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## At V.A., Scrutiny Over Abuses and \$24 Million in Bonuses

**By [JAMES DAO](#)**

Even as their office struggled with a large budget deficit, managers in the technology office of the [Department of Veterans Affairs](#) awarded \$24 million in bonuses to thousands of employees in 2007 and 2008, according to a new investigative report.

The report, by the department's Office of Inspector General, concluded that the managers "were not fiscally responsible in administering awards" and that one senior manager in particular, Jennifer S. Duncan, "acted as if she was given a blank checkbook to write unlimited monetary awards."

The report was one of two sharply critical reviews of the department's Office of Information and Technology that were issued this week by the [inspector general](#). The reports document evidence of widespread nepotism, abuse of authority and improper hiring under a former assistant secretary, Robert Howard.

The investigators found that Mr. Howard, who left the department in January, had "an inappropriate relationship" with one of his subordinates, Katherine Adair Martinez, who remains a deputy assistant secretary. Ms. Martinez is also accused in one report of abusing her position to help a friend get a job and to transfer her own job to Florida, even though she spent 60 percent of her time in Washington.

The two reports were first reported by a Web site, [vawatchdog.org](http://vawatchdog.org).

In a statement, the department's press secretary, Katie Roberts, said: "We are extremely concerned by the descriptions of alleged improper conduct by V.A. staff. The department is aggressively pursuing a thorough review of the situation and will continue to work with the appropriate authorities." The department will take appropriate corrective actions against policy violators, she said.

The reports, heavily redacted, conceal the names of most beneficiaries of improperly allocated jobs and bonuses. But one includes a long list of abuses by Ms. Duncan, the former executive assistant to Mr. Howard.

The inspector general found that Ms. Duncan: violated anti-nepotism rules by advocating the hiring of relatives; authorized federal money to pay for graduate courses for relatives and friends; and approved bonuses she lacked the authority to give. From 2007 to 2008, she herself got \$60,000 in bonuses; the average for her pay grade was less than \$15,000 for the period.

Ms. Duncan, who retired in April, Mr. Howard and Ms. Martinez did not reply to calls for comment.

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