



September 2017

EMPLOYEE RELOCATION

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

Accessible Version

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.

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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.

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Abbreviations

AVO	Appraised Value Offer
AVS	Amended Value Sale
BVO	Buyer Value Option
GSA	General Services Administration
VA	Department of Veterans Affairs

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September 19, 2017

The Honorable Phil Roe
Chairman
The Honorable Tim Walz
Ranking Member
Committee on Veterans' Affairs
House of Representatives

The Honorable Mark Takano
House of Representatives

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. In fiscal year 2015, the Department of Veterans Affairs (VA) and other federal agencies spent more than \$63 million on Appraised Value Offer (AVO) on 897 homes, which is one of the ways that federal agencies can assist employees in selling their homes.

For an employee participating in AVO, a relocation management company buys a relocating employee's home if the employee is unable to sell it within a specified period. In fiscal year 2015, VA spent more than \$3 million on AVO. After allegations of abuse, in 2015 the VA Inspector General investigated and reported that the Veterans Benefits Administration used moves of senior executives as a method to justify annual salary increases in fiscal years 2013 to 2015.¹ Although there were pay freezes at that time, a Senior Executive Service employee's salary could be increased as long as the employee was relocating. In addition, according to the VA Inspector General, two Senior Executive Service employees abused AVO to relocate for their personal benefit rather than in the interest of the government.² VA suspended the use of

¹Department of Veterans Affairs, Office of Inspector General, *Veterans Benefits Administration, Administrative Investigation: Inappropriate Use of Position and Misuse of Relocation Program and Incentives*, 15-02997-526 (Washington, D.C.: Sept. 28, 2015).

²The recommendations from the Inspector General's report related to AVO and VA's responses are described later in this report.

AVO in October 2015 and VA's fiscal year 2016 appropriations prohibited, among other things, the use of funds appropriated to VA by the Consolidated Appropriations Act, 2016 for AVO for Senior Executive Service employees unless the waiver process enacted in that prohibition was followed and Congress was notified.³ VA's 2017 appropriations did not include the prohibition. VA reinstated the use of AVO in fiscal year 2017.

You asked us 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 of whether AVO improved recruitment and retention of employees, and lessons learned; and (3) analyzes the extent to which VA has implemented additional internal controls since 2015 for AVO and has evaluated whether use of AVO has improved the recruitment and retention of employees.

To respond to these objectives, we analyzed documents from VA and the General Services Administration (GSA), interviewed VA and GSA officials, conducted a literature review on AVO and related topics, and reviewed agency inspector general reports on relocation programs and our previous work. We also reviewed relevant statutes and regulations and interviewed Office of Personnel Management officials. To describe use of AVO at federal agencies, including VA, we reviewed GSA's fiscal year 2012 to 2016 data on AVO transactions completed through GSA's contract. According to GSA officials, about 80 percent of federal agency home sale relocation transactions occur through GSA's contract, which agencies can use to contract with relocation management companies. GSA stated that the number of agencies that use its contract for home sales can differ from year to year. To describe VA's use of AVO, we reviewed VA's fiscal year 2012 to 2016 data on completed AVO transactions. To assess the reliability of the GSA and VA data on completed AVO transactions, we interviewed GSA and VA officials and reviewed related documentation. We determined that the data were sufficiently reliable for the purposes of our objectives.

To describe federal agencies' key AVO internal controls, evaluations of effectiveness, and lessons learned, we developed a questionnaire. In

³Consolidated Appropriations Act, 2016, Pub. L. No. 114-113, div. J, title II, § 242, 129 Stat. 2242, 2701 (Dec. 18, 2015).

addition, we reviewed agencies' inspector general reports on weaknesses in the administration of their relocation programs to identify key internal controls that would be relevant to the AVO process. We modified the list in response to feedback from pretests of our questionnaire. We created a list of key controls relevant to AVO and asked the agencies to identify which internal controls they were using. We distributed the questionnaire to the 28 agencies or components of agencies (agencies) that had completed home sale transactions through GSA's contract in fiscal year 2015 or 2016, excluding VA.⁴ Twenty-four of the 28 agencies responded to the questionnaire, 20 of which stated that they have an operational AVO, which we interpreted to mean that AVO was being offered at the agency. Thus we report on the 20 agencies' responses to the questionnaire. We characterize the responses to the questionnaire as "most" when 12 to 19 agencies responded the same way. To assess the extent of internal controls and evaluations at VA, we analyzed VA documents and interviewed VA officials. We assessed VA's controls and evaluations using internal control standards.⁵ For more detailed information on our objectives, scope, and methodology, see appendix I.

We conducted this performance audit from August 2016 to September 2017 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

⁴The 28 agencies are: Agricultural Research Service; Bureau of Alcohol, Tobacco, Firearms and Explosives; Bureau of the Fiscal Service; Bureau of Land Management; Bureau of Prisons; Customs and Border Protection; Census Bureau; Drug Enforcement Administration; Department of Energy; Department of Labor, Environmental Protection Agency; Federal Bureau of Investigation; Federal Emergency Management Administration; Food Safety Inspection Service; Forest Service; Fish and Wildlife Service; Health and Human Services; Immigration and Customs Enforcement; Internal Revenue Service; National Aeronautics and Space Administration; National Oceanic and Atmospheric Administration; Nuclear Regulatory Commission; Natural Resources and Conservation Services; Office of the Comptroller of the Currency; Social Security Administration; United States Geological Survey; Western Area Power Administration; and United States Marshals Service.

⁵GAO, *Standards for Internal Control in the Federal Government*, [GAO-14-704G](#) (Washington, D.C.: September 2014).

Background

Home Sale Assistance

Travel and transportation expenses for transferred employees, new appointees, or student trainees, including moving expenses and relocation programs, among other aspects of the relocation programs, are authorized by 5 U.S.C. §§ 5721-5739.⁶ Agencies are authorized to pay the expenses for the sale of a current employee's residence if it is in the interest of the government.⁷ Agencies are also authorized to hire contractors to administer these services.⁸

Agencies contract with relocation management companies to manage home sale assistance. These companies either purchase or facilitate the purchase of a relocating employee's home. This allows agencies to relocate employees quickly, without the employee facing a financial burden for maintaining a home in both the old and the newly assigned duty station. Home sale assistance can also be used to address mission critical skills occupations, which are one or more of the following: a staffing gap in which an agency has an insufficient number of individuals to complete its work or a competency gap in which an agency has individuals without the appropriate skills, abilities, or behaviors to successfully perform the work.

⁶Federal agencies eligible to offer relocation programs are defined as: an executive agency as defined in Title 5 U.S.C. § 105 which includes an executive department, a government corporation, and an independent establishment, a military department; a court of the United States; the Administrative Office of the United States Courts; the Library of Congress; the United States Botanic Garden; the Architect of the Capitol; the Government Printing (now Publishing) Office; and the government of the District of Columbia, but does not include a government controlled corporation. The regulations for program eligibility further apply eligibility to the Government Accountability Office; a wholly owned government corporation as defined in section 101 of the Government Corporation Control Act, as amended (31 U.S.C. § 9101), but excluding a government controlled corporation; and the Federal Judicial Center. 5 U.S.C. § 5721, 41 C.F.R. § 300-3.1. Note that although the definition of executive agency in 5 U.S.C. § 105, includes a government corporation, government controlled corporations are explicitly excluded by the terms defining agency in 5 U.S.C. § 5721 and 41 C.F.R. § 300-3.1(1).

⁷5 U.S.C. 5724a(d)(1). This provision also authorizes an agency to pay for the settlement of an unexpired lease if it is determined to be in the interest of the government.

⁸5 U.S.C. § 5724c.

Agencies can provide relocating employees with home sale assistance through AVO, Amended Value Sale (AVS), and Buyer Value Option (BVO).

- Under AVO, the relocation management company buys an employee's home for its appraised value if it cannot be sold during a stated period of time. A specified number of appraisers determine the value of the home and the average is the appraised value. This provides the relocating employee earlier access to the equity from the former home that can be used toward a home at the new duty station.
- AVS allows an employee approved for AVO to find a buyer willing to pay a higher price than the appraised value of the home before an employee has accepted the appraised value offer from the relocation management company. Once the employee receives a bona fide offer, they can sell the house or if the offer falls through, then the relocation management company purchases the house for the offered price.
- Under BVO, the relocation management company purchases an employee's home after a bona fide offer from a buyer has been made. According to GSA officials, appraisals, which can cost up to \$3,000, are typically only conducted for BVO after the employee has been marketing the home for 6 months.

The average fees for federal agencies, including VA, using the GSA contract described below in fiscal year 2015 were more than twice as much for AVO than for AVS and BVO. Specifically, the average fees were 25 percent for AVO, 11 percent for AVS, and 10 percent for BVO. Similarly, VA's AVO fees were also more than twice as much for AVO than for AVS and BVO.⁹ The fees for each are a percentage of the sales price of the home. In fiscal year 2015, about 60 percent of homes sold via GSA's contract were AVS or BVO and the remainder were AVO. In fiscal year 2015, about 17 percent of homes sold under VA's home sale program were AVO and the others were AVS or BVO.

GSA's Role

GSA's role in the employee relocation process includes issuing regulations that apply to all federal agencies, managing a contract that relocation management companies and agencies can use, and providing

⁹According to VA officials, VA's fee information is business sensitive information.

assistance and guidance to agencies. GSA issues the Federal Travel Regulation (regulation) which includes travel, transportation, and relocation policies, rules for relocation allowances, and agency reporting requirements to GSA.¹⁰ GSA has specific authority to issue regulations governing travel and transportation expenses, including relocation allowances.¹¹

The regulation also outlines employee eligibility requirements, agency responsibilities (including rules for setting internal policies before authorizing relocation allowances) the timing of authorization processes, and who can authorize and approve relocation expenses.¹² In addition, agencies are required to report relocation activities to GSA if they spend more than \$5 million a year on travel and transportation, including relocation expenses.¹³ Ultimately, however, GSA officials stated that GSA does not have enforcement authority over agency compliance with the regulation and can only issue non-binding regulation guidance.

According to GSA officials, GSA works with industry experts and agency representatives to develop a contract for home sale assistance that agencies can use to work with relocation management companies to provide home sale assistance to employees. The contract includes vendor requirements such as a statement of work. Within the confines of the contract, agencies can tailor relocation assistance requirements to fit their needs. GSA also provides guidance and assistance that is available to all agencies in three ways, according to GSA officials: (1) GSA hosts bi-monthly agency teleconferences, (2) GSA hosts an annual forum, and (3) GSA provides one-on-one assistance to agencies.

In addition, according to Office of Personnel Management officials, the Office of Personnel Management plays a relatively minor role in home sales and federal agencies are not required to report to the Office of Personnel Management on home sales and their use of related relocations. The Office of Personnel Management has a review and

¹⁰Government Services Administration, *Federal Travel Regulation*, 41 C.F.R. Ch. 300-304. Chapter 302 of the regulation provides the specific rules which govern relocation allowances.

¹¹5 U.S.C. § 5738; 5 U.S.C. § 5724c.

¹²41 C.F.R. Pt. 302-2.

¹³41 C.F.R. §300-70.1.

oversight role of agencies offering relocation programs if federal guidelines are not followed, and Office of Personnel Management officials stated that they had not seen documentation of use of AVO in their reviews of agencies' personnel files.¹⁴

Administration of VA's AVO

VA has a process both for approving the use of AVO and for employees' participation. In late 2016, VA clarified the AVO approval process by stating that approval must be obtained before initiating recruitment efforts. VA requires a written justification for offering AVO in a job announcement. The justification must be based on the critical need for the position and difficulty in recruiting for the position without offering AVO, substantiated by recent unsuccessful recruitment efforts. This is a new policy since 2015, according to VA officials. The decision to use AVO is to be made by the hiring manager in consultation with the human resource specialist. The human resource specialist is to provide consultation to help determine whether the position is designated as difficult to fill or will meet a critical need. The job opportunity announcement is to clearly state whether AVO is or is not authorized. In addition, multiple employees are responsible for making sure that the approval process is correctly implemented, including the hiring official at the employee's new post, the human resources office, and the assigned approving officials.

There is also a process for employees' participation. Employees authorized to use AVO are required to participate in home sale counseling provided by the relocation contractor and cannot list their home until their travel authorization has been approved. According to VA officials, counseling includes asking employees a series of questions to determine if their home is eligible for participation, such as whether the home is the employee's current residence. Employees are required to also list their homes for sale within 90 days of initiation with the relocation services contractor. After the relocation contractor provides the appraised value of the home, employees have 60 calendar days to either decline or

¹⁴The Office of Personnel Management's authority is limited to revoking or suspending the authority granted to agencies or directing agencies to revoke or suspend agencies' organizational components if the Office of Personnel Management determines that an agency is not paying relocation incentives consistent with the agency's relocation incentive plan and the criteria established or otherwise determines that the agency is not using its authority selectively and judiciously. The Office of Personnel Management may also request and review a record of each determination to pay a relocation incentive. 5 C.F.R. §§ 575.212(b) and 575.213.

accept if an offer is not made by an outside buyer. The employee is also required to meet marketing and inspection requirements to accept the appraised value offer.

In addition, the regulations require a service agreement that specifies the obligated service period after relocation for which the employee must serve in the government in order to avoid incurring a debt to the government.¹⁵ If a service agreement is violated (other than for reasons beyond the employee's control and which must be accepted by the agency), the employee would be required to reimburse all costs that the agency had paid toward relocation expenses, including withholding tax allowance and relocation income tax allowance.¹⁶

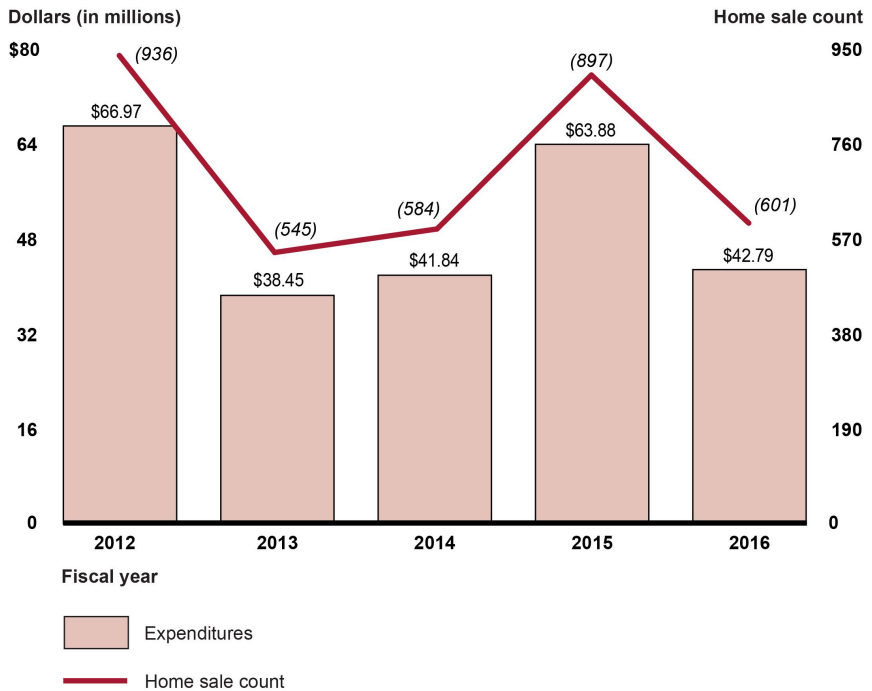
Federal Agencies' and VA's AVO Home Sale Count and Expenditures Varied

As shown in figure 1, between fiscal years 2012 and 2016 federal agencies' spending on AVO, which includes VA, and the number of homes bought through GSA's contract differed. According to GSA officials, about 80 percent of all federal agencies' home sale transactions, which includes VA, are done through GSA contract. GSA officials said that the variation from fiscal year 2012 to 2016 was a result of changing agency relocation needs from year to year to meet mission requirements, fluctuating real estate markets, and the location and value of the homes.

¹⁵41 C.F.R. §§ 302-2.13-2.22.

¹⁶41 C.F.R. § 302-2.15.

Figure 1: Federal Agencies' AVO Home Sale Count and Expenditures Varied between Fiscal Years 2012 and 2016



Source: General Services Administration's (GSA) data on federal agencies' use of Appraised Value Offer (AVO) via its contract in fiscal years 2012 to 2016. | GAO-17-700

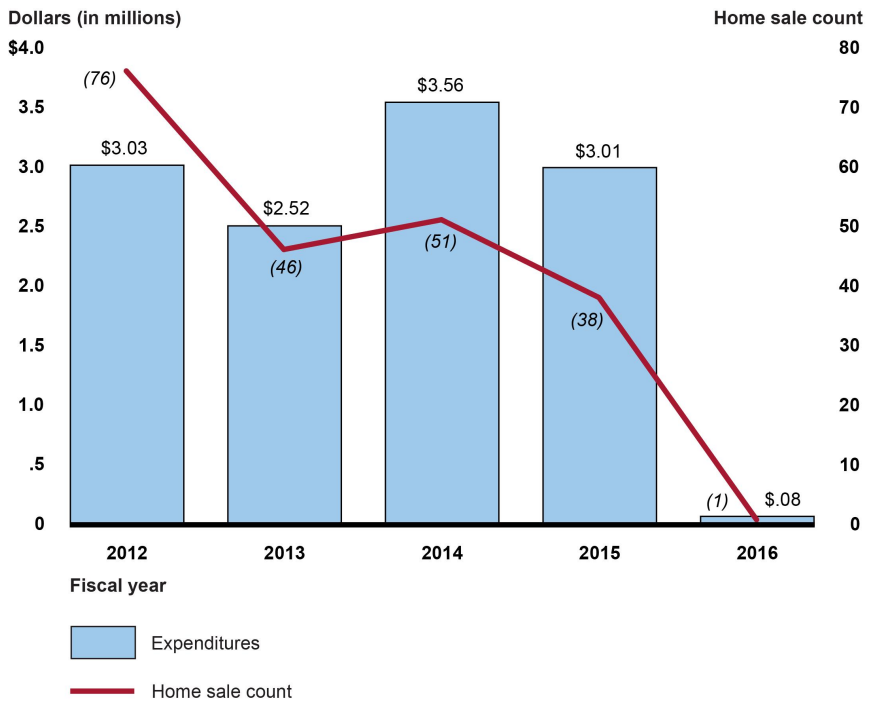
Note: According to GSA, about 80 percent of federal agencies' home sale transactions, which includes VA, are completed through its contract.

As shown in figure 2, VA's spending on AVO between fiscal years 2012 and 2016 also varied. It dropped from a high of over \$3.5 million and 51 home sale transactions in fiscal year 2014 to a low of about \$80,000 and 1 home sale transaction in fiscal year 2016. VA officials stated more was spent on AVO in fiscal year 2014 because the fees for AVO were higher that year and home sale prices increased as real estate markets recovered. The sharp decline in the VA home sale count and expenditures in fiscal year 2016 is due to VA's suspension of AVO in October 2015 after the VA Inspector General investigation.¹⁷ VA's fiscal year 2016 appropriations prohibited, among other things, the use of funds for AVO for Senior Executive Service employees unless certain conditions were met, a waiver from the Secretary was obtained, and

¹⁷Department of Veterans Affairs, Office of Inspector General, *Veterans Benefits Administration, Administrative Investigation: Inappropriate Use of Position and Misuse of Relocation Program and Incentives*, 15-02997-526 (Washington, D.C.: Sept. 28, 2015).

Congress was notified within 15 days.¹⁸ The one employee for whom VA used fiscal year 2016 funds was not in the Senior Executive Service. Thus the statutory prohibition was not applicable.

Figure 2: VA's AVO Home Sale Count and Expenditures Varied between Fiscal Years 2012 and 2016



Source: Department of Veterans Affairs' (VA) Appraised Value Offer (AVO) data for fiscal years 2012 to 2016. | GAO-17-700

Note: VA suspended AVO in October of 2015 and reinstated it in fiscal year 2017.

¹⁸Pub. L. No. 114-113, div. J, title II, § 242.

Most Agencies with an Operational AVO Rely on Two Key Types of Internal Controls and Two Shared Lessons Learned

Most of the 20 agencies with an operational AVO that completed the questionnaire we sent them reported they rely on AVO policies that include two types of internal controls.¹⁹ An internal control is a process affected by an entity's oversight body, management, and other personnel that provides reasonable assurance the entity's objective will be achieved. In the context of AVO, policies that include two types of internal controls are critical.

- First, actions built directly into operational processes to support the entity in achieving its objectives and addressing related risks are transaction control activities. For example, 18 of the 20 agencies reported the AVO approval process must be complete before payments are made. In addition, 17 of the 20 agencies reported the approval process for AVO is included in the agency's written policies.
- Second, assessing and responding to misconduct risks includes considering how misuse of authority or position can be used for personal gain. For example, 19 of the 20 agencies reported their AVO had safeguards to prevent AVO from being used for the personal gain of employees. An agency could strengthen the approval process for its permanent change of station program by requiring an independent review to ensure moves and expenses are appropriate and justified.

While the 20 agencies with an operational AVO that completed our questionnaire reported they had not examined whether AVO improved recruitment or retention of staff during fiscal years 2012 to 2016, 12 of the 20 agencies anecdotally provided examples of how AVO has been beneficial. For example, 4 agencies reported AVO minimized the financial risks or burdens of employees who are relocating, such as not having two mortgages. Four other agencies reported AVO assisted them in recruiting the most qualified employees or assisted them in recruiting and retaining employees for hard-to-fill positions. Four agencies reported AVO assists in filling positions in rural areas or areas with depressed real estate

¹⁹The questionnaire was sent to the 28 agencies or components of agencies that reported completed home sale transactions through GSA's contract in fiscal years 2015 and 2016, excluding VA.

markets. In addition, 7 of the 20 agencies with an operational AVO stated they use AVO for mission critical skills, such as medical officers, engineers, and courthouse protection positions.

Fourteen of the 20 agencies with an operational AVO reported GSA had provided assistance or guidance to them.²⁰ Two of the 14 agencies also reported additional assistance from GSA would be helpful. One agency reported it would like training for individuals who administer AVO and another agency reported it would like assistance on negotiating lower fees.

In addition, 2 agencies with an operational AVO described the following practices they implemented based on lessons learned from their administration of AVO.

- One agency stated that providing pre-clearance for employees to participate in AVO can save the agency time initiating AVO. This agency started using a pre-clearance form that asks employees questions to ensure they meet basic eligibility criteria, for example whether or not the house is under foreclosure or has a lien on it. If the house does not qualify, the agency is spared the time spent initiating AVO. The agency has not quantitatively tracked the effect of this pre-clearance, but stated that it found it helpful. The agency plans to look for ways to improve the pre-clearance form.
- Another agency stated employees need coaxing to find buyers for their homes and depend on AVO to avoid carrying two mortgages. This agency instituted an optional program that provides relocating employees with housing allowances for their move as well as an increased bonus for selling the home to an outside buyer, if the employee keeps the home on the market after the AVO offer is provided. The agency plans to continue developing more effective communication for employees to understand relocation assistance and promote AVS. This pilot program was approved by GSA.²¹ GSA officials told us VA or another agency could apply to implement a similar but not identical pilot program that is unique in order to determine if there are similar benefits or cost savings which are in the

²⁰We defined assistance as customized for an agency's needs and guidance as standardized and available to all agencies.

²¹The authority for relocation expenses test programs can be found at 5 U.S.C. § 5739, and its implementing regulations are at 41 C.F.R. Pt. 300-80.

interest of the government.²² However, according to GSA officials, after a pilot program is determined to be successful, GSA's Office of Government-wide Policy could choose to draft a legislative proposal to Congress, requesting to statutorily permit other agencies to implement the same program.

In interviews with GSA officials, they noted the following good practices which they believe agencies should incorporate into their AVO. These are based on six lessons learned in GSA's role issuing regulations, managing the contract that agencies can use, and providing assistance and guidance as follows:

- When mission allows, agencies should implement the more cost-effective BVO home sale assistance before referring a home to a more expensive option, such as AVO.
- Pre-decision counseling helps minimize the number of employees who start the home sale process and then drop out.
- Agencies should cap the home listing price at no more than 110 percent of the appraised value. Houses priced too high will have few interested buyers and will stay on the market longer, thus increasing an agency's costs.
- A relocating employee should start working with the agency's relocation management company early in the home sale process rather than after the employee has been unable to sell the home. Agencies increase their potential for more cost-effective home sale transactions when homes are marketed effectively from the outset.
- Agencies can reduce service fees by requiring use of the relocation management company network real estate agents when they list the house. The network real estate agent will then pay the relocation management company a referral fee which will result in lower costs for the agency.
- Regular meetings with relocation management companies to review the status of each transferee keep agencies apprised of what the agency can do to encourage transferees to be more engaged in selling their homes. This results in higher sales and lower contractor fees.

We examined the extent to which VA's AVO included the good practices based on lessons learned from GSA. We found that VA's AVO included

²²41 C.F.R. § 300-80.5(g).

all of these practices. For example, VA offers pre-decision counseling and VA employees work with the relocation company before their home is put on the market. In addition, before participation in AVO, VA asks the employee questions to ensure the home to be sold meets basic criteria.

VA Strengthened Its Controls over AVO but Is Not Tracking Data on Whether AVO Improves Recruitment and Retention

VA Strengthened the Administration of AVO by Implementing New Policies That Include Internal Controls

VA conducted two recent reviews that had recommendations related to AVO. According to VA officials, the two reviews resulted in VA updating its AVO approval process and adding the updated process to VA's human resources handbook on aids to recruitment.²³ VA also updated its financial policy in December 2016 to include an annual review of historical data related to VA's home sale program that will include examining homes sale transaction costs and median home sale values. As shown in table 1, VA implemented or closed all of the review's recommendations related to AVO.

²³Department of Veterans Affairs, Office of Inspector General, *Administrative Investigation: Inappropriate Use of Position and Misuse of Relocation Program and Incentives*, 15-02997-526 (Washington, D.C.: Sept. 28, 2015) and Department of Veterans Affairs, Office of Business Oversight, *Report on Permanent Change of Station (PCS) Review*, 16-01-PAR-E1-001 (Austin, Texas: Mar. 11, 2016).

Table 1: Recent Recommendations Related to VA’s Appraised Value Offer (AVO) Have Been Implemented or Closed

Report	Recommendation	Status
<i>Administrative Investigation: Inappropriate Use of Position and Misuse of Relocation Program and Incentives</i>	Review the approval process for AVO and make improvements as deemed appropriate.	Closed ^a
	Conduct an independent review to ensure that moves and expenses are appropriate and justified.	Implemented
	Standardize policies and procedures regarding annual salary increases when assigning Senior Executive Service positions.	Implemented
<i>Report on Permanent Change of Station (PCS) Review</i>	Update policy documents to include required documentation to justify an employee’s relocation is in the best interest of the government.	Implemented
	Require that VA facilities provide proper memorandums of delegation of authorizing officials by position title before relocation packages are processed.	Implemented
	If VA reinstates AVO, establish procedures for requesting a secretarial waiver.	Implemented
	Establish a policy that describes what is considered an appropriate balance between AVO, buyer value option, and amended value offered to relocating employees and how this will be monitored and maintained.	Implemented

Source: GAO analysis of Department of Veterans Affairs (VA) information. | GAO-17-700

Note: VA, Office of Inspector General, *Administrative Investigation: Inappropriate Use of Position and Misuse of Relocation Program and Incentives*, 15-02997-526 (Washington, D.C.: Sept. 28, 2015); VA, Office of Business Oversight, *Report on Permanent Change of Station (PCS) Review*, 16-01-PAR-E1-001 (Austin, Texas: Mar. 11, 2016); and interviews with VA and VA Inspector General officials. VA’s Office of Business Oversight is now called the Office of Internal Controls, according to VA.

^aA VA Inspector General official stated that this recommendation was closed when AVO was suspended and the office is not planning to re-open the recommendation.

In addition, VA implemented new AVO policies that include internal controls since fiscal year 2016 when VA suspended AVO, as shown in table 2.

Table 2: VA’s New Policies Since Fiscal Year 2016 That Include Internal Controls for Appraised Value Offer (AVO)

Type of internal control	AVO policies that include internal controls
Build actions into operational processes	The approval process is included in the agency’s written policies.
	Written policies are updated when changes to the administration of AVO are made.
	Difficulty in recruiting must be substantiated by documentation of recent unsuccessful recruitment efforts.
	Managers and hiring officials who wish to offer AVO must provide written justification including an affirmation of the critical need to fill the position and difficulty in recruiting for the position without authorization of AVO.
	Approval must be granted prior to initiating recruitment efforts and be included in any applicable vacancy announcements.
	AVO will be approved for use on a case-by-case basis.
	Before an employee accepts a position, the approval process for offering AVO to the employee must be finalized.
Assess and respond to misconduct risks	Approval officials are responsible for determining that AVO is in the best interest of the government prior to authorizing its use.
	The relocating employee’s participation cannot be approved by the employee’s subordinates.
	Safeguards exist to prevent AVO from being used for the personal gain of employees.

Source: GAO analysis of the Department of Veterans Affairs (VA) documents and interviews with VA officials. | GAO-17-700

Note: GAO also summarized internal control activities 10.10 and 8.03 in GAO, *Standards for Internal Control in the Federal Government*, [GAO-14-704G](#) (Washington, D.C.: September 2014).

VA’s approval process for AVO is a case-by-case approval granted by different officials for Senior Executive Service and non-Senior Executive Service employees. For Senior Executive Service employees, the policy is now that a secretarial waiver is needed and Congress is notified of the need to fill the position. The Senior Executive Service-waiver provision and congressional notification requirement were enacted in VA’s fiscal year 2016 appropriation as applicable to funds appropriated for that act for employees of the department in a senior executive position participating in the Home Marketing Incentive Program or AVO.²⁴ However, there is no current statutory mandate for the VA’s policy regarding the Senior Executive Service-waiver and congressional notification requirement.²⁵ For non-Senior Executive Service employees, under secretaries, assistant secretaries, and other key officials serve as the approving officials.

²⁴Pub. L. No. 114-113, div. J, title II, § 242.

²⁵Continuing Appropriations and Military Construction, Veterans Affairs, and Related Agencies Appropriations Act, 2017, and Zika Response and Preparedness Act, Pub. L. No. 114-223, div. A, title II, 130 Stat. 857, 867- 897 (Sept. 29, 2016).

VA officials stated that as a result of the Inspector General's 2015 report, they identified a need for additional training for human resources officials on relocation and recruitment, including AVO.²⁶ VA officials told us they developed a training module on relocation and recruitment. A webinar using the module was conducted in March of 2017, according to VA officials under VA's policy.

VA Is Not Tracking Data on Whether Use of AVO Improves Recruitment and Retention

VA collects some data on the use of AVO, including how much is spent and the number of completed AVO transactions. VA also collects data on whether the employees who used AVO were in the Senior Executive Service and on the employees' occupational codes. For example, VA reported that it had 38 completed AVO transactions in fiscal year 2015, 9 of which were Senior Executive Service. We compared the occupational codes that VA identified for each of the 38 completed AVO transactions to a list of VA's mission critical occupations that VA provided.

Our analysis found that 10 of the 38 completed AVO transactions were for mission critical occupations, three of which were Senior Executive Service employees. The three Senior Executive Service employees were in three occupational codes: medical officer, contracting, and nurse. We also found that an additional 10 of the 38 completed AVO transactions were for core mission workers, which VA stated are occupations that perform the core work of an organization, but these occupations are not on the VA mission critical occupations list. These employees were in two occupational codes: program management and management and program analysis. The remaining 18 completed AVO transactions were in seven different occupational codes, which included health system administration, social science, and realty.

However, VA is not tracking data on whether AVO improves recruitment and retention of employees. VA officials stated AVO has been most beneficial for the recruitment and retention of hard-to-fill Senior Executive Service positions, including positions in locations that were rural, had a high cost of living, or had physician or nursing shortages. A position could

²⁶Department of Veterans Affairs, Office of Inspector General, *Administrative Investigation: Inappropriate Use of Position and Misuse of Relocation Program and Incentives*, 15-02997-526 (Washington, D.C.: Sept. 28, 2015).

also be hard to fill because of turnover trends and availability of qualified talent. In addition, VA officials stated that a position's classification as a mission critical skills occupation is one factor VA uses in determining whether or not AVO should be offered and that they used AVO as an incentive to move to other mission critical positions within the agency. However, VA is not tracking the data that would help it determine whether the use of AVO is improving recruitment and retention of employees specifically in hard-to-fill Senior Executive Service positions or mission critical skills occupations.

Federal internal control standards suggest management should obtain reliable data that can be used for effective monitoring.²⁷ It is also important to establish the necessary data to track a program's effectiveness and to establish a baseline to measure the changes over time to assess the program in the future. In addition, reliable data are crucial for VA to manage its resources effectively. We have previously reported that flat or declining budgets will continue to necessitate workforce adjustments across government.²⁸ However, VA stated it is not tracking data on whether the use of AVO improves recruitment and retention of employees because it does not have the resources or capabilities to do so. As VA continues to seek ways to address recruitment and retention challenges, collecting such 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 the use of AVO is improving recruitment and retention.

Conclusions

Employee relocation, including home sale assistance, can help agencies position skilled employees optimally and recruit and retain employees. VA's Inspector General found instances of officials misusing AVO to relocate for their personal benefit rather than in the interest of the government. VA has taken actions to strengthen AVO's internal controls, in part due to the Inspector General's report. VA believes that using AVO is beneficial specifically for hard-to-fill Senior Executive Service positions

²⁷[GAO-14-704G](#).

²⁸GAO, *Human Capital: Strategies to Help Agencies Meet Their Missions in an Era of Highly Constrained Resources*, [GAO-14-168](#) (Washington, D.C.: May 7, 2014).

and uses AVO as an incentive for mission critical skills occupations. However, VA does not track data that can help it determine whether use of AVO is improving retention and recruitment for these positions. As VA continues to seek ways to address recruitment and retention challenges, such 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 the use of AVO has improved recruitment and retention.

Recommendation for Executive Action

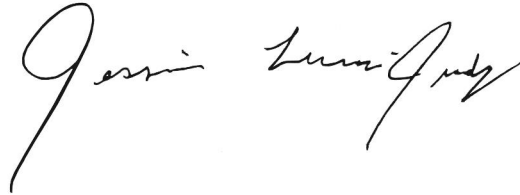
We recommend the Secretary of Veterans Affairs should track data that can help VA determine whether AVO improves recruitment and retention.

Agency Comments

We provided a draft of this report for review and comment to the Secretary of VA and the Acting Administrator of GSA. In its written comments, which are reproduced in appendix III, VA concurred with our recommendation and said it is working to improve reporting capabilities that will be beneficial in analyzing AVO data. GSA did not comment on the findings. VA and GSA also provided technical comments, which we incorporated, as appropriate.

We are sending copies of this report to the appropriate congressional committees, the Secretary of VA, the Acting Administrator of GSA, and other interested parties. In addition, the report is available at no charge on the GAO website at <http://www.gao.gov>.

If you or your staff have any questions about this report, please contact me at (202) 512-9110 or lucasjudyj@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made key contributions to this report are listed in appendix IV.

A handwritten signature in black ink, reading "Jessica Lucas-Judy". The signature is written in a cursive style with a large initial 'J' and a long, sweeping underline.

Jessica Lucas-Judy
Director, Strategic Issues

Appendix I: Objectives, Scope, and Methodology

The objectives of this engagement were to review the administration of Appraised Value Offer (AVO) at the Department of Veterans Affairs (VA) and government-wide. Specifically, this report (1) describes federal agencies' and VA's use of AVO; (2) describes federal agencies' key AVO internal controls, evaluations of whether AVO improved recruitment and retention of employees, and lessons learned; and (3) analyzes the extent to which VA has implemented additional internal controls for AVO since 2015 and has evaluated whether the use of AVO improved the recruitment and retention of employees.

To address our objectives, we reviewed federal statutes and regulations related to relocation programs, conducted a literature review, and reviewed our prior work on relocation and mission-critical skills. We reviewed Title 5 of the U.S. Code related to relocation, including agency authority, roles, and responsibilities in administering AVO. We also reviewed the Federal Travel Regulation at Title 41 of the Code of Federal Regulations, and VA's appropriations from fiscal years 2015 to 2017. We also conducted a literature review to find reports and articles about VA and federal use of AVO.¹

We reviewed relevant documents from the General Services Administration (GSA) and Office of Personnel Management and interviewed officials from these agencies about their roles in agency use of relocation programs generally and on AVO specifically. We reviewed GSA's guidance on agency relocation programs. We also interviewed GSA officials about their role managing the contract with relocation management companies that federal agencies can use and about providing agencies guidance and assistance in administering relocation programs. In addition, we interviewed Office of Personnel Management officials about their review and oversight role for agencies offering relocation programs.

¹The search terms used by a GAO librarian included: Appraised Value Offer, AVO, guaranteed home buy out, real estate sales, property transfers, real estate closings, and real estate appraisal. The databases searched included proquest, nexis.com, and academic onefile. The time period searched was the 10 years previous to August 2016.

To describe how federal agencies and VA use AVO, we reviewed documents from VA and GSA and interviewed VA and GSA officials. We reviewed data on AVO transactions completed through GSA's contract, which includes VA, in fiscal years 2012 to 2016. According to GSA officials, about 80 percent of federal agencies' home sale relocation transactions occur through GSA's contract with relocation management companies. GSA stated that the number of agencies that use its contract for home sales can differ from year to year. In addition, we reviewed VA's data on completed AVO transactions in fiscal years 2012 to 2016. To assess the reliability of the GSA and VA data on completed AVO transactions, we interviewed GSA and VA officials and reviewed related documentation. We determined that the data were sufficiently reliable for the purposes of our objectives.

To describe federal agencies' key AVO internal controls, evaluations of effectiveness, and lessons learned, we developed a questionnaire. The questionnaire is reprinted in appendix II. To develop the internal controls section of the questionnaire (question 4), we used relevant federal internal control standards and the internal control weaknesses in the administration of relocation programs identified in the VA Inspector General's 2015 report on misuse of relocation program funds.² In addition, we reviewed other agencies' inspector general reports on weaknesses in the administration of their relocation programs to identify key internal controls that would be relevant to the AVO process. We created a list of key controls relevant to AVO and asked the agencies to identify which internal controls they were using. We modified the list in response to feedback from pretests of our questionnaire.

After we drafted the questionnaire, we conducted pre-tests on the phone with two officials from agencies that had used AVO but did not use GSA's contract with relocation management companies, as well as an official from GSA who was familiar with how agencies manage their AVO utilizing the contract. We conducted these tests with officials familiar with the AVO process to check that (1) the questions were clear and unambiguous, (2) terminology was used correctly, (3) the questionnaire did not place an undue burden on agency officials, (4) the information could feasibly be

²GAO, *Standards for Internal Control in the Federal Government*, [GAO-14-704G](#) (Washington, D.C.: September 2014) and Department of Veterans Affairs, Office of Inspector General, Veterans Benefits Administration, *Administrative Investigation: Inappropriate Use of Position and Misuse of Relocation Program and Incentives*, 15-02997-526 (Washington, D.C.: Sept. 28, 2015).

obtained, and (5) the questionnaire was comprehensive and unbiased. We made changes to the content of the questionnaire after the three pre-tests, based on the feedback we received.

We distributed the questionnaire we developed via email to the 28 agencies or components of agencies with completed home sale transactions through GSA's contract in fiscal year 2015 or 2016. We did not include VA when distributing the questionnaire. We selected this set of agencies for distribution of the questionnaire to remain consistent with our reporting of federal agencies' spending on AVO through GSA's contract. We emailed the questionnaire to recipients as a Word attachment on January 9, 2017. We sent reminder emails to and called non-respondents. We also emailed secondary points of contact where available at non-responsive agencies. We closed the questionnaire on March 10, 2017. Twenty-four of 28 agencies completed the questionnaire, 20 of which had an operational AVO, which we interpreted to mean that AVO was being offered at the agency.³ Thus, we report on the 20 agencies' responses to the questionnaire. We characterize the responses to the questionnaire as "most" when 12 to 19 agencies responded the same way. All questionnaire data were double key-entered into an electronic file in batches and were 100 percent verified. All data in the electronic file were verified again for completeness and accuracy.

To assess the extent to which VA has implemented additional internal controls since 2015 and has evaluated whether the use of AVO has improved the recruitment and retention of employees, we analyzed documents from VA and interviewed VA officials. We assessed VA's controls and evaluations using federal internal control standards.⁴ We reviewed VA human resources and financial policy documents about the

³The 24 agencies that responded the questionnaire are: Agricultural Research Service; Bureau of Alcohol, Tobacco, Firearms and Explosives; Bureau of the Fiscal Service; Bureau of Prisons; Customs and Border Protection; Census Bureau; Drug Enforcement Administration; Department of Energy; Environmental Protection Agency; Federal Bureau of Investigation; Federal Emergency Management Administration; Food Safety Inspection Service; Forest Service; Immigration and Customs Enforcement; Internal Revenue Service; National Aeronautics and Space Administration; National Oceanic and Atmospheric Administration; Nuclear Regulatory Commission; Natural Resources and Conservation Services; Office of the Comptroller of the Currency; Social Security Administration; United States Geological Survey; Western Area Power Administration; and United States Marshals Service. The four agencies that did not respond to the questionnaire are: Bureau of Land Management, Department of Labor, Fish and Wildlife Service, and Health and Human Services.

⁴[GAO-14-704G](#).

administration of AVO with a focus on what changes had been made since fiscal year 2015. We interviewed VA officials who administer AVO about these changes and additional changes that are planned. We also reviewed the 2015 VA Inspector General report on relocation programs and a 2016 review of VA's Permanent Change of Station program. We interviewed an official at the VA Inspector General's office and other VA officials about the status of the recommendations.

We conducted this performance audit from August 2016 to September 2017 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Appendix II: AVO Questionnaire Sent to Agencies

Section 1: Definitions

1. Appraised Value Offer (AVO) programs purchase a relocating employee's home based on the appraised value if the employee's home is not sold within a specified time period determined by an agency.
2. Mission critical skills occupations are one or more of the following:
 - staffing gap in which an agency has an insufficient number of individuals to complete its work; and/or a
 - competency gap in which an agency has individuals without the appropriate skills, abilities, or behaviors to successfully perform the work.
3. Lessons learned are knowledge gained by both positive and negative experiences that, if applied, could result in a change.

Section 2: Agency Use of AVO and Policies

1. Does your agency have an AVO program that is currently operational?
 Yes
 No → IF "NO", PLEASE SKIP TO section 5, question 17
2. Does your agency use the AVO program as a recruitment or retention incentive for mission critical skills occupations, among others?
 Yes
 No → IF "NO", PLEASE SKIP to question 4

3. Please provide two examples of mission critical skills occupations for which your agency has used the AVO program as a recruitment or retention incentive.

Example 1:

Example 2:

4. Does your agency have the following policies for its AVO program? (If need be, please review your agency's policies.)

Table 3: Questions to Agencies About Their Appraised Value Offer (AVO) Policies

Does your agency have the following policies for its AVO?	Yes	No
a. The approval process for the AVO program is included in the agency's written policies.	yes/no	yes/no
b. Written policies for the AVO program are updated when changes to the administration of the program are made.	yes/no	yes/no
c. The relocating employee's participation in the AVO program cannot be approved by the employee's subordinates.	yes/no	yes/no
d. Before an employee accepts a position, the approval process for offering the AVO program to the employee must be finalized.	yes/no	yes/no
e. Safeguards exist to prevent the AVO program from being used for the personal gain of employees.	yes/no	yes/no
f. The AVO program approval process must be complete before payments are made.	yes/no	yes/no

Source: GAO. | GAO-17-700

5. What process or policy changes, if any, has your agency made to its AVO program in fiscal year 2015 or after? Please describe.
6. Who at your agency approves the decision to offer the AVO program as a recruitment or retention incentive? Please provide a position, not the name of an individual, and the person's office. For example, Chief of Relocation Incentives, Human Resources.

Section 3: Results and Lessons Learned

7. Has your agency examined whether the AVO program improved recruiting or retaining staff at any time during the fiscal years of 2012-2016?
 - Yes → IF "YES", PLEASE email us any documentation that your agency has on whether the AVO program improved recruiting or retaining staff, if possible
 - No → IF "NO", PLEASE SKIP to question 9
8. Did your agency find that the AVO program improved recruiting or retaining staff?

- Yes
- No
- Unable to determine

9. For what uses has the AVO program been most beneficial (for example, in certain locations or occupations)?
10. Has your agency identified any lessons learned that could be applied to your agency’s AVO program? (Lessons learned are knowledge gained by both positive and negative experiences that, if applied, could result in a change.)
 - Yes → IF “YES”, PLEASE email us any documentation that your agency has on any lessons learned, if possible
 - No → IF “NO”, PLEASE SKIP to question 14
11. Please describe any lessons learned your agency has identified.
12. What actions, if any, is your agency planning to take in response to the lessons learned?
13. What actions, if any, has your agency taken in response to the lessons learned?

Section 4: Assistance or Guidance

14. Has GSA provided your agency with assistance or guidance for your AVO program? (Assistance is customized for your agency’s needs, for example a phone call or an email in response to a question. Guidance is standardized and available to all agencies, for example through websites or conferences.)

Table 4: Questions to Agencies About Assistance and Guidance from the General Services Administration (GSA) with Appraised Value Offer (AVO)

Has GSA provided your agency with assistance or guidance for your AVO?	Yes ▼	No ▼
a. GSA has provided assistance	yes/no	yes/no
b. GSA has provided guidance	yes/no	yes/no

Source: GAO. | GAO-17-700

-
15. What additional GSA assistance, if any, would be helpful for your agency to administer its AVO program?
 16. What additional GSA guidance, if any, would be helpful for your agency to administer its AVO program?

Appendix III: Comments from the Department of Veterans Affairs



DEPARTMENT OF VETERANS AFFAIRS
Washington DC 20420

September 8, 2017

Ms. Jessica Lucas-Judy
Director, Strategic Issues
U.S. Government Accountability Office
441 G Street, NW
Washington, DC 20548

Dear Ms. Lucas-Judy:

The Department of Veterans Affairs (VA) has reviewed the Government Accountability Office's (GAO) draft report, "**EMPLOYEE RELOCATION: VA Strengthened Appraised Value Offer's Controls, But Can Improve Efforts to Track Effects on Retention and Recruitment**" (GAO-17-700).

The enclosure provides our technical comments and sets forth the actions to be taken to address the GAO draft report recommendation.

VA appreciates the opportunity to comment on your draft report.

Sincerely,

A handwritten signature in cursive script that reads "Vivieca Wright Simpson".

Vivieca Wright Simpson
Chief of Staff

Enclosure

Enclosure

Department of Veterans Affairs (VA) Comments to
Government Accountability Office (GAO) Draft Report
***EMPLOYEE RELOCATION: VA Strengthened Appraised Value Offer's Controls,
but Can Improve Efforts to Track Effects on Retention and Recruitment***
(GAO-17-700)

GAO Recommendation: To help determine the effect of AVO, it is recommended the Secretary of Veterans Affairs should track data that can help it determine whether AVO improves recruitment and retention.

VA Comment: Concur. The Department of Veterans Affairs (VA) is working to improve its system's reporting capabilities which would be beneficial in analyzing Appraised Value Offer (AVO) data. Currently, recruitment is managed by various independent Human Resources (HR) Offices across VA's enterprise.

In addition, VA's HR team prepared a new Human Resources Management Letter to address and improve the initiation, approval and processing of relocation incentives, to include AVO. As an accountability measure, and in response to VA's Office of Inspector General report, VA put internal controls in place which require certain criteria be met before future recruitment actions are authorized, and prior to AVO being offered.

Appendix IV: GAO Contact and Staff Acknowledgments

GAO Contact

Jessica Lucas-Judy, (202) 512-9110 or lucasjudyj@gao.gov

Staff Acknowledgments

In addition to the contact named above, Signora May (Assistant Director), Maya Chakko, Jehan Chase, Ellen Grady, Gina Hoover, Jessica Mausner, Cindy Saunders, Robert Robinson, and Erik Shive made key contributions to this report.

Appendix V: Accessible Data

Data Tables

Accessible Data for Figure 1: Federal Agencies' AVO Home Sale Count and Expenditures Varied between Fiscal Years 2012 and 2016

	FY 12	FY 13	FY 14	FY 15	FY 16
Home sale Count	936	545	584	897	601
Expenditures (\$)	66.97	38.45	41.84	63.88	42.79

Source: General Services Administration's (GSA) data on federal agencies' use of Appraised Value Offer (AVO) via its contract in fiscal years 2012 to 2016. GAO-17-700

Figure 2: VA's AVO Home Sale Count and Expenditures Varied between Fiscal Years 2012 and 2016

	FY 12	FY 13	FY 14	FY 15	FY 16
Home sale Count	76	46	51	38	1
Expenditures (\$)	3.03	2.52	3.56	3.01	.08

Source: Department of Veterans Affairs' (VA) Appraised Value Offer (AVO) data for fiscal year 2012 to 2016. GAO-17-700

Agency Comment Letter

Accessible Text for Appendix III: Comments from the Department of Veterans Affairs

Page 1

DEPARTMENT OF VETERANS AFFAIRS

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U.S. Government Accountability Office

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Washington, DC 20548

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Chief of Staff

Enclosure

Page 2

Enclosure

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