

Department of Veterans Affairs

Memorandum

Date: June 22, 2017

From: Assistant Inspector General for Investigations (51)

Subj: Administrative Investigation – Alleged Misuse of Travel and Conference Funds, Veterans Health Administration (VHA) Office of Strategic Integration (OSI), Washington, DC, Report No. 17-00126-268 (2017-00126-IQ-0098)

To: Executive Director, VHA OSI (10A5)

Purpose

The VA Office of Inspector General, Administrative Investigations Division, received an allegation that Mr. Marvin Rydberg, (GS-15) Supervisory Program Analyst, stationed in Portland, OR, misused travel funds by improperly traveling to Washington, DC, weekly. Additionally, Mr. Rydberg allegedly misused conference funds by reserving spaces at expensive hotels for monthly team meetings.

Objective, Scope, and Methodology

To assess these allegations, we reviewed travel, email, personnel, conference, purchase card, and project planning records. In addition, we reviewed applicable Federal laws and regulations and VA policy. Lastly, we interviewed Mr. Rydberg.

Results

Issue 1: Mr. Rydberg Did Not Misuse VA Travel Funds

An employee's official worksite is the location of the employee's position of record where the employee regularly performs his or her duties.¹ If the employee's work involves recurring travel or the employee's work location varies on a recurring basis, the official worksite is the location where the work activities of the employee's position of record are based, as determined by the employing agency, subject to the requirement that the official worksite must be in a locality pay area in which the employee regularly performs work.² An agency must document an employee's official worksite on an employee's Notification of Personnel Action (Standard Form 50 or equivalent).³

VA policy defines a virtual office or virtual workplace as a work environment in which employees work cooperatively from different locations using a computer network...to

¹ 5 C.F.R. § 531.605(a)(1).

² Id. at para. (a)(2).

³ Id. at para. (a)(3).

perform work-related duties...The actual physical locations of the employees working in a virtual office can be temporary or permanent and can be nearly anywhere, such as their homes.⁴

Agencies may pay only those expenses essential to the transaction of official business, which include transportation expenses, per diem expenses, miscellaneous expenses, and travel expenses of an employee with special needs.⁵ Employees are eligible for payment of transportation expenses when performing official travel, including authorized transportation expenses incurred within the TDY location.⁶

Mr. Rydberg's Virtual Portland, OR, Assignment and Career Path

Mr. Rydberg told us he previously lived in Washington, DC, but in February 2013, he requested to work from Portland as a virtual employee, since Office of Strategic Integration (OSI) is virtual and national in scope. He said that he chose Portland because his spouse had employment there, and it was where his growing family had a "support system." Personnel records reflected that the then Acting Deputy Director for the Office of Healthcare Transformation (OHT) approved his request on February 8, 2013. Portland, OR, was then designated as Mr. Rydberg's official duty station, effective February 24, 2013.

Mr. Rydberg said that he was assigned to support VA's Veterans Access Choice and Accountability Act (VACAA) initiative in 2014. Through the Surface Transportation and Veterans Health Care Choice Improvement Act of 2015, Congress mandated that VA consolidate all purchased care into one Community Care Program (CCP). Mr. Rydberg told us that he worked 12 to 15-hour days from Washington, DC, on the consolidation plan. After 4 months of work, they completed the plan, meeting the mandated deadline of November 1, 2015. Once the consolidation plan was completed, he became the Lead Program Manager to implement it. He collaborated with the former Veterans Integrated Service Network 17 Director, Mr. Joseph Dalpiaz, who was the project lead, and the Assistant Deputy Undersecretary for Health for Community Care, Dr. Baligh Yehia, who was the co-lead. Mr. Rydberg said the CCP evolved into the Future State of Community Care Project (FSCCP), and he later transitioned into the Lead Project Manager position for this project. Mr. Rydberg worked on this project until September 2016.

VA's Critical Need for Mr. Rydberg to Manage in Washington, DC

Mr. Rydberg told us that it was critical for him to be "on the ground," and Mr. Dalpiaz approved of his travel between Portland and Washington, DC, to be present and manage the CCP. He said that project took longer than anticipated, and no one intended his frequent travel to be sustained. He said that he usually arranged his return travel for Thursday nights to be able to work virtually from home on Fridays.

⁴ VA Handbook 5011/26, Part II, Chapter 4, Section 5 (August 9, 2013).

⁵ 41 C.F.R. § 301-2.2.

⁶ 41 C.F.R. § 301-10.1.

Analysis of Mr. Rydberg's Travel

Mr. Rydberg's travel records reflected that his travel was consistent with his testimony, and his stated travel purposes aligned with what was reflected on his approved travel authorizations and vouchers. Records reflected that Mr. Rydberg traveled a total of 58 times between August 2014 and March 2017, and 51 of those trips were between Portland, OR, and Washington, DC. He first traveled to Washington, DC, for VACAA in December 2014. Records reflected that his trips transitioned from VACAA to more frequent trips in support of the CCP and FSCCP throughout 2015 and 2016. VA's Modernization effort added to his Washington, DC travel beginning in 2016 and into 2017. In analyzing the number of workdays he spent in travel status, we found that during 2015 and 2016, the period of his greatest travel to Washington, DC, Mr. Rydberg spent the majority of his workdays in Portland, OR, his assigned duty station.

Issue 2: Mr. Rydberg Did Not Misuse Conference Funds

VA Policy defines a conference as a meeting, retreat, seminar, symposium, or event that involves attendee travel. The term "conference" also applies to training activities that are considered to be conferences under 5 CFR § 410.404. If a clear-cut determination cannot be made that an event is not a conference, then it must be processed under VA's policy as a conference.⁷ VA is legally mandated by Public Law (P.L.) 112-154, Honoring America's Veterans and Caring for Camp Lejeune Families Act of 2012 to report on any VA sponsored or cosponsored conference, meeting, or other similar forum which either:

- Costs \$20,000 or more, or
- Costs less than \$20,000 and there are 50 or more attendees including at least one or more VA employees.⁸

U.S. Office of Management and Budget (OMB) Memorandum M-17-08 requires agencies to ensure that Federal funds are used only for necessary and appropriate purposes and that all conference expenses and activities comply with both Federal Travel Regulations (FTR) and Federal Acquisition Regulations (FAR) requirement for lodging, food, and beverages, per diem reimbursement, and contracting of goods and services. In addition, agencies should ensure that conference attendance and expenses are appropriate to the purpose of the conference and the mission of the agency.⁹

A responsible conference executive (RCE) is an individual assigned by an Under Secretary, Assistant Secretary, or Other Key Official responsible for planning, obtaining required level of approval, oversight, and reporting of assigned VA-sponsored or co-sponsored conferences. Further, the RCE is required to demonstrate responsible

⁷ VA Financial Policy VA Financial Policy, Volume XIV, Chapter 10, Section 1001.

⁸ Id.

⁹ Id., at Section 100501.01.

stewardship of public funds and compliance with VA policy in performing all administrative roles and responsibilities identified in this chapter.¹⁰

Once Mr. Rydberg was assigned to manage the FSCCP, he said the re-organization resulted in confusion and “chaos” among the employees responsible for its operation. He said that he was faced with the task of implementing the plan, and he developed a framework for it. This required convening community care employees from the field, VA Central Office, and various VISNs to orient them to the new structure. The framework called for seven portfolio teams who were aligned with congressionally required chapters of the legislation. He said that he gave input as to the team members who should attend the conferences and be responsible for rapidly moving the projects forward. Teams were comprised of up to seven members with experience ranging from no community care experience to those with significant community care front-line and VISN supervisory experience, including community care employees.

To animate the framework, Mr. Rydberg said that he and the project leads assembled the most qualified people, and used an agile “sprint” structure. He said each sprint consisted of 4 months, and there were 3 sprints a year. He led the effort to successfully renew the critical Veterans’ Choice Program, and to accomplish that, all team members traveled once a month. Mr. Rydberg told us that he did not approve the travel for the team members, as that was done through each employee’s chain of command. However, the travel was funded through VHA’s Office of Community Care. He was responsible to ensure people other than the team members did not wastefully travel. He said that he strove to expend travel funds on only the employees who were going to contribute to the program roll out.

Mr. Rydberg told us that he has since been assigned to lead VA’s Modernization Effort, and that role does not require as much travel as his former role. He said that his frequency of travel was declining. However, his OSI position required him to continue to support Dr. Yehia or FSCCP, as it was the Secretary’s number two stated priority.

Mr. Rydberg’s Role in Conference Planning, Oversight, and Reporting

VHA’s Employee Education System (EES) conference records identified Mr. Rydberg as the RCE. Mr. Rydberg told us that the process he used to reserve conference space first required that EES conduct a cost comparison through which they determined the location offering the best value to the Government. After EES gave him permission to schedule a conference in the determined location, Mr. Rydberg would then search for suitable facilities at the Government rate. He said that he had no input into EES’s cost comparison process. We reviewed nine conference packages EES gave Mr. Rydberg, and these records appeared complete and in concert with Mr. Rydberg’s explanation for the conference approval and reporting process he used.

¹⁰ Id., at Sections 100310 and 100406.

Mr. Rydberg said he never sought expensive conference facilities to accommodate his team meetings, and he followed all applicable conference planning rules and regulations. He always tried to reserve a Government facility first, and he always ensured that he got the Government lodging room rate. If he couldn't secure Government space, he then sought conference space at a cost of less than \$2,500. He adopted a \$2,500 limit, as that was the maximum allowed per purchase on the contractor-issued VA purchase card he used to pay for all meeting space.

Mr. Rydberg's testimony was corroborated by our review of his emails. A February 2, 2016, email chain between one of Mr. Rydberg's associates and a Washington, DC, Hilton Garden Inn associate, reflected a negotiation for hotel space at a cost of \$3,000. In a February 4, 2016, email, Mr. Rydberg declined that space stating that \$3,000 was too expensive. Mr. Rydberg told us that he did not hold the conference at that Hilton Garden Inn because \$3,000 exceeded the \$2,500 limit.

Allegations specified that Mr. Rydberg preferred to hold meetings at the Gaylord National Resort and Convention Center at National Harbor, the Hyatt Regency, and the Hamilton (Crowne Plaza) Hotels in Washington, DC. He told us that he held conferences at these hotels, but he did not plan staying at the hotels because they were recognized as luxury brand hotels. He said that the Gaylord at National Harbor was available, offered a block of rooms at the Government rate and conference space for under \$2,500. He said that he would have used Government meeting space, but it was not usually available. He explained that he tried to secure VA's National Conference Center located in Crystal City, VA, but it was not available. EES records reflected that they found, for one conference, a Government facility in Washington, DC, for Mr. Rydberg's use, which was less costly to use, and he held the conference at that facility. He described the conditions of the Hamilton (Crowne Plaza) Hotel, where they held more than one meeting, as poor meeting space with a foul odor and no cellular phone reception on the lower levels, but they offered their space at the \$2,500 rate. He believed EES's cost comparisons chose the Washington, DC, venue, as it was the most convenient to the greatest number of travelers.

Conclusion

We found that Mr. Rydberg's frequent travel was necessary and warranted. His personnel records correctly reflected his duty station as Portland, OR, and although he traveled frequently to Washington, DC, on official business, the majority of his workdays were spent at his duty station in Portland. His travel records were appropriately supported by receipts, and trip purposes which fittingly described the justification for his official travel. With regard to planning conferences, Mr. Rydberg made all reasonable efforts to ensure compliance with VA conference reporting policy. We also found that EES's cost comparisons and reporting requirements served as highly adequate cost control measures. Furthermore, we found that the selection of Washington, DC, as the location for these meetings was a determination made by EES, not Mr. Rydberg.



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