Leadership & Management	10:00 am-12:00 pm	Tampa

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Class Name	Track	Time	Room Location
Schedule A Authority for Hiring Individuals with Disabilities	Human Resources	10:00 am-12:00 pm	Grand Ballroom Salon 6
Telework: A Manager's Perspective	HR Leadership & Management	10:00 am-12:00 pm	Crystal Q
Telework in the Federal Government	Professional Development	10:00 am-12:00 pm	Denver
The Further Adventures and Use of E-Classification	Human Resources	10:00 am-12:00 pm	Vinoy
The Merit System and Prohibited Personnel Practices	Human Resources	10:00 am-12:00 pm	Grand Ballroom Salon 5
Understanding Consultative Relationships	Human Resources	10:00 am-12:00 pm	Los Angeles
WebHR Reports – Everything You Never Wanted to Know	Human Resources	10:00 am-12:00 pm	Sawgrass
Workforce Planning – Basic Training for the VA HR Consultant	Human Resources	10:00 am-12:00 pm	Grand Ballroom Salon 14
Attracting, Leading, and Retaining a Cross-Generational Workforce	Human Resources	1:30 pm-3:30 pm	New Orleans
Change Bargaining	Human Resources	1:30 pm-3:30 pm	Grand Ballroom Salon 9
CSRS and FEERS Benefits Applications	Human Resources	1:30 pm-3:30 pm	Grand Ballroom Salon 11
Diversity Outreach and Recruitment	Human Resources	1:30 pm-3:30 pm	Grand Ballroom Salon 5
HR Learning and Knowledge Sharing	Human Resources	1:30 pm-3:30 pm	Grand Ballroom Salon 12
Improving Civility in the Workforce: An Evidence-Based Approach	Human Resources	1:30 pm-3:30 pm	Washington
Is It Negotiable?	Human Resources	1:30 pm-3:30 pm	Grand Ballroom Salon 2
Measuring HR Effectiveness: Using Proclarity and other HR Data Tools	Human Resources	1:30 pm-3:30 pm	Marco Island
Navigating the Defense Civilian Pay System and Remedy	Human Resources	1:30 pm-3:30 pm	Grand Ballroom Salon 10
Retention, Relocation, Recruitment	Human Resources	1:30 pm-3:30 pm	New Orleans
Retirements	Human Resources	1:30 pm-3:30 pm	Grand Ballroom Salon 4
Reviewing Applicants	Human Resources	1:30 pm-3:30 pm	Grand Ballroom Salon 1
ROWE – Results Only Work Environment	HR Leadership & Management	1:30 pm-3:30 pm	Tampa
Schedule A Authority for Hiring Individuals with Disabilities	Human Resources	1:30 pm-3:30 pm	Grand Ballroom Salon 6
Telework: A Manager's Perspective	HR Leadership & Management	1:30 pm-3:30 pm	Crystal Q
Telework in the Federal Government	Professional Development	1:30 pm-3:30 pm	Denver
The Further Adventures and Use of E-Classification	Human Resources	1:30 pm-3:30 pm	Vinoy
Understanding Consultative Relationships	Human Resources	1:30 pm-3:30 pm	Los Angeles
USA Staffing Referral	Human Resources	1:30 pm-3:30 pm	Harbor Beach
WebHR Reports – Everything You Never Wanted to Know	Human Resources	1:30 pm-3:30 pm	Sawgrass
Workforce Planning – Basic Training for the VA HR Consultant	Human Resources	1:30 pm-3:30 pm	Grand Ballroom Salon 14

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ONE HR - INNOVATIVE SOLUTIONS FOR A STRATEGIC WORKFORCE

Thursday, August 11, 2011

Class Name	Track	Time	Meet Location
Achieving Positive Performance Results	HR Leadership & Management	10:00 am-3:30 pm (4 hour class)	Washington
Assessment Questionnaires in USA Staffing	Human Resources	10:00 am-12:00 pm	Harbor Beach
Avoiding EEO Pitfalls and Resolving Workplace Disputes	Human Resources	10:00 am-3:30 pm (4 hour class)	Grand Ballroom Salon 13
Creative Problem Solving	Professional Development	10:00 am-12:00 pm (4 hour class)	St. Thomas
CSRS and FERBS Benefits Applications	Human Resources	10:00 am-12:00 pm	Grand Ballroom Salon 11
Dealing with Conflict at Work	Professional Development	10:00 am-3:30 pm (4 hour class)	Tampa
Dynamic Decision Making	Professional Development	10:00 am-3:30 pm (4 hour class)	Key West
Effective Communication	Professional Development	10:00 am-3:30 pm (4 hour class)	Key Biscayne
Effective Written Communication	Professional Development	10:00 am-3:30 pm (4 hour class)	Grand Ballroom Salon 14
Employee Development	Human Resources	10:00 am-12:00 pm	Grand Ballroom Salon 10
First Time Manager	HR Leadership & Management	10:00 am-3:30 pm (4 hour class)	Bahamas
Formal Discussions and Weighing Meetings	Human Resources	10:00 am-12:00 pm	Grand Ballroom Salon 9
HR Academy: Career Mapping	Human Resources	10:00 am-12:00 pm	Aruba
HR Flexibilities - Staffing and Placement (Title 5) / Hot Topics Discussion	Human Resources	10:00 am-3:30 pm (4 hour class)	Chicago/Denver
Improving Civility in the Workforce: An Evidence-Based Approach	Human Resources	10:00 am-12:00 pm	New York
Increase Efficiency - Tackling Issues The Project Management Way	HR Leadership & Management	10:00 am-3:30 pm (4 hour class)	Miami
Managing Stress	Professional Development	10:00 am-3:30 pm (4 hour class)	Dissonal
Managing Time: Turning Chaos into Order	Professional Development	10:00 am-3:30 pm (4 hour class)	Azle
Measuring HR Effectiveness: Using Proximity and other HR Data Tools	Human Resources	10:00 am-12:00 pm	Marco Island
Navigating the Defense Civilian Pay System and Remedy	Human Resources	10:00 am-12:00 pm	West Indies
P3: A Guide to Leadership and Management Success	HR Leadership & Management	10:00 am-12:00 pm	Grand Ballroom Salon 12
Position Classification and Evaluations	Human Resources	10:00 am-12:00 pm	Grand Ballroom Salon 3
Position Management	Human Resources	10:00 am-12:00 pm	Grand Ballroom Salon 4
Reasonable Accommodation Procedures	Human Resources	10:00 am-12:00 pm	Grand Ballroom Salon 6
Recruiting Veterans	Human Resources	10:00 am-12:00 pm	Grand Ballroom Salon 2

COURSE SCHEDULE

Class Name	Track	Time	Meet Location
Retirements	Human Resources	10:00 am-12:00 pm	Key Largo
Reviewing Applicants	Human Resources	10:00 am-12:00 pm	Grand Ballroom Salon 1
ROWE - Results Only Work Environment	HR Leadership & Management	10:00 am-12:00 pm	New Orleans
Telework in the Federal Government	Professional Development	10:00 am-12:00 pm	Puerto Rico
The Further Adventures and Use of E-Classification	Human Resources	10:00 am-12:00 pm	Viney
The Merit System and Prohibited Personnel Practices	Human Resources	10:00 am-12:00 pm	Grand Ballroom Salon 5
Understanding Consultative Relationships	Human Resources	10:00 am-12:00 pm	Las Angeles
VA for Vets Deployment and Reintegration Services	Human Resources	10:00 am-12:00 pm	Grand Cayman
WebHR Reports - Everything You Never Wanted to Know	Human Resources	10:00 am-12:00 pm	Swagrast
Addressing Misconduct and Unacceptable Performance	Human Resources	1:30 pm-3:30 pm	Grand Ballroom Salon 3
Attracting, Leading, and Retaining a Cross-Generational Workforce	Human Resources	1:30 pm-3:30 pm	New Orleans
Employee Development	Human Resources	1:30 pm-3:30 pm	Grand Ballroom Salon 10
Formal Discussions and Weighing Meetings	Human Resources	1:30 pm-3:30 pm	Grand Ballroom Salon 9
HR Learning and Knowledge Sharing	Human Resources	1:30 pm-3:30 pm	Grand Ballroom Salon 12
Measuring HR Effectiveness: Using Proximity and other HR Data Tools	Human Resources	1:30 pm-3:30 pm	Marco Island
Navigating the Defense Civilian Pay System and Remedy	Human Resources	1:30 pm-3:30 pm	Grand Ballroom Salon 11
Reasonable Accommodation Procedures	Human Resources	1:30 pm-3:30 pm	Grand Ballroom Salon 6
Recruiting Veterans	Human Resources	1:30 pm-3:30 pm	Grand Ballroom Salon 2
Retention, Relocation, Recruitment	Human Resources	1:30 pm-3:30 pm	Aruba
Retirements	Human Resources	1:30 pm-3:30 pm	Grand Ballroom Salon 4
Reviewing Applicants	Human Resources	1:30 pm-3:30 pm	Grand Ballroom Salon 1
Talent Management System (TMS) Training for End Users	Human Resources	1:30 pm-3:30 pm	West Indies
Telework in the Federal Government	Professional Development	1:30 pm-3:30 pm	Puerto Rico
The Further Adventures and Use of E-Classification	Human Resources	1:30 pm-3:30 pm	Viney
The Merit System and Prohibited Personnel Practices	Human Resources	1:30 pm-3:30 pm	Grand Ballroom Salon 5
Understanding Consultative Relationships	Human Resources	1:30 pm-3:30 pm	Las Angeles
USA Staffing Referral	Human Resources	1:30 pm-3:30 pm	Harbor Beach
VA for Vets Deployment and Reintegration Services	Human Resources	1:30 pm-3:30 pm	Grand Cayman
WebHR Reports - Everything You Never Wanted to Know	Human Resources	1:30 pm-3:30 pm	Swagrast

Appendix H Federal Acquisition Regulation Citations

The Federal Acquisition Regulation (FAR) states that no contract shall be entered into unless the contracting officer ensures that all requirements of law, executive orders, regulations, and all other applicable procedures, including clearances and approvals have been met (48 CFR §§ 1.602-1 and 1.602-2). These regulations assign all members of the acquisition team, including procurement and program office officials, responsibility for using public resources wisely and maintaining the public's trust (*Id.*, at 1.102(c) and 1.102-2(c)).

VA Acquisition Regulations state that contracting officers, including purchase cardholders, must obtain technical and legal review of all proposed contracts with hotels or similar facilities for conferences or similar functions (e.g., training, meetings) where VA's commitment, expenditure, and liability (combined) exceed \$25,000.

Signing a contract that commits VA to hold a conference at a particular hotel is a procurement and procurement laws and regulations must be followed (48 CFR § 801.602-72).

An Information Letter dated July 30, 2002, from the Associate DAS for Acquisitions addressed to the Head of Contracting Activity, all VA contracting officers, including purchase card holders, and all VA employees involved with planning or organizing conferences, stated that:

All pending contracts for conferences that have not been signed and all future proposed contracts meeting the above requirements must be forwarded to the respective Acquisition Assistance Division or Acquisition Program Management Division office [...] for technical review. Upon completion of the technical review, Acquisition Assistance Division or Acquisition Program Management Division staff will forward the proposed contract to the appropriate Office of the General Counsel for legal review.

FAR 15.406.3 requires that a Price Negotiation Memorandum be used to document a negotiated agreement to include the following principal elements:

1. Purpose of the negotiation
2. Description of the acquisition
3. Government officials and the contractors' representatives involved in the negotiation
4. Current status of any contractor systems to the extent they affected and were considered in the negotiation
5. If certified cost or pricing data were required, the extent to which contracting officer relied on the cost or pricing data

6. A summary of the contractor's proposal
7. documentation of fair and reasonable pricing

Additionally, a COR has no authority to make any commitments or changes that affect price, quality, quantity, delivery, or other terms and conditions of the contract and may be personally liable for unauthorized acts (48 CFR §§ 1.602-2 and 1.604).

Further, a COR assists in the technical monitoring or administration of a contract and shall maintain a file for each assigned contract containing at minimum: (a) a copy of the delegation letter and other documents describing the COR's duties and responsibilities; (b) a copy of the contract administration functions delegated to a COR, including those that may not be delegated; and (c) documentation of COR actions needed to be taken in accordance with the delegation of authority.

The Office of Acquisition, Logistics, and Construction (OALC) issued Information Letter 049-07-06, dated June 15, 2007,³² implementing and mandating the use of Electronic Contract Management System (eCMS). The eCMS provides a centralized database for procurement actions and replaced a primarily manual and paper-based contract management operation used throughout VA.

³² This policy guidance was rescinded and replaced by *VA Procurement Policy Memorandum dated June 15, 2012*. Notification of this change of policy was announced in *Acquisition Policy Flash! 12-17*. The information in the report as it stands is accurate.

Appendix I Office of Inspector General Contact and Staff Acknowledgments

OIG Contact	For more information about this report, please contact the Office of Inspector General at (202) 461-4720.
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Acknowledgments

Office of Investigations

Linda Fournier	Charles Knorr
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Christopher Holcombe	Robert Warren

Office of Audits and Evaluations

Domingo Alvarez	Benjamin Howe
Irene Barnett	Kristopher Kasey
Maureen Barry	Jenna Lamy
Stephen Bracci	Jennifer Leonard
Michael Cannata	Brad Lewis
Mario Carbone	Janet Mah
Charles Chiarenza	Robin Mallard
John Cintolo	James McCarthy
Melissa Colyn	David Orfalea
Ronald Comtois	Cherie Palmer
Nick Dahl	Pete Prabhakar
Michael Derick	Paul Sondel
Nicole Frish	Shawn Steele
Lee Giesbrecht	Joseph Vivolo
Timothy Halpin	Briana Webster
Karen Hatch	

Office of Management and Administration

Jerry Goss	Brenda Uptain
Scott Harris	Richard Wright

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