US DEPARTMENT OF VETERANS AFFAIRS
OFFICE OF INSPECTOR GENERAL

Office of Audits and Evaluations

VETERANS BENEFITS ADMINISTRATION

Hiring of Claims Processors Generally Met Requirements and the Attrition Rate Remained Steady

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Executive Summary

On August 10, 2022, the President signed the PACT Act into law.[1] The act expanded
VA health care and benefits for veterans exposed to burn pits and other toxic substances.
With the expansion of benefits, the Veterans Benefits Administration (VBA) needed to increase
processing capacity to handle the influx of claims, which was expected to bring the total pending
inventory to over 961,000 by September 2023, a 66 percent increase over the previous year. As
of September 30, 2023, VBA had received over 1 million PACT Act–related claims, in addition
to 1.6 million claims not related to the PACT Act. By that same date, according to the executive
director for human capital, VBA had sought to hire 2,520 claims processors and reported
exceeding its overall goal, hiring 3,279 claims processors.[2]

The VA Office of Inspector General (OIG) conducted this audit to determine whether VBA
followed required steps to hire qualified claims processors using PACT Act funds. In addition,
the OIG calculated the attrition rates for VBA claims processors and evaluated measures VBA
implemented to retain these staff in support of PACT Act objectives.

What the Audit Found

VBA's human resources staff generally followed the required steps outlined in standard
operating procedures to hire qualified claims processors using PACT Act funds from
October 1, 2022, through September 30, 2023.[3] One required step is initial screening, which
involves obtaining fingerprints and having the applicant complete an online form for a
background investigation. The OIG estimated about 98 percent of claims processors hired with
PACT Act funds received favorable initial screening results before they received an official job

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[1] Sergeant First Class Heath Robinson Honoring our Promise to Address Comprehensive Toxics (PACT) Act of
2022, Pub. L. No. 117–168, 136 Stat. 1759.

[2] For the purposes of this report, the term *claims processor* broadly refers to both general claims processors and
rating claims processors unless specifically noted. Claims processors—who are called veterans service
representatives—explain benefits and entitlement criteria, help veterans gather relevant evidence, and assess the
severity of a claimed disability and its effect on a veteran's earning ability. Rating claims processors—who are
called rating veterans service representatives—analyze claims, apply VA's schedule for rating disabilities, and
prepare rating decisions that tell veterans about the amount of monthly compensation they will receive or explain
why their claim was denied. "What We Do" (web page), VA, accessed February 21, 2024,
https://benefits.va.gov/BENEFITS/jobs/index.asp. VBA received funding through the PACT Act to hire additional
staff. VBA reported that the 3,279 claims processors hired were paid for under the PACT Act and VBA's general
operating expenses. The OIG focused on the PACT Act–funded hires for this audit.

[3] VBA Office of Talent Management, "Personnel Suitability Standard Operating Process (SOP) A300,"
March 3, 2021. See appendix A for more information about the audit scope and methodology.

offer, as the procedures require.[4] But the other 2 percent received an official job offer before their screening results were available in the Personnel Security Investigation Portal. Eventually, favorable results were uploaded to the portal for these claims processors, who were still employed by VBA at the time of the audit. The OIG considers 2 percent minimal, and the instances in which the hiring process was not followed were few. Therefore, subject to the parameters of this audit, VBA's hiring process controls generally ensured all steps were completed in the order prescribed.

VBA Met Its Overall Time-to-Hire Goal but Not Always the Recommended Time per Step

Although the initial screening results were ultimately deemed favorable for the estimated 2 percent of prematurely hired claims processors, rushing official job offers puts VBA at risk of hiring someone who may not be suitable for federal service. Numerous OIG reports have exposed such risks and the effects that not mitigating the risks has on the security of employees and veterans' personal and sensitive information.[5] To prevent this kind of error, VBA can improve how staff use the investigation portal, which is meant to provide effective communication between human resources staff and suitability staff about the status of job applicants' initial background screening results.

Hiring has three components: recruiting, onboarding, and determining suitability. VBA defines "recruitment" as all tasks from when VBA identifies a vacant position to when it makes a tentative job offer to an applicant, and "onboarding" is all tasks from when VBA receives an applicant's response to a tentative job offer to when the new hire reports for duty. Onboarding includes an initial screening to determine the applicant's suitability, which as previously noted involves obtaining fingerprints and having the applicant complete an online form for a background investigation.

VBA uses the Time-to-Hire Model as a guide to help ensure human resources staff achieve the suggested 80-day time frame for recruiting and onboarding federal applicants.[6] The model outlines the recruiting and onboarding phases in 10 steps with a suggested time frame for each.

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[4] The initial screening is formally called the special agreement check. VBA Office of Talent Management, "Personnel Suitability Standard Operating Process (SOP) A300." The universe of total claims processors is based on HR Smart and Financial Management System data available to the OIG as of October 4, 2023. See appendix B for more information about the team's statistical sampling.

[5] VA OIG, *Potential Weaknesses Identified in the VISN 20 Personnel Suitability Program,* Report No. 23-02949-177, June 20, 2024; VA OIG, *Noncompliance with Contractor Employee Vetting Requirements Exposes VA to Risk,* Report No. 21-03255-02, February 8, 2024; VA OIG, *VA's Governance of Its Personnel Suitability Program for Medical Facilities Continues to Need Improvement,* Report No. 21-03718-189, September 21, 2023; VA OIG, *Personnel Suitability Process Concerns at the Beckley VA Medical Center in West Virginia,* Report No. 21-03718-47, February 23, 2023.

[6] The 80-day time frame is established by OPM, *End to End Hiring Initiative*, March 2017.

Although VBA met the 80-day time-to-hire goal for an estimated 85 percent of PACT Act–funded claims processor positions, the audit team estimates that human resources staff met the 26-day onboarding metric for only an estimated 140 new hires (8 percent) and staff met the recommended days for steps 9 and 10 less than 25 percent of the time.[7] While the OIG estimated an average of about 59 days per hire for all PACT Act–funded hires, the team also found dates necessary to determine timeliness for key human resources tasks in steps 6 through 9 of the Time-to-Hire Model were missing from USA Staffing and the Personnel Security Investigation Portal.[8] Steps 6 through 9 include reviewing applications, interviewing and selecting candidates, extending a tentative job offer, and initiating the background investigation. Because VBA does not track or monitor the time it takes human resources staff to complete each step, it may be unaware of the missing dates and may not be able to identify delays and areas for improvement in recruiting and onboarding.

Attrition of Claims Processors Held Steady with Low Participation in Retention Initiatives

Retaining claims processors is critical for VBA because these individuals are responsible for timely and accurate processing of veterans' benefit claims. For fiscal year (FY) 2023, claims processors made up about 53 percent of VBA's workforce. The audit team determined VBA's attrition rate for claims processors stayed around 6 percent for FY 2021 through FY 2023—a rate below VA's reported all-employee average of around 9 percent and comparable to the governmentwide attrition average of 5.9 percent.[9]

Aggregating Data Conceals Potential Trends in Claims Processors' Tenure

In accordance with the MISSION Act, each quarter, VBA reports the number of

- staff occupying positions (head count),

- new staff onboarded (accessions),

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[7] The traditional hiring process includes claims processors hired under a "traditional" job vacancy announcement who were subject to the competitive hiring process. This means applicants competed through a structured process as outlined in the Time-to-Hire Model. The nonstandard hiring process includes hires under nontraditional announcement types, such as the veterans' recruitment appointment authority. This authority allows agencies to appoint eligible veterans and exclude them from the competitive process, Time-to-Hire Model steps 1 through 7.

[8] USA Staffing is a federal governmentwide application that tracks and monitors applicants as they move through the recruiting and onboarding phases.

[9] "A profile of the 2023 Federal Workforce" (web page), Partnership for Public Service, accessed August 20, 2024, https://ourpublicservice.org/fed-figures/a-profile-of-the-2023-federal-workforce/.

- staff who have left (separations), and

- open positions (vacancies).[10]

But because this public reporting does not require VBA to report staff turnover rates (attrition)—or the percentage of employees who leave the agency during a specified period—VBA does not regularly report or monitor attrition rates by regional office, position, or staff tenure. Instead, VBA relies on its regional offices to monitor and manage the attrition rates for staff, including claims processors.[11] Yet the regional offices primarily monitor vacancies reported to district offices to determine hiring needs, not for managing staff attrition or retention. VBA does not set attrition goals to drive staff retention. This absence of goals limits regional offices' monitoring and comparisons of staff retention rates across regional offices to identify those that have challenges retaining claims processors.

Using available VBA human resources data, the audit team determined VBA's attrition rates both overall and specifically for claims processors held steady from FY 2021 to FY 2023.[12] Although the attrition rate for claims processors was consistently lower than the attrition rate for all VBA employees, the median tenure of claims processors who resigned from VBA in FY 2023 was about 10–12 months.[13] Since claims processors' expertise and proficiency increase over their tenure, VBA could be losing claims processors just when they are considered proficient in handling veterans' claims. As a result, VBA may not recoup the considerable resources invested in recruiting, hiring, and training staff for this critical position.

Voluntary Participation Limits Potential Feedback for Retention

VBA's Office of Human Capital Services developed Stay in VBA as a retention program in July 2022, according to the executive director for human capital. Before then, VBA had no administration-wide retention plan and deferred to the regional offices to manage staff retention. Although the Office of Human Capital Services and the Office of Field Operations have promoted the Stay in VBA Program, participation remains voluntary. Only 34 of 58 benefits and regional offices (59 percent) were participating as of April 2024.[14]

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[10] VA Maintaining Internal Systems and Strengthening Integrated Outside Networks (MISSION) Act of 2018, Pub. L. No. 115-182, § 505, 132 Stat. 1393.

[11] Regional offices provide services and benefits to veterans as part of VA's nationwide network.

[12] The OIG-calculated VBA attrition rate uses full- and part-time equivalents and includes retirements and transfers within VA.

[13] Specifically, the median tenure was 12 months for rating claims processors and 10 months for claims processors among those who resigned from VBA in FY 2023. The calculation is for full-time-equivalent employees who separated or transferred from VBA, excluding retirements. Median denotes the value lying at the midpoint of a frequency distribution of observed values, such that there is an equal probability of falling above or below it.

[14] Fifty-six regional offices and two benefits offices throughout the United States are primarily responsible for processing benefit claims.

Because the Stay in VBA Program lacked measurable performance indicators at the time of this audit, the team could not assess the impact or success of Stay in VBA on employee retention. Furthermore, without a requirement that regional offices participate in the program, it is uncertain when the Stay in VBA Program will be able to collect enough data to develop measurable goals and metrics. The absence of established metrics and measurable program goals inhibits VBA from determining whether its retention program is successful in retaining VBA staff, including claims processors.

Furthermore, in addition to VA's exit survey, which departing staff can fill out anonymously online, the Stay in VBA Program provides VBA employees an opportunity to participate in in-person exit interviews when they leave.

However, the OIG concluded based on interviews with VBA officials that, due to the voluntary nature of exit surveys, it does not appear VBA has a plan to encourage departing staff to complete exit surveys that VA and VBA leaders can use to improve VBA and its regional offices. Also, the Office of Field Operations does not receive or review exit survey results or provide oversight of their use at regional offices. Employee participation in exit surveys is a significant contributing factor for VBA to understand and measure employee satisfaction. But in FY 2023, VBA received VA exit surveys from only 304 departing employees, yielding an overall participation rate of about 13 percent. Only 84 of these participants in the exit survey (28 percent) were claims processors. If VBA does not encourage departing staff to participate in exit surveys and if it is not transparent with staff how exit information is used to inform decisions and make improvements, departing staff's willingness to participate in exit surveys may not increase.

What the OIG Recommended

The OIG is not making any recommendations at this time, as VBA's existing controls appear to be ensuring human resources staff are following the required recruiting, onboarding, and screening procedures. In addition, VBA is maintaining a consistent attrition rate; however, the Stay in VBA Program did not have data or metrics to assess for the audit period reviewed.

VA Management Comments and OIG Response

The acting under secretary for benefits concurred with the OIG's findings but had a technical comment regarding figure 5. Specifically, the acting under secretary maintained that the figure could be interpreted as depicting a comparison between rating claims processors and claims processors that might be misleading without additional information. Rating claims processors have a higher median tenure than claims processors because the majority of rating claims processors have held and have been promoted from the claims processor role to the rating claims processor role. Additionally, both titles are not official titles within VBA. The full text of the comments appears in appendix C.

The OIG used *claims processor* for readability and included VBA's official job title in a footnote. The OIG's purpose for including figure 5 and discussing claim processor tenure is not to compare tenure between the two positions. Rather, it is to highlight the years of claims processing experience that might be lost if VBA does not retain these staff. No OIG follow-up action is required.

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Contents

Abbreviations

FTE	full-time equivalent
FY	fiscal year
MISSION Act	Maintaining Internal Systems and Strengthening Integrated Outside Networks Act of 2018
NCA	National Cemetery Administration
OIG	Office of Inspector General
OPM	Office of Personnel Management
PACT	Promise to Address Comprehensive Toxics Act of 2022
VA-CABS	VA Centralized Adjudication Background Investigation System
VBA	Veterans Benefits Administration
VHA	Veterans Health Administration

Introduction

On August 10, 2022, the President signed the PACT Act into law.[15] The act expanded VA health care and benefits for veterans exposed to burn pits and other toxic substances. This law represents the most significant expansion of VA healthcare and disability compensation benefits for veterans in more than 30 years.

With the expansion, the Veterans Benefits Administration (VBA) needed to increase its processing capacity to handle the influx of claims, which was expected to bring the number awaiting processing to over 961,000 by September 2023—a 66 percent increase over the previous year. As of September 30, 2023, VBA had received over 1 million PACT Act–related claims, in addition to 1.6 million claims not related to the PACT Act. By that same date, according to the executive director for human capital, VBA reportedly exceeded its goal of hiring 2,520 claims processors by onboarding a total of 3,279. Duties of the claim processor positions are as follows:

- Explaining benefits and entitlement criteria, interviewing veterans, identifying issues, gathering relevant evidence, and deciding claims (these positions are referred to as claims processors or veterans service representatives).

- Analyzing claims, applying VA's schedule for rating disabilities, and preparing rating decisions that tell veterans about the amount of monthly compensation they will receive or explain why their claim was denied (these positions are referred to as rating claims processors).[16]

The VA Office of Inspector General (OIG) conducted this audit to determine whether VBA followed required steps and recommended time frames to hire qualified claims processors necessitated by the passage of the PACT Act. In addition, the OIG calculated the attrition rates for VBA claims processors and evaluated measures VBA implemented to retain these staff in support of PACT Act objectives.

Offices Involved in Staffing

VBA's Office of Field Operations is in charge of activities at VBA's district and regional offices. It is also required to ensure plans exist and are adequately implemented to recruit, select, train,

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[15] Sergeant First Class Heath Robinson Honoring our Promise to Address Comprehensive Toxics (PACT) Act of 2022, Pub. L. No. 117–168, 136 Stat. 1759.

[16] Claims processors are known as veterans service representatives, while rating claims processors are known as rating veterans service representatives. "What We Do" (web page), VBA, accessed February 21, 2024, https://benefits.va.gov/BENEFITS/jobs/index.asp.VBA received funding through the PACT Act to hire additional staff. VBA reported the 3,279 claims processors hired were paid for under the PACT Act and VBA's general operating expenses. The OIG focused on the PACT Act–funded hires for this audit.

coach, retain, motivate, empower, and advance VBA employees. Field Operations determines staffing levels in full-time equivalents (FTEs) for each regional office.[17] Based on these levels, the regional offices can hire staff as deemed necessary by submitting a hiring request to VBA's Office of Human Capital Services (Human Capital).

Human Capital is responsible for recruiting and onboarding VBA staff. Human Capital defines "recruitment" as all tasks from when VBA identifies a vacant position to when it makes a tentative job offer to an applicant, and "onboarding" is all tasks from when VBA receives an applicant's response to a tentative job offer to when the new hire reports for duty. Onboarding entails determining the applicant's suitability for their position by obtaining their fingerprints and having them complete an online form for a background investigation.[18]

Human Capital's Staff Operations Division includes human resources specialists and liaisons who recruit, hire, and onboard new staff. Human resources specialists are at human resources centers, and the liaisons are at the regional offices.[19] Human Capital's Personnel Security and Suitability Division includes personnel suitability specialists who plan, direct, and coordinate all personnel security, suitability or fitness determinations, and credentialing for VBA to complete the necessary background screenings.

Hiring Process

To accommodate the projected influx of claims, VBA obtained direct-hire authority from the Office of Personnel Management (OPM), allowing it to expedite hiring.[20] Direct-hire authority expedites hiring by eliminating competitive rating and ranking, veterans' preference, and "rule of three" procedures—which limit selection to the top three rated candidates. Human Capital began posting job openings nationwide instead of following its normal process of issuing regional office job announcements. In addition, VBA hosted eight in-person job fairs and four virtual job fairs to help meet its hiring goals and reduce recruiting time.

Even though the hiring process was expedited, VBA had to follow its standard hiring requirements. VBA uses the Time-to-Hire Model as a guide to help ensure human resources staff achieve the suggested 80-day time frame for recruiting and onboarding federal applicants.[21] Recruiting, onboarding, and determining suitability are the three key components of the hiring

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[17] Regional offices provide services and benefits to veterans as part of VA's nationwide network. FTEs are calculated for each fiscal year as the average of full- and part-time employees.

[18] The initial screening is formally called the special agreement check.

[19] VBA has five human resources centers in Baltimore, Maryland; Denver, Colorado; Des Moines, Iowa; Detroit, Michigan; and Jackson, Mississippi. Fifty-six regional offices and two benefits offices throughout the United States are primarily responsible for processing benefits claims.

[20] 5 C.F.R. § 337.201 (2004). Under the regulation, OPM can grant direct-hire authority to federal agencies when a critical hiring need or severe shortage of applicants exists.

[21] The 80-day time frame is established by OPM, *End to End Hiring Initiative*, March 2017.

process. The Time-to-Hire Model outlines recruiting and onboarding (including suitability) phases in 10 steps with a suggested time frame for each.

Recruiting Phase Identifies Eligible Applicants and Involves Selection of Chosen Candidate

The recruiting phase begins when VA's HR Smart system sends the open position data to USA Staffing and includes 54 days of the overall 80-day time-to-hire goal. Figure 1 shows the seven steps of the recruiting phase and the parties responsible for each step.
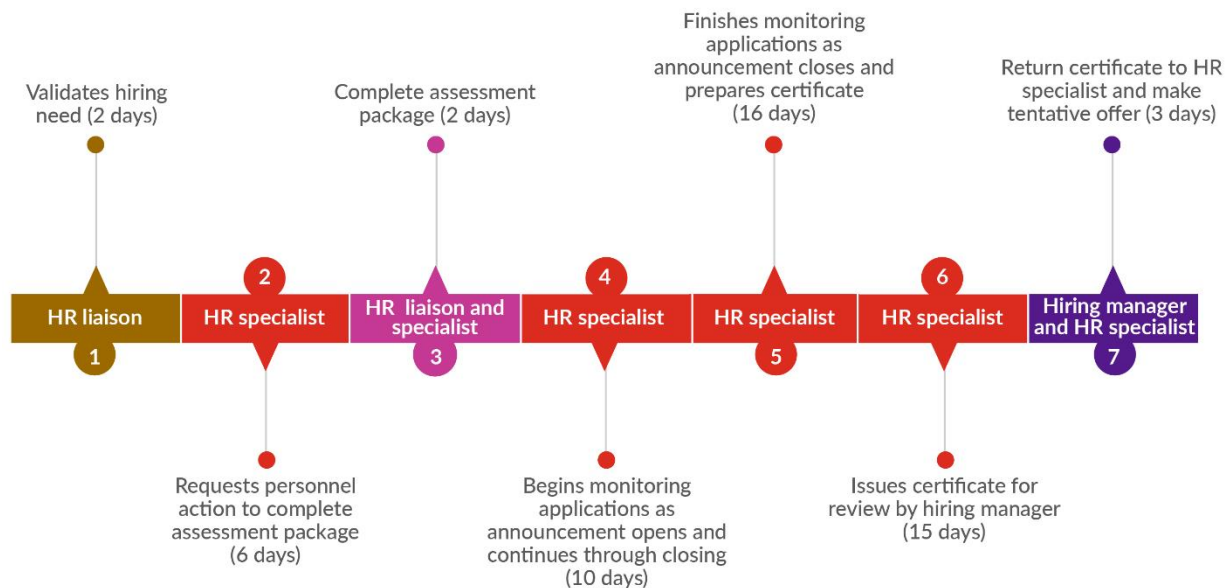
Figure 1. Recruiting phase, steps 1–7.
Source: Office of Human Capital Services, VBA Time to Hire*, January 30, 2023.*
Note: HR is human resources.

HR Smart is VA's human resources process and management tool, while USA Staffing is a federal governmentwide system that tracks and monitors applicants as they move through the recruiting and onboarding phases. USA Staffing also has the applicants' required hiring documents, such as resumes and declarations for federal employment. Human resources liaisons and specialists should enter dates of all hiring activities into USA Staffing, including background investigation tasks.[22]

Steps 5 and 6 of the recruiting phase are especially important. In step 5, the job announcement closes, and human resources specialists review the applications to determine eligibility for the position. In step 6, the specialists issue the list of eligible applicants to the hiring manager, who

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[22] VBA Office of Talent Management, "Personnel Suitability Standard Operating Process (SOP) A300," March 3, 2021.

reviews the applications, interviews candidates, and selects an individual for the position. The specialists then extend a tentative job offer to the selected applicant in step 7.

Onboarding Encompasses the Suitability Phase

Acceptance of Tentative Job Offer

The onboarding and suitability phase encompasses steps 8 through 10, from acceptance of the tentative job offer through the new hire's first day of work.[23] Figure 2 shows the onboarding phase, which comprises 26 days of the overall 80-day time-to-hire goal, including the parties responsible for each step.
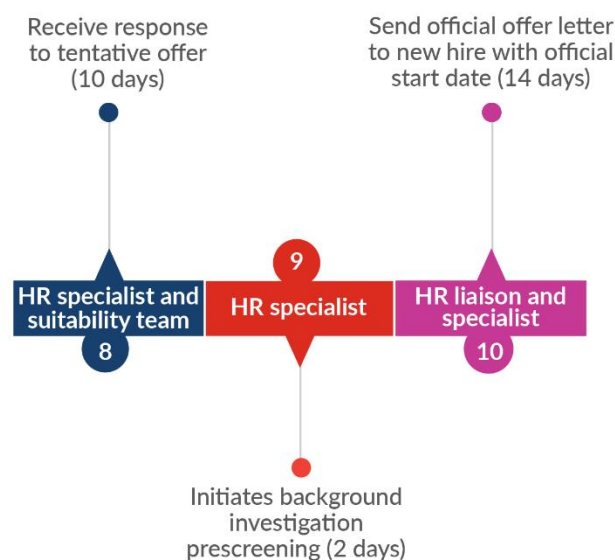
Figure 2. *Onboarding phase, steps 8–10.*
Source: Office of Human Capital Services, VBA Time to Hire*, January 30, 2023.*
Note: HR is human resources.

Prescreening Through the Portal

Although the onboarding phase appears short and straightforward, it also contains a separate, prescreening process at step 9—which is completed by the suitability team—as shown in figure 3 on the next page. Human resources and suitability staff use the Personnel Security Investigation Portal (investigation portal) for this. Prescreening is meant to identify and resolve any suitability or fitness issues early before the applicant's required background investigation begins.

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[23] The first day of work in the federal government is known as the enter-on-duty date, when the employee takes the oath of office.
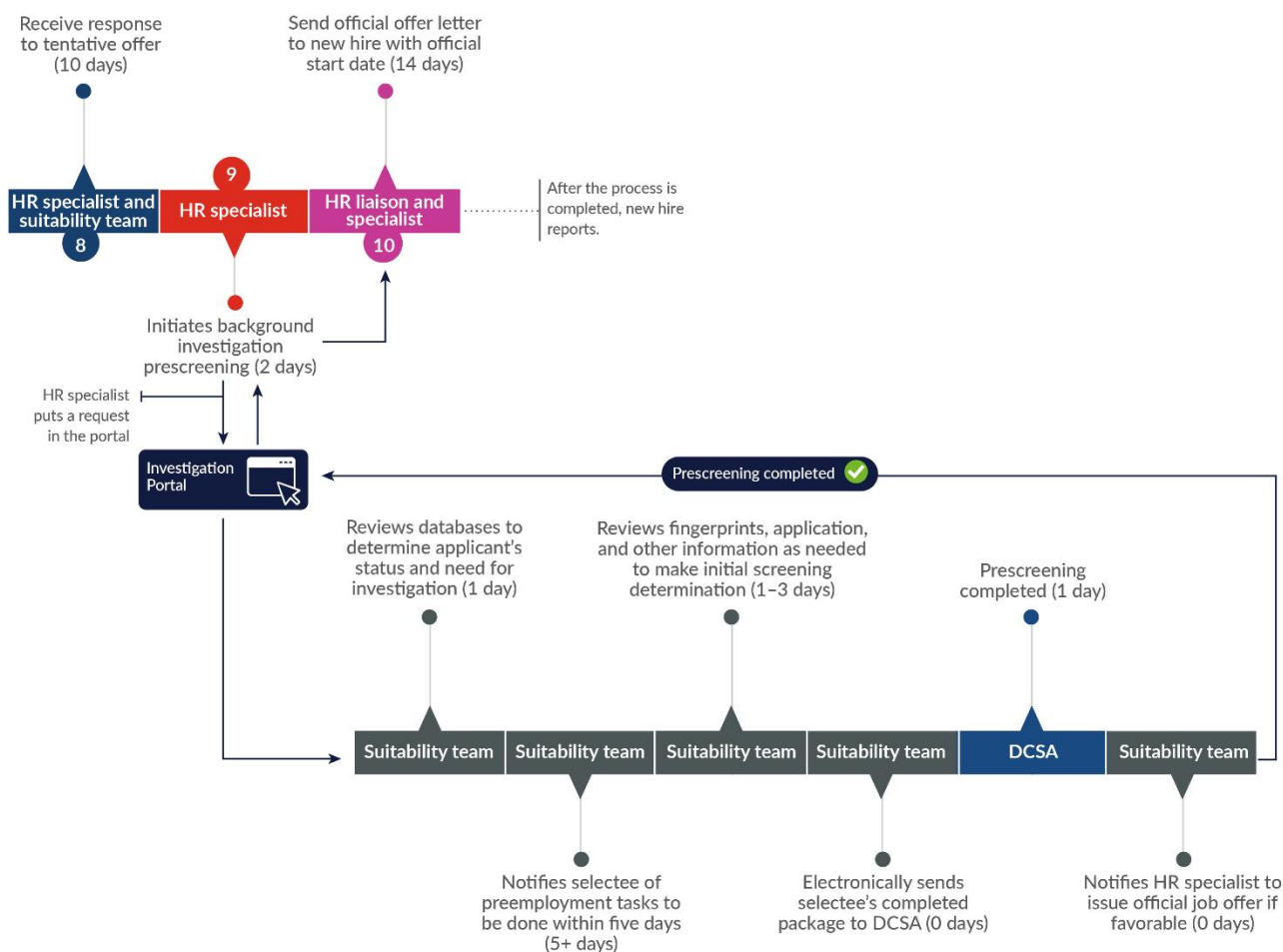
Figure 3. *Suitability prescreening and its interplay with onboarding.*

Source: Office of Human Capital Services, Personnel Security & Suitability—Suitability Workload Update, *April 27, 2023.*

Note: HR is human resources and DCSA is Defense Counterintelligence and Security Agency.

The handoff for prescreening occurs once the selected applicant has accepted the tentative job offer and completed a declaration for federal employment. A human resources specialist has two days to request a background investigation in the investigation portal, in effect transferring the applicant to the suitability team.

Suitability specialists gather information on the applicant's background to complete the initial screening, or what is formally called a special agreement check. This involves the following:

- Reviewing records to determine the applicant's need for a background investigation.[24]

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[24] Some applicants may already have had investigations that are still valid. Suitability division staff review applicants' information in OPM's personnel investigations processing and central verification systems.

- Obtaining the applicant's detailed history and fingerprints within five days.[25]

- Electronically submitting the applicant's fingerprints to the Defense Counterintelligence and Security Agency to run a criminal history check from the VA Centralized Adjudication Background Investigation System (VA-CABS).

If the results of the applicant's criminal history check are favorable, a specialist enters them into the investigation portal, and the hiring process continues.[26] Otherwise, the tentative offer is withdrawn.

In step 9, the official offer is extended to the applicant, and a start date is coordinated with the new hire. The 80-day time-to-hire metric concludes at step 10 when the new hire reports for the first day of work.

The investigation portal is a critical nexus between human resources and suitability staff in screening applicants. For instance, it provides automated email notifications to track the prescreening process. Before the investigation portal was created, human resources and personnel suitability staff relied on emails to request and receive prescreening results. The portal allows both human resources and suitability staff to see the applicant's status in real time. The interactions between staff were shown in figure 3.

Full Background Investigation Comes Later

After the new hire's first day of work, suitability specialists continue screening them. The specialists follow up by sending the applicant's whole package to the Defense Counterintelligence and Security Agency for a full background investigation based on the position designation. The package consists of the criminal history results, the questionnaire information, and in some cases a prior federal government investigation. This full investigation does not need to be completed until after the employee starts work and was, therefore, outside the scope of the audit team's review of the hiring process. In a separate audit, an OIG team evaluated controls over background investigations done after VBA and the National Cemetery Administration's (NCA) new hires' first day to determine whether investigation actions were completed on time and recorded reliably.[27]

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[25] VA Directive 0710, *Personnel Security and Suitability Program*, June 4, 2010. According to VA Directive 0710, every effort should be made to have applicants fingerprinted before their first day of work. VBA Office of Talent Management, "Personnel Suitability Standard Operating Process (SOP) A300." Fingerprints should be completed within five days of the initial background investigation application and within five days of notification for upgraded background investigations.

[26] VA-CABS is a system used to process background investigations and track suitability-related data.

[27] VA OIG, *VBA's and NCA's Personnel Suitability Programs Need Improved Governance*, Report No. 23-02890-209, September 30, 2024.

VBA Attrition Rates

The attrition (or turnover) rate refers to the number of people who left VBA compared to the number of people employed by VBA in the same year.[28] In accordance with the MISSION Act, each quarter, VBA reports the number of

- staff occupying positions (head count),

- new staff onboarded (accessions),

- staff who have left (separations), and

- open positions (vacancies).[29]

But, because the MISSION Act does not require it, VBA's quarterly reporting does not include a staff attrition rate.

Employee Retention Initiatives

Initiatives are managed by Human Capital, the Office of Field Operations, and VA's Veterans Experience Office.

Human Capital

VBA had no defined retention programs or initiatives before Human Capital began developing the Stay in VBA Program in July 2022, according to the executive director for human capital. Stay in VBA has two primary components—"stay touchpoints" and an exit interview. Both are voluntary and focus on employee retention, engagement, and experience. Additional information detailing these components is as follows:

- "Stay touchpoints" are discussions between the new hire and their supervisor, which the supervisor is required to offer at the 30-day, 90-day, and one-year marks. Touchpoints are also available to current employees, and supervisors are encouraged to offer yearly discussions.

- The exit interview is a face-to-face conversation between a human resources liaison and a departing employee. It includes 17 questions—one specifically asks the primary reason the employee is leaving VBA and another asks what was least satisfying about the employee's position. The employee's responses to the questions are submitted directly through Human Capital's internal site, and data from all

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[28] VBA Office of Human Capital Services, "Stay in VBA Program Standard Operating Procedure A701," June 27, 2023. For purposes of this report, the term *attrition rate* is used instead of *turnover rate*.

[29] VA Maintaining Internal Systems and Strengthening Integrated Outside Networks (MISSION) Act of 2018, Pub. L. No. 115-182, § 505, 132 Stat. 1393.

questionnaires are aggregated to produce a monthly report for organizations within VBA that have submitted responses from departing employees.

Office of Field Operations

VBA's Office of Field Operations has four district offices responsible for providing direction, guidance, and oversight to regional offices. The oversight includes monitoring and evaluating the performance of regional office directors.[30] Through the annual All Employee Survey, the Stay in VBA exit interviews, employee discussions, and town halls, Field Operations uses employee feedback to gauge the general sentiment of VBA staff.[31] Aside from implementing retention plans and initiatives, it defers responsibility to the regional offices.

Veterans Experience Office

According to a program specialist for the Veterans Experience Office, a VA-wide exit survey was launched in October 2022.[32] Both human resources staff and the departing employee's supervisor are required to offer the survey link during the exit interview.[33] The Veterans Experience Office displays the aggregate VBA response numbers on a website dashboard, along with the top reasons employees give for leaving, such as the need to relocate or personal matters. The information on the dashboard reports monthly the rate of retention for employees who have been with VBA for over two years, which in January 2024 was reported to be about 72 percent for VBA's claims processors.

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[30] VBA's Performance Plan, *Field Station Director FY 2023,* ver. 1.2, October 3, 2022. This performance evaluation requires directors to execute their operating budget within 5 percent of their annual resource allocation but does not establish a goal for employee attrition or retention. Fifty-six regional offices and two benefits offices throughout the United States are primarily responsible for processing benefits claims.

[31] VA has administered this department-wide, voluntary, anonymous All Employee Survey every year since 2006 to improve employee engagement by soliciting and acting on feedback.

[32] The Veterans Experience Office measures customer experience through qualitative and quantitative data, including surveys for veterans and their families as well as for VA employees.

[33] VA Handbook 5004, *VA Entrance, Exit and Transfer Surveys*, May 2, 2022.

Results

Finding 1: VBA Generally Met Hiring Requirements for Claims Processors

VBA's human resources staff generally followed the required steps outlined in standard operating procedures to hire qualified claims processors using funds appropriated by the PACT Act from October 1, 2022, through September 30, 2023.[34]

First, the OIG estimated about 98 percent of claims processors hired with PACT Act funds received favorable initial screening results before they received an official job offer, as the procedures require.[35] The remaining 2 percent of claims processors received an official job offer before their final screening results were available in the Personnel Security Investigation Portal. Although the OIG considers the 2 percent to be minimal and the individuals' screening results were ultimately deemed favorable, extending job offers before the initial screening is completed puts VBA at risk of hiring someone who may not be suitable for federal service. Numerous OIG reports have exposed such risks and the effects that not mitigating them has on the security of employees' and veterans' personal and sensitive information.[36] To prevent this error, VBA could improve how staff use the investigation portal, which is meant to provide effective communication between human resources and suitability staff.

Second, the audit team estimated that in fiscal year (FY) 2023 VBA met OPM's 80-day time-to-hire goal about 85 percent of the time for PACT Act–funded claims processor positions. This 85 percent amounted to about 1,500 new employees, who were hired within 59 days on average. Comparably, based on FY 2023 MISSION Act reporting, VBA met the 80-day time-to-hire metric for an average of 77 percent of *all* FY 2023 hires. Still, the audit team found VBA staff missed some intermediate metrics and did not enter required data for all steps in the hiring process, including the following:

- Human resources staff met the 26-day onboarding metric for only an estimated 8 percent of hires and they met the recommended days for steps 9 and 10—starting

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[34] PACT Act; VBA Office of Human Capital Services, "Suitability Standard Operating Process (SOP) A300."

[35] The initial screening is formally called the special agreement check. The universe of 1,758 claims processors is based on HR Smart and Financial Management System data available to the OIG as of October 4, 2023. VBA Office of Human Capital Service, "Suitability Standard Operating Process (SOP) A300."

[36] VA OIG, *Potential Weaknesses Identified in the VISN 20 Personnel Suitability Program,* Report No. 23-02949-177, June 20, 2024; VA OIG, *Noncompliance with Contractor Employee Vetting Requirements Exposes VA to Risk*, Report No. 21-03255-02, February 8, 2024; VA OIG, *VA's Governance of Its Personnel Suitability Program for Medical Facilities Continues to Need Improvement*, Report No. 21-03718-189, September 21, 2023; VA OIG, *Personnel Suitability Process Concerns at the Beckley VA Medical Center in West Virginia*, Report No. 21-03718-47, February 23, 2023.

the background investigation process and making an official offer with a start date—less than 25 percent of the time.

- Dates necessary to determine timeliness for key human resources tasks in steps 6 through 9 were missing from USA Staffing and the Personnel Security Investigation Portal. Because VBA does not track or monitor the time it takes human resources staff to complete each step, it could be missing data that would help identify missing dates, delays, and areas for improvement in the recruiting and onboarding processes.

The finding is based on the following determinations:

- VBA human resources staff generally followed required hiring processes.

- VBA met the time-to-hire goal for PACT Act–funded claims processor positions but not always the recommended time per step.

What the OIG Did

The audit team reviewed a stratified random sample of 341 from the population of 1,758 VBA PACT Act–funded claims processor positions filled from October 1, 2022, through September 30, 2023 (FY 2023).[37] Of the 10 steps in VBA's Time-to-Hire Model, the team reviewed the requirements in steps 5 through 10:

- Step 5: Announcement Closed to Certificate Issued

- Step 6: Certificate Issued to Certificate Review Returned

- Step 7: Certificate Review Returned to Tentative Offer Response Received

- Step 8: Tentative Offer Response Received to Background Investigation Initiated

- Step 9: Background Investigation Initiated to Official Offer Sent

- Step 10: Official Offer Sent to New Hire's Start Date[38]

Because the hiring need for claims processors had already been determined in response to the projected increase in veterans' benefit claims related to the PACT Act and because VBA was exercising direct-hire authority granted from OPM, the audit team did not review model steps 1

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[37] For the purposes of this report, the term *claims processor* broadly refers to both general claims processors and rating claims processors unless specifically noted. The universe of 1,758 claims processors is based on HR Smart and Financial Management System data available to the OIG as of October 1, 2023. See appendix A for more information about the audit's scope and methodology, and see appendix B for more information on the team's sampling.

[38] The wording of the steps has been adjusted for clarity.

through 4 (hiring need validation to announcement closure) and instead began the review when certified candidates entered the hiring process.

The team reviewed newly hired claims processors' records in USA Staffing, the Personnel Security Investigation Portal, and VA-CABS to ensure all required steps, such as finalizing the individuals' initial screening results—including their fingerprinting and orders for background checks—were completed before an official job offer was made. In addition, the audit team interviewed staff from the Office of Human Capital Services, including the Staff Operations Division and Personnel Security and Suitability Division, as well as from the Office of Field Operations.

VBA Human Resources Staff Generally Followed Required Hiring Processes

Based on reviewing 341 claims processors' hiring records, the audit team concluded human resources staff generally followed recruiting and onboarding procedures for about 1,700 claims processors hired (an estimated 98 percent) with PACT Act funds. For the remaining 2 percent, the team found human resources staff did not check the investigation portal to verify that the suitability team had issued favorable determinations on the applicants' initial screenings before human resources staff extended official job offers. Although these claims processors ultimately received favorable results, extending official job offers before these checks are final puts VBA at risk of hiring someone who may not be suitable for federal service because of criminal or dishonest conduct.[39] Unvetted employees who obtain access to employees' and veterans' sensitive information can jeopardize information security.

The following is an example of when human resources staff extended a job offer before the initial screening was completed.

Example

A claims processor applicant received a tentative job offer on March 10, 2023, and accepted the offer the same day. A human resources specialist extended an official job offer on March 24, 2023. But VA-CABS showed the initial screening was not completed for the selected applicant until March 28, 2023, after the official job offer was made. Even though the initial screening was favorable, the specialist did not follow the required procedure to wait for a favorable suitability result before making the offer. The Human Capital program manager concurred with the audit team's assessment and said the cause was human error.

Missing or delayed information in the investigation portal might have contributed to human resources staff extending official job offers before the initial screenings were complete. The OIG

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[39] See 5 C.F.R. § 731.202(2024) (establishing criteria for suitability determinations).

estimated the portal was missing final results for an estimated 105 initial screenings (6 percent) for applicants who received job offers. The responsibility for this error is shared: Suitability staff should ensure final results are updated in the portal, and human resources should be checking the status of the screening results and communicating with suitability staff before moving forward in the hiring process. Untimely dissemination of final results may contribute to human resources staff extending official job offers to unqualified candidates.

Through step-by-step monitoring, VBA could help ensure the required final results for initial screenings are known before human resources staff extend official job offers to selected applicants.

VBA Met the Time-to-Hire Goal for PACT Act–Funded Claims Processor Positions but Not Always the Recommended Time per Step

The OIG estimates VBA met or bettered the 80-day time-to-hire goal for about 85 percent of PACT Act–funded claims processor positions filled in FY 2023. This was significantly higher than VA's desire to meet the goal for at least 58 percent of these new hires.[40]

But VBA could improve performance and potentially shorten its time-to-hire metric—specifically on steps 8 through 10, the onboarding phase. This phase is recommended to take 26 days.[41] Table 1 compares the estimated average time it took VBA to onboard the claims processors in the OIG's sample with the Time-to-Hire Model's recommendations for steps 8, 9, and 10, and it identifies the estimated percentage of hires who met the goal.

Table 1. Recommended Versus Actual Days to Complete Onboarding, Steps 8–10

Step	Average days the model recommends	Estimated average days taken	Estimated hires that met the step goal	Estimated percentage of hires that met step goal
8	10	9	1,000	71%
9	2	18	250	17%
10	14	26	380	22%
All three steps	**26**	**51**	**141**	**8%**

Source: VBA's Time-to-Hire Model and VA OIG analysis of sample results.

Note: Numbers in the table are rounded.

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[40] VA, *Annual Report on the Steps Taken to Achieve Full Staffing Capacity*, June 2023. This report says VA's goal for Title 5 and Hybrid Title 38 positions is 58 percent of hires onboarded within 80 days.

[41] Because this phase begins after a tentative job offer is extended, OIG timeliness estimate calculations were not affected.

Human resources staff met the 26-day onboarding metric for an estimated 140 new hires (8 percent) and met the recommended days for steps 9 and 10 less than 25 percent of the time.[42] VBA would not have known this without OIG's analysis because, according to the Workforce Planning and Strategic Analysis Service director for Human Capital, VBA does not track the time to complete each step. Instead, human resources staff focus on meeting the overall 80-day metric.

For example, in step 9, the OIG team estimated suitability staff took an average of 13 days from the time the initial screening was completed in VA-CABS to update the portal (not including the instances in which they failed to update the portal altogether), and human resources staff then took an estimated six days on average to extend an official job offer. The total estimated time from when the initial screening was completed in VA-CABS to human resources staff extending an official job offer was 17 days on average, contributing to not meeting the recommended two days.

Even though VBA met the 80-day metric overall and the time frames for each step are only recommended, looking at the timeliness of individual steps can help VBA identify areas of concern. It would empower VBA to identify where delays, such those the OIG found, are occurring—which could, over time, improve the total time-to-hire. In addition, by monitoring metrics at the individual steps, VBA could have identified instances in which human resources staff did not enter data for required fields in USA Staffing. For example, in steps 8 and 9, USA Staffing was missing the "human resources staff initiated background check" date for an estimated 260 of the new hires (17 percent). By not tracking the timeliness metric for each step, VBA could be missing data that would help with proactive oversight.

Finding 1 Conclusion

The OIG identified an estimated 2 percent of PACT Act–funded positions were filled by applicants who received an official job offer before their initial screening was complete. The OIG considers 2 percent minimal and the instances in which the hiring process was not followed were few. Therefore, subject to the parameters of this audit, VBA's hiring process controls generally ensured all steps were completed in the order prescribed.

But VBA can reduce the risk of hiring ineligible federal employees by ensuring human resources and suitability staff consistently use the investigation portal as intended. VBA can also improve

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[42] The traditional hiring process includes claims processors hired under a "traditional" job vacancy announcement who were subject to the competitive hiring process. This means applicants competed through a structured process as outlined in the Time-to-Hire Model. The nonstandard hiring process includes hires under nontraditional announcement types, such as the veterans recruitment appointment authority. This authority allows agencies to appoint eligible veterans and exclude them from the competitive process, Time-to-Hire Model steps 1 through 7.

the monitoring of time-to-hire metrics and identify potential areas for improvement by tracking the average days it takes to complete each step, in addition to the total time-to-hire metric.

The OIG is not making any recommendations at this time as VBA's existing controls appear to be ensuring human resources staff are generally following the required recruiting, onboarding, and screening procedures.

VA Management Comments

The acting under secretary for benefits concurred with the finding but cited OIG's term *claims processor* as a title that is not used in VBA. The full text of the comments appears in appendix C.

OIG Response

The OIG used the term for readability and included the official job title in a footnote. No OIG follow-up action is required.

Finding 2: The Attrition Rate for VBA's Claims Processors Held Steady with Low Participation in Retention Initiatives

Each quarter, VBA reports to Congress the number of filled positions and vacancies as well as total staffing gains and losses as required by the MISSION Act, but the act does not require VBA to report attrition rates in total or by position. Using available VBA staffing data, the audit team calculated the attrition rate for VBA claims processors and compared it with VBA's overall attrition rate, as shown in figure 4.
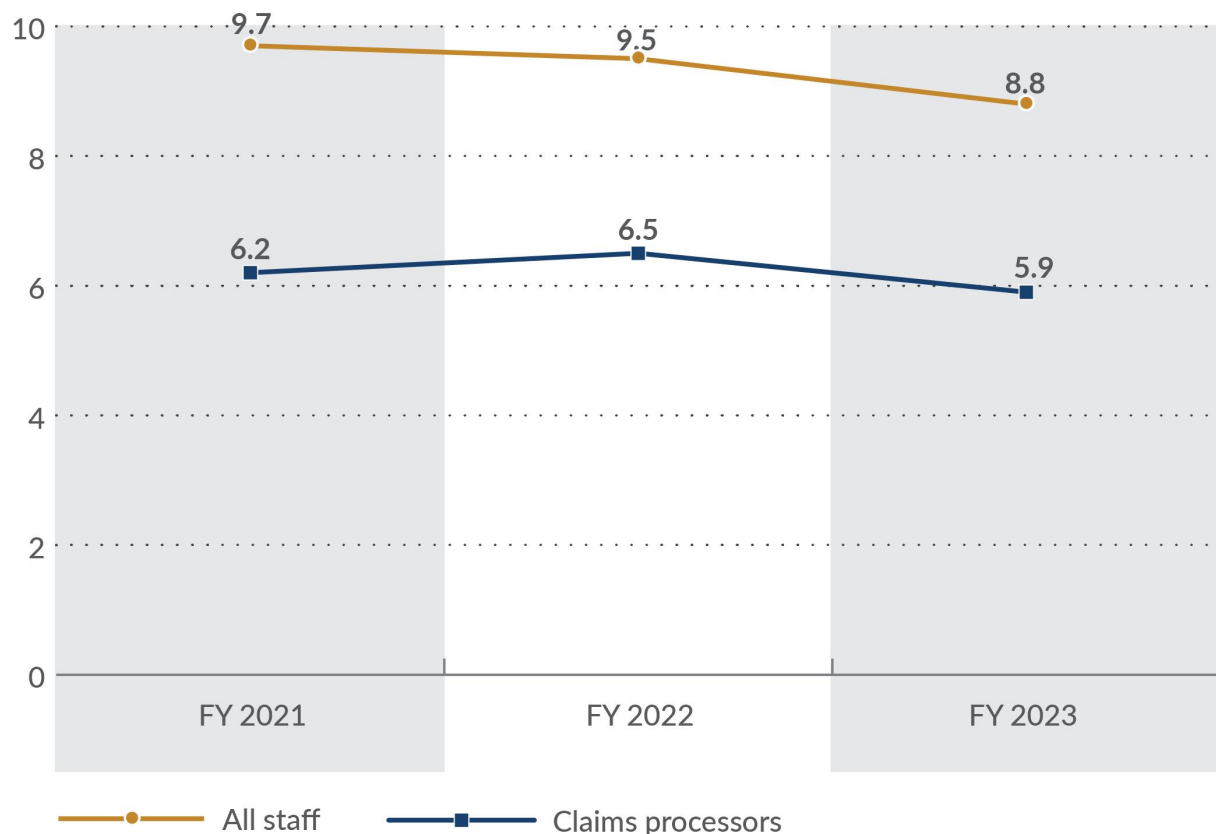
Figure 4. *VBA attrition rates for fiscal years 2021–2023.*
Source: VA OIG analysis of VBA HR Smart staffing data, July 8, 2024.

Attrition rates for both VBA staff overall and claims processors remained steady with the overall staff rate around 9 percent and claims processors around 6 percent from FY 2021 through FY 2023. Claims processors' attrition was lower than the attrition rate for all of VBA and comparable to the FY 2023 governmentwide attrition rate of 5.9 percent.[43]

The audit team also found claims processors' tenure decreased for those who left VBA in the last three fiscal years. This means processors are not staying as long with VBA before deciding to

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[43] "A Profile of the 2023 Federal Workforce" (web page), Partnership for Public Service, accessed August 20, 2024, https://ourpublicservice.org/fed-figures/a-profile-of-the-2023-federal-workforce/.

leave. While VBA has the data available to monitor attrition in other ways, it does not routinely break down attrition rates by position, regional office, or tenure to proactively identify trends or potential concerns with staff retention.

According to the executive director for human capital, before July 2022, VBA did not have its own nationwide retention plans or initiatives. VBA's Office of Field Operations expects leaders at the regional offices to understand the core reasons for employee departures—along with overall employee sentiment—by using exit surveys and employee survey data. In this way, regional leaders can assess their organizations and drive potential changes.

In 2022, the Stay in VBA Program marked a new focus on retention, according to the executive director for human capital. While Human Capital provided the regional offices with a comprehensive plan to implement the program, it made the offices' participation voluntary because of an agreement between VBA and its labor union. Therefore, although program development began in July 2022, as explained by the executive director for human capital, only 34 of 58 regional offices were participating in the Stay in VBA Program as of April 2024.[44] Meanwhile, VBA has no initiatives to promote staff participation in other available feedback surveys and programs. Departing staff are less likely to participate if they do not see results being used in decision-making and are unlikely to participate in greater numbers. Furthermore, VBA has not developed indicators to gauge the success of its Stay in VBA Program.[45] Without established metrics, VBA may not be able to gauge the program's success or its impact on staff retention.

This finding is based on the following determinations:

- Attrition rates for VBA claims processors remained steady.

- Low participation limits feedback that could potentially inform retention efforts.

What the OIG Did

The audit team reviewed and analyzed human resources staffing data for 2,544 claims processors who retired or resigned from VBA in FYs 2021, 2022, and 2023 to determine attrition rates, trends, and reasons for separation. In addition, from a population of 362 claims processors who resigned from VBA in FY 2023, the audit team selected a stratified random sample of 102 claims processors to call for interviews. The audit team did not receive a return phone call from 40 of the former claims processors contacted. The audit team interviewed 55 of the remaining

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[44] Fifty-six regional offices and two benefits offices throughout the United States are primarily responsible for processing benefit claims.

[45] Government Accountability Office (GAO), *Standards for Internal Controls in the Federal Government*, GAO-14-704G, September 2014.

62 former claims processors; seven did not agree to an interview.[46] The interviews covered why the individuals left VBA and solicited their feedback about recruiting, onboarding, and training; the regional offices' investment in skills development; the effectiveness of supervision, performance evaluations, and feedback; the consistency of opportunities to complete exit surveys; and suggestions for improvement.

The team also reviewed VBA's goals, initiatives, and plans pertaining to the attrition and retention of claims processors. In addition, the team interviewed VBA's district office managers to determine their oversight role in employee retention. The team electronically administered a questionnaire to 58 regional and benefits offices' human resources liaisons identified by the Office of Field Operations to obtain retention plans and determine whether district offices, the Office of Field Operations, or Human Capital provided guidance and oversight on the plans.

Attrition Rates for VBA Claims Processors Remained Steady

Retaining claims processors is critical because these individuals are responsible for timely and accurate processing of veterans' benefit claims. In FY 2023, claims processors made up about 53 percent of VBA's workforce. The audit team determined that VBA's attrition rate for claims processors stayed around 6 percent for FY 2021 through FY 2023. For FY 2023, the rate was below VA's reported all-employee average of around 9 percent and comparable to the governmentwide average attrition rate of 5.9 percent.[47]

The audit team used VBA's available staffing data to calculate and assess VBA's attrition rates for staff overall and for claims processors specifically during the three fiscal years reviewed, as shown in table 2. The team found the claims processors' attrition rate has been comparable to or lower than the overall VBA attrition rate.[48]

Table 2. Components Used to Calculate the Attrition Rate for All VBA Staff and Claims Processors, by Fiscal Year

Component	FY 2021	FY 2022	FY 2023
*Average total full-time equivalents**			
VBA	26,317	26,507	30,013
Claims processors	12,750	13,228	15,849

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[46] The responses for these 55 are not representative of all prior claims processors who resigned in FY 2023, and the OIG is not drawing inferences based on the responses. Percentages reflect the raw percentage of responses among the 55 processors sampled who were contacted and agreed to participate; they are not statistical projections or estimates.

[47] "A Profile of the 2023 Federal Workforce" (web page), Partnership for Public Service.

[48] The audit team included claims processors whose job titles were either veterans service representative or rating veterans service representative. The team excluded other job titles under job series 0996. The attrition rates include retirements and transfers within VA.

Component	FY 2021	FY 2022	FY 2023
Retirements‡			
VBA	735	709	577
Claims processors	288	279	240
Resignations‡			
VBA	1,809	1,810	2,056
Claims processors	502	584	696
Attrition rate§			
VBA	9.7%	9.5%	8.8%
Claims processors	6.2%	6.5%	5.9%

Source: VA OIG analysis of HR Smart staffing data updated July 8, 2024.

Note: Numbers in the table are rounded.

* Full-time equivalent comprises full- and part-time employees averaged over the fiscal year. The total attrition rate includes retirements and transfers within VA.

‡ Total full- and part-time equivalents.

§ Calculated as total FTE for full- and part-time employees who retired or resigned during the fiscal year, divided by the average FTE for that fiscal year.

Every quarter VBA reports the number of employees it onboards, as well as the number of separations and vacancies for all staff in accordance with the MISSION Act. But VBA does not use this staffing information to regularly monitor losses by job series or position.[49] The executive director for human capital said VBA reported attrition rates by job series for the annual Strategic Workforce Plan for FYs 2021 and 2022. According to the executive director for human capital, beginning in FY 2023, VBA senior leaders asked Human Capital to provide cumulative monthly attrition data for all VBA staff in total.

For claims processors specifically, Human Capital reports the attrition rate only as needed, not routinely. According to the Office of Field Operations, this responsibility was delegated to the regional offices, which monitor losses with a focus on filling vacancies. VBA could benefit from monitoring the attrition of claims processors at a national level and comparing across regional offices. Another potential benefit would be to use staffing data to assess trends in tenure of those claims processors who leave VBA.

Regional Office Attrition Rates

VA's organizational manual makes the Office of Field Operations responsible for ensuring a plan exists—and is adequately implemented—to recruit, select, train, coach, retain, motivate,

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[49] The job series for claims processors (Veterans Claims Examining Series, GS-0996) includes veterans service representatives, rating veterans service representatives, and veterans claims examiners.

empower, and advance employees.[50] District staff said they evaluate regional office retention efforts through the director's performance plan metric for percentage of positions filled compared to total allocation. Though this metric is affected by attrition, the metric does not show trends or reasons staff leave VBA. District offices also receive regional offices' hiring and loss reports at least every other week, but they use them for hiring purposes rather than for identifying trends in attrition.

The OIG team identified 12 regional offices with attrition rates for FYs 2021 through 2023 above VBA's FY 2023 overall attrition rate. Twenty-six regional offices exceeded the attrition rate for claims processors that the OIG had identified for FY 2023: 5.9 percent. Of these regional offices, six had attrition rates over VBA's FY 2023 overall attrition rate of 8.8 percent and VA's reported attrition rate of 9.2 percent.

VBA has no attrition goals to drive staff retention. The absence of goals limits regional offices' monitoring and comparisons of staff retention rates. Furthermore, an aggregate attrition rate does not allow VBA to identify regional offices that may have challenges retaining claims processors.

Tenure Among Departing Claims Processors

Claims processors' expertise and proficiency increase over their tenure, making retention critical to efficient and accurate processing of veterans' claims. The audit team analyzed VBA's staffing data to determine the average and median tenure (based on last job position) of claims processors at the time of their resignation.[51] The team found departing claims processors' tenure decreased in FY 2023 from FY 2021 for those leaving VBA. This means processors are leaving VBA sooner.

For all three fiscal years, the average tenure among rating claims processors specifically ranged from one month to 446 months, or just over 37 years.[52] Due to this wide range, the audit team determined the median tenure provided the best representation of staff tenure trends.[53] The audit team found just over 660 claims processors left VBA in FY 2023. Rating claims processors had a median tenure of 12 months and claims processors had only 10 months, not including retirements. Figure 5 shows the decrease in rating claims processors' and claims processors'

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[50] VA Functional Organizational Manual, ver. 7, September 30, 2021.

[51] For purposes of tenure analysis, resignations do not include retirements.

[52] The audit team obtained employee data from HR Smart from October 1, 2020, through September 30, 2023, to determine claims processors' attrition rates, compare these rates to VBA and VA, and identify trends in staff departure such as tenure.

[53] Median denotes the value lying at the midpoint of a frequency distribution of observed values, such that there is an equal probability of falling above or below it.

median tenure in their last position held at VBA at the time of resignation; this does not include retirements.[54]
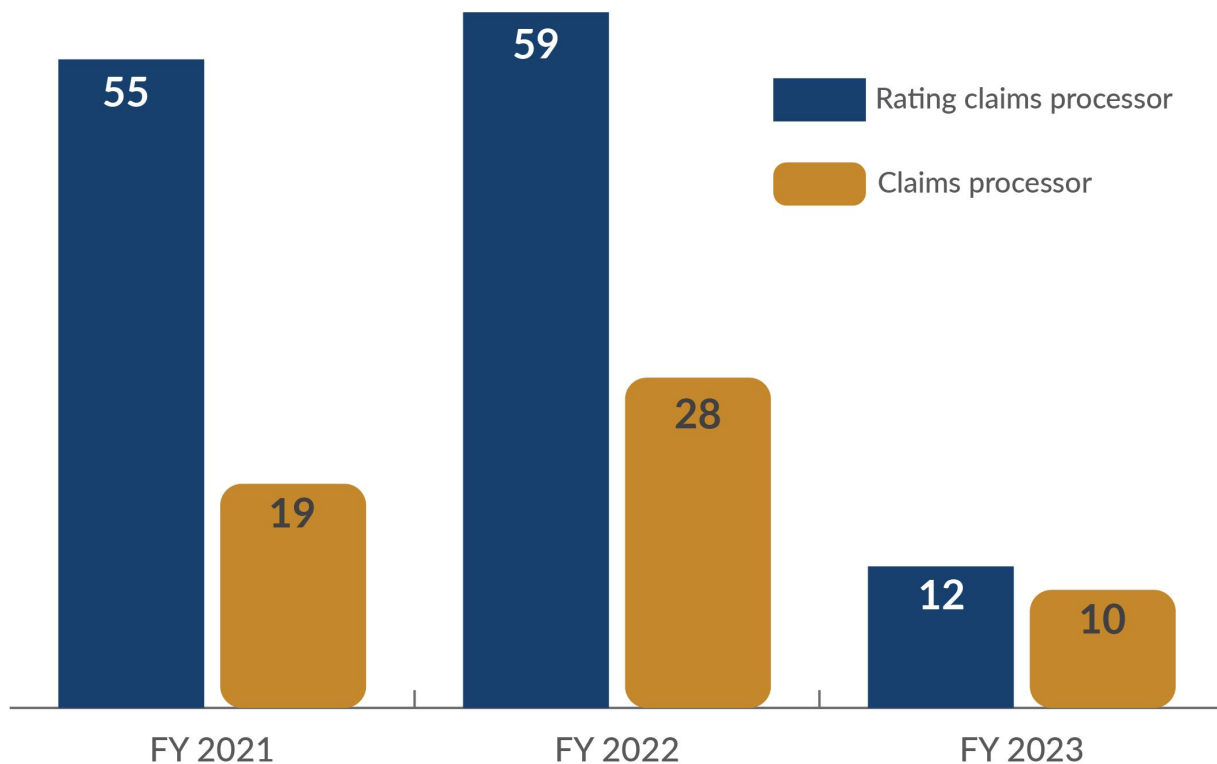
Figure 5. *Median tenure in months of VBA claims processors at resignation, fiscal years 2021–2023.*

Source: VA OIG analysis of VBA HR Smart staffing data updated July 8, 2024.

Note: Numbers in figure are rounded. For employees who held claims processor and rating claims processor positions consecutively, tenure under their last position held is represented as a combined total of time in both positions.

VBA's staffing data show that although VBA is maintaining the attrition rate for all claims processors, it may not be recouping the time and resources invested in recruiting, hiring, and training staff if staff are leaving during their first year in a position, as in FY 2023. VBA has workforce attrition and survey data that, if used, could identify trends in tenure and areas for improvement to maintain or increase staff retention.

Low Participation Limits Feedback That Could Potentially Inform Retention Efforts

According to policy, VBA must maintain action plans and establish an evaluation methodology to assess the effectiveness and efficiency of strategies to improve hiring and employee

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[54] For claims processors who held the position of claims processor and rating claims processor consecutively, tenure under their last position is represented as a combined total of time in both positions.

retention.[55] VA policy spells out requirements for an adequate plan, including one focused on retention: "[It] must outline what steps will be taken to achieve the desired outcomes (i.e., … increased employee retention and engagement). It also … uses metrics to monitor and track progress."[56] According to the executive director for human capital, VBA began developing the Stay in VBA Program in July 2022 to serve as its plan and received its first participant responses in January 2024. The director went on to explain that before this time, VBA did not have an administration-wide plan and deferred to the regional offices to manage staff retention.

The Stay in VBA exit interview is one of two opportunities departing claims processors have to provide feedback when they leave their job, the other being the VA exit survey they can complete anonymously online. Employee participation in the interview and the survey allows VBA to understand and measure employee satisfaction and potentially use that information to increase staff retention. According to the Office of Field Operation's assistant deputy under secretary for operations management, supervisors at the regional offices are responsible for reviewing exit survey feedback, understanding staff departures, and driving organizational changes. Furthermore, VBA is unable to monitor whether departing employees receive exit surveys, and the Office of Field Operations does not receive or review exit survey results to provide oversight of their use at the regional offices. The OIG concluded, based on interviews with VBA officials, that due to the voluntary nature of exit surveys, it does not appear VBA has developed a plan to encourage departing staff to participate in exit survey opportunities.

VA Exit Survey Participation and Feedback

In October 2022, VA began using a digital survey platform managed by the Veterans Experience Office to collect feedback on VA employees' experience with entrance and onboarding, exit and transfer, and trust.[57] This platform compiles feedback from employees into an interactive dashboard. Survey results can be filtered by VA administration—VBA, Veterans Health Administration (VHA), or National Cemetery Administration—and other demographics, including employees' occupation series, such as claims processors. According to the Veteran's Experience Office's senior management strategist: Before the digital platform, VA's Office of Human Capital Services kept all survey results.[58] Human resources staff throughout VA are required to give all departing employees the option to complete the VA exit survey.

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[55] VA Handbook 5004.

[56] VA Handbook 5004, part IV, sec. 2b.

[57] e-Signals is the web platform VA uses to manage its exit survey. According to the executive director of human capital, the VA exit survey is outside the scope of programs monitored by the Office of Human Capital Services.

[58] VA's Office of Human Capital Services provides governance, policies, and guidance regarding recruiting, staffing, human resources systems, classification, compensation, leave, performance management, recognition, work-life balance and benefits, learning and career development, employee and labor relations, and veteran employment.

For FY 2023, the first full year VA used the digital platform, the overall participation rate was low. Of about 2,200 VBA employees who left in FY 2023, only 304 participated in the exit survey, yielding an overall participation rate of only about 13 percent. Just 84 of the 936 claims processors who resigned or retired that year completed the survey. VA reported that about 49 percent of those who completed the survey were satisfied with their job at the time they left. The top three reasons employees gave for leaving were a desire to change careers (21 percent), job stress or pressure (15 percent), and personal matters such as caring for a family member (14 percent).

Lack of awareness might have contributed to the low participation rate. While supervisors and human resources staff are required to tell employees where and how to access the exit survey, a program specialist from the Veterans Experience Office stated there is no way to track or determine whether human resources staff did so. Therefore, the audit team was not able to assess whether the departing employees declined to participate or were not given the opportunity.

As for using the information to boost retention, 51 of the 58 benefits and regional offices confirmed they received employee survey results concerning claims processors; however, only 20 of the 51 replied that they noticed trends and areas of concern from the survey (39 percent). The remaining 31 replied they were unaware of any issues or the information was not available (61 percent).

Supplementary Information from OIG Questionnaire for Former Claims Processors

To supplement information available from the voluntary VA exit survey and Stay in VBA exit interview, the audit team selected a stratified random sample of 102 former claims processors from among the 362 who resigned in FY 2023 to learn about their reasons for leaving VBA and their experiences with VA exit surveys. Of the 102, the audit team was able to contact 62 former claims processors by phone and request interviews; 55 agreed to participate.[59]

When asked about their access to exit surveys, 34 of the 55 (62 percent) reported they were either not given an opportunity to complete an exit survey or they did not remember it being offered. Only 21 of those 55 respondents (38 percent) reported that they were given an opportunity to complete an exit survey.

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[59] The audit team made multiple attempts to contact the remaining 40 former claims processors in the stratified random sample, including leaving voicemails that explained the purpose of the call, providing the audit team's contact information, and requesting a return phone call. The team considered a lack of response from these former employees a declination to participate in the interview. The responses are not representative of all prior claims processors who resigned in FY 2023, and the OIG is making no statistical projections or estimates based on these responses.

In addition, the audit team asked these 55 former claims processors to rate how influential five factors were in their decision to leave. Figure 6 presents the employees' responses.
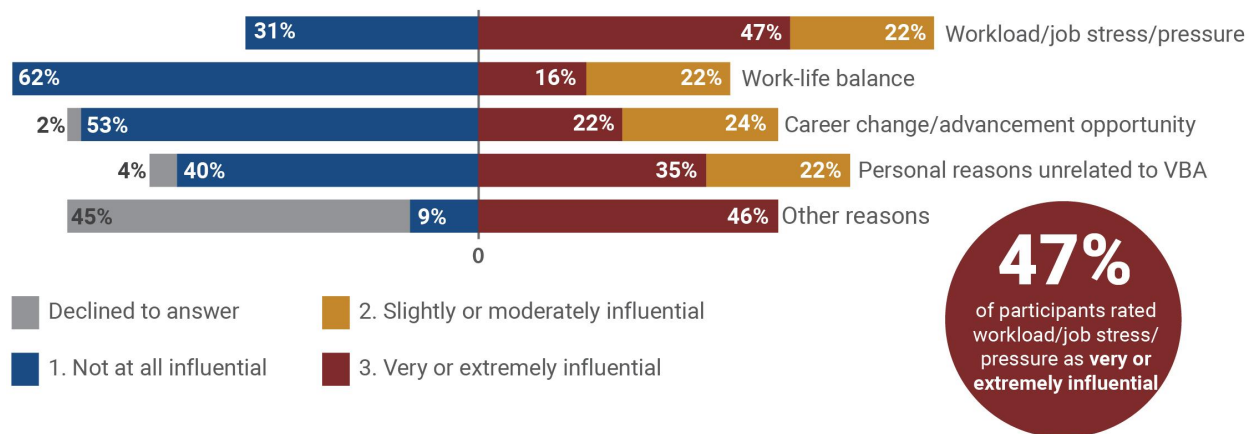
Figure 6. Factors that contributed to former claims processors' decisions to separate from VBA.

Source: VA OIG analysis of responses from the 55 claims processors interviewed.

Note: These percentages reflect the raw percentage of responses among the 55 sampled former claims processors who were contacted and agreed to participate; they are not statistical projections or estimates.

Comparison with VHA and NCA Promotion and Use of Feedback

The audit found that, in contrast with VBA, NCA has implemented milestones and metrics to increase employee participation in exit surveys and that it uses this information to develop retention initiatives. NCA continually promotes exit surveys to employees and supervisors to obtain more results that can be used to create data-driven retention initiatives. NCA officials said that through surveys such as the VA exit survey, they can proactively implement strategies to retain staff and track them by position.

VHA also has administration-wide retention plans, and its chief of human capital management referenced Stay in VA as part of VHA's retention initiatives.[60] VHA's Stay in VA Program, first implemented in 2016, is the foundation for VBA's Stay in VBA Program. Like the VBA, VHA's program entails supervisors offering discussions at the 30-day, 90-day, and one-year marks with new hires. VHA's human resources staff also conduct exit touchpoints when an employee leaves VHA. The results from the VA exit survey are included in VHA's retention plans, mainly focused on the top reasons VHA employees left. The plans elaborate on occupations with severe shortages and strategies to address them.

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[60] VHA, *Workforce and Succession Strategic Plan*, *FY 2022–23*; VHA, *Rural Recruitment and Hiring Plan*, Workforce Management and Consulting in partnership with the Office of Rural Health, FY 2023; VHA, *FY 2023–27 Medical Technologists (Clinical Laboratory Scientist) Workforce Resources Blueprint, Workforce Analysis & Projections, Recruitment & Retention Strategies*.

Unlike NCA and VHA, VBA has not developed initiatives to increase employee participation in exit surveys or identify positions experiencing shortages and high turnover. If VBA is not forthcoming with staff about how exit information is used to inform decisions and improve VBA or its regional offices, departing staff's desire to provide feedback will not increase. Therefore, VBA should promote and encourage staff participation in VA surveys and make clear how survey feedback will be used to make improvements and increase staff retention.

Voluntary Participation in Stay in VBA

VBA implemented Stay in VBA as a retention program, but participation in it remains voluntary. The program was created during the scope of this audit in FY 2023, and according to the executive director for human capital, its primary components were not implemented until December 2023 (touchpoints) and January 2024 (the exit interview questionnaire). VBA's voluntary touchpoint discussions and in-person exit interview questionnaire are meant to proactively strengthen trust and understanding between employees and supervisors, support employee engagement, and increase employee retention.

While Human Capital and the Office of Field Operations have promoted the Stay in VBA Program, the 58 benefits and regional offices are not required to participate because employee participation is voluntary. Human Capital reports that, as of April 2024, 34 of 58 benefits and regional offices (59 percent) were participating in the Stay in VBA Program. With the lack of data available since the program's recent inception, the Human Capital executive director said goals or metrics have not been established to track progress or success.

Federal standards say programs should have measurable performance indicators, which might include qualitative feedback from touchpoint meetings and quantitative metrics, such as attendance rates, participation rates, and the number of claims processors retained.[61] The Stay in VBA Program lacked measurable performance indicators at the time of this audit. But even if VBA established indicators, the Stay in VBA Program would need time to collect enough data to measure progress on retention given regional offices' voluntary participation.

Finding 2 Conclusion

VBA has maintained a uniform attrition rate among its claims processors for FY 2021 through FY 2023, despite the absence of job series-specific metrics and attrition goals. Although the percentage of staff in this role who are leaving VBA has held steady, the tenure of these staff is decreasing. VBA could leverage available staffing data to proactively identify attrition trends that need attention or improvement. Furthermore, VBA could encourage staff to provide survey feedback that would help VBA boost retention among trained, experienced staff. VBA could also

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[61] Government Accountability Office, *Standards for Internal Control in Federal Government*.

develop performance indicators for—and encourage regional offices' participation in—the Stay in VBA Program to increase the likelihood of program success.

The OIG is not making any recommendations at this time as VBA is maintaining a consistent attrition rate; however, the Stay in VBA Program did not have data or metrics to assess for the audit period reviewed.

Overall Conclusion

VBA's human resources staff generally followed the required steps outlined in their standard operating procedures to hire qualified claims processors using PACT Act funds. Still, VBA should ensure staff consistently use the investigation portal as intended to complete and verify critical suitability tasks before making official job offers. Doing so should reduce or eliminate the risk of hiring ineligible federal employees. VBA could also improve how it monitors time-to-hire metrics by tracking the average days it takes to complete each step, in addition to the total time-to-hire metric, to identify potential areas for improvement.

Although VBA swiftly hired new claims processors in FY 2023, averaging 59 days per hire, it can improve how it uses available staffing data to identify attrition trends and possible improvements for retaining these key staff. By using available staffing data, VBA can increase its workforce data analysis, promote and encourage staff participation in VA exit surveys, and determine systemic or regional office–specific needs for claims processor retention initiatives.

VA Management Comments

The acting under secretary for benefits concurred with the OIG's findings but had a technical comment related to the claim processor tenure presented in figure 5. Specifically, the acting under secretary maintained that the figure could be interpreted as depicting a comparison between rating claims processors and claims processors that might be misleading without additional information. Rating claims processors have a higher median tenure than claims processors because the majority of rating claims processors have held and have been promoted from the claims processor role to the rating claims processor role. The full text of the comments appears in appendix C.

OIG Response

The OIG's purpose for including figure 5 and discussing claim processor tenure is not to compare tenure between the two positions. Rather, it is to highlight the years of claims processing experience that might be lost if VBA does not retain these staff. No OIG follow-up action is required.

Appendix A: Scope and Methodology

Scope

The audit team conducted its work from November 2023 through January 2025. The scope of the team's review and analysis of the hiring process was a stratified sample of 341 claims processors and rating claims processors from the population of 1,758 PACT Act–funded claims processor positions filled by the Veterans Benefits Administration (VBA) from October 1, 2022, through September 30, 2023.[62]

In addition, the audit team reviewed attrition data for fiscal years (FY) 2021, 2022, and 2023. The team also interviewed a sample of former claims processors who left VBA in FY 2023.

Methodology

To accomplish the audit objective, the audit team identified and reviewed regulations, policies, procedures, and guidelines related to the hiring process and suitability requirements, attrition reporting and tracking, and retention plans and initiatives for claims processors. The team interviewed staff from the Office of Human Capital Services (Human Capital), the Office of Field Operations, and four district offices. In addition, the team sent a questionnaire to all 56 regional offices' and two benefits offices' points of contact, as identified by the Office of Field Operations.

The audit team reviewed a stratified random sample of hiring records for claims processors hired from October 1, 2022, through September 30, 2023, to assess whether VBA completed all required hiring steps in accordance with policy requirements. Separately, the audit team obtained employee data from HR Smart for October 1, 2020, through September 30, 2023, to determine claims processors' attrition rates, compare these rates, and identify trends in staff departure such as tenure.[63]

The audit team devised a structured interview questionnaire for a stratified random sample of 102 claims processors who resigned from VBA between October 1, 2022, and September 30, 2023. The interview was meant to determine factors that influenced claims processors' decisions to leave VBA and solicit recommendations to improve employee retention. The team tried to call all 102 sampled claims processors and spoke with 62, of whom 55 participated in an interview. The audit team left voicemails on two separate occasions for the remaining 40 former claims processors in the sample—which included the reason for contact, a

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[62] Claims processors are known as veterans service representatives, while rating claims processors are known as rating veterans service representatives. For the purposes of this report, the term *claims processor* broadly refers to both claims processors and rating claims processors unless specifically noted.

[63] HR Smart is a human resources process and management tool that replaces the legacy Personnel and Accounting Integrated Data System.

request to participate, and contact information to return the call. The participants' responses were then aggregated and analyzed to identify trends, patterns, and areas for improvement. The OIG made no statistical projections given that the responses collected may not represent the sentiment of the entire population of former claims processors due to the high noncontact and nonresponse rate (40 former claims processors out of 102 in the sample). The data aggregated and reported are limited to the claims processors who participated in OIG's interview and were used as one of multiple sources of data to support findings and recommendations.

Internal Controls

The audit team assessed the internal controls of VBA that were significant to the audit objective. This included an assessment of the five internal control components: control environment, risk assessment, control activities, information and communication, and monitoring.[64] In addition, the team reviewed the principles of internal controls as associated with the objective. The team identified the following three components and four principles as significant to the objective.[65]

Component 1: Control Environment

- Principle 4: Management should demonstrate a commitment to recruit, develop, and retain competent individuals.

Component 3: Control Activities

- Principle 10: Management should design control activities to achieve objectives and respond to risks.

- Principle 11: Management should design the entity's information system and related control activities to achieve objectives and respond to risks.

Component 5: Monitoring

- Principle 16: Management should establish and operate monitoring activities to monitor the internal control system and evaluate results.

Data Reliability

The audit team used computer-processed data from HR Smart. To test for reliability, the team determined whether any data were missing from key fields, such as an applicant's first or last name, date of birth, social security number, employee identification number, address, resume, and past and present salary.

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[64] Government Accountability Office (GAO), *Standards for Internal Control in the Federal Government*, GAO-14-704G, September 2014.

[65] Because the audit was limited to the internal control components and underlying principles identified, it may not have disclosed all internal control deficiencies that may have existed at the time of this audit.

The team also assessed whether the data contained obvious duplicative records, alphabetic or numeric characters in incorrect fields, or illogical relationships among data elements. Additionally, the team compared the applicants' information to source information for 30 requests submitted within HR Smart and compared the information found in USA Staffing. Testing found the data were sufficiently reliable for the audit objective. Comparison of the data against the information and documents found in HR Smart, USA Staffing, the VA Centralized Adjudication Background Investigation System, and the electronic official personnel folder did not disclose any issues with data reliability.[66]

The audit team used computer-processed data provided by HR Smart to determine the population of PACT Act–funded claims processors hired from October 1, 2022, through September 30, 2023. A stratified random sample of 341 claims processors was used to assess whether VBA completed all required hiring steps in accordance with requirements. Claims processor data were pulled as of October 4, 2023. Testing found the data were sufficiently reliable for the audit objective.

The audit team also used HR Smart data to determine the population of former VBA employees who resigned from October 1, 2022, through September 30, 2023. A stratified random sample of 102 former claims processors was selected to contact for an interview. Claims processor data were pulled as of February 8, 2024. When the audit team contacted former claims processors, data were tested for reliability by confirming former claims processors' phone numbers, first and last names, and former positions at VBA. Testing found the data were sufficiently reliable for the audit objective. The audit team contacted 62 of the 102 selected former staff, with 55 agreeing to participate in an interview.

Government Standards

The OIG conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that the OIG plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for the findings and conclusions based on the audit objective. The OIG believes the evidence obtained provides a reasonable basis for the findings and conclusions based on the audit objective.

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[66] VA Centralized Adjudication Background Investigation System is VA's centralized system used for processing background investigations and tracking suitability-related data. It captures fingerprint checks, background investigations, and reinvestigations.

Appendix B: Statistical Sampling Methodology

Approach

To accomplish the objectives, the audit team selected a statistical sample of claims processors and rating claims processors and reviewed the associated hiring records to determine whether the Veterans Benefits Administration (VBA) followed the required steps to hire qualified claims processors using funds appropriated by the PACT Act.[67] The team used statistical sampling to ensure the sample was proportionally representative of PACT Act–funded hires.

Population

The audit population included 1,758 claims processors with a hire date from October 1, 2022, through September 30, 2023, and was drawn using the Financial Management System fund code used to identify PACT Act–funded hires as of October 4, 2023, from HR Smart. For the purposes of the audit, the team initially selected an audit sample of 303 claims processors. During the sample review, the team identified 38 claims processors who were not hired via the competitive process; the team initially considered these cases outside the scope of this audit. However, because the 38 claims processors were still required to undergo the background investigation process, the team included them as part of the review, bringing the total number of claims processors reviewed to 341. The team did not identify any cases outside the audit scope.

Sampling Design

Hiring Process

The audit team selected a statistical sample of 341 newly hired claims processors from the population of 1,758 claims processors. The population was stratified into six strata by the total number of claims processors hired (high, medium, low) per VBA regional office and fiscal year quarter based on the date hired. Table B.1 shows the number of claims processors in each of the six strata.

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[67] Sergeant First Class Heath Robinson Honoring our Promise to Address Comprehensive Toxics (PACT) Act of 2022, Pub. L. No. 117–168, 136 Stat. 1759. Claims processors are known as veterans service representatives, while rating claims processors are known as rating veterans service representatives. For the purposes of this report, the term *claims processor* broadly refers to both general claims processors and rating claims processors unless specifically noted.

Table B.1. Sample Strata (Hiring)

Number of claims processors hired at regional offices	Hire date by quarter, fiscal year 2023	Number of sampled claims processors (hiring)
High (>50 claims processors)	Q1/Q2	41
High (>50 claims processors)	Q3/Q4	108
Medium (>30 and <=50 claims processors)	Q1/Q2	39
Medium (>30 and <=50 claims processors)	Q3/Q4	70
Low (<=30 claims processors)	Q1/Q2	31
Low (<=30 claims processors)	Q3/Q4	52
Total		**341**

Source: VA OIG stratified population. Data obtained from HR Smart.

In addition, the audit team reviewed the Time-to-Hire Model timeliness metrics. VBA created the Time-to-Hire Model to meet the Office of Personnel Management's 80-day time-to-hire goal. The audit team reviewed the timeliness metrics for each step for the 341 sampled claims processors in comparison to the recommended Time-to-Hire Model time frames.

Attrition

The audit team selected a statistical sample of 102 claims processors from a population of 362 claims processors who resigned from VBA during FY 2023 (October 1, 2022, through September 30, 2023).[68] The population was stratified into four strata by length of tenure in the most recent job or position (three or more years versus less than three years). Table B.2 shows the number of claims processors in each of the four strata.

Table B.2. Sample Strata (Attrition)

Tenure	Termination action	Number of sampled claims processors (resignations)
Three or more years	No	4
Three or more years	Yes	20
Less than three years	No	10
Less than three years	Yes	68

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[68] This group included claims processors who left VBA October 1, 2022, through September 30, 2023 (FY 2023), with a resignation action reason and did not indicate "medical" or "health reasons" in the Standard Form 50 (Notification of Personnel Action) and those in the "other" category who had comments on the form indicating "resignation."

Tenure	Termination action	Number of sampled claims processors (resignations)
Total		**102**

Source: VA OIG stratified population. Data obtained from HR Smart.

Note: The termination action is the HR Smart system field that indicates employment has ended.

Weights

Samples were weighted to represent the population from which they were drawn, and the weights were used in the estimate calculations. For example, the team calculated the error rate estimates by first summing the sampling weights for all sample records that contained the given error, then dividing that value by the sum of the weights for all sample records.

Projections and Margins of Error

The projection is an estimate of the population value based on the sample. The associated margin of error and confidence interval show the precision of the estimate. If the OIG repeated this audit with multiple sets of samples, the confidence intervals would differ for each sample but would include the true population value about 90 percent of the time.

The OIG statistician used statistical analysis software to calculate estimates, margins of error, and confidence intervals that account for the complexity of the sample design.

The sample size was determined after reviewing the expected precision of the projections based on the sample size, potential error rate, and logistical concerns of the sample review. While precision improves with larger samples, the rate of improvement decreases significantly as more records are added to the sample review. Figure B.1 shows the effect of progressively larger sample sizes on the margin of error.
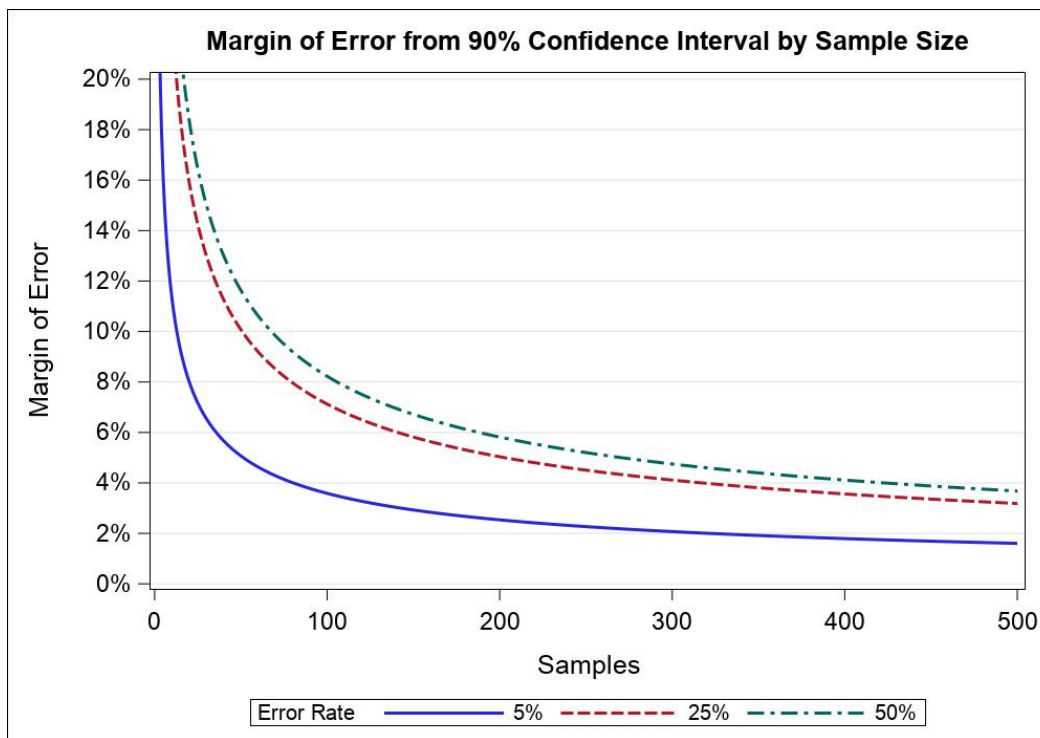
Figure B.1. *Effect of sample size on margin of error.*
Source: VA OIG statistician's analysis.

Projections

Table B.3 shows the projections for the number of PACT Act–funded claims processor positions filled in FY 2023 with and without errors from VBA staff not following the hiring process.

Table B.3. Statistical Projections Summary for Claims Processors Hired With and Without Processing Errors

Employees hired	Estimate	Margin of error, 90 percent confidence interval	Lower limit	Upper limit	Sample count
No error (percentage)	1,731.2 (98.5%)	19.5 (1.1%)	1,711.7 (97.4%)	1,750.8 (99.6%)	336
Error (percentage)	26.8 (1.5%)	19.5 (1.1%)	7.2 (0.4%)	46.3 (2.6%)	5
Total (percentage)	**1,758 (100%)**	—	—	—	**341**

Source: VA OIG projection of the number of claims processors hired during FY 2023 with and without errors from not following the required hiring process, based on its sample analysis.

Note: Numbers in the table may not sum due to rounding.

The audit team estimated the average time for VBA to complete the hiring process from the time the hiring need was identified to an employee's first day of work. The OIG's average days estimate between steps 1 and 10 includes PACT Act–funded claims processor positions filled using an expedited hiring process; therefore, it may not accurately reflect VBA's adherence to the Office of Personnel Management's 80-day time-to-hire goal for all claims processors or staff during the audit period. Table B.4 shows the hiring process's estimated average days from step 1 through step 10 of the Time-to-Hire Model.

Table B.4. Estimated Average Days for Time-to-Hire Model, Steps 1–10

Estimate name	Estimate number of days	Margin of error, 90 percent confidence interval	Lower limit	Upper limit	Sample count
Steps 1–10	58.6	2.3	56.4	60.9	341

Source: VA OIG projection of the average days from steps 1 through 10, based on its sample analysis.

As a result of expedited recruiting methods used for PACT Act–funded claims processor positions, the OIG was not able to estimate averages for each of the 10 steps in the hiring process. National job postings stayed open for extended periods, and career fairs that expedited the application and job offer process for these hires affected the calculation of days per step during the recruiting phase of the hiring process (steps 1–7). The onboarding phase and overall time-to-hire calculations were not affected by the expedited recruiting efforts.

Table B.5 shows the estimated number of hires who did not have the final results of their special agreement check in the investigation portal.

Table B.5. Estimated Number of Hires Missing Final Results of Special Agreement Checks in the Investigation Portal

Estimate name	Had a Special Agreement Check	Estimated hires	Margin of error, 90 percent confidence interval	Lower limit	Upper limit	Sample count
Special agreement check	Yes (percentage)	105.1 (6.0%)	34.9 (2.0)	70.1 (4.0%)	140.0 (8.0%)	21
	No (percentage)	1,652.9 (94.0%)	34.9 (2.0)	1,618.0 (92.0%)	1,687.9 (96.0%)	320

Source: VA OIG's estimated number and percentage of claims processors hired missing final results of special agreement checks on portal.

Table B.6 on the next page shows the estimated number of claims processors hired while meeting the recommended time-to-hire goals. VBA did not meet the recommended two-day goal for step 9, the 14-day goal for step 10, or the goals for the onboarding phase (steps 8 to 10).

However, VBA did meet the overall 80-day time-to-hire goal for steps 1 through 10. For step 9, this estimate was based on the sample of 279 hires to whom an official offer was sent after the initial screening was completed (an estimated 1,400 hires). In addition, the step 10 estimate was based on a sample of 341 newly hired claims processors. The overall time-to-hire estimates were based on a sample of 303 newly hired claims processors, because 38 of the 341 total sample claims processors were hired through a veteran recruiting program that does not require all the Time-to-Hire Model steps.

Table B.6. Estimated Number of Claims Processors Hired While Meeting Recommended Time-to-Hire Goals

Estimate name	Met goals	Estimated hires	Margin of error, 90 percent confidence interval	Lower limit	Upper limit	Sample count
Step 9 (recommended days=2)	Yes (percentage)	250.5 (17.4%)	54.3 (3.7%)	196.2 (13.7%)	304.8 (21.1%)	49
	No (percentage)	1,192.0 (82.6%)	70.0 (3.7%)	1,122.0 (78.9%)	1,262.1 (86.3%)	230
Step 10 (recommended days=14)	Yes (percentage)	380.7 (21.7%)	63.9 (3.6%)	316.8 (18.0%)	444.7 (25.3%)	74
	No (percentage)	1,377.3 (78.3%)	63.9 3.6%)	1,313.3 (74.7%)	1,441.2 (82.0%)	267
Onboarding phase (Steps 8 to 10)	Yes (percentage)	142.0 (8.1%)	41.8 (2.4%)	100.2 (5.7%)	183.8 (10.5%)	28
	No (percentage)	1,616.0 (91.9%)	41.8 (2.4%)	1,574.2 (89.5%)	1,657.8 (94.3%)	313
Overall time-to-hire (Steps 1 to 10)	Yes (percentage)	1,496.2 (85.1%)	55.4 (3.2%)	1,440.8 (82.0%)	1,551.5 (88.3%)	290
	No (percentage)	261.8 (14.9%)	55.4 (3.2%)	206.5 (11.7%)	317.2 (18.0%)	51

Source: VA OIG's estimated percentage of claims processors hired meeting time-to-hire goals, based on sample analysis.

Note: Numbers in the table may not sum due to rounding.

Table B.7 on the next page shows the estimated average days to complete steps 9 and 10. For step 9, this estimate was based on the estimated 1,400 hires to whom an official offer was sent after the initial screening was completed.

Table B.7. Estimated Average Days for Time-to-Hire Model, Steps 9 and 10

Estimate name	Estimated days	Margin of error, 90 percent confidence interval	Lower limit	Upper limit	Sample count
Step 9 (recommended days=2)	17.6	1.4	16.2	19.0	279
Step 10 (recommended days=14)	26.0	1.7	24.3	27.6	341

Source: VA OIG's projection of estimated average days, based on its sample analysis.

Note: Numbers in the table may not sum due to rounding.

Table B.8 shows the estimated number of claims processors hired who received an official offer before or after the initial screening was completed for step 9. The estimates were based on the 279 claims processors in the sample for whom dates were entered into the appropriate system.

Table B.8. Estimated Number of Hires with Initial Screening Completed Before or After the Official Job Offer, Step 9

Estimate name	Estimate	Margin of error, 90 percent confidence interval	Lower limit	Upper limit	Sample count
Initial screening before official job offer (percentage)	1,442.6 (83.5%)	56.4 (3.3%)	1,386.2 (80.3%)	1,499.0 (86.8%)	279
Initial screening after official job offer (percentage)	284.1 (16.5%)	56.4 (3.3%)	227.7 (13.2%)	340.5 (19.7%)	56

Source: VA OIG's projection of claims processors hired under a national job announcement for the step 9 calculation, based on the team's sample analysis.

Note: Numbers in the table may not sum due to rounding.

Table B.9 on the next page shows the estimated number of claims processors hired for whom VBA human resources staff did not update USA Staffing with the background check initiation date. These estimates were based on the 301 newly hired claims processors for whom dates were entered into the system.

Table B.9. Estimated Number of Hires for Which Human Resources Updated USA Staffing

Estimate name	Estimate	Margin of error, 90 percent confidence interval	Lower limit	Upper limit	Sample count
Background check initiation date not entered in USA Staffing (percentage)	258.7 (16.6%)	53.5 (3.4%)	205.2 (13.2%)	312.2 (20.1%)	51
Background check initiation date entered in USA Staffing (percentage)	1,295.3 (83.4%)	53.5 (3.4%)	1,241.8 (79.9%)	1,348.8 (86.8%)	250

Source: VA OIG's projection of claims processors with background check initiation date entered in USA Staffing, based on its sample analysis.

Note: Numbers in the table may not sum due to rounding.

Table B.10 shows the estimated average days for tasks completed by human resources and suitability staff in step 9. For some samples, the absence of dates such as initial screening completed, date suitability determined a formal job offer could be extended, and date the official job offer was given in the system of record impacted the audit team's ability to calculate the time between each task. Because each estimate was determined using only the records in the sample that contained both dates necessary to calculate the time for each step, the sample count used for each estimate varies.

Table B.10. Estimated Average Days for Human Resources and Suitability Staff to Complete Hiring Tasks in Step 9

Estimate name	Estimated days	Margin of error, 90 percent confidence interval	Lower limit	Upper limit	Sample count
Days from when suitability team completed initial screening (VA-CABS) to when it updated investigation portal with results	13.4	2.2	11.3	15.6	296
Days from when suitability team updated investigation portal to when human resources staff extended job offer	5.8	0.7	5.2	6.5	303
Days from when suitability team completed initial screening (VA-CABS) to when human resources staff extended official job offer	16.8	1.9	14.9	18.7	333

Source: VA OIG statistician's projection of estimated of days it took human resources and suitability staff to update tasks, based on the team's sample analysis.

Note: Numbers in the table may not sum due to rounding. VA-CABS is the VA Centralized Adjudication Background Investigation System.

Table B.11 shows the estimated average time for claims processors in the sample in comparison to the Time-to-Hire Model's recommendation for onboarding steps 8 through 10. Each estimate was determined using only the records in the sample that contained both dates necessary to calculate the time for each step, resulting in a varied sample count for each estimate.

Table B.11. Estimated Average Days to Complete Onboarding, Steps 8–10

Estimate name	Estimated average number of days taken	Margin of error, 90 percent confidence interval	Lower limit	Upper limit	Sample count
Step 8	8.7	1.3	7.4	10.0	282
Step 9	17.6	1.4	16.2	19.0	279
Step 10	26.0	1.7	24.3	27.6	341
Total	**51.0**	**2.0**	**49.0**	**53.0**	**341**

Source: VA OIG's projection of the average days between steps 8 through 10, based on the team's sample analysis.

Note: Numbers in the table may not sum due to rounding.

Table B.12 shows the estimated percentage of newly hired claims processors for whom the time-to-hire goal was met for onboarding steps 8 through 10.

Table B.12. Estimated Percentage of Hires Who Met the Time-to-Hire Onboarding, Steps 8–10

Estimate name	Met recommended days	Estimate	Margin of error, 90 percent confidence interval	Lower limit	Upper limit	Sample count
Step 8 (recommended days=10)	Yes (percentage)	1,035.3 (71.0%)	77.1 (4.4%)	958.2 (66.6%)	1,112.4 (75.4%)	201
	No (percentage)	422.7 (29.0%)	66.5 (4.4%)	356.3 (24.6%)	489.2 (33.4%)	81
Step 9 (recommended days=2)	Yes (percentage)	250.5 (17.4%)	54.3 (3.7%)	196.2 (13.7%)	304.8 (21.1%)	49
	No (percentage)	1,192.0 (83.0%)	70.0 (3.7%)	1,122.0 (78.9%)	1,262.1 (86.3%)	230

Estimate name	Met recommended days	Estimate	Margin of error, 90 percent confidence interval	Lower limit	Upper limit	Sample count
Step 10 (recommended days=14)	Yes (percentage)	380.7 (21.7%)	63.9 (3.6%)	316.8 (18.0%)	444.7 (25.3%)	74
	No (percentage)	1,377.3 (78.3%)	63.9 (3.6%)	1,313.3 (74.7%)	1,441.2 (82.0%)	267
Total (recommended days=26)	**Yes (percentage)**	**142.0 (8.1%)**	**41.8 (2.4%)**	**100.2 (5.7%)**	**183.8 (10.5%)**	**28**
	No (percentage)	**1,616.0 (91.9%)**	**41.8 (2.4%)**	**1,574.2 (89.5%)**	**1,657.8 (94.3%)**	**313**

Source: VA OIG's projection of the estimated percentages between steps 8 through 10, based on sample analysis.

Note: Percentages in the table may not sum due to rounding.

Appendix C: VA Management Comments

Department of Veterans Affairs Memorandum

Date: February 12, 2025

From: Under Secretary for Benefits (20)

Subj: Office of Inspector General (OIG) Draft Report – Audit of VBA's PACT Act Hiring and Staff Attrition Project No. 2023-02778-AE-0105 – VIEWS 12654801

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

1. Thank you for the opportunity to review and comment on the OIG draft report: Audit of VBA's PACT Act Hiring and Staff Attrition. The Veterans Benefits Administration (VBA) provides the attached response to the draft report.

2. Questions regarding the contents of this memorandum may be directed to the VBA Office of Program Integrity and Internal Controls at: VBACO_PI&ICS@va.gov.

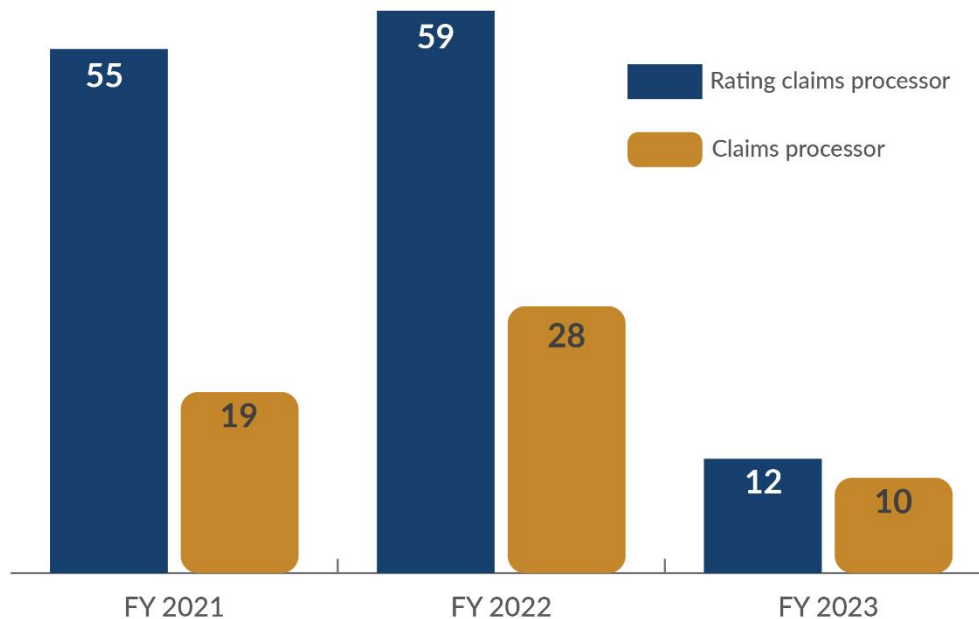| |
|---|
| *The OIG removed point of contact information prior to publication.* |

/s/

Michael J. Frueh

Acting Under Secretary for Benefits

Attachment

Veterans Benefits Administration (VBA)

Comments on OIG Draft Report

Audit of VBA's PACT Act Hiring and Staff Attrition

VBA concurs with OIG's draft report findings and provides the following technical comments:

Page 20, Figure 5:

"Figure 5. Median tenure of VBA claims processors at resignation, fiscal years 2021-2023. Source: VA OIG analysis of VBA HR Smart staffing data updated July 8, 2024.

Note: Numbers in figure are rounded. For employees who held claims processors and rating claims processor position consecutively, tenure under their last position held is represented as a combined total of time in both positions."

VBA Comment: VBA provides the following technical comments for the figure and related note on page 38, figure 5. This table may be misleading to readers who are unaware that rating claims processors (i.e., Rating Veterans Service Representatives or RVSRs) have a higher median tenure in the 0996 occupational series than claims processors (i.e., Veterans Service Representatives or VSRs), since many RVSRs previously held the VSR position. Based on data from the HR Smart Gains and Losses report, using occupational series and position title, 85.8% of RVSRs hired during FY21-23 were previously in the VSR position. A reader may review figure 5 and believe there is a comparison between both positions, without the additional context. In addition, the 'claims processor' and 'rating claims processor' are not official job titles within VBA. VBA was not able to validate OIG's findings as the criteria used to obtain the data for either group was unavailable.

The addition of this sentence in the figure 5 note would provide additional context to the reader: "Rating claims processor role (RVSR) median tenure in the 0996 occupational series is higher than the claims processor role (VSR) as the majority of rating claims processors have held and been promoted from the claims processor role to the rating claims processor role."

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

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