



DEPARTMENT OF VETERANS AFFAIRS
OFFICE OF INSPECTOR GENERAL

Office of Audits and Evaluations

VETERANS BENEFITS ADMINISTRATION

Alleged Contracting and
Appropriation Irregularities
at the Office of Transition,
Employment, and Economic
Impact

REVIEW

REPORT #16-04555-138

MAY 2, 2018



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Executive Summary

Why the OIG Did This Review

The OIG conducted this review in response to a Hotline complaint received in June 2016, alleging that the Veterans Benefits Administration (VBA) Office of Transition, Employment, and Economic Impact (OTEEI) authorized printing services that were out of scope, resulting in an unauthorized commitment because the services were not part of the contract. The complainant also alleged that OTEEI misused the General Operating Expenses (GOE) Appropriation to develop and maintain a dashboard, and to purchase Information Technology (IT) equipment and software. The OIG's objective was to evaluate the merit of the allegations.

The allegations and findings of this review are significant because good stewardship of taxpayer dollars helps ensure VBA properly expends funds to provide benefits to veterans.

What the OIG Found

VBA's Chief of Transition made an unauthorized commitment when he notified CALIBRE to print Transition Assistance Program (TAP) training materials. The Federal Acquisition Regulation subpart 1.602-1 states that only the contracting officer can make contract decisions on behalf of the government. According to the Chief of Transition, he notified CALIBRE to print TAP training materials because the former contracting officer gave approval to proceed. The former contracting officer refuted the statement, and OTEEI officials could not provide support to suggest that the contracting officer authorized the Chief of Transition to proceed. As a result, OTEEI inappropriately obligated and spent approximately \$2.1 million.

The OIG also found that OTEEI inappropriately obligated and spent approximately \$9.6 million of its GOE Appropriation, instead of the IT Systems Appropriation, to develop and maintain a dashboard and purchase IT equipment and software. Public Law 113-76 states that the GOE Appropriation is authorized only for expenses to allow veterans to become employable, obtain and maintain suitable employment, and to achieve maximum independence. Instead, VBA should have used the IT Systems Appropriation, which is authorized only for IT expenses. United States Code, Title 31, § 1301 states that appropriations shall be applied only to the objects for which the appropriations were made.

OTEEI's misuse of the GOE Appropriation occurred because VBA inappropriately obligated GOE funds for IT items within the CALIBRE contract. The former OTEEI Director and Assistant Director told the OIG they were not aware that the IT Systems Appropriation should have been used for funding the CALIBRE contract. However, VA's policy for Appropriations, Funds, and Related Information requires key officials ensure that funds are expended solely for the purposes for which they were appropriated. The former OTEEI Director and Assistant

Director should have ensured that appropriate funding was available to pay for all IT-related costs.

OTEEI committed statutory violations totaling about \$11.7 million and resulting in improper payments. OTEEI also committed a purpose statute violation and may have violated the Antideficiency Act, pending the adjustments to its appropriation accounts.

What the OIG Recommended

The OIG recommended the Executive in Charge for Benefits coordinate with the Head of VA Contracting Activity and the Office of General Counsel to determine what, if any, action can be taken to remedy the unauthorized commitment. The OIG also recommended the Executive in Charge for Benefits obtain appropriate funding for all future information technology costs. Lastly, the OIG recommended the Executive in Charge for Benefits coordinate with the Office of Information Technology, the Office of Management, and the Office of General Counsel, to make accounting adjustments to debit the information technology account and credit the general operating expense account, determine whether Antideficiency Act violations occurred, and report violations as appropriate.

Management Comments

The Executive in Charge for Benefits concurred with the OIG's findings and recommendations and provided responsive action plans to address them. The OIG will monitor VBA's progress and follow up on the implementation of the recommendations until all proposed actions are completed. In their response, VBA officials provided general and technical comments for potential inclusion in the final report. The OIG reviewed the comments and made changes where warranted in the applicable report section.



LARRY M. REINKEMEYER
Assistant Inspector General
for Audits and Evaluations

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Abbreviations

COR	Contracting Officer’s Representative
DoD	Department of Defense
FAR	Federal Acquisition Regulation
GOE	General Operating Expenses
GPO	Government Publishing Office
IT	information technology
OIG	Office of Inspector General
OTEEI	Office of Transition, Employment, and Economic Impact
TAP	Transition Assistance Program
VA	Department of Veterans Affairs
VBA	Veterans Benefits Administration
VEI	Veterans Employment Initiative



Introduction

Objective

The OIG conducted this review in response to a Hotline complaint, received in June 2016, alleging that the Veterans Benefits Administration (VBA) Office of Transition, Employment, and Economic Impact (OTEEI) authorized printing services that were out of scope, resulting in an unauthorized commitment because the services were not part of the contract. The complainant also alleged that OTEEI misused the General Operating Expenses (GOE) Appropriation to develop and maintain a dashboard and purchase Information Technology (IT) equipment and software. The OIG's objective was to evaluate the merit of the allegations.¹

Transition Assistance Program

According to VBA's Deputy Chief of Staff, VBA established the VBA/Department of Defense (DoD) Program Office in 2012. The mission of the office was to lead a Veterans Employment Initiative (VEI) Task Force aimed to improve DoD's Transition Assistance Program (TAP) and provide recommendations to maximize the career readiness for all servicemembers. The redesigned TAP included two VA briefings be given to all servicemembers before separating or retiring from service. The required briefings were not components of the original TAP.

OTEEI

In March 2015, the VBA/DoD Program Office became VBA's OTEEI.² The mission of OTEEI aimed to support implementation of the VEI Task Force's recommendations and address the Veterans Opportunity to Work Act requirements, to improve the effectiveness of TAP.³ OTEEI was to provide additional TAP oversight and ensure that transitioning servicemembers and veterans had access to their earned benefits and services.

CALIBRE Systems, Incorporated

In September 2013, VBA awarded a \$22 million support contract to CALIBRE Systems, Inc. (CALIBRE), a management consulting and IT contractor. CALIBRE supported OTEEI by assisting in the transition of servicemembers and veterans from military to civilian life. The contract was awarded to support implementation of the VEI Task Force's recommendations and

¹ Effective October 2016, OTEEI was realigned under VBA's Benefits Assistance Service.

² The primary functions of the VBA/DoD Program Office transitioned to OTEEI, including some of the position titles, roles, and responsibilities of personnel.

³ Public Law 112-56, 201-265, 125 Stat. 715, *Veterans Opportunity to Work Act*, November 21, 2011, requires an improved TAP that is mandatory to be completed by all transitioning servicemembers.

address various Veterans Opportunity to Work Act requirements to develop and implement veteran education and employment programs. Additional contract requirements included support for veteran education, employment program implementation, program management, strategic planning, research and analysis, organizational analysis, and change management.

Results and Recommendations

Finding 1: OTEEI Made an Unauthorized Commitment

VBA's Chief of Transition made an unauthorized commitment when he notified CALIBRE to print TAP training materials. An unauthorized commitment, as used in the Federal Acquisition Regulation (FAR), means "an agreement that is not binding solely because the government representative who made it lacked the authority to enter into that agreement on behalf of the government". The FAR states that only a contracting officer can make contract decisions on behalf of the government.⁴ As a result, OTEEI inappropriately obligated and spent about \$2.1 million. According to the current Contracting Officer's Representative (COR), in May 2016, she terminated the printing with CALIBRE, and the Government Publishing Office (GPO) resumed printing.

Timely Printing of Training Materials

Prior to the Chief of Transition notifying CALIBRE to print training materials, GPO printed training materials for TAP as required by the FAR.⁵ CALIBRE personnel were responsible for using the printed training materials to conduct training for transitioning servicemembers. In 2014, according to the Chief of Transition, CALIBRE employees informed the former COR that GPO was not timely providing the training materials. The Chief of Transition stated that the former COR and Contracting Officer informed him that GPO printing could be terminated and CALIBRE could assume responsibility for the printing of the training materials. In March 2014, the Chief of Transition terminated the printing with GPO and notified CALIBRE to begin printing for TAP. The Chief of Transition and former Assistant Director of OTEEI told the OIG that the notification to change printing services from GPO to CALIBRE was conveyed verbally from the former Contracting Officer to the COR; but they could not provide the OIG evidence, such as written agreements, contract modifications, or emails to support the decision.

The former Contracting Officer disagreed with the Chief of Transition's assertion and stated that he was not aware that GPO provided the training materials untimely and that he was not involved in any discussions or decisions that led to CALIBRE assuming responsibility for printing TAP training materials.

⁴ FAR subpart 1.601(a), *Career Development, Contracting Authority, and Responsibilities - General*, states that only the contracting officer has the authority to bind the government into contractual agreements.

⁵ FAR subpart 8.802 (a), *Acquisition of Printing and Related Supplies - Policy*, states that government printing must be done by GPO.

FAR Violations

The Chief of Transition's unsupported consent to make the printing change resulted in two FAR violations when he notified CALIBRE to perform out of scope work and notified GPO to stop print training materials. According to the current contracting officer, although OTEEI benefited from CALIBRE's printing of TAP training materials, the unauthorized commitment could not be ratified because the printing by CALIBRE would have never been proper even through a contract modification made by the Contracting Officer.⁶ As previously stated, GPO must perform government printing unless GPO provides a waiver. As a result, OTEEI inappropriately obligated and spent about \$2.1 million worth of improper payments. According to the current COR, in May 2016, she terminated the printing with CALIBRE, and GPO resumed printing.

Recommendation 1

1. The OIG recommended the Executive in Charge for Benefits coordinate with the Head of VA Contracting Activity and the Office of General Counsel to determine what actions need to be taken to remedy the unauthorized commitment.

Management Comments

The Executive in Charge for Benefits concurred with the OIG recommendation. To address the recommendation, the Executive in Charge stated that the Contracting Officer required unauthorized commitment training for the individuals who made the unauthorized commitments. In addition, the Contracting Officer will create documentation to perform a *Quantum Meruit* adjudication, which allows payment when services rendered were a benefit to the government. The Office of General Counsel will review the documentation prior to the Head of Contracting Activity's approval.

VBA also provided general comments for consideration. Regarding the notification for CALIBRE to print TAP training materials, VBA stated that they could not attribute the unauthorized commitment to a specific individual with the information readily available. The Executive in Charge also provided a technical comment stating that the Chief of Transition position did not exist in OTEEI.

⁶ FAR subpart 1.602-3 (c)(3), *Ratification of Unauthorized Commitments - Limitations*, permits ratification of an unauthorized commitment only if, among other things, "the resulting contract would otherwise have been proper if made by an appropriate contracting officer."

OIG Response

The Executive in Charge for Benefits provided a responsive action plan to address the recommendation. The OIG will monitor VBA's progress and follow up on the implementation of the recommendation until all proposed actions are completed.

Regarding the Executive in Charge's technical comments, the OIG changed wording in the report to reflect that the Chief of Transition *notified* (rather than *authorized*) CALIBRE to print TAP training materials. Moreover, the OIG removed *OTEEI* from the Chief of Transition title throughout the report where applicable.

Finding 2: OTEEI Used the General Operating Expense Appropriation for Information Technology Development Costs and Equipment and Software Purchases

OTEEI inappropriately obligated and spent approximately \$7.5 million of its GOE Appropriation, instead of the IT Systems Appropriation, to develop and maintain a dashboard, and \$2.1 million of the same appropriation to purchase IT equipment and software.⁷ The former OTEEI Director stated that he was not aware that the IT Systems Appropriation should have been used for funding IT development costs. Similarly, the former OTEEI Assistant Director stated that she was not aware the IT Systems Appropriation should have been used to purchase IT equipment that was part of the CALIBRE contract. As a result, OTEEI violated the purpose statute and potentially the Antideficiency Act when it obligated and spent approximately \$9.6 million of the GOE Appropriation for IT development costs and equipment purchases. The inappropriate use of the GOE Appropriation to cover IT-related costs also resulted in improper payments.

Inappropriate Use of GOE Funds for Dashboard Development

OTEEI inappropriately used about \$7.5 million of the GOE Appropriation, instead of the IT Systems Appropriation, to finance the development and maintenance of the dashboard. United States Code, Title 31, § 1301, (also referred to as the “purpose statute”) states that “appropriations shall be applied only to the objects for which the appropriations were made except as otherwise provided by law.”⁸ Moreover, Public Law 113-76 states that the GOE Appropriation is authorized for expenses to allow veterans “to become employable and to obtain and maintain suitable employment,” and “to achieve maximum independence.”⁹ Congress established the IT Systems Appropriation to manage VA’s entire IT portfolio and ensure a coordinated and systematic IT funding effort.¹⁰ Public Law 109-114 states that IT Systems Appropriations will be used for IT expenses, including systems development, management, and asset acquisition costs.¹¹ Also, the business requirements document that CALIBRE prepared to provide an overview of OTEEI’s business needs characterized the equipment as IT. Nonetheless, OTEEI elected to use the GOE Appropriation to fund the dashboard’s development.

⁷ The GOE funds were obligated when the office name was the VBA/DoD Program Office and continued after the office name changed to OTEEI.

⁸ United States Code, Title 31, § 1301, *Money and Finance*.

⁹ Public Law 113-76, *Consolidated Appropriations Act, 2014*, January 17, 2014.

¹⁰ Senate Report 109-105, *Military Construction and Veterans Affairs and Related Agencies Appropriation Bill, 2006*, July 21, 2005.

¹¹ Public Law 109-114, *Military Quality of Life and Veterans Affairs Appropriations Act, 2006*, November 30, 2005.

IT Equipment and Software Purchases

In addition to the use of the GOE Appropriation to pay for IT development, from September 2013 to March 2016, OTEEI used approximately \$2.1 million of the GOE Appropriation to purchase IT equipment and software. Specifically, OTEEI paid for items such as laptops, tablets, software licenses, and portable Wi-Fi. VA policy requires that IT equipment like laptops, tablets, software licenses, and Wi-Fi be charged to the central IT Systems Appropriation.¹²

As stated in Finding 1, CALIBRE was responsible for providing training to transitioning servicemembers at military installations worldwide. According to the current COR, the training and briefings required CALIBRE to provide servicemembers with electronic access to VA forms and benefit information through VA web pages. However, not all of the military installations were equipped with electronic access to this information. CALIBRE personnel suggested that, pursuant to contract specifications, OTEEI pay for CALIBRE's needed equipment, software licenses, and Wi-Fi capability so they could adequately provide training and briefings to transitioning servicemembers. In May 2016, the current COR informed CALIBRE that OTEEI would no longer pay for any additional IT equipment and software because the appropriation being used was incorrect.

Reason OTEEI Used the GOE Appropriation

OTEEI's use of the GOE Appropriation occurred because VBA inappropriately obligated GOE funds instead of IT funds for IT purchases within the CALIBRE contract. When VBA awarded the CALIBRE contract in September 2013, it obligated funds from the GOE Appropriation to pay for support services that included IT equipment. The former OTEEI Director and Assistant Director stated that they did not think it was their responsibility to ensure the funding source was appropriate. They also stated that they were not aware that the IT Systems Appropriation needed to fund the contract because funding, through the GOE Appropriation, was already available.

VA policy states that Under Secretaries, Assistant Secretaries, Chief Financial Officers, and other key officials are responsible for ensuring that funds are expensed solely for the purposes for which they are appropriated.¹³ The former OTEEI Director should have ensured that appropriate funding was available to pay for IT development costs. Likewise, the former OTEEI Assistant Director should have ensured that appropriate funding was available to pay for IT equipment and software purchases.

As a result, OTEEI misused about \$9.6 million from the GOE Appropriation to pay for dashboard development and the purchase of IT equipment and software.

¹² VA Financial Policies and Procedures, *Franchise Fund*, Volume II, Chapter 2B, February 2010.

¹³ VA's Budget Cycle and Fund Symbols, *Appropriations, Funds, and Related Information, Volume II*, Chapter 2, September 2012.

Overall Conclusion

OTEEI has a responsibility to be a good steward of taxpayer dollars to help ensure VBA properly expends funds to provide benefits to veterans. However, while working with CALIBRE, OTEEI committed statutory violations, totaling about \$11.7 million in improper payments. OTEEI also committed a purpose statute violation and may have violated the Antideficiency Act, pending the adjustments to its appropriation accounts.

Recommendations 2–3

2. The OIG recommended the Executive in Charge for Benefits obtain appropriate funding for all future information technology costs.
3. The OIG recommended the Executive in Charge for Benefits coordinate with the Office of Information Technology, the Office of Management, and the Office of General Counsel to make accounting adjustments to debit the information technology account that should have been used and credit the general operating expense account that was inappropriately used, determine whether Antideficiency Act violations occurred, and report the violations as appropriate.

Management Comments

The Executive in Charge for Benefits concurred with the OIG recommendations. To address Recommendation 2, the Executive in Charge stated that VBA follows VA Directive 6008, *Acquisition and Management of VA Information Technology Resources*. The Executive in Charge also stated that when an IT requirement is identified, VBA will continue to ensure all related IT assets are acquired within the constraints and intent of the VA IT Systems appropriation account. The Executive in Charge stated that VBA will issue a letter to its leaders reminding them to review the Directive and ensure all appropriate personnel adhere to its guidance.

To address Recommendation 3, the Executive in Charge stated VBA is coordinating with the Office of Information and Technology, the Office of Management, and the Office of General Counsel to determine whether there are sufficient funds to credit the GOE account for the corresponding fiscal years. The Executive in Charge stated VBA expects that a final determination regarding whether Antideficiency Act violations occurred will be completed by July 31, 2018.

OIG Response

The Executive in Charge for Benefits provided a responsive action plan to address the recommendations. The OIG will monitor VBA's progress and follow up on the implementation of the recommendations until all proposed actions are completed.

Appendix A: Scope and Methodology

Scope

The OIG conducted its review from September 2016 through February 2018. The focus of the review was VBA's OTEEI unauthorized commitment and use of the GOE Appropriation from September 2013 to October 2016.

Methodology

To conduct its review, the OIG examined applicable laws, regulations, policies, procedures, and guidelines related to unauthorized commitments, and information technology procurements. The OIG interviewed key officials from various locations, including the VA Office of Acquisition Operations and OTEEI. The OIG obtained and analyzed pertinent documentation, such as the contract and accompanying modifications, invoices for purchases made using the GOE Appropriation, and purchase orders when applicable. The OIG also reviewed invoices from CALIBRE to VA. The OIG then validated payment information in the Financial Management System and determined which funds were used to make payments for the items in question.

Fraud Assessment

The audit team assessed the risk that fraud, violations of legal and regulatory requirements, and abuse could occur during this audit. The audit team exercised due diligence in staying alert to any fraud indicators by taking actions such as soliciting the OIG's Office of Investigations for indicators.

Data Reliability

To test for reliability, the OIG compared contract values and purchase order amounts to Financial Management System obligations and expenses. The OIG also compared the expensed appropriation amounts to the invoiced amounts and did not identify significant discrepancies. Thus, the OIG concluded the data were sufficiently reliable to support its audit findings and conclusions.

Government Standards

We conducted this inspection in accordance with the Council of the Inspectors General on Integrity and Efficiency's *Quality Standards for Inspection and Evaluation*.

Appendix B: Monetary Benefits in Accordance with Inspector General Act Amendments

Recommendation	Explanation of Benefits	Better Use of Funds (in millions)	Questioned Costs (in millions)
1	Determine actions to remedy the unauthorized commitment.		\$2.1
2, 3	General operating expense funds need to be restored to their proper appropriation to comply with appropriation laws.		\$9.6
	Total		\$11.7

Appendix C: Management Comments

Department of Veterans Affairs Memorandum

Date: March 23, 2018

From: Veterans Benefits Administration (20)

Subj: OIG Draft Report – Review of Alleged Contracting and Appropriation Irregularities at the Office of Transition, Employment, and Economic Impact – VIEWS 00038303

To: Assistant Inspector General for Audits and Evaluations (52)

1. Attached is VBA's response to the OIG Draft Report: Review of Alleged Contracting and Appropriation Irregularities at the Office of Transition, Employment, and Economic Impact.
2. Questions may be referred to Christine Ras, Program Analyst, at 461-9057.

(Original signed by)

Thomas J. Murphy
Executive in Charge

Attachment

Veterans Benefits Administration (VBA)

Comments on OIG Draft Report

**Review of Alleged Contracting and Appropriation Irregularities at the Office of Transition,
Employment, and Economic Impact**

VBA provides the following general comments:

The VOW (Veterans Opportunity to Work) to Hire Heroes Act of 2011 (VOW Act) was enacted on November 21, 2011. The VOW Act mandates all Servicemembers who are separating, retiring, or being released from a period of 180 days or more of continuous active duty service, complete all mandatory requirements of the VOW Act. These include: pre-separation counseling, to develop an Individual Transition Plan with the Department of Defense (DoD), and identify their career planning needs; attending the Department of Veterans Affairs (VA) Benefits Briefings I and II, to understand what VA benefits the Servicemember earned, how to apply for them, and leverage them for a positive economic outcome; and attending the Department of Labor (DoL) Employment Workshop, that focuses on the mechanics of resume writing, networking, job-search skills, interview skills, and labor market research.

Through cross-agency collaboration between VA, DoD, DoL, the Department of Education, the United States Coast Guard representing the Department of Homeland Security, the Small Business Administration, and the Office of Personnel Management, VA provides transition services to more than 250,000 separating Servicemembers, their families, and caregivers each year, at more than 300 military installations worldwide.

The Office of Inspector General (OIG) conducted a review of allegations, regarding past program activities, to include the procurement of printing services and information Technology (IT) equipment. Prior to OIG's review, the current Transition Assistance Program (TAP) contracting officer representative (COR) and program manager (PM) had taken corrective action to ensure full compliance with Government Printing Office regulations and obtaining IT equipment. In addition, the IT equipment has been returned to VA's Office of Information and Technology, Asset Management Division, for proper distribution and/or disposal.

OIG focused on the inappropriate use of general operating expense (GOE) appropriations and the failure to follow contract procedures when committing government funds or changing the scope of a contract. VBA is coordinating with the appropriate offices to determine if there are sufficient funds to credit the general operating expense (GOE) account for the IT equipment purchases for the corresponding fiscal years.

VBA agrees with OIG, that funding was obligated inappropriately; however, we are unable to attribute the source of the unauthorized commitment to a specific individual(s) with the information readily available. The report indicates that the Chief of Transition executed an unauthorized commitment. We believe that this assertion is made based on an email from the Chief of Transition to CALIBRE notifying them that he received approval for printing. However, without additional information, we are unable to support this characterization.

VBA provides the following technical comments:

Each place the document refers to the Associate Director; it should be changed to Assistant Director. Neither VDPO nor OTEEI had a position with the title of Associate Director.

Each place the document refers to OTEEI's Chief of Transition, remove OTEEI. The VBA/DoD Program Office included a Chief of Transition position; however that position did not exist in OTEEI.

Page 1, paragraph 2:

“According to VBA's Deputy Chief of Staff, VBA established the VBA/Department of Defense (DoD) Program Office in April 2012. The mission of the office was to lead a Veterans Employment Initiative (VEI) Task Force aimed to improve DoD's Transition Assistance Program (TAP) and provide recommendations to maximize the career readiness for all service members. The redesigned TAP included two VA briefings to all service members before separating or retiring from service. The required briefings were not components of the original TAP.”

VBA Comment: VBA suggests the paragraph be revised, as follows, for accuracy and clarification: “According to VBA's Deputy Chief of Staff, VBA established the VBA/Department of Defense (DoD) Program Office (VDPO) in 2012. She provided an organization chart that was created in April 2012 and signed by the Under Secretary for Benefits which included VDPO. The mission of the office was to participate in the Veterans Employment Initiative (VEI) Task Force aimed to improve DOD's Transition Assistance Program (TAP) and provide recommendations to maximize the career readiness for all Servicemembers. The redesigned TAP included two VA briefings to all Servicemembers before separating or retiring from service. The required briefings were not components of the original TAP. The new TAP program also assigned multiple tasks to VA, via a Joint Implementation Plan. This plan created three standalone optional training programs in the areas of education, technical training, and entrepreneurship. VA was responsible for creating and implementing the technical training track, establishing the employment online portal, and engaging in interagency governance meetings with DoD and DOL.”

Page 1, paragraph 3:

“In March 2015, the VBA/DoD Program Office became VBA's OTEEI with a mission aimed to support implementation of the VEI Task Force's recommendations and address the Veterans Opportunity to Work Act requirements, to improve the effectiveness of TAP. OTEEI was to provide additional TAP oversight and ensure that transitioning service members and veterans had access to their earned benefits and services.”

VBA Comment: VBA suggests the paragraph be revised as follows, for accuracy and clarification: “In March 2015, the VBA/DoD Program Office became VBA's OTEEI with a mission aimed to support implementation of the VEI Task Force's recommendations and address the Veterans Opportunity to Work Act requirements, to improve the effectiveness of TAP. OTEEI merged community outreach and economic impact initiatives into the existing TAP oversight functions. A major objective of the merger was to ensure transitioning Servicemembers and Veterans had access to their earned benefits and services for purposes of improving their economic opportunities.”

The following comments are submitted in response to the recommendations in the OIG draft report:

Recommendation 1: We recommended the Executive in Charge for Benefits coordinate with the Head of VA Contracting Activity and the Office of General Counsel to determine what actions need to be taken to remedy the unauthorized commitment.

VBA Response: Concur. The VA Office of Acquisition, Logistics, and Construction (OALC), Strategic Acquisition Center – Frederick awarded and administered the CALIBRE contract. Therefore, the appropriate Head of Contracting Activity (HCA) is the OALC Strategic Acquisition Center HCA. The Contracting Officer required Unauthorized Commitment (UAC) training of the individuals whom authorized UACs. In addition, the Contracting Officer will compile and create documentation to perform a Quantum Meruit adjudication, which allows payment when services rendered were of benefit to the Government. The Office of General Counsel will review the documentation prior to HCA review/approval. The documents will be included in the contract file. This is expected to be completed by July 31, 2018. No modification of the contract is required, since payment has been made for the services rendered.

Target Completion Date: July 31, 2018

Recommendation 2: We recommended the Executive in Charge for Benefits obtain appropriate funding for all future information technology costs.

VBA Response: Concur. VBA follows VA Directive 6008, Acquisition and Management of VA Information Technology Resources. When an IT requirement is identified, VBA will continue to ensure all related IT assets are acquired within the constraints and intent of the VA IT systems appropriate account. In April 2018, VBA will issue a letter to leadership reminding them to review the directive and ensure all appropriate personnel adhere to its guidance.

Target Completion Date: April 30, 2018

Recommendation 3: We recommended the Executive in Charge for Benefits coordinate with the Office of Information Technology, the Office of Management, and the Office of General Counsel to make accounting adjustments to debit the information technology account that should have been used and credit the general operating expense account that was inappropriately used, determine whether Anti-Deficiency Act violations occurred, and report the violations as appropriate.

VBA Response: Concur. VBA is coordinating with the Office of Information and Technology, the Office of Management, and the Office of General Counsel to determine if there are sufficient funds to credit the general operating expense (GOE) account for the corresponding fiscal years. If there are sufficient prior year funds, appropriate accounting adjustments will be made to debit the IT account and credit the GOE account. VBA expects that a final determination, regarding whether Anti-Deficiency Act violations occurred and the corresponding appropriate action, will be completed by July 31, 2018.

Target Completion Date: July 31, 2018

For accessibility, the original format of this appendix has been modified to comply with Section 508 of the Rehabilitation Act of 1973, as amended.

OIG Contact and Staff Acknowledgments

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

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