

1 **TITLE I—PERSONNEL AND**
2 **ACCOUNTABILITY MATTERS**
3 **Subtitle A—Office of Account-**
4 **ability and Whistleblower Pro-**
5 **tection**

6 **SEC. 101. OFFICE OF ACCOUNTABILITY AND WHISTLE-**
7 **BLOWER PROTECTION.**

8 (a) IN GENERAL.—Chapter 3 of title 38, United
9 States Code, is amended by adding at the end the fol-
10 lowing new section:

11 **“§ 323. Office of Accountability and Whistleblower**
12 **Protection**

13 “(a) ESTABLISHMENT.—There is established in the
14 Department an office to be known as the Office of Ac-
15 countability and Whistleblower Protection (in this section
16 referred to as the ‘Office’).

17 “(b) HEAD OF OFFICE.—(1) The head of the Office
18 shall be responsible for the functions of the Office and
19 shall be appointed by the President pursuant to section
20 308(a) of this title.

21 “(2) The head of the Office shall be known as the
22 ‘Assistant Secretary for Accountability and Whistleblower
23 Protection’.

1 “(3) The Assistant Secretary shall report directly to
2 the Secretary on all matters relating to the Office.

3 “(4) Notwithstanding section 308(b) of this title, the
4 Secretary may only assign to the Assistant Secretary re-
5 sponsibilities relating to the functions of the Office set
6 forth in subsection (c).

7 “(c) FUNCTIONS.—(1) The functions of the Office
8 are as follows:

9 “(A) Advising the Secretary on all matters of
10 the Department relating to accountability, including
11 accountability of employees of the Department, re-
12 taliation against whistleblowers, and such matters as
13 the Secretary considers similar and affect public
14 trust in the Department.

15 “(B) Issuing reports and providing rec-
16 ommendations related to the duties described in sub-
17 paragraph (A).

18 “(C) Receiving whistleblower disclosures.

19 “(D) Referring whistleblower disclosures re-
20 ceived under subparagraph (C) for investigation to
21 the Office of the Medical Inspector, the Office of In-
22 spector General, or other investigative entity, as ap-
23 propriate, if the Assistant Secretary has reason to
24 believe the whistleblower disclosure is evidence of a
25 violation of a provision of law, mismanagement,

1 gross waste of funds, abuse of authority, or a sub-
2 stantial and specific danger to public health and
3 safety.

4 “(E) Receiving and referring disclosures from
5 the Special Counsel for investigation to the Medical
6 Inspector of the Department, the Inspector General
7 of the Department, or such other person with inves-
8 tigatory authority, as the Assistant Secretary con-
9 sidered appropriate.

10 “(F) Recording, tracking, reviewing, and con-
11 firming implementation of recommendations from
12 audits and investigations carried out by the Inspec-
13 tor General of the Department, the Medical Inspec-
14 tor of the Department, the Special Counsel, and the
15 Comptroller General of the United States, including
16 the imposition of disciplinary actions and other cor-
17 rective actions contained in such recommendations.

18 “(G) Analyzing data from the Office and the
19 Office of Inspector General telephone hotlines, other
20 whistleblower disclosures, disaggregated by facility
21 and area of health care if appropriate, and relevant
22 audits and investigations to identify trends and issue
23 reports to the Secretary based on analysis conducted
24 under this subparagraph.

1 “(H) Receiving, reviewing, and investigating al-
2 legations of misconduct, retaliation, or poor perform-
3 ance involving—

4 “(i) an individual in a senior executive po-
5 sition (as defined in section 713(d) of this title)
6 in the Department;

7 “(ii) an individual employed in a confiden-
8 tial, policy-making, policy-determining, or pol-
9 icy-advocating position in the Department; or

10 “(iii) a supervisory employee, if the allega-
11 tion involves retaliation against an employee for
12 making a whistleblower disclosure.

13 “(I) Making such recommendations to the Sec-
14 retary for disciplinary action as the Assistant Sec-
15 retary considers appropriate after substantiating any
16 allegation of misconduct or poor performance pursu-
17 ant to an investigation carried out as described in
18 subparagraph (F).

19 “(2) In carrying out the functions of the Office, the
20 Assistant Secretary shall ensure that the Office maintains
21 a toll-free telephone number and Internet website to re-
22 ceive anonymous whistleblower disclosures.

23 “(3) In any case in which the Assistant Secretary re-
24 ceives a whistleblower disclosure from an employee of the
25 Department under paragraph (1)(C), the Assistant Sec-

1 retary may not disclose the identity of the employee with-
2 out the consent of the employee, except in accordance with
3 the provisions of section 552a of title 5, or as required
4 by any other applicable provision of Federal law.

5 “(d) STAFF AND RESOURCES.—The Secretary shall
6 ensure that the Assistant Secretary has such staff, re-
7 sources, and access to information as may be necessary
8 to carry out the functions of the Office.

9 “(e) RELATION TO OFFICE OF GENERAL COUN-
10 SEL.—The Office shall not be established as an element
11 of the Office of the General Counsel and the Assistant
12 Secretary may not report to the General Counsel.

13 “(f) REPORTS.—(1)(A) Not later than June 30 of
14 each calendar year, beginning with June 30, 2016, the As-
15 sistant Secretary shall submit to the Committee on Vet-
16 erans’ Affairs of the Senate and the Committee on Vet-
17 erans’ Affairs of the House of Representatives a report
18 on the activities of the Office during the calendar year
19 in which the report is submitted.

20 “(B) Each report submitted under subparagraph (A)
21 shall include, for the period covered by the report, the fol-
22 lowing:

23 “(i) A full and substantive analysis of the ac-
24 tivities of the Office, including such statistical infor-

1 mation as the Assistant Secretary considers appro-
2 prium.

3 “(ii) Identification of any issues reported to the
4 Secretary under subsection (c)(1)(G), including such
5 data as the Assistant Secretary considers relevant to
6 such issues and any trends the Assistant Secretary
7 may have identified with respect to such issues.

8 “(iii) Identification of such concerns as the As-
9 sistant Secretary may have regarding the size, staff-
10 ing, and resources of the Office and such rec-
11 ommendations as the Assistant Secretary may have
12 for legislative or administrative action to address
13 such concerns.

14 “(iv) Such recommendations as the Assistant
15 Secretary may have for legislative or administrative
16 action to improve—

17 “(I) the process by which concerns are re-
18 ported to the Office; and

19 “(II) the protection of whistleblowers with-
20 in the Department.

21 “(v) Such other matters as the Assistant Sec-
22 retary considers appropriate regarding the functions
23 of the Office or other matters relating to the Office.

24 “(2) If the Secretary receives a recommendation for
25 disciplinary action under subsection (c)(1)(I) and does not

1 take or initiate the recommended disciplinary action before
2 the date that is 60 days after the date on which the Sec-
3 retary received the recommendation, the Secretary shall
4 submit to the Committee on Veterans' Affairs of the Sen-
5 ate and the Committee on Veterans' Affairs of the House
6 of Representatives a detailed justification for not taking
7 or initiating such disciplinary action.

8 “(g) DEFINITIONS.—In this section:

9 “(1) The term ‘supervisory employee’ means an
10 employee of the Department who is a supervisor as
11 defined in section 7103(a) of title 5.

12 “(2) The term ‘whistleblower’ means one who
13 makes a whistleblower disclosure.

14 “(3) The term ‘whistleblower disclosure’ means
15 any disclosure of information by an employee of the
16 Department or individual applying to become an em-
17 ployee of the Department which the employee or in-
18 dividual reasonably believes evidences—

19 “(A) a violation of a provision of law; or

20 “(B) gross mismanagement, a gross waste
21 of funds, an abuse of authority, or a substantial
22 and specific danger to public health or safety.”.

23 (b) CONFORMING AMENDMENT.—Section 308(b) of
24 such title is amended by adding at the end the following
25 new paragraph:

1 “(12) The functions set forth in section 323(c)
2 of this title.”.

3 (c) CLERICAL AMENDMENT.—The table of sections
4 at the beginning of chapter 3 of such title is amended by
5 adding at the end the following new item:

 “323. Office of Accountability and Whistleblower Protection.”.

6 **SEC. 102. PROTECTION OF WHISTLEBLOWERS IN DEPART-**
7 **MENT OF VETERANS AFFAIRS.**

8 (a) IN GENERAL.—Chapter 7 of title 38, United
9 States Code, is amended by adding at the end the fol-
10 lowing new sections:

11 **“§ 720. Protection of whistleblowers as criteria in**
12 **evaluation of supervisors**

13 “(a) DEVELOPMENT AND USE OF CRITERIA RE-
14 QUIRED.—The Secretary, in consultation with the Assist-
15 ant Secretary of Accountability and Whistleblower Protec-
16 tion, shall develop criteria that—

17 “(1) the Secretary shall use as a critical ele-
18 ment in any evaluation of the performance of a su-
19 pervisory employee; and

20 “(2) promotes the protection of whistleblowers.

21 “(b) PRINCIPLES FOR PROTECTION OF WHISTLE-
22 BLOWERS.—The criteria required by subsection (a) shall
23 include principles for the protection of whistleblowers,
24 such as the degree to which supervisory employees respond
25 constructively when employees of the Department report

1 concerns, take responsible action to resolve such concerns,
2 and foster an environment in which employees of the De-
3 partment feel comfortable reporting concerns to super-
4 visory employees or to the appropriate authorities.

5 “(c) SUPERVISORY EMPLOYEE AND WHISTLE-
6 BLOWER DEFINED.—In this section, the terms ‘super-
7 visory employee’ and ‘whistleblower’ have the meanings
8 given such terms in section 323 of this title.

9 **“§ 721. Training regarding whistleblower disclosures**

10 “(a) TRAINING.—Not less frequently than once every
11 two years, the Secretary, in coordination with the Whistle-
12 blower Protection Ombudsman designated under section
13 3(d)(1)(C) of the Inspector General Act of 1978 (5 U.S.C.
14 App.), shall provide to each employee of the Department
15 training regarding whistleblower disclosures, including—

16 “(1) an explanation of each method established
17 by law in which an employee may file a whistle-
18 blower disclosure;

19 “(2) the right of the employee to petition Con-
20 gress regarding a whistleblower disclosure in accord-
21 ance with section 7211 of title 5;

22 “(3) an explanation that the employee may not
23 be prosecuted or reprised against for disclosing in-
24 formation to Congress, the Inspector General, or an-
25 other investigatory agency in instances where such

1 disclosure is permitted by law, including under sec-
2 tions 5701, 5705, and 7732 of this title, under sec-
3 tion 552a of title 5 (commonly referred to as the
4 Privacy Act), under chapter 93 of title 18, and pur-
5 suant to regulations promulgated under section
6 264(c) of the Health Insurance Portability and Ac-
7 countability Act of 1996 (Public Law 104–191);

8 “(4) an explanation of the language that is re-
9 quired to be included in all nondisclosure policies,
10 forms, and agreements pursuant to section
11 115(a)(1) of the Whistleblower Protection Enhance-
12 ment Act of 2012 (5 U.S.C. 2302 note); and

13 “(5) the right of contractors to be protected
14 from reprisal for the disclosure of certain informa-
15 tion under section 4705 or 4712 of title 41.

16 “(b) MANNER TRAINING IS PROVIDED.—The Sec-
17 retary shall ensure, to the maximum extent practicable,
18 that training provided under subsection (a) is provided in
19 person.

20 “(c) CERTIFICATION.—Not less frequently than once
21 every two years, the Secretary shall provide training on
22 merit system protection in a manner that the Special
23 Counsel certifies as being satisfactory.

24 “(d) PUBLICATION.—The Secretary shall publish on
25 the Internet website of the Department, and display

1 prominently at each facility of the Department, the rights
2 of an employee to make a whistleblower disclosure, includ-
3 ing the information described in paragraphs (1) through
4 (5) of subsection (a).

5 “(e) WHISTLEBLOWER DISCLOSURE DEFINED.—In
6 this section, the term ‘whistleblower disclosure’ has the
7 meaning given such term in section 323 of this title.”.

8 (b) CLERICAL AMENDMENT.—The table of sections
9 at the beginning of such chapter, is amended by adding
10 at the end the following new items:

“720. Protection of whistleblowers as criteria in evaluation of supervisors.

“721. Training regarding whistleblower disclosures.”.

11 **SEC. 103. TREATMENT OF CONGRESSIONAL TESTIMONY BY**
12 **DEPARTMENT OF VETERANS AFFAIRS EM-**
13 **PLOYEES AS OFFICIAL DUTY.**

14 (a) IN GENERAL.—Chapter 7 of title 38, United
15 States Code, as amended by section 102, is further amend-
16 ed by adding at the end the following new section:

17 **“§ 722. Congressional testimony by employees: treat-**
18 **ment as official duty**

19 “(a) CONGRESSIONAL TESTIMONY.—An employee of
20 the Department is performing official duty during the pe-
21 riod with respect to which the employee is testifying in
22 an official capacity in front of either chamber of Congress,
23 a committee of either chamber of Congress, or a joint or
24 select committee of Congress.

1 “(b) TRAVEL EXPENSES.—The Secretary shall pro-
2 vide travel expenses, including per diem in lieu of subsist-
3 ence, in accordance with applicable provisions under sub-
4 chapter I of chapter 57 of title 5, to any employee of the
5 Department of Veterans Affairs performing official duty
6 described under subsection (a).”.

7 (b) CLERICAL AMENDMENT.—The table of sections
8 at the beginning of such chapter, as amended by section
9 102, is further amended by inserting after the item relat-
10 ing to section 721 the following new item:

“Sec. 722. Congressional testimony by employees: treatment as official duty.”.

11 **SEC. 104. REPORT ON METHODS USED TO INVESTIGATE EM-**
12 **PLOYEES OF DEPARTMENT OF VETERANS AF-**
13 **FAIRS.**

14 (a) REPORT REQUIRED.—Not later than 540 days
15 after the date of the enactment of this Act, the Assistant
16 Secretary for Accountability and Whistleblower Protection
17 shall submit to the Secretary, the Committee on Veterans’
18 Affairs of the Senate, and the Committee on Veterans’ Af-
19 fairs of the House of Representatives a report on methods
20 used to investigate employees of the Department of Vet-
21 erans Affairs and whether such methods are used to retali-
22 ate against whistleblowers.

23 (b) CONTENTS.—The report required by subsection
24 (a) shall include the following:

1 (1) An assessment of the use of administrative
2 investigation boards, peer review, searches of med-
3 ical records, and other methods for investigating em-
4 ployees of the Department.

5 (2) A determination of whether and to what de-
6 gree the methods described in paragraph (1) are
7 being used to retaliate against whistleblowers.

8 (3) Recommendations for legislative or adminis-
9 trative action to implement safeguards to prevent
10 the retaliation described in paragraph (2).

11 (c) WHISTLEBLOWER DEFINED.—In this section, the
12 term “whistleblower” has the meaning given such term in
13 section 323 of title 38, United States Code, as added by
14 section 101.

15 **Subtitle B—Supervisors and Senior** 16 **Executives**

17 **SEC. 111. TREATMENT OF MEDICAL DIRECTORS AND DI-** 18 **RECTORS OF VETERANS INTEGRATED SERV-** 19 **ICE NETWORKS.**

20 (a) ESTABLISHMENT OF VISN DIRECTORS IN OF-
21 FICE OF UNDER SECRETARY FOR HEALTH.—Subsection
22 (a)(4) of section 7306 of title 38, United States Code, is
23 amended—

1 (1) by inserting “and Directors of Veterans In-
2 tegrated Service Networks” after “Such Medical Di-
3 rectors”; and

4 (2) by striking “, who shall be either a qualified
5 doctor of medicine or a qualified doctor of dental
6 surgery or dental medicine”.

7 (b) QUALIFICATIONS.—Such section is amended by
8 adding at the end the following new subsection:

9 “(g) Notwithstanding any provision of law that re-
10 quires the Office of Personnel Management to determine
11 qualifications or certify a candidate for appointment under
12 this section, Medical Directors and Directors of Veterans
13 Integrated Service Networks may be appointed under sub-
14 section (a)(4) in accordance with qualifications established
15 by the Secretary for purposes of this section.”.

16 (c) ABILITY TO TRANSFER.—

17 (1) IN GENERAL.—Subject to such regulations
18 as the Director of the Office of Personnel Manage-
19 ment may prescribe, the Secretary of Veterans Af-
20 fairs and the Director may enter into an agreement
21 that permits employees appointed under section
22 7306(a)(4) of title 38, United States Code, as
23 amended by subsection (a), to transfer to Senior Ex-
24 ecutive Service positions in other Federal agencies
25 and to be deemed career appointees who are not

1 subject to competition or certification by a qualifica-
2 tions review board under section 3393 of title 5,
3 United States Code.

4 (2) DEFINITIONS.—In this subsection, the
5 terms “Senior Executive Service position” and “ca-
6 reer appointee” have the meanings given those terms
7 in section 3132(a) of title 5, United States Code.

8 **SEC. 112. PAY FOR MEDICAL DIRECTORS AND DIRECTORS**
9 **OF VETERANS INTEGRATED SERVICE NET-**
10 **WORKS.**

11 (a) IN GENERAL.—Chapter 74 of title 38, United
12 States Code, is amended by adding at the end the fol-
13 lowing new subchapter:

14 **“Subchapter VII—Pay for Medical Directors**
15 **and Directors of Veterans Integrated**
16 **Service Networks**

17 **“§ 7481. Pay for Medical Directors and Directors of**
18 **Veterans Integrated Service Networks**

19 “(a) ELEMENTS OF PAY.—Pay for a Medical Direc-
20 tor or Director of a Veterans Integrated Service Network
21 appointed under section 7306(a)(4) of this title (in this
22 section referred to as a ‘Director’) shall consist of basic
23 pay set forth under section 7404(a) of this title and mar-
24 ket pay determined under subsection (b).

1 “(b) MARKET PAY.—(1) Each Director is eligible for
2 market pay determined under this subsection.

3 “(2) The amount of market pay payable to a Director
4 under this section shall be determined by the Secretary
5 on a case-by-case basis and shall consist of pay intended
6 to reflect needs of the Department with respect to the re-
7 cruitment and retention (as determined by the Secretary)
8 of such Director.

9 “(3) In determining the amount of market pay pay-
10 able to a Director under this section, the Secretary shall—

11 “(A) consult not fewer than two national sur-
12 veys on pay for hospital directors, medical facility di-
13 rectors, or other similar positions, whether prepared
14 by private, public, or quasi-public entities, to make
15 a general assessment of the range of potential pay
16 for the Director; and

17 “(B) take into account—

18 “(i) the experience of the Director in man-
19 aging facilities or program offices of the De-
20 partment, including the complexity of such fa-
21 cilities or offices;

22 “(ii) the complexity of the facility or facili-
23 ties to be managed by the Director;

24 “(iii) the labor market, in such geographic
25 area as the Secretary considers relevant, for

1 hospital directors, medical facility directors, and
2 other similar positions;

3 “(iv) the experience of the Director in
4 managing medical facilities for other Federal
5 agencies, private entities, or non-profit entities;
6 and

7 “(v) such other considerations as the Sec-
8 retary considers appropriate.

9 “(4)(A) The Secretary shall evaluate the amount of
10 market pay payable to a Director under this section not
11 less frequently than once every two years and may adjust
12 the market pay payable to such Director as a result of
13 such evaluation.

14 “(B) A Director whose market pay is evaluated under
15 subparagraph (A) shall receive written notice of the re-
16 sults of such evaluation.

17 “(c) REQUIREMENTS AND LIMITATIONS ON TOTAL
18 PAY.—(1) Not less frequently than once every two years,
19 the Secretary shall set forth a departmentwide minimum
20 and maximum amount for total annual pay under sub-
21 section (a) that may be paid to a Director and shall pub-
22 lish each such amount in the Federal Register.

23 “(2) The minimum and maximum amounts set forth
24 under paragraph (1) shall take effect not earlier than the

1 date that is 60 days after the publication of such amounts
2 under such paragraph.

3 “(3) The sum of the basic pay set forth under section
4 7404(a) of this title and market pay determined under
5 subsection (b) for a Director for a calendar year—

6 “(A) may not be less than the most recent min-
7 imum amount set forth under paragraph (1) before
8 the beginning of such calendar year; and

9 “(B) may not be more than the most recent
10 maximum amount set forth under such paragraph
11 before the beginning of such calendar year.

12 “(4) The total amount of compensation paid to a Di-
13 rector under this title in any calendar year may not exceed
14 the amount of annual compensation (excluding expenses)
15 of the President under section 102 of title 3.

16 “(5) The Secretary may not delegate to an officer or
17 employee of the Department the requirement of the Sec-
18 retary to set forth a departmentwide minimum and max-
19 imum amount under paragraph (1).

20 “(d) TREATMENT OF PAY.—Pay under this section
21 shall be considered pay for all purposes, including retire-
22 ment benefits under chapters 83 and 84 of title 5 and
23 other benefits.

24 “(e) ANCILLARY EFFECTS OF DECREASES IN PAY.—
25 (1) A decrease in pay of a Director resulting from an ad-

1 justment in the amount of market pay of the Director
2 under subsection (b) shall not be treated as an adverse
3 action.

4 “(2) A decrease in the amount of pay of a Director
5 resulting from an involuntary reassignment in connection
6 with a disciplinary action taken against the Director is not
7 subject to appeal or judicial review.”.

8 (b) CLERICAL AMENDMENT.—The table of sections
9 at the beginning of chapter 74 of such title is amended
10 by adding at the end the following:

“SUBCHAPTER VII. PAY FOR MEDICAL DIRECTORS AND DIRECTORS OF
VETERANS INTEGRATED SERVICE NETWORKS

“7481. Pay for Medical Directors and Directors of Veterans Integrated Service
Networks.”.

11 (c) EFFECTIVE DATE.—The amendments made by
12 this section shall take effect on the date that is one year
13 after the date of the enactment of this Act.

14 **SEC. 113. IMPROVED AUTHORITIES OF SECRETARY OF VET-**
15 **ERANS AFFAIRS TO IMPROVE ACCOUNT-**
16 **ABILITY OF SENIOR EXECUTIVES.**

17 (a) ACCOUNTABILITY OF SENIOR EXECUTIVES.—

18 (1) IN GENERAL.—Section 713 of title 38,
19 United States Code, is amended to read as follows:

20 **“§ 713. Accountability of senior executives**

21 “(a) AUTHORITY.—(1) The Secretary may, as pro-
22 vided in this section, reprimand or suspend, involuntarily
23 reassign, demote, or remove a covered individual from a

1 senior executive position at the Department if the Sec-
2 retary determines that the misconduct or performance of
3 the covered individual warrants such action.

4 “(2) If the Secretary so removes such an individual,
5 the Secretary may remove the individual from the civil
6 service (as defined in section 2101 of title 5).

7 “(b) RIGHTS AND PROCEDURES.—(1) A covered indi-
8 vidual who is the subject of an action under subsection
9 (a) is entitled to—

10 “(A) be represented by an attorney or other
11 representative of the covered individual’s choice;

12 “(B) not fewer than 10 business days advance
13 written notice of the charges and evidence sup-
14 porting the action and an opportunity to respond, in
15 a manner prescribed by the Secretary, before a deci-
16 sion is made regarding the action; and

17 “(C) grieve the action in accordance with an in-
18 ternal grievance process that the Secretary, in con-
19 sultation with the Assistant Secretary for Account-
20 ability and Whistleblower Protection, shall establish
21 for purposes of this subsection.

22 “(2)(A) The Secretary shall ensure that the grievance
23 process established under paragraph (1)(C) takes fewer
24 than 21 days.

1 “(B) The Secretary shall ensure that, under the proc-
2 ess established pursuant to paragraph (1)(C), grievances
3 are reviewed only by employees of the Department.

4 “(3) A decision or grievance decision under para-
5 graph (1)(C) shall be final and conclusive.

6 “(4) A covered individual adversely affected by a final
7 decision under paragraph (1)(C) may obtain judicial re-
8 view of the decision.

9 “(5) In any case in which judicial review is sought
10 under paragraph (4), the court shall review the record and
11 may set aside any Department action found to be—

12 “(A) arbitrary, capricious, an abuse of discre-
13 tion, or otherwise not in accordance with a provision
14 of law;

15 “(B) obtained without procedures required by a
16 provision of law having been followed; or

17 “(C) unsupported by substantial evidence.

18 “(c) RELATION TO OTHER PROVISIONS OF LAW.—

19 (1) The authority provided by subsection (a) is in addition
20 to the authority provided by section 3592 or subchapter
21 V of chapter 75 of title 5.

22 “(2) Section 3592(b)(1) of title 5 and the procedures
23 under section 7543(b) of such title do not apply to an ac-
24 tion under subsection (a).

25 “(d) DEFINITIONS.—In this section:

1 “(1) The term ‘covered individual’ means—

2 “(A) a career appointee (as that term is
3 defined in section 3132(a)(4) of title 5); or

4 “(B) any individual who occupies an ad-
5 ministrative or executive position and who was
6 appointed under section 7306(a) or section
7 7401(1) of this title.

8 “(2) The term ‘misconduct’ includes neglect of
9 duty, malfeasance, or failure to accept a directed re-
10 assignment or to accompany a position in a transfer
11 of function.

12 “(3) The term ‘senior executive position’
13 means—

14 “(A) with respect to a career appointee (as
15 that term is defined in section 3132(a) of title
16 5), a Senior Executive Service position (as such
17 term is defined in such section); and

18 “(B) with respect to a covered individual
19 appointed under section 7306(a) or section
20 7401(1) of this title, an administrative or exec-
21 utive position.”.

22 (2) CONFORMING AMENDMENT.—Section
23 7461(c)(1) of such title is amended by inserting
24 “employees in senior executive positions (as defined
25 in section 713(d) of this title) and” before “interns”.

1 (b) PERFORMANCE MANAGEMENT.—

2 (1) IN GENERAL.—The Secretary of Veterans
3 Affairs shall establish a performance management
4 system for employees in senior executive positions,
5 as defined in section 713(d) of title 38, United
6 States Code, as amended by subsection (a), that en-
7 sures performance ratings and awards given to such
8 employees—

9 (A) meaningfully differentiate extraor-
10 dinary from satisfactory contributions; and

11 (B) substantively reflect organizational
12 achievements over which the employee has re-
13 sponsibility and control.

14 (2) REGULATIONS.—The Secretary shall pre-
15 scribe regulations to carry out paragraph (1).

16 **SEC. 114. REDUCTION OF BENEFITS FOR MEMBERS OF THE**
17 **SENIOR EXECUTIVE SERVICE WITHIN THE**
18 **DEPARTMENT OF VETERANS AFFAIRS CON-**
19 **VICTED OF CERTAIN CRIMES.**

20 (a) IN GENERAL.—Chapter 7 of title 38, United
21 States Code, as amended by subtitle A, is further amended
22 by inserting after section 713 the following new section:

1 **“§ 714. Senior executives: reduction of benefits of in-**
2 **dividuals convicted of certain crimes**

3 “(a) REDUCTION OF ANNUITY FOR REMOVED MEM-
4 BER.—The covered service of an individual removed from
5 a senior executive position at the Department by the Sec-
6 retary for performance or misconduct shall not be taken
7 into account for purposes of calculating an annuity with
8 respect to such individual under chapter 83 or chapter 84
9 of title 5, if the individual is convicted of a felony (and
10 the conviction is final) that was related, as determined by
11 the Director of the Office of Personnel Management, to
12 the individual’s performance while employed in such senior
13 executive position.

14 “(b) REDUCTION OF ANNUITY FOR RETIRED MEM-
15 BER.—(1) The Secretary may order that the covered serv-
16 ice of an individual who is subject to a removal or transfer
17 from a senior executive position at the Department by the
18 Secretary for performance or misconduct but who leaves
19 employment at the Department prior to the issuance of
20 a final decision with respect to such removal or transfer
21 shall not be taken into account for purposes of calculating
22 an annuity with respect to such individual under chapter
23 83 or chapter 84 of title 5, if the individual is convicted
24 of a felony (and the conviction is final) that was related,
25 as determined by the Director of the Office of Personnel

1 Management, to the individual's performance while em-
2 ployed in such senior executive position.

3 “(2) The Secretary shall make such an order not
4 later than seven days after the date on which such indi-
5 vidual is convicted of such felony.

6 “(3) Not later than 30 days after the Secretary issues
7 any order with respect to an individual under paragraph
8 (1), the Director of the Office of Personnel Management
9 shall recalculate the annuity of the individual.

10 “(c) LUMP-SUM ANNUITY CREDIT.—Any individual
11 with respect to whom an annuity is reduced under sub-
12 section (a) or (b) shall be entitled to be paid so much of
13 such individual's lump-sum credit as is attributable to the
14 period of covered service.

15 “(d) REVIEW OF REDUCTION OF ANNUITY.—Any in-
16 dividual whose annuity is reduced under subsection (a) or
17 (b) may appeal the reduction to the Director of the Office
18 of Personnel Management.

19 “(e) DEFINITIONS.—In this section:

20 “(1) The term ‘covered service’ means, with re-
21 spect to an individual subject to a removal or trans-
22 fer from a senior executive position at the Depart-
23 ment for performance or misconduct, the period of
24 service beginning on the date that the Secretary de-
25 termines under such section that such individual en-

1 gaged in activity that gave rise to such action and
2 ending on the date that such individual is removed
3 from the civil service or leaves employment at the
4 Department prior to the issuance of a final decision
5 with respect to such action, as the case may be.

6 “(2) The term ‘lump-sum credit’ has the mean-
7 ing given such term in section 8331 or 8401 of title
8 5, as the case may be.

9 “(3) The term ‘senior executive position’ has
10 the meaning given such term in section 713(d) of
11 this title.

12 “(4) The term ‘service’ has the meaning given
13 such term in section 8331 or 8401 of title 5, as the
14 case may be.”.

15 (b) APPLICATION.—Section 714 of such title, as
16 added by subsection (a), shall apply to any action of re-
17 moval or transfer from a senior executive position (as de-
18 fined in section 713(d) of such title) at the Department
19 of Veterans Affairs commencing on or after the date of
20 the enactment of this title.

21 (c) CLERICAL AMENDMENT.—The table of sections
22 at the beginning of such chapter, as amended by subtitle
23 A, is further amended by inserting after the item relating
24 to section 713 the following new item:

“714. Senior executives: reduction of benefits of individuals convicted of certain
crimes.”.

1 **SEC. 115. INDEPENDENT REVIEW AND ASSESSMENT OF**
2 **MANAGEMENT TRAINING AND APPRAISAL AT**
3 **DEPARTMENT OF VETERANS AFFAIRS.**

4 (a) REVIEW AND ASSESSMENT.—

5 (1) IN GENERAL.—Not later than 180 days
6 after the date of the enactment of this title, the Sec-
7 retary of Veterans Affairs shall enter into a contract
8 with a nongovernmental entity to review and assess
9 the following:

10 (A) The management training program for
11 individuals employed in senior executive posi-
12 tions of the Department of Veterans Affairs
13 that is being provided as of the date of the en-
14 actment of this title.

15 (B) The performance appraisal system of
16 the Department in effect on the day before the
17 date of the enactment of this title for individ-
18 uals employed in senior executive positions.

19 (2) ELEMENTS.—The review and assessment
20 required by paragraph (1) shall include the fol-
21 lowing:

22 (A) A comparison of the training provided
23 by the Department to the management training
24 provided for senior executives of other Federal
25 departments and agencies and to the manage-

1 ment training provided to senior executives in
2 the private sector.

3 (B) Recommendations for improving the
4 program described in paragraph (1)(A).

5 (C) Recommendations for improving the
6 system described in paragraph (1)(B).

7 (D) An assessment of the ability of the De-
8 partment to attract and develop employees suit-
9 able for senior executive service positions of the
10 Department.

11 (E) An assessment of the leadership and
12 management actions of the Department result-
13 ing from Department of Veterans Affairs Per-
14 formance and Accountability Reports submitted
15 in the two most recent fiscal years ending be-
16 fore the date of the enactment of this title.

17 (F) A review of the strategy of the Sec-
18 retary called “Lean Management”.

19 (G) An assessment of the compliance of
20 the Department with provisions of law added or
21 amended by the GPRA Modernization Act of
22 2010 (Public Law 111–352) and an explanation
23 of the changes made to the Department and the
24 activities carried out by the Secretary in re-
25 sponse to the enactment of such Act.

1 (H) An assessment of the results of the
2 most recent Annual Employee Survey carried
3 out pursuant to part 250 of title 5, Code of
4 Federal Regulations.

5 (I) An assessment of the efforts of the Sec-
6 retary to conduct data-driven reviews and de-
7 velop a results-oriented culture pursuant to part
8 6 of Circular A-11 of the Office of Manage-
9 ment and Budget.

10 (J) An assessment of the Department of
11 Veterans Affairs Federal Performance Improve-
12 ment Officer role and oversight function.

13 (K) A survey of the morale of employees
14 and their satisfaction with their work and work
15 environment in each Department of Veterans
16 Affairs staff organization, staff office, and ad-
17 ministration as described by Directive 0211 of
18 the Department and provided for in version
19 3.0a of the Functional Organization Manual of
20 the Department.

21 (3) REPORT TO SECRETARY.—The contract re-
22 quired by paragraph (1) shall provide that the non-
23 governmental entity must complete and submit to
24 the Secretary a report containing the findings and
25 conclusions of the review by not later than 180 days

1 after the date on which the Secretary and the non-
2 governmental entity enter into the contract.

3 (b) REPORT TO CONGRESS.—Not later than 60 days
4 after the date on which the Secretary receives the report
5 under subsection (a)(3), the Secretary shall submit to the
6 Committee on Veterans' Affairs of the Senate and the
7 Committee on Veterans' Affairs of the House of Rep-
8 resentatives the report together with a plan for carrying
9 out the recommendations contained in the report or, as
10 the case may be, a detailed explanation and justification
11 for the Secretary's determination not to implement any
12 of the recommendations contained in the report.

13 (c) SENIOR EXECUTIVE POSITION DEFINED.—In
14 this section, the term “senior executive position” has the
15 meaning given that term in section 713(d) of title 38,
16 United States Code.

17 **SEC. 116. ACCOUNTABILITY OF LEADERS FOR MANAGING**
18 **THE DEPARTMENT OF VETERANS AFFAIRS.**

19 (a) IN GENERAL.—Chapter 7 of title 38, United
20 States Code, is further amended by inserting after section
21 709 the following new section:

22 **“§ 710. Annual performance plan for political ap-**
23 **pointees**

24 “(a) IN GENERAL.—The Secretary shall conduct an
25 annual performance plan for each political appointee of

1 the Department that is similar to the annual performance
2 plan conducted for an employee of the Department who
3 is appointed as a career appointee in a Senior Executive
4 Service position at the Department.

5 “(b) ELEMENTS OF PLAN.—Each annual perform-
6 ance plan conducted under subsection (a) with respect to
7 a political appointee of the Department shall include, to
8 the extent applicable, an assessment of whether the ap-
9 pointee is meeting the following goals:

10 “(1) Recruiting, selecting, and retaining well-
11 qualified individuals for employment at the Depart-
12 ment.

13 “(2) Engaging and motivating employees.

14 “(3) Training and developing employees and
15 preparing those employees for future leadership roles
16 within the Department.

17 “(4) Holding each employee of the Department
18 that is a supervisor accountable for addressing
19 issues relating to performance, in particular issues
20 relating to the performance of employees that report
21 to the supervisor.

22 “(5) Promoting a positive culture of service
23 that—

1 “(A) reflects the mission of the Depart-
2 ment and the values of integrity, commitment,
3 advocacy, respect, and excellence; and

4 “(B) emphasizes the greatest degree of
5 performance and conduct.

6 “(c) DEFINITIONS.—In this section:

7 “(1) The terms ‘career appointee’ and ‘Senior
8 Executive Service position’ have the meanings given
9 such terms in section 3132(a) of title 5.

10 “(2) The term ‘supervisor’ has the meaning
11 given such term in section 7103(a) of such title.”.

12 (b) CLERICAL AMENDMENT.—The table of sections
13 at the beginning of chapter 7 of such title is further
14 amended by inserting after the item relating to section
15 709 the following new item:

“710. Annual performance plan for political appointees.”.

16 **SEC. 117. ACCOUNTABILITY OF SUPERVISORS AT DEPART-**
17 **MENT OF VETERANS AFFAIRS FOR HIRING**
18 **WELL-QUALIFIED PEOPLE.**

19 (a) ASSESSMENT DURING PROBATIONARY PERIOD.—

20 (1) DETERMINATION REQUIRED.—With respect
21 to any employee of the Department of Veterans Af-
22 fairs who is required to serve a probationary period
23 in a position in the Department, the Secretary of
24 Veterans Affairs shall require the supervisor of such
25 employee to determine, during the 30-day period

1 ending on the date on which the probationary period
2 ends, whether the employee—

3 (A) has demonstrated successful perform-
4 ance; and

5 (B) should continue past the probationary
6 period.

7 (2) LIMITATION ON EMPLOYMENT AFTER PRO-
8 BATIONARY PERIOD.—No employee of the Depart-
9 ment serving a probationary period as described in
10 paragraph (1) may complete their probationary pe-
11 riod unless and until the supervisor of the employee,
12 or another supervisor capable of making the req-
13 uisite determination, has made an affirmative deter-
14 mination under such paragraph.

15 (b) SUPERVISORS.—With respect to any employee of
16 the Department who is serving a probationary period in
17 a supervisory position at the Department, successful per-
18 formance under subsection (a) shall include demonstrating
19 management competencies in addition to the technical
20 skills required for such position.

21 (c) PERFORMANCE PLAN.—Each annual perform-
22 ance plan conducted for a supervisor of an employee serv-
23 ing a probationary period shall hold the supervisor ac-
24 countable for—

1 (1) providing regular feedback to such employee
2 during such period before making a determination
3 under subsection (a) regarding the probationary sta-
4 tus of such employee; and

5 (2) making a timely determination under sub-
6 section (a) regarding the probationary status of such
7 employee.

8 (d) SUPERVISOR DEFINED.—In this section, the term
9 “supervisor” has the meaning given such term in section
10 7103(a) of title 5, United States Code.

11 **SEC. 118. ACCOUNTABILITY OF SUPERVISORS AT DEPART-**
12 **MENT OF VETERANS AFFAIRS FOR ADDRESS-**
13 **ING PERFORMANCE OF EMPLOYEES.**

14 (a) IN GENERAL.—The Secretary of Veterans Affairs
15 shall ensure that, as a part of the annual performance
16 plan of a supervisor in the Department, the supervisor is
17 evaluated on the following:

18 (1) Taking action to address poor performance
19 and misconduct among the employees that report to
20 the supervisor.

21 (2) Taking steps to improve or sustain high lev-
22 els of employee engagement.

23 (3) Promoting a positive culture of service
24 that—

1 (A) reflects the mission of the Department
2 and the values of integrity, commitment, advo-
3 cacy, respect, and excellence; and

4 (B) emphasizes the greatest degree of per-
5 formance and conduct.

6 (b) SUPERVISOR DEFINED.—In this section, the term
7 “supervisor” has the meaning given such term in section
8 7103(a) of title 5, United States Code.

9 **SEC. 119. IMPROVEMENT OF TRAINING FOR SUPERVISORS.**

10 (a) IN GENERAL.—The Secretary of Veterans Affairs
11 shall provide to each employee of the Department of Vet-
12 erans Affairs who is employed as a supervisor periodic
13 training on the following:

14 (1) The rights of whistleblowers and how to ad-
15 dress a report by an employee of a hostile work envi-
16 ronment, reprisal, or harassment.

17 (2) How to effectively motivate, manage, and
18 reward the employees who report to the supervisor.

19 (3) How to effectively manage employees who
20 are performing at an unacceptable level and access
21 assistance from the human resources office of the
22 Department and the Office of the General Counsel
23 of the Department with respect to those employees.

24 (b) DEFINITIONS.—In this section:

1 (1) SUPERVISOR.—The term “supervisor” has
2 the meaning given such term in section 7103(a) of
3 title 5, United States Code.

4 (2) WHISTLEBLOWER.—The term “whistle-
5 blower” has the meaning given such term in section
6 323(g) of title 38, United States Code, as added by
7 section 101.

8 **SEC. 120. ASSESSMENT AND REPORT ON EFFECT ON SEN-**
9 **IOR EXECUTIVES AT DEPARTMENT OF VET-**
10 **ERANS AFFAIRS.**

11 (a) IN GENERAL.—Not later than two years after the
12 date of the enactment of this Act, the Secretary of Vet-
13 erans Affairs shall—

14 (1) measure and assess the effect of the enact-
15 ment of this title on the morale, engagement, hiring,
16 promotion, retention, discipline, and productivity of
17 individuals in senior executive positions at the De-
18 partment of Veterans Affairs; and

19 (2) submit to the Committee on Veterans’ Af-
20 fairs of the Senate and the Committee on Veterans’
21 Affairs of the House of Representatives a report on
22 the findings of the Secretary with respect to the
23 measurement and assessment carried out under
24 paragraph (1).

1 (b) ELEMENTS.—The assessment required by sub-
2 section (a)(1) shall include the following:

3 (1) With respect to engagement, trends in mo-
4 rale of individuals in senior executive positions and
5 individuals aspiring to senior executive positions.

6 (2) With respect to promotions—

7 (A) whether the Department is experi-
8 encing an increase or decrease in the number of
9 employees participating in leadership develop-
10 ment and candidate development programs with
11 the intention of becoming candidates for senior
12 executive positions; and

13 (B) trends in applications to senior execu-
14 tive positions within the Department.

15 (3) With respect to retention—

16 (A) trends in retirement rates of individ-
17 uals in senior executive positions at the Depart-
18 ment;

19 (B) trends in quit rates of individuals in
20 senior executive positions at the Department;

21 (C) rates of transfer of—

22 (i) individuals from other Federal
23 agencies into senior executive positions at
24 the Department; and

1 (ii) individuals from senior executive
2 positions at the Department to other Fed-
3 eral agencies; and

4 (D) trends in total loss rates by job func-
5 tion.

6 (4) With respect to disciplinary processes—

7 (A) regarding individuals in senior execu-
8 tive positions at the Department who are the
9 subject of disciplinary action—

10 (i) the length of the disciplinary proc-
11 ess in days for such individuals both before
12 the date of the enactment of this Act and
13 under the provisions of this Act described
14 in subsection (a)(1); and

15 (ii) the extent to which appeals by
16 such individuals are upheld under such
17 provisions as compared to before the date
18 of the enactment of this Act;

19 (B) the components or offices of the De-
20 partment which experience the greatest number
21 of proposed adverse actions against individuals
22 in senior executive positions and components
23 and offices which experience the least relative to
24 the size of the components or offices' total
25 number of senior executive positions;

1 (C) the tenure of individuals in senior ex-
2 ecutive positions who are the subject of discipli-
3 nary action;

4 (D) whether the individuals in senior exec-
5 utive positions who are the subject of discipli-
6 nary action have previously been disciplined;
7 and

8 (E) the number of instances of disciplinary
9 action taken by the Secretary against individ-
10 uals in senior executive positions at the Depart-
11 ment as compared to governmentwide discipline
12 against individuals in Senior Executive Service
13 positions (as defined in section 3132(a) of title
14 5, United States Code) as a percentage of the
15 total number of individuals in senior executive
16 positions at the Department and Senior Execu-
17 tive Service positions (as so defined).

18 (5) With respect to hiring—

19 (A) the degree to which the skills of newly
20 hired individuals in senior executive positions at
21 the Department are appropriate with respect to
22 the needs of the Department;

23 (B) the types of senior executive positions
24 at the Department most commonly filled under

1 the authorities in the provisions described in
2 subsection (a)(1);

3 (C) the number of senior executive posi-
4 tions at the Department filled by hires outside
5 of the Department compared to hires from
6 within the Department;

7 (D) the length of time to fill a senior exec-
8 utive position at the Department and for a new
9 hire to begin working in a new senior executive
10 position;

11 (E) the mission-critical deficiencies filled
12 by newly hired individuals in senior executive
13 positions and the connection between mission-
14 critical deficiencies filled under the provisions
15 described in subsection (a) and annual perform-
16 ance of the Department;

17 (F) the satisfaction of applicants for senior
18 executive positions at the Department with the
19 hiring process, including the clarity of job an-
20 nouncements, reasons for withdrawal of applica-
21 tions, communication regarding status of appli-
22 cations, and timeliness of hiring decision; and

23 (G) the satisfaction of newly hired individ-
24 uals in senior executive positions at the Depart-
25 ment with the hiring process and the process of

1 joining and becoming oriented with the Depart-
2 ment.

3 (c) SENIOR EXECUTIVE POSITION DEFINED.—In
4 this section, the term “senior executive position” has the
5 meaning given such term in section 713 of title 38, United
6 States Code.

7 **Subtitle C—Employees**

8 **SEC. 121. REMOVAL OF EMPLOYEES OF DEPARTMENT OF** 9 **VETERANS AFFAIRS BASED ON PERFORM-** 10 **ANCE OR MISCONDUCT.**

11 (a) IN GENERAL.—Chapter 7 of title 38, United
12 States Code, as amended by subtitles A and B, is further
13 amended by inserting after section 714, as added by sec-
14 tion 114, the following new section:

15 **“§ 715. Employees: removal based on performance or** 16 **misconduct**

17 “(a) IN GENERAL.—(1) The Secretary may remove
18 a covered individual who is an employee of the Department
19 if the Secretary determines that—

20 “(A) the performance or misconduct of the cov-
21 ered individual warrants such removal; and

22 “(B) in the case of removal for performance, a
23 portion of such performance occurred during the
24 two-year period ending on the date of the determina-
25 tion.

1 “(2) If the Secretary removes a covered individual
2 under paragraph (1), the Secretary may remove the cov-
3 ered individual from the civil service (as defined in section
4 2101 of title 5).

5 “(b) NOTICE TO CONGRESS.—Not later than 30 days
6 after removing a covered individual under subsection (a),
7 the Secretary shall submit to the Committees on Veterans’
8 Affairs of the Senate and House of Representatives notice
9 in writing of such removal and the reason for such re-
10 moval.

11 “(c) PROCEDURE.—(1) An employee removed under
12 subsection (a) is entitled, before removal to—

13 “(A) at least 10 business days written notice
14 (which, in the case of removal for performance, shall
15 identify specific instances as described in clause (i)
16 of section 4303(b)(1)(A) of title 5 and critical ele-
17 ments as described in clause (ii) of such section),
18 unless there is reasonable cause to believe that the
19 employee committed a crime for which a sentence of
20 imprisonment can be imposed, stating the specific
21 reasons for the proposed action;

22 “(B) a reasonable opportunity, but not more
23 than 10 business days, to answer the charges orally
24 and in writing and to furnish affidavits and other
25 documentary evidence in support of the answer;

1 “(C) be represented by an attorney or other
2 representative;

3 “(D) a review of the case by the Secretary be-
4 fore a decision adverse to the employee is made
5 final;

6 “(E) as soon as practicable, a decision of the
7 Secretary with respect to the charges of the em-
8 ployee; and

9 “(F) a written statement of the decision of the
10 Secretary that—

11 “(i) includes the specific reasons of the de-
12 cision; and

13 “(ii) in the case of a removal based on per-
14 formance, complies with section 4303(b)(1)(D)
15 of title 5.

16 “(2)(A) Subject to subparagraph (B) and subsection
17 (e), any final decision of the Secretary regarding removal
18 under subsection (a) may be appealed to the Merit Sys-
19 tems Protection Board.

20 “(B) An appeal under subparagraph (A) of a removal
21 may only be made if such appeal is made not later than
22 10 business days after the date of such removal.

23 “(C)(i) Subject to clause (ii), the decision of the Sec-
24 retary shall be sustained under subparagraph (A) only if
25 the Secretary’s decision—

1 “(I) in the case of an action based on perform-
2 ance, is supported by substantial evidence; or

3 “(II) in any other case, is supported by a pre-
4 ponderance of the evidence.

5 “(ii) Notwithstanding clause (i), the Secretary’s deci-
6 sion may not be sustained under subparagraph (A) if the
7 covered individual—

8 “(I) shows harmful error in the application of
9 the Secretary’s procedures in arriving at such deci-
10 sion;

11 “(II) shows that the decision was based on any
12 prohibited personnel practice described in section
13 2302(b) of title 5; or

14 “(III) shows that the decision was not in ac-
15 cordance with law.

16 “(3) The procedures under section 7513(b) of title
17 5 and chapter 43 of such title shall not apply to a removal
18 under this section.

19 “(d) EXPEDITED REVIEW.—(1) The Merit Systems
20 Protection Board shall promulgate such rules as the
21 Board considers appropriate to expedite appeals under
22 subsection (c)(2).

23 “(2) The Board shall ensure that an appeal described
24 in paragraph (1) is conducted not later than 90 days after
25 the appeal is made.

1 “(3) During the period beginning on the date on
2 which a covered individual appeals a removal from the civil
3 service under subsection (c)(2) and ending on the date
4 that the Board issues a final decision on such appeal, such
5 covered individual may not receive any pay, awards, bo-
6 nuses, incentives, allowances, differentials, student loan
7 repayments, special payments, or benefits.

8 “(4) To the maximum extent practicable, the Sec-
9 retary shall provide to the Merit Systems Protection
10 Board such information and assistance as may be nec-
11 essary to ensure an appeal under subsection (c)(2) is expe-
12 dited.

13 “(e) RELATION TO TITLE 5.—The authority provided
14 by this section is in addition to the authority provided by
15 subchapter V of chapter 75 of title 5 and chapter 43 of
16 such title.

17 “(f) DEFINITIONS.—In this section:

18 “(1) The term ‘covered individual’ means an in-
19 dividual occupying a position at the Department but
20 does not include—

21 “(A) an individual, as that term is defined
22 in section 713(d); or

23 “(B) a political appointee.

24 “(2) The term ‘misconduct’ includes a violation
25 of paragraph (8) or (9) of section 2302(b) of title

1 5, neglect of duty, malfeasance, or failure to accept
2 a directed reassignment or to accompany a position
3 in a transfer of function.

4 “(3) The term ‘political appointee’ means an in-
5 dividual who is—

6 “(A) employed in a position described
7 under sections 5312 through 5316 of title 5
8 (relating to the Executive Schedule);

9 “(B) a limited term appointee, limited
10 emergency appointee, or noncareer appointee in
11 the Senior Executive Service, as defined under
12 paragraphs (5), (6), and (7), respectively, of
13 section 3132(a) of title 5; or

14 “(C) employed in a position of a confiden-
15 tial or policy-determining character under
16 schedule C of subpart C of part 213 of title 5
17 of the Code of Federal Regulations.”.

18 (b) CLERICAL AND CONFORMING AMENDMENTS.—

19 (1) CLERICAL.—The table of sections at the be-
20 ginning of such chapter is amended by inserting
21 after the item relating to section 714, as added by
22 section 114, the following new item:

 “715. Employees: removal based on performance or misconduct.”.

23 (2) CONFORMING.—

24 (A) TITLE 5.—Section 4303(f) of title 5,
25 United States Code, is amended—

1 (i) in paragraph (2), by striking “or”
2 at the end;

3 (ii) in paragraph (3), by striking the
4 period at the end and inserting “, or”; and

5 (iii) by adding at the end the fol-
6 lowing:

7 “(4) any removal under section 715 of title
8 38.”.

9 (B) TITLE 38.—Subchapter V of chapter
10 74 of title 38, United States Code, is amend-
11 ed—

12 (i) in section 7461(b)(1), by striking
13 “If the” and inserting “Except as provided
14 in section 715 of this title, if the”; and

15 (ii) in section 7462—

16 (I) in subsection (a)(1), by strik-
17 ing “Disciplinary” and inserting “Ex-
18 cept as provided in section 715 of this
19 title, the disciplinary”; and

20 (II) in subsection (b)(1), by
21 striking “In any case” and inserting
22 “Except as provided in section 715 of
23 this title, in any case”.

1 **SEC. 122. PROHIBITION ON AWARD OF BONUSES TO EM-**
2 **PLOYEES OF DEPARTMENT OF VETERANS AF-**
3 **FAIRS UNDER CONSIDERATION FOR AD-**
4 **VERSE ACTIONS OR SUBJECT OF ADVERSE**
5 **FINDINGS.**

6 (a) IN GENERAL.—Chapter 7 of title 38, United
7 States Code, is further amended by inserting after section
8 715, as added by section 121, the following new section:

9 **“§ 716. Prohibition on award of bonuses to employees**
10 **under consideration for adverse actions**
11 **or subject of adverse findings**

12 “(a) UNDER CONSIDERATION FOR ADVERSE AC-
13 TION.—Notwithstanding any other provision of law, the
14 Secretary may not pay any bonus to any employee of the
15 Department, including an employee in a senior executive
16 position (as defined in section 713(d) of this title), while
17 the Secretary is considering carrying out an adverse per-
18 sonnel action with respect to the employee under this title
19 or title 5.

20 “(b) SUBJECT OF ADVERSE FINDING.—(1) Notwith-
21 standing any other provision of law, in a case in which
22 the Secretary makes an adverse finding relating to an em-
23 ployee of the Department, the Secretary may not award
24 a bonus to such employee until the earlier of—

25 “(A) such date as the Secretary considers ap-
26 propriate, but not sooner than the date that is two

1 years after the end of the fiscal year in which the
2 adverse finding was made and not more than five
3 years after the end of such fiscal year; or

4 “(B) the date that the finding is found to have
5 been made in error.

6 “(2) The Secretary may base an adverse finding
7 under paragraph (1) on an investigation by, determination
8 of, or information provided by the Inspector General of
9 the Department or another senior ethics official of the De-
10 partment or the Comptroller General of the United States
11 in connection with the carrying out by such official of an
12 activity, authority, or function under a provision of law
13 other than this section.

14 “(c) PREVIOUSLY AWARDED BONUSES.—(1) If the
15 Secretary makes an adverse finding relating to an em-
16 ployee under subsection (b), the Secretary, after notice
17 and an opportunity for a hearing, shall issue an order di-
18 recting the employee to repay the amount of any bonus
19 awarded to the employee during the year during which the
20 adverse finding is made, unless such finding is found to
21 have been made in error.

22 “(2) A hearing under paragraph (1) shall be con-
23 ducted in accordance with regulations relating to hearings
24 promulgated by the Secretary under chapter 75 of title
25 5.

“(d) CONDITION OF RECEIPT.—As a condition of receiving a bonus awarded after the date of the enactment of this section, an employee of the Department shall sign a certification stating that the employee shall repay the bonus in accordance with a final order issued in accordance with subsection (c).

7 “(e) APPEAL.—An employee determined to be ineli-
8 gible for a bonus under subsection (b) or against whom
9 an order is issued under subsection (c) may appeal to the
10 Merit Systems Protection Board under section 7701 of
11 title 5.

12 “(f) RULEMAKING.—The Secretary may promulgate
13 such rules as the Secretary considers appropriate to carry
14 out this section.

15 “(g) DEFINITIONS.—In this section:

16 “(1) The term ‘adverse finding’ relating to an
17 employee means a determination that the conduct of
18 the employee—

19 “(A) violated a policy of the Department
20 for which the employee may be removed or sus-
21 pended for a period of not less than 14 days;
22 or

23 “(B) violated a law for which the employee
24 may be imprisoned for more than 1 year.

1 “(2) The term ‘adverse personnel action’ means
2 any of the adverse actions described in section
3 7461(c)(2) of this title.

4 “(3) The term ‘bonus’ means any bonus or cash
5 award, including—

6 “(A) an award under chapter 45 of title 5;

7 “(B) an award under section 5384 of such
8 title; and

9 “(C) a retention bonus under section 5754
10 of such title.”.

11 (b) CLERICAL AMENDMENT.—The table of sections
12 at the beginning of such chapter is further amended by
13 inserting after the item relating to section 715, as added
14 by section 121, the following new item:

“716. Prohibition on award of bonuses to employees under consideration for adverse actions or subject of adverse findings.”.

15 **SEC. 123. RETENTION OF RECORDS OF REPRIMANDS AND**
16 **ADMONISHMENTS RECEIVED BY EMPLOYEES**
17 **OF THE DEPARTMENT OF VETERANS AF-**
18 **FAIRS.**

19 (a) IN GENERAL.—Chapter 7 of title 38, United
20 States Code, is further amended by inserting after section
21 716, as added by section 122, the following new section:

22 **“§ 717. Record of reprimands and admonishments**

23 “(a) IN GENERAL.—If any employee of the Depart-
24 ment receives a reprimand or admonishment from the Sec-

1 retary, the Secretary shall retain a copy of such reprimand
2 or admonishment in the permanent record of the employee
3 until the earliest of the following:

4 “(1) The date that the Secretary determines
5 under subsection (b)(1) that the record of the em-
6 ployee merits the removal of the reprimand or ad-
7 monishment from the permanent record of the em-
8 ployee.

9 “(2) The date on which the Secretary deter-
10 mines, pursuant to an appeal under subsection (c),
11 that the reprimand or admonishment of the em-
12 ployee was improper.

13 “(b) REMOVAL FROM RECORD.—(1) For each rep-
14 rimand or admonishment that has been retained in the
15 permanent record of an employee under subsection (a) for
16 a period of five years, the Secretary shall review the record
17 of the employee and determine whether the record of the
18 employee merits the removal of the reprimand or admon-
19 ishment from the permanent record of the employee.

20 “(2) For purposes of paragraph (1), a record of an
21 employee merits removal of a reprimand or admonishment
22 from the permanent record of the employee if the Sec-
23 retary determines that—

24 “(A) the employee has taken such corrective ac-
25 tion as the Secretary considers appropriate with re-

1 spect to the matter that gave rise to the reprimand
2 or admonishment; and

3 “(B) the employee has not conducted any other
4 action that, or failed to conduct any action the fail-
5 ure of which, merited another reprimand or admon-
6 ishment.

7 “(c) APPEALS.—If an employee receives a reprimand
8 or admonishment that the employee believes he or she re-
9 ceived improperly, the employee may immediately appeal
10 the reprimand or admonishment.”.

11 (b) CLERICAL AMENDMENT.—The table of sections
12 at the beginning of such chapter is further amended by
13 inserting after the item relating to section 716, as added
14 by section 122, the following new item:

 “717. Record of reprimands and admonishments.”.

15 **SEC. 124. LIMITATION ON ADMINISTRATIVE LEAVE FOR EM-**
16 **PLOYEES OF DEPARTMENT OF VETERANS AF-**
17 **FAIRS.**

18 (a) IN GENERAL.—Chapter 7 of title 38, United
19 States Code, is further amended by inserting after section
20 717, as added by section 123, the following new section:

21 **“§ 718. Administrative leave limitation and report**

22 “(a) LIMITATION APPLICABLE TO EMPLOYEES
23 WITHIN THE DEPARTMENT.—(1) The Secretary may not
24 place any covered individual on administrative leave for

1 more than a total of 14 business days during any 365-
2 day period.

3 “(2)(A) The Secretary may waive the limitation
4 under paragraph (1) and extend the period of administra-
5 tive leave of a covered individual if the Secretary submits
6 to the Committee on Veterans’ Affairs of the Senate and
7 the Committee on Veterans’ Affairs of the House of Rep-
8 resentatives a detailed explanation of the reasons the cov-
9 ered individual was placed on administrative leave and the
10 reasons for the extension of such leave.

11 “(B) Such explanation shall include the position of
12 the covered individual and the location where the covered
13 individual is employed.

14 “(3) In this subsection, the term ‘covered individual’
15 means an employee of the Department, including an em-
16 ployee in a senior executive position (as defined in section
17 713(d) of this title)—

18 “(A) who is subject to an investigation for pur-
19 poses of determining whether such individual should
20 be subject to any disciplinary action under this title
21 or title 5; or

22 “(B) against whom any disciplinary action is
23 proposed or initiated under this title or title 5.

24 “(b) REPORT ON ADMINISTRATIVE LEAVE.—(1) Not
25 later than 30 days after the end of each fiscal year, the

1 Secretary shall submit to the Committee on Veterans' Af-
2 fairs of the Senate and the Committee on Veterans' Af-
3 fairs of the House of Representatives a report listing the
4 position of each employee of the Department (if any) who
5 has been placed on administrative leave for a period longer
6 than 14 business days during such fiscal year.

7 “(2) Each report submitted under paragraph (1)
8 shall include, with respect to each employee listed in such
9 report, the following:

10 “(A) The position occupied by the employee.

11 “(B) The number of business days of such
12 leave.

13 “(C) The reason that such employee was placed
14 on such leave.

15 “(3) In submitting each report under paragraph (1),
16 the Secretary shall take such measures to protect the pri-
17 vacy of the employees listed in the report as the Secretary
18 considers appropriate.

19 “(c) ADMINISTRATIVE LEAVE DEFINED.—In this
20 section, the term ‘administrative leave’—

21 “(1) means an administratively authorized ab-
22 sence from duty without loss of pay or charge to
23 leave, for which the employee is placed—

24 “(A) due to an investigation; or

1 “(B) while disciplinary action is proposed
2 or initiated; and

3 “(2) includes any type of paid nonduty status
4 without a charge to leave.”.

5 (b) APPLICATION.—

6 (1) ADMINISTRATIVE LEAVE LIMITATION.—

7 Subsection (a) of section 718 of title 38, United
8 States Code, as added by subsection (a) of this sec-
9 tion, shall apply to any period of administrative
10 leave (as defined in such section) commencing on or
11 after the date of the enactment of this title.

12 (2) REPORT.—The report under section 718(b)
13 of such title (as added by subsection (a)) shall apply
14 beginning in the first quarter that ends after the
15 date that is 180 days after the date of the enact-
16 ment of this Act.

17 (c) CLERICAL AMENDMENT.—The table of sections
18 at the beginning of chapter 7 of such title is further
19 amended by inserting after the item relating to section
20 717, as added by section 123, the following new item:

“718. Administrative leave limitation and report.”.

21 **SEC. 125. MEASUREMENT OF DEPARTMENT OF VETERANS**
22 **AFFAIRS DISCIPLINARY PROCESS OUTCOMES**
23 **AND EFFECTIVENESS.**

24 (a) MEASURING AND COLLECTING.—

1 (1) IN GENERAL.—The Secretary of Veterans
2 Affairs shall measure and collect information on the
3 outcomes of disciplinary actions carried out by the
4 Department of Veterans Affairs during the three-
5 year period ending on the date of the enactment of
6 this Act and the effectiveness of such actions.

7 (2) ELEMENTS.—In measuring and collecting
8 pursuant to paragraph (1), the Secretary shall meas-
9 ure and collect information regarding the following:

10 (A) The average time from the initiation of
11 an adverse action against an employee at the
12 Department to the final resolution of that ac-
13 tion.

14 (B) The number of distinct steps and lev-
15 els of review within the Department involved in
16 the disciplinary process and the average length
17 of time required to complete these steps.

18 (C) The rate of use of alternate discipli-
19 nary procedures compared to traditional dis-
20 ciplinary procedures and the frequency with
21 which employees who are subject to alternative
22 disciplinary procedures commit additional of-
23 fenses.

24 (D) The number of appeals from adverse
25 actions filed against employees of the Depart-

1 ment, the number of appeals upheld, and the
2 reasons for which the appeals were upheld.

3 (E) The use of paid administrative leave
4 during the disciplinary process and the length
5 of such leave.

6 (b) REPORT.—

7 (1) IN GENERAL.—Not later than December 31,
8 2016, the Secretary shall submit to the appropriate
9 committees of Congress a report on the disciplinary
10 procedures and actions of the Department.

11 (2) CONTENTS.—The report submitted under
12 paragraph (1) shall include the following:

13 (A) The information collected under sub-
14 section (a).

15 (B) The findings of the Secretary with re-
16 spect to the measurement and collection carried
17 out under subsection (a).

18 (C) An analysis of the disciplinary proce-
19 dures and actions of the Department.

20 (D) Suggestions for improving the discipli-
21 nary procedures and actions of the Department.

22 (E) Such other matters as the Secretary
23 considers appropriate.

1 (3) APPROPRIATE COMMITTEES OF CON-
2 GRESS.—In this subsection, the term “appropriate
3 committees of Congress” means—

4 (A) the Committee on Appropriations and
5 the Committee on Veterans’ Affairs of the Sen-
6 ate; and

7 (B) the Committee on Appropriations and
8 the Committee on Veterans’ Affairs of the
9 House of Representatives.

10 **Subtitle D—Other Personnel and**
11 **Accountability Matters**

12 **SEC. 131. WRITTEN OPINION ON CERTAIN EMPLOYMENT**
13 **RESTRICTIONS AFTER TERMINATING EM-**
14 **PLOYMENT WITH THE DEPARTMENT OF VET-**
15 **ERANS AFFAIRS.**

16 (a) IN GENERAL.—Chapter 7 of title 38, United
17 States Code, as amended by subtitles A, B, and C, is fur-
18 ther amended by inserting after section 718, as added by
19 section 124, the following new section:

20 **“§ 719. Written opinion on certain employment re-**
21 **strictions after terminating employment**
22 **with the Department**

23 “(a) IN GENERAL.—Before terminating employment
24 with the Department, any official of the Department who
25 has participated personally and substantially during the

1 one-year period ending on the date of the termination in
2 an acquisition by the Department that exceeds
3 \$10,000,000 shall obtain a written opinion from an appro-
4 priate ethics counselor at the Department regarding any
5 restrictions on activities that the official may undertake
6 on behalf of a covered contractor during the two-year pe-
7 riod beginning on the date on which the official terminates
8 such employment.

9 “(b) COVERED CONTRACTOR DEFINED.—In this sec-
10 tion, the term ‘covered contractor’ means a contractor car-
11 rying out a contract entered into with the Department,
12 including pursuant to a subcontract.”.

13 (b) CLERICAL AMENDMENT.—The table of sections
14 at the beginning of chapter 7 of such title is further
15 amended by inserting after the item relating to section
16 718, as added by section 124, the following new item:

“719. Written opinion on certain employment restrictions after leaving the De-
partment.”.

17 **SEC. 132. REQUIREMENT FOR CONTRACTORS OF THE DE-**
18 **PARTMENT EMPLOYING CERTAIN RECENTLY**
19 **SEPARATED DEPARTMENT EMPLOYEES.**

20 (a) IN GENERAL.—Subchapter II of chapter 81 of
21 title 38, United States Code, is amended by adding at the
22 end the following new section:

1 **“§ 8129. Requirement for contractors employing cer-**
2 **tain recently separated Department em-**
3 **ployees**

4 “(a) IN GENERAL.—A covered contractor may not
5 knowingly provide compensation to an individual described
6 in subsection (b) during the two-year period beginning on
7 the date on which the individual terminates employment
8 with the Department unless the covered contractor deter-
9 mines that the individual—

10 “(1) has obtained the written opinion required
11 under section 719(a) of this title; or

12 “(2) has requested such written opinion not
13 later than 30 days before receiving compensation
14 from the covered contractor.

15 “(b) INDIVIDUAL DESCRIBED.—An individual de-
16 scribed in this subsection is any official of the Department
17 who participated personally and substantially during the
18 one-year period ending on the date of the termination indi-
19 vidual’s employment with the Department in an acquisi-
20 tion by the Department that exceeds \$10,000,000.

21 “(c) COVERED CONTRACTOR DEFINED.—In this sec-
22 tion, the term ‘covered contractor’ means a contractor car-
23 rying out a contract entered into with the Department,
24 including pursuant to a subcontract.”.

25 (b) APPLICATION.—The requirement under section
26 8129(a) of title 38, United States Code, as added by sub-

1 section (a), shall apply with respect to any entity that en-
2 ters into a contract with the Department on or after the
3 date of the enactment of this title.

4 (c) CLERICAL AMENDMENT.—The table of sections
5 at the beginning of chapter 81 of such title is amended
6 by inserting after the item relating to section 8128 the
7 following new item:

“8129. Requirement for contractors employing certain recently separated De-
partment employees.”.

8 **SEC. 133. DEPARTMENT OF VETERANS AFFAIRS PROGRAM**
9 **OF INTERNAL AUDITS.**

10 (a) IN GENERAL.—Subchapter II of chapter 5 of title
11 38, United States Code, is amended by inserting after sec-
12 tion 527 the following new section:

13 **“§ 527A. Program of internal audits**

14 “(a) PROGRAM REQUIRED.—(1) The Secretary shall
15 carry out a program of internal audits and self-analysis
16 to improve the furnishing of benefits and health care to
17 veterans and their families.

18 “(2) The Secretary shall carry out the program re-
19 quired by paragraph (1) through an office the Secretary
20 shall establish for purposes of the program within the of-
21 fice of the Secretary that is interdisciplinary and inde-
22 pendent of—

23 “(A) the other offices within the office of the
24 Secretary; and

1 “(B) the covered administrations (or functions
2 of such administrations), staff organizations, and
3 staff offices identified under subsection (b)(1)(A).

4 “(b) PROGRAM REQUIREMENTS.—(1) In carrying out
5 the program required by subsection (a), the Secretary
6 shall—

7 “(A) conduct periodic risk assessments of the
8 Department to identify those covered administra-
9 tions (or functions of such administrations), staff or-
10 ganizations, and staff offices of the Department the
11 audit of which would lead towards the greatest im-
12 provement in the furnishing of benefits and health
13 care to veterans and their families;

14 “(B) develop plans that are informed by the
15 risk assessments conducted under paragraph (1) to
16 conduct internal audits of the covered administra-
17 tions (or functions of such administrations), staff or-
18 ganizations, and staff offices identified under sub-
19 paragraph (A); and

20 “(C) conduct internal audits in accordance with
21 the plans developed pursuant to subparagraph (B).

22 “(2) The Secretary shall carry out under the program
23 required by subsection (a) an audit of not fewer than five
24 covered administrations (or functions of such administra-

1 tions), staff organizations, or staff offices of the Depart-
2 ment each year.

3 “(3) In identifying covered administrations (or func-
4 tions of such administrations), staff organizations, and
5 staff offices of the Department under paragraph (1)(A),
6 the Secretary shall accord priority to the covered adminis-
7 trations and functions of such administrations.

8 “(4)(A) For purposes of this subsection, the covered
9 administrations of the Department are the following:

10 “(i) The National Cemetery Administration.

11 “(ii) The Veterans Benefits Administration.

12 “(iii) The Veterans Health Administration.

13 “(B) For purposes this subsection, the covered staff
14 organizations of the Department are the following:

15 “(i) The Office of Acquisition, Logistics, and
16 Construction.

17 “(ii) The Advisory Committee Management Of-
18 fice.

19 “(iii) The Board of Veterans’ Appeals.

20 “(iv) The Center for Faith-Based and Neigh-
21 borhood Partnerships.

22 “(v) The Center for Minority Veterans.

23 “(vi) The Center for Women Veterans.

24 “(vii) The Office of General Counsel.

1 “(viii) The Office of Regulation Policy and
2 Management.

3 “(ix) The Office of Employment Discrimination
4 Complaint Adjudication.

5 “(x) The Office of Interagency Care and Bene-
6 fits Coordination.

7 “(xi) The Office of Small and Disadvantaged
8 Business Utilization.

9 “(xii) The Office of Survivors Assistance.

10 “(xiii) The Veterans’ Service Organizations Li-
11 aision.

12 “(C) For purposes of this subsection, the covered
13 staff offices of the Department are the following:

14 “(i) The office of the Assistant Secretary for
15 Congressional and Legislative Affairs.

16 “(ii) The office of the Assistant Secretary for
17 Human Resources and Administration.

18 “(iii) The office of the Assistant Secretary for
19 Information and Technology.

20 “(iv) The Office of Management.

21 “(v) The office of the Assistant Secretary for
22 Operations, Security, and Preparedness.

23 “(vi) The office of the Assistant Secretary for
24 Policy and Planning.

1 “(vii) The office of the Assistant Secretary for
2 Public and Intergovernmental Affairs.

3 “(c) REPORTS.—(1)(A) Not later than 90 days after
4 completing an audit under the program required by sub-
5 section (a), the Secretary shall submit to the appropriate
6 committees of Congress a report on the audit.

7 “(B) Each report submitted under subparagraph (A)
8 with respect to an audit shall include the following:

9 “(i) A summary of the audit.

10 “(ii) The findings of the Secretary with respect
11 to the audit.

12 “(iii) Such recommendations as the Secretary
13 may have for legislative or administrative action to
14 improve the furnishing of benefits and health care to
15 veterans and their families.

16 “(iv) Plans to carry out the recommendations
17 submitted under clause (iii), including timelines for
18 completion of such plans.

19 “(2)(A) Not later than September 1 of each year, the
20 Secretary shall submit to the appropriate committees of
21 Congress a report on the administration of this section.

22 “(B) Each report submitted under subparagraph (A)
23 shall include the following:

24 “(i) A detailed description of each matter for
25 which a recommendation was submitted under clause

1 (iii) of paragraph (1)(B) and with respect to which
2 plans that were submitted under clause (iv) of such
3 paragraph have not been completed.

4 “(ii) A plan for the conduct of audits under this
5 section during the first fiscal year beginning after
6 the fiscal year in which the report is submitted,
7 which shall include the following:

8 “(I) A description of any risk assessments
9 the Secretary plans to conduct in such fiscal
10 year.

11 “(II) A summary of each audit the Sec-
12 retary plans to conduct in such fiscal year, in-
13 cluding a description of the subject matter of
14 the audit and identification of the administra-
15 tion, office, or function to be audited.

16 “(3) In this subsection, the term ‘appropriate com-
17 mittees of Congress’ includes—

18 “(A) the Committee on Veterans’ Affairs, the
19 Committee on Appropriations, and the Committee on
20 Homeland Security and Governmental Affairs of the
21 Senate; and

22 “(B) the Committee on Veterans’ Affairs, the
23 Committee on Appropriations, and the Committee on
24 Oversight and Government Reform of the House of
25 Representatives.”.

1 (b) FIRST RISK ASSESSMENT.—The Secretary of
2 Veterans Affairs shall complete the first risk assessment
3 required by section 527A(b)(1)(A) of such title, as added
4 by subsection (a), by not later than 180 days after the
5 date of the enactment of this Act.

6 (c) CLERICAL AMENDMENT.—The table of sections
7 at the beginning of chapter 5 of such title is amended by
8 inserting after the item relating to section 527 the fol-
9 lowing new item:

“527A. Program of internal audits.”.