



# Department of Veterans Affairs Office of Inspector General

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## **Administrative Investigation Prohibited Personnel Practice and Misuse of VA Time and Resources Veterans Health Administration Chief Business Office Purchased Care Denver, CO**

**Redacted**



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

**TO:** Acting Deputy Under Secretary for Health for Operations and Management (10N)  
Acting Principal Deputy Under Secretary for Health (10A)

**SUBJECT:** Administrative Investigation, Prohibited Personnel Practice and Misuse of VA Time and Resources, Veterans Health Administration (VHA), Chief Business Office Purchased Care (CBOPC), Denver, CO (2014-00730-IQ-0010)

### Summary

We substantiated that Ms. Cynthia Kindred, Deputy Chief Business Officer (DCBO) for Purchased Care (PC), engaged in a prohibited personnel practice when she gave preference in hiring to Mr. Roger Sigley, a former VA coworker and VA contractor employee. Ms. Kindred, to reach her favored candidate, created a program manager position, defined the scope and manner of competition through a misuse of a non-competitive reinstatement authority for Federal status employees, and defined the requirements of the position by writing the position description (PD) while she possessed Mr. Sigley's resume. To ensure the desired result, Ms. Kindred created a full time employee equivalency (FTE) and routed the position classification around the customary PC human resources (HR) path, after Mr. Sigley reached out to her and expressed a desire to return to VA. Ms. Kindred told us that, under the advice of her counsel, she declined our request for an interview. We made no recommendations for Ms. Kindred, as she retired effective November 30, 2014.

We also found that [REDACTED], Office of Compliance and Business Integrity (CBI), misused official VA time and resources, improperly exchanged information with two subordinates, who did the same, when they engaged in investigative research on their supervisors outside the scope of their official duties. [REDACTED], who worked in CBOPC at that time, and his subordinates investigated the backgrounds of Ms. Terri Schuchard, Director of Program Oversight and Informatics (DPOI) for PC, his immediate supervisor, and Ms. Kindred, his second level supervisor, spread unfavorable information about them to coworkers, and fomented dissension within PC when he was not selected for a promotion to the DPOI position. Instead, Ms. Kindred appointed Ms. Schuchard. [REDACTED] later approached Ms. Kindred, accused her of giving

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preference to a friend, and told her that he would keep the information close-hold and not report her suspected wrongdoing in exchange for her agreement to mentor him for his personal advancement to the organization's next GS-15 position. Again, Ms. Kindred told us that, under the advice of her counsel, she declined our request for an interview.

## Introduction

VA OIG Administrative Investigations Division investigated allegations that Ms. Kindred engaged in a prohibited personnel practice when she rehired Mr. Sigley based on a past workplace association and personal relationship. Further, we investigated whether [REDACTED] and his subordinates improperly engaged in investigative research on his first and second level supervisors to foment dissension in the workforce when he was not selected for a promotion, using the fruits of these efforts to bargain for a personal advancement opportunity. To assess these allegations we interviewed VA and non-VA employees, reviewed email, recruitment, personnel, financial and telephone records, as well as relevant Federal laws and regulations and VA policy. We investigated but did not substantiate other allegations, and we will not discuss them further in this report.

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## Background

### *VHA Chief Business Office (CBO)*

The CBO website states that it was aligned under VA's Under Secretary for Health and that it was the single accountable authority for the development of administrative processes, policy, regulation and direction associated with VA health benefit program delivery. Further, it states that CBO was composed of four independent offices: Health Eligibility Center, Health Resource Center, Consolidated Patient Account Center, and Purchased Care. The website espoused VA's core values of Integrity, Commitment, Advocacy, Respect and Excellence (ICARE) and committed the organization to excellence, high quality, and continuous improvement.

### *Ms. Cynthia Kindred, VHA DCBO for PC, SES*

Personnel records reflected that Ms. Kindred entered VA in May 1980 as a temporary clerk stenographer with the VACO Office of Construction Management, moved into the Engineering Services Division in 1983, and received promotions as a computer specialist and supervisor from 1986 through 1996. Records also reflected VHA advancement as a Health Systems Specialist and Information Systems Manager and that she continued in a series of increasingly responsible details and project management positions at various locations throughout the country, including with the Office of Information and Technology (OIT) Field Operations. Records further reflected that Ms. Kindred joined CBOPC in March 2011 when she transferred from the Enterprise Systems Management Office of Information Services Center and became the Director of Program Integrity and



of any particular person for employment. Prohibited personnel practice also includes the taking or failing to take any other personnel action if the taking of or failure to take such action violates any law, rule or regulation implementing or directly concerning the merit system principles. Id., at § 2302 (a) and (b).

Federal regulations state that Public Service is a public trust and that each employee has a responsibility to the United States Government and its citizens to place loyalty to the Constitution, laws and ethical principles above private gain. Each employee shall respect and adhere to the principles of ethical conduct set forth in this section, as well as the implementing standards contained in this part and in supplemental agency regulations. Employees shall act impartially and not give preferential treatment to any private organization or individual. 5 CFR § 2635.101(a) and (b)(8).

Personnel records reflected that Ms. Kindred worked with Mr. Sigley intermittently beginning in 2004; she was co-located with him in Salt Lake City, UT, between 2004 and 2006; and she supervised him from May 2006 to March 2007 and from March 2009 to January 2010. Records also reflected that Mr. Sigley terminated his VA employment on May 14, 2010, to accept employment with Systems Made Simple (SMS), a VA contractor. Further, records reflected that Ms. Kindred played a pivotal role in Mr. Sigley's return to VA after he resigned his SMS employment.

Email records reflected that by December 2010, 8 months into his SMS employment, Mr. Sigley, SMS Vice President of Operations, and SMS leadership held divergent management views and that Mr. Sigley openly disagreed with them. Email and telephone records reflected that around that same time, Mr. Sigley and Ms. Kindred began communicating about Mr. Sigley returning to VA. Telephone records reflected that on December 27, 2010, Mr. Sigley called Ms. Kindred's VA-issued cellular telephone six times. About 2 weeks later, in a January 10, 2011, email, Ms. Kindred told Mr. Sigley and another SMS employee that she would be on travel to their location and wanted to "do dinner" with them. In a January 11, 2011, email, Subject: Job with Mike B, Ms. Kindred told Mr. Sigley that she spoke to a VHA manager about a VA position for him, and she recommended that he contact the manager.

Mr. Sigley remained at SMS, resigning from that position about a year later. SMS personnel records reflected that Mr. Sigley was employed by SMS from May 17, 2010, to December 9, 2011. Telephone records reflected that 3 days after terminating his SMS employment, Mr. Sigley again called Ms. Kindred, and they exchanged cellular telephone calls five times on December 12, 2011. He then called her VA office telephone number, and they spoke for 46 minutes. A December 12, 2011, email chain reflected the following conversation between Ms. Kindred and Mr. Sigley, which occurred 7 months before she created the position that Mr. Sigley later filled:

- Mr. Sigley: First, thank you taking the time to chat earlier today on the potential position...do you have a time frame when the position would be out?  
Ms. Kindred: [W]ithin the next two weeks hopefully.
- Mr. Sigley: How long on average for the selection process?  
Ms. Kindred: [A]bout 1 ½ to 3 months depending on number of applicants.
- Mr. Sigley: If selected (do you have a timeframe...I would need to be there)  
Ms. Kindred: [T]he day after you accept ☺ -- kidding -- I think we could work something out...
- Mr. Sigley: ...will relocation be available?  
Ms. Kindred: [Y]es we would probably do relocation
- Mr. Sigley: Is there an org chart that I could look at in the interim?  
Ms. Kindred: [L]et me see what I can find to send you.
- Mr. Sigley: Would there be any chance of asking for a higher step...  
Ms. Kindred: [P]robably
- Mr. Sigley: A good local realtor if we move forward...  
Ms. Kindred: Yes – I can get you a couple names...
- Mr. Sigley: Thx...timeframe I guess is only concern because I hoped to be back to work by that time...will just have to see I guess :-)

In a follow up email on December 13, 2011, Mr. Sigley told Ms. Kindred, in reference to the hiring effort, “One other option I think that might make things faster...a by name request...”

Telephone records reflected that between February 17–24, 2012, Mr. Sigley and Ms. Kindred exchanged calls nine times.

In a February 17, 2012, email, Subject: Heads Up, Ms. Kindred told Ms. Joyce Deters, Director of CBO Workforce Management:

Joyce – wanted to let you know that we are working on pulling together a straw man for a proposed consolidation of Fee activities. It is anticipated that part of this effort would require new staff and all of the things that go along with doing that (that you are very aware of) as you stand up a new consolidated program so I wanted to give you a heads up. *This information is embargoed so please do not share*, but would like to have you think about it and Patty [Gheen] would like to discuss with you next week when you are here. And as a side note – can you tell me if it is possible to hire

someone as a temporary project manager for this. And if so what would be required to make that happen? (*Italics emphasis added*)

A short time later, Ms. Deters replied to Ms. Kindred:

Cyndi, this sounds like an interesting project...it is possible to hire someone on a temporary appointment. The trick will be working within the federal hiring rules to reach a well-qualified candidate capable of managing such a complex project...Temporary appointments are limited to two years, though, so I'll probably recommend consideration of a term appointment instead...If you/Patty [Gheen] have specific well-qualified candidates you already know about, we can talk specifically about how each of those might be reachable.

Ms. Deters told us that on February 17, 2012, Ms. Kindred contacted her first by telephone and then with a follow up email about a possible fee consolidation project and that they were on a short turnaround to establish the project. She said that Ms. Kindred told her that there were some deliverables due to VA Central Office (VACO) leadership and that she had a concern about her local HR office being able to successfully recruit within the timeline needed.

On February 24, 2012, Ms. Kindred called Mr. Sigley at 7:32 a.m., and less than an hour later, at 8:20 a.m., Mr. Sigley emailed her his resume. Shortly thereafter, at 9:35 a.m., Ms. Kindred forwarded Mr. Sigley's resume and an older Standard Form (SF)-50, which reflected his previous VA employment, to Ms. Deters. Ms. Kindred asked Ms. Deters if she had access to Mr. Sigley's old personnel files to obtain an updated SF-50 to document that he was previously a Federal employee at the GS-15 grade level. The resume that Mr. Sigley sent Ms. Kindred listed Ms. Kindred as a personal reference and named her as his former supervisor for two previously held VA positions. Ms. Deters told us that she forwarded the SF-50 to an assistant HR officer to see if she could locate a more current SF-50 in Mr. Sigley's personnel files.

In a February 27, 2012, email, Subject: Need the Last SF50 for Roger Sigley, Ms. Kindred asked a program analyst, "[D]id you get it?" The program analyst replied, "Yes. Can I send it to someone else for you?" Ms. Kindred responded, "Joyce Deters – THANK YOU!!!!" Ms. Deters then sent the SF-50 to the Assistant HR Officer and Ms. Kindred, and told them:

[Name], enclosed is the resignation 50 for the person Purchased Care may be interested in as a reinstatement eligible for a possible project manager position (emailed you Friday about requesting his 50 from NPRC).

Cyndi, at this point, it appears that he is eligible for reinstatement. We'll want to do a formal qualifications review once we know in what series the PD is classified.

In an email 2 days later, Subject: Need the Last SF50 for Roger Sigley, Ms. Kindred told Ms. Deters and the Assistant HR Officer, "Thanks – attached is my first cut at the PD. Let me know what you think or if you have other questions."

Email and personnel records reflected that during the time that Ms. Kindred worked to develop a full time VA position for Mr. Sigley, email and personnel records reflected that after 10 weeks of being unemployed, Mr. Sigley accepted employment with another Government contractor in February 2012. Records also reflected that when he resigned that position in July 2012, he told them in his exit interview that VA "convinced him" to return to VA. He said that he did not search for a new job but that "VA came to" him, a dubitable response considering his communications with Ms. Kindred dating back to December 2010.

The PD for the OBOPC Program Analysis Officer position was approved by an HR Specialist on June 1, 2012, and on June 25, 2012, Ms. Kindred signed a request for personnel action, as both the requesting and approving official, to hire Mr. Sigley for that position. Mr. Sigley was appointed, at a higher than entry level step, using the reinstatement hiring authority with an effective date of July 29, 2012.

Ms. Deters told us that the reinstatement authority existed for well-qualified former Federal employees, and Mr. Sigley's recruitment was intrinsically proper. However, she said that the hiring action may not be what it appeared. Further, she said:

If Ms. Kindred did as I understood and identified the need for a resource with a particular skill set and she thought of Mr. Sigley as one of the few people that could fill that bill and reached out to him, unsolicited, and checked about his availability. That is one thing...If he reached out to her and asked for help in finding a way back into the VA and then this need was identified after that, I would have some concerns about the appropriateness of that being a noncompetitive hire."

The Merit Systems Protection Board website, [www.mspb.gov/ppp/aprppp.htm](http://www.mspb.gov/ppp/aprppp.htm), states that it is possible to violate section 2302(b)(6) using legally permissible hiring actions if the intent is to afford preferential treatment to an individual.

We found that Mr. Sigley's expedited recruitment and placement within PC fostered resentment among experienced and qualified PC employees anxious to compete for advancement opportunities. Ms. Kindred's [REDACTED] described Mr. Sigley's appointment as seemingly "overnight" and that he came in "under a veil." [REDACTED] [REDACTED] also said that the position was unannounced and not competed. He told us that

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Ms. Kindred wanted Mr. Sigley and that “Roger was her boy. Whatever Roger wanted, he got.” [REDACTED] told us that employees resented Mr. Sigley’s virtual work arrangement from Salt Lake City, UT, and that they had to be persuaded to accommodate his “arrogant” style and virtual placement. Moreover, [REDACTED] said that Mr. Sigley’s work quality was not up to their expectations and questioned why he was hired when there were more qualified employees already on staff.

A lead analyst told us that VA leadership warned that if PC “wasn’t fixed in 6 to 12 months...somebody [would] come in and do the job” for them. The analyst further said that Mr. Sigley’s appointment to fix long-standing PC problems created animosity within the work force and that experienced employees felt “turned off” because the new position was not opened to them. He said for the sake of “speed” he believed that authorities waived appropriate hiring principles because PC was in “crisis mode.”

A former Deputy Chief [REDACTED] told us that Mr. Sigley (b)(6) seemingly came out of the blue and opined that Mr. Sigley’s past work relationship with Ms. Kindred, combined with his non-competitive reinstatement, constituted a prohibited personnel practice. Further, the Deputy Chief said that the fact that “Mr. Sigley [was] a former contractor” employee and “Ms. Kindred, [was] a Senior VA Official...made it even worse.”

Personnel records reflected that less than 6 months after Ms. Kindred used a non-competitive hiring authority to reinstate Mr. Sigley, he applied for a Project Manager position within VA’s Office of Information and Technology (OIT). Mr. Sigley was selected and promoted into that GS-15 position effective June 30, 2013. One employee told us that when Mr. Sigley left OBOPC, the project “came unwound,” and another employee told us that Mr. Sigley “used” Ms. Kindred just to be reinstated at VA.

Ms. Kindred refused our request for an interview. Federal regulations state that employees will furnish information and testify freely and honestly in cases respecting employment and disciplinary matters. Refusal to testify, concealment of material facts, or willfully inaccurate testimony in connection with an investigation or hearing may be ground for disciplinary action. 38 CFR § 0.735-12. VA policy provides for penalties of reprimand to removal for intentional falsification, misstatement, or concealment of material fact; willfully forging or falsifying official Government documents; or refusal to cooperate in an investigative proceeding. VA Handbook 5021, Part I, Appendix A.

## Conclusion

We concluded that Ms. Kindred engaged in a prohibited personnel practice when she gave preference to Mr. Sigley. Ms. Kindred and Mr. Sigley knew one another for many years, and after Mr. Sigley told her that he was interested in returning to VA, due to discord at his SMS employment, Ms. Kindred consulted with Ms. Deters instead of her own HR office to create a full time FTE for a permanent fee basis program manager to

non-competitively reinstate Mr. Sigley without consideration of a wider pool of qualified employees. We found Ms. Kindred and Mr. Sigley strategized for over a year to bring him back to VA, with Ms. Kindred misusing a non-competitive former Federal employee reinstatement authority to do this. Personnel records and email communications between Mr. Sigley and Ms. Kindred, as well as Ms. Kindred, an HR specialist, and Ms. Deters reflected Ms. Kindred's efforts to ensure a position was created and available for Mr. Sigley and that he was placed into it.

Ms. Kindred defined the scope and manner of competition, as well as defined the job requirements while in possession of Mr. Sigley's resume. Although she faced short deadlines and looming pressure from VACO to fix the fee basis program, no efforts were made to propose consolidating fee activities or hire a program manager for that project until Ms. Kindred and Mr. Sigley spent months communicating about reinstating him at VA. Further, instead of using her own PC HR office, Ms. Kindred circumvented them to use another, telling Ms. Deters that the hiring effort was "embargoed" and for her not to share the information with anyone, thus compounding the appearance of impropriety. Ms. Kindred's reinstatement of Mr. Sigley caused general dissension among PC employees, due to his non-competitive reinstatement, and the failure of Ms. Kindred to abide by merit system principles to provide other employees an equal opportunity through an impartial competitive process.

**Recommendation 1.** We recommend that the Acting Deputy Under Secretary for Health for Operations and Management (DUSHOM) confer with the Offices of Human Resources (OHR) and General Counsel (OGC) to determine the appropriate corrective action to take, if any, concerning the prohibited personnel practice and improper use of a non-competitive hiring authority to reinstate Mr. Sigley.

**Issue 2: Whether [REDACTED] and Others Misused VA Time and Resources** (b)(6)

Standards of Ethical Conduct for Employees of the Executive Branch state that an employee shall not use their public office for private gain and that they have a duty to protect and conserve Government property and shall not use such property, or allow its use, for other than authorized purposes. 5 CFR § 2635.101(b)(7) and (9). They further state that an employee shall use official time in an honest effort to perform official duties and shall not encourage, direct, coerce, or request a subordinate to use official time to perform activities other than those required in the performance of official duties or authorized in accordance with law or regulation. *Id.*, at § 2635.705(a) and (b).

VA policy allows for limited personal use of Government office equipment, including information technology, for personal needs, during non-work time, if the use does not interfere with official business. It defines personal use as activity conducted for purposes other than accomplishing official or otherwise authorized activity. However, it prohibits its use when that use violates the standards of ethical conduct for Executive branch employees. VA Directive 6001, Paragraph 1a(4) (July 28, 2000).

### *Background*

The former Director of Data Analytics told us, and personnel records confirmed, that the Department of Analytics evolved into Program Integrity and Informatics (PII), and then into the current Program Oversight and Informatics Office (POI). Personnel records reflected that the former PII Director held the position remotely from Topeka, KS, from August 2009 to February 2011. The former Director also told us, and personnel records confirmed, that further PC reorganization resulted in his departure to accept another CBO position based in Leavenworth, KS. Email records and testimony reflected that the former (retired) DCBO, Ms. Patricia Gheen, centralized certain PC leadership positions to Denver, CO, which opened the former Director's position for recruitment.

On January 20, 2011, Ms. Kindred sent an email to Ms. Gheen asking to be reassigned to CBOPC in the Director POI position. Personnel records showed that on January 24, 2011, after HR verified Ms. Kindred's qualifications, Ms. Gheen non-competitively reassigned Ms. Kindred, effective March 12, 2011, into the Director position. Personnel records reflected that a recruitment effort for the PC Chief Operating Officer position opened on August 30 2011, and although three employees made the hiring certificate, one candidate declined the position and Ms. Gheen non-selected the other two. Records also reflected that Ms. Gheen then initiated a non-competitive certificate, dated November 4, 2011, and she selected Ms. Kindred for the position. Records reflected that Ms. Kindred accepted the position effective November 6, 2011.

Personnel records and testimony reflected that Ms. Kindred's promotion from Director POI to COO vacated the Director POI position, and an announcement for that vacancy was posted on November 17, 2011. Hiring records reflected there were 34 applicants for the position, with only nine being referred to Ms. Kindred as certified eligibles. The certificate of eligibles reflected that three candidates were already employed within CBOPC, which included [REDACTED], and six from other VA organizations, which included Ms. Schuchard. Ms. Kindred selected Ms. Schuchard for the position, effective February 12, 2012, with Ms. Schuchard working remotely from Iowa City, IA.

### *[REDACTED] and His Subordinates Investigative Efforts*

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Through the course of our investigation into a prohibited personnel practice, as discussed above, we discovered that [REDACTED] and two of his subordinate employees, [REDACTED], Office of Compliance and Business Integrity, and a former VA Intern, made efforts to delve into personal and professional backgrounds of both Ms. Kindred and Ms. Schuchard, after Ms. Kindred did not select [REDACTED] for the Director POI position. One employee, well-acquainted with [REDACTED], told us that Ms. Kindred's appointment of Ms. Schuchard "enraged" [REDACTED], who then "engaged" [REDACTED], who "went about trying to figure out what had happened" and that [REDACTED] attempted to gather information about their leadership. The employee said that [REDACTED] had "zero" authority to research their backgrounds and that he did it

because he was “just mad as hades; that’s all.” The employee also said that [REDACTED] believed that he should be in a position above a [REDACTED], assumed he would move right up when he returned from [REDACTED], and pushed for any operations slot that opened. The employee added that [REDACTED] just “dug into things” after he was not promoted, was very upset, and “definitely looked into their [Ms. Kindred’s and Ms. Schuchard’s] background.” (b)(6)

The employee told us that [REDACTED] and [REDACTED] discovered alleged familial relationships which connected Ms. Kindred’s relatives to Ms. Schuchard. The employee said that Ms. Schuchard was not qualified to be the Director POI, blamed Ms. Schuchard for improper employment of the Program Integrity Tool (PIT), and described her leadership as “just pathetic” and “aggravating.” The former employee also said that Ms. Kindred did not have the business background to operate the \$7 billion operation, was “in over her head,” but benefited due to the PC “girls club” that existed.

[REDACTED] initially told us that he was not involved in any investigative efforts of his supervisors, but he later said he spent an hour or two researching Ms. Schuchard. Contrary to his assertion, employees told us that he and others researched Ms. Kindred and Ms. Schuchard; disseminated unfavorable findings to other employees; and accused these individuals of cronyism and personal relationships with one another and with Ms. Gheen. Email records and testimony reflected that [REDACTED] and at least five employees shared the unfavorable findings from [REDACTED] investigative research. Employees then passed on the information to others, and to still more employees through their office conversations. The former VA intern, who was no longer with VA, told us that while employed with VA and for [REDACTED], the culture and work ethics within that organization were undesirable and that it was not a favorable workplace. (b)(6)

[REDACTED] told us that he first met Ms. Kindred in 2011 prior to her incumbency as Director POI. He said that he believed Ms. Kindred was not qualified to be Director POI, that her past VA experience provided her limited knowledge of VA systems, and her knowledge of Informatics, “out of 100...was less than 10 percent.” He said that he applied for the Director POI position after Ms. Kindred became Chief Operating Officer, and that Ms. Kindred twice interviewed him, as well as Ms. Schuchard, for the position.

[REDACTED] described his reaction as “utter awe” when Ms. Kindred selected Ms. Schuchard and not him. He said that Ms. Schuchard lacked sufficient knowledge about PC programs like non-VA purchased care, Champ VA, or the risk program. He further said that he was not only “shocked” she was selected but that 3 years later, Ms. Schuchard was still learning their programs. [REDACTED] said that he did not believe Ms. Schuchard had any professional qualifications for the position, other than a personal relationship with Ms. Kindred.

[REDACTED] told us that after he was not selected for the position, he went to one of his employees, [REDACTED], and [REDACTED] conducted “nominal (b)(6)

research” on Ms. Schuchard. He said that he ( [REDACTED] ) also conducted research on the internet on Ms. Schuchard. He also said that he had no authority to conduct such research and that he did it out of “curiosity.” [REDACTED] told us that he once sent Ms. Schuchard an electronic invitation, and the out of office reply sent to him was from Ms. Kindred’s daughter-in-law, which he shared with another CBI employee. He said that he also found that Ms. Kindred and Ms. Schuchard were “friends” on their Facebook social media webpages, and this convinced him that Ms. Schuchard and Ms. Kindred had a personal relationship. (b)(6)

In a November 1, 2013, email chain, a CBI employee forwarded an out of office message he received from Ms. Kindred’s daughter-in-law to [REDACTED] and two other employees, and he said, “I sent that invite for the PIT meeting...got back the following out of office...note the last name. I wonder who that person...is related to...and why they’re receiving this communication...I’m thinking Terri Schuchard.” (This is the same out of office message [REDACTED] told us that he received.) A short time later, [REDACTED] replied, “[Name] is the daughter-in-law of Cyndi [identified personal family matter]...I would be very concerned. Why is she even listed here?” (b)(6)

Ms. Schuchard told us that when she was in her previous position, Ms. Kindred’s daughter-in-law was the secretary for that office and that she held delegated permissions to manage Ms. Schuchard’s electronic calendar. She said that the daughter-in-law had no access to the content of any of her emails or Outlook folders, and she (Ms. Schuchard) removed the delegated permission as soon as she learned it was still in effect.

[REDACTED] told us of other information related to Ms. Kindred. He said that she told him of a particular family matter, and [REDACTED] told us that through an internet search, he found a press release containing information on that matter. [REDACTED] told us that he learned of the press release, after [REDACTED], told him, “You should see the stuff [REDACTED] just found,” and they then met in his office to discuss the findings. After initially telling us he only spent 1-2 hours conducting research, [REDACTED] told us that he spent less than 4 hours, “over months and months and months,” looking online for information on Ms. Schuchard, and that he had “5 minute conversations” with others about what they discovered. He told us that he did not have the authority to conduct investigative research on his supervisors’ backgrounds and that only curiosity motivated him to condone the research. When asked if he conducted and allowed the investigative research because he was not selected for the position he wanted, he replied, “That would be correct.” He told us that he did not violate anyone’s privacy, because it was “open source information.” He said that being a disgruntled employee, based on knowing that the hiring effort was improper, he thought it “absolutely natural.” (b)(6)

[REDACTED] told us that Ms. Kindred “out and out lied” about having a personal relationship with Ms. Schuchard and that she (Ms. Kindred) hired her solely because of that connection. He said that he approached Ms. Kindred and told her that her hiring a friend was inappropriate and that he “wouldn’t take it anywhere else if she could, you

know, mentor and teach me how to get these positions.” He said that Ms. Kindred “emphatically denied” hiring a friend and that it was based “just on qualifications.” We could not corroborate through Ms. Kindred, as she refused our interview request.

██████████ told us that from ██████████ 2011 to ██████████ 2013 he reported to ██████████. He said that he conducted research on Ms. Schuchard’s and Ms. Kindred’s work history. ██████████ said that Ms. Schuchard’s selection as Director POI upset ██████████, and that they discussed their findings on Ms. Kindred and Ms. Schuchard. ██████████ said he found that Ms. Schuchard and Ms. Kindred previously worked together and that ██████████ told him that the certificate of eligibles for Ms. Kindred’s position contained better qualified applicants than Ms. Kindred, who he said had no military preference. ██████████ said that Ms. Kindred’s, Ms. Schuchard’s, and Ms. Gheen’s past work history explained Ms. Schuchard’s selection over ██████████ and other more qualified applicants. Contrary to these assertions, personnel records reflected that Ms. Kindred held a ██████████ and that Ms. Schuchard, prior to her selection as the DPOI, never reported to Ms. Kindred or Ms. Gheen.

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██████████ told us that he and the former intern conducted investigative research into Ms. Kindred’s background, emailing his findings to other employees. In a November 1, 2013, email, he told an employee that Ms. Kindred’s daughter-in-law may have improper access to Ms. Schuchard’s private documents, due to being on Ms. Schuchard’s out of office reply. He also said that the daughter-in-law married into Ms. Kindred’s family, told the employee of a particular family matter as it related to Ms. Kindred, of another family member of Ms. Kindred’s who worked at VA, and then warned the employee to “be very concerned.”

██████████ told us “we looked for a couple of weeks” into Ms. Schuchard’s background, with ██████████’s full knowledge, and ██████████ discussed their findings with ██████████. ██████████ said that he “wrote notes” and “conveyed information” about his and the intern’s findings. When asked for copies of his notes and communications, ██████████ told us that he could not provide them to us, as he “lost” the appropriate security key for those email records and could no longer access them. Contrary to his assertion of having no access to those records, the OIT PKI Trust Agent told us that ██████████’s security keys were fully recovered and successfully installed on February 20, 2013, which gave him complete access to all encrypted emails.

(b)(6)

██████████ told us that she reported directly to ██████████ and that she acted as his deputy. She said that ██████████ and ██████████ told her things about Ms. Kindred’s and Ms. Schuchard’s personal lives and complained that Ms. Kindred selected Ms. Schuchard because they were friends. She also said that ██████████ and ██████████ were likeminded in their belief that Ms. Schuchard’s selection was due to either nepotism or favoritism and not because she was qualified. ██████████ told us that their conducting research into Ms. Schuchard and Ms. Kindred did not fall within the purview of their

responsibilities, and she likened it to a “witch hunt.” She said that when ██████████ told her about derogatory information related to Ms. Kindred’s family member, she responded, “I really [don’t] want to know these [kind] of things.”

A project manager told us that ██████████ became highly upset and depressed after he was not selected for the position given to Ms. Schuchard, and ██████████ told the project manager that it was due to the “good old girl network.” He said that ██████████ told him that there was an Iowa City connection between Ms. Kindred and Ms. Schuchard, and they then began to research Ms. Kindred’s and Ms. Schuchard’s families using electronic sources, such as social media, birth records, and marriage licenses. He also said that ██████████ told him that one of Ms. Kindred’s children married a member of Ms. Schuchard’s family. To the contrary, we found no evidence reflecting a marriage between the two families.

(b)(6)

██████████ and ██████████ told us that they used VA equipment and resources to do their investigative research; however, they said they limited their efforts to their breaks and lunch time. ██████████ admitted that he used the findings of their research as a bargaining chip in an early 2012 meeting with Ms. Kindred when he asked her to provide him personal mentorship to prepare for the next GS-15 position, since he was not selected for the Director POI position. Further, he said that he told Ms. Kindred that in exchange for her mentorship he would not report his adverse findings on her to anyone else.

VA policy provides for penalties of reprimand to removal for making false or unfounded statements, which are slanderous or defamatory, about other employees or officials and disrespectful, insulting, abusive, insolent, or obscene language or conduct to or about supervisors or other employees. VA Handbook 5021, Part I, Appendix A.

## Conclusion

We concluded that ██████████, because he was not selected for promotion, misused official time and resources when he conducted investigative research, as well as did not dissuade and encouraged two subordinates to do the same. He not only deliberately participated in unauthorized research and administrative fact-finding into the personal and professional backgrounds of his immediate supervisors, Ms. Schuchard and Ms. Kindred, he encouraged subordinates by not directing them to stop once he learned of their activities. Instead, he met with them in his office to discuss the information they found. He then used the fruits of these efforts to bargain for a personal advancement opportunity by telling Ms. Kindred that he would not report her suspected misconduct in hiring a friend, if she mentored him for their organization’s next GS-15 position.

(b)(6)

██████████ also violated the tenets of the VA limited personal use of Government office equipment when he used this equipment not only for his personal gain but to disseminate disparaging information about his supervisors. He fostered an unpleasant work environment and further contributed to it by allowing the transfer of unfavorable

information about his supervisors, one of which was that PC was an organization committed to female dominated leadership through personal relationships, among his subordinates and their peers. We found that this hardened people's attitudes towards PC leadership and, in fact, contributed to dysfunction of the organization.

**Recommendation 2.** We recommend that the Acting Principal Deputy Under Secretary for Health (PDUSH) confer with OHR and OGC to determine the appropriate administrative action to take, if any, against [REDACTED]. (b)(6)

**Recommendation 3.** We recommend that the PDUSH confer with OHR and OGC to determine the appropriate administrative action to take, if any, against [REDACTED].

### Comments

The Acting Deputy Under Secretary for Health for Operations and Management and the Acting Principal Deputy Under Secretary for Health were both responsive. Their comments are contained in Appendix A and B respectively. We will follow up to ensure that recommendations are fully implemented.



JAMES J. O'NEILL  
Assistant Inspector General for  
Investigations



## Acting DUSHOM Comments

**Department of  
Veterans Affairs**

**Memorandum**

**Date:** March 16, 2015

**From:** Acting Deputy Under Secretary for Health for Operations and Management (10N)

**Subject:** **Administrative Investigation, Prohibited Personnel Practice and Misuse of VA Time and Resources, VHA CBOPC, Denver, CO**

**To:** Assistant Inspector General for Investigations (51)

1. I have reviewed the findings and recommendations contained in the above captioned Administrative Investigation report.
2. We will confer with the appropriate parties to determine appropriate action as detailed in the attached report.



Janet P. Murphy, MBA

## **Acting DUSHOM's Comments to Office of Inspector General's Report**

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

### **OIG Recommendation**

**Recommendation 1.** We recommend that the Acting DUSHOM confer with OHR and OGC to determine the appropriate corrective action to take, if any, concerning the prohibited personnel practice and improper use of a non-competitive hiring authority to reinstate Mr. Sigley.

**Comments:** Following receipt and review of the evidence, the Deputy Under Secretary for Health for Operations and Management (DUSHOM) will confer with the Office of Workforce Management and Consulting (WMC) and the Office of General Counsel (OGC) to determine the appropriate administrative action to take, if any.

**Target Completion Date:** 90 days from the publication of the OIG report. Following receipt and review of the evidence, administrative action, if appropriate, will be initiated.

## Acting PDUSH Comments

**Department of  
Veterans Affairs**

**Memorandum**

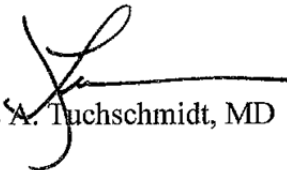
**Date:** March 12, 2015

**From:** Acting Principal Deputy Under Secretary for Health (10A)

**Subject:** **Administrative Investigation, Prohibited Personnel Practice and Misuse of VA Time and Resources, VHA CBOPC, Denver, CO**

**To:** Assistant Inspector General for Investigations (51)

1. I reviewed the findings and recommendations contained in the above captioned Administrative Investigation report.
2. We will confer with the appropriate parties to determine appropriate action as detailed in the attached report.

  
James A. Tuchschtmidt, MD  
Attachment

## **Acting PDUSH's Comments to Office of Inspector General's Report**

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

### **OIG Recommendations**

**Recommendation 2.** We recommend that the Acting PDUSH confer with OHR and OGC to determine the appropriate administrative action to take, if any, against [REDACTED].

**Comments:** Following receipt and review of the evidence, the Acting PDUSH will confer with the Office of Workforce Management and Consulting and the Office of General Counsel to determine the appropriate administrative action to take, if any, against [REDACTED]. (b)(6)

**Target Completion Date:** 90 days from the publication of the OIG report. Following receipt and review of the evidence, administrative action, if appropriate, will be initiated.

**Recommendation 3.** We recommend that the Acting PDUSH confer with OHR and OGC to determine the appropriate administrative action to take, if any, against [REDACTED].

**Comments:** Following receipt and review of the evidence, the Acting PDUSH will confer with the Office of Workforce Management and Consulting and the Office of General Counsel to determine the appropriate administrative action to take, if any, against [REDACTED]. (b)(6)

**Target Completion Date:** 90 days from the publication of the OIG report. Following receipt and review of the evidence, administrative action, if appropriate, will be initiated.

## OIG Contact and Staff Acknowledgments

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

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