

# GAO Highlights

Highlights of [GAO-17-700](#), a report to congressional requesters

## Why GAO Did This Study

Employee relocation is a critical tool to help agencies position skilled employees optimally and for workforce recruitment, retention, and development. Agencies can facilitate the sale of a relocating employee's home when the relocation of a specific employee to a different location is in the interest of the government. After a 2015 VA Inspector General report found that two VA employees abused AVO to relocate for their personal benefit, VA suspended AVO in October 2015 and reinstated it in fiscal year 2017. GAO was asked to review the administration of AVO at VA and government-wide.

This report (1) describes federal agencies' and VA's use of AVO; (2) describes federal agencies' key AVO internal controls, evaluations, and lessons learned; and (3) analyzes the extent to which VA has implemented additional internal controls since 2015 for AVO and has evaluated whether AVO improved recruitment and retention. GAO analyzed agency documents and interviewed VA and GSA officials. GAO also distributed a questionnaire to 28 agencies or their components that had completed home sale transactions through GSA's contract in fiscal years 2015 or 2016. Twenty of these agencies responded that they had an operational AVO and provided information on the types of controls they use and any lessons learned.

## What GAO Recommends

GAO recommends that VA track data to determine whether AVO improves recruitment and retention. VA concurred with the recommendation.

View [GAO-17-700](#). For more information, contact Jessica Lucas-Judy at (202) 512-9110 or [lucasjudj@gao.gov](mailto:lucasjudj@gao.gov).

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## EMPLOYEE RELOCATION

### VA Strengthened Appraised Value Offer's Controls, but Can Improve Efforts to Track Effects on Retention and Recruitment

## What GAO Found

About 80 percent of federal agencies' home sale transactions to support employee relocations are through the contract that the General Services Administration (GSA) manages with relocation management companies. To support relocations, agencies can use an Appraised Value Offer (AVO). Under an AVO, the relocation management company buys a relocating employee's home for its appraised value if it cannot be sold during a stated period of time. From fiscal years 2012 to 2016, use of AVO varied for federal agencies, including the Department of Veterans Affairs (VA). For example, in fiscal year 2012, the federal agencies that used GSA's contract spent over \$66 million on 936 homes and in fiscal year 2016 they spent over \$42 million on 601 homes.

In response to GAO's questionnaire (which was not sent to VA), most of the 20 agencies that were using AVO identified the following two types of critical internal controls as part of their AVO policies. First are transaction control activities, which are actions built directly into operational processes to support the entity in achieving its objectives and addressing related risks. For example, 18 agencies reported that the AVO approval process must be complete before payments are made. Second is assessing and responding to misconduct risks by considering how misuse of authority or position can be used for personal gain. For example, 19 agencies reported that their AVO had safeguards to prevent it from being used for the personal gain of employees. An agency could require an independent review of its permanent change of station program.

While none of the 20 agencies reported they had evaluated whether AVO improved recruitment and retention of employees, 12 of the 20 agencies provided examples of how AVO had been beneficial. For example, four agencies noted the use of AVO had helped them recruit the most qualified employees or assisted with hard-to-fill positions. GSA officials also identified six good practices based on lessons learned from their role, which includes managing the relocation contract that they believe agencies should incorporate into their AVO. When GAO compared these good practices to VA's AVO process, it found that all of these good practices had been adopted by VA. For example, VA offers pre-decision counseling and VA employees work with the relocation company before their home is put on the market.

Since fiscal year 2016, VA has strengthened the administration of AVO by implementing new policies that include internal controls, but does not track data on whether AVO improves recruitment and retention. For example, VA revised its policies to require approval prior to initiating recruitment efforts and that a relocating employee's participation cannot be approved by the employee's subordinates. VA officials stated AVO is beneficial for hard-to-fill Senior Executive Service positions and for mission critical skills occupations, however, VA does not track data to determine whether AVO improves the recruitment and retention of employees. VA officials stated the agency does not have the resources or capabilities to track such data. These data could be useful in identifying trends and options for targeting certain occupations or skill sets that may improve the agency's use of home sales to support relocation. Without tracking these data, VA will be unable to determine whether AVO has improved recruitment and retention.