

COUNTING THE MONEY: PREVENTING
FRAUD AND ABUSE IN VA'S BONUS
PAYMENT PRACTICES FOR VA EMPLOYEES

HEARING
BEFORE THE
SUBCOMMITTEE ON OVERSIGHT AND
INVESTIGATIONS
OF THE
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TUESDAY, JULY 22, 2025

SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATIONS,
COMMITTEE ON VETERANS' AFFAIRS,
U.S. HOUSE OF REPRESENTATIVES,
Washington, DC.

The subcommittee met, pursuant to notice, at 2:08 p.m., in room 360, Cannon House Office Building, Hon. Jen Kiggans [chairwoman of the subcommittee] presiding.

Present: Representatives Kiggans, Radewagen, Self, Ramirez, Kennedy, and Conaway.

OPENING STATEMENT OF JEN KIGGANS, CHAIRWOMAN

Ms. KIGGANS. I would like to welcome the members, witnesses, and audience to this hearing for the subcommittee on oversight and investigations. I appreciate my colleagues on the dais and the witnesses for being here to discuss the chronic issue of improper recruitment, retention, relocation, and incentive payments. These are commonly referred to as the 3R's. These incentives are tools provided to the U.S. Department of Veterans Affairs (VA) by Congress to attract and retain quality staff and positions that are consistently vacant or identified as difficult to fill. While many Federal agencies can use these incentive payments, they are particularly helpful for an agency like the VA whose mission is to provide complex services and quality health care to veterans across the entire country. These incentives are designed to be a part of a benefits package for positions in markets that are difficult to hire in, like specialist physicians, nurses, and social workers in rural areas. Congress gave Federal agencies the ability to pay these incentives so that government entities like the Veteran Health Administration can be competitive in attracting and keeping quality healthcare professionals in a labor pool that is facing staffing challenges across the country. As a nurse practitioner, I understand these challenges firsthand.

Unfortunately, recent reports have shown that these funds have been proven to be paid out with very little oversight. While this hearing was organized after the release of the June 2025 Office of Inspector General (OIG) report on the VA's poor oversight of these incentive payments, the problems we will discuss today are not new to the VA. In fact, in 2017 the OIG released a similar report detailing oversight issues with recruitment, relocation, and reten-

tion incentive payments. Based on the OIG's oversight work stretching back to July 2014, the 2017 and—the 2017 OIG report identified the need to improve controls over the use of these incentives. Having found that the VA did not properly authorize 33 percent of the retention incentives that were awarded to senior executives. The improper payments found in 2017 totaled more than \$158 million in unsupported spending.

As a result, the OIG made recommendations that the VA develop internal controls to monitor policy compliance and decrease the VA's reliance on retention incentives. Now, here we are in July 2025 confronted with the same issues that the VA has failed to improve since the first report. The only difference is that now there is even more taxpayer dollars involved. For example, between 2020 and 2023, relocation payments grew by 85 percent, and retention payments have grown by 131 percent, while recruitment bonuses have ballooned by a staggering 237 percent. I believe anyone would agree that these numbers are alarming when there is little data to back up the massive increases. The 2025 report acknowledged that after the initial report VA implemented processes to improve authorization and review controls for the payments. However, VA employees inconsistently followed them. This made the good government improvements virtually useless. In response to the 2017 OIG audit, quality assurance teams were created at both the Office of Human Resources (HR) and Administration, Operations Security and Preparedness, and the Veterans Integrated Service Network (VISN) level. However, the 2025 OIG report found that while these teams identified errors, they did not address systemic issues in the request and authorization of incentives, did not proactively prevent incentive packages from being processed and paid based on insufficient justifications.

Additionally, the OIG found that 28 employees continued to receive annual retention incentives for many years after the initial award period expired. In one case, an employee continued to receive annual incentive awards for more than 11 years after the initial award period. In total, the VA improperly paid these employees a total of about \$4.3 million. Between 2020 and 2023, more than 134,000 employees received incentive payments totaling \$1.2 billion. 341 million of those incentives were found by the OIG to be improperly documented. The lack of documentation also hinders review efforts by oversight bodies like the OIG, the U.S. Government Accountability Office (GAO), and this committee.

I echo what the OIG said in the report that the required documentation helps provide assurance that incentives are properly used and effective oversight of incentives also requires sufficient documentation for review. In fact, OIG noted that much of the data used in the report relied on projections due to the VA's sparse documentation. I found it shocking in the report that when cases of waste, fraud and abuse were discovered, the VA's implementation of established processes did not always guarantee that the issues were appropriately resolved. The 2025 report cited an example where Veterans Health Administration (VHA) awarded \$30,000 in relocation payments for an employee who never relocated. The employee was a remote worker teleworking from home. When someone receives a relocation incentive and never actually relocates,

that is wrong and a clear waste of taxpayer dollars. Despite this clear case of impropriety, the VHA declined to recoup the payments that were made to this employee. These are taxpayer dollars set aside for veterans and for far too long they have been carelessly handled. I am excited to hear the Trump administration's plan to not only satisfy the OIG's recommendations but their plan to make real, unnecessary improvements, and corrections in how the VA manages and oversees their incentive programs. The status quo is not acceptable and we will continue to push the VA to make improvements that lead to better care outcomes for the veterans that are receiving VA services. I look forward to working with Secretary Collins and his team to right the ship and create real change at the VA.

I now recognize Ranking Member Ramirez for her opening comments.

OPENING STATEMENT OF DELIA RAMIREZ, RANKING MEMBER

Ms. RAMIREZ. Thank you, Chair Kiggans. Today's hearings topic is critically important. We are examining the use and the oversight of the "3R's incentives" at VA. Recruitment, retention, and relocation bonuses. The so called 3R's help VA attract talent. Earlier this month, Secretary Collins celebrated the VA will lose nearly 30,000 employees by the end of the fiscal year. I find that despicable. I want to be clear. Every VA employee is mission critical. Every VA employee ensures veterans get the care and benefits they have earned and deserve. If we care about veterans' care and services, it is more important than ever that we discuss how the VA keeps employees.

As Secretary Collins deconstructs, decimates, and demoralizes the workforce. Veteran care is already being negatively impacted by the destruction of the VA workforce. For instance, we know that doctor appointments for veterans have been canceled due to staffing shortages. We know this because veterans have told us themselves. How do we course correct? How do we ensure the VA has a workforce it needs to support the care veterans have earned and deserve? First, we have to ensure that the VA is a place where people feel valued, not disposable and not attacked. As a former executive director of a nonprofit organization, I know that public sector agencies like the VA and nonprofit organizations cannot compete with the private sector in terms of salary in many places across the country. In tough markets, 3R's incentives help make VA offer more competitive wages. They are a tool to attract and retain highly qualified employees to the agency. I understand that this hearing is meant to focus on the VA Inspector General's findings from report released earlier this summer that the VA needs more oversight of 3R's incentives. I do not disagree that the VA must be a good steward of taxpayer dollars and that we must ensure that the correct employees are receiving the correct pay for the correct period of time. No objection, no disagreement there.

At the same time, we must ensure that the VA's oversight of the 3R's incentives does not make them a more burdensome and less useful tool for leaders who need them to recruit and to retain staff. We need to hold two objectives at the same time. The process must work and it must allow to be competitive by working quickly and

efficiently. If we do not meet both of these goals, I fear that greater layers of bureaucracy may disincentivize leaders from offering 3R awards. I look forward to hearing from our witnesses today about how we can strike a balance to ensure 3R incentives are being used properly, efficiently, and routinely. I am going to show a series of posters with data pulled directly from the VA's workforce dashboard published on June 27th, 2025. Numbers do not lie. We can see here a sharp decline in both recruitment and retention since Secretary Collins took the helm. The VA has seen an over 45 percent reduction in job applicants this year compared to last year. VA saw an over 56 percent reduction in new employees actually starting jobs. The VA lost 4,144 employees in mission critical occupations as defined by the VA since the beginning of this fiscal year. Compare that to the Biden administration only losing 111 employees in mission critical occupations during the same period in 2024. As of losing 4,100 employees in VA designated mission critical occupations was not bad enough, I want you guys to take a closer look at how many employees Secretary Collins has lost in some key veteran facing roles. To be clear, these numbers are not net losses. They are net losses, not just normal attrition. The numbers we are looking at account for any new hires. Again, these are positions that are not subject to the hiring freeze and were exempt from the Deferred Resignation Program (DRP). What you are seeing is that since the start of this fiscal year, the VA has lost a net of 1,720 registered nurses, 1,147 medical support assistants, 604 physicians, 193 police officers, 77 psychologists, 358 social workers, 1,081 veteran claim examiners, 868 custodial workers. By its own data, the VA has had over 7,500 employees in veteran facing roles leave their jobs this Fiscal Year and their positions have not been backfilled.

How can Secretary Collins look at us and at veterans with a straight face and say that veterans care has not been affected by staffing changes when he has lost at least 7,500 veteran facing employees? The numbers we are looking at and their impact on veteran care is upsetting. If you are not mad yet, just take a look at our next poster so we can get a sense of why these employees have left the VA. Reasons for leaving, a series of concerns, for example, geographical relocation, desired work schedule not offered, lack of trust and confidence in senior leaders. Again, lack of trust and confidence in senior leaders from social workers, medical and dental are talking about the work schedule offered does not work for their ability to serve the veterans. Then you see over and over and over lack of trust and confidence in senior leaders, lack of trust and confidence in senior leaders. You also see here from contracting officers unethical behavior on the part of leadership or the organization. That is why medical and dental, general administration, psychologists, social workers, HR specialists, HR assistants, cemetery caretakers, Veterans claim exam, processing personnel, contracting officers, and Information Technology (IT) specialists are leaving. Any quality leader I know who got this feedback in their exit interview would do some serious self-reflection. The VA has a failure of leadership crisis and Secretary Collins is to blame. Secretary Collins accuses us of fear mongering and lying when we raise the alarm that veteran care is being impacted. But these numbers do

not lie. There is just no possible way that VA could lose 7,500 veteran facing employees without care being impacted. The Secretary could turn the ship around to attract and maintain more employees to care for veterans and the 3R incentives are one of those tools. He is not because he does not want to turn the ship around. He is committed to destructive collision course. Let us look at the dashboard even closer.

Just take a look at the reduction in the use of The Sergeant First Class Heath Robinson Honoring our Promise to Address Comprehensive Toxics (PACT) Act authorities like recruitment and retention incentives from year 2024 to year 2025. Last year during the Biden administration, retention incentives were used nearly 20,000 times. This year, under Collins and Trump, only 7,000 times. Recruitment incentives were used 6,000 times in year 2024, but they have barely used them 1,000 times this year. Take a look at this number. Special Contribution Awards. These are used when a VA employee goes above and beyond the call of duty when caring for veterans. When Biden was president, nearly 30,000 special contribution awards were given to VA employees. Under Collins, barely 7,000 awards have been made. Here is the bottom line. It is not that VA employees are less meritorious than they were under Biden. It is that no matter what the VA employees do, they will never really receive 3R awards because the Trump administration, through Secretary Collins, wants them to leave. They want every employee to be pushed out so they can decimate the VA's workforce and destroy it in order to justify privatizing the VA. Secretary Collins has made VA employees his target and in doing so has targeted veterans who rely on VA for their care and benefits. Yes, it is more important than ever that we do everything we can to keep VA employees working and caring for our veterans. Secretary Collins tenure at the VA has been one of torment. For months, VA employees have worried they would lose their jobs and livelihood through Reduction in Force (RIF). Now Secretary Collins promises that a "Large-scale RIF" is off the table for the time being. We all remain concerned that if he is leaving the door open to eliminate positions through the reorganization and consolidation, and veterans worry that their service and care will be impacted by the changes in the VA workforce. Well, veterans are right. How can we expect to provide high quality services through a robust, talented workforce under these kinds of conditions? Again, the instability, the uncertainty, the volatility is the point. Veterans deserve a VA that they can rely on. Secretary Collins is undermining the VA and its workforce at every chance he gets. It is why I look forward to our conversation today and hearing for our witnesses.

With that, I yield back.

Ms. KIGGANS. Thank you, Ranking Member Ramirez. I will now recognize the witnesses testifying before us today. We have Ms. Tracey Therit, chief human capital officer, Human Resources and Administration, welcome back. Mr. David Perry, chief officer, Workforce Management and Consulting, Veterans Health Administration. Mr. Shawn Steele, the director of the Human Capital and Operations Division, Office of Audits and Evaluations of the Office of the Inspector General. Dr. Elliot, Dr. Sheila Elliot, president for the American Federation of Government Employees (AFGE) Local

2328. Welcome. If the witnesses will please stand for me and raise your right hand. Do you solemnly swear that the testimony you are about to provide is the truth, the whole truth, and nothing but the truth?

[Witnesses sworn.]

Ms. KIGGANS. Thank you. You may be seated. Let the record reflect that the witnesses answered in the affirmative.

Ms. Therit, you are now recognized for 5 minutes to provide the VA's testimony.

STATEMENT OF TRACEY THERIT

Ms. THERIT. Good afternoon, Chairwoman Kiggans, Ranking Member Ramirez, and distinguished members of the committee. Thank you for this opportunity to discuss how VA is improving governance and oversight of recruitment, relocation, and retention, 3R's in our incentive payment practices. As pay caps for healthcare professionals at VA have not kept pace with rising salaries for healthcare professionals and specialists, the 3R's program is a critical component of VA's incentive plan. I am joined today by Mr. David Perry, acting chief, Human Capital Management, Veterans Health Administration. VA will always fulfill its duty to provide veterans, families, caregivers and survivors with the health care and benefits that they have earned. To ensure all veterans and VA beneficiaries continue to receive their earned benefits and services, VA is always recruiting dedicated professionals. As of July 2025, more than 350,000 critical positions are exempt from the hiring freeze. While VA has historically offered 3R's incentives to address occupational shortages and facilities hiring initiatives, the department must provide greater accountability and stewardship of taxpayer resources by enhancing our procedures, documenting requirements, and providing oversight of these incentives.

Starting in 2017, VA updated department policy on 3R incentives to establish internal controls and provide oversight. Specifically, VA began requiring annual certification of the incentive so it was appropriate and in compliance with policy and succession plans to reduce long-term reliance on incentives and established residency before payment of receipt. In the years since, VA has continued iterating and implementing additional improvements including the following, requiring a standard form to capture all the required information by law, aligning the use of 3R's with shortage and hard to fill positions, obtaining authorization and justification before including 3R incentives in job announcements, tracking unfulfilled service obligations, improving coordination of debt collection and enforcing debt collection and reviewing incentives annually and terminating them in a timely manner when they are no longer needed. However, there is always room for improvement and VA must continue to refine its governance of those incentives, including proper documentation in their use, ensuring correct signatures are in place, ensuring justification in employing 3R's is sound. VA must develop stronger oversight mechanisms and discontinue the use of multiyear incentives.

Finally, VHA is implementing a comprehensive strategy to enhance the management and oversight of the incentives program, includes continuing to monitor internal control procedures and guid-

ance to ensure 3R documentation is appropriately maintained in accordance with VA policy. VHA will also conduct a program to monitor quarterly and utilize uniform checklists and templates nationwide. VHA is developing training and materials to ensure proper documentation for succession plans, performance ratings and to strengthen the technical review. VHA is creating oversight plans and a strengthened technical review program to assess every incentive for technical adherence. At an enterprise level, oversight monitoring component will act as a second level check at the national level. VHA aims to support the compliance with record retention requirements and furthermore specific performance metrics will be tied to operational leadership and human resources leadership. They are being developed and reinforcing the importance of proper governance and oversight of incentive programs. VA is committed to addressing these issues that have been identified by the Inspector General's report and strengthening the process to support the VA mission. We are confident that the steps that we have taken and will continue to take will strengthen our incentives program and the governance and oversight required, leading to more effective outcomes and better service to veterans. While the 3R's incentive program is an important tool for the department in attracting and retaining talent, it is not enough for the VA to remain competitive with industry. VA looks forward to working with the committee on strategies to ensure that VA is an employer of choice for physicians in critical need specialties.

I am proud to be part of the noble mission to care for our Nation's veterans. I look forward to working with each of you on the committee to more effectively and efficiently provide enhanced oversight and governance of the incentive payment practices, ensuring VA can continue to provide the best care and services to veterans and their families.

It concludes my testimony and my colleague and I welcome any questions that you may have for us. Thank you, thank you.

[THE PREPARED STATEMENT OF TRACEY THERIT APPEARS IN THE APPENDIX]

Ms. KIGGANS. Thank you, Ms. Therit. Mr. Steele, you are now recognized for 5 minutes to provide the VA's OIG's testimony.

STATEMENT OF SHAWN STEELE

Mr. STEELE. Chairwoman Kiggans, Ranking Member Ramirez, and members of the subcommittee thank you for the opportunity to testify on the OIG's independent oversight of VHA's management of recruitment, relocation and retention incentives. These incentives are meant to help VA entice candidates to accept hard to fill positions or to retain high quality staff. Our work focused on identifying whether VHA used incentives effectively, complied with the law and VA policy, and acted as strong stewards of taxpayer dollars. As the OIG has documented, VHA faces significant staffing shortages in key positions, also known as critical need occupations. This long-standing challenge affects clinical positions as well as nonclinical support and security functions. Critical need occupations are often difficult to fill due to the limited number and quality of candidates, unfavorable employment trends, and lack of appeal for the position's duties or geographic location. Our work

shows that despite VHA's ability to hire non-competitively, they continue to experience staffing shortages for positions fundamental to the safe and effective delivery of care to veterans. Other OIG reports highlighted weaknesses in VA's processes and controls governing the use of pay incentives.

Our 2017 audit found that VA needed to improve controls over recruitment, relocation and retention incentives to ensure they were strategically and prudently used. We also reported in May 2024 that VA awarded \$10.8 million in critical skill incentives to nearly all VHA and Veterans Benefits Administration (VBA) central office executives without required support showing the employee possessed a high demand skill or skill that is at a shortage. Over 182 senior executives received payments averaging about \$60,000 each. Subsequently, over 90 percent of those funds had been recouped. We closed the recommendations for both the 2017 and 2024 reports because VA provided sufficient evidence to show action had been taken to implement needed changes. However, the OIG continued to monitor VA's use of these important staffing tools. Last month, we published a report that evaluated VA's controls over and governance of recruitment, relocation and retention incentives. It focused on awards paid to VHA employees from fiscal years 2020 through 2023 and tested many of VA's actions taken in response to the 2017 OIG report. Overall, we found that VA used incentives extensively to address critical staffing needs. In fiscal years 2022 and 2023, nearly 90 percent of incentives went to employees and occupations on staffing shortage lists.

However, VA did not effectively govern the process to ensure that VHA officials consistently captured information required to support the awards. Key forms were missing or lacked sufficient justifications and approval signatures. This information helps confirm incentives are properly used and is needed to carry out effective oversight. Consequently, we found that VA's prior corrective actions to implement our 2017 report recommendations were not sustained as policies were not routinely followed. Overall, we estimated that the award justification could not be verified or is insufficient for 30 percent of VHA employees that received incentive payments. This amounted to about \$341 million in incentives that were not adequately supported. Our team also found 28 VHA employees who received retention incentive payments long after their award period had expired. These individuals were improperly paid for an additional 8 years, on average totaling about \$4.6 million.

In conclusion, the OIG's oversight work has highlighted VHA's ongoing challenges with addressing severe occupational shortages in essential positions. Our reports have also shown that attempts to narrow those staffing gaps through recruitment, relocation, and retention incentives do not consistently follow requirements. It is also concerning that these issues are not routinely detected by VA's quality control measures. VHA must emphasize to responsible personnel the importance of following policies and procedures to safeguard against improper payments. OIG teams will continue to monitor VHA staffing needs and the use of incentive payments. In doing so, VHA will be held accountable for securing qualified personnel to provide high quality care to veterans while making the most effective use of taxpayer dollars.

Chairwoman Kiggins, this concludes my statement. I would be happy to answer any questions you or members of the subcommittee may have.

[THE PREPARED STATEMENT OF SHAWN STEELE APPEARS IN THE APPENDIX]

Ms. KIGGANS. Thank you, Mr. Steele. Dr. Elliot, you are now recognized for 5 minutes to provide your testimony.

STATEMENT OF SHEILA ELLIOTT

Dr. ELLIOTT. Thank you, Chairwoman Kiggins, Ranking Member Ramirez, and members of the subcommittee. AFGE, and the National VA Council appreciate the opportunity to testify today. My name is Dr. Sheila Elliot. For the last 35 years, I have served as Treasurer/Steward at Hampton VA Medical Centre. I have also served over 15 years as the president of AFGE Local 2328 which represents most direct patient care staff at Hampton, VA, and the surrounding clinics. On behalf of the 320,000 VA employees AFGE represents, approximately a third whom are veterans. It is a privilege to offer AFGE's views on how the VA should improve recruitment and retention, both with the recruitment, retention and relocation bonus program and beyond. On June 12, 2025, the OIG released a report on the recruitment, relocation and retention incentives bonus program. The OIG highlighted several problems with the administration and oversight of the program that AFGE agrees with. Chief among the problems identified is the failure of VA human resources. While VA did use this tool to recruit and retain clinicians, there were problems in how the bonus program was managed. AFGE has previously criticized the HR modernization that the OIG is citing here, agreeing with the conclusion that it has led to increased turnover at the VA.

Additionally, AFGE believes that HR not being in the facilities and lacking familiarity with the workforce and the veterans they serve increases their turnover. This undermines the ability of HR to serve employees as well as administer the bonus program. In preparation for this hearing, when contacting the Hampton, VA, we could find no repository of data to show who has received these bonuses. However, after reaching out directly to 800 bargaining unit members at our hospital, AFGE had 9 bargaining union members who reported that there were 4 recruitment bonuses, 4 retention bonus, and 1 relocation bonus awarded between 2021 and 2025. While AFGE is pleased that at least 9 employees receive these bonuses, we have no way of knowing if this benefit is properly utilized compared to the rest of VA.

Regardless, I can say with decades of experience at this facility that there is significant room for improvement both at the hospital and the brand-new North Battlefield Outpatient Clinic which opened this year 27 percent staffed. We urge the VA to use these bonuses and other tools to increase capacity at the clinic and the hospital. Beyond the bonus program, AFGE has other suggestions to improve recruitment and retention. As the committee is aware of in March, President Trump signed an Executive Order (EO) eliminating the collective bargaining rights of 1.5 million Federal employees at agencies including VA. Continuing to deny large swaths of the VA workforce, collective bargaining rights will con-

tinue to harm recruitment and retention. As there is a critical shortage of clinicians in this country, many quality candidates who want to serve the VA may avoid the agency to receive both union protections and better salaries in the private sector. This is particularly egregious as Secretary Collins played favorites when choosing whom to exempt from the executive order, not by job description or duties, but by which union represents the employee in question. AFGE members lost their collective bargaining rights despite having identical jobs for employees who are exempted and retained their rights. AFGE urges members of this committee to support H.R. 2550, the Protect America's Workforce Act, which would nullify this illegal executive order. AFGE has long argued for the benefits of telework for employees who can perform their duties remotely. This is particularly true for clinicians who practice in whole or in large part through telemedicine.

However, since most telework has been rescinded by this administration, many clinicians have had to report to a VA facility and then have been required to interact with patients remotely, often in crowded bullpens discussing private matters. This has harmed morale and retention of mission critical and hard to recruit clinicians at the VA. This has negatively affected retention at Hampton and reflects VA's overly broad approach to telework and telehealth. I hope that my testimony today leads this committee subcommittee to help improve recruitment and retention at the VA.

Thank you and I look forward to answering your questions.

[THE PREPARED STATEMENT OF SHEILA ELLIOTT APPEARS IN THE APPENDIX]

Ms. KIGGANS. Thank you, Dr. Elliot. We will now proceed with questions. However, before I do that, I would like to make sure the record is clear regarding not just mental health services that are offered at the Hampton VA. We have pushed and will continue to push veterans to receive the care we need it. That is why I have advocated for additional facilities in my district that provide these services. In addition, and more specifically that North Battlefield VA Clinic in Chesapeake, I wanted to clarify and echo Secretary Collins words about that facility. It is opening in deliberate phases to ensure safe, effective and high-quality care as services and staffing scale up responsibly. While some public comments have mischaracterized this phase rollout, the facts are clear. The Clinic opened in April 2025. I was at the ribbon cutting with 150 staff and core services including primary care, mental health, and pharmacy. To quote, Dr. Elliot, that was 27 percent and it was always intended to expand in waves. In July, dental and additional mental health services came online and by January 2026 the facility is scheduled to be fully operational with radiology, optometry, telehealth and more. This is a standard and prudent approach for bringing a major healthcare facility online. As we grow more patients, we grow more staff. Spreading misinformation about staffing levels or service delays only undermines the hard work being done to provide the best possible care to our veterans. I remain committed to ensuring this facility and all our VA healthcare facilities reach full potential and deliver the timely high-quality care the veterans in Chesapeake and across Hampton Roads have earned.

In conclusion and for clarification additionally from Secretary Collins, I am pleased the department of the VA is not going to pursue a large-scale reduction of force and have been reassured that any early retirements will come from redundant positions and non-essential personnel. This will safeguard operations of the VA and thus ensure services to our veterans. I am confident that Secretary Collins will prioritize maintaining a robust health care workforce at the VA to ensure veteran care and benefits are not impacted. We can all agree that giving our veterans the care they need is essential. Under President Trump I know that our veterans will be put first. In fact, the VA's performance has continued to improve under his leadership. With disability claim backlog already down nearly 30 percent, the work Secretary Collins is doing to modernize the VA's operations and get our veterans the quality of care they need is a breath of fresh air. By June, the VA had already processed 2 million disability claims, accelerated the implementation of the integrated electronic health record system and made it easier for survivors to get benefits. These accomplishments on behalf of our veterans deserve recognition.

With that, I have questions, and my first question will be for Ms. Therit. Ms. Therit, the OIG found that the VISN quality assurance teams conducted reviews after the incentives were awarded. Can you explain why the VA's review process appears to be reactive instead of proactive?

Ms. THERIT. Chairwoman Kiggans, regarding the VISN's review process, I am going to ask Mr. Perry to respond to that question.

Ms. KIGGANS. That is fine.

Mr. PERRY. Thank you, Chairman, for that question. We agree where the VISN is needed to do a more proactive approach. We are shifting that responsibility over to the compensation aspect of the VISN to do that on the front end versus the back end. We recognize that there is a gap in our process that we are making a modification adjustment until now.

Ms. KIGGANS. Will the VISNs be talking to each other then to come up with a more standard approach?

Mr. PERRY. Yes, overall, we are taking that approach to look at standardization. I think what we saw back in 2017, where it was down at the facility level, we had about 150 ways of doing it. We have made improvements, that is 18. We do have some areas to improve to make sure that the 18 are doing it consistently. Consistently according to policy.

Ms. KIGGANS. That would be great. Consistency would be helpful. I go back to Ms. Therit, but either Ms. Therit or Mr. Perry, would you please explain step by step how one of these 3 incentive payments would be approved, starting with the first step to the actual payment to the employee.

Ms. THERIT. Chairwoman Kiggans, I appreciate the work of the office of the Inspector General because their very detailed, actionable reporting helps us to improve. We made improvements from the 2017 report, and we will continue to make improvements based on the 2025 report. Recruitment and relocation incentives are one category of 3R's. The recruitment incentive is to attract individuals into the Federal Government. The relocation incentive is to help move employees into locations that are hard to fill or where there

is a specific need. There is a standard form 10016 that is completed for both of those incentives. One of the deficiencies in 2017 that we rectified in 2025 was that our department policy and procedures did not align with regulation. Now we have a department-wide policy. Everybody should follow it consistently. We have standard forms that every supervisor who is recommending an incentive, every HR official who is reviewing an incentive, and every approving official would utilize. That is for the recruitment and relocation process. We have a similar 10017 that is used for retention.

Retention incentives are typically shorter-term. Recruitment and relocation can be up to a 4-year service obligation. Retention incentives, we typically look at a 1-year retention incentive service period. The reason being for retention purposes we are looking at somebody who is likely to leave Federal service and has a unique skill that we cannot afford to walk out the door. We need a short period of time to put that succession plan in place to either develop someone with those skills to step in when they depart or to be able to recruit somebody before they leave. That is the process and the steps from someone recommending an incentive for an individual under one of those three sets of parameters to then HR reviewing the requirements based on regulation and then for the approving official to sign off on it. Once the individual is identified, then they too have responsibilities. Signing the service obligation, making sure that they relocate if it is a relocation incentive, making sure they are new to the Federal service if it is a recruitment incentive. For retention incentives, we have a 1-year hard stop where supervisors need to review and recertify that that is still needed. Otherwise, it will be terminated automatically.

Those are just some of the steps that we take with recruitment, relocation, and retention incentives. Some of the things that we have in place and where the Inspector General (IG) has identified more steps that we need to take to have better oversight and compliance that we are willing and currently in the process of doing that.

Ms. KIGGANS. That approving official who is in their next step in the chain of command, who would they report to?

Ms. THERIT. Chairwoman Kiggans, we have delegations of authority for our 3R's incentives. Typically, in the Veterans Health Administration, which is the subject matter of the report. A recommending official would be a medical center director. Approving official could be up to a network director. It depends on the percentages of the incentives that are being offered. Sometimes it is higher, but that is typically how the delegations of authority flow. Now we also have breach of agreement procedures that we follow to make sure that if somebody does not fulfill their obligation that we are going back and initiating and collecting those debts. Again, these are taxpayer dollars. We do not want to see these incentives misused or abused. I know there were instances in the report that were identified. We do not want that to continue to happen. The breach process is the individual employee who is asking for a waiver of repayment will go to their supervisor. That supervisor will take it the whole way up the chain of command to the under secretary of health in the Veterans Health Administration. If they approve that request to waive payment, then it comes to my office.

Our assistant secretary for Human Resources and Administration Operations Security and Preparedness would be responsible for that process. That is just an example of the levels at which these are reviewed and the seriousness with which we take things like breach of agreements.

Ms. KIGGANS. Thank you for that very thorough explanation. How long has that exact chain that you just described been in place? Is that new this year in 2025?

Ms. THERIT. I would say it dates back to 2020, when we revised our departmental policy. We do have statistics, if the committee is interested in terms of how many cases go through that process. The percentage that reach my office, it is a small percentage, maybe 1 a month, and a very low percentage that is approved because the standard for waiving a breach of a service obligation is very high. It is stipulated in law as repayment would be against equity and good conscience or not in the best interest of the government. When we are paying individuals and they are not upholding their end of the agreement, that is something that we want to pursue.

Ms. KIGGANS. Thank you. My time has expired. I am sure that we will have a second round of questioning, but I will yield to our ranking member.

Ms. RAMIREZ. Thank you, Chairwoman. Dr. Elliot, I want to first thank you for being here and taking time away from your day job as a pharmacist at the Hampton VA Medical Center. I understand you are also the caregiver of your mother, is that correct?

Dr. ELLIOTT. Yes.

Ms. RAMIREZ. Well, you are a superwoman, and I am really grateful for your participation and your continued dedication to your VA brothers and sisters at the AFGE. You mentioned in your testimony that there is a lack of clarity in how and when 3R incentives are used at your facility in Hampton. Do you think that if 3R incentives were made widely and frequently used at Hampton, the facility would be able to onboard and keep more employees?

Dr. ELLIOTT. We used to have a process whereby we had hard to recruit and hard to fill positions at our facility. I do not know where that process is at this time. I have not heard anything of it for the last several years now, especially since we have been decentralized with respect to the HR staff. That is supposed to be the—those people on that list are supposed to be the designees of various recruitment, retention bonuses, and so forth. In my 35 years there, I have never seen a relocation bonus for a line staff person, no matter what their job was. Typically, those had been reserved for top management. The various relocation bonuses.

Ms. RAMIREZ. Dr. Elliot, I wanted to ask you if you had any reactions to how the secretary is characterizing staffing at North Battlefield Clinic, sincere on the ground, actually working there?

Dr. ELLIOTT. I can tell you this from the standpoint of a veteran. I go to—this is what the veteran said during a panel. I go to the VA at North Battlefield, have my primary care appointment. However, if I want to receive other services such as X-ray and those sorts of things, I still have to drive to Hampton. That is problematic.

Ms. RAMIREZ. That is, well, thank you, Dr. Elliot. I want to now turn it over to Ms. Therit. Ms. Therit, how many employees has VA lost through “natural attrition” since January of this year?

Ms. THERIT. Ranking Member Ramirez, we do look at that data on a regular basis. I believe the last statistics that I saw of all of the separations, those are voluntary and involuntary actions, about 20,000 that have occurred over the last few months.

Ms. RAMIREZ. Twenty thousand over the last few months, is that what you just said?

Ms. THERIT. Over the last few months since the beginning of the year?

Ms. RAMIREZ. I just wanted to make sure I had heard correctly. How many of those employees are in veteran facing roles like direct care or benefits counseling? What would you say?

Ms. THERIT. Ranking Member Ramirez, the number that I cited was the aggregate level, so I would have to go back and break that down to look more specifically at direct care position.

Ms. RAMIREZ. Ms. Therit, if you could go ahead and follow up on that, I would really appreciate it. The follow-up question I have to that is if you know if those positions were backfilled.

Ms. THERIT. Ranking Member Ramirez, as I mentioned, about 350,000 positions are exempt from the hiring freeze. I do see data on a bi-weekly basis of the job announcements that are posted and the individuals that we are bringing on board. I know we are bringing several thousand a pay period back into the VA. I know those—that statistic is actually reported on the workforce dashboard each month as well.

Ms. RAMIREZ. Got it. Ms. Therit, when you follow up, if you can try to get me a little bit more detail, that would be really helpful. I want to go back to these posters on the VA workforce dashboard dated June 28, 2024. Last year. There is a note at the very top that says “top risk” and then reads, “Delays or termination use of PACT Act Title 9 authorities will have a negative impact and recruitment and retention.” Now, those PACT Act authorities referenced here included recruitment and retention incentives, among other bonuses. Is that correct? Mr. Therit?

Ms. THERIT. Yes, it is, ma’am.

Ms. RAMIREZ. Why was there, why has there been such a stark downward trend in the use of 3R incentives from year 2024 to year 2025?

Ms. THERIT. As mentioned earlier, there has to be a justification for using a recruitment or a retention incentive. In many situations, I know Dr. Elliot mentioned our hard to fill and our shortage occupations, and I think Mr. Steele has mentioned it as well, that we are able to post those job announcements, get qualified candidates and bring them on without using an incentive.

Ms. RAMIREZ. Ms. Therit, this is my last question for this round and we will come back the second round. Is there a delay or termination of using these authorities having a negative impact on recruitment and retention at the VA?

Ms. THERIT. At this moment in time, we are able to post and fill those positions that are being vacated in our direct care positions.

Ms. RAMIREZ. You are not noticing just yet the negative impact on recruitment and retention of the VA? Is that what you are saying?

Ms. THERIT. Correct, ma'am.

Ms. RAMIREZ. Thank you. With that, I yield back.

Ms. KIGGANS. Thank you. The chair now recognizes Mr. Conaway for 5 minutes.

Mr. CONAWAY. Thank you, Madam Chair. I guess before I ask my questions, I cannot help but put some more close, if you will, on the statements of our ranking member. When you hear about the intention, the leaked intention of the number of employees that the Secretary intends to cut from the VA, it is hard to imagine that anyone who might think about entering a career in public service and working at the VA would look upon the VA as a place to land and to work and to engage in public service, taking care of our valuable and hopefully appreciated veterans. This kind of announcement from the top cannot help but hurt the effort to retain front-line healthcare professionals and others who are so critical to the operation of that facility. People, you know, obviously need nurses, you need doctors, but you also need someone to make sure that people get food delivered to them. You need to make sure that you have got a pharmacy that is working. You need to make sure that the cleaning services are working and that the building and the facility is secure. You need people to do all of those jobs and to want to come to work and have that work appreciated. It is hard for us on this side of the aisle to hear and to understand these—these obvious dynamics with respect to their union rights and their prospects for a career that is both satisfying, rewarding, and appreciated by their government, by their employees, that that is not going to have a profound impact on the ability of the VA to do its work and to honor our commitment to veterans, and that it is not part of a grand plan, as ranking members pointed out to privatize these services. We are seeing this across at least the signs of this and I think very definite pattern across the Federal workforce and the Federal Government. I am a physician myself. I have worked, I have trained at a VA facility for part of my training. I served on a military base as a physician there. I certainly treated a lot of veterans even in private practice after leaving the service because my district is at home of a military base, Joint Base McGuire.

We have a lot of veterans who live in that area and were patients of mine. I understand how important the VA is to them and their ability to use the VA when they need it for their care. I am disturbed to hear about what is happening with the physician workforce, the losses there, and particularly the ability of psychologists and psychiatrists to treat patients because of the attack on remote work. Just because someone is being seen remotely does not mean that anything that is said in the interactions between their physician and someone who is receiving their care remotely should not be protected. Their privacy should not be protected there. When you consider people now being put in cubicles or putting in spaces where their conversations are not secure and private, that impacts the kind of care that they wish to give and how they ought to practice that lifesaving care. As we know, there is so many dislocations with mental health in the service. I understand, Ms. Elliot, Dr. El-

liot, pardon me, that you have an example of a change in this retention policy and the loss of remote work. Can you comment on the impact of that situation at Hampton? At the Hampton VA?

Dr. ELLIOTT. Thank you. At our facility we have a 43 percent lack of—well, our recruitment is 43 percent behind, meaning that out of 100 positions, 43 of them are vacant. We are in the process now of losing a psychologist to another facility because that particular psychologist lived far away and could not come to Hampton with no relocation bonus offered. That psychologist was able to get a relocation bonus from someplace else. That is where that psychologist is going. I guess instead of being 43 percent behind the eight ball, we are 44 percent in a couple of weeks when that psychologist leaves. Now, to add insult to injury there, even though we know that psychologist is leaving, we do not recruit, begin recruitment until after the psychologist is gone. Therefore, all of that psychologist work is borne by someone else or patients are rescheduled and rescheduled and rescheduled until someone comes in to fill that post.

Mr. CONAWAY. Thank you. Madam Chair, I yield back. I see it is my time.

Ms. KIGGANS. Thank you. I have a couple of other questions. Dr. Elliot, just for clarification, that psychologist you, I am sorry. Oh, Mr. Kennedy, let us start with, sorry, Mr. Kennedy, we will recognize you for 5 minutes.

Mr. KENNEDY. Thank you very much. Thank you all for being here today. I have some deep concerns about what is transpiring at the VA across this country. I know veterans, not only in my district, but across the Nation are disturbed about the news that is continuing to come out of the VA that will impact their care. Just to take a quick trip down memory lane, back in February, the VA dismissed 1,000 employees outright as February 13th. Eleven days later, on February 24th, the VA cut another 1400 employees. 2,400 people cut from serving our veterans in this Nation. It was the beginning of a despicable pattern that we have seen coming out of this administration. In March, this committee discovered through a leaked memo that the VA planned to cut more than 80,000 employees, which Secretary Collins then confirmed. Now we are being told that the VA will not make this cut, but would reduce the number of employees by nearly 30,000 by the end of the fiscal year. Seventeen thousand already gone, meaning there is going to be another 12,000. More than 12,000 additional cuts, the largest in VA history.

These reductions will affect critical frontline staff, including healthcare workers and benefits personnel. I recall what Secretary Collins told this committee in May, and I am going to quote the Secretary. "The VA staffing structure is aimed at finding ways to improve care and benefits for veterans without cutting care and benefits for veterans. We are going to maintain the VA's mission essential jobs like doctors, nurses and claims processors, while phasing out Michigan mission, non-mission essential roles." That is not what we are seeing. I want to believe that that would be true, but if it is not true, then this committee responsible for VA oversight has been misled. I have a couple of questions. Ms. Therit, you visited multiple VA facilities and have spoken with a wide range

of employees. Based on what you have seen, similar roles face similar challenges nationwide. Why were collective bargaining rights preserved for nurses and facility workers at the Milwaukee, VA, but stripped from their counterparts in the community that I represent in Buffalo despite nearly identical job functions?

Ms. THERIT. Representative Kennedy, the executive order related to labor relations is currently under litigation. There is a stay related to that executive order. We are complying with that litigation right now.

Mr. KENNEDY. Okay, so no answer. The only clear difference that I can see is union affiliation. Buffalo workers are represented by unions that have filed lawsuits against this administration, unlike those in Milwaukee, that raises serious concerns about political retribution and retaliation. Can you explain all these decisions, how they were made, and whether the union activity played a role?

Ms. THERIT. Representative Kennedy, I am at this point in time based on the stay in that particular case, I cannot answer that question.

Mr. KENNEDY. Okay, no answer again, thank you. Dr. Elliot, after having conversations with VA employees in Buffalo, two things are clear to me. They take deep pride in serving our veterans and they rely on their union to protect their rights and help them provide the best possible care. As you know, President Trump's EO 14251 misused the national security exemption in Title 5 to remove employees, including those at Hampton, VA, and Buffalo, from the bargaining unit. You just mentioned in your testimony that 43 percent reduction in hiring that you are behind. Based on your experience, has the VA's approach to collective bargaining helped or hurt your ability to attract and retain staff?

Dr. ELLIOTT. I would say that it has, we have been, I guess—

Mr. KENNEDY. It has?

Dr. ELLIOTT. It has—it has reduced our ability to recruit and retain. It has. I also would like to say, if you do not mind, this situation about the 30,000 employees that are targeted as far as a number goes. In 1989, I met a nurse named Ms. Eddie Riggs. She told me that a failure to plan is a plan to fail. You probably have heard that. When you rely on random reductions, there can be danger there. You do not know which critical and which non critical position is going to be reduced. Let us say, for example, if out of that 30,000, 10,000 of them are doctors, we cannot tolerate that. Or if 15,000 of them are nurses, we cannot.

Ms. KIGGANS. Gentlemen's time has expired.

Mr. KENNEDY. Thank you. I yield back.

Ms. KIGGANS. We are going to move into a second round of questioning and we will do 2 minutes for an additional round of questions. Ms. Therit, do you anticipate the VHA will develop the necessary guidance regarding quality control checks by the OIG's recommended completion date in September?

Ms. THERIT. Chairwoman Kiggans, I do. I know Mr. Perry has additional information on that.

Ms. KIGGANS. Thank you. Can you please tell us how VISN leadership will be involved in monitoring the 95 percent compliance rate?

Mr. PERRY. Yes, Chairwoman. As I previously stated, we are working now on shifting the responsibility of the oversight to the compensation side of the VISN to hold that accountability line to make sure that the proper documentation, technical review, and approvals are in place. That will be done by the end of this year.

Ms. KIGGANS. How long—

Mr. PERRY. This fiscal year.

Ms. KIGGANS. How long, okay, so how long do you anticipate it will take for the majority of VISNs to meet that 95 percent target?

Mr. PERRY. We have already started that now. That includes my team rolling out the additional training and oversight to ensure that they do come into compliance by the end of this fiscal year.

Ms. KIGGANS. Okay, thank you. Ms. Therit, do VHA officials have the authorization to approve exceptions to limitations placed on incentive payments?

Ms. THERIT. VHA officials at the, through the delegation of authority are able to approve incentives up to a certain threshold and then those depending on the incentive may have to come up to the office of the Secretary, depending on the position.

Ms. KIGGANS. Who is responsible for approving the exception and who provides a check on this person?

Ms. THERIT. My office conducts an oversight review of those incentives and would also be able to work with Mr. Perry's team to make sure that they are following policy and proper procedures.

Ms. KIGGANS. In your experience, are those exceptions more frequently approved for administrative positions or clinical positions?

Ms. THERIT. Chairwoman Kiggans, they are more frequently approved for clinical positions.

Ms. KIGGANS. Thank you. Mr. Steele, I was shocked to hear that the VHA could not provide OIG evidence for recertification for those recurring incentive payments. Do you believe this is an issue with HR Smart or a result of inadequate oversight by the HR servicing teams?

Mr. STEELE. We saw a breakdown of both systems and people. HR Smart lacked the automation to halt the process if certain requirements were not met. In that situation, it does put more onus on people to enter data correctly and conduct back-end oversight to ensure that the process ceases when it should.

Ms. KIGGANS. Thank you. My 2 minutes have expired. I yield to the ranking member.

Ms. RAMIREZ. Thank you, Chair. Ms. Therit, I want to follow up again with you. The 8-corner staff have been meeting routinely with Mark Engelbaum, the assistant secretary for HR. Our staff has requested a detailed breakdown of data on employees who have left the VA since January through the DRP, Voluntary Early Retirement Authority (VERA), or natural attrition. Unfortunately, the numbers that VA provided as a follow up fall woefully below the level of detail requested. Are you able to produce by location, occupation, detailed data on the number of employees who have taken the DRP, who have taken VERA, who have resigned, who have retired? Are you able to get that information for us?

Ms. THERIT. Ranking Member Ramirez, yes, I can get that information.

Ms. RAMIREZ. Great. What about the number of job offers that have been declined by applicants since January of this year? Is that a data point that you have the capability of pulling?

Ms. THERIT. Ranking Member Ramirez, our talent acquisition system is USA staffing and it does capture some information on declinations, but it may not provide the detailed information that you are asking.

Ms. RAMIREZ. Okay. Please provide me everything that in fact is being collected? Mr. Therit, can you please commit to working with us on providing the detailed data in a reasonable time?

Ms. THERIT. Ranking Member Ramirez, I welcome the opportunity to work with this.

Ms. RAMIREZ. Great. Thank you, Ms. Therit. I do not imagine you will have this number on top of your head because I am sure there is a lot going on and a lot of information you have to try to memorize for these hearings. I want to bring to you an answer, I want you to bring an answer back for the record, how many veteran care appointments at the VA have been canceled since January of this year due to staffing shortages? If you have the answer, I will take it now. If not—

Ms. THERIT. Ranking Member Ramirez, I do not. I do not know if Mr. Perry does.

Ms. RAMIREZ. Do you have that? No?

Mr. PERRY. We do not, but we can take that—

Ms. RAMIREZ. Keeping come back with it.

Mr. PERRY. Yes.

Ms. RAMIREZ. I would really appreciate knowing how many veteran appointments have been canceled. I am going to leave it at that. Mr. Steele, I really wanted to ask you a question, but I am hopeful others can. Thank you.

Ms. KIGGANS. The chair now recognizes Mr. Conaway for 5, for 2 minutes.

Mr. CONAWAY. I thought we were changing the order, Madam Chair. Thank you for recognizing me, Madam Chair. Just before I get to one of my questions, I just want to make a comment about H.R. 1, the big cruel bill, as I call it. I am very concerned that medical students going to medical school, very expensive process, that there is now a cap on those loans that students may give. It is going to particularly be a problem for those students who do not come from wealthy families where they are going to have to try to figure out how to make up that gap. What do you think that this, that this issue of cutting support for medical education, how do you think that is going to impact the VA? You have trained most of the physicians in the country.

Ms. THERIT. Dr. Conaway, I would say that when we talk about 3R's, there are also other incentives and you speak to scholarship programs, debt reduction programs, and if you look at the job opportunity announcements that are posted for the VA, many of our Veterans Health Administration job opportunity announcement include those benefits. I will ask Mr. Perry to just—

Mr. CONAWAY. I am going to reclaim my time because I want to get another question in. Pardon me for that, but I must push on. In 2024, the VA reported a loss of 608 physicians. Just a series of questions. You may not have them, but I want to get them in be-

fore my time is up. How many job postings does the VA currently have for physicians? Do you know by chance, if you do not know off the top of your head, I will just leave them for the record. How many physicians has the VA onboarded in the past month? What is the VA doing to attract and retain physicians? Why do you think we are seeing such a loss in physicians? I will leave it at that. If you have questions, any of those, I see my time is up, but I look forward to your answer offline.

Ms. KIGGANS. The gentleman's time has expired. The chair now recognizes Mr. Kennedy for 2 minutes.

Mr. KENNEDY. Thank you. I want to just go back to the Secretary and what he said to this committee in May, that the VA would maintain mission essential jobs like doctors, nurses and claims processors. According to the VA's monthly workforce dashboard, estimated losses for Fiscal Year 1925 are 1,720 registered nurses, 604 physicians, and 1,081 veteran claim examiners. These are mission critical roles which run directly against Secretary Collins points that current and future cuts to the VA will not impact the delivery of care and benefits. As an occupational therapist, I have seen firsthand on the ground what happens when health care facilities are short staffed and that health care is not provided to individuals. Right now, our veterans are being provided care by American heroes on the ground in these facilities. You know what? They are exhausted. Not because they do not care, but because they ultimately are having trouble keeping up because they are getting cut in staffing. When that happens in our VA, it is our veterans that are paying the price. Even though we have been told mission critical employees are not being cut, evidence on paper is that in fact there is a different story. We have credibility issues at the VA and with this administration happening right now. These cuts are impacting veteran care, and veterans should not have to wait longer or see fewer specialists or receive delayed benefits. As members of this committee, we have a sacred responsibility to uphold this Nation's promise to our veterans. These cuts are not only shortsighted un-American.

Ms. KIGGANS. The gentleman's time has expired.

Mr. KENNEDY. I yield back.

Ms. KIGGANS. Dr. Steele and Dr. Elliot. Thank you to each of you for coming to testify today. The solution is not just identifying weak policies, but following through with the guardrails that ensure effective oversight. It is clear more attention needs to be focused on ensuring the VA is following Congress's intention when paying these incentives. The fact that we are still having a conversation on this issue after more than a decade since the OIG's 2017 report on improper bonus payments indicates we must do something different. It does not take a rocket scientist to figure out that providing quality and safe patient care is a better use of tax dollars and accounting mistakes. These bonuses, when used correctly, enable the VA to pay attractive salaries to valuable clinical staff and other VA employees who serve our veterans. These incentive payments should go to staff dedicated to providing world class care for our veterans. When the VA cannot retain its good employees or recruit talented staff, patient care is the first to suffer. I have seen this firsthand as a nurse practitioner. I will not allow

it to happen while I am chairwoman of the subcommittee. I am encouraged the OIG identified better documentation as a means of improving the bonus payment processes as well. Aside from the waste stemming from the improper payments, it is not possible to conduct a thorough review of where processes went wrong when there is no paper trail. That is why I was happy to vote with my House colleagues yesterday for Senate Bill 423, the Protecting Regular Order for Veterans, or PRO Act. This bipartisan bill would provide additional guardrails on incentive payments paid to members of the senior executive service and I hope the VA will take them seriously. I am looking forward to further collaboration with Secretary Collins and the Trump administration to assist with our oversight efforts. I am grateful for the clarity that today's testimony offers. Ranking Member Ramirez, do you have any closing remarks?

Ms. RAMIREZ. Thank you, Chairwoman. World class care cannot be achieved when you have lost 1,720 registered nurses. Cannot be achieved when 1,147 medical support assistant staff leave or 604 physicians leave. When asked why they are leaving, they say lack of trust and confidence in senior leaders. The information contained in VA's workforce dashboard is critical to our oversight and to showing the public the true picture of what is happening at the VA under Secretary Collins. It is hard to call us liars and say our claims are a hoax when we have the data from VA to back up concerns that veteran care and benefits are being impacted under Collins leadership. The information for the public that is listening can be accessed at va.gov/employee/workforce-dashboard. I urge everyone watching this hearing to go now and review the data and make a judgment for yourself on how this administration's actions have and will continue to impact world class care for our veterans. We know that this administration has a history of deleting or hiding files and tampering with information they do not agree with. To ensure that these documents remain a part of the public record and are not deleted, removed or hidden, I request unanimous consent to enter issues 1 through 26 of VA's workforce dashboard into the dashboard.

Ms. KIGGANS. Without objection. So, ordered.

Ms. RAMIREZ. Thank you, Chairwoman. With that, I yield back.

Ms. KIGGANS. Thank you, Ranking Member, and thank you all for being here today. Ms. Therit, Mr. Perry, Mr. Steele, Dr. Elliot, I know you all took time out of your busy schedules and I appreciate that. I am sure you were prepared to discuss the real issues at the VA, including the title of our subcommittee, which just as a reminder was Counting the Money, Preventing Fraud and Abuse in the VA's bonus payment practices for VA employees. I appreciate your insight on the issue that is why we called this hearing today. As a navy veteran and a nurse practitioner, I know how critical it is for the VA to provide consistent, high-quality care to those who have served. I am married to a veteran. I am the mom to future veterans. I represent tens of thousands of veterans. My own parents are veterans. It is an issue near and dear to my heart and to my district.

I am encouraged that the VA has decided against large scale layoffs and is instead taking a more thoughtful and measured ap-

proach to improving operations. I also worked at the VA for several years or for several months as a nurse practitioner. It was a short time because I am a geriatric nurse practitioner and could not utilize my geriatric skill base as much as I wanted to. I remember that there were a lot of really good people doing really hard work. The physicians, the doctors and nurses, the pharmacists, the allied health professionals, the people who were in one building taking care of people who walked through our front door. I also remember on my lunch break I would take walks and see buildings full of other people that did not provide patient care. I did not know what they did, but I knew where I was called to work and where I was able to touch patients and to impact lives of veterans. I think there is room. Just as this was before my time in politics, just looking at what that facility looked like, knowing that there was room to probably downscale, I want to make sure that our best resources are going to the patient care.

Reducing 30,000 positions through attrition rather than eliminating clinical roles is a more reasonable path forward. I know that is what the Secretary is focused on doing. I support efforts to streamline the department and I give more decision-making authority to local medical center directors who are closest to the veterans they serve. Decentralizing operations can help VA facilities respond more quickly to local needs and improve overall outcomes for patients. At the same time, I am closely monitoring how these changes may impact support staff who play a critical role in ensuring providers can focus on delivering care. I believe restructuring can be positive, but only if it is done transparently, with input from frontline workers and full oversight from Congress. The lack of clarity around some of the VA's reorganization efforts is concerning, and I will continue to push for more communication and accountability. Congress must be a partner in the process, not an afterthought, and the VA leadership must work collaboratively to keep veterans and employees informed. I will continue advocating for investments in VA services that prioritize patient care, benefits delivery and support for the dedicated workforce. Ultimately, this is not a partisan issue. This is about keeping our promises to those who have worn the uniform. Veterans deserve a VA that serves them efficiently, compassionately and without disruption. Again, thank you all for being here today. I ask unanimous consent that all members shall have 5 legislative days on which to revise and extend their remarks and include any extraneous material.

Hearing no objection. So, ordered. This hearing is now adjourned.
[Whereupon, at 3:19 p.m., the subcommittee was adjourned.]

A P P E N D I X

PREPARED STATEMENTS OF WITNESSES

Prepared Statement of Tracey Therit

Good afternoon, Chairwoman Kiggans, Ranking Member Ramirez, and distinguished members of the Committee. Thank you for the opportunity to discuss how VA is improving governance and oversight of recruitment, relocation, and retention (3R) incentive payment practices. As pay caps for health care professionals at VA have not kept pace with rising salaries for health care professionals and specialists, the 3R program is a critical component of VAs incentive plan. I am joined today by Mr. David Perry, Acting Chief, Human Capital Management, Veterans Health Administration (VHA).

Everything VA does is to ensure Veterans receive the care and services they deserve while instilling a culture of caring, customer service, and accountability that always puts Veterans first. This noble mission, coupled with a variety of hiring flexibilities and incentives, enables VA to attract and retain a highly qualified workforce. VA also offers a comprehensive benefits package, generous leave allowances, state-of-the-art research and innovation programs, as well as top-of-the-line training opportunities.

VA will always fulfill its duty to provide Veterans, families, caregivers, and survivors with the health care and benefits they have earned. To ensure all Veterans and VA beneficiaries continue to receive their earned benefits and services, VA is always recruiting dedicated professionals. As of July 2025, more than 350,000 mission-critical positions are exempt from the Federal hiring freeze. While VA has historically offered 3R incentives to address occupational shortages and facilitate hiring initiatives, the Department must provide greater accountability and stewardship of taxpayer resources by enhancing procedures, documenting requirements, and providing oversight of these incentives.

Starting in 2017, VA updated Department policy on 3R incentives to establish internal controls and improve oversight. Specifically, VA began requiring annual certification that the incentive was appropriate and in compliance with policy; had succession plans to reduce long-term reliance on incentives; and established residency before payment receipt. In the years since, VA has continued iterating and implementing additional improvements including the following:

- Requiring a standard form to capture all information required by law.
- Aligning the use of 3Rs with shortage/hard-to-fill positions.
- Obtaining authorization/justification before including 3R incentives in the job announcement.
- Tracking unfulfilled service obligations.
- Improving coordination on debt collection and enforcing debt collection.
- Reviewing retention incentives annually and terminating them in a timely manner if they were not needed.

3R incentives help VA fill critical positions providing direct care and services to Veterans. Moreover, offering these incentives enables VA to address periods of increased demand or sustained industry-wide staffing shortages. For example, 3R incentives helped VA rapidly respond and compete for talent amid the pandemic and continue to aid in attracting doctors and nurses to areas of growing need because of the Sergeant First Class Heath Robinson Honoring our Promise to Address Comprehensive Toxics Act of 2022.

However, there is always room for improvement, and VA must continue to refine its governance of these incentives, including proper documentation of their use, ensuring the correct signatures are in place, and ensuring the justification for employing a 3R incentive is sound. VA must also develop stronger oversight mechanisms and discontinue the use of multi-year retention incentives.

Accomplishing this requires VA to build upon current policy and process, enhancing systems, and training on 3R incentives. The Department is establishing quality

control and accountability measures and ensuring oversight responsibilities are risk-based and completed in a timely manner. VA is also identifying ways to improve automation and technology, which has enabled VA to complete documents in the system, to centrally store documents, to build in controls and alerts, and to create dashboards and recurring reports.

Finally, VHA is implementing a comprehensive strategy to enhance the management and oversight of VA incentive programs. This includes continuing to monitor internal control procedures and guidance to ensure that 3R documentation is appropriately maintained in accordance with VA policy. VHA will conduct program monitoring quarterly and utilize uniform checklists and templates nationwide. Additionally, VHA is developing training and materials to ensure proper documentation for succession plans, performance ratings, and certifications. To better enforce policy compliance, VHA is creating oversight plans and a strengthened technical review program to assess every incentive for technical adherence. An enterprise-level oversight monitoring component will act as a second-level compliance check at the national level. VHA aims to support compliance with record retention requirements. Furthermore, specific performance metrics tied to operational leadership and human resources (HR) leadership are being developed to reinforce the importance of proper governance and oversight for VA incentive programs.

As a part of this Administration's workforce optimization efforts, VA has identified several ideas for improving VA to better serve Veterans. One of the proposals being discussed is centralizing HR functions, which would strengthen the HR structure to process, monitor, and review 3R incentives. The current structure has been cited as being too decentralized with multiple layers of bureaucracy. VA will continue to keep Congress informed through initiatives such as monthly Eight Corners briefings from Assistant Secretary for Human Resources and Administration/Operations, Security, and Preparedness Mark Engelbaum as the Department continues its reviews of organizations and services.

VA is fully committed to addressing the issues identified in the Inspector General's report, *"Recruitment, Relocation, and Recruitment Incentives for VHA Positions Need Improved Oversight,"* and to strengthening our processes in support of VA's mission. To date, we have closed one of the eight recommendations and are on schedule to close five more in September 2025. We will complete the final two recommendations by March 2026. We are confident that the steps we have already taken and continue to take will strengthen our incentive program governance and oversight, leading to more effective outcomes and better service to the Nation's Veterans.

While the 3R incentive program is an important tool for the Department in attracting and retaining a vibrant and talented workforce, it is not enough for VA to remain competitive with industry. VA looks forward to working with the committee on strategies to ensure VA is an employer of choice for physicians (in critical need specialties).

Conclusion

I am proud to be part of this noble mission to care for the Nation's Veterans. I look forward to working with each of you on this Committee on ways to more effectively and efficiently provide enhanced oversight and governance of incentive payment practices, ensuring that VA can continue to provide the best care and services to Veterans and their families. This concludes my testimony. My colleague and I are prepared to respond to any questions you may have.

Prepared Statement of Shawn Steele


 DEPARTMENT OF VETERANS AFFAIRS
 OFFICE OF INSPECTOR GENERAL

STATEMENT OF SHAWN STEELE
 DIRECTOR OF THE HUMAN CAPITAL AND OPERATIONS DIVISION
 OF THE OFFICE OF AUDITS AND EVALUATIONS
 OFFICE OF INSPECTOR GENERAL, US DEPARTMENT OF VETERANS AFFAIRS
 BEFORE THE
 SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATIONS
 COMMITTEE ON VETERANS' AFFAIRS, US HOUSE OF REPRESENTATIVES
 HEARING ON
*"COUNTING THE MONEY: PREVENTING FRAUD AND ABUSE IN
 VA'S BONUS PAYMENT PRACTICES FOR VA EMPLOYEES"*
 JULY 22, 2025

Chairwoman Kiggans, Ranking Member Ramirez, and members of the Subcommittee, thank you for the opportunity to testify on the independent oversight conducted by the Office of Inspector General (OIG) on the Veterans Health Administration's (VHA) management of staff recruitment, relocation, and retention incentives. These incentives are intended for hard-to-fill positions as well as retaining high-quality staff that may otherwise leave. The OIG has repeatedly published reports evaluating VHA's actions to address significant staffing shortages in key positions—often referred to as “critical need” occupations.¹ The OIG's work continues to focus on ensuring VHA uses these incentives effectively and appropriately to be strong stewards of taxpayer dollars and mitigate any risks to the delivery of health care to veterans.

Last month, the OIG published a report evaluating VA's controls over and governance of the use of recruitment, relocation, and retention incentives for VHA positions.² While much of this statement focuses on the findings and recommendations from that audit, it is just the latest in a long line of reports on VHA's staffing gaps and the use of incentive payments. The OIG provides annual reports of VHA staffing shortages, as well as other audits and reviews that identify deficiencies. In addition, OIG reports have highlighted weaknesses in VHA's processes and the lack of measures to prevent the improper use of incentive payments, several of which are also discussed below.

¹ The OIG has been mandated to provide annual reports on critical occupational shortages since 2015 and also flags concerns about inadequate staffing in its other audits, reviews, and inspections when appropriate. OIG oversight reports can be found on its website at www.vaogig.gov/reports/all.

² VA OIG, *Recruitment, Relocation, and Retention Incentives for VHA Positions Need Improved Oversight*, June 12, 2025.

PERSISTENT STAFFING CONCERNS AND INCENTIVE REQUIREMENTS

Occupational shortages for clinicians as well as support and security functions have been a long-standing challenge for VHA. These critical need occupations are often difficult to fill due to such factors as limitations on the availability and quality of candidates, unfavorable employment trends, and undesirable duties or geographic location. Designating an occupation as experiencing a shortage does not always mean there are shortfalls at any specific facility. Rather, the designation reflects an identified challenge for recruiting and retaining staff across VHA for needed positions due to such factors as national labor force shortages and competition.³

VA is authorized by law to offer financial incentives to entice candidates to accept positions that are difficult to fill or to keep high-quality staff who may leave. VA may offer recruitment, relocation, and retention incentives to mitigate challenges in maintaining its workforce.⁴ Generally, VA can authorize an incentive at a rate up to 25 percent of an employee's basic pay. From fiscal years (FYs) 2020 through 2023, VHA paid about \$1.2 billion for these incentives to about 134,000 personnel—with nearly 76 percent of those funds committed to employee retention.⁵

Effective use of these incentives requires fully documented justifications that are vetted through an established review and approval process that includes these major steps:⁶

- A recommending official (generally the supervisor) initiates and provides justification for the incentive.
- The Veterans Integrated Service Network (VISN) human resources office reviews the request and provides technical guidance.⁷
- An approving official (the VISN or VA medical center director) determines whether to approve or reject the incentive request.

The justification for recruitment and relocation incentives must demonstrate that a position is difficult to fill without the use of an incentive. The justification for a retention incentive, however, must show both

³ According to the VHA Workforce Management and Consulting's annual Shortage Occupation reports, a national shortage occupation is one identified by 20 percent or more of VHA healthcare systems or 50 percent or more of Veterans Integrated Service Networks or national offices during an annual planning cycle.

⁴ Recruitment, relocation, and retention incentives are authorized under 5 U.S.C. §§ 5753 and 5754 and are extended to title 38 employees under the authority of 38 U.S.C. § 7410. Title 38 employees are those individuals appointed under 38 U.S.C. § 7401, which permits the VA Secretary to hire personnel necessary for the health care of veterans.

⁵ VA OIG analysis of VHA Support Service Center incentive data.

⁶ VA Handbook 5007; Recruitment and Placement Shared Services Unit and Strategic Business Unit, "Recruitment and Relocation Incentives" (job aid), October 8, 2021.

⁷ VA has 18 Veterans Integrated Service Networks (VISNs) across the nation. They comprise a regional network of care in which each VISN oversees VHA local healthcare facilities in their assigned area. See www.va.gov/HEALTH/visns.asp.

the need to retain an employee and the basis for determining whether the employee would leave VA without an incentive.

**VA DID NOT EFFECTIVELY OVERSEE THE INCENTIVE PROCESS TO ENSURE
REQUIRED INFORMATION TO SUPPORT AN AWARD WAS CONSISTENTLY CAPTURED**

In the most recent report released in June, an OIG team evaluated VA's controls over recruitment, relocation, and retention incentives to determine whether their use for VHA positions was effectively governed. The audit focused on incentive awards paid to VHA employees from FYs 2020 through 2023. The audit team also examined and tested many of VA's actions taken in response to a prior 2017 OIG report on lapses in overseeing incentives (described more fully in the discussion of prior oversight).

Overall, the OIG's recent findings include that VHA extensively used recruitment, relocation, and retention incentives to support staffing needs. In FYs 2022 and 2023, VHA paid about \$828 million in incentives to about 130,000 employees. Of these payments, nearly 90 percent went to employees in occupations on the staffing shortage lists in FY 2022, and 88 percent were to individuals on those lists in FY 2023.⁸

However, VA did not effectively govern the incentive process to make sure that responsible VHA officials consistently captured mandatory information to support an incentive award. The required documentation helps provide assurances that incentives are properly used and is needed for effective oversight reviews. The OIG team found that incentive forms were missing or had insufficient justifications, with some forms lacking necessary signatures. Further, VHA officials did not always include sufficient workforce and succession plan narratives for reducing or eliminating the retention incentives, provide employee performance ratings required for relocation incentives, or obtain self-certifications from employees stating they had relocated before receiving their incentives. VHA also did not effectively enforce policies and fully address deficiencies previously identified by the OIG. Last, the team found some VHA employees continued to receive retention incentive payments after their award period had expired, sometimes for many years.

VA concurred with the report findings and all recommendations detailed in the following sections and provided acceptable corrective action plans and completion timelines. The OIG will monitor VA's progress implementing these recommendations until sufficient evidence is provided to enable closure.⁹

⁸ An employee is not required to be in a critical need occupation to receive an incentive.

⁹ At quarterly intervals commencing 90 calendar days from the date of the report's issuance, the OIG sends a follow-up status request to the VA office overseeing corrective action asking for an implementation status report. VA is provided 30 calendar days to respond. The OIG will make the first request for an update on this report on or about September 12, 2025.

VHA Officials Did Not Always Maintain Documentation or Properly Develop and Sign Justifications Supporting Incentive Awards According to VA Policy

VA officials must justify, review, and approve incentives before they are awarded and must maintain documentation for six years that is adequate to reconstruct the support for each recruitment, relocation, or retention incentive. The OIG team encountered numerous instances in which the responsible VHA human resources officials could not provide documentation supporting an incentive award, preventing the OIG from determining whether those incentives complied with policy. Furthermore, when documents were available for review, VHA did not always properly develop and review incentive justifications or ensure documents were signed by the appropriate officials. Overall, the team estimated that VHA paid incentives to 38,800 of 130,000 employees (about 30 percent) when the award justification could not be verified or was insufficient. This included employees who lacked incentive justification forms, received incentive payments based on a justification that did not meet VA requirements, and received incentive payments when one or more of the required signatures was missing. As a result, VHA paid employees about \$340.9 million in incentives that were not adequately supported. To address these deficiencies, the OIG recommended that VHA establish internal control procedures to make certain that recruitment, relocation, and retention incentive documentation is appropriately maintained in accordance with VA policy and guidance.

Human Resources Offices Did Not Always Ensure Supplemental Information Was Completed for Retention and Relocation Incentives

VA policy requires that incentive packages contain supporting elements to be considered complete. This varies by type of incentive, such as needing a workforce and succession plan narrative on the retention form. For relocation forms, documentation must include employees' self-certification that the move was made, as well as their performance rating. The audit team found these elements were not always completed. Approximately 20 percent of the retention incentives VHA paid were based on forms that lacked sufficient workforce and succession plan narratives. The team also estimated that at least 7 percent of relocation incentive payments were based on forms that did not indicate whether the employee was rated as at least "fully successful" despite being signed by the recommending, the reviewing, and the approving officials. Finally, VISN human resources staff could not produce self-certifications of a move for an estimated 71 percent of employees who received relocation incentives. The OIG team recommended VISN human resources offices enforce procedures and perform quality control checks to make sure that incentive documentation complies with VA policy.

VHA Did Not Effectively Enforce VA Policies and Address Programmatic Deficiencies

In the 2017 OIG audit of recruitment, relocation, and retention incentives discussed below, the OIG recommended VA review and update procedures to ensure effective internal controls and oversight of incentives. In response, the Office of Human Resources and Administration/Operations, Security, and Preparedness (HRA/OSP) added requirements for responsible VA offices to certify annually that

authorized incentives were appropriate and complied with VA policy, that retention incentives addressed workforce and succession plans, and that employees self-certified that they established residency in a new geographic area before receiving a relocation incentive. During the June 2025 audit, the team found VHA did not sustain or enforce these updated policies to make certain that incentive packages were completed before authorization. Furthermore, the HRA/OSP's Office of the Chief Human Capital Officer and VISN quality assurance teams were tasked with conducting periodic oversight of incentive awards. Although these oversight measures identified errors, they did not address systemic weaknesses in the request and authorization of incentives. In addition, these reviews did not prevent incentive packages from being processed and paid based on insufficient justifications because the reviews occurred after the incentives were awarded. Consequently, the OIG made recommendations that VHA and HRA/OSP establish accountability measures to ensure quality control and oversight responsibilities are risk-based and fulfilled in a timely manner.

Employees Received Retention Incentives Past Their End Dates

VA policy requires the approving official to review any active retention incentives annually to determine whether they are still needed. Retention incentives must be terminated if the annual review is not completed on time.¹⁰ The OIG team identified 28 employees who received retention incentive payments after the award period had expired without evidence that VHA reviewed and recertified the incentives. These employees received incentive payments up to an additional 11-and-a-half years beyond the expiration date, averaging about eight years per employee. Without the required recertification, VA improperly paid about \$4.6 million collectively to employees for incentives that should have been terminated. According to VISN human resources staff, this occurred because when VA switched their information systems to HR Smart—incrementally between 2015 and 2016—incentive end dates may have failed to transfer, allowing payments to continue.¹¹ A VHA official also stated that in some cases incentive data were not properly entered into HR Smart, which also resulted in payments continuing after the termination date. The OIG recommended that VHA assess whether retention incentive payments have been appropriately recertified or should be terminated, assess whether recoupment of funds is warranted, and establish oversight procedures to prevent payments from continuing after the expiration date.

¹⁰ VA Handbook 5007 states all retention incentives must be reviewed and recertified at least annually. Incentives that are not reviewed and recertified will be automatically terminated by VA's human resources personnel processing system or manually terminated by the servicing human resources office.

¹¹ HR Smart is VA's system of record. It contains VA position and employee data, such as employee compensation and benefits. HR Smart automatically terminates an incentive at its conclusion; however that control requires an accurately populated end date.

PRIOR OIG OVERSIGHT OF VHA STAFFING SHORTAGES AND INCENTIVE PAYMENTS

The OIG has reported on persistent staffing shortages at VHA for at least a decade, as well as continued oversight of the improper management and use of incentive payments. Examples of relevant OIG reports are highlighted below.

OIG Annual Determinations of VHA's Reported Staffing Shortages

As noted earlier, the OIG has been mandated since 2015 to annually publish reports that identify VHA occupations with staffing shortages.¹² Starting in 2017, the law was updated to require that these reports identify a minimum of five clinical and five nonclinical VHA occupations with the largest staffing shortages within each VA medical center.¹³ The OIG also compares the number of severe occupational staffing shortages against the previous years' reports to assess changes. The data compiled by OIG is based on self-reporting from each VA medical center and is considered a descriptive review intended for informational purposes.¹⁴ The most recent published report, released in August 2024, is the 11th in the series and the 7th to identify severe occupational staffing shortages down to the facility level.¹⁵ The 2025 staffing report is expected to be released in August 2025.

The top VHA clinical and nonclinical occupation shortages identified in the FY 2024 report are shown in the two charts below, along with the percentage of VA medical centers who reported the position as a shortage in FY 2024 and in previous years.

VHA Clinical Occupation Shortages

	2018	2019	2020	2021	2022	2023	2024
Psychology	41%	34%	34%	43%	53%	65%	61%
Practical Nurse	33%	33%	35%	37%	62%	67%	60%
Psychiatry	70%	61%	60%	50%	51%	53%	47%
Nursing Assistant	11%	15%	19%	20%	38%	50%	46%
Medical Technologist	40%	38%	32%	36%	47%	47%	45%
Primary Care	47%	39%	37%	41%	43%	43%	45%

¹² Veterans Access, Choice, and Accountability Act of 2014, Pub. L. No. 113-146, 128 Stat. 1754 (2014). The VHA staffing publications can be found on the OIG reports page filtered for these [annual reports](#).

¹³ VA Choice and Quality Employment Act of 2017, Pub. L. No. 115-46, 131 Stat. 958 (2017) § 201.

¹⁴ The OIG surveyed VHA-identified medical center points of contact to determine severe occupational shortages at each facility. It should be noted that the OIG does not verify or otherwise confirm the survey responses.

¹⁵ VA OIG, *OIG Determination of Veterans Health Administration's Severe Occupational Staffing Shortages Fiscal Year 2024*, August 7, 2024. There are 11 reports because two reports were released in 2015: one on January 30, 2015, to meet the statutory deadline of 180 days after the law was passed, and one on September 1, 2015, to meet the recurring annual deadline of September 30.

VHA Nonclinical Occupation Shortages

	2018	2019	2020	2021	2022	2023	2024
Custodial Worker	33%	39%	47%	42%	69%	68%	59%
Medical Support Assistant	18%	24%	26%	45%	63%	70%	50%
Police	37%	46%	45%	43%	45%	53%	43%
Food Service Worker	22%	22%	27%	29%	43%	53%	37%
Biomedical Engineering	21%	17%	13%	23%	21%	24%	26%

This work shows that, despite the ability to make noncompetitive appointments for such occupations, VHA continues to experience severe occupational staffing shortages for positions that are fundamental to the safe and effective delivery of high-quality health care. While the OIG does not make recommendations in these descriptive reviews, the work emphasizes the importance of VHA's continued assessment of severe occupational staffing shortages. In addition, the OIG routinely raises concerns about staffing deficiencies in the course of oversight work stemming from specific hotline complaints, cyclical healthcare inspections, and other reports from medical facility staff regarding patient care.

A 2017 Review Found VA Had Inadequate Controls Over Incentive Processes

In the January 2017 report referenced earlier, the OIG found that VA needed to improve controls over its use of recruitment, relocation, and retention incentives to ensure they were strategically and prudently used to help recruit and retain highly qualified employees in hard-to-fill positions.¹⁶ The OIG team substantiated an allegation submitted to the OIG hotline that VA did not ensure two senior executive service recruitment incentives and 19 senior executive service relocation incentives were properly authorized before making recommendations to the former VA chief of staff to award them. Further, VHA did not properly authorize 33 percent of recruitment incentives and about 64 percent of relocation incentives awarded to non-senior executive service employees in FY 2014. The OIG also found most retention incentives lacked adequate workforce and succession plans as required. As of July 2020, all recommendations from this report were closed by the OIG, as VA had taken satisfactory steps at that time to implement the needed changes. Those advances, however, were not sustained and staff practices have not complied with the related policies that flowed from those recommendations.

VHA and Other Executives in VA's Central Office Were Improperly Awarded Critical Skills Incentives

In May 2024, the OIG reported VA improperly awarded \$10.8 million in critical skill incentives to VHA and Veterans Benefits Administration (VBA) central office senior executives.¹⁷ Critical skill incentives

¹⁶ VA OIG, [Audit of VA's Recruitment, Relocation, and Retention Incentives](#), January 5, 2017.

¹⁷ VA OIG, [VA Improperly Awarded \\$10.8 Million in Incentives to Central Office Senior Executives](#), May 9, 2024.

are a unique type of incentive pay authorized for VA through the PACT Act.¹⁸ They are only available to an employee who “possesses a high-demand skill or skill that is at a shortage” at a rate up to 25 percent of basic pay. VA’s first critical skill incentives were approved in March 2023 for human resources specialists to support increased hiring.

The OIG reported VHA and VBA awarded critical skill incentives to nearly all central office executives without support that showed the positions were in high demand or had the required critical skills required by VA policy. Specifically, 182 senior executives received incentive payments averaging about \$60,000 each. The OIG found that most of VA’s internal controls were ineffective in preventing improper awards to central office senior executives and that the critical skill incentive policy was inconsistently followed. The recommendations included that VA review critical skill incentive payments for compliance with governing policy and clarify the roles and responsibilities of those who oversee critical skill incentives. The OIG recommendations have been closed based on sufficient documentation of implementation provided by VA.

UPCOMING OIG OVERSIGHT WORK RELATED TO VHA INCENTIVE PAYMENTS

In a review that will be published in the coming months, the OIG assessed whether VHA employees who received recruitment, relocation, or retention incentive payments met their service obligations—that is, whether the employees remained in their positions and duty stations for the periods stated in their agreements. For employees who did not fulfill these requirements, the OIG team examined whether VA took action to initiate a debt notice, if warranted. This review reflects the OIG’s continuing commitment to identifying any causes or conditions that impede VHA’s efforts to appropriately administer and monitor staff incentive pay programs.

CONCLUSION

The OIG’s body of oversight work has highlighted VHA’s ongoing challenges with severe occupational shortages in essential clinical and nonclinical positions. Multiple OIG reports have also shown that VHA has repeatedly failed to ensure that attempts to narrow those staffing gaps through recruitment, relocation, or retention incentives consistently follow applicable policies and procedures. These failings are not routinely detected by VA’s quality control measures. VHA must emphasize to responsible personnel the importance of compiling all required supporting documentation to safeguard against improper payments. The OIG will follow up on all open recommendations from the most recent oversight report released in June until VHA can show adequate evidence that necessary corrections have been made and can be sustained. OIG teams will continue to monitor VHA’s staffing needs and the use

¹⁸ The PACT Act refers to the Sergeant First Class Heath Robinson Honoring Our Promise to Address Comprehensive Toxics Act of 2022, Pub. L. No. 117-168, 136 Stat. 1759.

of incentive payments to hold VHA accountable for providing safe and high-quality care to veterans while making the most effective use of taxpayer dollars.

Chairwoman Kiggans and Ranking Member Ramirez, this concludes my statement. I would be happy to answer any questions you or members of the subcommittee may have.

Prepared Statement of Sheila Elliott

Chairwoman Kiggans, Ranking Member Ramirez, and Members of the Oversight and Investigations Subcommittee:

The American Federation of Government Employees, AFL–CIO (AFGE) and its National Veterans Affairs Council (NVAC) appreciate the opportunity to testify at today’s subcommittee hearing titled “Counting the Money: Preventing Fraud and Abuse in VA’s Bonus Payment Practices for VA Employees.” My name is Dr. Sheila Elliott, and for the past 35 years, I have and continue to serve as a Pharmacist at the Hampton, VA, VA Medical Center. I have also, until retiring last month, proudly served over 15 years as the president of AFGE Local 2328, which represents most direct patient care staff at the VAMC and its surrounding clinics.

On behalf of the 320,000 Department of Veterans Affairs (VA) employees AFGE represents, approximately a third of whom are veterans themselves, it is a privilege to offer AFGE’s views on how the VA should improve recruitment and retention for the VA workforce, both within the scope of recruitment, retention, and relocation bonus program, and beyond.

OIG Report

On June 12, 2025, the VA OIG released a report titled “Recruitment, Relocation, and Retention Incentives for VHA Positions Need Improved Oversight” (“OIG report”).¹ As the report states, “[t]o address occupational shortages and facilitate hiring efforts, VA leverages Federal regulations that allow agencies to offer recruitment, relocation, and retention incentives to encourage candidates to accept positions that are difficult to fill or to keep high-quality staff who may otherwise leave.”^{2,3} In this report, OIG highlighted several problems with the administration and oversight of this recruitment, retention, and relocation bonus (“RRR bonus”) program that AFGE agrees with.

HR Modernization

Chief among the problems identified in this report is the failure of VA Human Resources (HR). While VA did use this tool to recruit and retain VHA clinicians, there were clearly problems in how the RRR bonus program was administered to ensure that the correct employees were receiving the benefits and that the process was carried out appropriately. Many of these problems were first identified by the OIG in 2017.⁴ Unfortunately, the report goes on to note that the “OIG team found VHA did not take sufficient steps to sustain or enforce the updated VA policies to ensure incentive packages were completed appropriately before payments were initiated. Further, VISN human resources staff acknowledged they did not always adhere to policy.”⁵ The report then digs deeper by identifying “Beginning in Fiscal Year 2019, VA also consolidated human resources responsibilities from the facility level to the VISN level, including oversight of incentives. During this transition, according to human resources officials, turnover led to a shortage of trained staff to conduct incentive oversight responsibilities.”⁶

AFGE has continuously criticized the HR centralization or modernization that the OIG is citing here, agreeing with the conclusion that it has led to increased turnover at the VA. Additionally, AFGE believes that HR not being in the facilities, and lacking familiarity with the workforce and the veterans they serve, exacerbates this turnover. In aggregate, this undermines the ability of HR professionals to properly serve employees generally, as well as administering the RRR bonus program. Furthermore, the OIG’s citing of multiple instances of poor record keeping not only proves that certain employees may have incorrectly received the reward, but it also makes it harder to determine who has correctly received RRR bonuses.

In preparation for this hearing, when contacting the Hampton VAMC, we could find no public repository of data to show who has received RRR bonuses over the past several years. However, after reaching out to 800 bargaining unit members at

¹“Recruitment, Relocation, and Retention Incentives for VHA Positions Need Improved Oversight” VA OIG 23–01695–94 Page i June 12, 2025

²*Id.*

³Citing “Recruitment, relocation, and retention incentives are authorized under 5 U.S.C. §§ 5753 and 5754 are extended to title 38 employees under the authority of 38 U.S.C. § 7410. Title 38 employees are those individuals appointed under 38 U.S.C. § 7401, which permits the VA Secretary to hire personnel necessary for the health care of veterans and can include physicians, nurses, and dentists.”

⁴VA OIG, Audit of VA’s Recruitment, Relocation, and Retention Incentives.

⁵Recruitment, Relocation, and Retention Incentives for VHA Positions Need Improved Oversight” VA OIG 23–01695–94 Page 11 June 12, 2025

⁶*Id.* at 12.

Hampton VAMC this month on our own, AFGE had nine bargaining unit members self-report, from a variety of professions, that four recruitment bonuses, four retention bonuses, and one relocation bonus were awarded. These bonuses were awarded between 2021 and 2025.

While AFGE is pleased that at least nine employees received these RRR bonuses, we have no way of knowing if this benefit is being under, properly, or over utilized at Hampton VAMC compared to the rest of VHA. However, regardless of its relative utilization to other facilities, I can say with decades of experience at this facility that there is significant room for improvement, both at the VAMC itself and the brand-new North Battlefield Outpatient Clinic, which opened in 2025 with only 150 of 550 staffing positions filled. While AFGE acknowledges that medical facilities are not filled overnight, we urge the VA to use, and this committee to question the VA on how, this RRR bonus program is being used to fill positions and increase capacity at the North Battlefield Outpatient Clinic and at the Hampton VAMC?

Other ways to improve Recruitment at Retention:

In addition to improving the RRR bonus program, AFGE has many other priorities within this committee's jurisdiction that would directly improve recruitment and retention.

AFGE/NVAC Collective Bargaining Agreement:

As this committee is aware, on March 27, 2025, President Trump signed the Exclusions from Federal Labor-Management Relations Programs Executive Order 14251 (EO) eliminating the collective bargaining rights of 1.5 million Federal employees at agencies including VA. This EO abuses the National Security exemption in Title 5 to eliminate collective bargaining rights in agencies that have little or no national security mission, including the VA workforce. It strikes down a central pillar of the 1978 Civil Service Reform Act enshrined in Title 5 of the U.S. Code that governs the merit-based system of selecting most Federal employees, protects whistleblowers, and provides due process to Federal employees who have been unfairly disciplined or terminated.

Continuing to deny large swaths of the VA workforce collective bargaining rights, will continue to harm recruitment and retention. As there is a critical shortage of health professionals in this country, why would high quality candidates want to serve in the VA, when they would retain not only union protections, but better salaries in the private sector? This is particularly egregious, as Secretary Collins played favorites when choosing whom to exempt from the EO, not by job description or duties, but by which union represents the employees in question. AFGE, as well as several of our sister unions, were not granted an exemption, and our members, despite having identical jobs to those in other facilities who were exempted from this EO, lost their collective bargaining rights. AFGE urges members of this committee to co-sponsor and support H.R. 2550, the "Protect America's Workforce Act," which would nullify this illegal executive order.

Reforming 38 USC 7422

As AFGE has testified to before this subcommittee, 38 USC 7422 has had a negative effect on recruitment and retention for Title 38 employees at the VA. Under this statute, the VA can invoke 7422 to deny a grievance for a Title 38 employee based on "professional conduct or competence" (including "direct patient care" or "clinical competence"), peer review, or "the establishment, determination, or adjustment of employee compensation."

AFGE is proud to have worked with members of this committee in bipartisan fashion to craft the narrowly tailored "VA Correct Compensation Act" to better define the compensation language of the statute. AFGE has also long supported the "VA Employee Fairness Act" (H.R. 3261) which would effectively abolish 7422.

Any legislative action to rein in the abuse of 7422 by management would be a critical step to improve recruitment and retention of the VA workforce. However, while AFGE and other unions are subjected to EO 14251, there is no contract for affected Title 38 employees to file a grievance under. AFGE urges, particularly after the result of litigation or legislation related to EO 14251, for this committee to reform 7422 to better retain its Title 38 workforce.

Telework

AFGE has long argued for the benefits of allowing telework or remote work for employees who can perform their duties remotely. Within the VHA space, this is particularly true for clinicians who practice in whole or in large part through telemedicine. However, since most telework has been rescinded by this administration, many clinicians have had to report to a VA facility, and have been required to inter-

act with patients remotely, often in crowded bullpens, to discuss private matters. This has harmed morale and retention of mission-critical and hard-to-recruit clinicians at the VA. Ironically, one of the RRR bonuses that AFGE could find was awarded to a former Hampton VAMC employee who for the last 3 years was a remote mental healthcare provider who was leaving their position due to the end of remote work. However, instead of leaving the VA, this employee received a relocation bonus to move to another facility. This has negatively affected the capacity of Hampton and reflects VA's overly broad approach to telework and telehealth.

Conclusion

I hope that my testimony today leads the subcommittees to better consider ways to improve recruitment and retention at VA for clinicians. AFGE and the NVAC stand ready to work with the House Veterans' Affairs Committee and VA to make these recommendations and better enable VA employees to serve veterans. Thank you, and I look forward to answering your questions.

