



Federal Update for July 20 - 24, 2015



VA Accountability Update ► Push is Making a Difference

The Veterans Affairs Department's top deputy is confident that his months of accountability efforts are helping to clean up operations throughout the agency, even if firings have been fewer than what most outsiders have wanted. Sloan Gibson, who served as acting VA secretary for two months after Eric Shinseki resigned last summer, said he understands lawmakers' frustrations with VA workers who retire or resign before administrative reviews are completed. But he also said he does not think that sends a bad message to other employees. "People see these investigations, and they'll tell you these investigations are unpleasant," he said. "They see how demoralizing this is, to go through the process and to be accused of wrongdoings, to have these kind of questions asked. This is not people getting away with whatever it is. "They're gone either way, which allows us to move forward. I don't think it really takes the edge off of accountability in the organization."

Gibson's comments came in response to reporters' questions about ongoing problems with construction of a new VA medical campus in Denver, a project now on course to be finished a year late and about \$1 billion over initial cost estimates. Two administrators at the center of problems with the project retired in recent weeks as top VA officials moved to discipline them administratively. Gibson said that since no criminal action was found, the department has "no basis for taking any disciplinary action." That pattern has repeated across the country at VA offices since last summer, when Congress finalized rules to speed up the firing process for problem employees. Numerous executives suspected of involvement in problems with patient wait times and patient access issues have stepped away from their posts in the face of administrative punishment, allowing them to avoid the notoriety of a suspension or firing.

Congress has responded with legislative proposals to go after separated workers' pensions and employment records — ideas that the VA has not supported. Gibson noted that the majority of senior executives within the department are eligible for retirement, making any administrative actions in lieu of separation difficult "If somebody decides they're going to leave, retire or resign, at any time in that process, they have the right to do that," he said. "They see what's going on. They see the questions being asked. They see where things are going." But he also pushed back against the idea that the departures send the wrong message to the department

as a whole, noting that the seriousness of the investigations shows that leaders are committed to rooting out problems. "I am dually interested in ensuring we create an environment of sustainable accountability across the organization, which also includes recognizing people for good work ...and making sure we're in a position where we can move ahead," Gibson said. [Source: MilitaryTimes | Leo Shane | June 30, 2015 ++]

Vet Cremains ► 10 Interred in Dayton

The 10 marble urns were lined up on the flag-draped table, and the Honor Guard and the buglers were all in place. The bell was about to toll and the American flags were about to be folded in honor of the veterans whose cremains were inside, airmen and soldiers and Marines and sailors among them. Some had died nearly 50 years ago, some have been gone only a few. Some served in peacetime, others fought in war. One had been born in another century. And two of the urns held a father and a son. They had at one time all been forgotten. But no more.

Following an escorted procession led by American Legion Riders' motorcycles that left Columbus Tuesday (30 JUN) morning, the ceremony at Dayton National Cemetery had all the makings of a traditional and stately military funeral. Except that no one there — and the crowd of more than 100 stood four people deep in places — had ever known a single one of the veterans being interred. No one there had ever loved these men. No one there had watched these men grow up or hugged them tight before sending them off to war. No one there had ever dried these men's tears in times of crisis or hugged them when life was cause for celebration. But that didn't matter. Each urn bore the insignia of a branch of the United States military, and that was enough.

"We are here for the veteran, for each one of these men," said Gary Mack, a Coast Guard veteran from Westerville who is the director of the American Legion Riders at Southway Post 532 on S. High Street where the procession began. "These men didn't have any family, no one to honor them or thank them properly for their service." Then he choked up. "You never leave a military veteran behind. That feeling doesn't stop when they die." Tuesday was the sixth funeral mission for the Ohio Chapter of the Missing in America Project. The nonprofit, volunteer group was founded in 2006 and dedicated to identifying previously unclaimed cremated remains of U.S. veterans and seeing them properly buried with full military honors in a national cemetery. Nationally, about 2,400 veterans have been interred through the project's work and, with Tuesday's service, the number in Ohio climbs to 71 veterans and three spouses.

Funeral homes and cemeteries across the country have unclaimed cremated remains for a variety of reasons. In some cases, laws prevented funeral homes from disposing of them; others kept them out of respect for the dead. Then, a 2013 law cleared the way for the secretary of Veterans Affairs to work with veterans service groups to find remains eligible for burial in a national cemetery. That gave the Missing in America Project, which had already been doing the work, a boost, said Steve Ebersole, the Ohio coordinator. Of the veterans buried on Tuesday, five were found in the Schoedinger family of funeral homes in central Ohio, and five were in

storage at Green Lawn Cemetery in Columbus. All the Missing in America Project knows about each man is his name, his date of birth and, date of death, dates of military service and that he died in central Ohio. But again, nothing else really matters, James Campbell told the group assembled for the service.

Campbell, commander of the Ohio Department of the American Legion, said that when he first heard about this project years ago and learned that veterans' remains were stuck in dark basements or forgotten and tucked away on some backroom, dusty shelf, he was speechless. "How could this happen?" he asked. "How can that be?" The work of the volunteers who make sure the veterans are properly honored is special, he said. "Just think of that, of being 'unclaimed,'." But now these veterans will be enshrined in the memories of all us here today," Campbell said. "There is no more compassion for God and country than what you see here today." Active-duty and National Guard service personnel from each branch presented folded American flags to people — veterans' organizations supporters, American Legion members and representatives from Green Lawn and Schoedinger among them — who stood in for loved ones of the veterans. And then after the traditional rifle salute and the playing of taps, Ebersole tolled a bell as Campbell read each man's name.

- From World War I, Army Capt. James Crawford DeLong.
- From World War II: Pvt. Paul R. Devore, TDelbert A. Dunkel, a technician fourth grade, and Pvt. Harry D. Goodman, all Army; Neal Greer Littler, an electronic technician second class and Lt. Richard Michael Tangeman, of the Navy; and Staff Sgt. Donald A. McCorkle, Army Air Corps.
- From peace time: Airman Donald Bernard Rose, Air Force; Cpl. Richard Hartley Tangeman, Marine Corps; and Specialist 4 Carl Eugene White, Army.
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After the service, each veteran was interred in the above-ground columbarium in Dayton. And upon each marker will be inscribed: You are not forgotten. [Source: The Columbus Dispatch | Holly Zachariah | June 30, 2015 ++]

Awards Replacement Update ► New Reg Offers Guidance

The newly revised edition of the Army regulation for military awards, AR 600-8-22, lays out the procedures that service members, veterans and surviving family members need to follow for requesting replacement medals of previously awarded decorations. Replacement medals will be issued on a one-time, no-cost basis to the recipient of the award, or the primary next of kin to a deceased recipient. Subsequent replacement medals or service ribbons for individuals not on active duty may be made at cost price, according to the 25 JUN update of the regulation.

Government replacement of service medals and ribbons that predate World War I is not possible, as these items no longer are carried in the military supply system. However, many of

these decorations may be purchased from private dealers in military insignia. Medals and appurtenances issued by the Army include decorations, service medals and ribbons, palms, rosettes, clasps, arrowheads, service stars (campaign/battle), the French Fourragere, Netherlands Orange Lanyard, and Army Good Conduct Medal. In addition to these are oak leaf clusters, numerals, "V" devices, certificates for decorations, lapel buttons for decorations, ten year devices, Berlin Airlift Devices, containers for decorations, miniature decorations to foreign military personnel, letter "M" devices and the Medal of Honor flag.

Badges and appurtenances issued by the Army include combat and special skill badges; Basic Marksmanship Badges; Distinguished Marksmanship Badges; excellence in competition badges; Basic Marksmanship Qualification Badges and bars; Army Staff Identification Badge; The Guard, Tomb of the Unknown Soldier Identification Badge; Army Recruiter Badge; Career Counselor Badge; and the new Basic, Senior and Master Instructor Badges. Items not issued or sold by the Army include miniature medals, service ribbons, devices and appurtenances; lapel buttons for service medals, and lapel buttons for service prior to Sept. 8, 1939; Active Reserve lapel buttons; lapel buttons for badges; certificates for badges; foreign badges, and miniature Combat Infantryman, Expert Infantryman, Combat Medical, Expert Field Medical and Aviation badges, and dress miniature badges.

When requesting replacement medals for awards issued by the U. S. military services, individuals should access the website of the National Personnel Records Center (<http://www.archives.gov/veterans/replacemedals.html>). Medals and appurtenances awarded while in federal service with the Army or a sister U.S. service will be issued on request to the appropriate military service as follows:

- Requests for personnel in active federal military service, or the Army National Guard or Army Reserve should be submitted to the individual's unit commander.
- Requests for personnel who do not hold current Army status, or who died before Oct. 1, 2002, should be submitted to the National Personnel Records Center, 1 Archives Drive, St. Louis, Mo. 63138-1002.
- Requests for individuals who retired, were discharged (or have a Reserve obligation), or who died (except for general officers) after Oct. 1, 2002, should be submitted to the Commander, Army Human Resources Command (AHRC-PDP-A), 1600 Spearhead Division Ave., Fort Knox, Ky. 40122-5408.
- Requests for general officers should be submitted to the Commander, Army Human Resources Command (AHRC-PDP-A), 1600 Spearhead Division Ave., Fort Knox, Ky. 40122-5408.

Addresses for requesting medals from the non-Army U.S. military services are:

- Navy awards: Chief of Naval Operations (DNS-35), Navy Pentagon, Washington, D.C. 20350-2000.

- Air Force awards: Air Force Personnel Center, Attn: AFPC/DSPSIDR, 550 C St., Randolph Air Force Base, Texas 78150-4712.
- Marine Corps awards: Commandant, Marine Corps, Manpower and Reserve Affairs, Code MMMA, 3280 Russell Road, Quantico, Va. 22134-5103.
- Coast Guard awards: Commandant (G-PS-5/TP41, U.S. Coast Guard, Washington, D.C. 20593-7238. [Source: FRG-BVA | Jim Tice | July 07, 2015 ++]

PTSD Update ► 1st Brain Tissue Biorepository Launched

A consortium led by the Department of Veterans Affairs' (VA) National Center for Posttraumatic Stress Disorder (PTSD) has launched the first brain tissue biorepository (also known as a "brain bank") – to support research on the causes, progression and treatment of PTSD affecting Veterans. The national brain bank will follow the health of enrolled participants during their lifetime. Participants in the brain bank will donate their brain and other body tissue after their death. The donated tissue, along with each Veteran's health information, will provide crucial information for use in research on PTSD and related disorders. "Although we have learned a great deal about abnormalities in brain structure and function from brain imaging research, there is no substitute for looking at the neurons themselves," said consortium director Dr. Matthew Friedman. "Understanding the cellular and circuit contributions to abnormal brain activity in PTSD is critical in the search for potential biomarkers of susceptibility, illness and treatment response and for developing new treatments targeting the conditions at the cellular level."

Dr. Friedman also is the founder of the national brain bank, and former Executive Director and current Senior Advisor to the National Center for PTSD. The national brain bank will investigate the impact of stress, trauma and PTSD on brain tissue in order to advance the scientific knowledge of PTSD, particularly the identification of PTSD biomarkers. Participating sites are located at VA medical centers in Boston, Massachusetts, San Antonio, Texas, West Haven, Connecticut, and White River Junction, Vermont, along with the Uniformed Services University of Health Sciences at Bethesda, Maryland (USUHS).

PTSD is a significant mental health concern among Veterans. In 2013, 533,720 Veterans with primary or secondary diagnosis of PTSD received treatment at VA medical centers and clinics. PTSD is a serious mental disorder resulting from exposure to direct or indirect threat of death, serious injury or physical violence, including sexual violence. The national brain bank is seeking Veterans with PTSD to participate in research about PTSD that affects Veterans. Veterans without PTSD are also eligible to participate in the brain bank because it is important to study Veterans without PTSD to compare the impact of stress, trauma and PTSD on brain tissue. Veterans interested in learning more about enrolling in the brain bank are encouraged to visit www.research.va.gov/programs/tissue_banking/PTSD/default.cfm or call its toll-free number 1-800-762-6609. [Source: VA News Release | July 02, 2015 ++]

VA ID Card Update 07 ► H.R.91 | Sent to President for Signature

A bill that would create a uniform identification card for U.S. military veterans is in the final stages of its journey from idea to law, and is being seen both as a nice benefit for America's fighting men and women and an illustration of just how hard it can be to get anything through Congress. Sponsored by U.S. Rep. Vern Buchanan, a Florida Republican, the bill directs the Department of Veterans Affairs to issue a veteran's identification card. Such a card would allow veterans to prove their status without having to carry around military service records, such as the common form known as a "DD-214."

Those forms, Buchanan said, contain sensitive personal information such as veterans' Social Security numbers, leaving them at a higher risk for identify theft. The VA does offer some veterans — those in the VA health system, for example — ID cards. But there is a large population of veterans who served honorably yet have no easy way to prove their military service. "On the surface, it doesn't sound like a gigantic thing," said Buchanan. "But at the end of the day, it's a very big thing for veterans. We're very excited about it." The "Veterans Identification Card Act of 2015" was introduced on the first day of the current session of Congress and eventually picked up 82 co-sponsors, roughly divided between the two parties. It passed the U.S. House in May by a vote of 402-0 and the Senate last month by unanimous consent with one amendment added. It then was returned to the House for approval of the amendment which they did on 7 JUL. It now goes to the President for approval or veto.

The bill has been endorsed by veterans' groups, while others took no position on it. The Obama administration, however, isn't so enthusiastic. In testimony before the Senate Committee on Veterans' Affairs last month, a top VA official, Rajiv Jain, said that veterans in most U.S. states can get veteran status noted on their drivers' licenses and that such options "can meet the intent of the legislation without creating within VA a new program that may not be cost-efficient." In his prepared statement, Jain also said a new VA-issued ID card could create confusion among veterans, since other cards are specifically designed to help them get health care and other benefits. "Having several VA-issued cards creates the potential for confusion on several levels," said Jain, an assistant deputy under secretary for health.

Despite the simple nature of the bill and the fact that it is intended to be cost-neutral — veterans would pay a fee for their cards — it has taken a long time to get such a bill through Congress. Similar legislation was introduced in 2011 and 2013 but went nowhere. And that's the way it is in Congress, where 535 representatives and senators all have bills but face limited time, energy and political capital to do anything about them. During the past two Congresses (from 2011 to 2014), for example, a total of 19,709 bills were introduced. Of those, less than 3 percent were enacted into law, according to congressional data. The nonpartisan Pew Research Center considered about two-thirds of those to be substantive and the rest ceremonial —

renaming buildings and the like. "None of these things are easy to get done, and usually they take a long time," Buchanan said.

As for Buchanan, data from Congress.gov show that since joining Congress in 2007, he has been listed as the official sponsor of 42 bills. None has yet been signed into law; the veteran ID law is the first to pass both chambers. That's not to say his fingerprints aren't on bills that did get enacted into law. Some of his standalone bills were absorbed into larger bills that did get passed into law; a 2007 veteran job-training bill, for example, became part of a larger veterans' bill. In 2014, his efforts helped gain additional funding to battle citrus greening, a major problem for Florida growers; that measure became part of a larger farm bill, so it wouldn't be reflected in the count of stand-alone bills that became law. [Source: Tribune News Service | Chris Adams | July 07, 2015 ++]

VA Benefits Eligibility Update ► Less Than Honorable Discharge Bill

Sen. Patty Murray on 29 JUN visited Tacoma to announce a new bill that would force the Department of Veterans Affairs to help former troops regardless of whether they left the military with an honorable discharge. Murray met with groups in Tacoma that work with homeless veterans. She is pushing to protect vulnerable veterans from losing VA-funded assistance they've been receiving through local nonprofit organizations around the country. They're at risk because a VA legal review last year concluded that veterans who spent fewer than 24 months in uniform or who received a less than honorable discharge may not be entitled to any government benefits connected to their military service. In most cases, those veterans are not eligible for VA benefits.

That's unacceptable to Murray and other advocates who worry about closing doors to former troops who were disciplined after experiencing traumatic events, such as combat or sexual assaults. "If you served our country, then we will serve you. No questions asked about length of service or how you left," said Murray, a Democrat and former chairwoman of the Senate Veterans Affairs Committee. She had a supportive audience at Tacoma's Metropolitan Development Council, where leaders from several nonprofits and housing agencies gathered to stress to her the significance of supporting troubled veterans. "We do not want to continue to shame our veterans when they come to us for assistance. We want to be able to say yes," said Patti Spaulding-Klewin, who manages veteran housing programs for Catholic Community Services in Tacoma.

Since 2013, her organization and MDC have received a combined total of more than \$5 million in federal grants to connect homeless veterans with stable housing. They've helped more than 500 veterans in that time, said Troy Christensen, MDC's operations director. Last year, both groups met veterans who risked losing local housing services when the VA temporarily cut off

benefits to former troops with less than honorable discharges or short military careers. "That didn't allow us to do our job and assist them," Christensen said.

USA Today first reported on the VA's policy change, and Murray helped arrange a temporary fix to keep services flowing. The bill she plans to submit would permanently prevent the VA from cutting off government-funded housing benefits provided through groups like MDC and Catholic Community Services. Murray toured the MDC's Randall Townsend Apartments on Fawcett Street, which opened last fall to serve chronically homeless people. About a third of the 85 people who've received services there are veterans, Christensen said. Murray was joined by Washington state Department of Veterans Affairs Director Lourdes Alvarado-Ramos and Tacoma Mayor Marilyn Strickland. [Source: The News Tribune | Adam Ashton | June 29, 2015 ++]

NDA for 2016 Update ► Military Retirement Reform Issues

Military retirement reform is among the most dramatic changes to Pentagon policy in the annual defense authorization bill. It also should be one of the easiest issues for House and Senate negotiators to finalize. Despite the complex, sweeping changes the reform plan would bring, both the House and Senate versions of the retirement overhaul are strikingly similar, with only minor differences to be worked out before final passage. Both House Armed Services Committee Chairman Mac Thornberry, R-Texas, and Senate Armed Services Committee Chairman John McCain, R-Ariz., have said they expect to reach quick resolution on those issues, labeling the differences as more technical than philosophical. Lawmakers began work to resolve differences in the plans in late June.

- The two retirement plans are both based off recommendations from the Military Compensation and Retirement Modernization Commission earlier this year. They call for replacing the 20-year, all-or nothing current system with a 401(k)-style system that vests after two years and allows all separating troops to leave with some benefits.
- Both plans would reduce the traditional post-20 payout by about 20 percent and offer a "continuation pay" bonus for service members who stay beyond 12 years of service.
- They'd also provide an automatic federal payout to troops' investment accounts totaling 1 percent of their base pay, and a match of troops' contributions similar to corporate-style savings incentives.

But the two plans differ on specifics of that match.

- The House plan would go up to 5 percent of troops' paychecks, the Senate only 4 percent. Over the course of a decade, that's potentially thousands of dollars difference in federal contributions to an individual service member's investments. Military advocates have pushed for the higher figure, as have commission members and Defense Department leaders.

- House lawmakers want the federal contributions and match to start with new service members' first paycheck, and last until retirement. The Senate plan would start 60 days after enlisting and end when troops hit the 20-year mark. That early end to contributions has been a sticking point with critics, who say it takes away incentives for senior service members to stay in the ranks past 20 years. House planners said they added the extension after 20 years specifically to address those worries. They also dumped provisions for a lump-sum retirement payout option for troops, offered in past retirement plans but largely reviled by military advocates as a confusing, financially disadvantageous deal. The lump-sum idea was included in the commission's recommendations to include more choices for troops, and left in the Senate version despite House objections.
- House lawmakers want the new retirement system in place by Oct. 1, 2017, and want a detailed implementation plan from Pentagon officials before March 1. The Senate plan gives them more time for both, simply asking for the changes to be ready by Jan. 1, 2018.
- The Senate plan calls for annual surveys on service members' knowledge of budgeting, investments and financial risk, and information courses during duty station changes, following life events, and at various promotion levels. The House plan goes even further, calling for some extra financial refresher training as troops hit vesting and pay benchmarks.
- Under either proposal, the changes would be mandatory only for new enlistees. Troops who joined the military under the old rules would have the option to switch to the new offerings, if it makes financial sense for them. And regardless which plan troops fall under, they should expect a lot of new financial literacy training to accompany the investment changes.

Congressional negotiators are hopeful a compromise version of the entire bill can be passed out of Congress before the end of the month. But the measure still faces a veto threat from the president, not over the retirement issues but instead over larger funding moves and changes in detainee policies at Guantanamo Bay Naval Station, Cuba. [Source: AirForceTimes | Leo Shane | July 6, 2015++]

Following is a Summary of Veteran Related Legislation Introduced in the House and Senate since the Last Bulletin was Published:

- H.R.2941: Veterans Affairs Employee Accountability Act. A bill to amend title 38, United States Code, to prohibit the receipt of bonuses by Department of Veterans Affairs employees who violate Federal civil laws or regulations, and for other purposes. Sponsor: Rep Roe, David P. [TN-1] (introduced 6/25/2015)
- H.R.2974: Veteran Continuity of Care Act. A bill to amend the Veterans Access, Choice, and Accountability Act of 2014 to increase the duration of follow-up care provided

under the Veterans Choice Program. Sponsor: Rep Brownley, Julia [CA-26] (introduced 7/8/2015)

- H.R.2975: Misused Veteran Benefits Repayment. To amend title 38, United States Code, to ensure that the Secretary of Veterans Affairs repays the misused benefits of veterans with fiduciaries. Sponsor: Rep Brownley, Julia [CA-26] (introduced 7/8/2015)
- H.R.2981: VA Employee Congressional Testimony. A bill to amend title 38, United States Code, to provide that congressional testimony by Department of Veterans Affairs employees is official duty, and for other purposes. Sponsor: Rep Huelskamp, Tim [KS-1] (introduced 7/8/2015)
- H.R.2999: Enhance VA Authority to Fire Employees. To amend title 38, United States Code, to improve the authority of the Secretary of Veterans Affairs to suspend and remove employees of the Department of Veterans Affairs for performance or misconduct that is a threat to public health or safety. Sponsor: Rep Takano, Mark [CA-41] (introduced 7/9/2015)
- H.R.3016: VA Podiatrist Role Clarification. A bill to amend title 38, United States Code, to clarify the role of podiatrists in the Department of Veterans Affairs. Sponsor: Rep Wenstrup, Brad R. [OH-2] (introduced 7/9/2015)
- H.R.3019: Nursing Home/Hospital Care for Vets. A bill to amend title 38, United States Code, to direct the Secretary of Veterans Affairs to furnish, at the request of an eligible veteran, nursing home care and hospital care at State licensed or certified residential care facilities. Sponsor: Rep DeLauro, Rosa L. [CT-3] (introduced 7/10/2015)
- S.1676: DOCs for Veterans Act of 2015. A bill to increase the number of graduate medical education positions treating veterans, to improve the compensation of health care providers, medical directors, and directors of Veterans Integrated Service Networks of the Department of Veterans Affairs, and for other purposes. Sponsor: Sen Tester, Jon [MT] (introduced 6/24/2015)
- S.1693: Vet Emergency Medical Treatment Reimbursement. A bill to amend title 38, United States Code, to expand eligibility for reimbursement for emergency medical treatment to certain veterans that were unable to receive care from the Department of Veterans Affairs in the 24-month period preceding the furnishing of such emergency treatment, and for other purposes. Sponsor: Sen Hirono, Mazie K. [HI] (introduced 6/25/2015)
- S.1721: VA/DoD Joint Uniform Formulary for Systemic Pain and Psychotropic Drugs. A bill to require the Secretary of Defense and the Secretary of Veterans Affairs to establish a joint uniform formulary with respect to systemic pain and psychotropic drugs that are critical for the transition of an individual from receiving health care services furnished by the Secretary of Defense to health care services furnished by the Secretary of Veterans Affairs, and for other purposes. Sponsor: Sen Blumenthal, Richard [CT] (introduced 7/8/2015)
- S.1731: Minimum Service Waiver to Provide VA Homeless Benefits. A bill to amend title 38, United States Code, to waive the minimum period of continuous active duty in the Armed Forces for receipt of certain benefits for homeless veterans, to authorize the

Secretary of Veterans Affairs to furnish such benefits to homeless veterans with discharges or releases from service in the Armed Forces with other than dishonorable conditions, and for other purposes. Sponsor: Sen Murray, Patty [WA] (introduced 7/9/2015) [Source: <https://beta.congress.gov> & <http://www.govtrack.us/congress/bills> July 13, 2015 ++]

Veterans Affairs Contracting: Improved Oversight Needed for Certain Contractual Arrangements

What GAO Found

In July 2015, GAO found that the Department of Veterans Affairs (VA) cannot document the extent to which it used interagency agreements in fiscal years 2012 through 2014, and in some cases its management of these agreements did not comply with policy. GAO reviewed data from VA's contract management system and found that VA obligated about \$1.7 billion to other government agencies via such agreements. However, GAO's analysis of data from VA's accounting system found that the total amount transferred to other agencies over this period was between \$600 million to \$900 million more than that for the same period. GAO found that VA's contract management system data are incomplete due to several shortcomings. For example, no direct link exists between VA's contract management system and VA's accounting system, thus, actions can be initiated directly in the accounting system without being recorded in the contract management system, counter to VA policy requirements. In addition, VA recently revised its policy to no longer require certain interagency agreements to be entered into the contract management system, further limiting its visibility into the full extent of its use of interagency agreements. Thus, GAO recommended that VA revise its policies on interagency agreements so that it can better record and track them; VA agreed, but in its response, did not address what steps it would take to improve the completeness of the data in its contract management system. Moreover, VA's management of the award and oversight of the interagency agreements GAO reviewed varied, and in some cases did not comply with its policy. Nearly half of the 21 interagency agreements GAO reviewed were missing items such as documentation of VA's reasons for using an interagency agreement instead of another procurement approach, for example. Some contracting officials were not aware of policy requirements, in part due to an absence of training opportunities. VA has begun developing training, but it may not cover all who need it. Thus, GAO recommended that VA ensure that planned training reach the full range of program and contracting officials; to which VA agreed, stating that training will reach the intended audience.

As GAO reported in July 2015, VA obligated over \$244 million to Federally Funded Research and Development Centers (FFRDC) from fiscal years 2012 through 2014, and has opportunities to improve documentation and oversight. Almost all of these obligations were to FFRDCs operated by the MITRE Corporation (MITRE). Contracts with FFRDCs can be advantageous, but are noncompetitive, which can pose risks to the government in that it lacks the leverage to negotiate that it would otherwise have in a competitive environment. VA used MITRE for strategic and technical management support and other consulting services. GAO found that VA

has processes to review individual FFRDC task order requirements, but not all awards are subject to these reviews, as VA does not centrally track contract actions to non-MITRE FFRDCs. As a result, VA is missing opportunities to provide more effective oversight for all of its FFRDC awards. In addition, all 10 MITRE task orders GAO reviewed complied with VA's basic requirements. However, these contract files contained limited documentation of some of the factors VA is to consider during pre-award reviews to determine the appropriateness of an FFRDC, and for some awards the contract files did not fully explain how VA determined that the contractor's proposed price was acceptable. Without this information, contracting officials who later revisit the file to make modifications will be limited in their abilities to make well-informed decisions. In addition, VA has opportunities for costs savings by reassessing whether to continue paying a fixed fee on travel costs. GAO recommended, among other things, that VA ensure all FFRDC actions are centrally reviewed and appropriately documented. VA agreed.

Why GAO Did This Study

VA spent about \$19 billion to buy goods and services in fiscal year 2014—partly through agreements where other agencies award contracts on VA's behalf. VA also uses FFRDCs—government-funded entities that have relationships with federal agencies—to perform certain tasks. These arrangements can help VA meet its needs and take advantage of unique expertise. In light of questions about VA's use of interagency agreements and FFRDCs, GAO was asked to look at how VA uses and manages these methods of procuring goods and services. This testimony is based on GAO-15-581, and like the report, assesses (1) the extent of use and effectiveness of VA's management of interagency agreements for fiscal years 2012 through 2014, and (2) the extent of use and effectiveness of VA's management of FFRDCs during this same period. GAO reviewed VA procurement policies, federal acquisition regulations, VA contract data, a sample of 21 interagency agreements and 10 FFRDC task orders, chosen, in part, based on obligation amounts; and interviewed officials from VA, other agencies, and MITRE, the primary FFRDC with which VA does business.

What GAO Recommends

In its July 2015 report, GAO made five recommendations to VA on actions to ensure consistent implementation and documentation of actions related to interagency agreements and FFRDC task orders. VA agreed with GAO's recommendations.