

**STATEMENT OF  
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BEFORE THE  
COMMITTEE ON VETERANS' AFFAIRS  
SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATIONS  
U.S. HOUSE OF REPRESENTATIVES  
ON  
"COUNTING THE MONEY: PREVENTING FRAUD AND ABUSE IN VA'S BONUS  
PAYMENT PRACTICES FOR VA EMPLOYEES"**

**July 22, 2025**

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.