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FOR IMMEDIATE RELEASE

## Hearing seeks answers from VA

*House Veterans Affairs chairman and The American Legion want to know why facilities did not follow*

*patient-safety directives and why bonuses were awarded to executives.*

WASHINGTON (Aug. 7, 2013) -- Nine out of 16 studied VA medical centers failed to follow policies meant to protect veteran patients from deadly Legionella bacteria, according to a report issued Aug. 1 by VA's Office of Inspector General. Top VA executives in Pennsylvania and Georgia, where mismanagement has been blamed for deaths caused by Legionella, received salary bonuses and one national award for performance during the outbreak. The combination of those factors has led U.S. Rep. Jeff Miller, R-Fla., chairman of the House Committee on Veterans' Affairs, to call for a five-year moratorium on all VA executive bonuses.

The issue is expected to reach a crescendo Sept. 9 at the Allegheny County Courthouse in Pittsburgh when a congressional field hearing led by Miller will be conducted. Its title: "Is VA Doing All it Can to Stop Veterans from

Dying?"

"The American Legion is seriously concerned over accounts of preventable patient deaths in Pittsburgh and other locations around the country," American Legion National Commander James E. Koutz said. "We commend Chairman Miller for calling this hearing to get to the bottom of, really, two problems – preventable patient deaths and executive bonuses where they have occurred."

VA's Inspector General reported last week that training and risk assessment procedures had not been conducted at nine out of 16 facilities with a history of problems – including three in Pittsburgh – since a 2008 VA directive demanded higher safety standards. In a separate earlier report, the VA IG office reported that mismanagement and leadership breakdowns were to blame for the deaths of no fewer than five VA patients in the Pittsburgh system.

The House Committee on Veterans' Affairs reported that the purpose of the Sept. 9 hearing "is to examine whether VA has the proper management and accountability structures in place to stop the emerging pattern of preventable veteran deaths and serious patient-safety issues at VA medical centers across the country. In doing so, the committee will specifically look at VA's handling of recent events in [Atlanta](#), [Pittsburgh](#), [Dallas](#), [Buffalo, N.Y.](#), and [Jackson, Miss.](#)"

The American Legion's Veterans Affairs & Rehabilitation Commission is meeting with staff from the VA Inspector General's Office of Health Care Inspections this week to

learn more about the report.

To see the full report, [click here](#).

Performance bonuses for VA executives in states where preventable patient deaths have occurred and, in one case, where federal charges were filed over alleged financial kickbacks, has Koutz and The American Legion demanding answers as well.

“When we hear about salary bonuses or awards for VA directors in health-care systems under investigation for preventable deaths or facing FBI charges, it’s easy to lose faith in their leadership,” said Koutz, who leads the 2.4 million members of the nation’s largest veterans service organization. “Patient care and fiscal responsibility are top priorities of VA health-care leaders. If they break down in either of those areas, they have broken a pact with our nation and our nation’s veterans, who depend on the care they earned and deserve.”

In addition to bonuses paid to executives in Pennsylvania and Georgia where facilities were investigated for preventable patient deaths, the former director of VA’s medical center in Cleveland was recently indicted on federal charges of mail fraud, bribery, money laundering and other crimes; he received over \$80,000 in bonuses from VA between 2007 and 2011.

“The American Legion cannot understand why VA would pay bonuses to senior leadership whose performance would come to warrant federal investigations,” Koutz said. “Bonuses for any VA executive should have to be extremely well-justified and fully researched, especially in today’s budget climate. Obviously, that did not happen in these particular cases.”

Miller has called for a “top-to-bottom review” of VA’s performance appraisal system. “Rewarding failure only breeds more failure,” Miller said in May when calling for a five-year moratorium on VA executive bonuses, an amendment which passed unanimously in committee and awaits full consideration by the House. “Until we have complete confidence that VA is holding executives accountable – rather than rewarding them – for their mistakes, no one should get a performance bonus.”

The American Legion has passed one recent resolution requiring that VA only reward bonuses to executives who have met “qualitative and quantitative performance measures developed by VA.”

Koutz said, “It’s clear from these preventable death investigations, and the federal indictment, that performance was not bonus-worthy, regardless how you measure it,” Koutz said.

The chief executive of the Pittsburgh hospital, Terry Wolf, received a \$12,924 bonus for 2011, and the VISN (Veterans Integrated Service Network) director, Michael Moreland, who oversees Pittsburgh and nine other VA health-care systems in Pennsylvania, received a bonus of \$15,619 and a Presidential Distinguished Rank Award this year, which came with a \$62,895 reward, during the Legionella outbreak.

At the Atlanta VA Medical Center, the VA Inspector General linked three patient deaths in 2011 and 2012 to mismanagement and lengthy waiting times for mental health care. James Clark, director of the center at the time, received a \$13,822 bonus in 2011. Clark retired last December.

William Montague, former director of the Louis Stokes VA Medical Center in Cleveland,

was arrested June 19 by the FBI. He was indicted on 36 counts and accused of accepting bribes for influencing VA decisions and development projects, according to the U.S. Attorney's Office, Northern District of Ohio. Montague received approximately \$73,000 in bonuses between 2007 and 2010 and an additional \$8,195 after he was called out of retirement to serve as interim director of the Dayton, Ohio, VA Medical Center.

Stephen Anthony, special agent in charge of the FBI's Cleveland office, said Montague "misled staff and misused his position to enrich himself and businesses pursuing contracts" with VA.

"VA has many serious challenges to deal with as the troops come home from war and the number of veterans seeking services increases," Koutz said. "VA now has work to do in order to restore confidence among our nation's veterans, and to Congress, that executive leaders will be held accountable for the patient care and financial management they are entrusted to provide."

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