

Office of Inspector General



Office of Program Audits and Evaluations
Report No. EVAL-17-006

**FDIC's Process for Filling Certain DRR
Time-Limited Positions**

July 2017



Why We Did The Evaluation

The Federal Government's *Merit System Principles* provide that a fundamental tenet of the federal civil service is that hiring decisions should consider qualified individuals based on merit and ability, after fair and open competition. We initiated this evaluation in response to three complaints received by the Office of Inspector General (OIG) Hotline in June and December 2015, regarding hiring practices in the FDIC's Division of Resolutions and Receiverships (DRR). The complaints included allegations that certain DRR vacancy announcements posted in 2015 were too restrictive, resulting in the exclusion of veterans and other applicants from meeting required qualification factors. The complainants also alleged that DRR's hiring process was not carried out in a fair and equitable manner.

The objective of our evaluation was to assess the merits of the hotline complaints. To accomplish our objective, we assessed FDIC processes and controls for filling selected time-limited positions. The scope of our evaluation focused on 13 DRR vacancy announcements that were the subject of the complaints and additional announcements that came to our attention.

Background

During the recent financial crisis, DRR hired a significant number of temporary employees to meet workforce needs. As the crisis subsided, DRR's workload decreased and DRR significantly reduced its temporary employee population from 1,986 to 151 employees—a 92-percent reduction from 2010 to 2016. DRR achieved its workforce reduction primarily through the scheduled expiration of temporary appointments.

In its efforts to retain a limited number of non-permanent employees, DRR announced certain new, time-limited positions using an amended Excepted Service Schedule A Hiring Authority granted by the Office of Personnel Management (OPM). This authority enables agencies to hire when it is not feasible or practical to use traditional competitive hiring procedures, and can streamline hiring. The Schedule A announcements were only open to current FDIC employees and required the FDIC to comply with veterans' preference provisions.

Applicants who met the required qualifications were placed on a certificate of eligibles (certificate). All applicants on the certificate are deemed to be minimally qualified for the position. The veterans' preference provisions require the FDIC to offer positions to veterans on a certificate before offering positions to non-veterans on a certificate.

The hiring process is a joint responsibility between Division of Administration (DOA) human resources personnel and DRR subject-matter experts. Involvement by both divisions provides an important segregation of duties and helps to ensure the hiring process is fair and based on merit and ability.

Evaluation Results

We substantiated aspects of the OIG hotline allegations and identified weaknesses in the FDIC's process for filling certain time-limited positions. These weaknesses related to DOA and DRR's application

review process and the use of qualification factors in certain vacancy announcements that were not reflected in position descriptions.

We found that certain qualification factors were narrowly written. However, based on our evaluation work, we were not able to substantiate allegations that qualification factors were too restrictive because there was an absence of sufficient criteria for doing so. Also, based on information we gathered, we were not able to substantiate an allegation that DRR attempted to exclude qualified veterans from certificates.

Application Review Process Needs Improvement. We identified several weaknesses in DOA and DRR's review of applications. These weaknesses were related to potential conflicts of interest, maintaining confidentiality, ensuring adequate segregation of duties between DOA and DRR personnel, and non-compliance with DOA's procedures for reviewing vacancy announcements.

For example, we identified one instance where an applicant was also a selecting official and another instance where an applicant was also a subject-matter expert responsible for referring applications for selection. We also became aware of a situation where a selecting official was aware of confidential qualification decisions made by a subject matter expert.

We further identified process-related matters that were inconsistent with procedures; could have given applicants the perception that DRR, and not DOA, was administering the application review process; and/or posed risks that applicants could be erroneously included or excluded from certificates. In these instances, DRR subject-matter experts performed applicant qualification reviews before DOA human resources staff determined which applicants met eligibility requirements. DOA officials also did not consistently document their concurrence with subject-matter expert review decisions, as required by FDIC policy. Finally, we identified inconsistencies between the criteria used by subject-matter experts and criteria in the corresponding vacancy announcement.

Qualification Factors in Vacancy Announcements Were Not Consistently Reflected in Position Descriptions. We found that some qualification factors in 8 of the 13 vacancy announcements that we reviewed were not reflected in the related position descriptions, as required by FDIC policy. For example, qualification factors requiring experience with specific FDIC systems and the processing of specific documents were not reflected in position descriptions. Using qualification factors that are grounded in position descriptions helps ensure that applicants are judged on factors that are fundamental to the position being filled and consistency in candidate evaluation and selection decisions; in addition, it protects the agency from criticisms that selection criteria were biased.

Some Qualification Factors Were Narrowly Written. We found that qualification factors in five vacancy announcements were narrowly written and limited the number of qualified applicants. For example, qualifications such as experience as a program administrator for developing a specific DRR system or being a member of a specific committee appeared to us to be narrowly focused and not essential to the related positions. Fewer qualified applicants were included in a certificate for these five announcements than for the eight announcements with qualification factors that we determined were not so specific.

Conclusion and Recommendations

We identified weaknesses in the FDIC's process for filling certain time-limited positions, which could have contributed to perceptions that DRR's selection process was unfair. The hiring process is a joint responsibility between DOA human resources personnel and DRR program officials, and both divisions need to ensure the hiring process is fair, follows FDIC policies, and helps defend against complaints or criticisms.

We made five recommendations to DOA to strengthen controls surrounding the FDIC's application review process, better ensure subject matter experts comply with FDIC procedures for reviewing vacancy announcements, and ensure qualification factors in vacancy announcements are reflected in position descriptions and are not too restrictive. DOA concurred with our recommendations and proposed responsive corrective actions to be completed by April 2018.

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DATE: July 13, 2017

MEMORANDUM TO: Bret D. Edwards, Director
Division of Resolutions and Receiverships

Arleas Upton Kea, Director
Division of Administration

FROM: */Signed/*
E. Marshall Gentry
Assistant Inspector General for Program Audits and Evaluations

SUBJECT: *FDIC's Process for Filling Certain DRR Time-Limited Positions*
(Report No. EVAL-17-006)

The Federal Government's *Merit System Principles* provide that a fundamental tenet of the federal civil service is that hiring decisions should consider qualified individuals based on merit and ability, after fair and open competition.

We initiated this evaluation in response to three complaints received by the Office of Inspector General (OIG) Hotline in June and December 2015, regarding hiring practices in the FDIC's Division of Resolutions and Receiverships (DRR). The complaints included allegations that certain DRR vacancy announcements posted in 2015 were too restrictive, resulting in the exclusion of veterans and other applicants from meeting required qualification factors.¹ The complainants also alleged that DRR's hiring process was not carried out in a fair and equitable manner.

The objective of our evaluation was to assess the merits of the hotline complaints. To accomplish our objective, we focused on FDIC processes and controls for filling selected time-limited positions. We assessed the roles that Division of Administration (DOA) staff and DRR subject-matter experts played in the FDIC's hiring process for these positions. The scope of our evaluation focused on 13 DRR vacancy announcements that were the subject of the complaints.² The open period for the 13 announcements spanned from June 4, 2015 through November 20, 2015. We also reviewed information pertaining to additional announcements that came to our attention during our fieldwork.

¹ Certain terms are underlined when first used in this report and defined in Appendix 4, *Glossary of Terms*.

² Ten vacancy announcements were for jobs in DRR's Dallas office and three were for positions in Headquarters. The announcements were for positions ranging from a Corporate Grade-9, Institution Services Specialist, to Corporate Manager positions. Appendix 2 provides details regarding each announcement, including the position grade and number of applicants.

We conducted this evaluation in accordance with the Council of the Inspectors General on Integrity and Efficiency's *Quality Standards for Inspection and Evaluation*. Appendix 1 of this report includes additional details on our objective, scope, and methodology.

Background

During the recent financial crisis, DRR hired a significant number of temporary employees to meet workforce needs. As the crisis subsided, DRR's workload decreased and DRR significantly reduced its temporary employees. In 2010, DRR had 1,986 temporary employees, compared to 151 in 2016 (a 92-percent reduction from 2010 to 2016). DRR expects to retain 113 temporary employees in 2017. DRR achieved its workforce reduction primarily through the scheduled expiration of temporary positions. As a result, only a limited number of DRR temporary employees were selected for new time-limited positions within DRR. DRR employees are concentrated in the FDIC's Dallas regional office and Headquarters.

In its efforts to retain a limited number of non-permanent DRR employees, DRR announced certain new, time-limited positions using an amended Excepted Service Schedule A Hiring Authority³ that the Office of Personnel Management (OPM) granted to the FDIC in June 2014.⁴ OPM amended the FDIC's hiring authority based on requirements of the Dodd-Frank Wall Street Reform and Consumer Protection Act, which expanded the FDIC's responsibilities for resolving failed financial institutions. The Schedule A announcements were only open to current FDIC employees and enabled the temporary employees who were selected to remain at the FDIC for up to an additional 7 years. The amended Schedule A hiring authority required the FDIC to comply with veterans' preference provisions in 5 C.F.R. Part 302.

Applicants who met the required qualifications were placed on a certificate of eligibles (certificate). All applicants on a certificate are deemed to be minimally qualified for the position. The veteran's preference provisions require the FDIC to offer positions to veterans on a certificate before offering positions to non-veterans on a certificate.

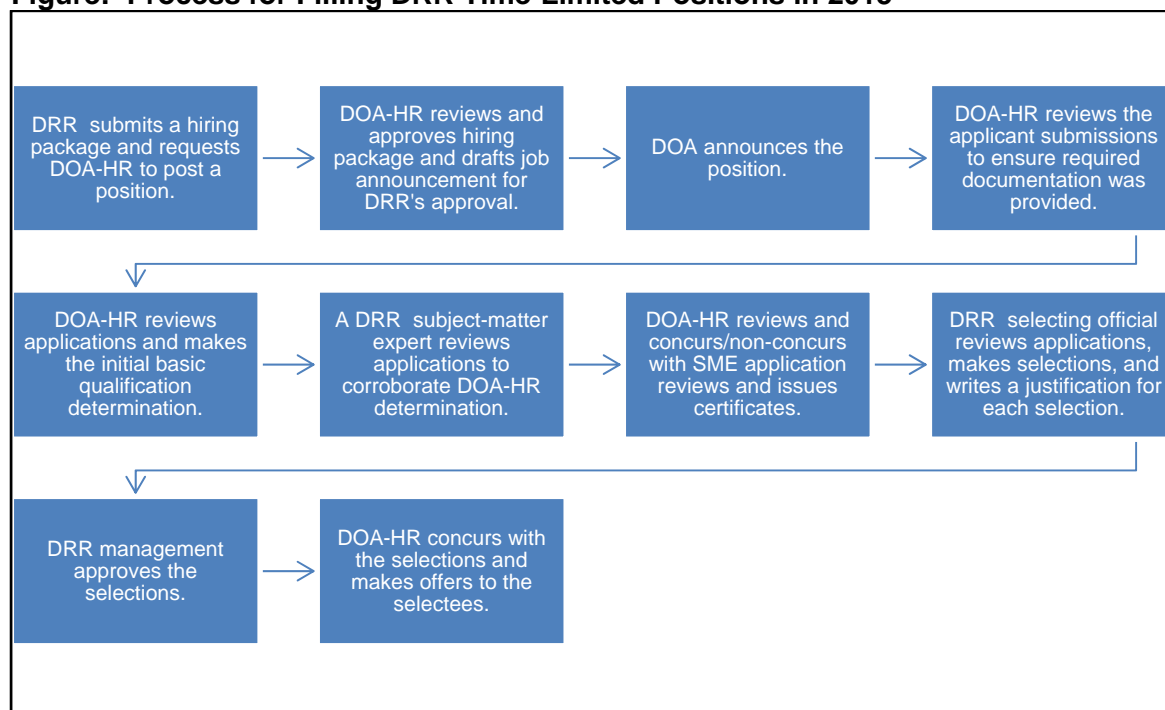
The hiring process is a joint responsibility between DOA Human Resources (HR) officials who understand federal hiring regulations and requirements and DRR program officials who understand the technical requirements of a position. Involvement by both divisions provides an important segregation of duties and helps to ensure that the process is fair and based on merit and ability. Subject-matter experts from program offices apply their technical expertise in reviewing candidate applications.

The Figure on the next page presents key aspects of the FDIC's process for filling certain DRR time-limited positions.

³ Excepted Service Schedule A Hiring Authority allows federal agencies to fill special jobs or any job in unusual or special circumstances. This authority enables agencies to hire when it is not feasible or practical to use traditional competitive hiring procedures, and can streamline hiring.

⁴ Title 5, C.F.R. section 213.3133(c).

Figure: Process for Filling DRR Time-Limited Positions in 2015



Source: OIG-generated based on DRR documentation.

In 2015, several DRR employees raised concerns about DRR’s hiring process. As a result, the FDIC’s Internal Ombudsman spoke with DRR employees in the Dallas Regional Office in November 2015. DRR employees discussed allegations similar to the ones addressed in this report. In May 2016, the Internal Ombudsman convened a meeting with DRR and DOA personnel to further discuss these matters and possible solutions. In response, DOA developed an *HR Workshop for Managers* on the FDIC’s hiring program and performed a number of training sessions with headquarters and regional hiring managers, including the Dallas Region. The workshop addressed competitive and excepted service and veterans’ preference, among other topics. Notwithstanding, as discussed later, we concluded that additional training for subject-matter experts was warranted.

Evaluation Results

We substantiated aspects of the OIG hotline allegations and identified weaknesses in the FDIC’s process for filling certain time-limited positions. Our observations are discussed below. Based on our evaluation work and information gathered, however, we were not able to substantiate other allegations, as described in Appendix 3 of this report.

Application Review Process Needs Improvement

We identified several weaknesses in DOA and DRR's review of applications related to potential conflicts of interest, maintaining confidentiality, ensuring adequate segregation of duties between DOA and DRR personnel, and non-compliance with DOA's procedures for reviewing vacancy announcements (Quality Review Procedures).⁵ These weaknesses pertained to the 13 announcements in our sample and additional announcements that came to our attention.

- **A Selecting Official was Also an Applicant.**

For one of the 13 announcements that we reviewed, we determined that the DRR selecting official for the announcement had also applied for the position. A DRR resource management official informed a DRR executive of this situation and identified another individual who could have served as the selecting official for the subject vacancy announcement. The DRR executive did not respond to the email. The DRR resource management official informed us that he/she was not aware that the conflict went unresolved until after the announcement was closed. DRR management ultimately allowed the announcement to expire without filling the position.

- **A Subject-Matter Expert Reviewed Applications for a Position for Which the Subject-Matter Expert had Applied.** We also reviewed some applications that came to our attention outside our sample of 13 announcements. In one 2014 DRR vacancy announcement, we found that a subject-matter expert responsible for reviewing applications had also applied for the position. A DOA human resources official identified the issue during the application review process and assigned a new subject-matter expert who reassessed the applications. The initial subject-matter expert stated he/she was unaware that he/she had applied for the position because he/she applied for several DRR positions. The initial subject-matter expert was not hired for this position. The Quality Review Procedures state that a subject-matter expert cannot also be an applicant.

- **DRR Selecting Officials Were Aware of Confidential Subject-Matter Expert**

Qualification Decisions. The Quality Review Procedures require subject-matter experts to protect the confidentiality of all application materials reviewed and to sign a Confidentiality Statement. Subject-matter experts certify that:

DOA's Quality Review Procedures describe the role that subject-matter experts are expected to play in the hiring process. DOA must offer divisions the option of using a subject-matter expert when filling vacancies at or above the Corporate Grade-13 level. The procedures indicate that DOA must make the preliminary determination of which applicants are qualified. A subject-matter expert may then review applications to corroborate if an applicant meets qualification factors in vacancy announcements. DOA human resources personnel are required to indicate their concurrence or non-concurrence on subject-matter expert application reviews and finalize hiring decisions. This structure is intended to help ensure the FDIC adheres to OPM federal hiring requirements.

Subject-matter experts are required to sign a confidentiality statement, protect the confidentiality of all materials reviewed, and advise DOA of any conflicts of interest.

⁵ *Standard Operating Procedures for Quality Review of Applicants to Vacancy Announcements Posted on FDIC Careers*, dated September 20, 2007.

“I agree not to discuss any information connected to this process, including information about the applicants or the outcome, with anyone other than the [DOA Human Resources Branch] representative as this will compromise the competitive process, the examination tools and the privacy rights of individuals.”

We observed 2014 and 2015 e-mail correspondence to DOA senior management from DOA human resources professionals referencing multiple instances of subject-matter experts violating confidentiality agreements and discussing findings with managers and selecting officials. We discussed the issues with these human resources professionals who confirmed their concerns.

In one instance in 2015, a DRR subject-matter expert found an applicant to be qualified, but a DOA human resources specialist found the applicant was not eligible because the applicant did not have 1 year of specialized experience, as required by the vacancy announcement. Shortly after DOA’s decision, the selecting official contacted the human resources specialist asking why he/she had overturned the subject-matter expert’s finding. At that time, the selecting official should not have known the subject-matter expert’s decision because the application review process had not been completed. Prematurely sharing applicant qualification information contravened the confidentiality statement and could have affected the integrity of the candidate evaluation process.

We also identified process-related matters, which could have presented applicants with the perception that DOA was not leading or sufficiently engaged in the candidate review process and/or posed risks that applicants could be erroneously included or excluded from certificates.

Subject-Matter Experts Reviewed Applications before DOA’s Initial Quality Review.

DOA’s Quality Review Procedures state that DOA human resources officials should conduct the initial quality review to determine eligibility and that the subject-matter expert qualification review should be performed after DOA’s review. Subject-matter experts are expected to corroborate that candidates meet qualification factors.

For the three headquarters announcements, DOA performed its eligibility and qualification review before the DRR subject-matter expert qualification review, consistent with the Quality Review Procedures. However, to expedite the hiring process, DRR subject-matter experts in the Dallas office conducted qualification reviews of all applicants associated with the 10 Dallas announcements before DOA human resources officials determined which applicants were eligible and met minimum qualification requirements. DOA and DRR officials told us that DRR subject-matter experts did not perform DOA initial quality review procedures such as determining whether applicants met eligibility or veterans’ preference criteria. DOA also noted that its human resources staff overruled subject-matter expert qualification determinations in some cases for 10 Dallas announcements.⁶

⁶ DOA records indicate that DOA overturned 29 out of 691 applicants (4 percent) of the subject-matter expert qualification decisions.

This practice was inconsistent with the Quality Review Procedures and inefficient because subject-matter experts reviewed applicants that DOA later found to not be eligible. This practice, in our view, also could give applicants the perception that DRR, not DOA, is administering the application review process and raise concerns about the integrity of the review process. The sequential involvement of DOA human resources officials followed by a separate subject-matter expert review of applicant qualifications provides an important segregation of duties in the application review process.

- **Subject-Matter Expert Review Sheet Criteria Were Not Always Consistent with Vacancy Announcement Requirements.** Certain instructions in DRR's subject-matter expert review sheets were not consistent with requirements in a vacancy announcement we reviewed, involving 79 applicants. For instance, the subject-matter expert review sheet instructions stated that an applicant had to meet *all* of the qualification factors to be considered qualified. However, the vacancy announcement stated that an applicant was considered qualified if he possessed *at least one* qualification factor. Therefore, it was possible that a qualified applicant could have been erroneously excluded from a certificate if he met at least one, but not all, qualification factors. Because DRR subject-matter experts consistently found that non-qualified applicants met none of the qualification factors, we did not identify any instances where an applicant was erroneously excluded from the subject vacancy announcement.

Additionally, DRR Headquarters' subject-matter experts did not use the application review sheets that DRR Dallas staff used but instead documented their reviews through informal notes on sheets that listed the names of all applicants who applied to each vacancy announcement. This created a risk that DRR's review of applications was inconsistent.

- **Headquarters DOA Officials Did Not Consistently Document Their Concurrence with Subject-Matter Expert Review Decisions.** As noted in the Figure on page 3, DOA should indicate its concurrence or non-concurrence with subject-matter expert qualification decisions. We tested 83 applicant review sheets completed by DRR subject-matter experts in Dallas pertaining to the 10 Dallas vacancy announcements. These subject-matter expert review sheets contained the qualification factors that applicants were required to possess and helped ensure consistency in determining whether the applicants met those factors. For two of the 83 subject-matter expert reviews, there was no evidence of DOA concurrence, as required by the Quality Review Procedures. Dallas DOA officials attributed this to an oversight and noted their concurrence with the subject matter experts' decisions in September 2016, after we brought this observation to their attention.

We also tested 58 review sheets completed by subject-matter experts in DRR Headquarters and did not see any documentation of DOA concurrence with DRR subject-matter expert conclusions. FDIC officials stated that although DOA's concurrence was not explicit, DOA produced the certificates and, in doing so, would have confirmed that it agreed with subject-matter experts' qualification decisions.

We communicated these matters to FDIC personnel for their consideration. DRR and DOA officials informed us that in mid-2016:

- DRR resource management staff in Dallas and Headquarters began reviewing and approving all potential subject-matter experts for vacancies in Dallas and Headquarters to ensure potential subject-matter experts did not have conflicts of interest;
- DRR consolidated subject-matter expert reviews of all applicants for certain manager positions and below to the DOA Dallas office. As such, all DRR subject-matter experts have been using the same review sheets to better ensure consistent reviews and DOA concurrence; and
- DOA began following its Quality Review Procedures by having DOA staff perform initial quality reviews and then forward applicants deemed qualified to subject-matter experts for review.

DOA had provided limited training to subject matter experts regarding the application review process, which included notifying them of the requirement to document and identify information in applications to support their conclusions. We concluded that additional subject-matter expert training would be prudent.

Recommendations

We recommend that the Director, DOA:

1. Implement additional controls to better ensure compliance with the Quality Review Procedures.
2. Provide additional training to current and future subject matter experts to better ensure they understand and comply with the Quality Review Procedures.
3. Ensure that human resources personnel understand their role and the key functions they should perform in reviewing applications for vacancy announcements.

Qualification Factors Were Not Consistently Reflected in Position Descriptions

We confirmed with DOA and OPM officials that qualification factors in vacancy announcements should be reflected in position descriptions. This concept is also supported by 5 C.F.R. section 302.202 *Employment in the Excepted Service* and FDIC circular 2110.2 *Merit Promotion Plan*.

We found that some qualification factors in 8 of the 13 vacancy announcements were not reflected in the related position descriptions, as required by FDIC policy (see Appendix 2). In making this determination, we considered general language in the position descriptions that correlated to specific requirements in qualification factors as opposed to looking for verbatim or exact language. Eleven of the 13 position descriptions were updated less than 6 months before the related announcements were posted and thus should have reflected current duties of the position.

The following are examples of qualification factors that were not reflected in the related position descriptions. These examples are presented in more detail in Appendix 2:

- Experience orchestrating the software development lifecycle as Program Administrator for a specific DRR system,
- Experience utilizing three specific DRR systems and experience as a member of a specific committee,
- Experience managing specialists in the development and maintenance of a specific system, and
- Experience as an author of or supervisor of the development of specific cases stored in an FDIC system.

Using qualification factors that are grounded in position descriptions helps ensure that applicants are judged on factors that are fundamental to the position being filled, helps ensure consistency in candidate evaluation and selection decisions, and protects the agency from criticisms that selection criteria are biased.

Recommendation

We recommend that the Director, DOA:

4. Establish controls to ensure that qualification factors in vacancy announcements reflect job duties in the related position descriptions and incorporate additional procedures to this effect, if warranted.

Some Qualification Factors Were Narrowly Written

The complainants alleged that qualification factors in some vacancy announcements were too restrictive in an effort to ensure specific individuals were hired and to exclude others, including veterans, from making certificates. We found that certain qualification factors were narrowly written. However, based on our evaluation work and information gathered, we were not able to substantiate allegations that qualification factors were too restrictive because there was an absence of sufficient criteria to do so.

We reviewed qualification factors in the 13 vacancy announcements comprising our sample. We found that qualification factors in five vacancy announcements were narrowly written and limited the number of qualified applicants (see Appendix 2). The following are examples of qualification factors that appeared to us as narrowly focused and not essential to the related positions:

- Experience orchestrating the software development lifecycle as Program Administrator for a specific DRR system,
- Experience utilizing three specific DRR systems and experience as a member of a specific committee,

- Being a primary FDIC contact for specific types of transactions having at least \$300 million in assets, and
- Experience managing specialists in the development and maintenance of a specific system.

On average, only 8 percent of the applicants for these five announcements that had narrow qualification factors were included in a certificate even though most of the applicants were already working in DRR. In two of the five announcements, only two applicants were deemed qualified for each announcement. In comparison, an average of 21 percent of the applicants were included in a certificate for the eight announcements with qualification factors that we determined were not so specific.

The FDIC follows the *Merit System Principles* pursuant to Title 5 U.S.C. § 2301(b), which provides that agencies should recruit, select, and advance employees based on merit after fair and open competition. We did not identify specific criteria for determining when language in vacancy announcements is too restrictive, but the following sources provide some guidance:

- The FDIC's *Merit Promotion Plan* includes examples of selective placement factors that are inappropriate, including a requirement that unduly restricts the number of eligible candidates or that is intended to favor a particular candidate or a requirement not essential to the duties of the immediate vacancy.⁷
- Office of Personnel Management's *General Schedule Qualification Policies* provides that selective factors cannot be so narrow that they preclude from consideration applicants who could perform the duties of the position or require specific knowledge, skills, and abilities that could be learned readily during the normal period of orientation to the position.
- The U.S. Merit Systems Protection Board reported⁸ that agencies sometimes use narrow selective factors that are too restrictive and act as artificial barriers to open competition, eliminating qualified applicants from further consideration.

DOA informed us that while some of the language in five of the vacancy announcements could be viewed as limiting, DRR advised DOA that specific knowledge and expertise were critical for those positions. A DRR executive informed us that, due to circumstances at the outset of the crisis, vacancy announcements were written to accomplish the mass hiring needed to address necessary workloads and were broad and generic. As the recent financial crisis subsided and DRR's workload declined, the DRR executive told us that certain skill sets were needed to perform DRR's functions, and DRR began requiring specific experience and qualification factors.

⁷ Similar to the qualification factors in the 13 announcements that we reviewed, selective placement factors are special qualifications that are essential for consideration for a position and successful job performance, and an applicant must meet these factors to be considered minimally qualified for a position.

⁸ *In Search of Highly Skilled Workers*, a February 2008 report to the President and Congress.

We were not able to identify criteria sufficient enough to conclude whether qualification factors in the five vacancy announcements were too restrictive and unduly limited competition. Further, qualification factors can be subjective and up to management discretion. Nevertheless, we concluded that DOA should provide guidance to divisions and offices on this matter to ensure that qualification factors are not overly restrictive. Such guidance would provide greater assurance that vacancy announcements are perceived as fair and limit the risk of employee concerns.

Recommendation

We recommend that the Director, DOA:

5. Provide guidance to divisions and offices, including examples of qualification factors that could be perceived as limiting, to help ensure qualification factors in vacancy announcements do not unduly restrict eligible candidates.

DRR Selected Veterans for Some Positions and Documented Hiring Decisions

Based on our evaluation work and information gathered, we were not able to substantiate an allegation that DRR attempted to exclude qualified veterans from certificates. We assessed the FDIC’s consideration of veterans in the hiring process for the 13 announcements that we reviewed as shown in Table 1. DRR selected 48 applicants for positions, of which nine were veterans.

Table 1: Veteran Hiring for 13 Vacancy Announcements

Eligible Veterans*	Qualified Veterans	Veterans Offered Positions	Veterans Accepting Positions
56 associated with 10 announcements	17 associated with 6 announcements	12 associated with 5 announcements	Nine associated with 3 announcements.

* Applicants had to be current FDIC employees and meet experience equivalency requirements to be considered eligible. Some veterans applied to multiple announcements.

As noted earlier, the vacancy announcements that we reviewed required the FDIC to consider veterans’ preference provisions in accordance with 5 C.F.R. Part 302. These provisions require the FDIC to first offer positions to veterans on a certificate before offering positions to non-veterans on a certificate.

We reviewed hiring decisions and related documentation pertaining to the 56 veteran applicants noted in Table 1. DRR and DOA determined that 17 of the 56 applicants were qualified and 39 were not qualified. In all 39 instances where a veteran was not qualified, we found explanations in the FDIC’s hiring system regarding why the veterans did not make a certificate. In most instances, documentation indicated that the veterans did not meet qualification factors, some of which were narrowly written.

We also reviewed a sample of applicants selected for positions and found support in their applications indicating they met the qualification factors.

Conclusion

We identified weaknesses in the FDIC's process for filling certain time-limited positions, which could have contributed to perceptions that DRR's selection process was unfair. The hiring process is a joint responsibility between DOA human resources personnel and DRR program officials, and both divisions need to ensure the hiring process is fair, follows FDIC policies, and is defensible against complaints or criticisms.

The recommendations in our report are intended to strengthen controls surrounding the FDIC's application review process, better ensure compliance with the FDIC's Quality Review Procedures, and help ensure qualification factors in vacancy announcements are reflected in position descriptions and are not too restrictive.

Corporation Comments and OIG Evaluation

DOA and DRR provided a written response dated July 6, 2017, to a draft of this report. The response is presented in its entirety in Appendix 6. DOA and DRR concurred with the report's five recommendations, proposed actions responsive to the recommendations, and targeted completion dates ranging from October 31, 2017, through April 16, 2018. These recommendations will remain open until the planned actions are completed. A summary of the Corporation's corrective actions is presented in Appendix 7.

Objective, Scope, and Methodology

Objective

The objective of our evaluation was to assess the merits of the OIG hotline complaints. To accomplish our objective, we focused on FDIC processes and controls for filling selected time-limited positions. We assessed the roles that DOA human resources staff and DRR subject-matter experts played in the FDIC's hiring process for these positions.

Scope and Methodology

The scope of our evaluation focused on 13 vacancy announcements that were the subject of the complaints. The open period for these announcements spanned from June 4, 2015 through November 20, 2015. We also reviewed information pertaining to additional announcements that came to our attention during our fieldwork.

We performed the following steps:

- Gained an understanding of DRR's downsizing strategy.
- For the 13 vacancy announcements included in our scope, we:
 - Obtained information from the FDIC's hiring system to assess the number of applicants (veterans and non-veterans) who applied to each announcement, were included in the certificate, and were selected;
 - Assessed DRR's use of subject-matter experts;
 - Determined if qualification factors in the announcements were reflected in the corresponding position descriptions; and
 - Assessed whether language in the announcements appeared too restrictive.
- Assessed allegations that qualified veterans were excluded from certificates.
- Identified and became familiar with the following FDIC guidance:
 - Circular 2210.1, *FDIC Position Management and Classification Program*, September 12, 2003.
 - Circular 2110.2, *Merit Promotion Plan*, May 12, 1999.
 - Memorandum, *Procedures for Documenting Cancellation, Non-Selection, or Lapse of Vacancy Announcements*, May 22, 2002.
 - *Standard Operating Procedures for Quality Review of Applicants to Vacancy Announcements Posted on FDIC Careers*, dated September 9, 2007.
- Identified and became familiar with relevant sections of these statutes and regulations:
 - Title 5 U.S.C. section 2301(b) – *Merit System Principles*.
 - Title 5 U.S.C. section 5105 – *Standards for Classification of Positions*.
 - 5 C.F.R. section 302 – *Employment in the Excepted Service*.

Objective, Scope, and Methodology

- The Federal Register, *Excepted Service; Consolidated Listing of Schedules A, B, and C Exceptions*, January 20, 2016.
- Interviewed the complainants, relevant DRR and DOA officials, and the FDIC's Internal Ombudsman. We also interviewed Office of Personnel Management and OIG human resources personnel to better understand federal hiring practices and instances when qualification factors might be considered too restrictive.

We performed our work from May through December 2016 at the FDIC's office in Arlington, Virginia, in accordance with the Council of the Inspectors General on Integrity and Efficiency's *Quality Standards for Inspection and Evaluation*. We believe the work performed provides a reasonable basis for the conclusions in this report.

DRR Vacancy Announcements Analyzed by the OIG

Table 2: Applicant Selections Pertaining to 13 Vacancy Announcements

Vacancy Number	Position	Number of Applicants*	Number of Qualified Applicants	Number of Applicants Selected	Date Position Description was Signed
2015-DALEX-0260	Compliance Manager (CM-1)	47 (3 vets)	4 (9%) (0 vets)	2 (0 vets)	5/11/15
2015-DALEX-B0290	RSAM Specialist (CG-14)	64 (4 vets)	4 (6%) (0 vets)	4 (0 vets)	5/12/15
2015-HQEX-2182	Manager, RSAM National Field Oversight (CM-1)	17 (0 vets)	3 (18%) (0 vets)	1 (0 vets)	5/11/15
2015-HQEX-2187	Manager, Risk Share Analysis (CM-1)	22 (2 vets)	2 (9%) (1 vet)	1 (0 vets - vet declined)	9/22/11
2015-HQEX-2188	Manager, RSAM LLC (CM-1)	34 (0 vets)	2 (6%) (0 vets)	1 (0 vets)	5/11/15
2015-DALEX-B0256	Institution Services Specialist (CG-9)	88 (6 vets)	19 (22%) (1 vet)	1 (0 vets – vet declined)	12/12/14
2015-DALEX-0258	Resolutions and Closing Manager (CM-1)	79 (13 vets)	8 (10%) (5 vets)	1 (1 vet)	1/19/05
2015-DALEX-0262	Manager, RSAM SLAs (CM-1)	46 (5 vets)	5 (11%) (1 vet)	0 (0 vets)	5/13/15
2015-DALEX-B0287	RSAM Compliance Specialist (CG-14)	87 (6 vets)	19 (22%) (3 vets)	8 (2 vets - third vet declined)	6/22/15
2015-DALEX-B0289	RSAM Specialist SLAs (CG-14)	102 (13 vets)	32 (31%) (6 vets)	15 (6 vets)	5/13/15
2015-DALEX-B0297	RSAM Compliance Specialist (CG-13)	71 (2 vets)	11 (15%) (0 vets)	6 (0 vets)	6/22/15
2015-DALEX-B0310	RSAM Specialist SLAs (CG-13)	71 (2 vets)	18 (25%) (0 vets)	7 (0 vets)	6/23/15
2015-DALEX-B0352	RSAM Specialist SLAs (CG-14)	36 (0 vets)	9 (25%) (0 vets)	1 (0 vets)	5/13/15

Source: OIG-generated based on analysis of vacancy announcements, FDIC selection data, and position descriptions.

* This table excludes 12 veteran applicants: Eleven were not FDIC employees, as required by the vacancy announcements, and one applicant disqualified him/herself from consideration by rating him/herself as ineligible.

DRR Vacancy Announcements Analyzed by the OIG

Table 3: OIG Analysis of Qualification Factors in Vacancy Announcements

Vacancy Number	Language in Vacancy Announcement that was Not Reflected in the Position Description*	Qualification Factors in Vacancy Announcement that Were Narrowly Written
2015-DALEX-0260	Orchestrating the Integrated Compliance Engine software development lifecycle as Program Administrator.	
2015-DALEX-B0290	The primary FDIC contact of the Managing Member for the LLC Structured Transaction Agreements with at least \$300 million in cumulative assets.	
2015-HQEX-2182	Experience in utilizing RTSP, ICE and FACTS. The applicant must have experience as a member of the loss sharing Loan Sale Review Committee, <u>attended Loss Mitigation Reviews</u> , reviewed and approved large charge-off reviews, and handled oversight of dispute resolutions including arbitrations in excess of \$50 million on shared loss transactions.	
2015-HQEX-2187	Experience managing and directing a team of senior financial analysts and data specialists responsible for the (1) development and maintenance of RTSP, (2) <u>production of year-end financial results related to loss-share loss projections and resulting liabilities to be used in year-end financial statements</u> , (3) <u>development of new techniques for estimating year-end liability estimation for loss-share agreements</u> , (4) <u>presentation to cross divisional committees regarding year-end results for loss-share liability estimation</u> , and (5) <u>development of analytical tools related to loss share data</u> .	
2015-HQEX-2188	None	Experience managing and directing a team of LLC specialists that provide management and oversight of LLC troubled asset portfolios subject to FDIC structured transaction contracts; experience presenting cases to the LLC CRC Review Committee and the LLC Strategy Committee; experience facilitating the resolution of structured transaction buyouts with managing members; and experience handling managing member disputes, including editing and providing oversight of legal correspondence for the LLC program.
2015-DALEX-B0256	Experience processing RSAM Single Family and Non-Single Family Shared Loss Certificates generated through RTSP.	None
2015-DALEX-0258	None	None
2015-DALEX-0262	The experience must include having authored or supervised the development and approval of FACTS cases under Loss Share Delegations of Authority.	None

DRR Vacancy Announcements Analyzed by the OIG

Table 3: OIG Analysis of Qualification Factors in Vacancy Announcements

Vacancy Number	Language in Vacancy Announcement that was Not Reflected in the Position Description*	Qualification Factors in Vacancy Announcement that Were Narrowly Written
2015-DALEX-B0287	None	None
2015-DALEX-B0289	Authorizing FACTs cases under appropriate Loss Share Delegations of Authority.	None
2015-DALEX-B0297	None	None
2015-DALEX-B0310	None	None
2015-DALEX-B0352	Authorizing FACTs cases under appropriate Loss Share Delegations of Authority.	None

Source: OIG-generated based on analysis of vacancy announcements and position descriptions.

* We concluded that the underlined items were narrowly written; however, these items were reflected in the corresponding position description.

Allegations that Were Not Substantiated

As discussed in the report, we were not able to substantiate allegations that qualification factors in certain DRR vacancy announcements were too restrictive or DRR attempted to exclude qualified veterans from certificates. Other allegations that we were not able to substantiate are in Table 4 below.

Table 4: Allegations that Were Not Substantiated

Unsubstantiated Allegation	Explanation
<p>Thirty-five DRR employees were not qualified for their positions, partly based on information in their LinkedIn profiles. Several of these employees' salaries and bonuses were too high.</p> <p>Nine individuals were qualified but not selected for certain positions.</p>	<p>We did not second-guess applicants' qualifications or salaries and bonuses, or whether they should have been included in a certificate. These matters may be subject to management discretion. Nevertheless, we reviewed a sample of 10 applications pertaining to three vacancy announcements from our sample (5 veterans and 5 non-veterans). We did not identify any issues with the FDIC's conclusions as to whether these applicants met minimum qualification factors in the vacancy announcements. Four of the 10 applicants were hired (all non-veterans) for the subject vacancies we reviewed.</p>
<p>DRR allowed a vacancy position to remain unfilled (2015-DALEX-0262) because a veteran made the certification and DRR did not want to hire the veteran.</p>	<p>One veteran was included in this certificate, which would have required DRR to offer the veteran the position. However, DRR management allowed the vacancy to expire without filling the position. DRR management informed us that they determined that the position would not support at least 2 years of work and therefore addressed the position with an expression of interest filled by several DRR staff on a rotating basis. DRR documented its decision to not fill the vacancy and obtained management approval as required by FDIC policy.*</p>
<p>DRR managers hired many employees from the East Coast Temporary Satellite Office (TSO) for reasons pertaining to cronyism.</p>	<p>We evaluated information pertaining to all 48 individuals who were selected in connection with the 13 vacancy announcements we reviewed. Of these 48 individuals, 31 did not previously report to any of the FDIC's 3 TSOs and 8, 6, and 4 employees reported to the East Coast, West Coast, and Midwest TSOs, respectively. One individual reported to two different TSOs.**</p>
<p>Some employees did not meet time-in-grade requirements or skipped certain grades.</p>	<p>The 13 vacancy announcements required applicants to have at least one year of specialized experience equivalent to a particular grade level. Time-in-grade requirements were not applicable to the vacancy announcements in our sample. All 48 individuals selected in connection with the 13 vacancy announcements we reviewed met the specialized experience requirements for the positions to which they were hired. In instances where a hired employee skipped a grade level, the employee still met the specialized experience requirements and applicable prerequisites. Additionally, all 48 individuals were listed on the certificate corresponding to the job for which they were hired.</p>
<p>An FDIC employee left the FDIC and was then rehired in contravention of OPM or FDIC rules.</p>	<p>The subject employee was a temporary employee who left the FDIC before the employee's term expired. The employee subsequently returned to the FDIC to finish the remainder of his/her term. This employee was properly reinstated at the FDIC according to supporting documentation we reviewed.</p>

Allegations that Were Not Substantiated

Table 4: Allegations that Were Not Substantiated

Unsubstantiated Allegation	Explanation
<p>DRR did not allow applicants extra time to provide missing documentation supporting their job applications, in contravention of the Collective Bargaining Agreement between the FDIC and National Treasury Employees' Union.</p>	<p>Article 13, section 6, part B of the Collective Bargaining Agreement (formally referred to as the <i>FDIC/NTEU Nationwide Agreement</i>) states that if an employee submits an incomplete job application, the employer will notify the employee and allow the employee 5 work days to submit additional documentation.</p> <p>This provision does not apply to Schedule A postings. DRR was not required to allow applicants additional time, after a Schedule A job vacancy closed, to submit required supporting documentation. DRR communicated this in a Question and Answer document about Schedule A hiring authority that it distributed to its staff.</p> <p>However, a July 1, 2015 email to DRR employees stated that in an initial round of 15 Schedule A vacancy announcement postings, many applications were incomplete. As a result, DRR made a one-time exception allowing all applicants additional time to submit missing documentation for those 15 postings. The email stated that applicants would not have an opportunity to submit missing documentation for future Schedule A DRR postings.</p>
<p>A DRR official instituted a "One Team" oath, in contravention of FDIC/OPM policy.</p>	<p>The oath consisted of a one page document encouraging DRR employees to be mission driven, trustworthy, accountable and supportive; create a fun and enjoyable work environment; and address conflict with respect and maturity. A DRR official encouraged DRR employees to embrace the oath and several DRR staff members voluntarily wrote their names on it. The oath was readily apparent in DRR office space. We did not identify any FDIC or OPM rules or policy that prohibited posting of such information.</p>
<p>A DRR executive wire-tapped DRR employees' phones and read their emails.</p>	<p>This allegation lacked specific evidence and support. We did not test this allegation.</p>

Source: OIG-compiled based on hotline allegations and related research.

* FDIC Circular 2110.2, *Merit Promotion Plan* (May 12, 1999), and Memorandum, *Procedures for Documenting Cancellation, Non-Selection, or Lapse of Vacancy Announcements*, (May 22, 2002) require selecting officials to provide written documentation of the reason(s) for the cancellation, non-selection, or lapse of a vacancy announcement. The 2002 memorandum also requires the selecting official's supervisor to approve the non-selection.

** The FDIC established three TSOs to address increased workloads in connection with the recent financial crisis. The TSOs were closed in 2012 and 2013.

Glossary of Terms

Term	Definition
Certificate of Eligibles (Certificate)	A list of the individuals meeting the announcement's required qualifications and veterans' preference requirements. The list is provided to selecting officials for appointment consideration in accordance with applicable competitive selection laws and regulations.
Excepted Service Schedule A Hiring Authority	Allows federal agencies to fill special jobs or any job in unusual or special circumstances. This authority enables agencies to hire when it is not feasible or practical to use traditional competitive hiring procedures, and can streamline hiring.
Position Description	A statement of the major duties, responsibilities, and supervisory relationships of a position. In its simplest form, a position description indicates the work to be performed by the position. The purpose of a position description is to document the major duties and responsibilities of a position, not to spell out in detail every possible activity during the work day.
Qualification Factors	Criteria used to evaluate applicants to help determine those who are minimally qualified for a job. These factors are usually contained in the vacancy announcement.

Acronyms and Abbreviations

Acronym / Abbreviation	Explanation
Certificate	Certificate of Eligibles
C.F.R.	Code of Federal Regulations
DOA	Division of Administration
DRR	Division of Resolutions and Receiverships
FACTS	FDIC Automated Corporate Tracking System
FDIC	Federal Deposit Insurance Corporation
HR	Human Resources
ICE	Integrated Compliance Engine
LLC	Limited Liability Company
OIG	Office of Inspector General
OPM	Office of Personnel Management
RSAM	Risk Sharing Asset Management
RTSP	Resolution Transaction Submission Portal
SLA	Shared-Loss Agreement
TSO	Temporary Satellite Office
U.S.C.	United States Code

Corporation Comments



Federal Deposit Insurance Corporation
3501 Fairfax Drive, Arlington, VA 22226-3500

Division of Administration

DATE: July 6, 2017

MEMORANDUM TO: E. Marshall Gentry
Assistant Inspector General for Program Audits and Evaluations

FROM: Arleas Upton Kea, Director **/Signed/**
Division of Administration **/Signed/**

Bret D. Edwards, Director
Division of Resolutions and Receiverships

SUBJECT: Management Response to the OIG Draft Evaluation Report
Entitled, *FDIC's Process for Filling Certain DRR Time-Limited Positions* (Assignment No. 2016-036)

The Federal Deposit Insurance Corporation (FDIC) has completed its review of the Office of Inspector General's (OIG) draft evaluation report entitled, *FDIC's Process for Filling Certain DRR Time-Limited Positions* (Assignment No. 2016-036), dated May 24, 2017.

We appreciate the OIG's analysis and findings regarding FDIC's hiring practices. In particular, we recognize that the OIG did not substantiate allegations that qualification factors were too restrictive or that DRR attempted to exclude qualified veterans from certificates. FDIC reiterates its recognition of and adherence to considering qualifications based on merit and ability, after fair and open competition. Further, FDIC takes seriously its commitment to carrying out hiring processes in a fair and equitable manner.

The report identifies five recommendations for improvements to further strengthen process controls. FDIC management concurs with these recommendations. We are committed to addressing each of the recommendations to further strengthen the FDIC's hiring practices.

Our detailed response below is organized by recommendation and contains actions already completed, planned or in progress.

Recommendation 1: The OIG recommends that the Director, Division of Administration (DOA) implement additional controls to better ensure compliance with the Quality Review Procedures.

Management Response: DOA concurs with this recommendation.

Corrective Action: The Standard Operating Procedure (SOP) for conducting Quality Review of Applicants to Vacancy Announcements dated September 2007 is currently under review by the DOA HRB Staffing Policy Team (Team). The Team will issue an updated version of the SOP to ensure operational compliance with the SOP. Upon completion, the updated SOP will be communicated to Headquarters and Regional HR Staffing Team members. Further, updated requirements and guidance will be communicated to clients to ensure thorough understanding.

Corporation Comments

The FDIC is required to conduct annual audits of delegated examining activities and certify completion of the audit to OPM. DOA and HRB management directed, and the Policy and Compliance Team conducted, an internal audit of the DOA Staffing Operations Teams in February 2017. The Policy and Compliance Team will again conduct an audit of the DOA Staffing Operations Teams in February, 2018 and will review 2017 case files to ensure compliance with the procedures for conducting Quality Review of Applicants to Vacancy Announcements is being adhered to. DOA HRB will issue its Audit Findings Report in April 2018.

Estimated Completion Date: The SOP will be completed by December 1, 2017. An Audit Findings Report will be issued by April 16, 2018.

Recommendation 2: The OIG recommends that the Director, DOA provide additional training to current and future subject matter experts to better ensure they understand and comply with the Quality Review Procedures.

Management Response: DOA concurs with this recommendation.

Corrective Action: DOA HRB is in the process of updating the established and disseminated Subject Matter Expert (SME) training materials and will provide future training sessions with the updated training materials to DRR as well as other Divisions/Offices to ensure clients' thorough understanding.

Estimated Completion Date: December 1, 2017

Recommendation 3: The OIG recommends that the Director, DOA ensure that human resources personnel understand their role and the key functions they should perform in reviewing applications for vacancy announcements.

Management Response: DOA concurs with this recommendation.

Corrective Action: Upon completion of the updated SOP referenced in our response to Recommendation 1, specific meetings/discussions will be held with Headquarters and Regional HR Staffing Specialists to review the SOP and to ensure that all HR Staffing Specialists understand the key functions they are required to perform when reviewing applications for vacancy announcements. Additional information and guidance will also be communicated to clients to ensure thorough understanding.

Estimated Completion Date: April 16, 2018

Recommendation 4: The OIG recommends that the Director, DOA establish controls to ensure that qualification factors in vacancy announcements reflect job duties in the related position descriptions and incorporate additional procedures to this effect, if warranted.

Management Response: DOA concurs with this recommendation.

Corporation Comments

Corrective Action: DOA Staffing Specialists will further ensure that qualification factors used in vacancy announcements are reflected in the job responsibilities and duties of the applicable position description through the issuance and communication of the updated SOP referenced in our response to Recommendations 1. The DOA, HRB Assistant Director, Service Center will send an email to DOA staffing specialists to not include anything in a vacancy announcement that is not clearly demonstrated in a position description through established duties, knowledge, skills, and abilities. These actions will ensure only duties reflected in position descriptions are used in specialized experience statements in vacancy announcements. Further, applicable requirements and guidance will be communicated to clients. The FDIC is required to conduct annual audits of delegated examining activities and certify completion of the audit to OPM. DOA and HRB management directed, and the Policy and Compliance Team conducted, an internal audit of the DOA Staffing Operations Teams in February 2017. The Policy and Compliance Team will again conduct an audit of the DOA staffing operations in February 2018 and will review 2017 case files to ensure items such as specialized experience statements, duties of the position, and knowledges, skills and abilities listed in vacancy announcements are in alignment with the official position description. DOA HRB will issue its Audit Findings Report in April 2018.

Estimated Completion Date: The Assistant Director, Service Center will send the aforementioned email by close of business, July 14, 2017. The SOP will be completed by December 1, 2017. An Audit Findings Report will be issued by April 16, 2018.

Recommendation 5: The OIG recommends that the Director, DOA provide guidance to divisions and offices, including examples of qualification factors that could be perceived as limiting, to help ensure qualification factors in vacancy announcements do not unduly restrict eligible candidates.

Management Response: DOA concurs with this recommendation.

Corrective Action: DOA will provide guidance to the divisions and offices at a Human Resources Committee (HRC) Meeting (attended by HR Leadership as well as Executives from each Division/Office to discuss key human capital support functions) within 90 days of issuance of the OIG's final report. The guidance will address the need to ensure qualification factors, specialized experience statements and vacancy announcements are specifically related to the classified duties of positions and do not contain language that would be restrictive to eligible candidates. Additionally, DOA has drafted a document entitled "A Manager's Guide to FDIC's Human Resources Program." This Guide addresses, along with other topics, the importance of and how to apply fair and open competition, veteran's preference, specialized experience and qualification statements, and the role of SMEs in the hiring process.

Estimated Completion Date: The Guide will be reviewed and finalized and the HRC briefed by October 31, 2017.

If you have any questions regarding this response, our point of contact for this matter is William Gately. Mr. Gately can be reached at (703) 562-2118.

Corporation Comments

cc: Julia N. Goodall
Ira W. Kitmacher
Yvette Evans
Daniel H. Bendler
Steven K. Trout
Sean D. Cassidy

Summary of the Corporation's Corrective Actions

This table presents the corrective actions taken or planned by the Corporation in response to the recommendations in the report and the status of the recommendations as of the date of report issuance.

Rec. No.	Corrective Action: Taken or Planned	Expected Completion Date	Monetary Benefits	Resolved: ^a Yes or No	Open or Closed ^b
1	<p>DOA plans to update its Quality Review Procedures and communicate requirements to headquarters and regional human resources personnel and clients.</p> <p>DOA conducted an internal audit of DOA's Staffing Operations Teams in February 2017. DOA will review the 2017 case files to ensure compliance with the Quality Review Procedures. DOA plans to conduct a similar audit in February 2018 and issue an audit findings report in April 2018.</p>	April 16, 2018	No	Yes	Open
2	<p>At the time this report was issued, DOA was in the process of updating its subject-matter expert training materials. After updating these materials, DOA plans to provide additional training to DRR and other FDIC Divisions and Offices.</p>	December 1, 2017	No	Yes	Open
3	<p>After updating the Quality Review Procedures in response to recommendation 1, DOA plans to (1) hold meetings and discussions with headquarters and regional human resources staffing specialists, and (2) provide additional information and guidance to clients to ensure a thorough understanding of key requirements and functions.</p>	April 16, 2018	No	Yes	Open

Summary of the Corporation's Corrective Actions

Rec. No.	Corrective Action: Taken or Planned	Expected Completion Date	Monetary Benefits	Resolved: ^a Yes or No	Open or Closed ^b
4	<p>DOA plans to (1) send an email to DOA staffing specialists instructing them to not include anything in a vacancy announcement that is not clearly demonstrated in a position description through established duties, knowledge, skills, and abilities; and (2) communicate applicable requirements and guidance to clients.</p> <p>DOA conducted an internal audit of DOA's Staffing Operations Teams in February 2017. DOA plans to review the 2017 case files to ensure items such as specialized experience statements; position duties; and knowledge, skills, and abilities in vacancy announcements align with the official position descriptions. DOA plans to conduct a similar audit in February 2018 and issue an audit findings report in April 2018.</p>	April 16, 2018	No	Yes	Open
5	<p>DOA plans to provide guidance to FDIC Divisions and Offices on the need to ensure qualification factors, specialized experience statements, and vacancy announcements are specifically related to the classified duties of positions and do not contain language that would be restrictive to eligible candidates.</p> <p>DOA also drafted a guide that addresses the importance of and how to apply fair and open competition, veterans' preference, specialized experience and qualification statements, and the role of subject-matter experts in the hiring process.</p>	October 31, 2017	No	Yes	Open

^a Resolved – (1) Management concurs with the recommendation, and the planned, ongoing, and completed corrective action is consistent with the recommendation.
(2) Management does not concur with the recommendation, but alternative action meets the intent of the recommendation.
(3) Management agrees to the OIG monetary benefits, or a different amount, or no (\$0) amount. Monetary benefits are considered resolved as long as management provides an amount.

^b Recommendations will be closed when the OIG confirms that corrective actions have been completed and are responsive.