



# Department of Veterans Affairs Office of Inspector General

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## Evaluation of Allegations of Mismanagement in Information Resources Management Service at the VA Chicago Health Care System Chicago, Illinois

*Compensatory leave should be properly recorded, and stored computer equipment should be put into service.*

## **Office of Inspector General Evaluations of Hotline Complaints**

The Office of Inspector General (OIG) operates a Hotline service that allows employees, veterans, and other concerned citizens to report criminal activity, waste, abuse, or other issues involving VA programs and operations. The Hotline staff evaluates each complaint received and decides whether it should be evaluated by the OIG or referred to other VA or non-VA offices for review and resolution. The OIG's Offices of Healthcare Inspections, Audit, and Investigations evaluate selected complaints to determine the validity of the allegations and recommend corrective actions on substantiated allegations.

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## **Results of Evaluation**

### **Compensatory Time Should Be Properly Recorded and Stored Computer Equipment Put into Use**

#### **Introduction**

An employee made the following four allegations concerning the Chief of Information Resources Management (IRM) Service at the VA Chicago Health Care System (VACHCS):

1. Time and attendance abuse.
2. Purchases of unneeded computer equipment.
3. Procurement irregularities.
4. Reprisal against the employee.

The Office of Inspector General (OIG) evaluated the first three allegations to determine their validity and whether corrective actions were warranted. We did not evaluate the fourth allegation because complaints of reprisal are not within the jurisdiction of the OIG. Instead, we referred the employee to the Office of Special Counsel.

Our evaluation was done in accordance with generally accepted government auditing standards for staff qualifications, independence, and due professional care; field work standards for planning, supervision, and evidence; and reporting standards for performance audits.

#### **Summary of Results**

Allegation 1 was partially substantiated. The Chief of IRM's compensatory leave had not been properly documented, and we recommended that action be taken to ensure that all compensatory time earned and used by the Chief is properly recorded in the Electronic Time and Attendance (ETA) system. Allegation 2 also was partially substantiated. The Chief purchased computer equipment that was not promptly put into service, and we recommended that stored computer equipment be delivered to users and installed as soon as possible. Allegation 3 was not substantiated. The Director of Veterans Integrated Service Network (VISN) 12 concurred with the recommendations and provided acceptable implementation plans.

#### **Details of Evaluation**

To determine the validity of the allegations, we interviewed the employee and pertinent VACHCS managers and staff. We reviewed the Chief of IRM's time and leave records for the period October 21, 2001, through May 4, 2002. We also reviewed computer equipment purchase records for the period October 1, 1999, through April 30, 2002.

**Allegation 1–Time and Attendance Abuse.** The employee alleged that the Chief of IRM worked flextime even though this was not approved for VACHCS staff and altered his time and attendance record to reflect a regular work schedule. The allegation also claimed that, in violation of VA work rules, the Chief required his staff to check in by computer when they arrived at work and that he charged the employee as being absent without leave (AWOL) when he was actually at work. This allegation was partially substantiated.

Time and Attendance. There was no evidence that the Chief was paid for more hours than he actually worked, nor was there any evidence that he worked an unapproved flextime schedule. However, the allegation of time and attendance abuse was substantiated to the extent that the Chief's earned and used compensatory time was not properly recorded in the ETA system.

Our review of T&L records found that the Chief used most of his compensatory time for religious observances, which is permitted by VA policy. However, this policy requires that a Time and Attendance Report (VA form 5631 or an authorized electronic time and attendance system) be used as the official means of recording, certifying, and reporting employee time and attendance, including the accumulation and use of compensatory time, if applicable.

None of the Chief's compensatory time was recorded in the ETA system, although his timekeeper did keep an unofficial record of this time. The timekeeper's record showed that between January 1 and May 4, 2002, the Chief used 67.25 hours of compensatory time, mostly for religious observances. (Of the 67.25 hours, 47.75 was earned compensatory time, and the remainder was advanced compensatory time, which VA policy permits for the purpose of religious observances.) For example, the Chief took 10 days of leave from March 25 to April 5, 2002. Four of the 10 days were recorded as annual leave in ETA, but 6 days, identified as compensatory time, were recorded only in the timekeeper's unofficial record. Thus, the official record indicated that the Chief was on duty during those 6 days when, in fact, he was not. VACHCS management needed to ensure that compensatory time earned and used by the Chief of IRM is recorded in the ETA system.

Employee Check-In Procedures. The Chief of IRM required his supervisory staff to check in via e-mail every day when they arrived at work. VA Handbook 5011, Part II, Chapter 2 states that "sign-in/sign-out sheets will not be used to document employee attendance." While an electronic check-in procedure may stretch the intent of the VA prohibition against sign-in sheets, we could not conclude that it violated the letter of that prohibition as implied by the employee. The IRM Chief's office is located at the VACHCS West Side facility, and about half his staff work at the Lakeside facility. While the VACHCS Director may want to examine the efficacy of the electronic check-in procedure, we believe that some method for determining the presence of IRM staff at a remote location is reasonable.

AWOL Charged to Employee. We substantiated the allegation that the Chief of IRM charged the employee with AWOL when he was arguably performing official duties. However, given the circumstances, we could not conclude that charging AWOL was improper. The employee and another IRM employee traveled from the Lakeside facility to a computer repair vendor located near the West Side facility to deliver a computer that needed repair. According to the Chief, the employee had no reason to accompany the other employee and did not have permission to leave

his duty station. Consequently, the Chief charged the employee, but not the other employee, with 30 minutes of AWOL. We concluded that the Chief acted within his authority.

**Allegation 2—Purchases of Unneeded Computer Equipment.** The employee alleged that the Chief of IRM ordered more than \$100,000 worth of computer equipment on the last day before fund control point purchasing was cut off near the end of Fiscal Year (FY) 2001 and that the equipment was stored and not used. This allegation was partially substantiated.

IRM staff made two large purchases at the end of the FY 2001. Both purchases were properly approved. However, at the time of our May 2002 review, some of the equipment had not been distributed to users. Seventy-three items of computer equipment (total cost = \$41,931) were still stored unused in the warehouse and other locations. Some of this equipment was nearing the end of manufacturer warranties. The VACHCS Director told us that he did not have staff available to promptly deliver and install the equipment. To avoid losing warranty protection, this equipment needed to be distributed to users and installed as soon as possible.

**Allegation 3—Procurement Irregularities.** The employee alleged that the Chief of IRM purchased personal computers outside of VA contract sources. He bought directly from a manufacturer and spent over \$500,000 on computer purchases. In addition, the Chief purchased the services of a computer wiring vendor using a purchase order instead of a formal contract, and the vendor provided poor service. Because of these actions, the Chief was removed as the approving official for IRM purchases. This allegation was not substantiated.

Computer Purchases. All the computer purchases made from October 1998 through April 2002 were properly approved and were from appropriate sources. The allegation was true only to the extent that the Chief was temporarily removed as the approving official for the IRM control point. Available information did not indicate why this had occurred, except that it occurred near the end of FY 2001 and at approximately the same time that all other VACHCS fund control point officials were similarly removed. This is a common practice at VA medical centers and is done to bring all fund control points under the control of the chief fiscal officer to maximize utilization of any remaining year-end funds.

Rewiring Contract. We examined records related to the computer network rewiring of both the Lakeside and West Side facilities. The allegation was true to the extent that the Chief did acquire the services of a computer wiring vendor using purchase orders. However, the purchases were made under VA and General Services Administration contracts. Although there were numerous change orders that complicated and delayed completion of the projects, the allegation of poor service from the vendor could not be substantiated. The Chief acted properly with respect to these projects.

## Recommendation 1

The VISN 12 Director should ensure that the VACHCS Director takes action to:

- a. Record in the ETA system all compensatory time earned and used by the Chief of IRM.
- b. Distribute and install unused computer equipment purchased in FY 2001 as soon as possible.

The associated monetary benefits for Recommendation 1b are shown in Appendix A, page 5.

## VISN 12 Director Comments

The VISN 12 Director and the VACHCS Director agreed that compensatory time earned and taken by the Chief of IRM was not properly recorded in the ETA system and agreed to implement corrective action. They also agreed to distribute and install stored computer equipment and to stagger future purchases of such equipment to reduce excess inventory.

## Office of Inspector General Comments

The VISN 12 Director and the VACHCS Director concurred with the recommendations and provided acceptable implementation plans. (See Appendix B, pages 6–7, for the full text of the Directors' comments.) We will follow up on the implementation of recommended improvement actions.

For the Assistant Inspector General for Auditing

*(original signed by William J. Gerow, Jr. for:)*

DAVID SUMRALL

Acting Director, Chicago Audit Operations Division

## Appendixes

- A. Monetary Benefits in Accordance with IG Act Amendments
- B. VISN 12 Director Comments
- C. Report Distribution

## **Monetary Benefits in Accordance with IG Act Amendments**

### **Evaluation of Allegations of Mismanagement in Information Resources Management Service at the VA Chicago Health Care System Chicago, Illinois**

<b><u>Recommendation</u></b>	<b><u>Explanation of Benefit</u></b>	<b><u>Better Use of Funds</u></b>
1b	Better use of funds by distributing stored computer equipment to users.	\$41,931

## VISN 12 Director Comments



### MEMORANDUM

Date: September 3, 2002

From: Network Director, VISN 12 (10N12)

Subj: Response to the Draft OIG Report titled: *Evaluation of Allegations of Mismanagement in Information Resources Management Service, VA Chicago Health Care System*

To: Assistant Inspector General for Auditing (52), Office of the Inspector General,  
Chicago, IL

1. Attached is VA Chicago Health Care System's response to the findings and recommendations contained in the Office of the Inspector General's draft report titled *Evaluation of Allegations of Mismanagement in Information Resources Management Service, VA Chicago Health Care System*. For each recommendation, the response indicates concurrence or nonconcurrence and actions planned to address the finding and/or recommendation.
2. If you should need additional information or would like to discuss any aspect of the please contact Jeff Gering, Associate Director, VA Chicago Health Care System-Lakeside Division, at (314)469-2100.

/ S /

Richard S. Citron  
Director, VA Chicago Health Care System

/ S /

Joan E. Cummings, M.D.  
Network Director, VISN 12

Attachment



**VA Chicago Health Care System's Response to the Draft OIG  
Report – *Evaluation of Allegations of Mismanagement in  
Information Resources Management Service,  
VA Chicago Health Care System***

September 4, 2002

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**Recommendation 1a:** Record in the ETA system all compensatory time earned and used by the Chief of IRM and ensure that this compensatory time is approved and certified by the Associate Director.

**Response:** VA Chicago concurs with the OIG recommendation. Consistent with the VA Directive titled *Adjustment of Work Schedules for Religious Observances* dated December 1, 1978, time off was granted to the Chief, IRM for religious observance purposes. Consistent with the VA Directive, the Chief, IRM was allowed to use compensatory time for religious purposes prior to earning compensatory overtime. It should be noted that the VA Directive was written prior to the current employee Electronic Time and Attendance System (ETA) and it is our understanding that this VA Directive has not been updated since 1978.

To address the intent of this recommendation, the Chief, IRM will send an e-mail to his new supervisory (Associate Director) with an account of religious compensatory time he plans to take. The Associate Director will respond to this e-mail with an indication whether he approves or disapproves each of these requests. The ETA system will continued to be used, to the extent possible, to request, approve and certify the use of compensatory time by the Chief, IRM.

**Recommendation 1b:** Distribute and install unused computer equipment purchased in FY 2001 as soon as possible.

**Response:** VA Chicago concurs with the OIG recommendation. The Associate Director has worked with the Chief, IRM and the Office of Inspector General to obtain an account of the computer equipment purchased in FY 2001, which had not been distributed or installed. The Associate Director will assure the IRM Service uses, installs, or designates as an appropriate reserve (for projected IT systems failure) this equipment by October 1, 2002. Additionally, Associate Director has worked out a process with the Chief, IRM to stagger the receipt of future information technology (IT) equipment purchases to assure that inventories maintained on the grounds of the VA Chicago Health Care System are not excessive.

## Report Distribution

### **VA Distribution**

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This report will be available in the near future on the VA Office of Audit Web site at <http://www.va.gov/oig/52/reports/mainlist.htm>, *List of Available Reports*. This report will remain on the OIG Web site for 2 fiscal years after it is issued.