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U.S. House of Representatives

COMMITTEE ON VETERANS' AFFAIRS

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DEMOCRATIC STAFF DIRECTOR

August 28, 2024

The Honorable Denis R. McDonough Secretary U.S. Department of Veterans Affairs 810 Vermont Avenue, NW Washington, DC 20420

Dear Secretary McDonough:

During previous Congresses and most recently throughout the 118th Congress, I have written to you repeatedly about the failures of the Biden-Harris administration's management of the Department of Veterans Affairs' (VA) negotiation and execution of the contract to make the Digital G.I. Bill (DGIB) a reality for veterans and their beneficiaries. As you know, the DGIB was supposed to provide a new system for automating and adjudicating G.I. Bill education claims. The contract for this system was awarded three years ago in March 2021, and was intended to be the antidote for the continued IT failure that have plagued the implementation of the Post-9/11 G.I. Bill since 2009.

As a result, and due to the lack of action by your Department, my colleagues and I have repeatedly expressed our frustrations with how this contract was implemented through multiple hearings, as well as letters sent to your agency on July 14th, August 17th, October 26th, October 30th, and most recently, on December 5th of last year. To date, I have received dismissive and unsatisfactory responses from VA that have done little to seriously address the underlying issues, while the project has, to my knowledge, continued in chaos. What's more, no one at VA seems willing to take responsibility for the constant upheaval and delays in this project, which was originally scheduled for completion in April 2024 and is now projected for completion in June 2026, at double the cost of the original contract.

Today, I received a report from the VA Office of Inspector General (OIG), which validates all the concerns about extensive mismanagement, lack of accountability, and excessive costs that have been repeatedly expressed in the aforementioned letters from me and my colleagues over the past year. According to the OIG, this project was hindered from the outset because "VBA failed to include staff who had the required technical expertise to develop performance work statements, which outline the necessary steps to complete the platform development and therefore drive contract requirements." Further, the OIG specifically mentioned that the initial contract requirements were "unclear or unrealistic." These concerns are like those

that have plagued previous attempts to implement needed IT upgrades for processing G.I. Bill claims in 2009, 2011, and 2018.

OIG also found that the Veterans Benefits Administration (VBA) specifically chose not to utilize the Government Accountability Office's (GAO) Schedule Assessment Guide, which includes recommended best practices for developing a master schedule to carry out a project effectively. In fact, VBA did not have a schedule for tracking the progress of the program until February 2023, nearly two years after the contract was awarded. Even more concerning was that this schedule was not shared with the contractor. The lack of communication with the contractor in charge of the project defies logic, and as a result OIG found that this led to numerous project delays, increased costs, and ultimately prevented veterans from accessing the education benefits they earned in exchange for their service to our country.

Further, this OIG report shows that the DGIB project was predestined for cost overruns and disorganization from the outset because of poor planning and a failure of the Biden-Harris administration's top VBA leadership. The project, which was intended to increase efficiency by retiring outdated systems and instituting automation to streamline the processing of veterans' education benefits, has been mired in inefficiency and subject to continuous delays. Because of the failures identified by VA's OIG, VA was required to renegotiate the contract at the end of last year to more accurately reflect the real-world requirements of the contract.

Finally, according to the OIG, the renegotiation delayed the project even further, and the mismanagement of this contract has, according to the OIG, led to an additional cost to the taxpayers of approximately \$479 million dollars. This is wholly unacceptable. Due to the failures of leadership at the Biden-Harris VA in effectively managing a contract negotiation, the American taxpayers are on the hook for nearly an additional half a billion dollars needed to complete the DGIB effort. This failure is on the heels of the Biden-Harris administration coming hat in hand to Congress to ask for additional funds for VA due to leadership failures that have led to budget shortfalls. It is my duty as Chairman to question how VA is allocating its resources and whether anyone at the Department will be held accountable for the repeated failures with this project. I fear that we will continue to receive the same bureaucratic answers and excuses that unfortunately have become the hallmark of this administration.

Please respond to the following questions by September 8, 2024:

- How will VA close OIG's recommendations 1 through 3 that listed in the report?
 Please provide the Committee with a detailed plan that outlines the timeline and solution to address these recommendations.
- Which individual(s) are accountable for the failures OIG outlined about the DGIB contract?
- What actions have you taken to ensure that those responsible for these failures identified in the OIG's report are being held accountable?

Thank you for your attention to this important issue on behalf of the veterans VA serves.

Sincerely,

MIKE BOST Chairman

Cc: The Honorable Mark Takano, Ranking Member