

Congress of the United States
Washington, DC 20515

The Honorable Kathleen McGettigan
Acting Director
United States Office of Personnel Management
1900 E Street, NW
Washington, D.C. 20415

October 2, 2017

Dear Director McGettigan,

We write to you regarding the Office of Personnel Management's (OPM) oversight of Voluntary Early Retirement Authority (VERA) and the Voluntary Separation Incentive Payment (VSIP) programs as authorized by the *Chief Human Capital Officers Act of 2002*. Congress established this authority in order to provide agencies the necessary tools to develop a model workforce in tune with modern challenges and goals. A recent report however suggests this program may not be achieving its stated benchmarks of success.

One particular case of concern is recorded by the Small Business Administration's (SBA) Office of Inspector General (OIG) audit of the FY 2014 VERA and VSIP programs, dated May 30, 2017. The OIG concluded that the SBA "achieved few, if any, of its planned goals and paid \$2.1 million that the SBA could have used for other priorities." OPM guidelines on VERA-VSIP requests require agencies to plan for a specific goal for approval, however the OIG determined that the SBA failed to develop a specific and measurable goal for the implementation of these programs prior to approval. Furthermore, the SBA's request highlighted the particular concern of employees lacking the competencies and skills necessary for their job. Yet, the SBA did not conduct a skill gap analysis until one year after VERA-VSIP implementation, and the OIG determined that 54 of 149 vacated SBA positions due to the program were filled without required changes.

During a June 12, 2017 hearing before the House Small Business Committee, Mr. Joseph Loddo, Chief Operating Officer of SBA commented that SBA did not fulfill 12 of the 14 recommended approaches for building out a VERA-VSIP program. Furthermore, Mr. Loddo stated that with real due diligence OPM should not have approved the plan that SBA presented, given that OPM "made their decision based off of false premises." In addition, it was revealed that two weeks after SBA was approved for VERA-VSIP authority, the Chief Human Capital Officer at SBA issued guidance to ignore the hiring requirements set forth in the OPM approved plan. Clearly, in this case OPM failed to conduct due diligence of the information received from SBA and failed to conduct the proper oversight of SBA implementation of the approved VERA-VSIP plan. While SBA is clearly responsible for many of the problems in this instance, OPM's failures in this manner cannot be overlooked.

In an Executive Order dated March 13, 2017, the President ordered all Federal agencies to submit a preliminary organizational restructuring plan by June 30, 2017, and a finalized plan is expected from each agency this month. VERA-VSIP authority is certain to be utilized in the drafting and pending implementation of these plans. Given OPM's direct oversight of this

authority, it is vital that OPM take all necessary steps to ensure agencies offer VERA-VSIP in a manner consistent with its program policies and specific goals.

We ask that you present us with the OPM oversight process for these plans. Specifically, what action does OPM take to ensure an agency follows through in offering VERA-VSIP consistent with its approved plan? Should OPM determine an agency is failing to do so, what enforcement mechanism does OPM apply? Furthermore, what policies or provisions does OPM have in place to ensure that agency information included in VERA-VSIP proposals is accurate?

OPM oversight of VERA-VSIP is imperative for preventing program waste and abuse and ensuring the authority is a successful tool for developing a model Federal workforce. Thank you for your attention to our concerns. We would appreciate a reply by October 20, 2017.

Sincerely,