

Department of Veterans Affairs

2011-03313-IQ-0193
Memorandum

Date: January 19, 2012

From: Assistant Inspector General for Investigations (51)

Subj: Administrative Investigation – Alleged Improper Relocation Incentives, Central Alabama Veterans Health Care System (2011-03313-IQ-0193)

To: Director, VA Southeast Network

1. The VA Office of Inspector General Administrative Investigations Division investigated an allegation that Mr. Glen Struchtemeyer, former (retired) Director, Central Alabama Veterans Health Care System (CAVHCS), and Ms. Anita Willard, former CAVHCS Associate Director, improperly authorized two relocation incentives. To assess this allegation, we reviewed personnel and pay records and interviewed the current CAVHCS Human Resources (HR) Officer. We also reviewed applicable Federal laws, regulations, and VA policies.

2. We concluded that Ms. Willard improperly requested and Mr. Struchtemeyer improperly authorized two relocation incentives when they did not comply with VA policy by first fully documenting in the request the required factors to consider or that the employees would relocate to Montgomery, Alabama, a location more than 50 miles from their previous worksite in Europe. We did not find that the incentives were improper but that the requirements of VA policy were not met. Because we found no evidence of intentional misconduct, we are not making a recommendation for administrative action; however, we suggest that you ensure that your HR staff and senior managers receive training on VA policy concerning the requirements for justifying relocation and recruitment incentives. We are providing you this memorandum for your information, official use, and whatever action you deem appropriate. **No response is necessary.** We did not substantiate another allegation against Mr. Struchtemeyer, and we addressed it in a separate memorandum.

Background

3. Recruitment records reflected that, in July 2009, Mr. Struchtemeyer selected a candidate to fill an HR Officer (GS-201-13) position, and in October 2009, Ms. Willard selected a candidate to fill a Supervisory HR Specialist (GS-201-13) position, both leadership positions in CAVHCS HR Management Service. Both candidates relocated from their previous worksites in Europe to accept the CAVHCS positions. Personnel records reflected that the HR Officer began his VA employment on January 17, 2010, and the Supervisory HR Specialist began her VA employment on May 23, 2010.

4. Personnel records reflected that, on January 7, 2010, Ms. Willard signed a memorandum requesting that Mr. Struchtemeyer approve a relocation incentive for the prospective HR Officer. By her signature, Ms. Willard certified that the justification

contained in her request met the criteria for approval contained in VA policy. On January 7, 2010, Mr. Struchtemeyer signed the memorandum approving the relocation incentive. The HR Officer signed a relocation service agreement (RSA) agreeing to work at VA for 3 years (January 17, 2010, to February 9, 2013) as a condition of being paid a lump-sum \$47,866 relocation incentive (15 percent of basic pay). The HR Officer retired from Federal service on April 2, 2011, before the end of the 3-year service period, and the Defense Finance and Accounting Service (DFAS) issued a bill of collection for \$28,842.23 to recoup the unfulfilled portion of his service agreement.

5. Personnel records reflected that, on January 7, 2010, Ms. Willard signed another memorandum requesting that Mr. Struchtemeyer approve a relocation incentive for the prospective Supervisory HR Specialist. By her signature, Ms. Willard again certified that the justification contained in her request met the criteria for approval contained in VA policy. On January 7, 2010, Mr. Struchtemeyer signed the memorandum approving the relocation incentive. The Supervisory HR Specialist signed an RSA agreeing to serve for 2 years (May 23, 2010, to April 28, 2012) as a condition of being paid a \$31,910 relocation incentive (15 percent of basic pay), half paid the first year as a lump sum and half paid in the second year in 26 equal installments.

Standards

6. VA policy states that recruitment and relocation incentives may be used to appoint high quality employees in positions that are likely difficult to fill without such incentives. Incentives up to 25 percent of an employee's annual rate of basic pay multiplied by the number of years in a service agreement (4-year maximum) may be authorized. Total incentive payments may not exceed 100 percent of an employee's annual rate of basic pay. It also states that approving officials must review and approve each recruitment or relocation incentive in writing before the employee enters on duty, and approvals may not be made on a retroactive basis. VA Handbook 5007/20, Part VI, Chapter 2, Paragraph 1 (October 13, 2005).

7. VA policy states that HR Management Officers (HRMOs) are responsible for advising management officials on the provisions in this chapter, providing technical advice and assistance on incentive percentages, length of service obligation requirements, definition of the geographic area, and other technical matters, and assuring the completeness of requests prepared or approved at the local level. *Id.*, at Paragraph 4c. Further, VA policy states that relocation incentives may be authorized to Federal employees who must change worksite and physically relocate to a different geographic area when the approving official determines that without the incentive, it would be difficult to fill the position with a high quality candidate. A position is considered to be in different geographic area if the worksite of the new position is 50 or more miles from the worksite of the position held immediately before the move. *Id.*, at Paragraphs 5b(1) and (2).

8. VA policy states that a recruitment or relocation incentive may be authorized if, without one, the VA is likely to have difficulty recruiting candidates with the

competencies required for the position. In determining whether a position is likely to be difficult to fill in the absence of a recruitment or relocation incentive, the following factors will be considered and evidence that these factors were considered must be fully documented in the request to pay an incentive and retained as part of the record.

- (1) The availability and quality of candidates possessing the competencies required for the position, including the success of efforts within the previous 6 months to recruit candidates for similar positions, using indicators such as job acceptance rates, the proportion of positions filled, and the length of time to fill similar positions;
- (2) The salaries typically paid outside the Federal Government for similar positions;
- (3) Turnover within the previous six months in similar positions;
- (4) Employment trends and labor-market factors that may affect the ability to recruit candidates for similar positions;
- (5) Special or unique competencies required for the position;
- (6) Efforts to use non-pay authorities, such as special training and work scheduling flexibilities, to resolve difficulties alone or in combination with a recruitment incentive;
- (7) The desirability of the duties, work or organizational environment, or geographic location of the position; and
- (8) Other supporting factors, such as historical information on the occupations or types of positions VA has experienced difficulty in filling with high quality candidates or geographic areas that traditionally have been considered less desirable. Id., at Paragraph 6a.

VA policy states that information addressing all these criteria must be included in the recruitment or relocation incentive request. Id., at Paragraph 7a(8) and Appendix VI-A. In addition, for a relocation incentive, the incentive request must include a statement that the worksite of the employee's position is not in the same geographic area as the worksite of the position held immediately before the move, or that a waiver was approved. Id., at Paragraph 7a(12).

Review of Relocation Incentives

9. The relocation incentive request for the HR Officer position contained the following limited narrative justification:

This position is an integral part of the leadership structure of our Medical Center. The Human Resources Officer not only provides support to the

Human Resources Officer, but also ensures the compliance of administrative organizational components of the facility. The Human Resources Officer ensures that performance measures and standards within HR are met. In addition, this position requires someone with exceptional interpersonal skills and leadership abilities in order to oversee important programs and operations in designated areas of responsibilities. Approval of the relocation incentive will enhance our recruitment efforts in attracting highly qualified candidates who can support the delivery of outstanding services and healthcare to our veterans.

The relocation incentive request for the Supervisory HR Specialist contained an almost identical limited narrative justification:

This position is an integral part of the leadership structure of our Medical Center. The Supervisory Human Resources Specialist not only provides support to the Human Resources Officer, but also ensures the compliance of administrative organizational components of the facility. The Supervisory Human Resources Specialist ensures that performance measures and standards within HR are met. In addition, this position requires someone with exceptional interpersonal skills and leadership abilities in order to oversee important programs and operations in designated areas of responsibilities. Approval of the relocation incentive will enhance our recruitment efforts in attracting highly qualified candidates who can support the delivery of outstanding services and healthcare to our veterans.

The justifications did not fully document the eight factors/criteria to consider as required by VA policy, and they therefore did not establish that the VA was likely to have difficulty recruiting candidates with the required competencies without an incentive. The relocation incentive requests also failed to identify each employee's worksite and state that it was not in the same geographic area as the worksite of the position held immediately before the move.

10. We concluded that Ms. Willard improperly requested and Mr. Struchtemeyer improperly authorized two relocation incentives when they did not comply with VA policy by first fully documenting in the request the required factors to consider or that the employees would relocate to Montgomery, Alabama, a location more than 50 miles from their previous worksite in Europe. We did not find that the incentives were improper but that the requirements of VA policy were not met. Because we found no evidence of intentional misconduct, we are not making a recommendation for administrative action; however, we suggest that you ensure that your HR staff and senior managers receive training on VA policy concerning the requirements for justifying relocation and recruitment incentives.

11. We are providing this memorandum to you for your information and official use and whatever action you deem appropriate. It is subject to the provisions of the Privacy Act of 1974 (5 USC § 552a). If you have any questions, please call (b) (7)(C)

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[Redacted]