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United States Senate

COMMITTEE ON
HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS

WASHINGTON, DC 20510-6250

May 5, 2017

CHRISTOPHER R. HIXON, STAFF DIRECTOR
MARGARET E. DAUM, MINORITY STAFF DIRECTOR

The Honorable Michael J. Missal
Inspector General
U.S. Department of Veterans Affairs
801 I Street, NW
Washington, DC 20001

Dear Mr. Missal:

I am writing to request information regarding the U.S. Department of Veterans Affairs' (VA) oversight of medical facility construction projects in Missouri and across the country.

In my state, the Veterans Health Administration (VHA) operates five medical centers and more than 30 outpatient clinics. More than 200,000 Missouri veterans rely on VHA for their healthcare. In Missouri and across the country, outdated and poorly maintained facilities are impeding the VA's ability to provide veterans with the high-quality modern medical services they deserve. The VA currently has 26 major construction projects underway to improve or replace existing medial facilities – 23 of which cost \$100 million or more.¹

Among the VA's ongoing construction projects is a \$367 million overhaul of the Jefferson Barracks campus of the VA St. Louis Health Care System (VASTLHCS), which provides mental and physical health care services to approximately 60,000 veterans every year.² On April 20, 2017, my staff contacted your office regarding reports of construction and contracting concerns at the Jefferson Barracks campus. On April 21, 2017, VA OIG staff informed my staff that it was unaware of any of the reported complaints regarding the Jefferson Barracks facility, but would check internal hotline records to confirm.³ On April 24, 2017, VA OIG informed my staff that in January 2017, the VA OIG Hotline received a complaint about the Jefferson Barracks construction that appears to be similar to the concerns relayed by Committee staff to VA OIG last week.

¹ U.S. Government Accountability Office, *VA Construction: Improved Processes Needed to Monitor Contract Modifications, Develop Schedules, and Estimate Costs* (GAO-17-70) (Mar. 2017).

² U.S. Department of Veterans Affairs, *VA St. Louis Health Care System: Visitor Information* (online at www.stlouis.va.gov/visitors/index.asp) (accessed Apr. 17, 2017).

³ Senate Homeland Security and Governmental Affairs Committee, Staff Call with Catherine Gromek, VA Office of Inspector General (Apr. 21, 2017).

VA OIG stated that in response to the Hotline complaint, on April 14, 2017, the VA OIG sent a request for additional information to the Executive Director of the VA's Office of Construction and Facilities Management (CFM). VA OIG requested a response not later than June 14, 2017. VA OIG indicated that it will determine how to proceed following its review of CFM's response, but it has not opened a formal investigation or audit at this time.

On April 26, 2017, the medical center director for the VA St. Louis, Keith Repko appeared before the Senate Homeland Security and Governmental Affairs Committee to testify regarding his leadership of the VA St. Louis Health Care System, including the Jefferson Barracks Campus. During this hearing, I asked him directly about concerns regarding the quality of the ongoing construction at Jefferson Barracks noting my staff's contact with VA OIG about the matter.⁴ Mr. Repko testified that "Just recently, working with your staff and preparing for this [hearing], I became aware of some [concerns]."⁵ He stated that "at this point, we have no concerns of any serious issues in this project moving forward [regarding] quality."⁶ Mr. Repko added that "what I can say in our project is that CFM is working through any issues and like I said before there is nothing significant either in quality that I am aware of or any concern that would jeopardize this project."⁷ Mr. Repko noted that he continues to work with VA headquarters to ensure that his facilities provide the best care to Missouri's veterans.

The VA OIG noted that CFM would be expected to share the concerns communicated in the Hotline complaint with Mr. Repko or his staff, although there is not VA policy mandating they do so. VA OIG indicated that, consistent with its normal practice, it had not contacted Mr. Repko, or any staff of the VA St. Louis Health Care System directly regarding the complaint – only officials at VA headquarters in Washington, D.C.

In recent years, the Government Accountability Office (GAO) has highlighted the challenges the VA has faced in managing its major construction projects finding that the VA must do a better job of defining roles and responsibilities for the multiple offices and officials involved in managing these projects.⁸ In particular, GAO has noted that the often-ambiguous division of labor between CFM and the local VA medical center seems to be the source of many of the concerns identified by GAO. For example, a 2013 GAO report found that "a lack of clear communication with contractors contributed to schedule delays and cost increases for medical

⁴ Senate Committee on Homeland Security and Governmental Affairs, Testimony of Keith Repko, Medical Center Director, VA St. Louis Health Care System, *Hearing on Duplication, Waste, and Fraud in Federal Programs*, 115th Cong. (Apr. 26, 2017).

⁵ *Id.*

⁶ *Id.*

⁷ *Id.*

⁸ See e.g., U.S. Government Accountability Office, *VA Construction: Additional Actions Needed to Decrease Delays and Lower Costs of Major Medical Facility Projects* (GAO-13-302) (Apr. 2013).

facility projects.”⁹ GAO’s March 2017 report acknowledges that medical center staff is involved in monitoring ongoing construction, even though CFM is officially responsible for doing so.¹⁰ The report states: “According to VA officials, the VA’s medical center staff, such as the medical center director, are involved in facility design and are responsible for monitoring construction to ensure that the facility will meet veterans’ needs.”¹¹ On April 26, 2017, GAO Comptroller General Eugene Dodaro also testified before the Committee regarding contract or construction oversight at VA, noting that at VA “there is really not good coordination.”¹² Mr. Dodaro added that “VA, generally speaking, is a very decentralized organization with very little oversight and accountability from the centralized organizations of VA.”¹³

To better understand the oversight that the Department of Veterans Affairs’ exercises over construction of VA medical facilities in Missouri and across the country, I request that you provide updates on the status of VA OIG’s review of any recent complaints regarding the Jefferson Barracks Campus as additional information becomes available. In addition, I request that you provide a briefing for Committee staff regarding the VA OIG’s work related to VA’s ongoing efforts to coordinate oversight of and address complaints regarding medical facility construction not later than close of business on May 19, 2017.

Should you have any questions regarding this inquiry, please contact Donald Sherman on my staff at Donald_Sherman@hsgac.senate.gov or by phone at (202) 224-2627. Thank you in advance for your prompt attention to this request. I look forward to your response.

Sincerely,



Claire McCaskill
Ranking Member

cc: Ron Johnson
Chairman

⁹ *Id.*

¹⁰ U.S. Government Accountability Office, *VA Construction: Improved Processes Needed to Monitor Contract Modifications, Develop Schedules, and Estimate Costs* (GAO-17-70) (Mar. 2017).

¹¹ *Id.*

¹² Senate Committee on Homeland Security and Governmental Affairs, Testimony of Eugene Dodaro, Comptroller General, U.S. Government Accountability Officer, *Hearing on Duplication, Waste, and Fraud in Federal Programs*, 115th Cong. (Apr. 26, 2017).

¹³ *Id.*