

VA Office of Inspector General

OFFICE OF AUDITS AND EVALUATIONS



# Department of Veterans Affairs

*Audit of  
Duty Station  
Assignments*

April 19, 2012  
11-04081-142

**To Report Suspected Wrongdoing in VA Programs and Operations:**  
**Telephone: 1-800-488-8244**  
**E-Mail: [vaoighotline@va.gov](mailto:vaoighotline@va.gov)**  
**(Hotline Information: <http://www.va.gov/oig/contacts/hotline.asp>)**

# DEPARTMENT OF VETERANS AFFAIRS

# Memorandum

**Date:** April 13, 2012

**From:** Assistant Inspector General for Audits and Evaluations (52)

**Subj:** Final Report: Audit of Duty Station Assignments

**To:** General Counsel (02)  
Assistant Secretary for Information and Technology (005)  
Assistant Secretary for Human Resources and Administration (006)  
Executive Director, Office of Acquisition, Logistics, and Construction (001)

1. On August 11, 2011, Senator Charles Grassley, Ranking Member, Committee on the Judiciary, United States Senate, requested that the Office of the Inspector General conduct a Department-wide audit to determine whether VA has a systemic problem assigning incorrect duty stations and locality pay to employees. The Chairman and Ranking Member of the Committee on Veterans Affairs, United States Senate, also requested notification of our audit results.
2. We determined VA does not have a systemic problem assigning incorrect duty stations and locality pay to employees across all VA organizations. We nonetheless identified 6 of 99 cases that we statistically sampled where VA assigned incorrect employee duty stations due to inadequate training for human resources personnel and notification to supervisors of the duty assignments made. Consequently, VA overpaid the employees a total of about \$106,000 in locality pay from the time the errors first occurred. If problems assigning incorrect duty stations are not fixed, we project a total of \$1,355,355 in potential monetary benefits over the next five years.
3. To conduct our audit, we researched laws and regulations regarding duty station assignments and locality pay for Federal employees. We conducted a statistical sample of VA employees receiving locality pay. We also interviewed relevant VA personnel to validate and determine causes for incorrect duty station assignments. Attachment A provides details on our audit scope and methodology. Attachment B outlines our sampling approach. Further, Attachments C–F provides management comments on a draft of this report while Attachment H provides a summary of monetary benefits based on our audit results.
4. According to Title 5 Code of Federal Regulations §531.605(a-1), *Determining an Employee's Official Worksite*, an employee's official worksite is the location where the employee regularly performs his or her duties. Managers complete the Request for Personnel Action, Standard Form 52 (SF-52) to designate duty station assignments for new employees or to change duty station assignments for current VA employees. Managers submit the SF-52s to human resources personnel, who process them by coding the duty station

5. assignments into the Personnel and Accounting Integrated Data (PAID) system. The Notification of Personnel Action, Standard Form 50 (SF-50), specifies the employee's duty station and serves as the employee's official record of the action taken. A virtual assignment occurs when an employee is permanently assigned to a work location different from the hiring station, although the employee still reports to the hiring station. In the case of a virtual assignment, the employee's duty station is where the employee physically performs his or her work.
6. An employee may receive locality pay—an amount above the employee's prescribed salary—based on the geographic location or duty station to which he or she is assigned. Title 5 United States Code §5304, *Government Organization and Employees*, authorizes locality pay for Federal employees. Locality pay is set by comparing Government Schedule and non-Federal pay in each locality pay area, based on salary surveys conducted by the Bureau of Labor Statistics. Per Office of Personnel Management (OPM) guidelines, Federal employees eligible for locality pay receive at least the base amount. However, employees in certain geographical areas receive additional amounts based on a comparison of Federal and non-Federal pay in each locality pay area.
7. Of the total 99 employees that we statistically sampled VA-wide, we identified 6 employees with incorrect duty station assignments during pay period 13 of calendar year 2011. The six employees all worked in VA staff offices: the Office of General Counsel (OGC), Office of Information and Technology (OIT), and Office of Acquisition Logistics and Construction (OALC). Three of the six employees had virtual work assignments. We can draw no conclusion from the errors being identified in staff offices only, given that human resources personnel in various organizations across VA were responsible for processing their SF-52s. During our audit, OGC, OIT, and OALC representatives agreed that the six individuals we identified had incorrect duty station assignments. As of February 28, 2012, VA had corrected the duty station assignments for four of the six employees. For each of the six employees, Attachment G, Table 2 identifies the VA organization, the incorrect and correct duty stations, and whether the employee had a virtual work assignment.
8. Five of the six incorrect duty station assignments we identified occurred when VA officials recorded incorrect data or failed to update data in VA's automated personnel system. Specifically, in four of the six cases, human resources personnel input the wrong duty station information for employees into PAID. Two of the cases were simply the result of human error. In the other two of the four cases, human resources personnel misunderstood the requirement to assign virtual employees to duty stations that were the same as their physical work locations. In both cases, human resources personnel designated the VA organizations of the employees' positions as their duty stations, even though the SF-52s had been correctly completed reflecting the virtual assignments. For the remaining two incorrect duty station assignments, one occurred when an employee transferred to a different duty station and VA did not process the transfer through PAID. For example, as illustrated in Attachment G, an OIT employee incorrectly received locality pay for Houston, TX rather than for Washington, DC where the employee was actually working and the locality pay was lower. As a result, the employee had been overpaid \$13,073 since August 17, 2008. The sixth error occurred in 1996, but the SF-52 was not available for us to determine how the error happened.

9. In general, the six errors occurred because of a lack of human resources training and inadequate notification to supervisors on the duty station decisions made. VA managers we interviewed agreed that human resources personnel would benefit from additional training on how to determine employee duty stations, including those for virtual employees. In addition, supervisors consistently indicated they were unaware of the actions taken by human resources personnel in response to their SF-52s, which contributed to the amount of time errors persisted before identification and correction. Apart from human resources personnel, the employee receiving an SF-50 is the only individual in the process aware of both the actual and assigned duty station. Since employees do not receive training on duty station assignments, they may not know that they have been assigned incorrect duty stations and are receiving incorrect locality pay.
  
10. Some employees received incorrect locality pay due to errors in their duty station assignments. The incorrect duty station assignments had no monetary impact on the locality pay of two of the six employees we identified; per OPM guidelines, their locality pay would not change even if their duty station assignments were corrected. However, VA overpaid a total of about \$106,000 in locality pay to the remaining four employees, cumulatively from the start of their incorrect duty station assignments. VA management must determine whether it should recoup these overpayments. Based on the overpayments identified, we estimate that no more than 3.6 percent of the 3,903 VA employees in our universe receiving locality pay, at a cost of up to \$680,023 annually, could be in error. Using a more conservative estimate of \$271,071 overpayments annually, as discussed in Attachment B, we project a total of \$1,355,355 in potential monetary benefits from locality pay overpayments over the next 5 years. Table 2 in Attachment G identifies locality pay overpayments to the six employees identified as having incorrect duty station assignments
  
11. VA reimbursed three of the six employees for travel to duty stations, which they were incorrectly assigned at the time; the remaining three employees had no need for such travel. VA travel policy prohibits employees from receiving reimbursements for commuting to and from their assigned duty stations. Consequently, such reimbursements were inappropriate at the time they were made. Once VA corrects the duty station assignments, the funds paid for travel to those locations will be appropriate. Table 2 in Attachment G shows VA reimbursements to three of the six employees for travel to their incorrect duty stations.
  
12. We reviewed reports from two recent administrative investigations regarding VA employees with incorrect duty station assignments receiving incorrect locality pay. Specifically, our report issued in October 2010 indicated that an incorrect duty station assignment for one employee resulted in VA making over \$41,330 in improper locality payments.<sup>1</sup> This report recommended that OIT perform a full review of its employees to identify any other incorrect duty station assignments and recoup overpayments. As of April 9, 2012, this

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<sup>1</sup> *Administrative Investigation – Improper Locality Rate of Pay, OI&T, VA Central Office, OIG Report No. 10-2858-07, October 14, 2010.*

recommendation was still outstanding. In June 2011, we reported VA had incorrectly reimbursed an employee to travel to and from the assigned duty station.<sup>2</sup>

13. We recommend:

- 1) The Assistant Secretary for Human Resources and Administration develop training for human resources personnel responsible for coding duty stations in the automated system to ensure they understand how to designate employee duty stations as well as the implications of virtual assignments.
- 2) The Assistant Secretary for Human Resources and Administration issue policy requiring that at least annually, managers are notified of their employees' duty station assignments and validate the assignments.
- 3) The Assistant Secretary for Human Resources and Administration establish an oversight mechanism to ensure that at least annually, managers are notified of their employees' duty station assignments and validate the assignments.
- 4) The Assistant Secretary for Human Resources and Administration establish a mechanism to notify all VA employees at least annually of the definition of duty station, as well as the implications of virtual assignments on locality pay.
- 5) The Assistant Secretary for Human Resources and Administration establish a control mechanism to provide annual notification to supervisors regarding the requirement to submit a Request for Personnel Action, Standard Form 52, if an employee's duty station changes.
- 6) The Assistant Secretary for Human Resources and Administration provide guidance to human resources personnel regarding processing corrective actions when employees have received inaccurate locality pay, which will help ensure that recoupment efforts are appropriate.
- 7) The General Counsel take action to recoup overpayments as appropriate, in accordance with VA guidance.
- 8) The Assistant Secretary for Information and Technology take action to recoup overpayments as appropriate, in accordance with VA guidance.
- 9) The Executive Director for the Office of Acquisition, Logistics, and Construction take action to recoup overpayments as appropriate, in accordance with VA guidance.

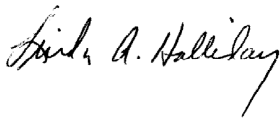
14. Management Comments and OIG Response: The Assistant Secretary for Human Resources and Administration, the General Counsel, the Principal Deputy Assistant Secretary for Information and Technology, and the Principal Executive Director for the Office of

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<sup>2</sup> *Administrative Investigation – Improper Duty Station and Misuse of Travel Funds*, Veterans Health Administration, VA Central Office, OIG Report No. 10-02328-192, June 10, 2011.

Acquisition, Logistics, and Construction generally agreed with our findings and recommendations and plan to address our recommendations by July 31, 2012. Attachments C through F provide the full text of their comments. We consider all planned actions responsive and will monitor the progress and follow up on the implementation until all proposed actions are completed. We addressed Management's key comments and changes to a previous version of the report in the discussion below. After discussions with Human Resources and Administration (HR&A), OGC, OI&T and OALC personnel, we clarified and made changes to the report, as deemed appropriate.

- a) After discussions with the Deputy Assistant Secretary for Human Resources and Administration, we revised recommendation 5 to clarify that HR&A provide notification to supervisors regarding this requirement.
- b) In a previous version of our draft report, we included a recommendation to the Assistant Secretary for Human Resources and Administration to provide guidance on recouping overpayments and granting waivers. In discussions with HR&A and OALC personnel, we determined that this was an Office of Management function. Office of Management provided us with published VA guidance, which clearly identified the process on recouping overpayments and granting waivers. As such, we did not include the recommendation in the final report. In removing this recommendation, previously recommendation 7, recommendations 8–10 referred to in management's comments now refer to recommendations 7–9, respectively.
- c) After discussions with HR&A, OGC, and OALC personnel, we modified recommendations 7 through 9 to clarify that VA guidance should be followed when taking action to rectify an incorrect duty station to ensure that recoupment occurs if appropriate.
- d) The General Counsel provided comments regarding the phrasing of section 10. Upon consideration of OGC's comments, we revised paragraph 10 to simplify the issue identified.
- e) We agree with the Principal Executive Director for Office of Acquisition, Logistics, and Construction that the amount of overpayment for one OALC employee was small and it may not be cost-effective to the government to pursue reimbursement. However, in any instance of overpayment, OALC must comply with VA policy to correct the deficiency, which will result in a formal decision as to whether recoupment is necessary. OALC has taken such actions in accordance with VA policy.



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LINDA A. HALLIDAY

## **Attachment A Scope and Methodology**

Scope and Methodology. We conducted our audit work from September 2011 through March 2012. We reviewed applicable regulations concerning duty station assignments and locality pay. We selected a statistical sample of 99 employees for our audit. Attachment B provides a full discussion of our statistical sampling methodology. We obtained requests for personnel action, notifications of personnel action, and accounting and payroll data. We compared the data obtained from these three sources for accuracy and consistency. We interviewed employees and supervisors relevant to our sample cases to determine the employees' correct duty stations.

We discussed applicable processes and internal controls with relevant officials from various VA organizations. These organizations included the Veterans Health Administration, the Veterans Benefits Administration, the National Cemetery Administration, the Office of General Counsel, the Office of Public and Intergovernmental Affairs, the Office of Management, the Office of Information and Technology, the Office of Human Resources and Administration, the Office of Small and Disadvantaged Business Utilization, and the Office of Acquisition, Logistics, and Construction.

Reliability of Computer-Processed Data. We assessed the reliability of PAID data by comparing selected data elements (such as an employee's grade/level, step/rate, adjusted basic pay, and duty station location) to the applicable SF 52, SF-50, and our interview results. We also performed limited testing of FedTraveler data to ensure that FedTraveler had the most complete data available regarding employee reimbursements for travel. We concluded that the data were sufficiently reliable for accomplishing our audit objective.

Government Auditing Standards. We conducted this performance audit in accordance with generally accepted government auditing standards. These standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.



## **Attachment B VA Duty Station Assignment Universe and Statistical Sampling Methodology**

Employee Universe. We selected a statistical sample of employees to assess whether VA assigned duty stations in accordance with applicable Federal regulations and VA policies. We identified our universe of employees using data from the PAID system. We identified an audit universe of 3,903 employees who likely had a combined net overpayment of nearly \$1.5 million (based on the annual 2011 rate) resulting from potentially erroneous locality payments. The universe included all active employees who received locality pay and resided at least 75 miles from their assigned duty station as recorded in PAID for pay period 13 of 2011. The universe included employees from the Veterans Health Administration, the Veterans Benefits Administration, the National Cemetery Administration, and other VA organizations. We first stratified our audit universe as follows:

- Employee resided 75 – 799 miles from the assigned duty station
- Employee resided 800 – 2,599 miles from the assigned duty station
- Employee resided 2,600 miles or more from the assigned duty station
- Employee was missing either the residential zip code or the duty station zip code, which prevented automated calculation of the distance his or her residence and the assigned duty station

We stratified our sample into two groups based on rounding errors. Records with a monetary difference greater or equal to \$1.00 were placed in the above \$1.00 group, and records with a difference between \$0.00 and \$0.99 were placed in the below \$1.00 group. We further stratified our sample selection by distances and the various VA organizations to ensure that the Veterans Health Administration, the Veterans Benefits Administration, the National Cemetery Administration, and other VA organizations were statistically represented.

Sample Design. The sample design was based on a precision of 8.7 percent of the estimated dollar amount, a 90 percent confidence level, and an expected error rate of no more than 10 percent of the total. Based on the sampling criteria stated above, we used a classical stratification formula to calculate a minimum sample size of 99 employees. The sample included employees from across VA administrations and staff offices.

Table 1 presents the estimated total dollar value of incorrect locality payments, population projections, and margins of error based on a 90 percent confidence interval. The margin of error and confidence interval are indicators of the precision of the projections.

**Table 1. Total Dollar Value and Error Rate of Incorrect Locality Payments**

Description	1-Year Projection	Margin of Error Based on 90% Confidence Interval	90 % Confidence Interval		5-Year Projection
			Lower 90%	Upper 90%	
Dollar Value of Incorrect Locality Payments	\$271,071	\$408,951	\$14,979	\$680,023	\$1,355,355
Error Rate	2.10%	1.50%	0.60%	3.60%	

Source: VA OIG

**Attachment C Assistant Secretary for Human Resources and Administration Comments**

**Department of  
Veterans Affairs**

**Memorandum**

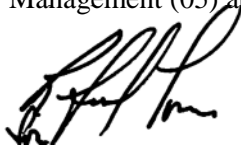
**Date:** April 9, 2012

**From:** Assistant Secretary for Human Resources and Administration (006)

**Subj:** Draft Report: Audit of Duty Station Assignments  
(Project: 2011-04081-D2-0223)

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

1. This will serve as a supplement to our April 4, 2012 memo to you regarding the draft report, titled "Audit of Duty Station Assignments." As discussed with staff of the Office of Inspector General, the Office of Human Resources and Administration (HR&A) concurs with the revisions to Recommendation 5 and Recommendations 8-10. HR&A also concurs with deleting Recommendation 7.
2. Thank you for the opportunity to provide comments on this draft report. Should you have further questions regarding this information, please contact Ms. Tonya M. Deanes, Deputy Assistant Secretary for Human Resources Management (05) at (202)-461-7765.



John U. Sepúlveda

**Department of  
Veterans Affairs**

**Memorandum**

**Date:** April 4, 2012

**From:** Assistant Secretary for Human Resources and Administration (006)

**Subj:** Draft Report: Audit of Duty Station Assignments (Project: 2011-04081-D2-0223)

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

1. This is in response to the subject draft report wherein the Office of the Inspector General conducted a Department-wide audit to determine whether VA has a systemic problem assigning incorrect duty stations and locality pay to employees.
2. We concur with your finding that VA does not have a systemic problem assigning incorrect duty stations and locality pay to employees across all VA organizations. Our comments with regard to the specific recommendations pertaining to the Office of Human Resources and Administration are as follows:
  - a. The Assistant Secretary for Human Resources and Administration develop training for human resources personnel responsible for coding duty stations in the automated system to ensure they understand how to designate employee duty stations as well as the implications of virtual assignments.

We concur with this recommendation and have completed the following actions as a result:

- (1) The Basic Records and Processing training manual has been updated to provide instruction on the proper coding of duty stations in the Personnel and Accounting Integrated Data (PAID) system.
  - (2) The need for correct duty station codes and the implication of virtual duty station assignments was presented as a discussion/training topic on the Nationwide Human Resources Management Officers Monthly Conference Call on March 14, 2012.
- b. The Assistant Secretary for Human Resources and Administration issue policy requiring that at least annually, managers are notified of their employees' duty station assignments and validate the assignments.

We concur with this recommendation and will revise pay administration policy no later than July 31 to require managers to annually review and validate employee duty station assignments. We are also investigating the modification of the existing P41-A standard monthly report to include the employee's duty station City and State. If the report can be modified, HR personnel can access the report and provide it to the managers of the organizations they service to assist in the validation.

- c. The Assistant Secretary for Human Resources and Administration establish an oversight mechanism to ensure that at least annually, managers are notified of their employees' duty station assignments and validate the assignments.

We concur with this recommendation and will ensure our Oversight and Effectiveness assessment teams review field compliance as part of future reviews. We will also complete the following actions no later than June 29, 2012:

- (1) Investigate the modification of the existing P59 standard report to include the employee's duty station City and State. If the report can be modified, HR personnel can run the report and provide it to the managers of the organizations they service for validation.
- (2) Prepare an e-mail communication to the HR community to remind them of the need to correctly code the duty station to ensure correct locality pay.
- (3) Prepare an HR Bulletin with instructions for accessing the P59 monthly report and working with managers and supervisors to validate the duty station.
- (4) Develop a communication strategy to notify managers and supervisors of the importance of correct duty station information for their employees, and the need to process a personnel action if an employee's duty station changes.

- d. The Assistant Secretary for Human Resources and Administration establish a mechanism to notify all VA employees at least annually of the definition of duty station, as well as the implications of virtual assignments on locality pay.

We concur with this recommendation and will develop a mechanism to notify all VA employees at least annually of the definition of duty station, as well as the implications of virtual assignments on locality pay no later than July 31.

e. The Assistant Secretary for Human Resources and Administration establish a control mechanism to ensure supervisors submit a Request for Personnel Action, Standard Form 52, if an employee's duty station changes.

We non-concur with this recommendation as we do not believe there are any control mechanisms that can be established to ensure supervisors submit a Standard Form 52 to document a change in duty station. However, we will take the following actions no later than July 31, 2012 in an effort to address this recommendation:

(1) We will clarify the requirement for supervisors to submit a Standard Form 52 whenever an employee changes duty stations in pay administration policy.

(2) We will develop a mechanism to notify all supervisors at least annually of the requirement to submit a Standard Form 52 whenever an employee's duty station changes.

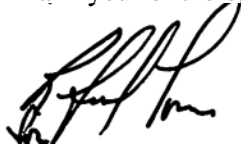
f. The Assistant Secretary for Human Resources and Administration provide guidance to human resources personnel regarding processing corrective actions when employees have received inaccurate locality pay, which will help ensure that recoupment efforts are appropriate.

We concur with this recommendation and will update the existing instructions in the PAID Coding Manual no later than July 31, 2012, to provide an example of a retroactive duty station correction. It should be noted that when a retroactive correction is made to PAID, the payroll system (DFAS) automatically generates a debt letter to the employee, who may then pursue a waiver of the debt collection. That process is administered by the Office of Finance, not Human Resources.

g. We nonconcur with this recommendation with regard to recouping overpayments. As indicated above, VA's process for recouping overpayments and granting waivers is administered by the Office of Finance. However, in a discussion with (*the Audit Manager*) she conveyed that the term "recouping" was intended to address correction of the personnel action. The Office of Human Resources and Administration has responsibility for providing guidance on the correction of personnel actions and has indicated action to be taken in the above response.

h. – j. While these recommendations are addressed to the General Counsel, the Assistant Secretary for Information and Technology, and the Executive Director for the Office of Acquisition, Logistics, and Construction, again note that Human Resources and Administration does not provide the guidance for recouping payments. As stated above, if the intent was to address correction of personnel actions rather than recouping this should be clarified.

3. Thank you for the opportunity to provide comments on this draft report.



John U. Sepúlveda

## Attachment D General Counsel Comments

### Department of Veterans Affairs

### Memorandum

**Date:** March 23, 2012

**From:** General Counsel (02)

**Subj:** OIG Audit of Duty Station Assignments (Project: 2011-04081-D2-0223)

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

1. I reply to your memo of March 13, 2012, seeking comments on your draft report on the Audit of Duty Station Assignments. I have three comments, keyed to the indicated paragraphs in your draft report, as follows:

A. Page 5, ¶ 10—Travel: I understand that the intent of this paragraph is to say that, once the incorrect duty assignments have been corrected, the reimbursement for travel to them ends up being appropriate.

I believe that a better way to phrase this would be as follows:

10. VA reimbursed three of the six employees for travel to duty stations to which they were incorrectly assigned at the time. Accordingly, such reimbursements were inappropriate—at the time they were made—since they were contrary to VA travel policy prohibiting employees from receiving reimbursements for commuting to and from their assigned duty stations. Once the duty station assignments have been corrected, however, the funds paid for travel to them can then be deemed appropriate, in retrospect, since they now are reclassified as applying to travel to other than assigned duty stations.



B. Page 6, ¶ 12-8)—Recommendation for OGC (wording): We ascertained that the relevant guidance for correcting personnel actions is found in OPM's Guide to Processing Personnel Actions (GPPA) and that the only VA guidance is from an HR&A manual that instructs VA staff to follow the GPPA's requirements.

Accordingly, this recommendation should be worded as follows:

The General Counsel take action to recoup overpayments as appropriate, in accordance with guidance established by OPM and the Assistant Secretary for Human Resources and Administration.

C. Page 6, ¶ 12-8)—Recommendation for OGC (substance): After a legal review, we've concluded that action to correct an erroneous personnel action, such as improper duty assignment, must coincide with the date of the original personnel action.

Accordingly, we will comply with that requirement and will process an amended SF-52, correcting the duty station assignment for our employee as of 12/8/96, within 30 days.

2. If you have any questions, please call me or have a member of your staff contact Tom Dodson by email at [Tom.Dodson@va.gov](mailto:Tom.Dodson@va.gov) or by telephone at 202.461.7704.



Will A. Gunn

## Attachment E Principal Deputy Assistant Secretary for Information and Technology Comments

### Department of Veterans Affairs

### Memorandum

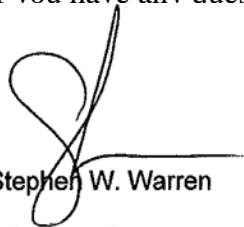
**Date:** April 4, 2012

**From:** Principal Deputy Assistant Secretary for Information and Technology (005A)

**Subj:** Draft Report: Audit of Duty Station Assignments (Project: 2011-04081-D2-0223)

**To:** Assistant Inspector General for Audits and Evaluations

1. The Office of Information and Technology (OIT) acknowledges receipt of the Office of Inspector General's draft report and concurs with the recommendation. OIT's response and target completion dates are enclosed.
2. Thank you for the opportunity to comment on your recommendations. If you have any questions, please contact Martha Orr at (202) 461-6910.



Stephen W. Warren

Attachment

**Assistant Secretary's Comments to  
Office of Inspector General's Report**

The following Assistant Secretary's comments are submitted in response to the recommendations in the Office of Inspector General's Report:

**OIG Recommendations**

1. We recommend the Assistant Secretary for Information and Technology take action to recoup overpayments as appropriate, in accordance with guidance established by the Assistant Secretary for Human Resources and Administration.

Concur                      **Target Completion Date:** May 31, 2012

OIT will take the appropriate action pending guidance established by the Assistant Secretary for Human Resources and Administration to recoup overpayments.

## Attachment F Principal Executive Director for the Office of Acquisition, Logistics, and Construction Comments

### Department of Veterans Affairs

### Memorandum

**Date:** April 9, 2012

**From:** Principal Executive Director, Office of Acquisition, Logistics, and Construction (003)

**Subj:** Draft Report: Audit of Duty Station Assignments (Project: 2011-04081-D2-0223)

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

1. The Office of Acquisition, Logistics, and Construction (OALC) reviewed the Draft Report and Transmittal Memo dated March 13, 2011, Draft Report: Audit of Duty Station Assignments (Project: 2011-04081-D2-0223) and concurs with the following comments:
  - a. OALC concurs with recommendation 10, and has already taken the actions to correct the duty stations for the OALC employees as prescribed in VA guidance.
  - b. In the Draft Report, pg. 6, delete recommendation 7.
  - c. In the Draft Report, pg. 6, revise recommendations 8 and 10. The guidance for revising these recommendations should be established by the Office of Finance, which published the policies and procedures associated with recouping employee debt. According to the Office of Finance, the Department of Veterans Affairs (VA) Policy Volume VII-Debt Management, employers are required to pursue the collection of overpayments from the employees identified in an audit. However, any collection action should not take place before the employees exercise their right to request a waiver from the Veteran Benefit Administration's (VBA) Committee on Waivers and Compromises (COWC). If the employees decide to request a waiver, collection action will be suspended until the COWC makes a decision.

d. In the Draft Report, page 13, Attachment E, Table 2. Employees with Incorrect Duty Station Assignments chart identifies OALC employees that are represented by an Employee Identifier number. The amount of overpayment shown for Employee Identifier number 5 is \$43.56, a very small amount, and it would not be cost effective to the government to pursue reimbursement. The OIG agreed with this assessment during the exit conference.

2. Should you have questions regarding paragraphs b and c above, please contact Steve Swanson Chief Financial Officer, Supply Fund, Acquisition Program Support, (202) 461-6925. Regarding paragraph d above, please contact Sheila Walker, Supervisory Program Specialist, Construction & Facilities Management, (202) 632-5663.

For   
Glenn D. Haggstrom

**Attachment G Table 2. Employees with Incorrect Duty Station Assignments**

Employee Identifier	Organization	Incorrect Duty Station Assigned	Correct Duty Station	Virtually Assigned	Date Error Occurred	Overpayments	Number of Trips to Incorrect Duty Station	Total Cost of Trips
1	OGC	Hines, IL	Danville, IL	No	12/8/1996	\$ 92,462.49	8	\$4,932.52
2	OIT	Jackson, MS	Tomah, WI	Yes	3/28/2010	0.00	0	0.00
3	OIT	Bay Pines, FL	Gainesville, FL	Yes	12/19/2010	0.00	1	196.43
4	OIT	Houston, TX	Washington, DC	Yes	8/17/2008	13,073.58	0	0.00
5	OALC	Washington, DC	San Diego, CA	No	5/23/2010	43.56	0	0.00
6	OALC	Hines, IL	Chelmsford, MA	No	6/21/2009	226.81	2	1,787.42
<b>TOTAL</b>						<b>\$105,806.44</b>		

Source: VA OIG

**Attachment H Potential Monetary Benefits in Accordance with Inspector General Act Amendments**

Recommendation	Explanation of Benefits	Better Use of Funds	Questioned Costs
1-9	Improve training and notifications to managers on duty station assignments to ensure that locality pay is accurate for all VA employees over the next 5 years.	\$0	\$1,355,355
<b>Total</b>		<b>\$0</b>	<b>\$1,355,355</b>

## **Attachment I    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

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Acknowledgments              Paul M. Sondel, Director  
Nicole Frish  
Lee Giesbrecht  
Meredith Hauber  
Victor Milano  
Tonya Shorts-Smith  
Gordon Snyder  
William Tully  
Nelvy Viguera-Butler  
Domingo Alvarez



## **Attachment J Report Distribution**

### **VA Distribution**

Office of the Secretary  
Veterans Health Administration  
Veterans Benefits Administration  
National Cemetery Administration  
Assistant Secretaries  
Office of General Counsel

### **Non-VA Distribution**

House Committee on Veterans' Affairs  
House Appropriations Subcommittee on Military Construction, Veterans Affairs, and Related Agencies  
House Committee on Oversight and Government Reform  
Senate Committee on Veterans' Affairs  
Senate Appropriations Subcommittee on Military Construction, Veterans Affairs, and Related Agencies  
Senate Committee on Homeland Security and Governmental Affairs  
National Veterans Service Organizations  
Government Accountability Office  
Office of Management and Budget

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