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GAO

United States General Accounting Office
Washington, DC 20548

Human Resources
Division

B-199847

AUGUST 13, 1980

The Honorable Alan Cranston
Chairman, Committee on Veterans'
Affairs
United States Senate

Dear Mr. Chairman:

Subject: Analysis of Veterans Administration
Investigation of Allegations Involving
the Palo Alto VA Medical Center (HRD-80-106)

Your letter of January 21, 1980, asked that we monitor the Veterans Administration's (VA's) Office of Inspector General (OIG) investigation of allegations made concerning the Palo Alto VA Medical Center. There has been significant congressional concern about these allegations, which appeared in a series of articles in the Peninsula Times Tribune and in correspondence from several VA police officers.

The major allegations at the Palo Alto Medical Center involve

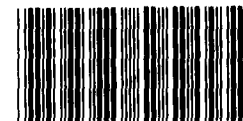
- significant increases in the rate of crime,
- widespread illegal drug use,
- inadequate support from local and Federal law enforcement agencies,
- interference by medical center officials in criminal investigations, and
- reprisals and threats against VA police officers making the allegations.

In addition, other allegations concerning employee wrongdoing and questionable medical center activities were made during the OIG's onsite investigation which began in December 1979.

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The OIG has completed its investigation and on May 23, 1980, issued a report on its findings. Based on our review of that report and its supporting documentation, we believe that most of the major allegations were only pursued in part by the OIG. While specific incidents brought to its attention were addressed, the OIG did not attempt to resolve the broader allegations. One example is the allegation that the crime rate at Palo Alto has been increasing. The OIG collected information indicating that the number of reported crimes had increased; however, the OIG did not attempt to determine the extent to which the increase resulted from more crimes being reported, more patients being admitted, or more crimes actually being committed.

In addition, the allegation we considered most serious and certainly the one receiving most of the media coverage--widespread illegal drug use--was only briefly mentioned in the OIG report. Specifically, the allegation was addressed only as it related to two incidents at Palo Alto. However, the OIG was aware that the Drug Enforcement Administration (DEA) was also investigating illegal drug activity at Palo Alto. Following its investigation, DEA was unable to conclude that any significant or widespread drug activity existed at Palo Alto primarily because VA police officers who had made the allegations could not give DEA investigators any documented evidence to substantiate their allegations. We believe the OIG report should have disclosed the findings and conclusions resulting from the DEA investigation.

The OIG report did not reach conclusions on many allegations, rather, the report contained a factual presentation of the OIG findings. We decided, based on the report and supporting documents, to categorize the allegations as "sustained," "not sustained," or "unresolved." We designated certain allegations as "sustained" if they were confirmed or corroborated in part or full by the testimony of witnesses and/or documentation. Other allegations were designated "not sustained" if available information indicated that the allegation had no basis in fact. We designated some allegations as "unresolved" if there was not sufficient evidence to determine the veracity of the allegation.

In our judgment, 7 of 37 allegations addressed by the OIG were sustained, 18 were not sustained, and 12 were unresolved. Of those that were unresolved, we believe further investigation for three allegations is warranted, namely

- the increasing rate of crime at Palo Alto,
- an alleged \$7 million coverup in the records of the Center's supply section, and
- the harassment of a VA police officer.

In addition, we noted that a number of allegations were not addressed in the OIG report or its supporting documentation. We were told that the OIG did not address all the allegations because (1) some were considered not in the purview of the OIG or (2) some were not specifically brought to the attention of the OIG. We agree that several were not within the OIG's jurisdiction, such as the adequacy of other Federal agencies' recent investigations into the allegations at Palo Alto. However, we believe that the OIG should have pursued the allegations of reprisals and threats against VA police officers making allegations, inadequate law enforcement support from Federal agencies, VA's failure to pursue legal action against employees and patients suspected of being involved in criminal activities, and VA police being assigned nonsecurity duties. This notwithstanding, we do not believe further investigation by the OIG is warranted for these issues because they will be covered in our review, which is still underway, of crime at VA medical centers.

As of July 1980, the OIG had not made any recommendations for corrective action. We understand that any recommendations resulting from the OIG investigation will be transmitted separately to the VA Chief Medical Director.

At the June 11, 1980, hearing before your Committee on activities of VA's OIG, we agreed to discuss with the OIG differences of opinion on how we classified the allegations and our conclusions. On the basis of these discussions, the OIG agreed with the way we classified 21 of the 37 allegations. The difference of opinion between us and the OIG on the classification of most of the 16 other allegations stems from how we classified allegations as "not sustained." We classified allegations as "not sustained" when the information gathered indicated the allegation had no basis in fact. On the other hand, the OIG believes that, if the allegation could not be proven true, even though it could not be proven false, then it should be classified as "not sustained." The OIG also believes that, where no further investigation is warranted, the allegations should be classified as "not sustained" rather

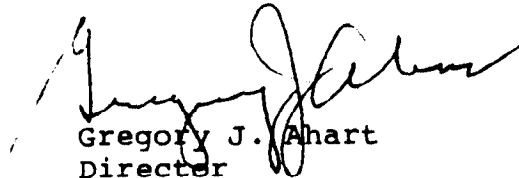
than "unresolved." We classified allegations as unresolved, not because further work was required by the OIG, but because we were unable to determine the veracity of the allegation or because the allegation was not clear as presented in the OIG report. In spite of our differences on the classification of many allegations, the OIG generally agreed with our conclusions and analysis. In addition, the OIG has begun efforts to resolve the three allegations where we believed further investigation was warranted.

The enclosure to this letter contains a table showing which allegations addressed by the OIG were, in our opinion, sustained, not sustained, or unresolved. The enclosure also includes our comments and conclusions on each of the allegations which, in our opinion, warranted further discussion as well as the OIG's specific comments on these allegations.

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As arranged with your office, we are sending copies of this report to the Chairmen, House Committee on Veterans' Affairs; Subcommittee on Government Information and Individual Rights, House Committee on Government Operations; Congressman Paul N. McCloskey, Jr.; and the Administrator of Veterans Affairs. Copies will also be available to other interested parties upon request.

Sincerely yours,



Gregory J. Ahart
Director

Enclosure

DAO ANALYSIS OF THE RESULTS OF THE INVESTIGATION AT
PALO ALTO MEDICAL CENTER BY THE VETERANS ADMINISTRATION'S
(VA'S) OFFICE OF THE INSPECTOR GENERAL (OIG)

<u>Allegation</u>	<u>Sustained</u> <u>(note a)</u>	<u>Not sustained</u> <u>(note b)</u>	<u>Unresolved</u> <u>(note c)</u>
1. Staffing of the Medical Center (MC) police section is insufficient and subject to high turnover.	X		
2. Chemical mace is ineffective particularly when dealing with persons under the influence of drugs or alcohol.		X (in part)	
3. Palo Alto police refuse to become involved in theft, accident, or vandalism cases on VA grounds.		X (in part)	
4. Two Members of Congress were provided substantial documentation of criminal activities within VA.			X (OIG should investigate further.)
5. MC police are told not to make arrests for violations of State law; and under VA regulations, the sale of narcotics is not a crime.		X	
6. Traffic tickets, particularly for doctors, are routinely dismissed.	X (in part)		
7. Investigations into two extortion schemes involving patients were halted by the MC police chief and the chief of psychiatry.		X	
8. An MC police officer sold drugs while on duty.	X (in part)		
9. The MC police chief told police officers to get a "hit man" to take care of those officers talking to the press.	X (However, not considered a threat.)		
10. The MC police chief and medical director suppressed an investigation of drug activity.		X (The assistant hospital director ordered a temporary halt to the investigation and, in our opinion, rightfully so.)	
11. The Young Vets program director harbored at the MC an individual wanted for manslaughter.		X	
12. A patient was being pressured to make false statements that the VA police were "out to get" the Young Vets program director.		X	
13. The MC police chief converted Government property to private use.	X (He used a Government stepladder over one weekend.)		
14. A building maintenance supervisor converted confiscated property to his own use.		X	

ENCLOSURE I

ENCLOSURE I

<u>Allegation</u>	<u>Sustained</u> (note a)	<u>Not sustained</u> (note b)	<u>Unresolved</u> (note c)
15. The MC police chief improperly destroyed about 1,500 criminal and contact reports.		X	
16. A supply clerk was suspected of numerous thefts from the supply section.		X	
17. There was a \$7 million coverup in the supply section books.			X (OIG should investigate further.)
18. The MC police chief took Government property and put it in his personal car.		X	
19. Mail addressed to employees was opened by their supervisor.		X	
20. The MC police chief told the police officer who made many of the allegations that his career was ended, and reprisals were taken against the officer.			X (OIG should investigate further.)
21. An MC police officer appeared for duty in an intoxicated condition.		X	
22. The MC police chief appeared at the station drunk one evening and conducted an inspection.		X	
23. The personnel office did not follow up on VA police requests for pay parity and staffing studies.		X	
24. The chief engineer was involved in wrongdoing.		X	
25. MC shop employees refinished an old typewriter stand for private sale.			X (No further investigation warranted.)
26. The MC police chief gave his son an MC police document carrier.			X (No further investigation warranted.)
27. The MC police chief removed \$20 from a recovered wallet.			X (No further investigation warranted.)
28. There were undercover FBI agents on MC grounds keeping one police officer under surveillance.		X	
29. Safety violations discussed during safety committee meetings were sometimes omitted from the minutes of those meetings.		X	
30. Health and safety violations exist in a couple of areas at the MC.	X		
31. Poor maintenance and utilization of biomedical equipment existed.			X (No further investigation warranted.)

ENCLOSURE I

ENCLOSURE I

<u>Allegation</u>	<u>Sustained</u> <u>(note a)</u>	<u>Not sustained</u> <u>(note b)</u>	<u>Unresolved</u> <u>(note c)</u>
32. Work orders for the repair of medical equipment are delinquent.			X (No further investigation warranted.)
33. VA's OIG was advised in May 1979 of the VA police officers' concern and given a complete outline of the officers' complaints, and the investigation conducted by the OIG is an insult to everyone concerned.	X (In part. Sustained with respect to the OIG being advised of police officers' complaints.)		
34. In letters to the OIG, the Administrator of VA, and a Senator, the police officers state "Section 218 of Title 38, U.S.C., authorizes the Administrator of Veterans' Affairs to prescribe needful rules and regulations * * *. It further empowers the Administrator to appoint special police * * * to carry firearms while on duty or in travel status."			X (Allegation unclear, however, majority of police do not wish to carry firearms. No further investigation warranted.)
35. An MC secretary stated that she was harassed by a newspaper reporter.			X (No further investigation warranted.)
36. In a national publication, a Palo Alto VA police officer was quoted as saying "murders at the MC average about four or five a year and that drug overdoses occur weekly * * *."			X (No further investigation warranted.)
37. The MC police officer's job is dangerous and injuries occur frequently.			X (No further investigation warranted.)
Total	<u>7</u>	<u>18</u>	<u>12</u>

Definitions:

a/Allegation sustained--Allegation confirmed or corroborated in part or full by witnesses and/or documentation.

Allegation sustained in part--A portion of the allegation was sustained but a portion was not addressed.

b/Allegation not sustained--Information gathered indicated allegation had no basis.

Allegation not sustained in part--Information gathered indicated that a portion of the allegation had no basis but a portion was not addressed.

c/Unresolved--Not enough evidence presented to make a determination on the veracity of the allegation or the allegation as presented in the OIG report was unclear.

GAO COMMENTS AND CONCLUSIONS

On the basis of our review and evaluation of the OIG's report and the working papers supporting the report, we offer the following comments and conclusions. Our comments address the allegations (whether sustained, not sustained, or unresolved) which, in our opinion, warrant further discussion. The allegation numbers relate to those used in the May 23, 1980, OIG report and to those shown on pages 1 to 3 of this enclosure.

AllegationComments and conclusions

2 Not sustained (in part)	<p>Although the OIG report says that mace (a chemical irritant projector weapon) was fully effective in 8 of 11 firings during the last 4 years at the MC, it did not address the effectiveness of mace on people under the influence of drugs or alcohol. According to an April 4, 1980, VA Administration Letter to directors of VAMCs, "the liquid chemical incapacitating agent CN has been ineffective against persons intoxicated by alcohol or other drugs. In all such cases, resort to other weapons is not authorized and physical restraint measures, including minimum force necessary to subdue offenders is the last resort."</p>
	<p>The OIG agrees with our classification of this allegation.</p>
3 Not sustained (in part)	<p>The OIG report did not sustain the allegation that local (Palo Alto) police refuse to become involved in theft, accident, or vandalism cases on VA grounds. However, we interpret the allegation to cover the overall issue of local police responsiveness, and according to the testimony of several officers, there may be a problem with the response time of the local Palo Alto police.</p>
	<p>The OIG disagrees with the "in part" classification because it does not believe there was any indication of a problem with the response time of the local Palo Alto police. We noted, however, that at least 5 of 14 MC police referred to problems with response time during interviews with the OIG investigator.</p>

AllegationComments and conclusions

4
 Unresolved
 (OIG should investigate further.)

The allegation as stated in the OIG report is that a VA police officer provided substantial documentation of criminal activities within VA to a Senator and a Congressman. We are unclear as to the specific allegation being made. However, on the issue of whether crime is increasing at Palo Alto, we believe that not enough evidence was presented in the report to make a determination. We believe further investigation is warranted.

The correspondence provided to the Members of Congress did not provide documentation of specific criminal activities but did include crime data on Palo Alto. Those data, based on a memorandum prepared by the police chief, show that there was a 56-percent increase in total crime in calendar year 1978 over 1977; a 116-percent increase in Government property thefts, a 456-percent increase in disturbances, and a 286-percent increase in assaults on employees.

As stated in the OIG report, the explanation for the increase in assaults and personal property thefts is (1) an increase in the inpatient and outpatient loads and (2) more crimes being reported, particularly in late 1978 and all of 1979. Based on the patient population data Palo Alto MC provided us, we do not believe that increases in patient admissions explain the large increases for these offenses. From fiscal year 1977 to 1978, the inpatient population increased by 4 percent and the outpatient population decreased by 3 percent. We do agree that increased crime reporting may account for some of the increase in crime figures.

Furthermore, the OIG report's finding that fewer violation notices written by the MC police indicates less enforcement of crime is not supported. A substantial portion of the decrease is the result of fewer traffic violations being issued. The number of violation notices related to traffic offenses dropped

AllegationComments and conclusions

from 1,295 in fiscal year 1977 to 521 in fiscal year 1979. During the same period, the number of arrests increased significantly from 31 to 136; of these, 21 and 64, respectively, were nontraffic arrests. We believe this indicates there actually may be greater crime enforcement by the MC police.

The OIG believes this allegation should be "not sustained" based on the preliminary results of further analysis of Palo Alto crime figures.

6
Sustained
(in part)

The allegation that traffic tickets are routinely dismissed seems to be supported by the fact that 35 to 38 percent of the tickets issued from 1977 to 1979 were dismissed. While the OIG investigation sampled approximately 3,000 tickets, only 11 were examined to determine the reasons for dismissal. This sample was not large enough to determine whether the dismissals indicate (a) that officers need better guidance in their issuance of citations or (b) that citations are being canceled without good cause. In either case, corrective action seems warranted.

The OIG agrees with our classification of this allegation.

8
Sustained
(in part)

The OIG investigation found circumstantial evidence that an officer did have in his possession some form of drugs. No evidence could be found to indicate he sold drugs, other than possibly a noncontrolled substance-- "diet pills." Although the OIG report does not discuss it, the Drug Enforcement Administration's report stated that this officer's conduct is highly questionable. We believe that the OIG should make a recommendation on whether administrative action is warranted.

The OIG agrees with our classification of this allegation.

AllegationComments and conclusions

- 9
Sustained
- The OIG investigation confirmed that the MC police chief made a statement about getting a "hit man" to take care of officers talking to the press. However, based on the opinions of all persons involved in the incident, the OIG concluded that the statement was made in jest. We believe, based on available information, that the police chief's statement was not a threat and no further action is warranted.
- The OIG agrees with our classification of this allegation.
- 10
Not sustained
- The OIG reported that on September 28, 1979, the assistant hospital director ordered a temporary halt to the investigation of drug activity mentioned in the allegation. However, we believe the OIG report should have commented as to whether the assistant director acted appropriately in stopping the police activity at the time of the incident. We believe he did act appropriately, based on the information available.
- Further, although it is not stated in the OIG report, the hospital's acting director requested that VA's regional security officer investigate the situation, which he did from October 31 to November 2, and found no evidence of a crime coverup, as alleged. In addition, the Drug Enforcement Administration concluded that it could find no evidence of a drug problem at MC Building 7 where the incident occurred.
- The OIG believes that showing this allegation as sustained is misleading since neither the director nor police chief was involved in this matter and that the assistant MC director appropriately halted the investigation to determine the facts. We agree with the OIG and have therefore changed the classification of this allegation from sustained (in part) to not sustained.

AllegationComments and conclusions

13
Sustained

The MC police chief admitted that he borrowed a stepladder over one weekend to paint his house.

The OIG disagrees with our classification of this allegation as sustained. It does not believe a conclusion that he "converted" the VA stepladder to his own use is proper.

17
Unresolved
(OIG should investigate further.)

The OIG report did not sustain an alleged \$7 million coverup in the supply section books. The MC police officer who made the allegation heard of it thirdhand--from a friend of the person who reportedly had knowledge of the incident. The VA investigator was unable to make contact with the person who apparently had knowledge of the coverup. We believe this issue is unresolved because no one in the supply section was interviewed. We further believe, because of the seriousness of the allegation, that the OIG should make another attempt to identify the originator of the allegation.

The OIG is making a further attempt to induce the MC police officer to produce the witness.

20
Unresolved
(OIG should investigate further.)

The MC police officer was removed from the position of "Assistant Chief of Police" and relieved of his associated duties. The OIG investigator did not pursue the allegation further because the officer had filed a grievance with the Merit Systems Protection Board. However, the Board told us that this officer was informed in January 1980 that the Board could not act on his grievance because the police chief's actions did not constitute official personnel actions. We believe further investigation of this matter is warranted by the OIG.

The OIG has written to the Merit Systems Protection Board's Office of Special Counsel to determine its involvement in this matter. The OIG is waiting for a response before deciding what further action it should take.

AllegationComments and conclusions

<p>25</p> <p>Unresolved</p> <p>(No further investigation warranted.)</p>	<p>The allegation that VA employees refinished an old typewriter for private sale is still unresolved. The officer who claimed to have witnessed the alleged crime could not provide sufficient evidence for followup by either the OIG or the FBI. We believe no further investigation is warranted because of the nominal dollar value involved.</p>
<p>26</p> <p>Unresolved</p> <p>(No further investigation warranted.)</p>	<p>Not enough evidence was presented to either prove or disprove the allegation that the police chief gave his son a police document carrier belonging to the MC. We believe no further investigation is warranted because of the nominal dollar value involved.</p>
<p>27</p> <p>Unresolved</p> <p>(No further investigation warranted.)</p>	<p>Not enough evidence was presented to either prove or disprove the allegation that the police chief removed \$20 from a recovered wallet. We believe no further investigation is warranted because of the small dollar value involved.</p>
	<p>The OIG does not agree with our characterization of allegations #25, #26, and #27 as being unresolved. The OIG believes they should be classified as not sustained because no further investigation is warranted by the OIG.</p>
<p>31</p> <p>Unresolved</p> <p>(No further investigation warranted.)</p>	<p>Although the allegation of poor maintenance and utilization of biomedical equipment was unresolved, the person making the allegation has agreed to present his grievance through proper channels. We believe no further investigation is warranted.</p>
<p>32</p> <p>Unresolved</p> <p>(No further investigation warranted.)</p>	<p>The allegation of delinquent work orders for repair of medical equipment is being referred to the hospital director for resolution. We believe no further investigation is warranted.</p>
	<p>The OIG believes that allegations #31 and #32 were handled properly, and since no additional work is required by the OIG in these matters, they should not be shown as unresolved.</p>

AllegationComments and conclusions

- 33
Sustained
(in part)
- The OIG was advised of some of the MC police officers' concerns and complaints in a May 1979 letter. The OIG reply stated that, while the issues presented in the letter were of concern to the officer and others in his profession, the issues did not represent criminal violations. The OIG report does not address the allegation made by the complaining officer in a second letter, dated January 1980, concerning the adequacy of the OIG investigation. We believe the allegation was premature since it was made approximately 3 weeks after the OIG began work at the MC and before the OIG investigator interviewed the complaining officer.
- The OIG agrees with our comments above on this allegation but believes it should be classified as not sustained because the May 1979 letter did not give a "complete" outline of the officers' complaints.
- 34
Unresolved
(No further investigation warranted.)
- We classified this allegation as unresolved because we are not sure what the allegation is. However, on the issue of whether VA police should carry firearms, information developed by the OIG indicated that the majority of the MC police do not wish to carry firearms.
- The OIG feels this issue was resolved when the majority of MC police officers indicated they did not desire to carry firearms.
- 35
Unresolved
(No further investigation warranted.)
- The allegation that an MC secretary was harassed by a newspaper reporter is unresolved. According to the OIG report, "Even if the allegation had been proven to be valid, no Federal regulation appears to have been violated. Therefore, no further investigation was conducted." We concur that no further investigation is warranted.
- The OIG believes that since there was no necessity for conducting an investigation of this matter, it should be classified as not sustained.

AllegationComments and conclusions

36
 Unresolved
 (No further
 investigation
 warranted.)

We are unclear on this allegation as it is addressed in the OIG report. If the issue is that an MC police officer disseminated information on VA matters to a national periodical counter to a VA regulation, then the allegation is sustained. However, if the issue is that murders at the MC average four to five a year and that drug overdoses occur weekly, the OIG report stated that no evidence was developed during the investigation to substantiate the officer's allegations. We do not believe further investigation is warranted at this time because the allegation was not corroborated by any information obtained by the OIG during its investigation.

The OIG believes the main issue here concerns the allegation of murders and drug overdoses at the MC, and for this reason it believes this allegation should be classified as not sustained.

37
 Unresolved
 (No further
 investigation
 warranted.)

Once again, we are unclear on the allegation as stated in the OIG report. If it is simply that police officers received more injuries than other occupational groups, we do not believe that adequate data were developed on the frequency of injuries per person for police versus other groups of employees. If the allegation relates to such things as the need for additional police or firearms, these issues are discussed in allegations #1 and #34, respectively. If the allegation relates to the need for better police employment benefits, this issue was not addressed in the OIG report because it was considered beyond the purview of the OIG.

The OIG performed additional analysis of the figures presented in the May 23 report on Palo Alto. This analysis shows that MC police sustained slightly less injuries per employee than the nursing, dietetic, engineering, and housekeeping employees considered as a group. Based on these data, the OIG believes this allegation should be classified as not sustained.