



**Department of Veterans Affairs
Office of Inspector General**

**Administrative Investigation
Misuse of Resources and Position
VA Medical Center
Northport, New York**

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DEPARTMENT OF VETERANS AFFAIRS
Office of Inspector General
Washington, DC 20420

TO: Director, Veterans Integrated Service Network 3 (10N3)

SUBJECT: Administrative Investigation - Misuse of Resources and Position, VA Medical Center, Northport, NY (Case 2006-01447-IQ-0084)

Summary

We substantiated that the Director of the VA Medical Center in Northport, NY, allowed the Associate Director and others to lodge in rooms at the medical center that they were not authorized by law to occupy. By lodging on-station in one of these rooms rather than commuting the long distance to her personal residence, the Associate Director misused her position for personal gain.

Introduction

The VA Office of Inspector General, Administrative Investigations Division, investigated an allegation that Ms. Maria Favale, Associate Director at the VA Medical Center in Northport, NY, lodged overnight in medical center facilities intended for veterans, and did so without paying. To assess the allegation, we interviewed Ms. Favale; Mr. Robert Schuster, Medical Center Director; and other VA employees. We also examined pertinent lodging and billing records, and applicable Federal law and regulations and VA policy.

Results

Issue: Whether Ms. Favale improperly lodged in VA facilities

Federal law and regulations authorize VA to provide temporary lodging in an appropriate facility to a veteran who must travel a significant distance to receive VA care or services, and to the veteran's family member or other person providing familial support. Temporary lodging includes lodging at a VA health care facility, referred to as a "hoptel." The regulations provide that unused beds and rooms at a facility will be made available to the above individuals, at VA expense, for such lodging as long as doing so does not negatively impact patient care. [38 USC §1708; 38 CFR Part 60]

Federal law also authorizes agency heads to provide an employee quarters when conditions of employment or of availability of quarters warrant the action. The law requires that rental rates be based on the reasonable value of the quarters to the employee [5 USC §5911]. VA policy requires that reasonable value be determined based on prevailing rates for comparable private housing in the area, as calculated using the Quarters Management Information System (QMIS), used throughout the Federal Government [VA Directive 7631; VHA Handbook 7631.2]. According to VA's Housing Officer in the Office of Facilities Management, lodging is not considered to be Government quarters unless a monthly rental rate has been established through QMIS. (A reasonable daily rental rate would then be calculated as one-thirtieth of the monthly rate.) Finally, the Standards of Ethical Conduct for Employees of the Executive Branch prohibit employees from using their public office for their own private gain [5 CFR §2635.702].

Ms. Favale has been an employee of the Northport VA Medical Center since July 2005, and told us that until March 2006 she lived approximately 55 miles from the facility. At the time we interviewed her in March 2006, she said she had just moved to a location only 15 miles from the medical center. Ms. Favale told us that on some evenings she worked late hours, sometimes until 10:00 pm, and rather than drive the long distance to her home late at night, she occasionally stayed at the medical center in a room designated as an administrative room, one of several offered to employees in unique circumstances. These administrative rooms were located within a locked area of the medical center building alongside designated hoptel rooms. Ms. Favale told us, however, that the administrative rooms were not part of the hoptel.

Mr. Schuster told us that, because the hoptel rooms had been under-used, several of them were designated for administrative purposes, such as for nurses who needed to remain at the facility during inclement weather, or for VA staff visiting from another facility. He noted that he once allowed veterans in a work therapy program to use the rooms while they painted and did other work for the Salvation Army. He said he gave Ms. Favale approval to stay in one of the administrative rooms when she needed to because she often worked late, and would otherwise have had a long commute to her home. Mr. Schuster told us the rooms were not needed by the hoptel and said he had never received a complaint that a hoptel room was unavailable for a veteran. He likened the use of the rooms for administrative purposes to the facility's use of its on-station quarters, noting that employees were sometimes temporarily lodged in those quarters.

According to documentation provided to us at Mr. Schuster's request, seven rooms in the hoptel area were designated as hoptel rooms and eight were designated as rooms for staff. Each room included a private bathroom. Engineering billing records document that Ms. Favale stayed overnight in one of these rooms on 27 occasions between July 26, 2005, and February 21, 2006. She was billed \$5.22 for each night, and paid each bill. On 12 of these occasions, Ms. Favale lodged in a room designated as part of the hoptel and

on the remaining 15 occasions, she lodged in a room designated for staff. The medical center's hoptel census report documents that between October 2005 and February 2006, 10 to 14 veterans and/or family members occupied the hoptel each month (except in December 2005, the census count was only 5). The hoptel coordinator confirmed that use of rooms in the hoptel area of the medical center for administrative purposes did not result in any veteran or family member/caregiver being turned away. Finally, the engineering program assistant in Veterans Integrated Service Network 3 told us the administrative rooms within the hoptel area were not included in the facility's QMIS inventory. She said, however, that the \$5.22 nightly rate charged to Ms. Favale was the same as the 2005 QMIS rate applicable to on-station dormitories at the Northport Medical Center, which consist of a private room and a shared bathroom.

Conclusion

Mr. Schuster had no authority to allow Ms. Favale or other VA staff to stay in either hoptel rooms or the rooms located in the hoptel area designated for administrative purposes. The law does not authorize VA employees to occupy hoptel rooms. While medical center officials did not consider the administrative rooms to be part of the hoptel, the rooms were also not VA quarters because they were not part of the QMIS inventory.

Additionally, although VA received value for Ms. Favale's use of the rooms, Ms. Favale misused her position for personal gain. By staying in the hoptel and administrative rooms, she avoided the cost and inconvenience of commuting to her residence 55 miles away. Since Mr. Schuster authorized Ms. Favale to lodge in those rooms, we are not recommending any action be taken against her.

Recommended Action(s) 1. We recommend that the Director, Veterans Integrated Service Network 3, take appropriate administrative action against Mr. Schuster for allowing Ms. Favale and others to lodge in rooms they were not authorized to occupy.

Recommended Action(s) 2. We recommend that the Director, Veterans Integrated Service Network 3, ensure that those rooms designated for administrative purposes either be converted to hoptel rooms or be added to the QMIS inventory, and thereafter used in accordance with Federal law.

Comments

The Director, Veterans Integrated Service Network 3, concurred with the recommendations. He told us he had taken appropriate action against Mr. Schuster and that some of the rooms designated for administrative purposes were converted to hoptel rooms while the remaining would be converted to housekeeping or non-housekeeping quarters under the QMIS program. The Director was responsive to our

recommendations. His comments are in Appendix A. We will follow-up to ensure all actions are fully implemented.

(original signed by:)

JAMES J. O'NEILL
Assistant Inspector General for
Investigations

Director Comments

**Department of
Veterans Affairs**

Memorandum

Date: December 13, 2006

From: Director, Veterans Integrated Service Network 3

Subject: **Administrative Investigation, Misuse of Resources and Position, VA Medical Center, Northport, NY**

To: Assistant Inspector General for Investigations (51)

1. Thank you for the opportunity to comment and identify opportunities for improvement within the New York/New Jersey Veterans Integrated Service Network.

2. Below are my comments to specific areas of concern based on the outcome of your investigation.

(original signed by:)

JAMES J. FARSETTA, FACHE

**Director's Comments
to Office of Inspector General's Report**

The following Director's comments are submitted in response to the recommendation(s) in the Office of Inspector General's Report:

OIG Recommendation(s)

Recommended Action(s) 1. We recommend that the Director, Veterans Integrated Service Network 3, take appropriate administrative action against Mr. Schuster for allowing Ms. Favale and others to lodge in rooms they were not authorized to occupy.

Concur **Target Completion Date:** 10/23/2006

Appropriate administrative action has been taken.

Recommended Action(s) 2. We recommend that the Director, Veterans Integrated Service Network 3, ensure that those rooms designated for administrative purposes either be converted to hoptel rooms or be added to the QMIS inventory, and thereafter used in accordance with Federal law.

Concur **Target Completion Date:** 12/31/2006

Of the 15 rooms in question, 10 have been designated as Hoptel beds, and 5 will be designated as housekeeping or non-housekeeping quarters under the QMIS program.

OIG Contact and Staff Acknowledgments

OIG Contact	Judy Shelly, 202-565-8617
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Acknowledgments	Stephanie A. Robinson
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