

**STATEMENT OF DENIS M. MCDONOUGH  
SECRETARY OF THE DEPARTMENT OF VETERANS AFFAIRS (VA)  
BEFORE THE  
COMMITTEE VETERANS' AFFAIRS  
UNITED STATES HOUSE OF REPRESENTATIVES**

**FEBRUARY 14, 2024**

Good morning, Chairman Bost, Ranking Member Takano, and distinguished Members of the committee. Thank you for inviting me to testify today.

Later this morning you will be hearing from Cassandra Law, VA's Assistant Secretary for Human Resources and Administration/Operations, Security, and Preparedness (HRA/OSP), and Bruce Gipe, the Acting Assistant Secretary for the Office of Accountability and Whistleblower Protection (OAWP). Acting Assistant Secretary Gipe will describe for the Committee the results of OAWP's comprehensive internal investigation into the allegations of wrongdoing at the Office of Resolution Management, Diversity, and Inclusion (ORMDI). OAWP's investigation substantiated some of the allegations raised about sexual harassment at ORMDI and made disciplinary and non-disciplinary recommendations.

Assistant Secretary Gipe will walk you through the OAWP's findings and recommendations in detail. Assistant Secretary Law will describe the steps she has initiated to address the problems identified in the OAWP report, problems which in my view suggest a troubled culture at ORMDI. In her first full day in her new position, Assistant Secretary Law ordered a stand-down to address sexual harassment and directed a study of VA's existing anti-harassment training, and she is continuing to focus on combatting sexual harassment by developing new policies addressing supervisor-subordinate relationships and working on a plan to modify ORMDI's reporting structure, along with other initiatives.

Throughout my testimony I will be careful to avoid appearing to prejudge the outcomes that may result from the OAWP report. But I think it is important to underscore to the Committee that we have had a goal of strengthening the OAWP – a tool you gave VA in 2017 – and that work has resulted generally in a more effective OAWP and thus a more accountable VA workforce. For example, OAWP's investigations are now being completed in an average of 81 days, and since the beginning of fiscal year 2023 all but one of its disciplinary recommendations have been implemented in some form by VA components, except in cases of retirement or resignation prior to disciplinary action.

Mr. Chairman, I understand, and as you know am sympathetic to, the view expressed by you and others that VA took too long to respond to your September 29, 2023, letter about allegations of misconduct within ORMDI. You invited me here this morning to discuss the Department's response to that letter, and I welcome the opportunity to do so.

## **Commitment to a Harassment-Free Environment**

VA's success as a team depends on how we treat each other. That means every person entering a VA facility must feel safe. And it means that every VA employee must have a workplace free of harassment and discrimination.

I take this issue very seriously and I want to be crystal clear – VA does not tolerate sexual harassment. My unwavering commitment is to ensure that every employee works in a safe, welcoming, and harassment-free environment. Recently ORMDI fell short of that goal.

I assure Veterans and this Committee that we have treated these allegations of wrongdoing at ORMDI with seriousness. The 125-page OAWP report demonstrates that we moved to aggressively investigate them. VA will take appropriate disciplinary action in response to this investigation. And as Assistant Secretary Law will describe more fully, in reaction to these learnings from ORMDI, VA is strengthening its policies, procedures, personnel, training, and structure to improve its handling of sexual harassment allegations and help eliminate sexual harassment in the future.

## **Response to Chairman Bost's Letter Dated September 29, 2023**

Mr. Chairman, as you recall, on November 13, 2023, we spoke by telephone, and you raised with me your concerns about allegations of misconduct at ORMDI. In that telephone call, you also mentioned that you had sent a letter to me on September 29, about allegations of sexual harassment and misconduct at ORMDI and expressed dismay that VA had not yet responded to that letter. As I told you during that conversation, I had no knowledge of having received your letter. That remains true today – I have no independent recollection of reading the letter or being aware of ORMDI allegations before our telephone conversation. Consequently, the following timeline of events is based on the research of my staff and not my personal knowledge.

As is standard procedure with most Congressional letters, your September 29, 2023 letter was received by the VA Office of Congressional and Legislative Affairs (OCLA) and forwarded to the VA Executive Secretariat. There, it was assigned to the relevant VA organization responsible for the subject of the letter: in this case HR&A/OSP because allegations of sexual harassment and the ORMDI group itself fall squarely within HR&A's purview. After receiving your letter, HR&A personnel began drafting a response, focusing on addressing the eight questions in your letter, including what government policies and regulations govern VA supervisor-subordinate relationships or prohibit use of personal communication devices for official business, how many claims of sexual harassment within ORMDI had been brought, and how many AIBs or fact-findings had been conducted involving ORMDI leadership. Unfortunately, HR&A did not take any significant action beyond compiling information to draft a response to your letter.

Weeks later, your September 29, 2023 letter was placed in background materials that are made available in my daily briefing book which includes a tab for letters,

including from Congress. However, because of the large volume of materials that I am provided every day – including numerous letters from Congress, federal partners, state officials, Veteran Service Organizations, unions, and the like – I often do not get the chance to review all of these background materials. I have no recollection of having reviewed the September 29, 2023 letter until you raised it with me in our November 13 phone call.

It also appears that on October 17, 2023, I received emails from an employee raising allegations of sexual harassment at ORMDI. I forwarded these allegations to VA's Acting General Counsel for his attention since it involved a pending EEO action and copied two EEO-related addresses at the U.S. Postal Service (the group that handles investigations of ORMDI). A few days later, the Acting General Counsel confirmed that his attorneys were working with HR&A to address the allegations of sexual harassment within ORMDI. Although the documentary record shows that I forwarded this employee's email to legal counsel, I have no independent recollection of having done so.

After the October 17, 2023 emails, there seemed to be considerable activity within ORMDI and HR&A regarding these allegations of misconduct. The series of discussions and meetings are detailed on pages 54 through 58 of the OAWP report. According to the report, during this time period HR&A and ORMDI leadership began discussing detailing Davis out of ORMDI and convening an AIB to investigate the allegations. Former Assistant Secretary Grosso noted in her testimony that it was difficult to find an appropriate official to conduct the AIB investigation. The detailing of employees and establishment of the AIB did not occur until November 13, 2023.

I am disappointed that HR&A did not move with more alacrity in detailing out the alleged bad actors and launching an investigation of the alleged misconduct at ORMDI. I also regret that I do not recall seeing your September 29, 2023 letter earlier. However, it must be said that I took to heart your concerns in our November 13<sup>th</sup> call, and we have moved with dispatch to address these concerns and respond to the Committee's investigation since that call. I am firmly committed to ensuring the Department processes congressional letters more efficiently and effectively moving forward.

### **Resignation of AS Grosso**

The Committee appears to be interested in the sequence of events leading to former Assistant Secretary Gina Grosso's resignation. During September I had come to the decision that we needed a change in leadership at HR&A/OSP and had begun planning for Ms. Grosso's departure. At that time I was unaware of any of the allegations involving ORMDI. At the end of the planning process, I had a conversation with Ms. Grosso and later exchanged emails with her on October 29 and 30, 2023, about scheduling her departure and how I would characterize it. As noted above, I was not aware of the September 29, 2023 letter or any ORMDI allegations until the Chairman brought them to my attention in our November 13, 2023 telephone call.

Although I had decided that a change of leadership was needed, I would like to emphasize that Ms. Grosso has had a distinguished career of public service. She served honorably for 32 years in the U.S. Air Force, from which she retired as a Lieutenant General and as the first female personnel chief in Air Force history. During her career she also served as Chair of the Army and Air Force Exchange Service's Board of Directors, and Chair of the Defense Commissary Agency's Board. Her command positions include the first DOD tri-service base at Joint Base McGuire-Dix-Lakehurst, NJ. I appreciate Ms. Grosso's long service to our country.

\* \* \*

I want to conclude by underscoring two points. First, we respect the role of congressional oversight and believe it makes us better. For that reason, VA has been fully transparent and cooperative in responding to the Committee's requests for information. VA has provided the Committee with the full results of OAWP's internal investigation, which includes the OAWP 125-page report as well as the more than 40 sworn witness interview transcripts and more than 150 exhibits cited in the OAWP report. In addition, the Department has produced more than 55,000 documents collected in the OAWP internal investigation. In this past week alone, VA produced an additional 5,700 documents to the Committee. VA has devoted substantial resources, including hundreds of attorney hours, to producing documents in response to the subpoena. And VA is continuing to review potentially responsive documents collected by OAWP and other documents and will continue to produce them to the Committee on a rolling basis.

Second, eliminating sexual harassment is a critical priority for us. As Assistant Secretary Law will explain, she has begun taking important steps to change the culture at HR&A and challenging the rest of VA to rededicate ourselves to a safe workplace. We are committed to learning from the past problems at ORMDI and ensuring a safe, welcoming, and harassment-free environment for all who come to VA.

Thank you, and I look forward to your questions.