



DEPARTMENT OF VETERANS AFFAIRS  
**OFFICE OF INSPECTOR GENERAL**

*Office of Special Reviews*

VETERANS HEALTH ADMINISTRATION

Alleged Misconduct by  
Employees of the Greater  
Los Angeles Healthcare  
System Addressed by VA

ADMINISTRATIVE  
INVESTIGATION

REPORT #18-02164-156

JUNE 24, 2020



The mission of the Office of Inspector General is to serve veterans and the public by conducting effective oversight of the programs and operations of the Department of Veterans Affairs through independent audits, inspections, reviews, and investigations.

*In addition to general privacy laws that govern release of medical information, disclosure of certain veteran health or other private information may be prohibited by various federal statutes including, but not limited to, 38 U.S.C. §§ 5701, 5705, and 7332, absent an exemption or other specified circumstances. As mandated by law, the OIG adheres to privacy and confidentiality laws and regulations protecting veteran health or other private information in this report.*

**Report suspected wrongdoing in VA programs and operations  
to the VA OIG Hotline:**

**[www.va.gov/oig/hotline](http://www.va.gov/oig/hotline)**

**1-800-488-8244**



## Investigative Results

In August 2018 the VA Office of Inspector General's (OIG) Administrative Investigations Division initiated an investigation in response to the following allegations of misconduct by two employees of the VA Greater Los Angeles Healthcare System (the healthcare system).<sup>1</sup>

The complainant alleged that a supervisory health system specialist (the supervisor) misused his/her public office for private gain when, as a part of the supervisor's VA job responsibilities, the supervisor improperly participated in matters related to an indefinite delivery-indefinite quantity contract. This contract maintained by the healthcare system was with a vendor whose vice president was the supervisor's significant other (non-spouse) and roommate.

The complainant also alleged that a former medical center director (the director), failed to make proper rental payments while residing in the healthcare system's quarters.

There is governing authority related to each of these allegations. As to the first allegation, federal regulations prohibit employees from taking official acts that may benefit a member of the employee's household:

An employee shall not use his public office for his own private gain, for the endorsement of any product, service or enterprise, or for the private gain of friends, relatives, or persons with whom the employee is affiliated in a nongovernmental capacity, including nonprofit organizations of which the employee is an officer or member, and persons with whom the employee has or seeks employment or business relations. Further, an employee shall not use or permit the use of his Government position or title or any authority associated with his public office in a manner that is intended to coerce or induce another person, including a subordinate, to provide any benefit, financial or otherwise, to himself or to friends, relatives, or persons with whom the employee is affiliated in a nongovernmental capacity.<sup>2</sup>

In regard to the second allegation, VA follows the Office of Management and Budget's (OMB) Circular A-45, "Rental and Construction of Government Quarters," with respect to setting rental rates:

Rental rates will be fair as between VA as landlord and the VA employee as resident, and as between employees of different agencies living in the same installation in similar housing, or employees living in rental quarters at different

---

<sup>1</sup> As part of an organizational realignment, the OIG's former Administrative Investigations Division has merged with the Office of Special Reviews, which has assumed responsibility for supervising and publishing the results of the Administrative Investigation Division's pending cases. The OIG conducted this review in accordance with the Council of the Inspectors General on Integrity and Efficiency's Quality Standards for Investigations.

<sup>2</sup> 5 C.F.R. § 2635.702.

installations. As well, as required by OMB Circular A-45, rental rates and charges for VA quarters shall be adjusted annually.<sup>3</sup>

During the course of the OIG's investigation, the supervisor voluntarily resigned from VA. Consequently, the VA OIG removed the allegation concerning the supervisor from the scope of the investigation.

Concerning the second allegation, beginning in March 2016, shortly after the director's reassignment to the facility, the relevant government rental housing documentation reflected the director agreed to pay the rental payments via payroll deduction on a biweekly basis. However, although housing documentation reflects the director's rental rate was reassessed annually, payroll documentation showed the director's payroll deductions continued to reflect the previous 2016 rental payment amount, until the director vacated the housing quarters and requested the payroll deductions stop in May 2019, prior to reassignment to another VA facility. This resulted in the director underpaying VA a net amount of \$158.58 for housing during the three years.

The Chief Financial Officer (CFO) at the healthcare system, told OIG investigators that "changes to the rates were not coded correctly" for payroll because of a "miscommunication between the station and the VISN." The CFO told OIG investigators that the director "was not paying the correct rental rate while residing in [the healthcare system's] housing," but that this was not the director's error. The CFO advised the OIG that an invoice was issued on February 3, 2020, to collect the \$158.58 in missing funds from the director.

The OIG identified no evidence that the error resulted from any misconduct on the part of the director. Because the error was unintended and corrective action has already been taken by the healthcare system, the OIG makes no recommendations.



R. JAMES MITCHELL, ESQ.  
Acting Assistant Inspector  
General for Special Reviews

---

<sup>3</sup> VA Directive 7631(2)(e) (g), citing OMB Circular A-45.

## OIG Contact and Staff Acknowledgments

---

<b>Contact</b>	For more information about this report, please contact the Office of Inspector General at (202) 461-4720.
<b>Primary Contributors</b>	Leanne Watkins, Administrative Investigator Samantha Petrich, Attorney-Advisor

---

## Report Distribution

### VA Distribution

Office of the Secretary  
Veterans Health Administration  
Assistant Secretaries  
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 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