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United States Senate

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December 10, 2024

The Honorable Denis R. McDonough
Secretary of Veterans Affairs
810 Vermont Ave NW
Washington, DC 20420

Dear Secretary McDonough,

In July, after Senate Appropriators reached a deal on funding allocations, VA announced a \$12 billion shortfall in the Department's health care accounts and a \$3 billion shortfall in the Department's benefits accounts. Either VA could not account for its budgetary needs or worse yet, engaged in budgetary gamesmanship to fund other agencies on the backs of our veterans.

When VA's senior executive leaders put the health care and benefits of our veterans at risk, veterans' trust in the institution erodes. Mismanagement at this level is unacceptable.

On November 1, VA backtracked and announced that it did not, in fact, need any of the emergency supplemental funding that Congress provided in September. Congress had provided this additional funding after your Department threatened that veterans, survivors and other beneficiaries would not receive their expected payments otherwise. After warning veterans and their families worldwide that the Department was on the verge of running out of funds, the Department actually had a surplus.

As we understand from correspondence with your staff, VA's annual appraisal process for senior executives is ongoing. VA Directive 5027 provides VA policies related to the Senior Executive Service. Paragraph 2.j. states that the performance appraisal system shall identify individual accountability for accomplishing VA goals and provide a basis for performance awards, pay adjustments, executive development, reassignments, reduction-in-force, and removals.

In the fiscal year 2024 performance appraisal of each individual senior executive and equivalent, please document what role, if any, each leader had in the budget mismanagement described above, including the improperly projected shortfall in the Veterans Benefits Administration accounts and the grossly overestimated shortfall in the Veterans Health Administration accounts. All performance-related compensation decisions should adequately reflect the associated shortcomings of each individual. Please be prepared to provide such information to the Committee upon request.

VA has a sacred duty to care for veterans and a responsibility to faithfully use the resources entrusted to the Department by Congress. Adequate accountability is the only way we can prevent history from repeating itself and ensure the timely delivery of health care and benefits for the millions of veterans, their dependents and survivors who put their trust in VA.

Sincerely,



Jerry Moran
Ranking Member
Senate Committee on Veterans' Affairs



Mike Bost
Chairman
House Committee on Veterans' Affairs