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BEFORE THE

COMMITTEE ON VETERANS' AFFAIRS UNITED STATES SENATE

ONE HUNDRED THIRTEENTH CONGRESS

SECOND SESSION

JULY 22 AND DECEMBER 4, 2014

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C O N T E N T S

JULY 22, 2014

SENATORS

	Page
Sanders, Hon. Bernard, Chairman, U.S. Senator from Vermont	1
Burr, Hon. Richard, Ranking Member, U.S. Senator from North Carolina	3
Brown, Hon. Sherrod, U.S. Senator from Ohio	5
Murray, Hon. Patty, Chairman, U.S. Senator from Washington	7
Isakson, Hon. Johnny, U.S. Senator from Georgia	8
Tester, Hon. Jon, U.S. Senator from Montana	9
Johanns, Hon. Mike, U.S. Senator from Nebraska	10
Hirono, Hon. Mazie K., U.S. Senator from Hawaii	11
Heller, Hon. Dean, U.S. Senator from Nevada	11
Rockefeller, Hon. John D., IV, U.S. Senator from West Virginia	13
Moran, Hon. Jerry, U.S. Senator from Kansas	14
Blumenthal, Hon. Richard, U.S. Senator from Connecticut	15
Boozman, Hon. John, U.S. Senator from Arkansas	16
Begich, Hon. Mark, U.S. Senator from Alaska	17

WITNESSES

Portman, Hon. Rob, U.S. Senator from Ohio	6
McDonald, Robert A., nominee to be Secretary, U.S. Department of Veterans Affairs	19
Prepared statement	22
Response to prehearing questions submitted by Hon. Bernard Sanders	24
Questionnaire for Presidential nominees	29
Letters from the Office of Government Ethics	43
Letter from the nominee to the Office of General Counsel, U.S. Department of Veterans Affairs	44

APPENDIX

Bless, Dennis C., CRNA, MS, President, American Association of Nurse Anesthetists (AANA); prepared statement	71
Henkel, Robert J., FACHE, President and Chief Executive Officer, Ascension Health; letter	72
National nursing organizations; letter	73

DECEMBER 4, 2014

NOMINATION OF LEIGH A. BRADLEY TO BE GENERAL COUNSEL, U.S. DEPARTMENT OF VETERANS AFFAIRS

SENATORS

Sanders, Hon. Bernard, Chairman, U.S. Senator from Vermont	75
Isakson, Hon. Johnny, U.S. Senator from Georgia	103

WITNESSES

Bradley, Leigh A., nominee to be General Counsel, U.S. Department of Veterans Affairs	75
Prepared statement	77

Page

Bradley, Leigh A., nominee to be General Counsel, U.S. Department of Veterans Affairs—Continued
Response to prehearing questions submitted by Hon. Bernard Sanders 78
Response to posthearing questions from:
Hon. Richard Blumenthal 83
Hon. Johnny Isakson 84
Hon. Dean Heller 87
Questionnaire for Presidential nominees 89
Letter from the Office of Government Ethics 101
Letter from the nominee to the Office of General Counsel, U.S. Department of Veterans Affairs 102

APPENDIX

Heller, Hon. Dean, U.S. Senator from Nevada; prepared statement 105

NOMINATION OF ROBERT A. McDONALD TO BE SECRETARY, U.S. DEPARTMENT OF VETERANS AFFAIRS

TUESDAY, JULY 22, 2014

U.S. SENATE,
COMMITTEE ON VETERANS' AFFAIRS,
Washington, DC.

The Committee met, pursuant to notice, at 3:12 p.m., in room G–50, Dirksen Senate Office Building, Hon. Bernard Sanders, Chairman of the Committee, presiding.

Present: Senators Sanders, Rockefeller, Murray, Brown, Tester, Begich, Blumenthal, Hirono, Burr, Isakson, Johanns, Moran, Boozman, and Heller.

OPENING STATEMENT OF HON. BERNARD SANDERS, CHAIRMAN, U.S. SENATOR FROM VERMONT

Chairman SANDERS. I want to welcome everyone here for a very important hearing. We are going to be considering the nomination of Robert McDonald to be Secretary of the Department of Veterans Affairs.

We are pleased to welcome Mr. McDonald, and his wife, Diane, as well. Thank you very much. Mrs. Portman is here, as well, and we thank her for being here.

We are going to be learning more about Mr. McDonald's many qualifications during his introduction and throughout the course of this hearing, so I will not spend time repeating what we are going to be discussing very shortly.

What I do want to say is that I thank Mr. McDonald for accepting the President's nomination; when he and I chatted, he said something to me that I thought was extremely important and revelatory. I asked him why he wanted to come into this job in this very, very difficult moment with so much partisanship here in the Congress and problems within the VA, and his response was, "The President, our Commander in Chief, asked me to serve. I want to do well by my country and I accepted that challenge." I thank him very much for that.

All of us know that the Department of Veterans Affairs runs the largest integrated health care system in the United States of America. Just today—today, you can see the scope of it—over 200,000 veterans are walking into the doors of VA to get health care, just health care. The truth is that the vast majority of those veterans feel good about the health care that they are getting and feel good about the staff they are interacting with. But, we all understand

that there are problems in health care. There are problems in the claims backlog. There are other problems. Mr. McDonald's job will be to, in a very significant way, in a bold way, start addressing those problems.

I do not want to get Mr. McDonald too nervous by mentioning some of these problems. He may pick up and walk out of here. But, he does know that some 640,000 veterans have an appointment that is more than 30 days from the date that the appointment was originally requested or from the date that was desired by the patient, and clearly, one of the challenges, Mr. McDonald, that you face is to make sure that all of our veterans get high-quality care in a timely manner. Not so easy, but that is one of your challenges.

Furthermore, in terms of the challenges that you face, it is not only providing quality, timely care, but many of these veterans are coming into the VA with very, very difficult problems. I am in—I am going to get this book for my colleagues up here—reading a book by a fellow named Dave Finkel who writes for the *Washington Post*. It is called, "Thank You For Your Service." I do not know if any of you have read it. What he talks about—he was with the troops in Iraq and then he followed them after they came home. This book is about PTSD and it is about TBI and it is a hard read. It is a very painful read, to see what not only the soldiers are going through, but what their wives and their kids are going through.

Now, how do we deal with the reality that some 500,000 people who served in Iraq and Afghanistan came home with TBI and PTSD? The truth is, if you had unlimited amounts of money, that would be a very difficult challenge. How do we deal with that? It is unprecedented.

Furthermore, it is my strong opinion that if VA is going to do quality health care that it needs to do, we are going to need—simply need more doctors, more nurses, more medical personnel, more productivity in the VA. At a time when we have a shortage, a national shortage of primary care doctors, psychiatrists, and many other health professionals, how do we bring those people into our system?

So, health care, to my mind, is certainly a major issue, but that is not the only challenge that our new Secretary will face. We have the Veterans Benefits Administration, which is now in the midst of one of the largest transformations in modern history, which is going from a paper system to a paperless system. In my view, they have done a good job at that, but problems remain. We want to make sure that in that transformation, as we bring down the wait times for benefits—for claims, that we do it in an accurate way. That is not so easy and that is a challenge that you are going to have to face.

One of the scandals, I think, in the modern history of this country, certainly since Vietnam, has been the number of homeless veterans that we have seen all over the country. Once again, in recent years—which General Shinseki played a good role in this—the percentage of veterans who are homeless has gone down. How do we keep that effort going? No person who put their lives on the line to defend this country should be homeless. We are making progress, but that is another challenge that you are going to face.

Let me close by suggesting that I think Mr. McDonald brings to us two very important qualities. Number 1, he is familiar with the military because he has served in the military for many years. He brings with that service a passion to take care of our veterans, which is obviously an essential quality that we want from our Secretary.

Number 2, the other quality that he brings is he has been the CEO of a major American corporation, which has many, many employees, maybe not quite as many as the VA, but many, many employees. There is no question—no question—that we need good quality management, we need transparency, we need accountability. So, I hope Mr. McDonald's corporate experience will give him the tools that he needs to create a well run and accountable VA.

With that, I would like to turn the microphone over to my colleague, the Ranking Member, Richard Burr, for his opening remarks, and then we will proceed with the introduction of the nominee.

Senator Burr.

STATEMENT OF HON. RICHARD BURR, RANKING MEMBER, U.S. SENATOR FROM NORTH CAROLINA

Senator BURR. Well, thank you, Mr. Chairman, and thank you for calling this hearing. I might say that we chuckled a little bit over here when we looked at the table and thought maybe we could afford a little bigger table for these three individuals. I think, Bob, it says a lot to have two members of the U.S. Senate on both sides of the aisle here to introduce you.

Bob, welcome. I share the Chairman's comments. It is tough for anybody to envision why somebody would take this job. I am glad to know that we have got people that think enough about the future of this country and the next generation and the following generation, and more importantly, the promises that we made to so many Americans that we would be there to take care of them when they made the sacrifices that they did.

As you acknowledged in your testimony, the VA is an agency in crisis. Over the past few months, the Nation has been rocked by revelations that the Veterans Health Administration was manipulating wait time data, leaving tens of thousands of veterans waiting for the care they needed and deserved. In the wake of this scandal, it has become clear that VA officials failed for years to act on warnings of a national scheduling crisis. The President's own team found that this was fueled by a corrosive culture in which officials tended to minimize problems or refused to acknowledge problems altogether.

Although VA has started taking steps to improve access to care, much more work is needed to understand and resolve the full scope of the issues facing VA health care. The ongoing internal evaluation by the VA and investigations by other offices will be critical in understanding that effort.

As the head of VA, Mr. McDonald, it will be essential that you embrace the findings of these investigations and urgently work to bring about the needed reform.

Perhaps more importantly, you must usher in a new culture throughout VA. Employees at all levels must be willing to proactively identify and address problems in every corner of this vast Department. We need a culture where warning signs will not be ignored and twisting performance metrics to make it appear that veterans are being well served will not be tolerated.

This paradigm shift is needed not only on the health care side of VA, but on the benefits side, as well. In recent weeks, the Inspector General and the Government Accountability Office have shed light on a number of troubling issues at the Veterans Benefits Administration which suggest that VBA is not upholding its responsibility to veterans or to taxpayers. Work that is not counted in the disability claims backlog is piling up. Hundreds of millions in taxpayer dollars have been improperly paid out. There are serious questions about the integrity of VA's data on the backlogs and the quality of its decisions. But, in response, VA continues to tout its suspect data as proof that VBA is working well.

My hope and my expectation, Mr. McDonald, is that you will not allow VA to ignore the signs of deep dysfunction at VBA, but will work to resolve any systemic problems immediately.

More broadly, your charge moving forward will be to ensure that this entire Department, from top to bottom, is refocused on providing our Nation's veterans with the high-quality service that they have earned and that they deserve. I look forward to working with you to help VA live up to the expectations of veterans and a nation grateful for their service.

I thank the Chair. I yield the floor.

[The prepared statement of Senator Burr follows:]

OPENING STATEMENT OF HON. RICHARD BURR, RANKING MEMBER, U.S. SENATOR FROM NORTH CAROLINA

Good afternoon, Mr. Chairman. Thank you for bringing the Committee together to examine the qualifications of Robert McDonald to serve as the next Secretary of Veterans Affairs. Welcome to you, Mr. McDonald, and thank you for your willingness to take the reins at the Department of Veterans Affairs at this critical time.

As you acknowledge in your testimony, VA is an agency in crisis. Over the past few months, the Nation has been rocked by revelations that the Veterans Health Administration was manipulating its wait-time data, leaving tens of thousands of veterans waiting for the care they need and deserve. In the wake of this scandal, it has become clear that VA officials failed for years to act on warnings of a national scheduling crisis. The President's own team found that this was fueled by a corrosive culture, in which officials tended to "minimize problems or refuse to acknowledge problems all together."

Although VA has started taking steps to improve access to care, much more work is needed to understand and resolve the full scope of issues facing VA health care. The on-going internal evaluation by VA and investigations by other offices will be critical in that effort. As the head of VA, Mr. McDonald, it will be essential that you embrace the findings of these investigations and urgently work to bring about needed reforms.

Perhaps more importantly, you must usher in a new culture throughout VA. Employees at all levels must be willing to proactively identify and address problems in every corner of this vast Department. We need a culture where warning signs will not be ignored and twisting performance metrics to make it appear that veterans are being well served will not be tolerated. This paradigm shift is needed not only on the health care side of VA, but on the benefits side as well.

In recent weeks, the Inspector General and Government Accountability Office have shed light on a number of troubling issues at the Veterans Benefits Administration, which suggest that VBA is not upholding its responsibilities to veterans or to taxpayers. Work that is not counted in the disability claims backlog is piling up; hundreds of millions in taxpayer dollars have been improperly paid out; and there

are serious questions about the integrity of VA's data on the backlog and the quality of its decisions. But, in response, VA continues to tout its suspect data as "proof" that VBA is working well.

My hope and expectation, Mr. McDonald, is that you will not allow VA to ignore the signs of deep dysfunction at VBA, but will work to resolve any systemic problems. More broadly, your charge moving forward will be to ensure that this entire Department—from top to bottom—is re-focused on providing our Nation's veterans with the high-quality service they have earned and they deserve. I look forward to working with you to help VA live up to the expectations of veterans and of a nation grateful for their service.

I thank the Chair and yield back.

Chairman SANDERS. Thank you, Senator Burr.

Senator Sherrod Brown is the senior senator from Ohio, the State where Mr. McDonald hails from, and he and Senator Portman are going to introduce Mr. McDonald.

HON. SHERROD BROWN, U.S. SENATOR FROM OHIO, INTRODUCING ROBERT A. McDONALD, NOMINEE TO BE SECRETARY, U.S. DEPARTMENT OF VETERANS AFFAIRS

Senator BROWN. Thank you, Mr. Chairman. It is an honor to be here with my friend, Rob Portman, to introduce Bob McDonald to be the new Secretary of the Veterans Administration. I am honored to do that.

I think it is appropriate to have a long-time Ohioan as Secretary of the VA. One of the first Veterans Hospitals in the country was in Dayton, OH, and we have a long tradition, as the States that you all represent have, of caring for veterans.

We understand there are six-and-one-half million veterans in this last year, and I assume roughly the same number this year, in the Veterans Health Care System that have gotten care, some 85 million patient visits. The responsibility that I hope soon-to-be Secretary McDonald will assume is great.

We know he is qualified, as the Chairman said, when the President of the United States asked Mr. McDonald to be the Secretary of the VA. We know his qualifications as a graduate of West Point, as a U.S. Army Captain, and as the CEO of one of the most successful large corporations in this country, with thousands and thousands of employees and millions of customers all over the world. So, we know he is qualified to do this.

We also know the problems we have seen in the VA. A decade or so ago when we went to war, the government did not really envision the number or the severity of injuries that would come out of the Afghan and Iraq wars. I think we probably also undercounted the number of men and women exposed to Agent Orange that would be, under presumptive eligibility, coming into the VA system with illnesses that were serious and took a high level of care. That is the importance of the VA.

We know that those who are in the VA system get good care. It is access to the system that both Senator Burr and Chairman Sanders underscored that is so very, very important.

The three issues that I know when Mr. McDonald came to my office—we have had two face-to-face lengthy conversations and one over the phone since he was selected for this job. He understands reexamining the VA employee evaluations, how important that is, restoring accountability among the VA's senior managers, and en-

suring that the focus of the entire Department always be on the veterans.

That is why the importance of caring for those who have waited for more than 30 days for a VA appointment, why both the Chairman and Senator Burr have led the discussion in the Conference Committee in making sure that happens, making sure that those who were responsible for many of the problems that Senator Burr pointed out, that they be held accountable, and that we scale up VA capacity—doctors, nurses, physical therapists, beds, and more, both at CBOCs and at Veterans Hospitals in our States.

There is no doubt in my mind that Bob McDonald understands the gravity of this mission. There is no doubt in my mind that he is qualified to do it. There is no doubt in my mind that he has the heart, the work ethic, and the empathy. He has an uncommon empathy among people that come to this city, I think, and that is why I support him 100 percent.

Thank you, Mr. Chairman.

Chairman SANDERS. Thank you.

Senator Portman is the junior Senator from Ohio. Senator Portman.

HON. ROB PORTMAN, U.S. SENATOR FROM OHIO, INTRODUCING ROBERT A. McDONALD, NOMINEE TO BE SECRETARY, U.S. DEPARTMENT OF VETERANS AFFAIRS

Senator PORTMAN. Thank you, Mr. Chairman. I appreciate Chairman Sanders, Ranking Member Burr, and others for letting us come today to introduce our fellow Ohioan, and it is a pleasure to be here with my colleague from Ohio, Sherrod Brown.

I think Sherrod has said it well. This is a distinguished patriot who is willing to step forward for his country, and I hope we could consider his nomination, that the right questions are asked, and that we are sure we can get him there as soon as possible to provide some direction to an agency that needs it badly.

Bob is a friend. Diane and Bob are friends of Jane's and mine. I am delighted that both Jane and I can be here today at their side.

It is a tough job, as I told Bob when he asked me about it. We have had town hall meetings all across the State of Ohio the last several weeks. No one in the Senate knows more about this than the Members of this Committee; there are a lot of concerns right now. Some, as the Chairman has said, have to do with the health care side. Others have to do with disability and the long wait lists on both sides. We have got an opportunity in this leader to be able to help turn this around.

He does understand the problem. He has been in the military. We talked about his record as an Army Ranger and West Point graduate. He understands how critical the need is. At this point, having talked to him, he also believes that his experience, having been involved in managing and helping to reform a huge, complex organization, will come in handy. He also understands the health care industry. You know, Procter & Gamble is very big in health care, and I think that is important at this point.

One thing I will say is that I think one thing that Bob McDonald did at Procter which was impressive is push accountability down to every level, which he can talk more about specifically. He started

off as a brand assist and went all the way up to become Chief Executive. He also launched an effort to be sure that everyone at every level feels that accountability that the CEO must feel to be able to provide, in that case, a good product for consumers, and I think that is really critical right now with the accountability issues we see at the VA.

He has also been on a lot of other corporate boards. You have got that in his background.

He has also been involved in some government issues. When I was at the U.S. Trade Representative's Office, he would come in and talk to me about trade. He has been on President Obama's and President Bush's Advisory Committee for Trade Policy and Negotiation, so he is a guy that has had some interaction with government at some high levels.

When it comes to running a big organization, again, he is a world-class business person, and I think his experience in the military is equally important.

The bottom line, I think, as you said, Chairman Sanders, for Bob McDonald—and for Diane—this is not about a job. This is about a mission, and he has answered the call before to serve his country. He is prepared to make the sacrifices to do that again and to focus like a laser on these problems in a nonpartisan way to create the kind of service that our veterans so richly deserve.

I hope that you will see fit to send his nomination to the floor with a strong vote and we can commence his leadership at a VA that needs it badly.

Thank you, Mr. Chairman.

Chairman SANDERS. Thank you, Senator Portman.

We will proceed with opening remarks based on how early people came. We will start with Senator Murray.

STATEMENT OF HON. PATTY MURRAY, U.S. SENATOR FROM WASHINGTON

Senator MURRAY. Mr. Chairman, thank you so much for holding this hearing.

You know, it was just last week that we heard about the current state of VA health care and the Department's efforts to address the many challenges before it, so I wanted to start by taking a moment to thank Acting Secretary Gibson, who stepped up during this crisis and took immediate action to help increase transparency around the wait times and planned an external audit of VHA's scheduling practices and began the procurement of a modern scheduling system.

As Acting Secretary, he identified, as we heard, about $17.6 billion in critical funding needs to help increase veterans' access to care, including 10,000 more medical providers and support staff, improved IT systems, and additional clinic space for patients to receive care. The actions that he laid out before this Committee are very important, but they are first steps; and even with some of the policy changes and additional funding, it is going to take some time to see improvement. Veterans are going to still be waiting for health care too long.

As we know, the Department's ability to carry out its mission is going to remain hampered as long as there are a number of key leadership vacancies that are unfilled.

Even as we work to bring down these wait times and improve accountability, there are many other serious challenges before the VA that have to be addressed. We have 22 veterans still taking their own lives each day. Thousands of veterans are alone, coping with sexual assault. While the Department has made some commendable progress, it will be an uphill battle as we work to eliminate veterans' homelessness and the claims backlog.

The next Secretary is going to have to grapple with all of these and a lot more; so, Mr. McDonald, thank you for accepting the call to serve your fellow veterans. I think you know that you are faced with a monumental task. If confirmed, you will be responsible for the Department's $163 billion budget, 310,000 employees, and, most importantly, the care of over nine million veterans.

The next Secretary has to rebuild a VA that can meet the veterans' needs today and still plan for the needs of millions of veterans in the decades to come, and in doing so, the Secretary has to overcome and transform a corrosive culture unworthy of the Department's dedicated and talented medical providers who only want to help our veterans.

The next Secretary has to reform the poor management and communications structures that currently exist, actually, at all levels of VHA.

Mr. McDonald, when we met in my office several weeks ago, you told me you were one of the veterans that was lost in the system during your transition from civilian to military life. So, I trust that you understand what a critical moment this is for the VA and why we have to fix many of these systemic and cultural challenges.

So, I look forward to hearing your plans for addressing these and all the problems that are before us today and how you are going to finally strengthen the VA for generations to come. We all know that our men and women in uniform have earned a VA that provides high-quality benefits and services when and where they need them.

So, thank you very much for answering the call. Mr. Chairman, thank you for having this hearing and moving this nomination forward.

Chairman SANDERS. Thank you, Senator Murray.

Senator Isakson.

STATEMENT OF HON. JOHNNY ISAKSON, U.S. SENATOR FROM GEORGIA

Senator ISAKSON. Mr. McDonald, thank you very much for being willing to accept this challenge. I think you are the right man for the job and I think you will do a great job.

Your primary job as CEO of Procter & Gamble was accountability and bringing a return to your shareholders, and your shareholders bought their stock with their own money. Your job at the VA, you also have shareholders, and that is the veterans of the United States of America, who bought their stock by risking their life for the safety and security of this country. There is no greater

calling for us in Congress or for you as the next Secretary but to bring that value back to those veterans.

The Veterans Administration has many great people in it, but unfortunately, we have uncovered a culture that is not conducive to the best interest of our veterans, and in some cases—and I underline the word "some"—has caused many veterans to have health care problems they should not have had because of an inattentive system and because of people who were more motivated to make their number of appointments look good on paper than the results of veterans looking good in their lives.

So, I appreciate the fact that you are willing to accept this challenge. I cannot wait to ask questions, because I have three or four that you and I have already discussed that I want to revisit. So, thank you for being willing to accept this responsibility. I hope you will bring up the value to the shareholders of the VA, our veterans, like you brought to the shareholders of Procter & Gamble.

Chairman SANDERS. Thank you, Senator Isakson.

Senator Tester.

STATEMENT OF HON. JON TESTER,
U.S. SENATOR FROM MONTANA

Senator TESTER. Thank you, Senator Sanders, Ranking Member Burr; and I want to thank you, Bob, for being willing to put yourself through this process and being willing to serve as VA Secretary.

Montanans enlist in high numbers. We have got second per capita number of veterans in this country, only surpassed by my friend to the left here from Alaska.

This is a personal issue for me. Our veterans mean a lot. When I came in 2007 to this body, I had the chance to work with Secretary Peake and then Secretary Shinseki, and we got good things done for veterans under both those administrations. I look forward to doing good things under your administration, whether it is in tele-medicine, whether it is in mental health, whether it is in making sure we have got the needed doctors and nurses. We need to support the problems of the veterans that are coming back. It is critically important.

During our meeting in my office, I appreciated your focus on the VA's capacity to better serve veterans. I think that you are in a unique situation. There are some that want to privatize the VA. They want to take it down a road of privatization. I am not one of them. There are others who want to build the VA and want to make it better. They want to make it better for our veterans and make it more accountable. I am in that camp.

So, I appreciate your willingness to serve. You have got a full plate, once you get confirmed. I think you have got the tools that we need to fix what is wrong with the VA and improve upon what is right.

With that, I want to just thank you once again. Our veterans deserve our best and I think you will be able to deliver that.

Thank you, Mr. Chairman.

Chairman SANDERS. Thank you, Senator Tester.

Senator Johanns.

STATEMENT OF HON. MIKE JOHANNS,
U.S. SENATOR FROM NEBRASKA

Senator JOHANNS. Mr. Chairman and Ranking Member Burr, thank you for convening the hearing today.

Mr. McDonald, I thank you and your wife for being here. It is good to see both of you.

I appreciate the opportunity that we had this morning to sit down and talk about some of the issues you will be facing. In the midst of this crisis, it is imperative that we swiftly move to fill this vacancy, the top position in the organization.

When Secretary Shinseki resigned, I noted that his resignation could not be an end to the crisis. So often, that is the Washington way. We make a change somewhere in the organization, if not at the top, sweep the mess under the rug, move on, deal with other issues, and eventually it is all forgotten, but the problems are not solved.

What the VA really needs is a transformative leader that can bring about true and lasting change. As we have seen in report after report, a culture of complacency, if not corruption, has spread throughout the VA. It is going to be a monumental task that you have ahead of you. It is not an easy task for you, made especially difficult when the VA has been racked by scandal after scandal, and there could be more.

So, today, we consider your nomination with that as the backdrop. Unlike previous VA Secretaries, you bring with you management leadership experience from the private sector. Perhaps that is just exactly what the VA needs, someone who has experience in reorganizing, reallocating resources to make an organization as efficient and as effective as possible.

In past years, this Congress and this Committee has made VA a priority. We have provided budget and personnel increases in an effort to ensure quality of care. We were promised that that was occurring. But, as we have seen, the VA has failed our veterans, even with the increases in funding.

Just last week at our Committee hearing, Acting Secretary Gibson said the VA could solve its problems with another $17.6 billion. I cannot believe that just throwing more money at the VA is the answer. In fact, we know it is not the only answer, because since 2000, the VA's budget has about tripled—tripled. However, we continue to uncover new problems.

In my judgment, the VA needs what you have experienced in your lifetime. If you did not provide good service and products, your competitors took your business away from you. I personally believe that the VA needs competition. Only then will the VA see that it needs to get its act together, and only then will we start to see the VA get back to its core mission of serving veterans.

Without serious changes at the VA, the reports of mismanagement, fraud, whistleblower retaliation, and more will continue. Your job will be to root this out and do everything you can to turn the VA in a different direction.

I look forward to hearing from you. I think your confirmation is assured. I do believe you are the right person for the job and I wish you the very best. Our veterans depend upon you.

Thank you, Mr. Chairman.

Chairman SANDERS. Thank you, Senator Johanns.

Senator Hirono.

STATEMENT OF HON. MAZIE K. HIRONO, U.S. SENATOR FROM HAWAII

Senator HIRONO. Thank you, Mr. Chairman and Ranking Member Burr, for this hearing, and aloha, Mr. McDonald. It was a pleasure to meet with you yesterday.

You come to this position, which I expect that you will be confirmed, with heightened scrutiny because the issues confronting the Veterans Administration, of course, do not go away with the change in leadership at the top. We all knew that.

I want to publicly thank Secretary Shinseki for doing that which he believed would be in the best interest of the Veterans Administration. I commend him and thank him for his decades of service.

And, here you come with your sense of commitment, with your background in the private sector, and a desire—what I heard from you yesterday was a desire to really listen to the veterans, to hear what their concerns are and to respond to them. So, I call this pretty much a, not a top-down, but a bottom-up kind of leadership style that I think will stand you in good stead.

While the number 1 issue, based on all of the information that has come out over the last several months, is, of course, making sure that the veterans get their health care needs met, but at the same time, we know through other hearings of this Committee that there are other ongoing concerns with the VA. Some of them were articulated by my colleagues, including homelessness, over-prescribing of drugs that may make them dependent, certain kinds of drugs, issues of educational opportunities, jobs, training, all of that.

So, you will have a full plate, and I expect that this Committee will work with you in a very open and transparent way, in a frank way, so that we can work together to move the ball and get the veterans the kind of attention that they very much earned.

Yes, I understand that there are capacity issues at the Veterans Administration, so I am not going to sit here and say that you do not need more money to hire more caregivers and other necessary personnel to take care of our veterans. At the same time, you assured me in our meeting that you would review the actions of your employees and take appropriate action, as necessary, to discipline and hold them accountable.

Thank you very much, Mr. Chairman.

Chairman SANDERS. Thank you, Senator Hirono.

Senator Heller.

STATEMENT OF HON. DEAN HELLER, U.S. SENATOR FROM NEVADA

Senator HELLER. Chairman Sanders, thank you and Ranking Member Burr for quickly scheduling this hearing for this nominee; welcome, Mr. McDonald, and to your wife, also, welcome. I look forward—thank you, by the way, for the discussion we had in my office.

In a short number of months, Congress, veterans, and the American public have had a glimpse into the failure of the VA to provide quality care to veterans across this Nation. It is disturbing, to say

the least, that many of our veterans went without health care because employees decided to cheat the system.

Every time I am home, I repeatedly hear from Nevadans about their individual stories and difficulties they have faced with the VA, and many of them are doubtful that it will ever improve.

For example, at the Las Vegas VA Hospital, more than 6,100 veterans were forced to wait more than 30 days to get an appointment. Just last year, a blind female veteran waited more than 6 hours in the VA emergency room before seeing a nurse or a doctor. In a small town outside of Las Vegas called Pahrump, 6,000 veterans have waited more than 2 years for a clinic to be built. The VA officials have not provided a timeline for final approval of this facility.

These problems with access to care extend beyond the VA health care. Veterans are also facing difficulty, as many of my colleagues have mentioned, receiving their benefits due to the disability claims backlog at the Veterans Benefits Administration.

Mr. McDonald, I bring this issue up and will continue to do so because of the claims backlog impact veterans in my State face, which is worse than any other. Nevada veterans still have the longest wait in the Nation, at 338 days, on average, to complete claims. The Reno VA Regional Office remains the worst performing VARO in the country. A few months ago, a veteran from Fallon wrote to me saying, "After 7 months of no retroactive payment, I returned to the VARO again. I spoke with the same advisor and he told me because I was retired from the Navy and in receipt of retirement benefits, I was considered a low priority." Now, I do not think, Mr. McDonald—and I believe you would agree with me—that any veteran should ever be told by the VA that they are a low priority.

That is why I have been working hard with Senator Casey to continually urge Chairman Sanders to have a hearing on our comprehensive bipartisan legislation, the 21st Century Veterans Benefits Delivery Act. In the conversation that we had in our office, you told me you had an opportunity to take a look at this, and for that, I thank you for taking your time.

These issues—the claims backlog, long appointment wait times, lack of access to quality health care, rural clinics—are just a few of the concerns in Nevada, and I expect the new VA Secretary—you, Mr. McDonald—to tackle these issues head on and work with this Committee to address them.

Furthermore, this agency needs more than a few initiatives. It needs substantial reform from within the VA in hopes to restore veterans' confidence and trust in their system. This crisis, arguably one of the worst in VA history, is the result of a corrosive culture due to management and some employees who believe that they are above reproach.

To change the VA in the long term, its new leadership must be unrelenting and capable of transforming the agency to meet what would be its core mission, serving our Nation's veterans honorably and honestly. I expect the new VA Secretary to restore accountability and integrity to this organization, to ensure leadership and management teams will undoubtedly uphold these values and, ultimately, the promise made to our Nation's veterans. And, as a Member of this Committee with jurisdiction over the VA, I want abso-

lute assurance that the new Secretary will be committed to transparency and accountability as the Committee conducts vigorous oversight moving forward.

So, I commend you, Mr. McDonald, for your willingness to take this particular position, but it is also a challenging task. I also need to be fully confident that you are prepared to transform the VA and address the needs of Nevada veterans. So, I look forward to hearing your testimony and discussing these issues further.

Thank you, Mr. Chairman.

Chairman SANDERS. Thank you, Senator Heller.

Senator Rockefeller.

STATEMENT OF HON. JOHN D. ROCKEFELLER IV, U.S. SENATOR FROM WEST VIRGINIA

Senator ROCKEFELLER. Thank you, Mr. Chairman.

Mr. McDonald, I am for you, and I was within about 5 minutes of your coming into my office for some very specific reasons. You have been a veteran. You have understood that. You put yourself in harm's way. You talked to me about, should you be confirmed, which I feel certain that you will, that you plan to get into some of those waiting lines, no staff, just you, so that—and maybe the veterans will notice you and maybe they will not. But, the point is, you will have done it. The word will get around.

There are all kinds of leadership, and a lot of it works on small symbols, where you do things that others have not done and, therefore, you are judged to be different, that you hold yourself to a higher standard and you are willing to be the difference.

The other is that you have, more than anybody I can think of, this extraordinary combination of having served in very dangerous ways at a very high level—I do not know your rank, I am sorry, sir, but if you are in the 82nd Airborne, you are at high risk. You have run a great company, and when you run a great company and you have hundreds of thousands of people working for you, you cannot afford to make mistakes.

Here, we give you oversight. There, in corporate America, you get your oversight every day from the Dow Jones, the S&P, from your shareholders. You get it every single day. So, you do not have time or room for mistakes, and yet you have to keep the larger interests of the corporation at heart, which you do, which is one of the reason why I think it was considered one of the best-run corporations in the world, or something like that, when you were head of it.

So, for me, it is not just a question of what you are going to do. I think the real question is what we are going to do. How can people possibly talk about all the needs, as people here have at the panel, about the need for nurses, for mental health, the 22 suicides per day, which is a figure so shocking it is almost incomprehensible, the homelessness. Secretary Shinseki cut—in 1 year, he cut the waiting time down by one-half, in a single year. So, that can be done, but you have to have good software. VA does not have good software. You do not need to be told that. You know that intuitively because you have run a great company. Everything counts.

You are very much into corporate culture. You are very much into personnel evaluation and taking that as a very serious process, not in the sense of intimidating but in the sense of truth telling,

which is a hard thing to do. You and I talked when we met about the problem in some of our great agencies, and I mentioned some of the intelligence agencies and other agencies which are huge, the Department of Defense, huge. VA is right up there with the Department of Defense in terms of numbers of people.

So, the question is, what are we going to do. We can talk to you, at you, about wanting you to go ahead and get all those nurses and psychotherapists and all kinds of experimental research and cut down the waiting lines and get people the fantastic care, and then not give you a dime to do anything about it. That is what I fear. I have no fear about what you will do when you are in that position. I have a fear about what we will do as a Congress to support you so that we are not just blathering bromides of good feeling and good will, sympathizing with the veterans, and then putting up no money for you to do something.

You cannot hire people without paying them. You cannot build stuff without paying for it. And, when you do, when people—when you do in a culture in our Senate, when you cannot put up any money for anything because it is considered you cannot possibly win your next election and it is against the Constitution and the Federalist, the Founding Fathers would have never allowed it, that is fine. One can feel good, I guess, on that. But, it sure is not going to help veterans. It sure is not going to help veterans.

So, what I pray is that through a superb Chairman and through people like Patty Murray, the head of the Budget Committee, and others, that we will provide you with the resources that you need to be able to pay for what it is that you want to do. You are here to do the job. You are not sentimental about it. You are realistic. But, you need money and we have got to give it to you.

Thank you, and good luck.

Chairman SANDERS. Thank you very much, Senator Rockefeller.

Senator Moran.

STATEMENT OF HON. JERRY MORAN,
U.S. SENATOR FROM KANSAS

Senator MORAN. Mr. Chairman, thank you very much.

Mr. McDonald, thank you very much for the conversation we had.

I would like to use my opening statement as an opportunity to talk about a slightly different topic, although related to VA, and I will use my later time to question you to try to highlight some things that I want to hear your response to.

Mr. Chairman, I would like to encourage you and Senator Burr, as well as Congressman Michaud and Chairman Miller, to make certain that before we depart, that we have a report, a Conference Committee report on the Veterans Choice Act. While I certainly believe that a new Secretary was necessary—I indicated at the time that I asked for the previous Secretary's resignation that that, in and of itself, would be insufficient. It seems to me that the Senate and the House have acted in a responsible way in coming up with a plan that addresses the challenges that our veterans are facing today regarding lack of access and wait times, and it would be terrible on the part of the U.S. Senate and the U.S. House of Rep-

resentatives if we failed to reach an agreement to conclude this work.

I spoke on the Senate floor prior to the passage of that legislation, which passed 93-to-nothing, indicated how it is so disturbing to me to come to the U.S. Senate—I am in my first term—and we do nothing to solve the problems of the American people because the Senate does not function. We do not have bills on the Senate floor. We do not offer amendments. Committees do not do their work. There is no oversight.

If we cannot come together on an issue related to veterans—this, of all issues that we face at this point in time in the United States, ought to be one that we can resolve, and the failure to do so would be terrible for the U.S. Senate, but more importantly, terrible for the veterans of our country, and one more time remind the American people how dysfunctional the U.S. Senate is today.

So, what troubles me at the moment is the announcement yesterday by the Majority Leader that he believes it is unlikely that we are going to resolve our differences and have a vote on a Conference Committee. We ought not let that be the case; we ought not adjourn for an August recess in the absence of us reaching a conclusion. Do not walk away from this issue. The leadership of the Senate, the leadership of this Committee, individual Members of this Committee, individual members of the Senate, it is our responsibility to see that we accomplish the task we set out for and in benefit of the veterans of the United States of America.

While it has been easy to criticize the Department of Veterans Affairs for their failures to our veterans, if we do not reach a conclusion on this legislation, the U.S. Senate is deserving of that same condemnation.

Thank you, Mr. Chairman.

Chairman SANDERS. Senator Blumenthal.

STATEMENT OF HON. RICHARD BLUMENTHAL, U.S. SENATOR FROM CONNECTICUT

Senator BLUMENTHAL. Thank you, Mr. Chairman, and thank you, Mr. McDonald, for your willingness to undertake this very serious and challenging responsibility. I am sure your family listening to us here wonders whether you were in your right mind in accepting the President's offer. But, I know, having talked to you—and, again, I want to join my colleagues in thanking you for coming by to see me—that public service is in your blood. It is part of who you are, and, I thank you for that ethic and tradition.

I want to draw a comparison to a world more familiar to you than perhaps this one. You are about to take over a bankrupt corporation. The threat is financial, but the real insolvency is in morality and management. I think your background, your qualifications, your skills are extraordinarily well suited to these challenges.

You know about the importance of truth telling in massive corporations. With 60,000 employees reporting to you and the soundness of your decisions on products and services depending on accurate data and information, you know that an organization like the VA, which has a bankrupt truth telling operation, cannot long survive in serving its customers well, and that includes providing bad

news, which you know may sometimes be more useful than good news.

I am very interested and grateful that in your testimony, you cite the West Point ethos of "choose the harder right rather than the easier wrong." That is exactly what the VA needs.

In addition to demanding accurate information, I think you will need to change leadership at the VA. Your background in developing leadership at Procter & Gamble makes you well suited to that task; and, of course, changing culture. Corporations depend upon their culture of striving to build new leadership and, at the same time, rewarding people for conveying bad news that has to be known and acting on the data in ways that are important.

Our Nation's heroes are a public trust, so the corporation that you are about to take over will not be measured by its profitability but how well it serves our Nation's heroes—in health care, jobs, job training, skill preparation, in all kinds of areas that may not have been directly involved in the crisis that brought you to this position.

In addition to the continued attention to wait times and strategies that are implemented as a result of the data analysis and improved access to care, we need concern about the predatory practices of some for-profit colleges that receive funding for G.I. education benefits, concern about our female veterans, who all too often lack access to the best care, especially when they have been victims of PTS or military sexual assault, and the need for strong whistleblower protections against retaliation from those employees who may come to you with their concerns and with the truth telling that is so necessary.

I want to affirm my own commitment to helping you in any way that I can. I believe that we are all rooting for you, not just in some abstract or conceptual way, but we are in your corner. We are rooting for you. I believe that you have a unique and a historic opportunity to get done a job that all of our Nation's heroes will be grateful to you for doing. Thank you very much.

Thank you, Mr. Chairman.

Chairman SANDERS. Thank you, Senator Blumenthal.

Senator Boozman.

STATEMENT OF HON. JOHN BOOZMAN,
U.S. SENATOR FROM ARKANSAS

Senator BOOZMAN. Thank you, Mr. Chairman, and thank you, Mr. McDonald, for being here. I certainly offer a warm welcome to you and your wife.

I appreciated visiting with you last week and I am glad that you have become familiar with Arkansas in your past business endeavors. You have an impressive resume. Your commitments to family and country are obvious from our discussion, and I know you will remain rooted in these as we move forward.

Today, VA is failing our Nation's veterans, and from all accounts, the issues plaguing VA are systemic and require big change, certainly in the current culture. This agency is broken and we need a leader at the top determined to and equipped with the skills to change the pattern and get us back to our main mission and responsibilities.

The inability of VA to deliver timely, quality care and allegations of manipulation of patient data has given a black eye to the agency tasked with caring for and serving our Nation's heroes. The stories coming out of VMCs across the country are simply heartbreaking and unacceptable. I firmly believe that a lack of accountability is the root cause of the problems facing VA today.

Although the mission of VA is different from other Federal agencies, it is still part of the bureaucracy in Washington, and as we all know, bureaucracy must be managed accordingly. Failure to do so will only lead to a path of failure itself.

The position of VA Secretary comes with tremendous responsibility and commands someone who understands the sacrifices and needs of both our veterans and their families. The next Secretary of VA must be willing and ready to lead the VA in a new direction.

While I am grateful for the service of both General Shinseki and Acting Secretary Sloan Gibson and thousands of dedicated employees on the ground, I believe the current state of affairs at VA demands bold leadership and a complete transformation in the culture at the agency.

The problems facing VA did not happen overnight and solving them will not be an easy task. Despite this, I believe with the right person at the helm, a person willing to work with Congress and other stakeholders, the challenges facing VA can be met and our expectations exceeded.

At the end of the day, we must never forget our Nation's veterans. Their sacrifice and service to this Nation is second to none. Not only do they deserve our gratitude, but they deserve the benefits that they have earned, delivered consistently and timely. Anything less is unacceptable. Their commitment to country is without question and our commitment to them must be the same.

I will close with this. I believe choosing the next VA Secretary is only the first step of many toward getting VA headed back in the right direction. I am committed, along with my colleagues, to seeing that the next Secretary of VA delivers the change that the agency so desperately needs.

Once again, I welcome you and thank you for your willingness to serve, for being here today, and I look forward to hearing directly from you, Mr. McDonald, in your testimony on the vision for VA.

Thank you, Mr. Chairman.

Chairman SANDERS. Thank you very much, Senator Boozman.

Senator Begich.

STATEMENT OF HON. MARK BEGICH,
U.S. SENATOR FROM ALASKA

Senator BEGICH. Thank you very much, Mr. Chairman.

Mr. McDonald, thank you for your willingness. Thank you for your willingness to serve your country as a public servant. Thank you to your family, because it is going to be a lot of stress on them, and I know that, so, again, thank you. It is a lot of work and a lot of commitment to participate in the Federal Government in this way, and especially at this unique time with the VA.

I did not really have a prepared opening, but let me just say this. You are going to hear a lot of noise out there. You know, one thing

about D.C. is the noise happens every minute and it changes every minute. My hope is, based on your experience and what I have read—and I am very supportive of seeing you as the next Secretary—I think it is important that you hone in and be bold about what needs to be done, not hesitate when you think there need to be changes, and when people need to be let go, you let them go, because your experience in the private sector has taught you how to run an efficient operation.

I come from the private sector, and I understand that it is important. I was also a mayor of a city in which I had to let some people go. Maybe it was not the best time for them, but it was important for the broader perspective of what we were trying to do in delivery of services.

So, as I look at your resume and the work you have done, I commend you for it, and I think a lot of people are putting a lot of expectation on you. I look at you and I think to myself that this is an opportunity, as many have said here, to take a situation of the VA that is struggling, struggling with trust among the public and its recipients to the legislative bodies, to figure out what to do next and how to do it.

I will also say, I am hopeful, too, that we do have a comprehensive reform bill to our Veterans Health Care System. But, that is not going to be the only answer. The reality is, there are many things that we are going to put into that legislation that you could do right now. You can take charge and do these things.

I would ask you not to wait for us. The minute you are confirmed, get busy, because there are too many needs in Alaska. With 77,000 veterans waiting for care, we did not wait around 5 years ago when I got elected. When I saw a waiting list of 1,000, you know, this is not new. Last week, I was here. I presented a report. In 2003, 11 years ago, we heard the same story. It is like, deja vu; here we go again. I was not there. I was not around in 2003.

But, I am here now, and I can tell you, in Alaska we have done some things that are very innovative. We do not have a Veterans Hospital, like many of these States that are represented at this table. We have a clinic and the hospital is in Seattle. But, one-fifth of the size of the country is Alaska, in its size and vastness. So, we have to think of different things: how to deliver health care, to make sure every veteran, no matter where they live, can get access.

We have done that in a way that manages it so we manage expectations, because I think some people will say, just open up the system to every private doctor in the world and it will all be solved. I do not know how long it takes you to get a doctor's appointment. I know what it takes me to get a doctor's appointment, and if anyone needs mental health services in this country, the waiting list is a mile long. I have legislation to hopefully solve that problem, or at least address that problem.

Again, I think it is important and I am anxious for you to get on the job. I hope you do not get caught up in the politics of what goes on around this place. I notice by your disclosure we may have differences in maybe our past politics, but I look at it and that is the greatest thing about this body, this Committee. We do not look at the politics. We look at what you can do, and your history tells

me you are the right guy at the right time and I am looking forward to it.

You will probably hear a lot from me because I am a very detailed person about how to deliver a system. We have done it in Alaska. We have more improvements to do. I think there are huge opportunities around the country that you can take right now.

I would hope we would have a bill before we break, but if we do not and we get you confirmed, get busy. Be bold—not reckless, but be bold. Inform us as you move forward. Keep us in the loop. Sometimes, in informing us, we may not want to hear what you have to tell us, but moving forward is more important, to keep the VA moving forward.

So, I really just thank you for your willingness to step forward. I will have some questions here when we get to Q&A. But, again, your public service is an important part of serving this country and I thank you now for the second time serving our country. I appreciate it.

Chairman SANDERS. Thank you, Senator Begich.

Mr. McDonald, we are now pleased to hear from you, but before we do that, let me swear you in, please.

Do you solemnly swear or affirm that the testimony you are about to give before the Senate Committee on Veterans' Affairs will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. MCDONALD. I do.

Chairman SANDERS. Thank you very much.

Mr. McDonald, we are now very pleased to hear your testimony.

STATEMENT OF ROBERT A. McDONALD, NOMINEE TO BE SECRETARY, U.S. DEPARTMENT OF VETERANS AFFAIRS

Mr. MCDONALD. Well, thank you, Chairman Sanders. Thank you, Ranking Member Burr, distinguished Members of the Committee on Veterans' Affairs, and veterans here and across the country. Thank you for the privilege of addressing you today.

I am honored to be before you seeking your endorsement to become the Secretary of Veterans Affairs. Thank you for scheduling this hearing so expeditiously.

I would like to introduce my wife of nearly 37 years, Diane, who is sitting behind me. Diane and I are blessed with a wonderful family. However, only Diane was able to be here today.

I would also like to thank Senator Brown and Senator Portman for their kind introductions and for their friendship and their partnership over the many years that we have worked together to make Ohio greater and to make the Procter & Gamble Company greater.

I very much appreciate the confidence of President Obama in this nomination and I am fully committed to fulfilling this charge to me, that is, to transform the Department of Veterans Affairs into an organization that delivers on its mission. That mission is to fulfill President Lincoln's promise "to care for him who shall have borne the battle and for his widow, and his orphan," and by serving and honoring the men and women who are America's veterans. I also want to create an organization that lives by its core values.

Those values are integrity, commitment, advocacy, respect, and excellence.

Over the last several weeks, I have had the opportunity to meet with many of you individually, and I deeply appreciate the Committee's concern and unwavering support for our veterans and for the mission of the Department of Veterans Affairs. I have listened carefully to your concerns and advice, and I have benefited from your counsel.

As explained by Senators Brown and Portman, my life's purpose has been to improve the lives of others. My time at West Point and as an Airborne Ranger Captain in the 82nd Airborne Division instilled in me a lifelong sense of duty to country. My values are steeped in my experiences at West Point and in the military. Those values are what allowed me to be an effective leader at the Procter & Gamble Company, and those values are what I will bring to the management of VA. I am still guided by that West Point Cadet Prayer which encouraged us to choose the harder right rather than the easier wrong.

For me, taking care of veterans is very personal. I come from and care deeply for military families. My father served in the Army Air Corps after World War II. My wife's father was shot down over Europe and survived harsh treatment as a POW. Her uncle was exposed to Agent Orange in Vietnam and still receives care from the VA. My nephew right now is in the Air Force, flying missions over the Middle East.

My 33 years with Procter & Gamble taught me the importance of effective management, strong leadership, and of being responsive to the needs of customers. When I joined the company in 1980, we recorded $10 billion in sales. Today, that business is over eight times larger, at $84 billion, with almost double the number of employees, and P&G's brands are present in nearly every country of the world. I helped lead this transformation. I am a forward-looking leader who spent my business career expanding P&G to serve new, emerging, and under-served customers. That is the experience needed to modernize the VA.

As I met with Members of this Committee over the past few weeks, you have told me the depth of crisis at the Department of Veterans Affairs. While there is much that is going well, there have been systematic failures which suggest that some in the organization have lost track of the mission and core values. The Department's problems with access, transparency, and accountability and integrity are all well documented. There is a lot of work to do to transform the Department. It will not be easy. But, it is essential and it can be achieved.

The seriousness of this moment demands action, and if confirmed, I pledge to the Committee and to our Nation's veterans to take a series of immediate actions over the first 90 days to deliver the needed reforms our veterans deserve. I will put the veteran at the center of everything that we do, consistent with our mission.

If confirmed, on day one, I will lay out my leadership vision directly to all VA employees. My charge will be to provide veterans the care that they have earned in the most effective way possible. I will ask VA employees to join me in reconfirming our commitment to VA's mission and core values.

I also plan to ask all employees to bring forward any information, any concerns, any problems that exist so that I, as a leader, will know the full picture of what is going wrong and what we can improve. If confirmed, it will be important to incentivize this process and reward those that constructively come forward to solve problems. I have much to learn about the organization and I look forward to gaining valuable input and insights from its employees as well as veterans and other stakeholders.

If confirmed, I will also renew the Department's Strategic Plan and ensure it is properly deployed so that every individual in the organization knows how their work every single day ties back to the strategic plan and to the mission of caring for veterans. By getting out in the field and talking with veterans and employees, I will learn as much about the organization as possible so I will be able to determine the processes that would need to be reorganized or streamlined.

In order to regain the trust of the American people, and most importantly, veterans, we must ensure every employee has an action plan in their Annual Performance Review that rolls up to the Strategic Plan and the mission for the Department. The majority of employees at VA are dedicated to the mission and the values of the organization. But, those employees that have violated the trust of the Nation and of veterans must be and will be held accountable.

If confirmed, I plan to improve the communication between the field structure and the central office, between the employees and the leadership. I also plan to travel extensively over the first several months to hear directly from employees, veterans, and other stakeholders. I plan to establish a Board of Physicians to advise the Secretary on best practices for delivering timely and quality health care.

If confirmed, I will focus on reorganizing the Department to more efficiently and more effectively use our resources to get care that the veterans deserve and have earned.

The Department must improve its forecasting and develop a strategy for meeting increased demand. At the same time, I believe the Department will need to continue to expand the use of digital technology to free human resources that can be applied more to the care of veterans. Further, I plan to take advantage of VA's scale to improve productivity and flow more people to the work.

It is clear that VA must be more efficient and more productive. The Department needs to demonstrate that it can manage a complex facilities portfolio, that it can create with the Department of Defense an integrated records system, that it can regularly and accurately produce key data for decisionmakers and oversight entities, and most importantly, provide the veterans the highest quality and cost effective benefits possible. All of these things are possible. They are possible through some of the steps I have outlined here.

If confirmed, I will work to transform the Department of Veterans Affairs. I will continue to partner with you and all the Department's stakeholders. VA has made great strides in serving veterans, thanks to the commitment of many dedicated employees and the hard work with our partners and advocates in the community.

The VA is in crisis. The veterans are in need. There is much to do. And, I can think of no higher calling—no higher calling—than to serve our veterans who have so selflessly served all of us. With your support, I am confident that we will succeed at the Department of Veterans Affairs.

Thank you, and I look forward to your questions.

[The prepared statement of Mr. McDonald follows:]

PREPARED STATEMENT OF MR. ROBERT A. MCDONALD, NOMINEE TO BE SECRETARY, U.S. DEPARTMENT OF VETERANS AFFAIRS

Chairman Sanders, Ranking Member Burr, distinguished Members of the Committee on Veterans' Affairs, and veterans here and across the country. Thank you for the privilege of addressing you today. I am honored to be before you today seeking your endorsement to become the Secretary of the Department of Veterans Affairs. Thank you for scheduling this hearing so expeditiously.

I would like to recognize my wife of nearly 37 years, Diane. Diane and I are blessed with three living parents (her father has passed away), and two children Jenny and Rob. Jenny is married to Scott, and Jenny and Scott have blessed us with two grandchildren, Matthew and Michael. Only Diane could be here today.

Over the last several weeks, I have had the opportunity to meet with many of you individually. I deeply appreciate the Committee's concern for and unwavering support for our veterans and for the mission of the Department of Veterans Affairs. I've listened carefully to your concerns and advice, and have benefited from your counsel.

I very much appreciate the confidence of President Obama in this nomination and am fully committed to fulfilling his charge to me—that is, to transform the Department of Veterans Affairs into an organization that delivers on its Mission. That Mission is to fulfill President Lincoln's promise "To care for him who shall have borne the battle, and for his widow and his orphan" and by serving and honoring the men and women who are America's Veterans. I also want to create an organization that lives by its Core Values of integrity, commitment, advocacy, respect, and excellence.

My life's purpose has been to improve the lives of others. I went to West Point to be an officer in the Army to try to help free people who were living in non-free societies. I became an Airborne Ranger Infantry Officer in the 82nd Airborne Division because I wanted to be on the front line in leading that change. I joined The Procter & Gamble Company 34 years ago because of its purpose, which is to improve the lives of the world's consumers.

My time at West Point and as a Captain in the 82nd Airborne Division instilled in me a lifelong sense of duty to country. My values are steeped in my experiences at West Point and in the military. Those values are what allowed me to be an effective leader at Procter and Gamble—and those values are what I will bring to the management of the VA. I am still guided by the West Point Cadet Prayer, which encourages us to "choose the harder right rather than the easier wrong."

For me, taking care of veterans is personal. I come from and care deeply for military families. My father served in the Army Air Corps after World War II. My wife's father was shot down over Europe and survived harsh treatment as a POW. Her uncle was exposed to Agent Orange in Vietnam and still receives care from VA. My nephew is in the Air Force, deployed in the Middle East.

My 33 years with the Procter & Gamble Company taught me the importance of effective management, strong leadership, and of being responsive to the needs of customers. When I joined the company in 1980, we recorded $10 billion in sales with over 60,000 employees and with an extensive domestic and international field structure. Today that business is over eight times larger, at $84 billion, with almost double the number of employees. Now P&G's brands are present in nearly every country of the world. I helped lead this transformation.

I am a forward-looking leader who spent my business career expanding P&G to serve new, emerging, and underserved customers. For example, during my time at the company, we worked to digitize the operations of P&G from end to end, including using digital technology in remote areas to acquire and serve new customers. We added approximately one billion new customers over four years.

That's the experience needed to modernize VA to serve the next generation of returning warriors, including women, post-9/11 veterans with complex injuries, and those suffering from Traumatic Brain Injury and Post-Traumatic Stress Disorder.

As I have met with Members of this Committee over the past few weeks, you have told me the depth of the crisis at the Department of Veterans Affairs. While there

is much that is going well, there have been systematic failures, which suggest that some in the organization have lost track of the Mission and the Core Values. The Department's problems with access, transparency, accountability, and integrity have been well documented by this Committee and your congressional colleagues, as well as by the President, Secretary Shinseki, Acting Secretary Gibson, the Inspector General, the Government Accountability Office, the Office of Special Counsel, Veterans Service Organizations, and Military Service Organizations. There is a lot of work to do to transform the Department and it will not be easy, but it is essential and can be achieved.

The seriousness of this moment demands urgent action, and if confirmed, I pledge to this Committee, and to our Nation's veterans, to take a series of immediate actions over the first 90 days to deliver the needed reforms our veterans deserve. I will put the veteran at the center of all we do, consistent with our Mission.

If confirmed, on day one, I will lay out my leadership vision directly to all VA employees on a national video conference with all VA sites. My charge will be to provide veterans the care they have earned in the most effective way possible. I will ask VA employees to join me in reaffirming our commitment to VA's Mission and Core Values. I also plan to ask all employees to bring forward any additional flags, concerns, or problems, so as the leader, I know the full picture of what's going wrong and what can be improved. If confirmed, it will be important to incentivize this process and reward those that constructively come forward to solve problems. I have much to learn about the organization and look forward to gaining valuable input and insights from its employees as well as veterans and other stakeholders.

If confirmed, I will also renew the Department's strategic plan and ensure it is properly deployed, so that each individual in the organization knows how their work every day ties back to the strategic plan and the Mission of caring for veterans. In the short term, this will mean asking employees to refocus on the Mission and Values of VA. By getting out in the field and talking with veterans and employees and learning as much about the organization as possible, I would be able to determine the processes that would need to be reorganized or streamlined.In the longer term, this will require restructuring employees' performance metrics and evaluations.

In order to regain the trust of the American people, and most importantly veterans, we must ensure every employee has an action plan in their annual performance review that rolls up to the strategic plan and Mission of the Department. The majority of employees at VA are dedicated to the Mission and Values of the organization. But, those employees that have violated the trust of the Department and of veterans must be, and will be, held accountable.

If confirmed, I plan to improve the communication between the field structure and the central office; between the employees and the leadership. I will start by hosting quarterly video conferences with the entire field structure. I also plan to travel extensively over the first several months to hear directly from employees, veterans, and other stakeholders. I also plan to establish a board of physicians to advise the Secretary on best practices for delivering timely, quality health care.

If confirmed, I will also focus on reorganizing the Department to most efficiently and effectively use our resources to get veterans the care they earned and deserve. The Department must improve its forecasting and develop a strategy for meeting increased demand. At the same time, I believe the Department will need to continue to expand the use of digital technology to free human resources that can be applied more to care for the veterans. Further, I plan to take advantage of VA's scale to improve productivity and flow people to the work. Today, the Department operates as loosely-connected individual Administrations. Tomorrow, I hope the Department can be "one team with one dream" that will be to get the best care and services to our veterans in an efficient and timely manner.

It is clear that VA must be more efficient and productive. The Department needs to demonstrate that it can manage a complex facilities portfolio; that it can create, with Department of Defense, an integrated records system; that it can regularly and accurately produce key data for decisionmakers and oversight entities; and most importantly, providing to veterans the highest quality and most cost-effective benefits possible. All of these things are possible through some of the steps I've outlined here and will continue to pursue: expanding the use and application of technology; redefining roles, and increasing accountability.

If confirmed, I will work to transform the Department of Veterans Affairs. I will continue to partner with you, members of the Senate Committee on Veterans Affairs, others in Congress, government agencies, Veterans Service Organizations, and other stakeholders.

The Department has made great strides in serving veterans thanks to the commitment of many dedicated employees, and hard work with our partners and advocates in the community. But the VA is in crisis. The veterans are in need. There

is much to do. I can think of no higher calling than to serve our veterans who have so selflessly served our country. With your support, I am confident we will succeed at the Department of Veterans Affairs.

Thank you. I look forward to your questions.

RESPONSE TO PREHEARING QUESTIONS SUBMITTED BY HON. BERNARD SANDERS TO ROBERT A. MCDONALD, NOMINEE FOR SECRETARY, U.S. DEPARTMENT OF VETERANS AFFAIRS

Question 1. What are the most pressing challenges confronting the Department and, if confirmed, what steps could you take to immediately begin addressing these challenges?

Response. The Mission of the Department of Veterans Affairs is to fulfill President Lincoln's promise "'* * * To care for him who shall have borne the battle, and for his widow and his orphan' by serving and honoring the men and women who are America's veterans." An important step in assuring appropriate care for veterans is restoring their trust in the system. One of the Department's Core Values is integrity. Recently some in the organization have not delivered on the Mission and have violated the Core Value of integrity. Step one is to immediately get veterans the care they have earned. This will include getting veterans access to treatment and further reducing the backlog of claims, including appeals; two of the three Agency Priority Goals for 2014–2015. To achieve this the Department will need to work with Congress to add more points of treatment, additional staff to provide the treatment, and an improved scheduling system to replace the current system which was created in 1985. If confirmed, I will ask all Department of Veterans Affairs employees to reconfirm their commitment to the Mission and Values of Integrity, Commitment, Advocacy, Respect, and Excellence. VA will find those who violated our Value of integrity, both those who falsified records and those who tolerated it, and take appropriate action. We may need Congress' help to discipline employees who have violated the public's trust.

Question 2. What lessons did you learn as CEO of Procter and Gamble that you plan to apply to leading the VA? Do you anticipate that you will have to change your leadership style to manage such a large public organization?

Response. I've learned many lessons about leadership throughout my life: at West Point, in the Army, and at P&G. I've codified these lessons and taught them globally. They are included in a document that I have maintained over the years entitled, "What I Believe In." I have also spoken about this topic all over the world in a speech entitled, "Values-Based Leadership." The most relevant of those ten beliefs include:

a. Living a life driven by purpose is more meaningful and rewarding than meandering through life without direction. My life's purpose is to improve lives. This operates on many levels. I worked to improve the lives of the nearly 5 billion people in the world who used at least one P&G brand each day, and I work every day to have a positive impact in the life of just one person. This life-goal led me to attend West Point and become an Airborne Ranger in the U.S. Army, and to join The Procter & Gamble Company. People like to work for leaders who operate with a clear and consistent purpose. If confirmed at VA I will make my purpose clear and ask every VA employee to reaffirm their commitment to the Department's Mission and Values.

b. Putting people in the right jobs is one of the most important jobs of the leader. Every Fortune 500 CEO will tell you the thing they regret most is it took them too long to get the right people in the right jobs on their leadership team. Leadership author Jim Collins talks about "getting the right people on the bus and in the right seats on the bus." VA must get the right leaders in place. There are several vacancies, and there are leaders who have underperformed. A top-to-bottom evaluation of employees will need to be done, and VA will work with Congress to get authority to separate those who violated our Mission and Values, differentiate individuals through a robust review process, work with Congress to get new nominees confirmed, and hold people accountable.

c. Character is the most important trait of a leader. At West Point I learned that the character of a leader is their most important attribute. Character is defined as always putting the needs of the organization above your own. As a Captain in the Army, I always ate after the soldiers in my command. At P&G the leader should always take personal responsibility for results of their organization. As a West Point plebe (freshman) I learned that I was only permitted four answers: yes, no, no excuse, and I do not understand. These four answers are about character; there is no

opportunity for equivocation or excuse; there is no "but." At West Point I also learned to "choose the harder right instead of the easier wrong." This powerful line comes from the West Point Cadet Prayer. VA has individuals not properly serving their veteran customers, and some who have done the easier wrong rather than the harder right. Again, we need to identify those that have violated our Mission and Values and work with Congress to separate them.

d. Ineffective systems and cultures are bigger barriers to achievement than the talents of people. In Total Quality training, a system built by business reengineering expert W. Edwards Deming, I learned how difficult it was to pick up the right proportion of red and blue beads if the device we were using to pick them up was rigged to get a bad result. The role of the leader is to improve the systems and the culture in which their organization operates to improve the consistency and level of success of the results. At VA an antiquated scheduling system and a 14-day metric that became an ends rather than a means got in the way of the organization providing quality care for veterans. Similarly, forecasting of veterans' needs appears to have been inadequate. VA will need to identify the inadequate systems and get them fixed. If I am confirmed, we also need to overhaul the culture to be consistent with VA's Mission and Values.

e. The majority of the men and women at VA are dedicated to the Mission and Values of the organization. Yet, there are those who have violated them or who are not capable of rising to our Values. We need to differentiate between the two, reward those performing at a high level, and separate those who violated the Mission or Values or are incapable.

f. Organizations must renew themselves. Any organization that is growing must renew itself. Growth by definition requires change. Change requires renewal. Recruiting and training are top priorities. The standards of performance that are acceptable today will be unacceptable tomorrow if the organization is growing and improving. As such, the leader must provide training and development opportunities for the individuals in the organization to grow. Given the current crisis, dramatic renewal and change is required at VA.

Yes, I anticipate I will need to modify my leadership style to succeed in leading in government. This was certainly the case when I moved from the United States to Canada to the Philippines to Japan and to Belgium with P&G. Each of these countries has a unique culture. To be effective, the leader must know the culture and adapt their leadership to be effective. For example, in Japan there is a culture of lifetime employment. It is more difficult to separate a poor performing employee. While the principles of leadership do not change from country to country, the application and execution may. I follow a leadership model we call the 5E model: envision (what does winning look like?), engage (engage people in the creation of the vision), energize (get employees motivated to deliver the vision), enable (build the capability needed to achieve the vision), and execute (the only strategy anyone sees is the one we execute). Those 5 E's remain the same, but "how" we execute them will differ.

Question 3. How do you go about restoring veteran trust in the Department?

Response. In a crisis situation like this, the leader must be very visible, very clear on the Mission and how we will get there, and provide hope to customers (veterans) and employees alike that we can change and deliver the Mission. This must be done by traveling to sites around the country, meeting with veterans and VA employees. I will also reach out to Veterans Service Organizations, whose input is critical in regaining the trust of veterans. If confirmed, I will quickly address the problems and provide concrete examples that we are on the right track.

Question 4. Please describe how you intend to interact with the military and veterans service organizations.

Response. Veteran Service Organizations are important stakeholders of the Department of Veterans Affairs. They can provide helpful grassroots information, advice, and support. I have already called the VSO and MSO leaders to learn the problems they are seeing and gain their counsel. Regular communication with them is critical to our success. General Shinseki had a monthly breakfast with VSO leaders, which I would like to continue if confirmed. Additionally, I would plan to increase Department interaction with these leaders.

Question 5. Rob Nabors' report to the President identified VA's inability to clearly articulate budgetary needs and tie those needs to specific outcomes as an issue impacting access to timely care. The accurate forecasting of the utilization of both care and benefits is a necessary component needed to adequately plan for and resource their delivery. If confirmed, what actions would you take to ensure VA provides accurate and timely budget forecasts to the Congress?

Response. We need to appropriately forecast veteran demand and work with Congress to provide the right supply mechanism. Clearly the VA was challenged by the Agent Orange recipients of care (my wife's uncle is one of those recipients), fighting two wars over ten years, and the demographics of an aging population. After World War II the average veteran had one claim of disability; today's veteran averages 15. If confirmed, I plan to ensure the Department has a robust planning and forecasting process working with Congress. This forecast will drive the strategic planning process which will permeate the organization. Success will be every employee in VA having an action plan on their personal annual performance review that will link back to this strategic plan and forecast. If confirmed, I will be able to test if this is successful as I tour the myriad of VA sites and interact with employees.

Question 6. What are your views on how technology might be used to enhance the delivery of benefits and services across the Department?

Response. Technology is a key enabler to providing care to veterans at a cost effective level of productivity. It also enables staying connected to veterans. At P&G it was my goal to become the most digitized company in the history of the world. My undergraduate degree from West Point is in engineering, and I took every course on computer software and hardware, and wrote an assembly program for the West Point computer to take Fortran down to machine language. At P&G we improved productivity by digitizing our work from the creation of molecules to tracking the products sold in stores. We also attempted to create a one-on-one relationship with every consumer in the world via digital technology, and this is applicable to how VA can strengthen its relationship with veterans.

Question 7. DOD and VA collaboration is an area in which I have deep concern and continue to believe holds great promise for improved operations and delivery of care and benefits to servicemembers and veterans. Where do you see room for improvement in the existing collaboration between the departments? What actions would you take, if confirmed, to ensure there is robust and effective collaboration between DOD and VA?

Response. I agree that the partnership between DOD and VA holds great promise. The life of a veteran begins with the oath of service and ends with death. DOD and VA need to partner to care for the veteran seamlessly along that life timeline. We also need to ensure our record keeping is integrated and consistent across that timeline. I had a very positive meeting with Secretary Hagel on Tuesday, July 15, 2014, and we are committed to continued collaboration to deliver on this promise.

Question 8. How can VA do a better job of ensuring veterans are aware of the benefits and services provided by VA?

Response. VA needs to develop a valued one-on-one relationship with every veteran. Individuals start to become veterans the day they take the oath of service. DOD and VA working seamlessly can ensure that every servicemember is aware of and enrolled for their VA benefits even before the day they leave the service. Every veteran deserves to have a seamless transition, and while work has begun in this area with the Transition Assistance Program, it is important to increase the awareness of benefits, services and opportunities available.

My experience at P&G allowed me to learn how to reach people with our brands in remote locations. We added about one billion new consumers buying P&G products during my four years as CEO. The use of digital technology and the increased penetration of mobile smart phones were ways we could reach people and serve them. VA's VSO and MSO partners are a great resource for us to develop in this capacity.

Question 9. VA's culture has been described as corrosive and nonresponsive. How do you change the culture of a large public organization? What actions, if confirmed, would you take immediately to address the cultural problems faced by VA?

Response. In organizations as large as P&G and VA it is imperative that employees at all levels in the organization affirm and reaffirm regularly their commitment to the Mission and Values of the organization. I believe VA has an appropriate Mission and Values statement, yet behavior has been inconsistent with it. Similarly, I think that VA has a robust strategic plan, yet my belief is the Mission, Values, and strategic plan have not been reaffirmed or deployed in the organization so that the actions of all employees tie back to the plan. At P&G my acid test for success is whether or not I could roll up the actions in every employee's annual performance plan to the overall strategic plan of the company. If confirmed, I plan to travel to VA facilities, talk to employees, and get a sense for where the breakdown occurs. We will catalyze an opportunity for VA employees to reaffirm themselves to VA's Mission and Values, have line of sight of how their behavior every day ties back to the strategic plan and Mission, and we will create a culture of transparency and

responsibility as we do this. Employees must feel like they can speak up and push back in order to create a high performance organization.

Question 10. Secretary Shinseki set an ambitious goal of eliminating the compensation claims backlog by 2015 and providing veterans a decision on their claim within 125 days and 98 percent accuracy. Would you maintain that goal?

Response. Yes. It is my understanding that Secretary Shinseki set the metric of 125 days and 98 percent accuracy as an aspirational goal, and the intent was to continue to work to shorten the timeframe and increase the percent accuracy until it was no longer an issue. I certainly support that intent. VA's primary goal must always be to get veterans the benefits and care that they have earned. While there has been progress in eliminating the claims backlog, more work needs to be done.

Question 11. What steps would you take to continue the claims transformation and ensure lasting success? Further, how would you address the growing number of appeals and other work pending in the regional offices, which has continued to climb despite the significant reduction in claims measured as part of the backlog?

Response. The VA needs to continue to digitize the claims and appeals process to get the veterans the benefits they earned more effectively and more efficiently. At P&G we have the experience of digitizing a work process and then reassigning the people freed by the automation to focus them on a different high priority task. If confirmed, this is the kind of culture and work process redesign I plan to create at VA.

Question 12. If confirmed, you will be tasked with overseeing a health care system that has significant capital infrastructure needs, in conjunction with an infrastructure budget that pales in comparison. What are your thoughts on how VA might do a better job of managing its construction backlog to ensure that VA facilities are the safe, secure, and effective spaces veterans deserve to access care in?

Response. In many ways the question of infrastructure and construction is about access. The process would start with improving our forecasting of veterans needs and collaborating with Congress to ensure those needs are transparently shared. At the same time, we would work to provide veteran access in a number of ways customized to the individual veteran need. In many cases a physical clinic may be required, but in others a videoconference may be sufficient. Where physical infrastructure is needed we will partner with other government agencies like the Corps of Engineers and private companies to find the best way to build and run these facilities to benefit the veteran. Collaboration and the identification and implementation of best practices is key.

Question 13. Acquisitions continue to be an area where VA can realize savings through enhanced oversight and management. If confirmed, what action would you take in order to ensure VA is acquiring the right products, in accordance with the law, while spending its budget in the most efficient means possible?

Response. At P&G we made a number of changes to our Global Purchasing organization that resulted in real benefits in effectiveness and efficiency that may be applicable to VA. We reorganized purchasing into global spend pools: rather than having each division of the company buy the same item, the demand was aggregated, scale was leveraged for better quality and lower price, and the identical item was bought by one buyer. We also developed strategic relationships with our suppliers so we could move our needs further upstream in their work system, resulting in better innovation to meet our needs. This centralization also resulted in better productivity, so we were able to redeploy some employees against high priority tasks. And it resulted in better quality since we were able to exercise the scale of the company. This may be in area where further scale could be gained with DOD and VA partnership.

Question 14. VA has done a great deal of work to eliminate homelessness among veterans in accordance with President Obama's goal to end veteran homelessness by 2015. While much progress is being made, there are still populations such as homeless veteran families, homeless women veterans, and homeless veterans in rural areas, to name a few, that may not be able to access the same level fo services as other populations. What are your thoughts on how VA might do a better job at meeting the needs of these unique populations? Are there actions you think should be taken in collaboration with other departments or agencies including the Interagency Council on Homelessness in order to more efficiently achieve this goal?

Response. Chronic homelessness in the veteran population is a serious problem, and while progress has been made, certain populations are especially difficult to reach. If confirmed, we will need to focus on these more challenging groups, understand the root cause of why they present such a significant challenge, and design training programs for employees that would improve our success rate and reduce homelessness. Consistent follow up, sharing of best practices, training of employees,

transparent reporting, and holding employees accountable are all part of improvement.

Question 15. What do you believe is the appropriate role of oversight entities including the Congress, the Government Accountability Office, and Office of Inspector General?

Response. One aspect of successful leadership that I firmly believe in is engagement or collaboration. Stephen Covey wrote in his Seven Habits of Highly Effective People that individuals grow in effectiveness when they graduate from dependence to independence to interdependence. Effective leaders work interdependently to harness resources outside their own organization to focus and solve problems. If confirmed, I plan to partner with Congress, GAO, and the OIG to improve the effectiveness and efficiency at VA. At the same time, we would engage Veteran Service Organizations and public and private groups to help make the VA better. My experience is that if we can partner early-on, we can improve the work process for a better result, rather than inspecting problems afterward.

Question 16. Do you believe the Department is appropriately structured to administer benefits and services? Do you believe VHA, VBA, and NCA are appropriately structured to accomplish their respective missions? If no, what steps would you take to evaluate and change the structure of the Department or Administrations?

Response. While progress has been made in recent years in unifying VA, it's clear that much inefficiency and, perhaps, some aberrant behavior, exist because of the Balkanization of the Administrations. VA is the second largest Department in the government and the largest health care system in the country, so we must use our scale to our advantage. Operating as individual Administrations de-scales the organization, which leads to inefficiency. We need to focus on mining that scale, streamlining processes between Administrations and staff offices, and creating one organization with "one team and one dream." In addition, VA may need increased legislative flexibility to help us flow resources to the work, which will free up resources and increase productivity to tackle the toughest problems. If confirmed, we will need to take a hard look at productivity within VA—across Administrations and business lines. An analysis and measure of productivity will help immensely with building capacity and strengthening the front lines of the Department to increase access.

[The Committee questionnaire for Presidential nominees follows:]

PART I: ALL OF THE INFORMATION IN THIS PART WILL BE MADE PUBLIC

1. Basic Biographical Information

Please provide the following information.

Position to Which You Have Been Nominated	
Name of Position	**Date of Nomination**
Secretary of Veterans Affairs	**To be determined**

Current Legal Name			
First Name	**Middle Name**	**Last Name**	**Suffix**
Robert	**Alan**	**McDonald**	

Addresses					
Residential Address (do not include street address)			**Office Address** (include street address)		
[redacted]			**Street: One Procter & Gamble Plaza**		
City: Cincinnati	**State: OH**	**Zip: 45243**	**City: Cincinnati**	**State: OH**	**Zip: 45202**

Other Names Used						
First Name	**Middle Name**	**Last Name**	**Suffix**	Check if Maiden Name	**Name Used From** (Month/Year) (Check box if estimate)	**Name Used To** (Month/Year) (Check box if estimate)
Bob		McDonald			**06/1953** Est ☐	**Present** Est ☐
					Est ☐	Est ☐

Birth Year and Place	
Year of Birth (Do not include month and day)	**Place of Birth**
1953	Gary, IN USA

Marital Status					
Check All That Describe Your Current Situation:					
Never Married	**Married**	**Separated**	**Annulled**	**Divorced**	**Widowed**
☐	☒	☐	☐	☐	☐

Spouse's Name (current spouse only)			
Spouse's First Name	**Spouse's Middle Name**	**Spouse's Last Name**	**Spouse's Suffix**
Diane	Janine	McDonald	

Spouse's Other Names Used (current spouse only)						
First Name	**Middle Name**	**Last Name**	**Suffix**	Check if Maiden Name	**Name Used From** (Month/Year) (Check box if estimate)	**Name Used To** (Month/Year) (Check box if estimate)
Diane	Janine	Alexander			08/1973 Est ☒	01/1974 Est ☒
Diane	Janine	Murphy			05/1952 Est ☒	07/1973 Est ☒

Children's Names (if over 18)			
First Name	**Middle Name**	**Last Name**	**Suffix**
Jennifer	**Elizabeth**	**Rowland (nee McDonald)**	
Robert	**Wade**	**McDonald**	

2. Education

List all post-secondary schools attended.

Name of School	Type of School (vocational/technical/trade school, college/university/military college, correspondence/distance/extension/online school)	Date Began School (month/year) (check box if estimate)	Date Ended School (month/year) (check box if estimate) (check "present" box if still in school)	Degree	Date Awarded
United States Military Academy	Military college	07/1971 Est ☐	07/1975 Est ☐ Present ☐	BS	6/4/75
University of Utah	University	03/1977 Est ☐	12/1978 Est ☐ Present ☐	MBA	12/14/78

3. Employment

(A) List all of your employment activities, including unemployment and self-employment. If the employment activity was military duty, list separate employment activity periods to show each change of military duty station. Do not list employment before your 18th birthday unless to provide a minimum of two years of employment history.

Type of Employment (Active Military Duty Station, National Guard/Reserve, USPHS Commissioned Corps, Other federal employment, State Government (Non-federal Employment), Self-employment, Unemployment, Federal Contractor, Non-Government Employment (excluding self-employment), Other	Name of Your Employer/ Assigned Duty Station	Most Recent Position Title/Rank	Location (City and State only)	Date Employment Began (month/year) (check box if estimate)	Date Employment Ended (month/year) (check box if estimate) (check "present" box if still employed)
Corporation	The Procter & Gamble Company	Retired Chairman of the Board, President and CEO	Cincinnati, OH	6/2013	Present
Corporation	The Procter & Gamble Company	Chairman of the Board, President and CEO	Cincinnati, OH	1/2010	5/2013
Corporation	The Procter & Gamble Company	President and CEO	Cincinnati, OH	7/2009	12/2009

Corporation	The Procter & Gamble Company	Chief Operating Officer	Cincinnati, OH	7/2007	6/2009
Corporation	The Procter & Gamble Company	Vice Chairman, Global Operations	Cincinnati, OH	7/2004	6/2007
Corporation	The Procter & Gamble Company	President, Global Fabric & Home Care	Brussels	9/2001	6/2004
Corporation	The Procter & Gamble Company	President, Global Fabric Care	Brussels	4/2001	8/2001
Corporation	The Procter & Gamble Company	President, Northeast Asia	Kobe	6/1999	3/2001
Corporation	The Procter & Gamble Company	VP, Northeast Asia	Kobe	1999	
Corporation	The Procter & Gamble Company	Regional VP, Japan, P&G Asia	Kobe	6/1996	5/1999
Corporation	The Procter & Gamble Company	VP, General Manager, Laundry and Cleaning Products, P&G Asia; and Beauty Care Products-Japan, P&G Asia	Kobe	2/1995	5/1996
Corporation	The Procter & Gamble Company	VP, General Manager-Philippiness, Asia/Pacisif South,, P&G Far East	Manila	4/1994	1/1995
Corporation	The Procter & Gamble Company	General Manager, Philippines, Asia/Pacific-South, P&G Far East	Manila	4/1991	3/1994
Corporation	The Procter & Gamble Company	Manager, Laundry Products, P&G Canada	Toronto	3/1989	3/1991
Corporation	The Procter & Gamble Company	Associate Advertising Manager, Laundry Products, PS&D Division, USA	Cincinnati, OH	6/1986	2/1989

Corporation	The Procter & Gamble Company	Brand Manager, Tide, PS&D Advertising, USA	Cincinnati, OH	10/1984	5/1986
Corporation	The Procter & Gamble Company	Brand Manager, Cascade, PS&D Advertising, USA	Cincinnati, OH	6/1983	9/1984
Corporation	The Procter & Gamble Company	Assistant Brand Manager, Cascade, PS&D Advertising, USA	Cincinnati, OH	11/1982	5/1983
Corporation	The Procter & Gamble Company	Assistant Brand Manager, Dawn, PS&D Advertising, USA	Cincinnati, OH	11/1981	10/1982
Corporation	The Procter & Gamble Company	Sales Training, Oklahoma City Sales District, USA	Cincinnati, OH	6/1981	10/1981
Corporation	The Procter & Gamble Company	Brand Assistant, Solo, PS&D Advertising, USA	Cincinnati, OH	6/1980	5/1981
U.S. Army Reserve – Inactive		Captain, No Unit	NA	7/1980	6/1981
U.S. Army, 82nd Airborne Division, XVIII Airborne Corps	Fort Bragg, NC	Captain	Fayetteville, NC	06/1975 Est ☐	06/1980 Est ☐

(B) List any advisory, consultative, honorary or other part-time service or positions with federal, state, or local governments, not listed elsewhere.

Name of Government Entity	**Name of Position**	**Date Service Began** (month/year) (check box if estimate)	**Date Service Ended** (month/year) (check box if estimate) (check "present" box if still serving)
NA		Est ☐	Est ☐ Present ☐

4. Honors and Awards

List all scholarships, fellowships, honorary degrees, civilian service citations, military medals, academic or professional honors, honorary society memberships and any other special recognition for outstanding service or achievement.

Recipient, Meritorious Service Medal
Silver Medal and Fellow, Royal Society for the encouragement of Arts, Manufacture and Commerce
Recipient, Inaugural Leadership Excellence Award, presented by Stockdale Center for Ethical Leadership at the U.S. Naval Academy and *Harvard Business Review*
Recipient, Distinguished Alumnus Award, presented by The University of Utah Alumni Association
Recipient, President's Leadership Award, Far East Council, Boy Scouts
Recipient, Hyogo Prefecture's Award for Contribution to International Cooperation
Recipient, Public Service Star (Distinguished Friends of Singapore)
Doctor of Laws, Honorary Degree, Hampden-Sydney College
Doctor of Commercial Science, Honorary Degree, University of Cincinnati
Doctor of Business Administration, Honorary Degree, Drexel University
Doctor of Humanities, Honorary Degree, Xavier University
Special Ambassador, Hyogo Prefecture and Kobe City, Japan

5. Memberships

List all memberships that you have held in professional, social, business, fraternal, scholarly, civic, or charitable organizations in the last ten years.

Unless relevant to your nomination, you do NOT need to include memberships in charitable organizations available to the public as a result of a tax deductible donation of $1,000 or less, Parent-Teacher Associations or other organizations connected to schools attended by your children, athletic clubs or teams, automobile support organizations (such as AAA), discounts clubs (such as Groupon or Sam's Club), or affinity memberships/consumer clubs (such as frequent flyer memberships).

Name of Organization	Dates of Your Membership (You may approximate)	Position(s) Held
Xerox Corporation Norwalk, CT	05/05-Present	Director
United States Steel Corporation Pittsburgh, PA	01/14-Present	Director
Singapore's International Advisory Council of the Economic Development Board	04/07-Present	Advisor
Cintrifuse Cincinnati, OH	12/13-Present	Board Chair
Ops-Fuel, Inc. Memphis, TN	05/14-Present	Advisor

McKinsey Advisory Council New York, NY	02/11- Present	Advisor
Board of Advisors, Thayer Leadership Development Group West Point, NY	02/10- Present	Advisor
Advisory Board of The S. R. Nathan Institute For Societal Leadership Singapore	01/14- Present	Advisor
West Point Campaign Cabinet West Point, NY	01/10- Present	Member
The Business Council	07/13- Present	Graduate Member
The Commercial Club of Cincinnati Cincinnati, OH	01/08- Present	President (effective 07/14)
Advisory Board, Northwestern Integrated Marketing Communications Chicago, IL	10/05- 12/10	Advisor
University of Utah David Eccles School of Business Advisory Board	01/07- Present	Advisor
International Business Leaders Advisory Council of Beijing	03/10- Present	Advisor
Duke University's Fuqua School of Business Board of Visitors Raleigh, NC	01/05- 11/12	Chair of Board
United Negro College Fund Board of Directors	06/11- 10/12	Director
JobsOhio Board of Directors	07/11- 07/12	Director
The Consumer Goods Forum Board of Directors	11/09-05/13	Vice-Co-Chair (06/12)
US-Philippines Society Board	03/12- 05/13	Director
Business Roundtable	07/09-05/13	Vice Chair (09/11)
Catalyst Board of Directors	03/10- 05/13	Director
The US-China Business Council	06/07- 06/13	Chair (06/12)
United States Council for International Business Board of Directors	07/11- 09/12	Director
American Society of Corporate Executives	05/11- 06/13	Member

Foreign Investment Advisory Council in Russia	10/10-06/13	Advisor
Steering Committee of the China-United States Exchange Foundation's research project on US-China Economic Cooperation	01/10-06/13	Member
Cincinnati Business Committee	01/10-06/13	Member
The Wall Street Journal CEO Council	07/12-06/13	Member
Cosmetic Executive Women	02/12-06/13	Member
Advanced Manufacturing Partnership	06/11-06/13	Member
Advisory Committee for Trade Policy and Negotiations	09/10-10/12	Member
Temasek Americas Advisory Panel	6/14-Present	Advisor
GS1	2/05-10/09	Chairman
Advisory Board for the Graduate School of Management of St. Petersburg State University, Russia	4/07-4/10	Member
Cultural Facilities Task Force	12/13-Present	Chair
U.S. Army Ranger Association, Inc.	8/09-Present	Life Member
The 75th Ranger Regiment Association	8/09-Present	Life Member
Association of Graduates, U.S. Military Academy, West Point	6/75-Present	Member
Cullum Society, West Point Association of Graduates, U.S. Military Academy	5/06-Present	Member
Beta Gamma Sigma Honorary	5/79-Present	Member

Phi Kappa Phi Honorary	4/73- Present	Member
Procter & Gamble and Clorox Joint Venture	7/04- 7/09	Director
Board of Directors, Soap and Detergent Association	2001- 2004	Director

6. Political Activity

(A) Have you ever been a candidate for or been elected or appointed to a political office?

Name of Office	Elected/Appointed/ Candidate Only	Year(s) Election Held or Appointment Made	Term of Service (if applicable)
NA			

(B) List any offices held in or services rendered to a political party or election committee during the last ten years that you have not listed elsewhere.

Name of Party/Election Committee	Office/Services Rendered	Responsibilities	Dates of Service
NA			

(C) Itemize all individual political contributions of $200 or more that you have made in the past five years to any individual, campaign organization, political party, political action committee, or similar entity. Please list each individual contribution and not the total amount contributed to the person or entity during the year.

Name of Recipient	Amount	Year of Contribution
Boehner for Speaker	10,000 1,000	2012 2013
Portman for Senate Committee	2,400 2,400 1,000	2009 2009 2013

John Kasich for Governor	11,543.70	2012
Romney Victory, Inc.	10,000 1,000	2012 2012
Promoting Our Republican Team PAC	5,000	2012
P&G Good Government PAC	5,000 5,000 5,000 5,000	2010 2011 2012 2013
Steve Daines for Montana	500	2014

7. Publications

List the titles, publishers and dates of books, articles, reports or other published materials that you have written, including articles published on the Internet.

Title	Publisher	Date(s) of Publication
Innovation is Alive in the Queen City	Venue Magazine – on-line	May 2014

8. Public Statements

(A) List any testimony, official statements or other communications relating to matters of public policy that you have issued or provided or that others presented on your behalf to public bodies or officials.

In 2011, I testified before the U.S. House Ways and Means Committee on the U.S. corporate tax system.

(B) List any speeches or talks delivered by you, including commencement speeches, remarks, lectures, panel discussions, conferences, political speeches, and question-and-answer sessions. Include the dates and places where such speeches or talks were given.

I have done my best to identify all speeches I have given. During my tenure at Procter & Gamble, I frequently gave informal speeches to employees when I would visit offices around the world. These were extemporaneous and not reduced to writing. In addition to these, I identified the following formal speeches. There may be others that I was unable to identify, find or recall.

2/28/2006	San Francisco, CA	Reinventing CPG & Retail Summit 2006
4/20/2006	Boston, MA	MIT Sloan – Values Based Leadership
5/13/2006	Raleigh-Durham, NC	Duke MBA Cross Continent Program commencement
3/22/2007	Cincinnati, OH	Regional Tourism Network annual meeting
6/1/2007	Boston, MA	Global Technology & Manufacturing Forum
9/27/2007	Chicago, IL	In-Store Marketing Summit
10/3/2007	Knoxville, TN	University of Tennessee Executive-In-Residence Program
10/24/2007	Singapore	Efficient Consumer Response (ECR) Asia-Pacific Conference
10/30/2007	Ann Arbor, MI	Stephen M. Ross School of Business – Management & Organizations class
11/14/2007	New York, NY	Morgan Stanley Conference
2/8/2008	Durham, NC	Fuqua School of Business – Distinguished Speakers Series
3/6/2008	Oxford, OH	Miami Farmer School of Business – Executive Speakers Series
4/17/2008	Las Vegas, NV	RFID Journal Live Conference
5/8/2008	Columbus, OH	Ohio Department of Development – Ohio Global Summit
5/28/2008	Powerscourt, Ireland	European Leadership Summit
6/7/2008	St. Petersburg, Russia	St. Petersburg Economic Forum
7/17/2008	Irving, TX	Network of Executive Women (NEW) Executive Leaders Forum
9/4/2008	Boston, MA	Lehman Back-to-School Conference
9/12/2008	Tallahassee, FL	Florida A&M – Values Based Leadership
9/22/2008	Boston, MA	Harvard University – Values Based Leadership
9/29/2008	Ann Arbor, MI	Stephen M. Ross School of Business – Values Based Leadership
10/5/2008	Washington, DC	CIES Future Leaders
10/6/2008	Chicago, IL	Kellogg School of Management – Values Based Leadership
12/11/2008	New York, NY	Analyst Meeting
12/20/2008	Chennai, India	PanIIT 2008 Conference
1/15/2009	Cincinnati, OH	"By The Book " Luncheon
3/3/2009	Boston, MA	MIT Sloan Dean's Innovative Leader Series
5/10/2009	Oxford, OH	Miami Farmer School's Divisional commencement
6/16/2009	New York, NY	FMI Private Brands Summit
9/10/2009	Boston, MA	Barclays Back-to-School Conference
10/6/2009	Boston, MA	Harvard Business School – Values Based Leadership
10/7/2009	Chicago, IL	Kellogg School of Management – Values Based Leadership
11/2/2009	Durham, NC	Fuqua School of Business – Purpose-Inspired Growth
11/16/2009	Ann Arbor, MI	Stephen M. Ross School of Business – Values Based Leadership
11/18/2009	Cincinnati, OH	Fifth Third Bank Diversity Symposium
1/25/2010	Orlando, FL	FMI Mid-Winter Executive Conference
1/28/2010	Durham, NC	Fuqua School of Business Distinguished Speaker Series
2/2/2010	Cincinnati, OH	Xavier University Distinguished Speaker Series
2/18/2010	Boca Raton, FL	Consumer Analyst Group of New York (CAGNY)
2/24/2010	Salt Lake City, UT	University of Utah – Values Based Leadership
3/23/2010	West Haven, CT	Yale School of Management – Yale Leaders Forum
5/9/2010	Hampden-Sydney, VA	Hampden-Sydney College commencement
5/27/2010	Washington, DC	Service Academy Career Conference
10/5/2010	Montreux, Switzerland	Montreux 2010 – 7th World Conference on Detergents
10/15/2010	Chicago, IL	MBA Veterans Conference
10/20/2010	West Point, NY	National Conference on Ethics in America
10/29/2010	Knoxville, TN	University of Tennessee MBA Symposium

11/1/2010	Shanghai, China	China Executive Leadership Academy Pudong - Values Based Leadership
12/11/2010	Cincinnati, OH	University of Cincinnati winter graduation commencement
1/27/2011	Cincinnati, OH	FreeStore/FoodBank Annual Meeting
2/4/2011	Cincinnati, OH	Urban League of Greater Cincinnati luncheon
3/27/2011	Vancouver, British Columbia	IGA Global Rally
3/30/2011	Boston, MA	Harvard College– Values Based Leadership
4/27/2011	Boston, MA	MIT Sloan School of Management "Corporations at the Crossroads"
5/8/2011	Raleigh-Durham, NC	UNC Kenan-Flagler Business School commencement
5/10/2011	Shanghai, China	China Executive Leadership Academy Pudong – Values Based Leadership
5/17/2011	New York, NY	Women Corporate Directors 2011 Visionary Awards Dinner
9/2/2011	Nashville, TN	Vanderbilt University - Values Based Leadership
9/7/2011	Bangor, ME	University of Maine – Values Based Leadership
9/8/2011	Boston, MA	Barclays Back-to-School Conference
9/27/2011	Cincinnati, OH	Cincinnati USA Regional Chamber of Commerce annual luncheon
10/7/2011	Columbus, OH	Ohio State University – Values Based Leadership
10/18/2011	Moscow, Russia	Moscow International Finance Week Conference
10/28/2011	West Point, NY	Accenture COO Circle Summit
11/7/2011	Ann Arbor, MI	Stephen M. Ross School of Business – Purpose-Inspired Growth
11/8/2011	New York, NY	Lazard's 2011 Foursquare Conference
11/10/2011	Washington, DC	Gridwise Global Forum
11/14/2011	New York, NY	Women's Wear Daily Apparel and Retail CEO Summit
11/28/2011	Lafayette, IN	Purdue Values Based Leadership
12/9/2011	Philadelphia, PA	Wharton Management Club – Values Based Leadership
1/24/2012	Pittsburgh, PA	Carnegie Mellon Tepper School of Business – W.L. Mellon Speaker Series
2/2/2012	Orlando, FL	American Cleaning Institute (ACI) Annual Meeting
2/23/2012	Boca Raton, FL	Consumer Analyst Group of New York (CAGNY)
2/23/2012	Cleveland, OH	Case Western Reserve University Engineers Week Banquet
3/2/2012	New York, NY	Columbia Business School – Odyssey Global MBA Competition
3/15/2012	Miami, FL	SAP CEO Event
4/17/2012	Washington, DC	Industrial College of the Armed Forces class address
4/25/2012	Boston, MA	MIT Sloan School of Management – Corporations at the Crossroads
6/5/2012	Washington, DC	Compliance Week Annual Conference
6/5/2012	Washington, DC	Executive Council on Diplomacy Dinner
6/16/2012	Philadelphia, PA	Drexel University commencement
6/20/2012	Paris, France	Deutsche Bank Conference
7/10/2012	Shanghai, China	China Executive Leadership Academy Pudong – Paulson Institute CELAP Program
9/19/2012	Chicago, IL	The Executives Club of Chicago
9/23/2012	New York, NY	Clinton Global Initiative
10/12/2012	Chicago, IL	MBA Veterans Conference
10/25/2012	Bloomington, IN	Indiana University - Values Based Leadership
10/29/2012	Singapore	Singapore 2012 World Conference on Fabric and Home Care
1/14/2013	Chapel Hill, NC	UNC Kenan-Flagler Dean's Speaker Series

1/15/2013	Washington, DC	The Brookings Institution – Growth Through Innovation Forum
2/22/2013	Atlanta, GA	Morehouse College – Values Based Leadership
4/4/2013	Indianapolis, IN	Butler University's Howard Schrott Lecture Series
4/29/2013	Dana Point, CA	Fortune Brainstorm Green
8/21/2013	Winston-Salem, NC	Wake Forest University – Values Based Leadership
10/29/2013	Abilene, TX	Abilene Christian University Distinguished Speakers Series
2/12/2014	Singapore	Singapore Management University – Values Based Leadership
2/28/2014	Cincinnati, OH	University of Cincinnati – class presentation on doing business in Asia
3/17/2014	Singapore	West Point Society of Singapore Founders Day
3/22/2014	Medinah, IL	West Point Society of Chicago Founders Day
5/6/2014	Singapore	Singapore Business Leaders Program
5/6/2014	Singapore	AmCham Singapore Global Leader Series
5/8/2014	St. Gallen, Switzerlanad	St. Gallen University – St. Gallen Symposium
5/17/2014	Cincinnati, OH	Xavier University Graduate commencement
6/19/2014	Beijing, China	Peking University – Values Based Leadership
6/20/2014	Beijing, China	University of International Business and Economics – Seminar on Green Economy and Sustainable Business
6/21/2014	Beijing, China	International Association for Chinese Management Research Biennial Conference

(C) List all interviews you have given to newspapers, magazines or other publications, and radio or television stations (including the dates of such interviews).

I have done my best to identify all interviews I have given to newspapers, magazines or other publications, or radio or television stations. There may be others that I was unable to identify, find or recall.

3/28/2008	The York Dispatch
2/23/2010	Broadcast News
2/5/2010	Reuters
1/25/2013	Wall Street Journal, Cincinnati Enquirer, Financial Times
1/25/2013	Fortune
2/4/2013	Business Courier
3/20/2013	Wall Street Journal
5/1/2013	Handelsblatt
5/15/2013	Wall Street Journal
10/30/2013	Venue Magazine
12/16/2013	Cincinnati Business Courier

9. Agreements or Arrangements

☒ See OGE Form 278. (If, for your nomination, you have completed an OGE Form 278 Executive Branch Personnel Public Financial Disclosure Report, you may check the box here to complete this section and then proceed to the next section.)

As of the date of filing your OGE Form 278, report your agreements or arrangements for: (1) continuing participation in an employee benefit plan (e.g. pension, 401k, deferred compensation); (2) continuation of payment by a former employer (including severance payments); (3) leaves of absence; and (4) future employment.

Provide information regarding any agreements or arrangements you have concerning (1) future employment; (2) a leave of absence during your period of Government service; (3) continuation of payments by a former employer other than the United States Government; and (4) continuing participation in an employee welfare or benefit plan maintained by a former employer other than United States Government retirement benefits.

Status and Terms of Any Agreement or Arrangement	Parties	Date (month/year)

10. Lobbying

In the past ten years, have you registered as a lobbyist? If so, please indicate the state, federal, or local bodies with which you have registered (e.g., House, Senate, California Secretary of State).

No

11. Testifying Before the Congress

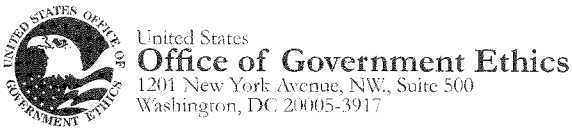
(A) Do you agree to appear and testify before any duly constituted committee of the Congress upon the request of such Committee?

Yes

(B) Do you agree to provide such information as is requested by such a committee?

Yes

[A letter from the Office of Government Ethics follows:]



JUL - 9 2014

The Honorable Bernard Sanders
Chairman
Committee on Veterans' Affairs
United States Senate
Washington, DC 20510

Dear Mr. Chairman:

In accordance with the Ethics in Government Act of 1978, I enclose a copy of the financial disclosure report filed by Robert A. McDonald, who has been nominated by President Obama for the position of Secretary of the Department of Veterans Affairs.

We have reviewed the report and have obtained advice from the agency concerning any possible conflict in light of its functions and the nominee's proposed duties. Also enclosed is an ethics agreement outlining the actions that the nominee will undertake to avoid conflicts of interest. Unless a date for compliance is indicated in the ethics agreement, the nominee must fully comply within three months of confirmation with any action specified in the ethics agreement.

Based thereon, we believe that this nominee is in compliance with applicable laws and regulations governing conflicts of interest.

Sincerely,

Walter M. Shaub, Jr.
Director

Enclosures

[Letter from Robert A. McDonald to the Office of General Counsel, U.S. Department of Veterans Affairs:]

June 30, 2014

Ms. Renée L. Szybala (023)
Assistant General Counsel and
Designated Agency Ethics Official
U.S. Department of Veterans Affairs
Washington, D.C. 20420

Dear Ms. Szybala:

The purpose of this letter is to describe the steps that I will take to avoid any actual or apparent conflict of interest in the event that I am confirmed for the position of Secretary of the U.S. Department of Veterans Affairs.

As required by 18 U.S.C. § 208(a), I will not participate personally and substantially in any particular matter that has a direct and predictable effect on my financial interests or those of any person whose interests are imputed to me, unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1), or qualify for a regulatory exemption, pursuant to 18 U.S.C. § 208(b)(2). I understand that the interests of the following persons are imputed to me: any spouse or minor child of mine; any general partner of a partnership in which I am a limited or general partner; any organization in which I serve as officer, director, trustee, general partner or employee; and any person or organization with which I am negotiating or have an arrangement concerning prospective employment.

In June 2013, I retired from Procter & Gamble Company. I own common and preferred shares of Procter & Gamble stock, and I have the following continuing interests in Procter & Gamble Company:

•Pursuant to the Procter & Gamble Company retirement restricted stock units plan for directors, I will receive shares of Procter & Gamble common stock over the 10-year period starting in 2023.

•Pursuant to the Procter & Gamble stock option plan, I retain the right to exercise my existing vested stock options until each option expires. I do not own any unvested stock options.

•Pursuant to the Procter & Gamble restricted stock unit plan, I have unvested restricted stock units that will vest according to the established schedule, and I will receive shares of common stock in February 2015.

•Pursuant to the Procter & Gamble performance share unit plan, I am eligible to receive shares of Procter & Gamble common stock in August 2014 and August 2015, based on the performance of Procter & Gamble.

Following my retirement, I became a consultant to Procter & Gamble. Upon confirmation, I will resign as a consultant to Procter & Gamble. Because I will continue to have equity interests in Procter & Gamble Company, I will not participate personally and substantially in any particular matter that has a direct and predictable effect on the

2.

Renée L. Szybala

financial interests of Procter & Gamble Company, unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1), or qualify for a regulatory exemption, pursuant to 18 U.S.C. § 208(b)(2).

Upon confirmation, I will resign from my position on the Board of Directors of Xerox Corporation. I own deferred stock units for shares of Xerox common stock. I do not own common stock, stock options or restricted stock in Xerox. Pursuant to the Xerox deferred stock unit plan for Directors, I will receive shares of Xerox common stock, upon my resignation. Within 90 days of my confirmation, I will divest all of my Xerox stock. Until I have divested this financial interest, I will not participate personally and substantially in any particular matter that has a direct and predictable effect on the financial interests of Xerox Corporation, unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1), or qualify for a regulatory exemption, pursuant to 18 U.S.C. § 208(b)(2). For a period of one year after my resignation, I will not participate personally and substantially in any particular matter involving specific parties in which Xerox Corporation is a party or represents a party, unless I am first authorized to participate, pursuant to 5 C.F.R. § 2635.502(d).

Upon confirmation, I will resign from my position as a member of the Board of Directors of U.S. Steel Corporation. I own common shares of U.S. Steel stock and deferred stock units for shares of U.S. Steel stock. I do not own stock options or restricted stock in U.S. Steel. Pursuant to the U.S. Steel Corporation deferred stock unit plan for Directors, I will receive shares of U.S. Steel common stock, upon my resignation. Because I will continue to hold shares of U.S. Steel Corporation common stock, I will not participate personally and substantially in any particular matter that has a direct and predictable effect on the financial interests of U.S. Steel Corporation, unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1), or qualify for a regulatory exemption, pursuant to 18 U.S.C. § 208(b)(2).

Upon confirmation, I will resign from my position with Ops-Fuel, Inc. I own both vested and unvested stock options for shares of Ops-Fuel, Inc., common stock. I do not own common or restricted stock in Ops-Fuel, Inc. I will retain my vested stock options. Upon my resignation from Ops-Fuel, Inc., I will forfeit all unvested stock options. Because I will continue to own vested stock options in Ops-Fuel, Inc., I will not participate personally and substantially in any particular matter that has a direct and predictable effect on the financial interests of Ops-Fuel, Inc., unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1), or qualify for a regulatory exemption, pursuant to 18 U.S.C. § 208(b)(2).

Upon confirmation I will resign from my unpaid positions with the following entities:

- Cintrifuse
- McKinsey & Company

3.

Renée L. Szybala

- West Point Campaign Cabinet
- The Business Council
- The Commercial Club of Cincinnati

I do not hold any financial interests in any of these entities. For a period of one year after my resignation from each of these entities, I will not participate personally and substantially in any particular matter involving specific parties in which that entity is a party or represents a party, unless I am first authorized to participate, pursuant to 5 C.F.R. § 2635.502(d).

I hold compensated positions with Singapore International Advisory Council of the Economic Development Board of Singapore and Temasek. I do not have financial interests in these entities and my compensation is not tied to their profitability. Instead, my only arrangement is to receive fixed fees for my services. Upon confirmation, I will resign from my positions with these entities. For a period of one year after my resignation from each of these entities, I will not participate personally and substantially in any particular matter involving specific parties in which that entity is a party or represents a party, unless I am first authorized to participate, pursuant to 5 C.F.R. § 2635.502(d).

Upon confirmation, I will resign from my advisory positions with the following entities: Cultural Facilities Task Force of the Greater Cincinnati Foundation; Thayer Leadership Development Group; The S. R. Nathan Institute for Societal Leadership; University of Utah David Eccles School of Business; and Yale School of Management Leadership Development Program.

My spouse and I will divest our interests in the following entities within 90 days of my confirmation: Colony Financial Services Inc; Omega Healthcare Investments Inc.; Sabra Health Care REIT, Voya Real Estate Fund; Acadia Healthcare; Aceto Corp.; Akorn Inc.; Cyberonics, Inc.; FEI Co.; Lannet Inc.; Ligand Pharmaceuticals, Inc.; Moog, Inc.; VCA, Inc; First Merchants Corp.; Home Bancshares Inc.; First Financial Holdings, Inc.; and Pinnacle Financial Partners, Inc. With regard to each of these entities I will not participate personally and substantially in any particular matter that has a direct and predictable effect on the financial interests of the entity until I have divested it, unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1), or qualify for a regulatory exemption, pursuant to 18 U.S.C. § 208(b)(2).

I understand that I may be eligible to request a Certificate of Divestiture for these assets and that a Certificate of Divestiture is effective only if obtained prior to divestiture. Regardless of whether I receive a Certificate of Divestiture, I will divest this asset within 90 days of my confirmation and will invest the proceeds in non-conflicting assets.

4.

Renée L. Szybala

I have been advised that this ethics agreement will be posted publicly, consistent with 5 U.S.C. § 552, on the website of the U.S. Office of Government Ethics with other ethics agreements of Presidential nominees who file public financial disclosure reports.

Finally, I understand that as an appointee I am required to sign the Ethics Pledge (Exec. Order No. 13490) and that I will be bound by the requirements and restrictions therein in addition to the commitments I have made in this and any other ethics agreement.

Sincerely,

Robert A. McDonald

Chairman SANDERS. Well, thank you very much for your testimony.

In a sense, I think you have answered my first question, but I am going to ask it again. You do not need this job. I do not think you are at the age in your career when you want to move up the career ladder. You do not need to add anything more to your resume. You have done pretty well.

In the midst of all of these problems, in the midst of a dysfunctional U.S. Congress, in the midst of bitter partisanship, why do you want this job?

Mr. MCDONALD. Thank you, Chairman Sanders, for the question. I think it is a good question and it is a question my family and I have talked a lot about. I desperately want this job because I think I can make a difference. I think that my entire career, whether it was starting at West Point, being in the 82nd Airborne Division, being at the Procter & Gamble Company, one of the most admired companies in the world, for 33 years, has prepared me for this task.

As I said in my prepared remarks, I think there is no higher calling, and this is an opportunity for me to make a difference in the lives of the veterans who I care so deeply about. If not me, who?

Chairman SANDERS. OK. Thank you for that response.

One of the issues that we are all struggling with is VA health care, and I look at this issue a little bit differently than some of my colleagues, who seem to think in some cases that health care in this country is just fantastic and it is just the VA that seems to be having problems. The other point that I want to make is not just the size of the VA—six-and-one-half million people coming in every year and inevitable problems that are going to occur—but the fact that because the VA is a public entity, and appropriately so, there is a lot more public attention to the problems facing the VA.

I will give you an example. It was in the paper today, the *Washington Post*, Johns Hopkins University Hospital paid $190 million to more than 7,000 women for inappropriate behavior on the part of a physician. It was an article in the *Washington Post*. If that

happened at the VA, there would be a dozen hearings. There would be articles for months to come, all kinds of investigations. Johns Hopkins University is a great hospital. Problems happen.

Now, the question I want to ask you is that a couple of weeks ago, I think, Senator Tester indicated—correct me if I am wrong, Jon—that in Montana alone, you are lacking some 20 physicians——

Senator TESTER. That is correct.

Chairman SANDERS [continuing]. Just in the small State of Montana. I know in Vermont, we lack physicians. All over this country—in Phoenix, God knows how many physicians they lack.

Now, in a nation in which 40 million people have no health insurance, a nation where we spend almost twice as much per capita on health care as any other Nation, a nation where 45,000 people die because they do not get health care, now, how are you going to help us get the physicians that we need in the midst of a physician shortage, the nurses that we need in terms of nurse shortage, so that when people attempt to get into the VA, they do so in a timely manner, number 1, and they get high quality health care? How do you do that within a dysfunctional health care system nationally?

Mr. MCDONALD. Well, Chairman Sanders, I think, first of all, it will start with us giving you very transparent projections as to what we think the demand is and how many resources we will need. We will have to build those from the bottom up, and I promise you that, if confirmed, I will be open and transparent with you as to what we think the need is.

Second, we are going to have to restore the reputation of the VA. If anything, this crisis may have damaged the reputation of a great organization. We will have to restore that, and the way we do that is by acting quickly to make sure every veteran in need gets the care they deserve, and they can tell our positive stories for us.

Third, we will have to do recruiting. At the Procter & Gamble Company—when you and I were together, we talked about this—we promote from within. I left the Army as a Captain. I went to the Procter & Gamble Company. I started at the bottom and worked my way up. We spend a lot of time on college campuses recruiting people. Last year, we had over a million applicants for fewer than 5,000 jobs. That is because people want those jobs. It is a company they want to work for. VA is a health care system that people want to work for. So, what I need to do is help recruit the very best people for that system.

Chairman SANDERS. All right. Will you go to the medical schools of this country?

Mr. MCDONALD. Yes, sir.

Chairman SANDERS. And the nursing schools of this country in order to bring bright young people into the system so that our veterans get quality health care?

Mr. MCDONALD. We have talked about the important role of leadership in changing culture. The fastest way for a leader to change the culture is through their own behavior. If recruiting is important, which I believe it is, because we have a shortage and we also have a time where the VA is in crisis, I think the leader

has to play a role in recruiting those doctors and nurses and clinicians to help care for the veterans.

Chairman SANDERS. All right. My last question deals with technology. There is no question and, I think, no debate that VA has very outdated technology in terms of scheduling appointments and maybe in other areas, as well. What can you do to utilize the best technology to make the VA a more efficient and cost effective entity?

Mr. MCDONALD. I think technology is a real enabler. I think it is a high-leverage activity that, as I said in my prepared remarks, would allow us to release some people and some resources and flow them to the mission, which is to care for veterans.

My undergraduate degree is in engineering. I studied computer science at West Point, both hardware and software. I wrote an assembly program for the Honeywell computer at West Point that took it from Fortran to binary-coded decimal. At Procter & Gamble, I committed that we would become the most digitized company in the world, creating molecules digitally and shipping to our customers using digital technology.

I think the same thing needs to be true for the VA. We need to use technology in order to free up people that we can move to taking care of veterans, and I plan to do that.

Chairman SANDERS. Good. Thank you. I have gone over my time.

Mr. MCDONALD. Yes, sir.

Chairman SANDERS. Senator Burr.

Senator BURR. Thank you, Mr. Chairman.

Welcome, Mr. McDonald.

Mr. MCDONALD. Thank you, Senator Burr.

Senator BURR. We are truly grateful to you and to Diane and to your family for this.

I want to start with a couple of housekeeping questions, if I can. As Ranking Member, part of my role is to conduct oversight with regard to VA activities. This often leads me or my staff to request information, statistics, briefings, or other materials from the VA. If confirmed, will you ensure that my staff and I will be provided with requested information in a timely fashion?

Mr. MCDONALD. Senator Burr, as you and I talked when we were together, you are going to have my cell phone number. Every Member of the Committee will have my cell phone number. I would expect if we are not meeting your needs, you will call me. When you run a large corporation globally, you have a cell phone that is on 24 hours a day, 7 days a week, and it gets called. So, if you have concerns, I want to know about them and I want to react to them.

Senator BURR. I thank you for that.

If confirmed, will you be proactive in alerting this Committee, including both sides of the aisle, about significant issues involving the VA?

Mr. MCDONALD. Yes, sir. I believe no leader can do a job this big by themselves. I need your help, if confirmed.

Senator BURR. Bob, I had the opportunity to talk to Ken Langone this morning at length. He has got deep concerns that veterans' needs are not being met, and I think he chairs the New York Hospital, the Langone New York Hospital. He told me this morning that the medical staff there is the same medical staff that we use

at the VA facility, that we actually leverage that medical staff to staff the VA facility. Is that a model that we could expand around the country and leverage for any shortages that exist? Is that a possibility?

Mr. MCDONALD. From what I know, Ranking Member Burr, that is relatively common, and I think, from what I have read, two-thirds of health care professionals in the United States have at least trained in a VA, if not actively involved today. So, that would certainly be something we would want to look at, particularly in a case where capacity is constrained and we need help.

Senator BURR. Mr. McDonald, I have been told that in 2011, VA began an initiative called the Harmony Project, and this was to explore the pros and the cons of further integrating or merging the operations of the VA and the Department of Defense health care systems. I believe this effort resulted in a report suggesting that the agencies could improve access and continuity of care while saving billions of dollars annually. But, it is unclear to me whether the VA ever discussed the findings of that project with the Department of Defense and whether any action was ever taken on that report.

I do not expect you to know anything about the Harmony Project, but can I get your commitment that you will go back and ask, was there a Harmony Project, that you will review the Harmony Project, and that you will provide the Committee with a copy of the conclusions of that project?

Mr. MCDONALD. Yes, sir. I would certainly like to learn about it. Demonstrating my own commitment to the importance of the Department of Defense and Veterans Affairs working together, I had the opportunity to meet with Secretary Hagel. We had a great meeting. We both committed to a partnership, a partnership that Acting Secretary Gibson had also had with Secretary Hagel. We both agree that it should not be the veteran's fault or the servicemember's fault that there is a seam in the U.S. Government between the Department of Veterans Affairs and the Department of Defense. That should be absolutely seamless for those who have taken the oath and then become veterans. I pledge, and I know Secretary Hagel does the same, to make that as seamless as possible.

Senator BURR. If I could also get your commitment to find out and report back to Congress or to the Committee on what, if any, interactions have taken place between the VA and the Department of Defense about the concepts highlighted in the Harmony Project.

Mr. MCDONALD. Senator, I am not familiar with the project, so—but, we will certainly take a look at it and get back to you on what we think about the different items in the Harmony Report.

Senator BURR. Great. I appreciate that.

Mr. MCDONALD. Yes, sir.

Senator BURR. I look forward to expediting the movement of your nomination.

I thank the Chair.

Chairman SANDERS. Thank you, Senator Burr.

Mr. MCDONALD. Thank you.

Chairman SANDERS. Senator Murray.

Senator MURRAY. Thank you very much, Mr. Chairman.

Mr. McDonald, I was really troubled to hear Secretary Shinseki say that he felt like he was misled by VISN Directors and other senior VHA leaders. The Department just—they cannot function if the Secretary is not getting honest information from the field and taking appropriate action. If you are confirmed, how are you going to create a better team and build trust and transparency?

Mr. MCDONALD. Senator Murray, I think that is an excellent question. On day one, what I have got to do is I have got to get out and I have got to meet as many employees as I can. I have got to understand how they think about their role in the Department.

One of the things I pointed out is I think we have a pretty good Strategic Plan, when I looked at the Strategic Plan on the internet. Again, I am only looking at publicly available information. But, the behavior of every employee in the Department is not consistent with that Strategic Plan. We have got to develop a way to make sure that the behavior of every employee, that their expectation on their performance each year ties back to the Strategic Plan.

Senator MURRAY. And, you do not think that was happening prior?

Mr. MCDONALD. I do not want to judge, but I can tell you that at the Procter & Gamble Company, one of the things we work hard to do is to take our Strategic Plan and make sure that every low-ranking, that every employee in the entire company, if you rolled up their behavior every day, you would roll it up to that Strategic Plan.

Senator MURRAY. Well, I agree with that, too, but what Secretary Shinseki was directly saying was that he was misled by people who were telling him what they thought maybe he wanted to hear rather than the actual truth. So, how do you build that trust to give you the information so that you can——

Mr. MCDONALD. I have got to be out there with the people in the field, and we have got to have leaders who are vigilant, making sure that trust is real. It is unconscionable to me that you would have an organization where one of the stated values—one of the stated values—the first stated value is integrity, yet you have people lying, and you have people tolerating it. The West Point Honor Code says, we do not lie, cheat, steal, and we do not tolerate people who do. You do not want people in your community lying. You do not tolerate them lying. So, we have got to get into this and understand it in greater depth.

Senator MURRAY. OK. I appreciate that commitment.

You know, I have talked with prior VA leaders about concerns at some of the facilities in my homestate of Washington. The VA's Access Audit flagged many of those facilities for some further investigation, and the most recent wait time and quality data that VA released show shortcomings at Washington medical facilities. I have raised, in particular, some real concerns about what is happening with the Spokane Medical Center, including whether staffing and budget shortfalls are hurting health care for veterans. If you are confirmed, how are you going to—not just specifically to Spokane, but how are you going to confirm oversight of these facilities and make sure that the resources are getting to the places where it is needed?

Mr. MCDONALD. Well, I think that is part of the forecasting and projecting that I was talking about in conjunction with the Strategic Plan. What I heard from Secretary Gibson last week during his testimony was that the VA had not done a bottoms-up forecast before and that he was having some trouble getting that done.

We have got to do a better job of that. We have got to be very open and transparent with all of you and all of our constituencies as to what we are forecasting, and then we have got to put the systems in place that can make sure our veterans are getting the appropriate care. We have got to be able to have the doctors, the nurses, the clinicians on the ground to be able to do that.

I think digital technology will also play a role because it will help us. I know we have at the VA—VA is known for a very good Electronic Medical Record, and if we can get a scheduling system that is equally world class—and there is no reason we cannot—I think we will be able to use that to help us better care for the veterans.

Senator MURRAY. OK. Really quickly, we have talked a lot about health care and wait times and everything else. I did want to ask you about the veterans' transition into civilian life. Many of them are using their G.I. education benefit. Back in 2012, I passed legislation to make sure that our veterans have the facts available to them so they can make informed decisions, so they are spending their G.I. Bill wisely. Recently, GAO found that schools may provide inaccurate or incomplete information to prospective student veterans and that the veterans themselves want independent, objective advice when it came to making their own education decisions.

I know you are not in there yet, but one of the things I really hope you focus on is helping make sure that our veterans make good choices when they use those education dollars.

Mr. MCDONALD. If confirmed, I will certainly focus on that. I, myself, am a beneficiary of the G.I. Bill. I did my graduate degree using the G.I. Bill when I was in the 82nd Airborne Division, the 18th Airborne Corps. My father was a G.I. Bill user, as well. The G.I. Bill is a very important part of the fabric of this country and we have got to make sure we keep it robust and with great integrity.

Senator MURRAY. Thank you. Thank you very much. My time is up.

Thank you very much, Mr. Chairman.

Chairman SANDERS. Thank you, Senator Murray.

Senator Isakson.

Senator ISAKSON. Thank you, Mr. Chairman.

Mr. McDonald, in your 90-day plan, you are going to travel the VA system and meet with providers within the VA, meet with veterans, and meet with stakeholders. When that is over, will you report back to us what you find and what you are going to do to correct what you find that you think is going wrong?

Mr. MCDONALD. I would love to do that, Senator Isakson, because my ideas, as laid out in my opening statement, are based on publicly available information, and as I learn more, that will obviously be modified. So, I would love to report back to you as to what I saw and how that—how I would modify the indicated actions going forward.

Senator ISAKSON. Well, your answer is really perfect, because all the discoveries we have made, beginning with Phoenix but going to other facilities in the country, have been information that was not publicly available and we had to dig it out. It took whistleblowers to actually bring it forward to us, which reflects the culture within the VA system right now, which is an insular, protective culture that you have got to open up. There are only two motivators in running a business. One is fear and the other is reward, and the reward is not necessarily your compensation, but the fact that you are doing a good job. I hope you will give us a game plan, make it public, and make the VA employees know that you are just not passing through and we are not just passing through, but we are going to insist on accountability.

Mr. MCDONALD. I could not agree with you more. For an organization to succeed, it has to learn; and, for an organization to learn, people have to be willing to admit when things go wrong. The Army calls it an after-action review. We tried to do the same thing at the Procter & Gamble Company. In a large organization, if something goes wrong, or if something goes right, you need to learn from it. You need to document it and then you need to share it through the organization so it does not happen again.

In an insular culture, you are not getting bad news being brought forward. You are not correcting mistakes and everything becomes a one-off. That is why we are seeing so many reports. It seems like there is a different report every day from a different location somewhere in the country. We have got to create a learning organization.

Senator ISAKSON. In your testimony, you mention creating a Physician Advisory Board. Do you contemplate those physicians being only VA physicians, or do you contemplate having some outside physicians giving eyes on the system?

Mr. MCDONALD. Well, I would—my initial thought would be to get the very best medical talent in the world. I have been very heartened by the number of people who have come forward to me and said that they would like to participate, that they would like to help. I think the greatest thing about this nomination at this moment in time is there is no question about the mission, about caring for veterans. There is no question about that. There is an unusual coming together of everyone in this country to take care of those veterans. So, I have gotten a lot of offers already to help. I would like to have the very best medical minds that we can find, inside the VA and outside the VA.

Senator ISAKSON. Well, I think you have discovered what I have found in my travels over the past 6 months dealing with this issue, and that is there are a lot of people who want to help and there is a lot of help out there. There is an example in Atlanta, GA, today. The Shepherd Spinal Center, which is recognized as one of the finest spinal centers in the world, tried for years to get the VA to cooperate to let them take some of their patients and finally cracked into it last year. Now they are taking veterans voluntarily and raising the money to do it, taking spinal cord injury VA patients and some PTSD and TBI patients who the VA had given the maximum amount of treatment to and still could not cure. So, I think the more we open the door and make the VA accessible to

the private sector providers, many of them are veterans themselves—the better the VA will be, because there will be support from the outside.

Mr. MCDONALD. Well, the VA is a great institution and has led innovation in so many areas and does so many unique things that I do not think could be done as well by the private sector. Nevertheless, any organization like the VA needs to benchmark itself consistently against activities elsewhere to become better. The Procter & Gamble Company, we benchmark ourselves against the very best companies in the world in order to make ourselves better, and I think we at the VA would need to do that, too, if I am confirmed.

Senator ISAKSON. Well, thank you for your service to the country and thank you for your willingness to accept this job.

Mr. MCDONALD. Thank you, Senator Isakson.

Chairman SANDERS. Thank you, Senator Isakson.

Senator Tester.

Senator TESTER. Well, thank you, Mr. Chairman, and I want to thank you once again, Bob, for being willing to take this job.

I do not know if you have thought about what you are going to do on your first day. You mentioned in your testimony about the 90 days and you are going to take a set of immediate actions to reform the VA. But, what is on the very top of your list?

Mr. MCDONALD. The very top on my list is getting the leadership and the entire organization together and sharing with them what I plan to do and how important to me the mission and the values of the organization are and how unacceptable it is to behave in a way that is inconsistent with the mission and the values. That is what I am going to try to do on day one.

Senator TESTER. OK. So, you talked about in your testimony the fact that leadership betrayed the trust of the veteran, and I know you talked about leading by example. Is there anything else you can do to restore trust by the veterans to the VA again?

Mr. MCDONALD. Well, I plan to—I have already made calls to the Veterans Service Organizations——

Senator TESTER. Yes.

Mr. MCDONALD [continuing]. And have talked to other veterans. What I would like to do as I travel is to get together with the Veterans Service Organizations and veterans around the country and listen to their concerns. But, I want to do that as a veteran.

Senator TESTER. Yes.

Mr. MCDONALD. I want to do that as one of them.

Senator TESTER. Right.

Mr. MCDONALD. I do not want to do that as a Secretary with an entourage.

Senator TESTER. OK. Good. I want to talk a little bit about perception. You said that you have gotten health care from the VA in the past, is that correct?

Mr. MCDONALD. My family has. I have not personally.

Senator TESTER. OK. So, your family has. This could still apply. Has your perception of VA changed over the last 30-some years?

Mr. MCDONALD. My father-in-law, before he passed away, suffered tremendous mistreatment as a POW and he loved the VA. He

loved going to meet with his fellow POWs and he very much benefited from that.

My uncle, who suffered from the effects of Agent Orange and still is under the care of the VA, speaks very highly of the VA. His personal experiences have all been very positive.

Senator TESTER. OK. Good. Since you have become the nominee, you have gotten information. Has anything changed with your perception of the VA in the last, what, month, 3 weeks?

Mr. MCDONALD. I—when you run a large organization, there are always things that go wrong, and my—the people I have met seem very dedicated——

Senator TESTER. Good.

Mr. MCDONALD [continuing]. To the mission and the core values.

Senator TESTER. That is good.

Mr. MCDONALD. But, what we have got to do is figure out who was not.

Senator TESTER. Right. The big issue that most people are talking about now is access, because once the folks get through the door, 90 percent of them think the health care is pretty darn good.

Mr. MCDONALD. Yes.

Senator TESTER. There is another issue out there that is big in the VA and that is mental health. The signature injuries coming out of Iraq and now Afghanistan all deal with PTSD—I should not say all deal, but the majority is PTSD. We have a shortage of providers in the VA. There is no ifs, ands, or buts about that. And, there is also a big shortage in the private sector. How are you going to solve that problem, because it is a problem that is not going to go away, and it is a problem that if we get help to the veterans early, we will have a much higher success rate.

Mr. MCDONALD. Senator Tester, I agree with your comment. I think it is a great comment, which is we do have an issue on mental health, not just in the VA, but in the country. What we have got to do is we have got to find ways to meet this need. It is one of the most pressing needs that we have within the VA and one of the most pressing needs within the country.

I think partnerships may be one way to look at it. I think, certainly—and this is a longer-term solution, but talking to people interested in careers. This is a great career for someone. To be able to make a difference in the life of another person through effective mental health care is fantastic. But, we do need more. We do need more.

Senator TESTER. OK. Last question. We have got a Conference Committee going on right now. The major cost of those bills deals with outsourcing health care to the private sector. It costs more money. I think Sloan Gibson said last week it costs more to go private than what the VA can provide. It costs money. I think the hitch with the whole Conference Committee right now is where we are going to get the money. It is an emergency situation, I believe. It is a cost of war. That aside, what is your number 1 priority to come out of that Conference Committee?

Mr. MCDONALD. Again, I am dealing with publicly available information, but I—having known Sloan Gibson for over 40 years, having gone to West Point together and served together there, and

then in the military, I trust what he has to say. I think he has talked about the resourcing needs that we have——

Senator TESTER. Yes.

Mr. MCDONALD [continuing]. And that is all about access.

Senator TESTER. OK. Thank you. Thank you, Bob.

Mr. MCDONALD. Thank you.

Senator TESTER. I appreciate your time.

Chairman SANDERS. Thank you, Senator Tester.

Senator Heller.

Senator HELLER. Mr. Chairman, thank you.

Mr. McDonald, again, thank you for being here and——

Mr. MCDONALD. Thank you, Senator.

Senator HELLER. I do not think there is any secret that my priority on this Committee is addressing the VA claims backlog, especially in light of the fact that Nevada has the worst backlog in the country. Unfortunately, the VA continues to provide us a very rosy picture of how it has reduced the claims backlog, and I want to assure you that this depiction is false.

Last Monday, the IG released a report about how the VA's 2-year claims initiative led to inaccurate processing, in part due to the VA employees feeling pressured to complete claims in a short timeframe. So, nationwide—and I want to go nationwide first and then a little locally—nationwide, 32 percent of the claims reviewed had errors. Some claims were denied without waiting for evidence needed to decide the claim, and some claims were filed without a final decision; some claims without a final decision were counted as closed.

So, my question for you, Mr. McDonald, is do you think it is responsible for the VA to continue to tout progress in light of this IG report?

Mr. MCDONALD. Well, I think we have got to improve the claims backlog, and I read the report that the working group put together, which you shared with me, and I am thankful for that, but I am also embarrassed for the organization that you had to go do that work. We have got to get ahead of this claims backlog and we have got to find a way to get it down and get it down quickly so that the veterans are getting the care they deserve.

Senator HELLER. If I can get a commitment from you that you will review the entire claims process and whether management has tried to manipulate these numbers——

Mr. MCDONALD. Oh, absolutely. One of the things that I am trained in is something called Lean Six Sigma, total quality, where there is a technique taught by W. Edwards Deming where you take a look at a work process and you work to find out where the constraints are. You streamline that process. Certainly, given the challenges with the claims process and the backlog, that will be one of my first jobs, is to take a look at that.

Senator HELLER. To get down a little bit more locally, there was an IG report recently of the VA Regional Office in Reno, and that inspection found that 51 percent of the claims reviewed were inaccurate and that management has contributed—was contributing to inaccuracy and other problems in the VARO. Many months ago, I was promised by your predecessor, or will-be predecessor, there would be changes at this particular Regional Office. I, personally,

have called for new leadership. If confirmed, can you commit to reviewing the management of each of the VA Regional Offices, including that in Reno?

Mr. MCDONALD. Certainly, I will. One of the first tasks of a leader, and I think I wrote this in my prepared submission, is to get the right people on the bus and get them in the right seats on the bus; and I do not care who the Fortune 500 CEO you talk to is, they will tell you it took them too long. It always takes you too long to get the right leadership team in place, but it is the first priority. So, we will be taking a look at that.

Senator HELLER. I think you just answered my question, but I will be very clear. Are you willing to make leadership changes where they are necessary?

Mr. MCDONALD. I have done that throughout all of my careers, beginning in the U.S. Army.

Senator HELLER. OK. That completes my questions. Thank you very much.

Mr. MCDONALD. Thank you, Senator Heller.

Senator HELLER. Thank you, Mr. Chairman.

Chairman SANDERS. Thank you, Senator Heller.

Senator Brown.

Senator BROWN. Thank you, Mr. Chairman.

We have heard my colleagues, we have heard the media around the country, very critical of the VA, in many cases deserved. We have also seen some of this criticism directed at VA employees generally, and I think it is important, and I know you are going to be dealing with some very serious morale issues. We had terrible morale problems at the Dayton VA, as you and I talked about. That has improved dramatically because of some decisions VA made.

I want to always point out that 30 percent of the VA employees are veterans and close to 100 percent of VA employees chose to serve veterans, and how important morale is and how important it is that we recognize that most of those employees are doing a good job. I know you understand that.

Let me ask a couple of questions on a number of things. I had high regard for General Shinseki, your predecessor. He had three things that he was working on that I wanted to ask if you plan to continue. He identified and self-imposed a plan for ending the backlog, an issue that everybody on this Committee in both parties has spoken out on. We have seen major improvements there. He worked hard on reducing veterans' homelessness, especially highlighting one of the VA's that are considered some of the best in the country, like Chillicothe, OH, in meeting the unique needs of women veterans.

I just wanted to ask you if you will, from what you know from public documents, if you plan to continue his efforts on those three pretty broad issues.

Mr. MCDONALD. I do, Senator Brown. In fact, as I was reviewing the Strategic Plan, I noticed that the agency priority goals are two of the three things you mentioned. I know that one of the chronic target groups of homeless is women. So, I absolutely will continue work on those three areas that you outlined.

Senator BROWN. OK. Thank you. The VA conducts millions of appointments each year. I talked about it in my introduction with

Senator Portman of you. It is six-and-one-half million veterans, 85 million appointments. Some of those, obviously, are conducted by third-party and private providers. I hear from these groups about VA delays in payments for these services. Sometimes, they go for as long as a year. I just wanted to ask you to commit to dealing with prompt payment and working on this issue on behalf of veterans affecting those health care delivery people and institutions outside of the VA.

Mr. MCDONALD. Yes.

Senator BROWN. OK. Thank you.

Mr. MCDONALD. Prompt payment.

Senator BROWN. Last is one that is a little further afield that you and I talked briefly about in my office on your first visit, and that is legislation that I have worked on called the Significant Event Tracker, where a number of soldiers in combat will get head injuries, minor head injuries. The Marine or the Ranger may say, "I got my bell rung." It is not recorded anywhere. A soldier gets four or five of these in the space of a year in combat, or a space of two or three tours of duty.

Six years later, his behavior begins to change. His kids notice it. He has no documentation of it. They go to the VA, making it hard to diagnose because they do not have them on records. It makes it more difficult for the VA when this soldier or this veteran files for disability; oftentimes, it is difficult to put together what happened, therefore increasing the backlog, delaying it when the VA does not have that information available.

Whether this legislation passes or not, our Significant Event Tracker bill, will you commit to work with the Department of Defense so that they keep better records on these so-called invisible minor injuries, but injuries that have a long-term effect—taken together, have a long-term effect on that soldier's behavior?

Mr. MCDONALD. Yes. I think that is a really important idea, Senator Brown. Secretary Hagel and I discussed that, and I think, if anything, this really shows why we need a VA, because the VA and the DOD working together can do this and are going to be on the forefront in the innovation of mental health as it deals with these significant events that occur. So, we have got to do that, but we have got to find a way to do it. It is going to be all new. It is going to be innovative and it is going to be something that has never been done before, but it has got to be done.

Senator BROWN. The burden rests way more with DOD than it does the VA, but you are urging the DOD to do it, just like trying to eliminate what you called a seam, which Senator Murray and I are saying is almost a wall between the soldier and the VA——

Mr. MCDONALD. Right.

Senator BROWN [continuing]. And how that is so important, to smooth that over.

Mr. MCDONALD. Well, we will own the outcome, you know, as they are a veteran, and understanding that outcome and being able to trace that back to those significant events that occurred that created the head injury is going to be critical. So, I think it is very important that we work hard on that.

Senator BROWN. Thank you, Mr. McDonald.

Mr. MCDONALD. Thank you.

Senator BROWN. Thank you, Mr. Chairman.

Chairman SANDERS. Thank you, Senator Brown.

Senator Boozman.

Senator BOOZMAN. Thank you, Mr. Chairman, and again, thank you so much for being here, Mr. McDonald.

Usually, when I am interviewed by the press, it is a pretty extensive interview with whatever the subject, and at the end of the interview they always say, is there anything that I have left out? Is there any question that I have not asked? I will usually reply, no, I think that is every possible question; I think you are about at that point right now. I just want to say that I am very, very impressed with the answers that you have given.

I do not think it is fair to get too specific with you in the sense, you know, you are in the position that you are just getting your feet wet, but in talking about process, in talking about your approach to how you are going to solve problems, I think that is excellent.

I would like to mention just a couple things that are important that, again, I do not want to get into the weeds with you at all, but a couple things that are on my mind. One of them is the fact that, right now, when a veteran goes to his Medicare doctor, he sees his Medicare doctor, gets a prescription. In order to get that prescription filled at a VA pharmacy, which is a pretty good deal for the veteran, he has to go see a VA doctor, which makes no sense at all, to me. So, I would like for you to just think about that in the future.

Scheduling is a huge problem. You mentioned getting some of the best providers and visiting with them. Certainly, the schedulers, the administrative people would be good to review along the same line. That really is the backbone of health care or, really, whatever you are looking at. You know that better than I do.

Suicide, prescription drug prescribing, I think there is too much of that, not prescription drugs, but the scheduled drugs. We put tremendous pressure on the VA to get rid of their backlogs specifically. You know, these things wax and wane. But, in treating our veterans that have issues, there has been a lot of pressure to get that solved, to eliminate the backlog there. The easiest thing to do is to prescribe a drug, you know, rather than really working through the problem. Then, again, the prescription drug abuse, that there is so much of this stuff out on the street that it is actually—when I am visiting with my State's sheriffs, they talk about veterans diverting that and actually selling it as a way to supplement their income.

The other thing that I would like a commitment from you is one of the things that really frustrates the Committee, and as you are seeing, the Committee really is a very bipartisan entity. When it comes to veterans, Congress works very, very well together, whether it is in the Senate or the House, Republicans and Democrats.

But, one of the most frustrating things that we run across is trying to get information and then not being able to get that information in a timely way, to be stonewalled.

I think you will find that the Committee really does want to help you, you know, as we go forward.

But, I would like for you to commit that when we do ask for things, that our request is honored, that this is a—that we have oversight, recognizing that fact, and that you will try to—I know that you will try to create a good relationship between the Committees, but I think waiting on data is probably one of the most important things and that is one of the most frustrating things that we run against, so——

Mr. MCDONALD. It is certainly my intention, Senator Boozman, to be responsive to whatever questions or demands that you may have. I realize the role you have in oversight, and I also realize that you have got people in your State who have needs, and it is going to be our responsibility to try to help you meet those needs. I will plan, if confirmed, to give every Member of the Committee my cell phone number and I will expect you to use it; call me when you have a concern and we will try to deal with it together.

Senator BOOZMAN. Thank you, Mr. Chairman.

Chairman SANDERS. Thank you, Senator Boozman.

Senator Hirono.

Senator HIRONO. Thank you. I think you are probably the first person to give all of us your cell phone number, so I hope this is not a situation where, be careful what you ask for. Be that as it may——

Mr. MCDONALD. I mean it, Senator Hirono.

Senator HIRONO. Thank you. We appreciate it.

I am glad that Senator Brown brought up the question of the significant events that occur to our enlisted people, our soldiers, that never gets into their records, because I have heard of veterans who, as they are trying to make their claims with VA, they are not able to get the information to back up those claims, which leads me to ask you, when General Gates and Secretary Shinseki were leading the DOD and VA, respectively, they talked about seamless records so that the records follow the person, the individual. Yet, here we are. We still do not have the compatible systems.

Is this something that you would pursue so that when our people leave active service and become veterans, that their records are with them, that it follows them? Apparently, this requires some kind of a huge computer change that we have not been able to achieve, even if a lot of money has already been spent. Would you pursue this course?

Mr. MCDONALD. Yes, Senator Hirono. As I said, I really think it is important that the DOD and the VA operate seamlessly. It is not the veteran's fault that there is a boundary between those two organizations and we need to operate seamlessly. When I met with Secretary Hagel, he had the exact same interest that I do. In fact, he asked for the meeting, which I thought was an incredibly gracious thing for him to do, since I am only a nominee, and I think that recognizes how well we can work together to get these things done.

I know progress has been made on the record interoperability between the two organizations, but more progress needs to be made.

Senator HIRONO. Well, apparently, there are some tremendous difficulties in getting this done, because 6 years later, lots of money, it is still not happening. So, we are going to follow up with

you—I certainly intend to—as to how you are getting along with that.

You mentioned in your testimony that the VA operates as loosely connected individual administrations. So, various decisions are being made at the local/State level, perhaps, and there is not a particular compatibility or procedures that are being utilized that would enable you to decide or compare what is going on in the VA in one State versus another State.

So, in a situation like that, how would you address the fact that across the VA system there are systemic problems? It will be difficult to address when there are multiple organizational management structures in place.

Mr. MCDONALD. I think you are right and I think your question is insightful, because any large organization needs to operate with one team and one dream. You cannot have separate organizations going different directions. A lot of thought is put into how do you break down boundaries in an organization. My experience over the last 40 years has been that if there is a problem in an organization, it typically occurs at a boundary, and how do you make those boundaries permeable so that resources, information, can flow between those boundaries?

One of the ways we have to do that is by putting in place systems that will work so that we get predictably good results every time something happens. The scheduling system is an example. But, the other thing that that does is it allows you to flow resources across the boundary so that each individual entity is not asking for more resources when, in fact, the resources may exist somewhere else and we need to flow them there.

A good example of that is the migration that is currently occurring of veterans. Veterans who are returning to this country are migrating to different places than you may have expected. So, we are going to have to be flexible enough to make sure our care follows that migration.

Senator HIRONO. I think when you are dealing with a huge system like the VA system, you are going to get a lot of push-back from people who are used to being left alone in their regions or whatever the grouping is. So, I wish you the best in making sure that we really are working with a system that responds in the way that it should.

Mr. MCDONALD. Thank you, Senator Hirono.

Senator HIRONO. Thank you, Mr. Chairman.

Chairman SANDERS. Thank you, Senator Hirono.

Senator Moran.

Senator MORAN. Mr. Chairman, thank you very much.

Mr. McDonald, thank you very much for your presence today. Thank you for your willingness to serve as the Secretary of Veterans Affairs.

As I indicated in our conversation, I hope you will consider me and other Members of this Committee allies as you try to develop a strategy and implement that strategy which benefits those who have served our country.

I want to talk broadly for a moment, and then bring Kansas into the topic of conversation. First of all, in the hearing that was held in May, we had most of the Veterans Service Organizations testi-

fying, and I think, without exception, those are organizations that have consistently requested additional resources from Congress to support the activities of the Department of Veterans Affairs.

But, my summary of their testimony was that each and every organization, those seven VSOs, all testified that, in the past, while there is additional money going to the Department of Veterans Affairs, in fact, the President indicated earlier this year that during his time in office, the Department of Veterans Affairs has been more resourced, was his words, more resourced than other agency or department in his administration.

So, the point that the VSOs made is, yes, we probably could use additional resources at the Department of Veterans Affairs, but without exception, it seemed to me their testimony was, but the money is going in the wrong place. It does not result in better care. It does not result in more providers. In fact, it results in more paperwork, and bureaucracy that our veterans encounter in dealing with the VA.

So, as we have conversations about more money, when you make a budget request from the Department of Veterans Affairs, we need to make certain that this is not about expanding the number of people. In fact, I am told within VHA's headquarters, in the 1990s, there were 800 people who worked there. That number is now 11,000. The focus has to be on the people who provide patient care, not the folks who get in the way of that patient care.

I indicated to you in our conversation that what I am looking for is somebody who can rebuild the trust that certainly I want to have in the Department of Veterans Affairs, but more importantly, what our veterans deserve to have in a department created for their benefit, and I look forward to working with you to accomplish that.

Let me turn specifically to Kansas, and I want to highlight for you how rural our State is. I served in the House of Representatives representing a Congressional District of our State that is larger than the State of Illinois. No VA hospital in that Congressional District. Yet, we need to continue to work to provide services to folks who do not happen to live anyplace close to where there is a VA hospital.

Over the course of my time in Congress working with the Department of Veterans Affairs—nine Secretaries—we have had outpatient clinics. That has helped. But, if you live 4 or 5 hours from a VA hospital, how do you get there, particularly if you are a 92-year-old World War II veteran——

Mr. MCDONALD. Mm-hmm.

Senator MORAN. But, if you are a 92-year-old World War II veteran and you live two-and-one-half hours from the outpatient clinic, it does not really make that much difference that you are 2 hours closer to a facility if you cannot get there anyway.

So, one of the things I am pleased about in the legislation that is now pending, which I hope that the Conference Committee reaches a result and we come back and vote on the Senate and House floors about this legislation is the idea if you live long distances from a VA facility, that the VA will provide that care for you. The VA today has the ability to do that. They have the ability to pay for outside services. They are seemingly reluctant and often unwilling to do so. You need to understand that when the VA fails

to provide those fee-for-services to those veterans, most likely what happens is that veteran gets no service at all.

In fact, in my hometown of Plainville—I am sorry. My hometown is Plainville, but 23 miles away is Hays, where we were successful in opening an outpatient clinic. The VA reported to me they would expect 1,100 veterans from Northwest Kansas to access care there, because that is 1,100 who were somehow making their way to Wichita. This would be closer. The end result was we had 2,200, double the amount that was said. The doubling amount occurred because prior to that, those veterans were receiving no care.

So, I look forward to my opportunity in the time that you are Secretary and I am a member of the U.S. Senate, a Member of this Committee, to help explain the challenges that we face in a rural State like ours.

One of my ongoing complaints with the Department of Veterans Affairs that I would love for you to solve is we have an outpatient clinic in Liberal, KS, that has not had a physician in its employ for more than 3 years. While I have raised this issue with the Department of Veterans Affairs over that period of time, the problem I have is that they—while I understand it is difficult to recruit and retain physicians in rural America—there has been no plan to fix the problem. We need a plan. We want to help you implement it. I want to be an advocate for all veterans, but I also want to bring home to you the unique nature of places like my homestate.

Thank you, Mr. Secretary.

Mr. MCDONALD. Thank you, Senator.

Senator MORAN. Mr. Secretary-to-be.

Mr. MCDONALD. As you said, I think it is all about the mission, which is care for the veterans, and we have to look at all these decisions through that lens and try to get access for the people in rural America.

Chairman SANDERS. Thank you, Senator Moran.

Senator Rockefeller.

Senator ROCKEFELLER. Mr. McDonald, you have done a terrific job here today.

You have a variety of tests that have not surfaced to this point within the workings of the Congress and the U.S. Government. It always has been, and I assume still is, that when you give testimony—you are giving a different kind, when you answer questions, it is a little bit different—but, when you give testimony, or your people at a higher level give testimony to this Committee or to any other committee in Congress, it has to be approved. It has to be approved before it can be given by the Office of Management and Budget. That is a restraint, because what the White House is saying to you, you go ahead and say what you want, but it has got to be within our parameters.

I do not have any fear in your case, because the Veterans Administration, the deficiencies and the need for money and all the rest of it is so apparent that I think that your road will be easier on that account, but that is a restraint. It is an unknown restraint to most of the American people, but it is a restraint.

Second, you will find that we in the Congress are terrifically skillful at finding problems, things which we think have gone wrong in your agency, and then we just want those problems fixed.

The press is always available and people use the press very liberally, often to make criticisms which they, themselves, are not willing to step up to the plate to solve.

You have talked a lot here about accountability. I think it is part of your responsibility, and I am not sure exactly what I mean when I say this because I am not sure how you would do it, but that you can find ways. People here say, well, you know, let us just not throw a lot more money at that problem. There are plenty of resources in the VA. You just shift people around. You helped that a little bit when you talked about, well, you take some of your IT people and put over into other positions.

But, the fact of the matter is, the problems are the enormous boundary and growth yet to be seen of people who are seeking help from the VA with a whole series of new problems to the VA system. Part of accountability is you being frank with us when we are not giving you what you need to do the job. You cannot allow us to sit here and say that there is plenty of money available, it is just a question of shifting resources around, when you know perfectly well that if you are going to go out and hire the right kind of nurses and doctors and do experimental work, one of which you and I discussed when we met, which has profound PTSD solution potential, all that costs money. All that costs money.

This Congress is sort of divided into (1) people who want to spend money and think that you need to spend money when you have a particular problem, which there can be no problem more dramatic than that of the veteran, and (2) those who would say there is no problem more dramatic than the problem of the veteran but do not want to spend money to do anything about it. It is a matter either of ideology or theology or of fear or leadership dicta or whatever.

But, boy, does that hit you in the face. You get in, you start making changes, then all of a sudden, your budget—as the President said, the VA has done better than any other institution in getting money, but that is still not saying very much. We have shut the government down here. We have got sequestration. We have a "do not spend" philosophy. If you spend, you will be labeled a big spender and then you will lose your next election—and the Tea Party and all the rest of it.

So, I am just saying that, as a friend to you, when people here say they are going to be your ally, make sure they really are and make sure that they are doing for you what they should be doing for you. That is the accountability that we owe ourselves and which I hope that you will exercise on us.

This is not an easy system and we are not an easy group to deal with; it is easy to talk and complain, hard to solve problems. I think you are a problem solver. I welcome that. I think you are going to be a superb Secretary. But, be very frank and tough with us, too.

Mr. MCDONALD. Thank you very much, Senator Rockefeller. I do plan on it being a two-way partnership, and when I give you my cell phone number, I want yours at the same time. [Laughter.]

Chairman SANDERS. Thank you, Senator Rockefeller.

Senator Blumenthal.

Senator BLUMENTHAL. Thanks, Mr. Chairman.

You can have my cell phone number, for what it is worth. It is not worth as much as Senator Rockefeller's, but——

[Laughter.]

Senator BLUMENTHAL. I, again, thank you for being here, and thanks for answering all our questions as well as you have, forthrightly and candidly.

In my initial statement, I raised the specter of the VA as comparable to a bankrupt corporation. Unlike a lot of bankrupt corporations, or at least corporations that fold, the VA has a lot of assets. One of its very distinct assets is its very dedicated people, its trained professionals who do such great work day in and day out, regardless of the headlines in the paper and the disparagement that they may see in the Congress.

We see it in Connecticut. We have a lot of great doctors and medical care in Connecticut, most especially at the West Haven VA facility, which is our main hospital. So, my question is, what can we do to attract more of those trained professionals to the VA facility in Connecticut and others sites around the country which really provide the day-to-day care for our Nation's heroes?

Mr. MCDONALD. I think that is a great question, Senator Blumenthal. I have been thinking a lot about this, knowing the shortage that we have, and also the morale of the organization, which may not be very high right now. It dawns on me that health care professionals, like the rest of us, want to make a difference in the lives of others and they want to be on the cutting edge of making a difference.

So, if we are going to start, for example, correlating Post Traumatic Stress Syndrome with events that occurred during the military experience, that is cutting-edge stuff. That is new stuff. That is stuff that nobody has done before. I mean, the VA has had three Nobel Prize winners. That is the kind of thing that, I would think, health career professionals want to be a part of.

So, it would be my intention that we really tout that innovative capability that the VA has had for years, but really bring it out and use that to recruit the very best people who want to make a big difference in others' lives.

Senator BLUMENTHAL. In the West Haven facility, as I believe I told you when we met, I have asked for site-specific information relating the audit that was done, in fact, led a letter from our delegation asking General Shinseki for that site-specific audit data relating to all the locations in Connecticut, and I am referring to the audit that was done during the spring, not the wait-time data. I would like a commitment from you that I will receive a response to that letter.

Mr. MCDONALD. We will respond to the letter, Senator Blumenthal.

Senator BLUMENTHAL. I would like your commitment, also, that you will respond to a letter that I recently—more recently—wrote to the Deputy or Acting Secretary of the VA asking for an explanation for the apparent tripling in wait times in Connecticut and, in fact, elsewhere around the country, the increase in wait times and those wait times delayed longer than 30 days that seem to have tripled in Connecticut, quadrupled elsewhere. Will you commit to me that you will provide a response to that letter?

Mr. MCDONALD. If confirmed, I will provide a response, but knowing Sloan Gibson the way I do, you will get a response.

Senator BLUMENTHAL. I am hoping that response will be imminent, not sometime in the indefinite future.

Mr. MCDONALD. That is my hope, as well.

Senator BLUMENTHAL. Thank you. The other area that is of grave concern to me relating specifically to Connecticut is care for women veterans. I hope that will be a priority for you and that you can commit that women's care for veterans at the VA facility in New Haven, whether it is the result of trauma connected to sexual assault or a battlefield PTS, will be a priority for you.

Mr. MCDONALD. It is a priority and it is a growing priority. The number of women going into combat, coming out of combat, becoming veterans, is growing. This is something we have got to get ahead of.

Senator BLUMENTHAL. Again, relating to Connecticut, a great many of our veterans have been victims of predatory schemes or practices on the part of for-profit colleges or others relating to educational benefits. Ultimately, the victims are not just those veterans, but also taxpayers, because it is taxpayer money that often is lost. Will you commit to make correction of those kinds of abuses a priority?

Mr. MCDONALD. I have read some of the newspaper articles and reports on that. I am dealing with the publicly available information, since I am not confirmed, and we will get into that and understand it. I mean, it is unconscionable that someone would be taking advantage of our veterans.

Senator BLUMENTHAL. Finally, with respect to the criminal investigation that is ongoing, a criminal investigation that I asked the Department of Justice to begin, I would like your commitment that you will assist and support that investigation to hold accountable anybody in the VA who has committed fraud or destroyed documents or illegally manipulated documents so as to lie to General Shinseki and to the American public.

Mr. MCDONALD. Yes, sir. As I said, the number 1 value, core value of the organization is integrity. So, we have got to root out when that is not upheld.

Senator BLUMENTHAL. Thank you very much.

Mr. MCDONALD. Yes, sir.

Senator BLUMENTHAL. Thanks, Mr. Chairman.

Chairman SANDERS. Thank you, Senator Blumenthal.

Senator Begich.

Senator BEGICH. Thank you very much, Mr. Chairman.

Again, Mr. McDonald, thank you very much for being here.

I would be remiss if I did not first brag about my State and invite you to it. As a Senator from Alaska, we have attempted to look at this problem—it is complex in a lot of ways. It is not only a health care delivery system, but handles disability claims, G.I. benefits, basic care services; I mean, it is this laundry list of services. As I said earlier in my opening, we sought to reshape what we were doing in the VA, so now we have in Alaska 26 agreements with Tribes that deliver health care all over Alaska. We did not need legislation. We offered legislation, but we worked then with the Administration to figure this out. The former Secretary was

bold about it and kind of went on the cutting edge—I will use your words—that cutting edge element. Now I think we are starting to do some incredible things with delivering services wherever veterans are, and then the VA reimburses the Indian Health Services folks in regards to the delivery of the service.

Along with that, we are now starting to utilize our Federally Qualified Clinics, again, a Federal resource. In both of these, for example, when we are partnering in Anchorage, the delivery system, if you are a veteran on the list already, you will get same-day care unless it is major medical. That is a pretty—I mean, that should be the goal, right; that when you walk in as a veteran, you should get care. We are very excited. We are getting about 70 to 80 folks a week signing up in Anchorage on those two elements, and throughout the State many are signing up, in the hundreds, to be partners and work—or veterans being able to access those partner agencies.

We also have an incredible delivery system, and what I mean by that, not just the mechanism, but the kind of care we deliver. It is called Nuka. This is a holistic view of medicine. It is not just, you know, you come in with one ailment and that is all we take care of. We try to look at the whole system. You get a team that works with you for mental health, eye, hearing, primary, and so forth. So, the idea is that the outcome of the health care is better than just a process that they are going through.

So, I would hope that you would be willing to consider looking at that. I know the VA has been looking at this as a model in some areas because of its uniqueness and how it produces outcomes. For example, in our Native Health Clinic, we dropped emergency care folks coming through by almost 60 percent by changing this one simple thing. And I say "simple." It was not simple, but, I mean, it is now.

Would you commit to, at some point—and you had mentioned you are going to go around—again, we do not have a hospital, but we have a clinic and we have a unique delivery system—to come to Alaska to see what we are doing and learn from what we are trying to do?

Mr. MCDONALD. Certainly, I would like to go to Alaska again. I have been there many times——

Senator BEGICH. Fantastic.

Mr. MCDONALD [continuing]. And have always enjoyed it. I think what you described, as trying to prevent the illness or trying to prevent the problem rather than only treating it once it occurs, is really the cutting edge of medicine. The work we have done at Procter & Gamble with our health care business has always been about preventing the illness from occurring——

Senator BEGICH. Very good.

Mr. MCDONALD [continuing]. In order to keep people healthy longer.

Senator BEGICH. Holistic delivery system——

Mr. MCDONALD. Holistic——

Senator BEGICH [continuing]. And delivery system reforms.

Mr. MCDONALD. Absolutely.

Senator BEGICH. That is what I am interested in, so, great. We will take you up on that.

Second, I just want to echo what Senator Blumenthal mentioned about the growing population of women within the VA system, almost now two million more women are veterans and it is creating a growing challenge, because some of our clinics, hospitals, facilities, were not designed for the needs of women. So, I want to hear you say it again, is your commitment to make sure that the women who are veterans will also get equal treatment as you are looking at, reviewing, reforming, and improving the system?

Mr. MCDONALD. Yes, sir.

Senator BEGICH. Your issue on the DOD, I want—this is a—you may not want to answer this—well, maybe you do now, because you are not sworn in yet, so this might be good that you are not a Cabinet Secretary yet. Here is what is going to happen. You are going to have all these wonderful ideas, which we are anxious for. You are going to then present these ideas to my favorite friends over at the Office of Management and Budget, who will then tell you, "You do not have enough money. That is not what can be done." Then, you are going to have to reform what you brought forward.

Are you willing to kind of buck the system to say, here is what we need if we are serious about dealing with our veterans and funding our veterans, which may mean you have to say something to OMB that, you know, no disrespect to my friends at OMB—and they are my friends, Shaun Donovan, who is now the Director—I call them the Great Sanitizers. As a former mayor, I had my OMB folks. They were always hammering down. Are you willing to push—be the advocate for the veterans when the system says, you cannot do it because you do not have the money?

Mr. MCDONALD. Well, it is—you know, my intention is to meet with members of the Office of Management and Budget roughly once a week or so, so that there are not any surprises. I mean, they are a constituency and they are going to be helpful, as well. So——

Senator BEGICH. Good.

Mr. MCDONALD [continuing]. I think a partnership with them is critically important, just as a partnership with that kind of organization in the private sector would be, as well.

Senator BEGICH. Excellent. Last question. I had some others, but I will submit them for the record. We have seen this play before with DOD, and I have seen it on the Appropriations Committee, when we brought DOD, VA, Social Security, and the IRS together to figure out this disability—when they say, "It is not our problem" at some point, and I am glad that Hagel has called you—I think that is a good step. Again, will you stand tall and say, look, we are going to have these integrated systems that are clean and that the veteran does not have to worry about. We, as agencies in government and Congress should worry about it, but they should never worry about their records going from A to B. Will you be able to—I mean, DOD, the Pentagon are big—I have seen what they have done before, so I am just anxious for your——

Mr. MCDONALD. The Pentagon may be big, but Secretary Hagel and I are small. There are only two of us, and I think that we can work together on these kinds of things.

Senator BEGICH. Excellent.

Mr. MCDONALD. I do plan to let him know what our needs are, and I hope, in return, he will let me know what his needs are. As I said earlier, the fact that he reached out to me, I think, is a great sign.

Senator BEGICH. I think it is a great sign.

Mr. MCDONALD. Yes, a great sign. He is a great leader, so it did not surprise me.

Senator BEGICH. I was happy to support him when he was nominated.

Mr. Chairman, thank you very much. I will submit some more questions for the record, and I appreciate your willingness to be here today.

Mr. MCDONALD. Thank you, Senator Begich.

Chairman SANDERS. We are coming to a close, and let me thank you, Mr. McDonald, for being here, for your willingness to serve, for your testimony today. What we are going to try to do, which I hope and believe we can, is to have a vote on your confirmation tomorrow. And I believe, based on what I heard, you are going to be confirmed. I hope that is the case.

The other thing that I would say, and Senator Moran raised the issue earlier, is that there is a Conference Committee report out there. My only disagreement with what Senator Moran said is there is also a House of Representatives, not just the Senate, and both bodies are going to have to work together. I hope very much that we will be able to do that and I hope we will be able to do that before we leave here for the recess; and I hope we will be able to provide you with the emergency help that you need to deal with the immediate crisis of waiting periods for veterans. I hope, also, that we are going to give you the resources you need to get the doctors and nurses and other personnel that you need so that we do not have this crisis in years to come.

Let me just conclude by saying you have heard, and I know you are aware, of the very significant problems facing the VA. In addition to everything else, we have two million veterans who have come into the system in recent years. You are going to be dealing with the crisis of 500,000 men and women dealing with PTSD and TBI. You are going to be dealing with a shortage of personnel. You are going to be dealing with accountability issues. You are going to be dealing with the need to develop a new culture at the VA. That is quite a task in front of you.

On the other hand, what I would tell you is that what you have going for you is that the American people feel very, very strongly about the need to provide for and take care of those who have sacrificed so much, and I think they will support you as you come forward with ideas to do just that.

So, I thank you very much for being here.

Mr. MCDONALD. Thank you, Chairman Sanders.

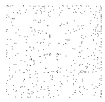
Chairman SANDERS. This hearing is adjourned.

Mr. MCDONALD. Thank you.

[Whereupon, at 5:29 p.m., the Committee was adjourned.]

A P P E N D I X

LETTER FROM AMERICAN ASSOCIATION OF NURSE ANESTHETISTS



July 22, 2014

Sen. Bernie Sanders
Chairman
Senate Veterans' Affairs Committee
332 Dirksen Senate Office Building
Washington, DC 20510

Sen. Richard Burr
Ranking Member
Senate Veterans' Affairs Committee
217 Russell Senate Office Building
Washington, DC 20510

Dear Chairman Sanders and Ranking Member Burr:

On behalf of the nearly 47,000 members of the American Association of Nurse Anesthetists (AANA), I extend our support for President Obama's nomination of Robert McDonald as Secretary of the U.S. Department of Veterans Affairs (VA), and urge his confirmation by the Senate.

We believe that the President and the country's Veterans are best served by a Secretary of Veterans Affairs possessing impeccable leadership and management skills required for serving our nation's Veterans and overseeing the delivery of healthcare services to Veterans. For this position, the President has nominated Mr. Robert McDonald, an individual with exceptional private sector experience, and a proven leader that has demonstrated his ability to manage and deliver results. His experience as Captain in the U.S. Army, President and Chief Executive of Procter & Gamble, have prepared him well to lead the VA through this demanding time.

We urge his confirmation by the Senate, and look forward to his service in the President's Cabinet.

Sincerely,

Dennis C. Bless, CRNA, MS
AANA President

American Association of Nurse Anesthetists Office of Federal Government Affairs
25 Massachusetts Ave., NW., Suite 550, Washington, DC 20001 / ph 202-484-8400 / fx 202-484-8408 / www.aana.com

LETTER FROM ASCENSION HEALTH

July 17, 2014

The Honorable Bernie Sanders
Russell Senate Office Building
Room 412
Washington, DC 20510

Ranking Member Richard Burr
Hart Senate Office Building
Room 825A
Washington, DC 20510

Dear Chairman Sanders and Senator Burr,

As President and Chief Executive Officer of Ascension Health, the nation's largest Catholic and nonprofit health system, I write to offer our unqualified support for the nomination of Robert McDonald to be the next Secretary of the U.S. Department of Veterans Affairs. Throughout his long and distinguished career at Procter & Gamble, Mr. McDonald demonstrated a strong commitment to making the health and wellbeing of individuals a top priority. As the former President, CEO and Chairman of P&G, he has shown great leadership as he led an organization with 121,000 employees that operates in 80 countries. His strong management skills and experience running such a large, respected organization will be invaluable assets as he manages and reforms the VA.

Mr. McDonald's background as a West Point graduate and U.S. Army Captain will make him a highly credible leader in the eyes of our nation's veterans. Even after moving into the private sector, he has continued his strong commitment to our nation's military, serving as a mentor for cadets and receiving the inaugural Leadership Excellence Award from the U.S. Naval Academy. His experience and ongoing support for our men and women in uniform will serve as critically important skills at this time when the VA must reassure the nation that those who have served this country in our times of greatest need will have access to the high quality health care services they deserve.

Ascension Health is committed to providing compassionate care to everyone. Our health system has over 1,500 sites of care in 23 states and the District of Columbia. Because of our close proximity to many over-burdened VA medical centers across the nation, we believe that Ascension can assist in providing access to high quality primary care, specialty care and acute care services for our veterans.

We are convinced that Mr. McDonald will be a highly effective leader of the Veterans Administration, and we look forward to working together in every way possible. Thank you for considering our request to approve the nomination of Robert McDonald for Secretary of Veterans Affairs.

Sincerely,

Robert J. Henkel, FACHE
President and Chief Executive Officer

4600 Edmundson Road, St. Louis, MO 63134 | 314-733-8000 | www.ascension.org

LETTER FROM NATIONAL NURSING ORGANIZATIONS

July 22, 2014

The Honorable Bernie Sanders
Chairman
Senate Veterans' Affairs Committee
332 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Richard Burr
Ranking Member
Senate Veterans' Affairs Committee
217 Russell Senate Office Building
Washington, DC 20510

Dear Chairman Sanders and Ranking Member Burr:

On behalf of the 27 undersigned national nursing organizations, we extend our support for President Obama's nomination of Robert McDonald as Secretary of the U.S. Department of Veterans Affairs (VA), and urge his confirmation by the Senate. Our organizations represent registered nurses, advanced practice registered nurses, nurse executives, nursing students, faculty, and researchers. As Secretary, we believe Mr. McDonald would serve the VA and the nation well by guiding the agency's activities related to the health of our nation's Veterans.

As an Army Veteran, Mr. McDonald understands the needs of the Veteran community and will be dedicated to transitioning the Department through this challenging time. In addition to his military career, Mr. McDonald's professional portfolio includes an extensive career at Procter & Gamble where he served as President and Chief Executive Officer, and later as Chairman of the Board. Mr. McDonald's career at Procter & Gamble spanned several senior-level positions, demonstrated his ability to deliver quantifiable results in the private sector, and prepared him for the task of leading the VA. Mr. McDonald's extensive management experience will successfully translate to the VA so our nation's Veterans receive the high-quality healthcare they deserve.

Again, we respectfully urge the Senate to confirm Robert McDonald as Secretary of the VA. If our organizations can be of any assistance, or if you have any questions, please contact Suzanne Miyamoto, at Smiyamoto@aacn.nche.edu or 202-463-6930, ext. 247.

Sincerely,

Academy of Medical-Surgical Nurses
American Academy of Ambulatory Care Nursing
American Association of Colleges of Nursing
American Association of Critical-Care Nurses
American Association of Nurse Anesthetists
American Association of Nurse Practitioners
American College of Nurse-Midwives
American Nurses Association
American Organization of Nurse Executives
American Psychiatric Nurses Association
American Society of PeriAnesthesia Nurses
Association of periOperative Registered Nurses
Association of Veterans Affairs Nurse Anesthetists
Association of Women's Health, Obstetric and Neonatal Nurses
Dermatology Nurses' Association
Developmental Disabilities Nurses Association

International Society of Psychiatric Nursing
National Association of Nurse Practitioners in Women's Health
National Association of School Nurses
National Council of State Boards of Nursing
National Gerontological Nursing Association
National Nursing Centers Consortium
National Organization for Associate Degree Nursing
Nurses Organization of Veterans Affairs
Oncology Nursing Society
Preventive Cardiovascular Nurses Association
Society of Urologic Nurses and Associates

CC:
Senator John Rockefeller
Senator Patty Murray
Senator Sherrod Brown
Senator Jon Tester
Senator Mark Begich
Senator Richard Blumenthal
Senator Mazie Hirono
Senator Johnny Isakson
Senator Mike Johanns
Senator Jerry Moran
Senator John Boozman
Senator Dean Heller

NOMINATION OF LEIGH A. BRADLEY TO BE GENERAL COUNSEL OF THE U.S. DEPARTMENT OF VETERANS AFFAIRS

THURSDAY, DECEMBER 4, 2014

U.S. SENATE,
COMMITTEE ON VETERANS' AFFAIRS,
Washington, DC.

The Committee met, pursuant to notice, at 10:01 a.m., in room SR–418, Russell Senate Office Building, Hon. Bernard Sanders, Chairman of the Committee, presiding.

Present: Senators Sanders and Isakson.

OPENING STATEMENT OF HON. BERNARD SANDERS, CHAIRMAN, U.S. SENATOR FROM VERMONT

Chairman SANDERS. We are going to convene the hearing. There are a number of votes today, so Senator Isakson and I would like to move this along as quickly as possible.

Leigh Bradley, you have been nominated by the President to be General Counsel at the VA. Would you like to say a few words?

Ms. BRADLEY. Thank you. I would. Chairman Sanders, Ranking——

Chairman SANDERS. Oh, I am sorry. I have to swear you in. I apologize. If you could stand and raise your right hand, please.

Do you solemnly swear or affirm that the testimony you are about to give before the Senate Committee on Veterans' Affairs will be the truth, the whole truth, and nothing but the truth, so help you God?

Ms. BRADLEY. I do.

Chairman SANDERS. Thank you. Please continue.

STATEMENT OF LEIGH A BRADLEY, NOMINATED TO BE GENERAL COUNSEL, U.S. DEPARTMENT OF VETERANS AFFAIRS

Ms. BRADLEY. Chairman Sanders, Ranking Member Burr, distinguished Members of the Committee on Veterans' Affairs, thank you so much for the opportunity to testify before you today. I am humbled and honored to have been nominated by President Obama to be VA General Counsel and grateful to Secretary McDonald and Deputy Secretary Gibson for their confidence in me.

Mr. Chairman, from the start of my legal career in 1987 as an active duty Air Force Judge Advocate to my present position as the Director of the Department of Defense Standards of Conduct Office, I have been guided by a deep and personal commitment to our Nation's Armed Forces and its veterans.

I come from a long and proud line of military veterans. My father is a Vietnam veteran who served as a career officer in the Army Corps of Engineers. Both of my grandfathers served in the U.S. Army, one in World War I and one in World War II. My husband served for 20 years as an active duty Air Force Judge Advocate. And, my brother-in-law currently serves as an Air Force B–1 weapons systems operator.

Finally, and I say this with great pride and joy, my daughter has decided to follow in the family's footsteps. She is a Second Lieutenant in the Air Force, studying to be a doctor at the Uniformed Services University of the Health Sciences at Walter Reed. I am immensely proud of her decision to continue our family's tradition of service in uniform.

I have spent the majority of my legal career supporting the mission of the Armed Forces and the needs of our Nation's veterans. After 5 years on active duty, I was selected for a civilian position in the DOD Office of General Counsel. Later, I served as the Principal Deputy General Counsel of the Navy, the second highest ranking civilian attorney in an office of over 600. In 1998, 15 years ago, I was nominated by President Clinton and confirmed by the Senate to be General Counsel of the Department of Veterans Affairs. And, in my current position, I advise the senior DOD leadership on ethical compliance and creating and sustaining ethical cultures across the Department.

I was also fortunate to have served in senior positions in the private sector for 7 years, first as a partner at Holland and Knight, a national law firm, and then as Chief of Staff and Chief Risk Officer of the American Red Cross. These positions instilled the discipline and accountability that follow from regularly meeting a bottom line and delivering concrete results that meet the expectations of a broad range of parties, including paying clients, charitable donors, and a board of directors.

My family background and legal career have inspired in me an abiding respect and appreciation for the contributions of the men and women currently serving in uniform and every generation of our veterans who have, throughout our history, selflessly demonstrated their willingness to defend our country's interests with their lives. I absolutely believe that it is VA's sacred duty to care for these patriots.

Of late, however, VA has not met its responsibilities fully and obligations to its veterans and we must make restoring their trust our top priority. To quote Secretary McDonald, "The seriousness of this moment demands urgent action." I am deeply inspired by the dedication, vision, and leadership of Secretary McDonald and Deputy Secretary Gibson. While this is, indeed, a challenging time at VA, it is also an exciting and transformative time in which the leaders of the Department, in cooperation with Congress, Veterans Service Organizations, and other veteran stakeholders, can collaborate to reform and improve services to our veterans.

Yes, there is hard work to be done, but for me, there is no higher calling than to be part of the historic movement which will have lasting positive impacts on the care and benefits we deliver to veterans and the way VA operates going forward.

Accordingly, if confirmed, I will work closely with the VA leadership team to strengthen the Department's ability to serve our Nation's veterans and restore trust to them with Congress and with the American public. I will do all in my power to provide thoughtful expert advice and counsel on all legal matters, including those associated with the implementation of both the Veterans Choice Act and MyVA, as well as the legal issues associated with improving access to medical care, delivery of better services and benefits to our veterans, protecting the rights of whistleblowers, and helping to ensure that the processes to hold employees accountable for wrongdoing are expedient, fair, and defensible. I will do this by exemplifying VA's core values of integrity, commitment, advocacy, respect, and excellence.

Finally, I would not be here today without the unwavering encouragement of my family, starting with my mom and dad, Jackie and Phil Bradley, and the constant support and love of my husband of over 30 years, Doug Wade, and our daughter, Lieutenant Jacqueline Wade, both of whom accompany me today.

Thank you again, Mr. Chairman and Members of the Committee, for your consideration of my nomination. I would be happy to answer any questions you may have and ask that this statement be entered into the record.

[The prepared statement of Ms. Bradley follows:]

PREPARED STATEMENT OF MS. LEIGH BRADLEY, NOMINEE TO BE GENERAL COUNSEL, U.S. DEPARTMENT OF VETERANS AFFAIRS

Chairman Sanders, Ranking Member Burr, distinguished Members of the Committee on Veterans' Affairs, Thank you for the opportunity to testify before you today. I am humbled and honored to have been nominated by President Obama to be VA General Counsel, and grateful to Secretary McDonald, and Deputy Secretary Gibson for their confidence in me.

Mr. Chairman, from the start of my legal career in 1987 as an active-duty Air Force Judge Advocate to my present position as Director of the Department of Defense (DOD) Standards of Conduct Office, I have been guided by a deep and personal commitment to our Nation's Armed Forces and its Veterans. I come from a long, proud line of military Veterans. My father is a Vietnam Veteran who served as a career officer in the Army Corps of Engineers. Both of my grandfathers served in the U.S. Army—one in World War I and the other in World War II. My husband served for 20 years as an Air Force Judge Advocate, and my brother-in-law currently serves as an Air Force B–1 Weapons Systems Operator.

Finally, and I say this with great joy and pride, my daughter has decided to follow in the family's footsteps. She is a 2nd Lieutenant in the Air Force, studying to be a doctor at the Uniformed Services University of the Health Sciences at Walter Reed. I am immensely proud of her decision to continue our family's tradition of service in uniform.

I have spent the majority of my legal career supporting the mission of the Armed Forces and the needs of our Nation's Veterans. After five years on active duty, I was selected for a civilian position in the DOD Office of the General Counsel. Later, I served as the Principal Deputy General Counsel of the Navy, the second highest ranking civilian attorney in an office of over 600. In 1998, I was nominated by President Clinton and confirmed by the Senate to be General Counsel of the Department of Veterans Affairs. And in my current position, I advise the senior DOD leadership on ethical compliance and creating and sustaining ethical cultures across the Department.

I also was fortunate to have served in senior positions in the private sector for seven years—first, as a partner at Holland and Knight LLP, a national law firm, and then as Chief of Staff and later Chief Risk Officer of the American Red Cross. These positions instilled the discipline and accountability that follow from regularly meeting a bottom line and delivering concrete results that meet the expectations of a broad range of parties, including paying clients, charitable donors, and a board of directors.

My family background and legal career have inspired in me an abiding respect and appreciation for the contributions of the men and women currently serving in uniform and every generation of our Veterans, who have, throughout the history of our Nation, selflessly demonstrated their willingness to defend our country's interests with their lives. I absolutely believe that it is VA's sacred duty to care for these patriots.

Of late, however, VA has not fully met its responsibilities and obligations to Veterans, and we must make restoring their trust our top priority. To quote Secretary McDonald, "the seriousness of this moment demands urgent action." I am deeply inspired by the dedication, vision, and leadership of Secretary McDonald and Deputy Secretary Gibson. While this is a challenging time at VA, it is also an exciting and transformative time in which the leaders of the Department, in cooperation with Congress, Veterans Service Organizations, and other Veterans' stakeholders can collaborate to reform and improve services to Veterans.

Yes, there is hard work to be done. But for me, there can be no higher calling than to be part of this historic moment which will have lasting, positive impacts on the care and benefits we deliver to Veterans and the way VA operates going forward.

Accordingly, if confirmed, I will work closely with the VA leadership team to strengthen the Department's ability to serve our Nation's Veterans and restore trust with them, with Congress, and with the American public. I will do all in my power to provide thoughtful, expert advice and counsel on all legal matters including those associated with the implementation of both the Veterans Choice Act and MyVA (the Secretary's ground-breaking initiative to bring a singular focus on customer service to Veterans), improving access to medical care, better delivery of other VA services and benefits, protecting the rights of whistleblowers, and helping to ensure that the processes to hold employees accountable for wrong-doing are expedient, fair, and defensible. I will do this by exemplifying VA's core ethical values of integrity, commitment, advocacy, respect, and excellence.

Finally, I would not be here today without the unwavering encouragement of my family starting with my Mom and Dad, Jackie and Phil Bradley, and the constant support and love of my husband of over 30 years, Doug Wade, and our daughter LT Jacqueline Wade, both of whom accompany me today.

Thank you again, Mr. Chairman and Members of the Committee, for your consideration of my nomination. I would be happy to answer any questions you may have, and I would ask that this statement be entered into the record.

RESPONSE TO PREHEARING QUESTIONS SUBMITTED BY HON. BERNARD SANDERS TO MS. LEIGH BRADLEY, NOMINEE TO BE GENERAL COUNSEL, U.S. DEPARTMENT OF VETERANS AFFAIRS

Question 1. What are the most pressing challenges confronting the Office of General Counsel and, if confirmed, what steps would you take to immediately begin addressing these challenges?

Response. Any in-house law firm's greatest challenges are necessarily the same as its client organization's. Secretary McDonald recently framed the key challenges facing the Department of Veterans Affairs at this moment in time. The Secretary said that VA must first restore the trust it has lost—the trust of our veterans and of our stakeholders, including the Congress and the American public. To do that, VA must promptly and successfully implement the Veterans Access, Choice, and Accountability Act (VACAA) to ensure Veterans receive timely access to health care. Second, VA must transform into a veteran-centric agency, organized to provide service and information to our veteran customers with a minimum of difficulty or confusion. Third, VA must ensure sustainable leadership accountability throughout the Department.

The Office of General Counsel shares these challenges with VA, and OGC personnel must devote their work and energy to ensuring VA realizes these goals. OGC attorneys have already done much in this regard, and—if confirmed—I will ensure that OGC actively assists VA in driving this work to conclusion. With OGC's assistance, VA must continue to ensure VACAA is implemented seamlessly, without confusion, and without creating hardships for veterans. Similarly, OGC must actively assist the Department in transforming to achieve Secretary McDonald's MyVA mission. To achieve sustainable leadership accountability, OGC must continue to support VA's exercise of its new authorities for addressing senior executive discipline and performance. OGC must energetically and effectively support and counsel VA in its efforts to transform VA continue in the near term and beyond.

I would also, if confirmed, identify ways in which OGC can improve its own operations, to better support its client's success. I believe, for example, that success in reestablishing trust will require openness and transparency in all that VA does, and that the OGC has a vital role to play in providing prompt and vital support in this area.

Question 2. You served as VA's General Counsel from 1998 to 2001. What lessons did you learn from that experience that would aid you, if confirmed, in serving again as General Counsel?

Response. When I was confirmed to be VA General Counsel in 1998, I was 42 years old and had served in only one significant leadership position prior to that—Principal Deputy General Counsel of the Navy. During my service as VA General Counsel from 1998–2001, I learned of the extraordinary commitment to mission and deep legal expertise of the staff of the Office of General Counsel.

In that role and subsequent senior executive roles at the American Red Cross and more recently at DOD, I have learned important management lessons that have underscored the need for any General Counsel of a large organization like VA to possess superb leadership skills. As VA continues to grapple with its most significant crisis in a generation, it is especially critical that its chief legal officer be a strong leader.

If I am fortunate enough to be confirmed again to serve as VA General Counsel, I will leverage the important management lessons I have learned over the past 16 years about how to be a principled, effective, and responsive leader. Specifically I will lead with a clear purpose that is tied directly to the strategic goals established by the Secretary. I will set the ethical tone for OGC's large, decentralized office by modeling VA's fundamental ethical values in all my actions. I will apply my leadership experience to help ensure that OGC delivers excellent results and work products in a timely manner. I will endeavor to get the right OGC leaders in the right positions, which is one of the hardest, but most important responsibilities of leadership. I also will ensure OGC recruits and develops legal talent with a genuine passion for VA's mission and commitment to our Nation's Veterans. I will regularly encourage OGC attorneys to collaborate with their clients up-front in the initial stages of policy development and not wait to simply conduct a legal sufficiency review at the end of the process. I will establish and maintain an atmosphere in which every member of OGC feels comfortable reporting "bad news" to the boss and encourage all to help develop solutions to identified concerns. Importantly, I will hold myself and others in OGC accountable for fulfilling these responsibilities to the Department, the Nation's Veterans, and the public at large.

Question 3. Please describe the duties and responsibilities you were assigned during your recent detail as Special Counsel to the Acting Secretary and Secretary of Veterans Affairs.

Response. I was brought in by the VA leadership in the midst of the crisis out of Phoenix to focus on two things: leader accountability and whistleblower retaliation.

As Secretary McDonald has repeatedly emphasized, to regain Veterans' trust in their VA, we must restore their faith in the leaders who set the course for the Department and the managers and supervisors who carry out leadership's policies and plans. The vast majority of VA employees are deeply and personally committed to the mission and values of the organization. Yet we know that some in the Department have violated the core value of integrity, have underperformed and failed to deliver on the mission, or have created a work environment where employees did not feel safe coming forward to voice concerns or identify emerging problems. VA cannot serve our Veterans effectively unless we hold employees accountable for such wrong-doing, and do so as expeditiously as the law allows.

To promote a culture of sustainable accountability, then-Acting Secretary Gibson established a multidisciplinary accountability review team and asked me to oversee its work during my four-month detail to VA. Comprised of employee relations specialists, attorneys, and administrative investigators, the team developed a model and standard practices for: (1) evaluating allegations of leadership misconduct and poor performance; and (2) when necessary, convening Administrative Investigation Boards to determine leader culpability and develop a sound evidentiary record. While these efforts have been underway for only a few months, they have helped to ensure that VA's leader accountability actions are expedient, fair, defensible, and always grounded in improving service to Veterans.

I also was charged to help the Department focus on whistleblower retaliation and facilitate VA's relationship with the Office of Special Counsel. Whistleblowers do VA—and other agencies—a tremendous service. We rely on employees on the ground, in the front lines, to identify problems and opportunities to improve. Some

supervisors respond positively when concerns are raised, but others get defensive and may want to blame the messenger. Employees who voice concerns understandably fear they will be punished for speaking out. We need everyone to understand and comply with the whistleblower protection laws so people feel comfortable speaking out and supervisors don't react defensively.

Question 4. VA's culture has been described as corrosive and nonresponsive. How do you change the culture of a large public organization? What actions, if confirmed, would you recommend or take in order to address the cultural problems faced by VA?

Response. I believe that in order to change the culture of any large organization, the tone must be set at the top. Secretary McDonald set that tone powerfully on his first day in office by committing publicly to foster a Department that lives by its core values of integrity, commitment, advocacy, respect, and excellence. I know from experience that an organization that establishes and embraces fundamental ethical values is also likely to create a work environment in which employees feel comfortable raising concerns and do not fear retaliation for bringing bad news to the boss. Such an open environment promotes collaboration, productivity, and even innovation. Now, more than ever, as VA addresses significant challenges to restore the public's trust, we must examine and remedy systemic failures that suggest that some in the Department have lost track of VA's sacred mission and core values. My experience developing and implementing DOD's leader-led, values-based training over the past two years prepares me well to assist the Secretary and Deputy Secretary bring about needed culture change at VA and if confirmed, I will make this effort a top priority.

Question 5. What role should the Office of General Counsel play in both preventing and addressing instances of whistleblower retaliation?

Response. Secretary McDonald has said that he wants all employees to be whistleblowers; that everybody should feel a responsibility for improving the way we serve veterans. If something is not going right we should change it. He wants employees to feel empowered to identify problems and improvements and safe from any reprisal if they do.

The Office of General Counsel has a significant role to play in both preventing and addressing instances of whistleblower reprisal. The Office has been and must continue to be active in educating and advising the Department's leadership and the entire workforce on the rights and protections of employees to be free from illegal reprisal for protected disclosure. OGC has recently taken the lead in ensuring that VA complied with the requirements of OSC's Whistleblower Certification Program. Under this program OSC certifies Federal agencies that meet the statutory obligations to inform their workforces about the rights and remedies available to them under the Whistleblower Protection Act (WPA) and the Whistleblower Protection and Enhancement Act (WPEA), and related civil service laws. OGC worked closely with VA's Office of Human Resources and Administration and other VA Administrations and Staff Offices. On October 3, 2014, VA was certified by OSC under OSC's 2302(c) Whistleblower Protection Certification Program. OGC also developed and is presenting training to VHA senior leadership on prohibited personnel practices and whistleblower rights and protections and has developed and is presenting training to new VA SES employees on Ethical Leadership, including the avoidance of PPP.

The Office of General Counsel also plays an important role in addressing and correcting allegations of reprisal. OGC is the principal liaison with the Office of Special Counsel and is responsible for coordinating OSC referrals of whistleblower complaints. OGC is responsible for transmittal of the Department's reports to OSC. In response to a request from OSC to develop a new process for handling an upsurge of whistleblower retaliation cases that OSC has been receiving since the VA Access to Care crisis, OGC designated a centralized point of contact (POC) to work with OSC on retaliation complaints related to scheduling, patient care, understaffing issues, and related matters.

Additionally, when it has been determined that illegal reprisal has occurred, OGC must be available to counsel leadership concerning appropriate measures for holding employees accountable. When disciplinary action is taken, the General Counsel must be a forceful and effective advocate for the Department before the MSPB, EEOC or FLRA if the action is appealed.

Question 6. In your current role as Director of the Department of Defense (DOD) Standards of Conduct Office, you are responsible for DOD's ethics program and policies. Secretary McDonald has made the Department's core values—integrity, commitment, advocacy, respect, and excellence—a baseline for the standard of behavior expected of VA employees. What lessons have you learned during your service as

the Director of DOD's Standards of Conduct Office that would aid you in offering recommendations to foster adherence to VA's core values?

Response. The principal reason why after a number of years in the private sector and at DOD as a career Senior Executive Service employee I agreed to be considered for the position of VA General Counsel, having served in the job 15 years ago, is Secretary McDonald's lifelong commitment to "values-based leadership," and his appeal to me to reflect on how I might be able to help the VA leadership team inculcate fundamental ethical values in all of VA's business dealings. Shortly after his confirmation, the Secretary explained publicly that a critical step in assuring appropriate care for veterans is restoring their trust in the system and then asked every VA employee to recommit to the Department's mission and fundamental ethical values—the I-CARE values.

I believe that such a commitment is central to public service and have devoted the past few years of my professional life to incorporating core ethical values into DOD's ethics program. After serving as the Director of the DOD Standards of Conduct Office for several years, I concluded there was a risk that "ethics" was turning into nothing more than a rules-based compliance effort led predominantly by lawyers. I studied private sector models, including Procter & Gamble's (developed by then CEO McDonald) and consulted leaders in the Defense contractor community and determined that a sustainable ethical business culture that engenders public trust must be established and reinforced by organization leaders at every level (with lawyers in a supporting role) and should be equal parts compliance (with the ethics rules) and values-based decisionmaking (e.g., evaluating an action to determine whether it is the right thing to do when the rules do not provide a clear answer). If confirmed, I pledge to work tirelessly with VA leaders to reinvigorate the Department's ethical culture so that veterans, indeed the American public, can be confident that VA's business policies and practices are grounded in fundamental ethical values and that those in the Department who do not exemplify these values and have violated the public's trust are held accountable.

Question 7. In August 2013, the Government Accountability Office (GAO) published a report titled "VA Benefits: Improvements Needed to Ensure Claimants Receive Appropriate Representation." In order to improve the integrity of VA's accreditation program, GAO made four recommendations. VA has taken steps to address GAO's recommendations; however as of November 17, 2014 all four recommendations remain open.

a. In your opinion, is the Office of General Counsel the appropriate office to operate and have responsibility for the accreditation program?

Response. While I have not had an opportunity to study this issue in detail, I am aware from my previous tenure as VA General Counsel that managing the accreditation program entails administrative and adjudicative duties that differ from the traditional role of the Office of General Counsel as legal advisor to the Department. On the other hand, there are logical reasons for VA's Office of General Counsel to be involved in the regulation of attorneys and other representatives. Regardless of where in VA the responsibility for this program lies, the Department must diligently carry out its duties to ensure that deserving Veterans have access to responsible, qualified representation by individuals who are accredited by VA.

b. What ideas do you have for strengthening and improving VA's accreditation system especially in regards to the program's ability to respond to reports of inappropriate conduct on the part of an accredited agent, attorney or representative?

Response. During my previous tenure as VA General Counsel, my recollection is that OGC conducted its first investigation of a complaint of inappropriate activities by a claims agent. Recently, I have been informed that the accreditation program has seen positive results from collaboration with State law enforcement agencies. If confirmed, I will make sure that OGC does everything it can to protect claimants from claims agents and accredited representatives who behave in inappropriate ways.

Question 8. What role do you believe the General Counsel should play in evaluating legislation, both introduced in Congress and proposed by VA, for legal sufficiency and impact?

Response. By law, the General Counsel is the chief legal officer of the Department and provides legal assistance to the Secretary concerning the programs and policies of the Department. In order to carry out his duties and responsibilities, the Secretary must be able to rely on authoritative expert legal advice concerning a broad array of issues, including the legal sufficiency and effect of proposed legislation. It is my view that advising on the legal implications of introduced or proposed legislation is a primary responsibility of the Office of General Counsel. Of course, the Office of General Counsel also must work closely with the Office of Congressional and

Legislative Affairs and the Administrations when reviewing and responding to proposed legislation or when developing Department legislative proposals. Rigorous and meaningful consultation upfront helps to ensure that legislation fulfills its intended purpose.

Question 9. What role do you believe the General Counsel should play in responding to decisions of the US Court of Appeals for Veterans Claims and other courts? For example, should the General Counsel provide advice about the meaning of a decision or play a role in ensuring compliance with decisions?

Response. When I last served in OGC, the office played a key role in assisting VA program offices in understanding and implementing court decisions. In instances where a decision of the Court of Appeals for Veterans Claims (CAVC) or the Court of Appeals for the Federal Circuit establishes a governing rule of law concerning the meaning of a statute, regulation, or other legal authority, it is my view that OGC should work closely with the relevant program experts to ensure that the governing legal standard is understood. I believe it is also critical that OGC provide legal advice and assistance to help program offices ensure compliance with these rulings. If a court decision identifies concerns or errors, but leaves room for the exercise of policy judgment and discretion in developing corrective action, OGC must ensure that the program office understands the legal parameters of that discretion when making program office decisions.

Question 10. VA must continue to make progress in improving the timeliness and quality of VA's claims adjudication process. What is the appropriate role for the Office of General Counsel to play in VA's ongoing claims transformation? What ideas do you have that would complement existing transformation efforts?

Response. Throughout the course of VA's ongoing efforts to improve the timeliness and quality of its claims adjudication process, OGC has worked closely with the Veterans Benefits Administration (VBA) and other offices to evaluate proposed improvements to VA's processes. OGC plays a vital role in identifying and evaluating legal issues associated with proposed process improvements and in assessing whether proposals for change may be implemented under VA's existing authority or require statutory or regulatory amendments. I am aware that OGC attorneys are involved in the Appeals Modernization effort, working with VBA and the Board of Veterans Appeals (BVA) to evaluate ways to improve the appeals process, to include enhancements to VBMS, VBA's electronic claims adjudication system designed to improve information sharing, eliminate duplication of effort, and streamline the overall process.

Through its role representing VA in appeals before the Court of Appeals for Veterans Claims, OGC also is uniquely positioned to identify recurring issues in VA adjudications that result in remands and delay. These insights allow OGC to assist VBA and BVA in proactively identifying areas where process and policy improvements or targeted training may enhance the timeliness and accuracy of the claims adjudication and appeal process. I am mindful of the value of identifying improvements to the appeals process that would complement VA's ongoing transformation efforts by rendering this process more transparent and customer-friendly for veterans. If confirmed, I will ensure that OGC is there to assist in the effort to the fullest extent.

Question 11. Ongoing and meaningful collaboration between VA and DOD holds promise for addressing many of the challenges, such as timely access to care and benefits, currently confronting the Department. Are you aware of any statutory or other legal impediments that impede the Departments' ability to increase collaboration, cooperation or resource?

Response. I am generally aware that VA and DOD have effectively engaged in numerous joint ventures and collaborations over recent years. For example, VA and Navy have established a fully integrated health facility at the Captain James A. Lovell Federal Health Care Center (FHCC) in North Chicago, IL. It is my understanding that this project was initiated using existing authorities. That suggests that VA and DOD have some significant flexibility to collaborate. However, I am also aware that Congress enacted specific legislation that enabled the FHCC to operate as a more fully integrated facility. I am presently not aware of a need for additional authority to carry out any currently proposed projects, but as collaboration between the two Departments grows, we very well may identify such a need. If confirmed, I hope to be able to leverage my longstanding and close relationships with key DOD leaders, developed over almost 20 years of service in the Office of the Secretary of Defense, Department of the Navy, and U.S. Air Force, to assist VA in identifying and pursuing additional collaborative partnerships with DOD.

Question 12. Do you agree to provide the Committee with timely technical assistance on pending legislation?

Response. If confirmed, I agree to provide the Committee with timely technical assistance.

Question 13. Do you agree to supply the Committee with such non-privileged information, materials, and documents as may be requested by the Committee in its oversight and legislative capacities for so long as you serve in the position of General Counsel?

Response. If confirmed, I agree to work with the Committee to accommodate all requests for non-privileged information, materials, and documents.

Question 14. Do you agree to appear before the Committee as such times and concerning such matters as the Committee might request for so long as you serve in the position of General Counsel?

Response. If confirmed, I agree to appear before the Committee to be responsive to the Committee's requests.

RESPONSE TO POSTHEARING QUESTIONS SUBMITTED BY HON. RICHARD BLUMENTHAL TO LEIGH A. BRADLEY, NOMINEE TO BE GENERAL COUNSEL, U.S. DEPARTMENT OF VETERANS AFFAIRS

PROSECUTION OF POTENTIAL CRIMINAL VIOLATIONS

Question 1. As you know, the VA Office of Investigations opened investigations at 93 sites of care in response to allegations of wait time manipulations. These investigations specifically seek to determine whether management ordered schedulers to falsify wait times and Electronic Waiting List records or attempted to obstruct OIG or other investigative efforts. I hope that the VA OIG will continue to cooperate with the Department of Justice and the FBI in conducting investigations to determine potential criminal intent. Holding criminal violators accountable is essential to the VA reform process in order to restore confidence in the VA among our veterans.

Ms. Bradley, how do you envision the role of the General Counsel in these criminal investigations? How do you plan to work with law enforcement to ensure that appropriate leadership at the VA is held accountable for wrongdoing and potential criminal misconduct?

Response. The Office of General Counsel is not charged with and does play a direct role in criminal investigations conducted by the VA Office of Inspector General or the Federal Bureau of Investigations. Neither does the General Counsel advise the Department of Justice on decisions concerning prosecution of Federal employees alleged to have committed criminal acts. However, if DOJ concludes that prosecution is not warranted, the evidence collected and facts found by the OIG, DOJ and FBI investigators will be reviewed by the Department to determine what, if any, administrative actions may be appropriate.

In the event administrative disciplinary action is determined to be appropriate, the Office of General Counsel will provide legal advice and services necessary to effectuate and defend such actions. Secretary McDonald and Deputy Secretary Gibson have made it clear that holding VA employees accountable is a top priority as they work to restore public trust in VA. I will work tirelessly to support those efforts.

RESPONDING TO INADEQUACIES AND TERMINATING LEADERSHIP

Question 2. I have heard from Connecticut VA nurses that despite success in nursing school, they are not adequately trained at the VA yet are assigned full nursing responsibilities, risking patient safety. Adequate training for nurses is a challenge across the health care industry, but one constituent expressed her concerns to her supervisors about lack of training and inadequate staffing and found her career threatened.

Ms. Bradley, if confirmed as General Counsel, you will be responsible for balancing the VA's requirement to protect employees who express inadequacies while also following through on Secretary MacDonald's commitment to terminate those providing inadequate care. Could you please speak to your qualifications that will enable you to balance these obligations and ensure that appropriate employee decisions are made?

Response. VA's primary mission is to provide the best care possible for our Veterans. To accomplish this mission, VA employees must have faith that their work environment is open and transparent. When an employee expresses concerns over a lack of training or inadequate staffing, those concerns must be addressed.

Veterans Health Administration policies already encourage employees to step forward and raise concerns with clinical care. The Secretary and the Deputy Secretary have strongly emphasized VA's commitment to ensuring the rights and protections

of whistleblowers. VA has of late made great strides in strengthening these protections.

OGC has played an important role in this process by closely coordinating with the U.S. Office of Special Counsel (OSC) to develop mandatory training for all VA managers and supervisors on whistleblower rights and protections. This training encourages supervisors to allow their employees to step forward and disclose wrongdoing. The training also emphasizes that supervisors must take employee disclosures seriously. As General Counsel, I will ensure that OGC continues to strongly support the Secretary's efforts to ensure all employees feel secure in making protected disclosures and that those employees who retaliate against whistleblowers are held accountable.

VETERANS' ACCESS TO LEGAL CARE

Question 3. I understand that if confirmed, your role as General Counsel will primarily focus on legal representation within the VA, particularly with regards to employees and whistleblowers. But our veterans also require legal counsel and representation. The Connecticut Veterans Legal Center, located at the VA Errera Community Care Center in West Haven, provides easy access to free legal assistance to ensure that veterans are equipped to overcome legal barriers to housing, healthcare and income. I am committed to doing everything that we can to help veterans receive appropriate legal counsel.

Ms. Bradley, given your experience and position, do you have any suggestions to improve lack of access to legal representation for our veterans who use VA services?

Response. With the exception of our Grant & Per Diem and Supportive Services for Veterans Families programs, VA has no legal authority to directly fund or provide legal service programs to veterans.

VA is able to provide space at VA facilities to organizations which provide legal services to veterans. In addition to the Connecticut Veterans Legal Center, VA has partnered with 79 other organizations which have established free legal clinics in our medical facilities nationwide. These include law school clinical programs, legal aid organizations, and law firms working pro bono. VA will continue to seek opportunities to work with such organizations and provide veterans greater access to legal representation.

On a related note, VA also supports the 266 Veterans Treatment Courts across the Nation. As you may know, these are courts that have been established by local jurisdictions in which cases involving veterans charged with criminal offenses may be addressed. The idea is to ensure that veterans facing generally minor offenses, especially those that may be related to mental health issues, substance abuse issues, and homelessness have the opportunity to connect with resources and services available from VA. We have 250 Veterans Justice Outreach Specialists (VJOS) at VA who work with these courts and help Veterans get the treatment they need instead of being incarcerated. Every VA medical center has at least one VJO Specialist. All told, VJOS have served nearly 90,000 Veterans since October 2009. Our research shows an 88% reduction in arrests from the year prior to the year after participation in a Veterans Treatment Court.

RESPONSE TO POSTHEARING QUESTIONS SUBMITTED BY HON. JOHNNY ISAKSON TO LEIGH A. BRADLEY, NOMINEE TO BE GENERAL COUNSEL, U.S. DEPARTMENT OF VETERANS AFFAIRS

FIRING EMPLOYEES

Question 4. In July 2014, VA announced that you were being detailed from the Department of Defense to serve as special counsel to the Secretary of Veterans Affairs to (quote) "assist [VA] in taking action against those supervisors and employees accused of wrongdoing or serious management negligence."

A. Based on that experience, do you have thoughts on what more could be done to expedite the process of disciplining supervisors or employees when necessary? Do you think it takes too long now?

Response. Secretary McDonald has expressed his firm commitment to holding leaders accountable for misconduct and poor performance. The expedited senior executive removal authority provided by the Veterans Access, Choice, and Accountability Act (Choice Act) furthers this goal. I believe that with the new authority and process contained in the Choice Act, VA has the tools needed to speed up VA's disciplinary process for senior executives. While the new authority has been in effect for only a few months and has not been fully tested, the Department has been able

to rely on it to remove several senior executives in a way that is fair, expedient, and defensible. I do not believe additional enhancements are needed at this time.

B. Do you believe that VA has sufficient legal authorities to quickly terminate managers who fail to live up to VA's expectations? If not, do you have any suggestions on how VA's authorities could be enhanced?

Response. Given the information that is currently available to me, I believe the necessary authorities are in place.

C. In implementing its new authority to fire employees, VA is providing a 5-day period for due process between the time the employee is notified of the proposed termination and when the firing actually happens. But, this may allow the employee time to retire or resign, rather than being terminated. Do you know what actions VA is taking—or could take—to ensure that the employee's personnel record will reflect this decision to resign or retire rather than being fired? How will other agencies know that there were disciplinary reasons for the employee leaving, if they later consider hiring that employee?

Response. Prior to the Choice Act, VA senior executives were entitled to the same due process that applies to most other Federal employees who are proposed for removal or transfer out of the Senior Executive Service. They were entitled to thirty days' advance notice and the right to respond orally and in writing. The Choice Act abbreviated VA senior executives' appeal rights, but did not address pre-termination due process. VA's implementing policy gives senior executives five working days' advance notice and a right to reply in writing before a decision is made to remove or transfer the senior executive. This pre-decisional reply process is intended to ensure that: (1) VA has all the relevant evidence, including the employee's side of the story, before deciding whether to take action and, (2) well-founded termination actions are not overturned on appeal because of due process infirmities.

Any Federal employee who is retirement-eligible can apply for and receive earned retirement benefits even if he or she is removed from Federal service for poor performance or misconduct. In other words, removal from Federal service does not preclude the former employee from drawing earned retirement benefits, provided the Federal employee is retirement eligible (based on age and years of Federal service) and has not engaged in a very limited number of the most serious criminal acts such as treason, espionage, or terrorism. Thus, hypothetically, even if a VA employee were to be summarily fired with no notice, provided he or she is eligible to retire, that employee could still apply for and draw earned retirement benefits. If an employee retires or resigns with a removal action pending, that fact is coded into the paperwork documenting the employee's departure from the agency and becomes part of his or her permanent personnel file.

WHISTLEBLOWER PROTECTIONS

Question 5. It is my understanding that you worked on the issue of whistleblower protections while on detail to VA earlier this year, as well as when you previously served as the VA General Counsel. In fact, you testified back in 1999 about the need to enhance protections for whistleblowers at VA.

A. What lessons did you learn from your experiences dealing with whistleblower protections in the 1990s that could aid VA's efforts now?

Response. My experience in the 1990s taught me that whistleblower disclosures can save lives and money and identify systemic problems within an organization. I learned that having laws and mechanisms in place that are intended to protect whistleblowers is not enough. The organization must embrace a culture that not only protects whistleblowers from unlawful reprisal but also encourages employees to come forward and make disclosures that will lead to improvements and corrections in Department operations and services. I know that the Secretary and Deputy Secretary of Veterans Affairs are committed to fostering a VA culture in which employees feel safe bringing bad news to their boss, and if confirmed, I will not only make whistleblower protection one of my top priorities, but will work closely with VA leadership to ensure that VA's culture encourages employees to identify emerging problems and system deficiencies without fear of management retaliation.

B. At that hearing in 1999, Members of Congress talked about VA tolerating retaliation and the need for the culture at VA to change. More recently, a White House advisor found earlier this year that VA still has "a history of retaliation toward employees raising issues." In your view, why hasn't VA's culture yet embraced the need to encourage and protect whistleblowers?

Response. I believe that culture change must begin at the top and cascade down throughout the organization. Further, in order for culture change to stick, top organization leaders must make concerted efforts to ensure that subordinate managers and supervisors continue to focus on and are held accountable for institutionalizing

the change. Both the Secretary and the Deputy Secretary of Veterans Affairs have strongly reaffirmed VA's commitment to whistleblower rights and protections and stated their intent to make protection of whistleblowers a hallmark of their tenure. They have asked VA employees to recommit in writing to VA's fundamental values and are holding leaders accountable for retaliating against employees who blow the whistle. If confirmed I will ensure the Office of General Counsel continues to take an active role in making sure that VA embraces both the letter and the spirit of whistleblower protection laws and will support the Secretary and Deputy Secretary in their efforts to reform VA's culture and make that change a lasting one.

C. Can you tell us about the recent steps VA has taken to try to ensure that whistleblowers are treated appropriately at all levels of VA? Is there anything different about the current reform efforts that lead you to believe they will take lasting hold?

Response. Both the Secretary and the Deputy Secretary of Veterans Affairs have strongly reaffirmed VA's commitment to whistleblower rights and protections. They have done this by explaining to potential and current whistleblowers that their disclosures are encouraged because they are necessary to VA's efforts to restore public trust and improve the delivery of services to our Nation's veterans. The Secretary and Deputy Secretary have also advised supervisors and managers across the Department that any form of retaliation against those coming forward to make protected disclosures will not be tolerated and that supervisors and managers will be held accountable if they retaliate against their employees. Holding leaders at every level of the organization accountable for the protection of whistleblowers will, I believe, have a significant effect on changing the culture and ensuring that current reforms stick.

D. What additional steps, if any, do you believe are necessary to ensure that whistleblowers feel free to come forward and are not retaliated against in response?

Response. Changing a culture is a process and VA has some way to go to reestablish trust with employees to ensure they feel comfortable in making a disclosure of suspected wrongdoing or system weakness. The tone for the culture of any large organization must be set at the top. As it relates to ensuring whistleblower protections, Secretary McDonald has set that tone from the beginning. He has committed publically to fostering a Department that lives by its core values of integrity, commitment, advocacy, respect and excellence. An organization that establishes and embraces such fundamental ethical values is likely to produce employees who feel comfortable raising concerns without fear of retaliation for bringing "bad news" to the boss. I believe that Secretary McDonald's clear and persistent focus on spreading this culture throughout the Department is the message we need for success. The recent mandatory training for managers and supervisors on whistleblower rights and protections plays a key role in this path forward. The training helps managers understand ways in which they can make their employees feel more comfortable about blowing the whistle. The training also includes practical examples for managers with insight on the benefits of whistleblower disclosures and the dangers of whistleblower retaliation. During my four-month detail to VA from DOD, I was able to help lead one of these trainings with the VA Medical Center Directors and if confirmed, would be pleased to be a regular part of such trainings in the future.

E. In October 2014, VA announced that it received certification under the Office of Special Counsel's Whistleblower Protection Certification Program, which primarily appears to require that VA disseminate information to employees and supervisors about whistleblower protections. Do you have thoughts on how VA will be able to judge whether these outreach efforts have been effective?

Response. On October 3, 2014, VA was certified by the Office of Special Counsel (OSC) under OSC's 2302(c) Whistleblower Protection Certification Program. In order to become OSC-certified, VA placed informational posters regarding prohibited personnel practices (PPP), whistleblowing, and whistleblower retaliation in public settings at VA facilities and in VA personnel and equal employment opportunity offices; provided and will continue to provide new hires with written materials on PPP, whistleblowing, and whistleblower retaliation; developed a Web site on PPP and whistleblower rights and protections; and developed, in cooperation with the OSC, supervisory training on PPP and whistleblower rights and protections. VA executives, managers, and supervisors must complete this training on a biennial basis. The VA Office of General Counsel (OGC) also developed and presented training to VHA senior leadership on PPP and whistleblower rights and protections. This training supplemented the mandatory Certification Program training. If confirmed, I will work with the appropriate organizations within the Department and consult leaders in the Office of Special Counsel (OSC) to develop mechanisms to evaluate the effectiveness of this training and other Departmental efforts that are designed to raise awareness and change behaviors.

F. It is my understanding that you were involved in VA's efforts to reach a settlement with three whistleblowers in Phoenix. Were there any lessons learned from those efforts that can be applied more universally?

Response. Yes. The Department reached an agreement with the Special Counsel that OGC and OSC would coordinate efforts to expeditiously review credible whistleblower retaliation cases and provide "make-whole" relief to the aggrieved whistleblower. Since that time, OGC has successfully negotiated corrective action for a number of whistleblowers, including three from the Phoenix VA Medical Center. If confirmed, I would ensure that this expedited process is fully leveraged to provide expeditious remedies to those whistleblowers who have suffered retaliation as a result of raising concerns.

VETERANS COURT

Question 6. As you know, one responsibility of the Office of General Counsel is to represent VA before the U.S. Court of Appeals for Veterans Claims. Many believe that the number of incoming appeals the court receives may increase significantly in coming years, as VA increases the number of claims it decides at the regional offices and as VA's Board of Veterans' Appeals increases the number of decisions it is issuing. That would, in turn, increase the workload for the General Counsel's office practicing before the court.

A. Can you commit to us that, if confirmed, you will examine whether the Office of General Counsel is positioned to be able to handle a potential spike in the number of appeals at the Veterans Court in coming years?

Response. I commit that if confirmed, I will closely examine the needs of the Office of General Counsel in meeting this workload. Proper resourcing of this activity is critical to meeting the Secretary's three strategic goals of restoring trust, improving service delivery and setting a path for long term excellence and reform.

B. Will you get back to us with the results of that review?

Response. Yes.

RESPONSE TO POSTHEARING QUESTIONS SUBMITTED BY HON. DEAN HELLER TO LEIGH A. BRADLEY, NOMINEE TO BE GENERAL COUNSEL, U.S. DEPARTMENT OF VETERANS AFFAIRS

Question 8. The claims backlog is one of my top priorities on this Committee because Nevada's veterans continue to have one of the worst waits in the Nation.

The VA's IG released a report this summer that stated that problems at the Reno VARO persisted due to lack of leadership and poor management. As a result, I called for a change in leadership at the Reno VARO and for the director to resign or be fired.

Almost 6 months later, the Reno VARO has an acting director and no certainty from the VA that there will be a new permanent director appointed.

a. Can you shed some light on what could be holding up this process and why the VA has not moved forward?

Response. I am not familiar with the situation at the Reno VARO.

b. Can I get a commitment that you will look at this issue?

Response. If confirmed, I will look into the concerns you have raised, and if it becomes apparent that the Office of General Counsel can, in any way, assist the Veterans Benefits Administration (VBA) in resolving the situation, I will ensure that OGC makes it a priority to do so.

Question 9. a. Since you have been at the VA to assist the Secretary over the past few months, have you had a chance to review the current appeals process? Do you believe the GAO or the VA should conduct a review of the current process to identify inefficiencies?

Response. My responsibilities during my recent detail to VA did not include matters involving the benefits claims process at VBA or the Board of Veterans Appeals—I was assigned to work on senior leader accountability and whistleblower protection. So I did not have the occasion to review the current appeals process, and am not in a position to make an informed recommendation as to whether the GAO or VA should conduct an assessment of the current process to identify inefficiencies. If confirmed, I will explore the scope and findings of recent reviews of this process and assess whether a formal review would be helpful at this time.

b. If confirmed, what could you do as General Counsel to speed up this process so veterans are not waiting years for a decision on their appeal?

Response. In addition to its core role of providing legal advice to program officials and senior VA leaders, the Office of the General Counsel can and should leverage

its experience to generate business ideas designed to expedite and improve service delivery to Veterans. This certainly includes the appeals process. If I am confirmed, I will ensure that OGC attorneys and other professionals see themselves as business partners with their clients and encourage them to focus on risk management and process improvements with their clients. Such collaborative efforts may generate meaningful ideas for shortening the appeals process within existing law and, in some instances, identify a need for changes to law or regulations.

c. Given that more claims are being decided and there will ultimately be more appeals at the Board, do you believe there will need to be an increase in staffing to handle increases in appeals?

Response. I have been informed that all available data indicates that the rate at which claims are appealed has remained constant. Accordingly, the large increase in claims processed by VBA will result in a proportional increase of appeals to the Board of Veterans Appeals. This will likely cause a proportionate increase in the workload of the Federal Courts and the VA Office of the General Counsel in the coming years. If confirmed, one of my top priorities will be to examine closely the needs of the Office of General Counsel in meeting this expanded workload as proper resourcing of this activity is critical to meeting the Secretary's three strategic goals of restoring trust, improving service delivery and setting a path for long term excellence and reform.

Question 10. a. What can be done by the General Counsel to prevent employees from retiring during the 5-day notice period before termination?

Response. It is my understanding that the General Counsel cannot affect an employee's right to resign or, if eligible, retire at any time. Any Federal employee who is retirement-eligible can apply for and receive earned retirement benefits even if he or she is terminated from Federal service for poor performance or misconduct. In other words, termination from Federal service does not preclude the former employee from drawing earned retirement benefits provided the Federal employee is retirement eligible (because of age and years of Federal service) and has not engaged in a very limited number of the most serious criminal acts such as treason, espionage, or terrorism. Thus, hypothetically, even if a VA employee were to be summarily fired with no notice, provided he or she is eligible to retire, that employee could still apply for and draw earned retirement benefits. Please also see my response to Question 1C.

b. Are there specific changes to the process that need action or approval from Congress?

Response. Restricting an employee's right to retire would require a statutory change. However, I do not believe additional enhancements are needed at this time.

Question 11. In 1999, you testified before Congress about how the VA handled whistleblowers. Fifteen years later, whistleblower protections still remain a serious concern at the VA.

What can the General Counsel's Office do to give whistleblowers greater confidence to come forward without fear of being retaliated against?

Response. Please see my detailed response to Question #2 regarding Whistleblower Protections.

[The Committee questionnaire for Presidential nominees follows:]

Revised April 2013

PART I: ALL OF THE INFORMATION IN THIS PART WILL BE MADE PUBLIC

1. Basic Biographical Information

Please provide the following information.

Position to Which You Have Been Nominated	
Name of Position	**Date of Nomination**
General Counsel, Department of Veterans Affairs	November 12, 2014

Current Legal Name			
First Name	**Middle Name**	**Last Name**	**Suffix**
Leigh	Ann	Bradley	Ms.

Addresses					
Residential Address (do not include street address)			**Office Address** (include street address)		
[redacted]			Street: 1600 Defense Pentagon, Room 3E783		
City: Vienna	State: VA	Zip: 22181	City: Washington	State: D.C.	Zip:20301-1600

Other Names Used						
First Name	**Middle Name**	**Last Name**	**Suffix**	Check if Maiden Name	**Name Used From** (Month/Year) (Check box if estimate)	**Name Used To** (Month/Year) (Check box if estimate)
					Est ☐	Est ☐
					Est ☐	Est ☐

Birth Year and Place	
Year of Birth (Do not include month and day)	**Place of Birth**
1956	Indianapolis, IN

Marital Status					
Check All That Describe Your Current Situation:					
Never Married	**Married**	**Separated**	**Annulled**	**Divorced**	**Widowed**
☐	**x**	☐	☐	☐	☐

Spouse's Name (current spouse only)			
Spouse's First Name	**Spouse's Middle Name**	**Spouse's Last Name**	**Spouse's Suffix**
Douglas	Eugene	Wade	

Spouse's Other Names Used (current spouse only)						
First Name	**Middle Name**	**Last Name**	**Suffix**	Check if Maiden Name	**Name Used From** (Month/Year) (Check box if estimate)	**Name Used To** (Month/Year) (Check box if estimate)
					Est ☐	Est ☐
					Est ☐	Est ☐

Children's Names (if over 18)			
First Name	**Middle Name**	**Last Name**	**Suffix**
Douglas	**William**	**Wade**	
Daniel	**Harold**	**Wade**	
Jacqueline	**Kate**	**Wade**	

2. Education

List all post-secondary schools attended.

Name of School	**Type of School** (vocational/technical/trade school, college/university/military college, correspondence/distance/extension/online school)	**Date Began School** (month/year) (check box if estimate)	**Date Ended School** (month/year) (check box if estimate) (check "present" box if still in school)	**Degree**	**Date Awarded**
University of Alabama	University	August/1975 Est X	May/1978 Est X Present ☐	B.A.	1978
University of Alabama School of Law	Law school	August/1978 Est X	May/1981 Est X Present ☐	J.D.	1981
		Est ☐	Est ☐ Present ☐		
		Est ☐	Est ☐ Present ☐		

3. Employment

(A) List all of your employment activities, including unemployment and self-employment. If the employment activity was military duty, list separate employment activity periods to show each change of military duty station. Do not list employment before your 18th birthday unless to provide a minimum of two years of employment history.

I have requested a copy of my military records from the U.S. Air Force to verify my duty assignments and dates. Although I have not received those records yet, to the best of my knowledge, the following reflects my assignments while on active duty in the Air Force. Once I receive my records if I discover an error in what I have provided the Committee I will immediately amend my response with the accurate information.

Type of Employment (Active Military Duty Station, National Guard/Reserve, USPHS Commissioned Corps, Other federal employment, State Government (Non-federal Employment), Self-employment, Unemployment, Federal Contractor, Non-Government Employment (excluding self-employment), Other	**Name of Your Employer/ Assigned Duty Station**	**Most Recent Position Title/Rank**	**Location** (City and State only)	**Date Employment Began** (month/year) (check box if estimate)	**Date Employment Ended** (month/year) (check box if estimate) (check "present" box if still employed)
Private Sector	Phelps, Jenkins, Gibson & Fowler (law firm)	Summer clerk	Tuscaloosa, AL	May 1979 Est X	August 1979 Est X
Federal employment	EPA	Summer intern	District of Columbia	May 1980 Est X	Aug 1980 Est X
State Government	23rd Judicial Circuit	Law clerk, Presiding Circuit Judge	Huntsville AL	Aug 1981 Est X	Aug 1982 Est X
Active Duty Military	United States Air Force (USAF); Maxwell AFB	Judge Advocate O-2	Montgomery, AL	Sept 1982 Est X	Dec 1982 Est X
Active Duty Military	USAF; March AFB	Assistant Staff Judge Advocate O-3	Riverside CA	Jan 1983 Est X	Nov 1983 Est X
Active Duty Military	USAF; Hurlburt Field; 1st Special Operations Wing	Assistant Staff Judge Advocate O-3	Ft. Walton Beach, FL	Nov 1983 Est X	Dec 1984 Est X
Active Duty Military	USAF Judiciary (Defense)	Area Defense Counsel O-3	Ft. Walton Beach, FL	Dec 1984 Est X	Dec 1985 Est X
Active Duty Military	USAF Judiciary (Trial)	Circuit Trial Counsel O-3	Denver, CO	Jan 1986 Est X	Nov 1987 Est X

Reserves	United States Air Force	Judge Advocate O-4		Nov 1987 Est X	Sept 1996 Est X
Federal employment	Department of Defense	Senior Attorney	Pentagon D.C.	Nov 1987 Est X	May 1994 Est X
Federal employment	Department of the Navy	Principal Deputy General Counsel	Pentagon D.C.	May 1994 Est X	June 1998 Est X
Federal employment	Department of Veterans Affairs	General Counsel	D.C.	June 1998 Est X	Jan 2001 Est X
Private sector	Holland & Knight LLP	Partner	D.C.	March2001 Est X	June 2004 Est X
Charitable sector	American Red Cross	Senior Vice President, Enterprise Risk	D.C.	July 2004 Est X	Oct 2007 Est X
Non-profit sector	Noblis	Trustee	Falls Church, VA	Jan 2007 Est X	Feb 2008 Est X
Unemployed				Oct 2007 Est X	Dec 2007 Est X
Federal employment	Department of Defense	Director, Standards of Conduct	Pentagon D.C.	Jan 2008 Ext X	Present

(B) List any advisory, consultative, honorary or other part-time service or positions with federal, state, or local governments, not listed elsewhere.

Name of Government Entity	**Name of Position**	**Date Service Began** (month/year) (check box if estimate)	**Date Service Ended** (month/year) (check box if estimate) (check "present" box if still serving)
None.		Est ☐	Est ☐ Present ☐
		Est ☐	Est ☐ Present ☐
		Est ☐	Est ☐ Present ☐

4. Honors and Awards

List all scholarships, fellowships, honorary degrees, civilian service citations, military medals, academic or professional honors, honorary society memberships and any other special recognition for outstanding service or achievement.

1. Co-author "Best Brief" at the National Moot Court competition--1981 (brief published in the Alabama Law Review); Most Outstanding Oral Argument, southeast regional National Moot Court competition--1980.
2. Military:

To the best of my knowledge, the following list reflects those awards and decorations I earned while in the Air Force:

- Achievement Medal;
- Outstanding Unit citation with V device;
- Commendation Medal;
- Meritorious Service Medal

3. Federal employment:
   - Secretary of Defense Medal for Meritorious Civilian Service--1995;
   - Department of Defense Medal for Distinguished Public Service--1998;
   - Department of Veterans Affairs Exceptional Service Award—2000;
   - Meritorious Executive Presidential Rank Award--2012

5. Memberships

List all memberships that you have held in professional, social, business, fraternal, scholarly, civic, or charitable organizations in the last ten years.

Unless relevant to your nomination, you do NOT need to include memberships in charitable organizations available to the public as a result of a tax deductible donation of $1,000 or less, Parent-Teacher Associations or other organizations connected to schools attended by your children, athletic clubs or teams, automobile support organizations (such as AAA), discounts clubs (such as Groupon or Sam's Club), or affinity memberships/consumer clubs (such as frequent flyer memberships).

Name of Organization	Dates of Your Membership (You may approximate)	Position(s) Held
Army Navy Country Club	Approx. 1988-Present	Family member
Member of the Bar of the District of Columbia	2000-Present	Member

Special Member of the Bar of the State of Alabama	1982-Present	Member

6. Political Activity

(A) Have you ever been a candidate for or been elected or appointed to a political office?

Name of Office	Elected/Appointed/ Candidate Only	Year(s) Election Held or Appointment Made	Term of Service (if applicable)
No.			

(B) List any offices held in or services rendered to a political party or election committee during the last ten years that you have not listed elsewhere.

Name of Party/Election Committee	Office/Services Rendered	Responsibilities	Dates of Service
None.			

(C) Itemize all individual political contributions of $200 or more that you have made in the past five years to any individual, campaign organization, political party, political action committee, or similar entity. Please list each individual contribution and not the total amount contributed to the person or entity during the year.

Name of Recipient	Amount	Year of Contribution
Barack Obama via Obama for America	$250.00	July 2011
Barack Obama via Obama for America	$250.00	April 2011

7. Publications

List the titles, publishers and dates of books, articles, reports or other published materials that you have written, including articles published on the Internet.

Title	Publisher	Date(s) of Publication
"A Privatization Alternative: The Department of Veterans Affairs' Enhanced-Use Leasing Program"	*Public Contract Law Journal*	Summer 2001
"From Challenge to Action: American Red Cross Actions to Improve and Enhance Its Disaster Response Capabilities"	American Red Cross (www.redcross.org)	June 2006
Best Brief at National Moot Court Competition	*Alabama Law Review*	Spring 1981

8. Public Statements

(A) List any testimony, official statements or other communications relating to matters of public policy that you have issued or provided or that others presented on your behalf to public bodies or officials.

Testimony: March 11, 1999 before the House Committee on Veterans Affairs (Subcommittee on Oversight and Investigations); Hearing on "Whistleblowing and Retaliation in the Department of Veterans Affairs."

Testimony: July 12, 2006 before the House Committee on Homeland Security (Subcommittee on Management, Integration, and Oversight) on fraud related to 9/11 assistance that was provided by the American Red Cross.

Letter on the Stop Trading on Congressional Knowledge Act ("STOCK Act"): I signed a letter to Senator Joseph Lieberman, dated August 2, 2012, on behalf of my supervisor, then DoD General Counsel Jeh Charles Johnson, regarding the unintended consequences of the STOCK Act's requirement to post on an internet site all OGE Form 278s filed by flag and general officers and senior DoD civilians. This letter was sent in response to Senator Lieberman's request for DoD's views on this issue.

(B) List any speeches or talks delivered by you, including commencement speeches, remarks, lectures, panel discussions, conferences, political speeches, and question-and-answer sessions. Include the dates and places where such speeches or talks were given.

Panelist at Defense Industry Initiative conferences as follows: At its "Best Practices Symposium" at the JW Marriott, DC (June 27, 2008); at its "Best Practices Symposium" at the JW Marriott, DC (June 19, 2009); at its "Best Practices Symposium" at the Marriott Marquis, DC (June 6, 2014). The Defense Industry Initiative is a non-profit organization of 77 signatory companies (Defense contractors) that are committed to a culture and practice of ethics and integrity in all business dealings with the Department of Defense.

Presenter at the annual "DoD Ethics Counselor Course" in Charlottesville, VA Judge Advocate General's School; April 2008; April 2009; April 2012; November 2013.

Panelist at event hosted by the Senior Executives Association at its offices in Washington, D.C. (Dec 6, 2013). Topic was ethical leadership in the Federal Government.

Guest Lecturer at Air Force JAG School Gateway class (Jan 2011). Topic was how to manage an effective ethics program geared towards middle-senior level staff judge advocates.

Panelist at Defense Intelligence Agency leadership development event entitled, "Understanding the Role of Coaching, Mentoring, and Sponsorship in the Professional Development of DIA Employees." (August 28, 2013).

(C) List all interviews you have given to newspapers, magazines or other publications, and radio or television stations (including the dates of such interviews).

None that I am aware of; from time to time, however, as part of my official responsibilities at the Department of Defense, the DoD Office of Public Affairs will ask me to speak to a reporter "on background."

9. Agreements or Arrangements

X See OGE Form 278. (If, for your nomination, you have completed an OGE Form 278 Executive Branch Personnel Public Financial Disclosure Report, you may check the box here to complete this section and then proceed to the next section.)

As of the date of filing your OGE Form 278, report your agreements or arrangements for: (1) continuing participation in an employee benefit plan (e.g. pension, 401k, deferred compensation); (2) continuation of payment by a former employer (including severance payments); (3) leaves of absence; and (4) future employment.

Provide information regarding any agreements or arrangements you have concerning (1) future employment; (2) a leave of absence during your period of Government service; (3) continuation of payments by a former employer other than the United States Government; and (4) continuing participation in an employee welfare or benefit plan maintained by a former employer other than United States Government retirement benefits.

Status and Terms of Any Agreement or Arrangement	Parties	Date (month/year)

10. Lobbying

In the past ten years, have you registered as a lobbyist? If so, please indicate the state, federal, or local bodies with which you have registered (e.g., House, Senate, California Secretary of State).

Although I have not acted as a registered lobbyist in over a decade, I have been informed that Holland & Knight LLP, my employer from March 2001-June 2004, did not remove my name as a registered lobbyist from its filings regarding the firm's lobbying activity for clients until 2008. After I left Holland & Knight in June 2004, I did not work in any capacity for or with the firm and did not make any lobbying contacts on its behalf.

11. Testifying Before the Congress

(A) Do you agree to appear and testify before any duly constituted committee of the Congress upon the request of such Committee? Yes.

(B) Do you agree to provide such information as is requested by such a committee? Yes.

[Letter from the Office of Government Ethics follows:]

United States
Office of Government Ethics
1201 New York Avenue, NW., Suite 500
Washington, DC 20005-3917

NOV 20 2014

The Honorable Bernard Sanders
Chairman
Committee on Veterans' Affairs
United States Senate
Washington, DC 20510

Dear Mr. Chairman:

In accordance with the Ethics in Government Act of 1978, I enclose a copy of the financial disclosure report filed by Leigh A. Bradley, who has been nominated by President Obama for the position of General Counsel, Department of Veterans Affairs.

We have reviewed the report and have obtained advice from the agency concerning any possible conflict in light of its functions and the nominee's proposed duties. Also enclosed is an ethics agreement outlining the actions that the nominee will undertake to avoid conflicts of interest. Unless a date for compliance is indicated in the ethics agreement, the nominee must fully comply within three months of confirmation with any action specified in the ethics agreement.

Based thereon, we believe that this nominee is in compliance with applicable laws and regulations governing conflicts of interest.

Sincerely,

David J. Apol
General Counsel

Enclosures

[Letter from the nominee to the Office of General Counsel, U.S. Department of Veterans Affairs follows:]

November 3, 2014

Ms. Renée L. Szybala (023)
Assistant General Counsel and
Designated Agency Ethics Official
U.S. Department of Veterans Affairs
Washington, D.C. 20420

Dear Ms. Szybala:

The purpose of this letter is to describe the steps that I will take to avoid any actual or apparent conflict of interest in the event that I am confirmed for the position of General Counsel of the U.S. Department of Veterans Affairs.

As required by 18 U.S.C. § 208(a), I will not participate personally and substantially in any particular matter in which I know that I have a financial interest directly and predictably affected by the matter, or in which I know that a person whose interests are imputed to me has a financial interest directly and predictably affected by the matter, unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1), or qualify for a regulatory exemption, pursuant to 18 U.S.C. § 208(b)(2). I understand that the interests of the following persons are imputed to me: any spouse or minor child of mine; any general partner of a partnership in which I am a limited or general partner; any organization in which I serve as officer, director, trustee, general partner or employee; and any person or organization with which I am negotiating or have an arrangement concerning prospective employment.

Within 90 days of my confirmation, I will divest my interest in Health Care REIT (HCN). I will not participate personally and substantially in any particular matter that to my knowledge has a direct and predictable effect on the financial interests of Health Care REIT (HCN) until I have divested it, unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1), or qualify for a regulatory exemption, pursuant to 18 U.S.C. § 208(b)(2). I understand that I may be eligible to request a Certificate of Divestiture for this asset and that a Certificate of Divestiture is effective only if obtained prior to divestiture. Regardless of whether I receive a Certificate of Divestiture, I will divest my interest in Health Care REIT (HCN) within 90 days of my confirmation and will invest the proceeds in non-conflicting assets.

I have been advised that the duties of the position of General Counsel may involve particular matters affecting the financial interests of Bank of America. The Department has determined that it is not necessary for me at this time to divest my interest in Bank of America because the likelihood that my duties will involve any such matter is remote. Accordingly, I will not participate personally and substantially in any particular matter that to my knowledge will have a direct and predictable effect on the financial interests of Bank of America for as long as I own it, unless I first obtain a written waiver pursuant to 18 U.S.C. § 208(b)(1), or qualify for a regulatory exemption, pursuant to 18 U.S.C. § 208(b)(2).

2.

Ms. Renée L. Szybala (023)

My spouse is a principal in Northern Virginia Title & Escrow. Accordingly, I will not participate personally and substantially in any particular matter that to my knowledge will have a direct and predictable effect on the financial interests of NVT&E unless I first obtain a written waiver pursuant to 18 U.S.C. § 208(b)(1), or qualify for a regulatory exemption, pursuant to 18 U.S.C. § 208(b)(2). I also will not participate personally and substantially in any particular matter involving specific parties in which I know a client of my spouse is a party or represents a party, unless I am first authorized to participate, pursuant to 5 C.F.R. § 2635.502(d).

I have been advised that this ethics agreement will be posted publicly, consistent with 5 U.S.C. § 552, on the website of the U.S. Office of Government Ethics with other ethics agreements of Presidential nominees who file public financial disclosure reports.

Finally, I understand that as an appointee I am required to sign the Ethics Pledge (Exec. Order No. 13490) and that I will be bound by the requirements and restrictions therein in addition to the commitments I have made in this ethics agreement.

Sincerely,

Chairman SANDERS. Well, it certainly will be entered into the record, and we thank you very much for your statement.

You and I chatted yesterday and you answered my questions. I am strongly supportive of the nomination.

Mr. Isakson.

OPENING STATEMENT OF HON. JOHNNY ISAKSON, U.S. SENATOR FROM GEORGIA

Senator ISAKSON. Thank you, Chairman Sanders.

I, too, met yesterday with Ms. Bradley. We had a wonderful meeting, and I want the record to reflect that this is one Georgia Bulldog who is going to pull for an Alabama "Roll Tide" Crimson Tide lady in the bowl game coming up pretty soon. Good luck this weekend.

Ms. BRADLEY. Thank you.

Senator ISAKSON. Mr. Chairman, I told Leigh that this is probably the most important appointment in the VA other than the Secretary himself, and the implementation of the Veterans Choice Act is going to require an awful lot of work through legal counsel to support the Secretary in whatever disciplinary action he takes as well as expedite the review process of cases that are appealed, because we are getting more and more disability determinations coming out faster and faster, which means we are going to have a higher and higher volume of appeals, which means legal counsel is going to be under the gun. We want to be supportive of you. We

want to streamline that process as much as possible and make sure it works.

We have a 2-year window of opportunity to make the VA the best VA in the world and we want to make that happen and you are a key part of that. I am very supportive of your nomination and appreciate your willingness to accept the job. And, I really have no questions, Mr. Chairman.

Chairman SANDERS. Thank you very much, Senator Isakson.

Ms. Bradley, thank you very much for your willingness to serve. As Senator Isakson indicated, your position is enormously important. There is a transition in the VA right now, and I am confident you are going to do a great job for us.

With that, if there are no other comments—Johnny, are you OK?

Senator ISAKSON. Just proud to have her on board.

Chairman SANDERS. OK.

Ms. BRADLEY. Thank you both.

Chairman SANDERS. This hearing is adjourned.

[Whereupon, at 10:10 a.m., the Committee was adjourned.]

A P P E N D I X

PREPARED STATEMENT OF HON. DEAN HELLER,
U.S. SENATOR FROM NEVADA

Thank you Chairman Sanders. I want to begin by welcoming Ms. Bradley. It is a great honor to serve Veterans, and I look forward to hearing about what you plan to bring to the VA.

It is no secret that the VA has not been working well for veterans, and Secretary McDonald is trying to reform this agency. And every office has a part to play, including the General Counsel.

I will tell you, Ms. Bradley, what I have told every VA nominee I've met with—My priority is representing Nevada's veterans and what is important to them.

That is why every time you come before this Committee, I will be asking about what you are doing in your position to help reduce the claims backlog, improve VA health care, and anything else that will benefit our Nation's veterans.

The claims backlog is especially important since Nevada has one of the worst VA Regional Offices in the Nation and the highest percentage of backlogged claims.

I know the General Counsel's office has a role in this process at the appeals level and accrediting veterans service organizations.

I am also interested in the VA's handling of whistleblowers and what your role in that process might be.

I want to make sure that, moving forward, every employee working at a VA facility in Nevada feels comfortable with reporting problems they see without fearing retaliation.

As a Member of this Committee, I take this oversight seriously and want to be assured that you are up for the task.

Again, thank you for being here and I look forward to addressing these issues further in my questioning.

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