



THE UNDER SECRETARY OF VETERANS AFFAIRS FOR BENEFITS
WASHINGTON, D.C. 20420

APR 20 2015

The Honorable Jeff Miller
Chairman
Committee on Veterans' Affairs
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

I am responding to your requests dated March 10, 2015, and April 7, 2015, for information related to the appointment of Ms. Diana Rubens as Director of the Department of Veterans Affairs (VA) Philadelphia Regional Office (RO) and the relocation expenses associated with this appointment. You also requested information regarding Veterans Benefits Administration (VBA) employee, Ms. Kimberly Beale.

Ms. Rubens was reassigned as Director of the Philadelphia RO based on her demonstrated history of exceptional leadership and ability to address multiple complex issues facing VBA. That extensive experience was needed to promote VA's strategic goals at the Philadelphia RO, which is responsible for administering nearly \$4.1 billion in benefits and services to over 826,000 Veterans and beneficiaries through a staff of over 950 employees.

Ms. Rubens has a proven record as a successful leader at various levels of the organization. Based on her performance history and the needs in the Philadelphia RO, Ms. Rubens retained the Senior Executive Service (SES) pay band 1 salary she had earned as Deputy Under Secretary for Field Operations upon reassignment to the SES pay band 3 RO Director position. This is consistent with federal standards, as outlined in 5 Code of Federal Regulations 534.404, which provides that a career SES employee's pay can only be reduced without the employee's consent if the SES received an annual performance rating of less than Fully Successful or as a disciplinary or adverse action resulting from conduct-related activity. I recommended Ms. Rubens' reassignment and retention of her salary. The Assistant Secretary for Human Resources and Administration concurred with my recommendations and VA's Chief of Staff approved the decision.

Many agencies across the Federal Government offer relocation services programs to eligible employees that are comparable to VA's Appraised Value Offer (AVO) program. These relocation programs are authorized by the Federal Travel Regulations (FTR Chapter 302) and enable agencies to incentivize qualified candidates to move to locations that have need for specialized skills for the benefit of the government. These relocation services programs are particularly important to VBA, which has unique recruiting and retention challenges due to the nature of its business,

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the diversity of its locations, and the difficulty in matching highly skilled individuals to locations with significant leadership needs. I approved Ms. Rubens' participation in the AVO program on the recommendation of the Principal Deputy Under Secretary for Benefits, Mr. Danny Pummill.

Consistent with FTR Chapter 302 – Relocation Allowances, VA reimburses the following relocation expenses: transportation and per diem for the employee and immediate family members; miscellaneous expenses; residence sale and purchase transaction or lease termination expenses; transportation and storage of household goods; and relocation income tax allowance. Additionally, FTR Chapter 302 permits agencies to authorize certain additional expenses to include house-hunting trips, temporary quarters, personally owned vehicle shipment, and relocation services and home-marketing incentives.

As authorized under FTR Part 302-12, Use of a Relocation Services Company, VA has contracted with a third-party vendor to provide relocation services. Under the terms of the contract, different rates of payment are authorized based on whether the home is sold by the owner or purchased by the contractor when the owner is unable to sell within 60 days. For properties that are taken into the contractor's inventory, VA pays the vendor 28 percent of the appraised value of the home. Since 2013, there have been 96 instances of properties taken into inventory, for which VA's contract required payment of 28 percent. Sixteen of these homes were valued over \$500,000. The difference in housing markets across the country causes this cost to vary greatly from situation to situation.

Ms. Rubens' home did not sell within 60 days and was, therefore, taken into the contractor's inventory, requiring VA to pay a fee of 28 percent to the contractor. Based on the appraised value of Ms. Rubens' home, the amount paid to the vendor was \$211,750.00. The expenses approved for Ms. Rubens are as follows:

- Subsistence and Temporary Expenses: \$15,812.50
- Real Estate Expenses: \$29,966.20
- Relocation Income Tax Allowance: \$15,291.00
- Permanent Duty Travel – Non-taxable: \$33.80
- Permanent Change of Station Meals: \$60.40
- Permanent Duty Travel – Taxable: \$33.80
- Shipment of Household Goods and Personal Effects: \$11,678.00
- Storage of Household Goods – First 30 Days: \$11,768.00
- Relocation Services Paid to Vendor: \$211,750.00
- VA Financial Services Center Service Charge (6 percent): \$12,705.00

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Ms. Beale began her VA employment in 2004 as a GS-7 Veterans Service Representative (VSR) at the Phoenix RO. During her time in Phoenix, Ms. Beale was promoted to GS-9 VSR in 2005; GS-11 Program Analyst in 2006; and GS-11 VSR (Rating) in 2007. Ms. Beale relocated to VBA's Headquarters in 2008, serving first as a GS-12 Program Analyst and receiving promotions to GS-13 and GS-14 Program Analyst positions in 2009 and 2010. She was promoted to GS-15 Supervisory Program Management Officer in 2013. She then elected to take a non-supervisory GS-14 Program Analyst position in VBA's Veterans Business Management System (VBMS) Business Requirements Division in 2014. In this position, she is authorized to work from home, as are more than 10 other employees within the same division. These types of flexible work programs are important to VBA's ability to attract and retain high-quality employees, and are consistent with the Telework Enhancement Act of 2010. The program is managed through standard policies and procedures.

The following enclosures are provided in response to your requests:

- Enclosure A – VA travel policy regarding relocation – Department of Veterans Affairs, November 2011, Relocation Packages, Volume XIV – Chapter 8
- Enclosure B – Federal regulations governing senior executive pay – 5 CFR 534.404, Setting and Adjusting the Pay for Senior Executives
- Enclosure C – VA promotion history for Ms. Beale and her current performance standards and position description summarizing her duties and responsibilities

Please let me know if you have questions on any of the information provided.

Sincerely,



Allison A. Hickey

Enclosures