

**VETERANS EMPLOYMENT AND
GOVERNMENT CONTRACTORS**

HEARING

BEFORE THE

AD HOC SUBCOMMITTEE ON CONTRACTING
OVERSIGHT

OF THE

COMMITTEE ON
HOMELAND SECURITY AND
GOVERNMENTAL AFFAIRS
UNITED STATES SENATE

ONE HUNDRED TWELFTH CONGRESS

SECOND SESSION

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VETERANS EMPLOYMENT AND GOVERNMENT CONTRACTORS

TUESDAY, JUNE 5, 2012

U.S. SENATE,
AD HOC SUBCOMMITTEE ON CONTRACTING OVERSIGHT,
OF THE COMMITTEE ON HOMELAND SECURITY
AND GOVERNMENTAL AFFAIRS,
Washington, DC.

The Subcommittee met, pursuant to notice, at 10:03 a.m., in Room 342, Dirksen Senate Office Building, Hon. Claire McCaskill, Chairman of the Subcommittee, presiding.

Present: Senators McCaskill, Carper, and Begich.

OPENING STATEMENT OF SENATOR MCCASKILL

Senator MCCASKILL. This hearing of the Subcommittee on Contracting Oversight of the Senate Committee on Homeland Security and Governmental Affairs will come to order.

I am happy today to be discussing a subject that I think every American should be concerned about, and that is the employment of our veterans. At the hearing today, we are going to talk about an alarming trend in the employment of the best that America has.

Service in the active duty military or the National Guard or Reserve has historically been an advantage in seeking employment. Recruiters for the military promise that service could lead to careers. Yet after more than a decade of war, we are seeing something very different, that the men and women who have served so honorably in Iraq and Afghanistan are facing unprecedented challenges in finding employment.

Last week, the Department of Labor (DOL) released its latest unemployment figures, which show that the unemployment rate in the United States is currently 8.2 percent. Those same figures show that veterans who have served on active duty since September 2001 have an unemployment rate of 12.7 percent. The unemployment rate for veterans who have served since September 2001 has also been increasing. In May 2011, the unemployment rate for these veterans was 12.1. In May 2010, it was 10.6. These numbers are a stark reminder that we are not doing enough to help our veterans and that we must take new and urgent steps to improve our national efforts to make sure veterans have the tools and the opportunities they need to find careers after they leave the military.

Part of the problem is that there are significant barriers that veterans face in seeking employment. Veterans are finding that all of their training and experience cannot simply be translated into

similar civilian jobs. They may be finding employers who feel unsure about hiring veterans and members of the National Guard and Reserve (NG&R) because they do not understand what service requires. Breaking down these barriers is critical and requires innovative and comprehensive responses.

Part of the problem is the government is not doing what it should. Simply telling the veteran to go down to his or her local employment office or to search the job boards, as we have heard happens, is just not enough. Many different Federal agencies, including the Defense Department (DOD), the Veterans Administration (VA), and the Department of Labor, have programs to work with veterans on employment issues and some are more successful than others. Government contractors are well situated to be major employers of veterans, and many are.

Contractors are also required by law to take affirmative action to hire veterans. Since 2002, President Bush signed into law a provision that requires companies with government contracts over \$100,000 are required to post job listings at nationwide employment offices, to report their veteran hiring and employment numbers to the Department of Labor through the VETS-100A form, and those with 50 or more employees are required to develop a plan to hire veterans. The question is, how well are the contractors doing at this? The answer is, we have no idea.

Last year, I asked the Department of Labor for the information collected from the government contractors for the past 10 years. The Department was only able to provide data for 2009 and 2010 because it only just became electronically available. The Subcommittee staff prepared a fact sheet¹ summarizing this information, and I ask unanimous consent that this fact sheet be included in the hearing record.

What this fact sheet shows is that the information currently being collected and maintained by the Department of Labor is spotty and frequently inaccurate. We saw numbers that are obviously wrong, like seeing a company whose number of veteran hires is 400 percent larger than the total number of people working for the company. We also saw a significant amount of missing information. For example, the two companies represented here today do not even appear in the data. Both had, in fact, submitted the data, as required, and were able to produce it upon request to the Subcommittee.

It seems that the reason for this discrepancy is with the Department of Labor. There are two offices within the Department of Labor that are responsible for collecting the data and overseeing enforcing compliance. That is, the Office of the Assistant Secretary for Veterans Employment and Training (VETS), the Vets Office at the Department of Labor, and the Office of Federal Contract Compliance Programs (OFCCP)—I will try not to use acronyms, it is a hazard of this job—the Office of Federal Contract Compliance Programs. Yet in conversations with the Department of Labor, the Subcommittee learned that the Vets Agency at Labor collects this information but never reviews it for any purpose, and the Office of Federal Contract Compliance has the authority to audit contractor

¹The fact sheet referenced by Senator McCaskill appears in the appendix on page 74.

compliance, but, in fact, conducts very few and never attempts quality assurance reviews.

This does not make any sense to me. It is almost like we are going through the motions and do not care what the result is. It is called "make work" but have no results.

I called this hearing today to bring together two groups who are actually taking steps, active steps, to promote contractor employment of veterans. We are here today to learn from some of the Nation's leading Veterans Service Organizations (VSOs) about the challenges facing veterans. We will also hear from two large and well-known businesses about the excellent work they are doing in recruiting and hiring veterans. I look forward to a constructive discussion today.

I also want to make one point clear from the outset. The status quo is just not acceptable. The notion that these highly trained and, frankly, veterans who we know make great employees, the fact that we cannot get them employed, the fact that their unemployment level is higher than the Nation's unemployment level is, in fact, a shame. It is something we should be ashamed of.

We cannot continue to betray the trust of our Nation's veterans by not doing everything in our power to make sure that they have access to employment. We cannot continue to invest scarce government resources and waste businesses' time, demanding they file reports which nobody pays any attention to and currently do not have any benefit to veterans' employment. We need to avoid duplication in programs, but also ensure that we are not taking a one-size-fits-all approach.

This is a tall order, but when it comes to our veterans, we have an obligation to do everything we can. I hope this hearing will be a first step. I also sincerely hope the Department of Labor is listening, because I plan to followup with them about the issues that we discuss here today.

I thank the witnesses for being here and look forward to their testimony.

I know Senator Carper is on his way and wanted to make opening remarks when he gets here. I may indulge the witnesses to interrupt you for purposes of his opening remarks, but in the meantime, I will go ahead and introduce our witnesses and we will begin your testimony today.

Ted Daywalt is the President and Chief Executive Office (CEO) of VetJobs. VetJobs was founded in 1999 and has become one of the leading Internet job boards for veterans and employers. Mr. Daywalt served in the Navy and Navy Reserve for over 28 years. He has worked in the private and public sector and is also Chairman of the Atlanta Regional Military Affairs Council and Director of the College Educators for Veterans Higher Education. Mr. Daywalt also sits on the Board of Governors for the International Association of Employment Web sites, where he chairs the OFCCP Committee, which is the acronym for the folks that are supposed to be doing compliance at the Department of Labor.

Spencer Kympton is the Chief Operating Officer (COO) of The Mission Continues, which is based in St. Louis, Missouri. I am especially proud to welcome him here today. Founded in 2007, The Mission Continues is a nonprofit organization that works to em-

power post-9/11 veterans by pairing them with fellowships at not-for-profit organizations in their communities. Mr. Kympton is a former Army officer and a graduate of West Point. Prior to joining The Mission Continues, Mr. Kympton worked at McKinsey and Company and held the position of Vice President of Recruiting for Teach For America.

Ramsey Sulayman is a Legislative Associate for Iraq and Afghanistan Veterans of America (IAVA). Iraq and Afghanistan Veterans of America was founded in 2004 to bring together and empower the newest generation of wartime veterans. IAVA has helped countless returning veterans with programs focusing on physical and mental health, education, and careers. Mr. Sulayman is a former Marine officer who served in Operation Iraqi Freedom (OIF) as an infantry platoon commander and company executive officer.

Pamela Hardy is a Senior Manager in the Diversity and Inclusion Team at Booz Allen Hamilton, where she is responsible for all diversity hiring efforts. Ms. Hardy has a Master's in human resources management and has worked in various recruiting and consulting positions and specializes in diversity recruiting strategies and techniques.

Sally Sullivan is an Executive Vice President of ManTech International Corporation and leads ManTech's public affairs, communications, and business development functions. Prior to joining ManTech, Ms. Sullivan served as Vice President for Defense, Space, and Secured Infrastructure at Bechtel National and Sector Vice President for Business Development at Northrop Grumman. You have hung out in the defense sector, have you not.

Ms. SULLIVAN. Yes, Senator.

Senator MCCASKILL. It is the custom of this Subcommittee to swear in all witnesses that appear before us, so if you do not mind, I would like to ask you to stand.

Do you swear that the testimony that you will give before this Subcommittee will be the truth, the whole truth, and nothing but the truth, so help you, God?

Mr. DAYWALT. I do.

Mr. KYMPTON. I do.

Mr. SULAYMAN. I do.

Ms. HARDY. I do.

Ms. SULLIVAN. I do.

Senator MCCASKILL. Thank you, and let the record reflect that the witnesses have all answered in the affirmative.

We will be using a timing system today. We will not be strict, so be comfortable. Do not worry that we are going to hit a buzzer or a gong. We would ask that your oral testimony try to be around 5 minutes. Your written testimony will be printed in the record in its entirety.

And if you would begin, Mr. Daywalt, we appreciate you being here.

**TESTIMONY OF TED L. DAYWALT,¹ PRESIDENT AND CHIEF
EXECUTIVE OFFICER, VETJOBS**

Mr. DAYWALT. Thank you, Madam Chairman. I appreciate you having me here and I want to thank the staff here, as well.

VetJobs has a unique vantage point in this discussion as by the nature of our business over the last 13 years, VetJobs has dealt with veterans and their family members on a daily basis who are pursuing employment with government contractors. A big part of our membership base are government contractors, and VetJobs assists all veterans and their family members to find work. From our perspective at VetJobs, we find that, for the most part, government contractors are enthusiastic employers of veterans.

When looking at veteran employment, it helps to understand that from an employer's perspective, there are three groups that comprise the post-military service veteran employment picture. The first group would be those who are transitioning off active duty with no further military obligation who are most frequently referred to just as veterans. This group is the most desirable of the veteran groups from which employers prefer to hire since candidates have no further military obligation and come with many skills and the attributes wanted by employers.

The second group is comprised of the Federal Reservists of the Army, Navy, Air Force, Coast Guard, and Marine Corps. While these veterans have the same attributes as the transitioning military, they are subject to being called up on a regular basis.

The third group is the National Guard. While all three groups are veterans, it helps to make the distinctions when analyzing how the veterans are being employed or why employers prefer one type of veteran over another. In going to the numbers you cited at the opening, Madam Chairman, the biggest part of the veteran unemployment problem is in the National Guard. For the most part, those coming off active duty are getting jobs, not that there are not problems, but they are finding employment. The overall unemployment for all veterans in May was only 7.7 percent current population survey (CPS).

Of the three groups, the National Guard has unique problems and is the least preferred source of veterans. Unlike active duty component members when National Guard component members return from war they are demobilized and thus do not have a ready source of income unless they can find or have a civilian job. Given the bias against hiring National Guard members due to the call-up policies and high operation tempo, National Guard members have problems maintaining a continuum of service with a civilian employer.

Additionally, since the National Guard component member belongs to the State and reports to the Governor of a State or a Territory, the National Guard personnel are used for local emergencies, such as flooding and hurricanes, security, which takes them away from their employer. For example, the National Guard in Georgia, which is where we are headquartered, has had six 1-year-plus call-ups in the last 10 years. Now, that makes it really hard to keep a job, even if you are only on three of them.

¹The prepared statement of Mr. Daywalt appears in the appendix on page 41.

Many studies have found that due to the constant call-ups, employers shy away from hiring active members of the National Guard and Reserves. Business Law Review, Workforce Management and the Society of Human Resource Management (SHRM) have done studies that show that upwards of 70 percent of employers will not now hire as a new employee an active member of the National Guard. Fortunately, many of the government contractors are supporters of the National Guard and Reserve and this is important since the National Guard and Reserve now represents over 50 percent of our total fighting force.

It is important to understand why employers make hires. Some Department of Labor officials like to tout how many unemployed people there are for each job opening in the country and bemoan the fact that employers of horrible profit-making companies are not hiring the unemployed. DOL and other government officials who make these statements are displaying a gross misunderstanding of how our economy works and why employers hire candidates.

Employers do not hire someone just because they are standing and breathing or they are unemployed. Employers hire candidates to fill a need within the company. The bottom line is employers look for qualified candidates to hire. If one were to ask how many qualified candidates exist for each job opening in the company, you would have huge, very large, negative numbers in disciplines like health care, engineering, maintenance, electricians, welders. Right now, they are paying \$45 an hour with all the overtime you can get for welders in the upper Midwest and they cannot find enough welders. It is going to probably go to \$50 by the end of the summer.

Government contractors are major employers. Many have discussed with me the problems of finding qualified candidates to hire. And for that reason, government contractors like to hire veterans because, generally, they have excellent skill sets and they have the attributes that they want.

In my written testimony, I use an example of a stellar government contractor, BNSF Railroad. You have a couple others sitting right here at this table. They are to be commended for their proactive hiring of veterans.

Also in my written testimony, I review the obstacles that hinder government contractors from hiring veterans. Those obstacles include the VETS-100 report, which in my personal opinion is kind of a waste of time because it is not relevant, it is not timely, and it is not actionable. The Office of Federal Contract Compliance Program actually kind of disincentivizes companies who want to hire veterans, and there are huge problems in the Transition Assistance Program. All need to be reviewed, and in the case of VETS-100, I would recommend you get rid of it.

Thank you for your time. I trust the information presented will be of assistance. I will be happy to answer any questions you have, ma'am.

Senator MCCASKILL. Thank you very much, Mr. Daywalt.

I welcome Senator Begich from Alaska here. Thank you, Senator Begich, for joining us. Mr. Kympton.

**TESTIMONY OF SPENCER KYMPTON,¹ CHIEF OPERATING
OFFICER, THE MISSION CONTINUES**

Mr. KYMPTON. Madam Chairman and Members of the Subcommittee, thank you for inviting me to participate in these important hearings. Based on my experience as a veteran and my service at The Mission Continues, I believe that this Subcommittee is doing work that is critical to the success of today's generation of veterans.

Today, I am testifying as a West Point graduate and former Army helicopter pilot and as a veteran who sought meaningful employment after military service. I now serve as the Chief Operating Officer of The Mission Continues, a national nonprofit organization where we have worked with over 350 veterans to pursue successful transitions to civilian life.

Based on these experiences with veteran recruitment and retention, I believe that there are several key lessons that Federal contractors and corporate leaders can apply to successfully tap into the great skills of today's veteran. Applying these lessons will strengthen their organizations while also building successful transitions for veterans.

At The Mission Continues, we create successful transitions by engaging veterans in 6-month community service fellowships. Today, a cavalry scout mentors hundreds of children at the Boys and Girls Club. A Marine Corps sergeant helps his community prepare for disasters and emergencies through the American Red Cross. An Army communications specialist teaches English as a Second Language to immigrant children and their parents.

We introduce these fellows to a meaningful mission. We welcome them onto a distinct team. And we ask them to don a new uniform of service. As they serve, we provide them with living stipends and mentors. At the end of their fellowship, we will challenge them to mark their lifetime commitment to service by executing a service project in their community. After their fellowship, they move on to realize their post-fellowship goal of full-time employment, continued education, or an ongoing role of service in their community.

Our experiences with these fellows and with more than a thousand veterans who applied for fellowships have shown us this. When you connect veterans to a meaningful mission, ask them to join a distinct team, and challenge them with a set of goals that lead to definable impact, they excel. Just as they excelled in their military service, they again excel in their citizen service.

A primary factor in our selection and placement of fellows is the passion they have for service. The cavalry scout serves at the Boys and Girls Club because he is fulfilled by mentoring youth. The Marine readies his community because he is passionate about emergency response. Reconnecting to a meaningful mission has been critical to their success.

Our fellows are further enriched by the renewed connection to a team. As you know, all enlistees and officers take an oath to support and defend the Constitution upon entering the military. They then join their military units, each of which possesses a distinct identity and strong traditions. Recently, we gathered more than

¹The prepared statement of Mr. Kympton appears in the appendix on page 52.

100 veterans and awarded them Mission Continues Fellowships. We asked these fellows to take a similar oath and join this distinct new team. In front of thousands of fans at a Major League Baseball game, wearing sharp royal blue Mission Continues polo shirts, standing at attention alongside their new comrades in arms, these fellows proudly recited an oath of service. They walked off the field motivated and eager to serve.

While they serve, we also require that our fellows set and achieve goals. They each identify at least three goals for the impact they will have in their community. They identify a post-fellowship goal that will impact their own lives for years. We hold them accountable to those goals and we partner in their success.

Roxley Pratt grew up in war-torn Sierra Leone. As a child, he marveled at the sentries guarding the U.S. Embassy there. He decided then that he wanted to be a Marine. Years later, after escaping the siege of his city and immigrating to America, he enlisted in the United States Marine Corps. He honorably served for 6 years and his service included deployments to Iraq. Upon his return, people thanked him for his service, but when it came to landing a job, he struggled to get interviews. Unemployed and unable to translate his military skills at job fairs in Southern California, Roxley found The Mission Continues. Driven by his own experiences with homelessness and his personal responsibility to assist those less fortunate, he earned a fellowship with Habitat for Humanity. He is reconnected to a mission that is important to him. He is working on distinct teams, his team at The Mission Continues, his team at Habitat for Humanity, and the teams of volunteers he now organizes. He is translating military skills to civilian skills and he is excelling.

Roxley's story can be the story of this generation of veterans. It is a story of service in war and continued service at home.

Madam Chairman, we are grateful for your support and the support of this Subcommittee. I would welcome any questions that you or other Members may have. Thank you.

Senator McCASKILL. Thank you. Mr. Sulayman.

TESTIMONY OF RAMSEY SULAYMAN,¹ LEGISLATIVE ASSOCIATE, IRAQ AND AFGHANISTAN VETERANS OF AMERICA

Mr. SULAYMAN. Madam Chairman, Ranking Member, distinguished Members of the Subcommittee, on behalf of more than 200,000 members and supporters of Iraq and Afghanistan Veterans of America, I thank you for the opportunity to share our views on this important issue.

I have spent 14 years in the Marine Corps trying to execute the Marine Corps' two missions, winning battles and making Marines. As an IAVA staff member, I do not make soldiers, sailors, airmen, or marines, but I do try and make their lives better. The views expressed in this testimony reflect the views and analysis of IAVA and not the United States Marine Corps.

Thank you for your attention to the pressing issues facing our Nation's veterans. Unemployment is arguably the most pressing issue facing veterans today. While recent statistics may indicate

¹The prepared statement of Mr. Sulayman appears in the appendix on page 55.

that the employment outlook might be getting better for veterans, the situation is still worse than it ought to be. For example, the unemployment rate for veterans 18 to 24 years old is nearly double the rate for 18 to 24 year-old civilians.

Helping veterans create their own jobs via small business has been touted as part of the solution. Many people have wondered whether Federal contracting laws and goals are being met, and if not, what is the best manner in which to do so.

There are three main areas to consider: Data, outreach, and implementable solutions. I will address outreach first. IAVA believes that the logical place to begin is through the Transition Assistance Program (TAP), and in the Marine Corps (TAMP). Because TAP is now mandatory for all service members, it is a convenient touch point that will allow for the dissemination of information on Federal contracting processes and opportunities and the most basic level of training to the widest possible audience. The Small Business Administration (SBA) is currently developing an entrepreneurship track for TAP and we believe that this will be a key component in setting veterans up for success.

We also believe that allowing veterans and their spouses to retake TAP after separating, as proposed in S. 2246, the TAP Modernization Act of 2012, is a necessary step. Allowing a veteran or spouse who has completed one track of TAP—education, for instance—to retake a different track based on new circumstances, in this case an entrepreneurship track, is a small investment on the front end which we believe will pay big dividends on the back end.

On the question of data, we must ask, what do we know and what do we wish to know? There is a lot of data to be had, but much of it is dispersed among different agencies. VETS-100 and 100A has some meaningful data, but only as a snapshot. It is also not easily accessible. The information is more akin to a head count and misses some crucial information. Because VETS-100 and 100A allows reporting of veterans employed at any point during the filing year, there is no guarantee that the level of veteran employment by a Federal contractor or subcontractor is consistently reliable or accurate. A contractor may have 100 veterans at the beginning of the year and two at the end and can report 100 veterans employed.

In addition, without the inclusion of other relevant information, the value of the VETS-100 and 100A forms is limited. Some good examples would be the North American Industry Classification System Codes that allow tracking the number of veteran contractors by industry type and the era from which the veteran hails. These pieces of information would help elucidate in which industries veteran contractors are most heavily and lightly concentrated and whether that force is declining due to age. Much of that information resides with SBA.

The certification process for a service disabled veteran-owned (SDVO) small business or veteran-owned small business (VOSB) should also be easy and consistent. IAVA supports efforts to curb fraud and abuse by ascertaining the voracity of SDVO or veteran-owned status, but we recognize that the certification process should not discourage small businesses with limited resources. We are concerned that the statutorily mandated certification process currently

used by the Veterans Administration is too cumbersome. Extending this system to all Federal agencies, as has been proposed, would be unnecessarily burdensome on both government and small businesses.

It is also worth noting that the VA's Center for Veterans Enterprise site, www.vebiz.gov, was down for approximately 2 weeks. It was up last Thursday and is now back down again for maintenance and there is no information posted as to when new veterans may expect to be able to register their businesses online.

The Small Business Administration has relied on self-certification and has experienced little fraud. IAVA believes that maintaining this system with some enhanced documentation requirements will help ease the burden on SDVO and veteran-owned small businesses while helping to guarantee that the consideration earned through service to country is not abused.

As far as solutions go, during research for this testimony, we pursued many different leads on making the system more efficient and increasing the number of veteran contractors. Many of the recommendations we heard often already exist in some form.

For example, the idea of searchable centralized database of veteran contractors that could be used by Federal contracting officers and Federal contractors already exists as the Central Contractor Registration (CCR), and Dynamic Small Business Search (DSBS), systems. The use of those resources to find veteran contractors, even by Federal contracting officers, appears to be less than optimal because, we were told, many people choose, quote, "the path of least resistance," end quote.

Part of the assessment of the problem will require review of the use of existing systems and processes, but without data that is substantial, accessible, and easy to understand, implementing solutions is a little bit akin to shooting first and aiming later. Some of the reviews of this data are already underway and ideally will result in clarifying best and worst practices so good solutions can be found.

We also believe that VA and DOL should be funnels to the Small Business Administration. SBA are the experts on small business and should be the prime actor in this area.

IAVA strongly welcomes the efforts of Congress, the Executive Branch, and private industry in increasing the number of veteran contractors, whether those contractors are fulfilling government or private contracts. As part of our commitment, IAVA is willing to spread the word about available opportunities or training to our membership and the greater population through our extensive social media outreach. We are also able and willing to partner with either government agencies or private corporations in targeted efforts to help increase veteran employment through our programs, such as Smart Job Fairs held in partnership with the U.S. Chamber of Commerce.

We believe that employment is the No. 1 issue facing the veterans of Iraq and Afghanistan and will only become more important as the war in Afghanistan ends. IAVA appreciates the efforts of this Subcommittee and the other witnesses and we look forward to helping in any way we can. Thank you, and I am prepared to answer any questions that you have.

Senator McCASKILL. Thank you. Ms. Hardy.

**TESTIMONY OF PAMELA HARDY,¹ SENIOR MANAGER,
DIVERSITY AND INCLUSION TEAM, BOOZ ALLEN HAMILTON**

Ms. HARDY. Madam Chairman and distinguished Members of the Subcommittee, thank you for inviting me to testify here today. I testify as a Senior Manager in the Diversity and Inclusion Team at Booz Allen Hamilton, where I am responsible for all aspect of our organizational efforts to build and maintain a diverse and inclusive culture for all employees at the firm. That includes making Booz Allen an employer of choice for veterans.

Booz Allen is based in McLean, Virginia, and we have over 80 offices throughout the United States. For nearly a century, our work has helped U.S. Government agencies, defense components, and other business and institutional clients better execute the most challenging government missions around the world.

Forbes Magazine recently reported that Booz Allen ranked as the top employer for veterans, citing the approximately one-third of our employees who have self-identified as having military backgrounds. We have also been recognized by the National Guard and the Reserve as well as by the Disabled American Veterans (DAV) organization for outstanding practices that support veterans. And we are honored to have been named in the top 10 of the G.I. Jobs List of top 100 military-friendly employers for 6 years running.

Booz Allen leads in veterans' employment because our commitment to veterans and wounded warriors is part of our corporate culture, coordinated by our senior leadership and extending throughout the firm. We approach this commitment by involving multiple aspects and layers of our business, much like we integrate our various capabilities for our clients. We hire veterans because of this commitment and because veterans bring a unique knowledge and experience base to their work. Few can know the challenges that face our U.S. military and other government clients better than those who have served our country in uniform.

For these reasons, Booz Allen supports the government's efforts to encourage the hiring of former military members and we believe that the current regulatory construct strikes the right balance in allowing contractors like Booz Allen to explore and develop programs that work best for their particular organizations. We approach military hiring, for instance, through a variety of creative recruitment programs, but we also leverage the wide range of expertise we provide to military clients, such as knowledge of veterans' health services. To help us attract and support new hires, we support veteran-owned businesses through our contracting organization.

We use members of our own veteran workforce to mentor and support other veteran employees through employee resource groups, mentoring circles, education, and leadership programs and other means. We focus on programs to support military families and spouses. And, importantly, veterans and wounded warriors are a major focus and beneficiary of the firm's philanthropic efforts.

¹The prepared statement of Ms. Hardy appears in the appendix on page 58.

In our prepared statement, we detail several hiring and retention programs that have made us so successful. In hiring, we foster strategic recruitment partnerships with nonprofit organizations in the military community. We also run a Junior Military Officers Program to put recently separated junior officers directly in contact with our military recruiting team. And we participate in the U.S. Army Partnership for Youth Success Program by pledging to provide future full-time employment positions for qualified Army-trained veterans.

We retain veterans through initiatives at our firm and in the surrounding community. We offer an employee resource group known as the Armed Services Forum to give former members of the military a forum to interact with each other and navigate their transition into the civilian workplace. We have a proactive disability accommodations program, generous military leave, and return policies for Reservists, and we conduct targeted training and development programs to help veterans convert skills they learned in the military into skills they can use and market at Booz Allen. We have also hosted several collaborative community summits across the country to better understand and improve service delivery to veterans across local government, advocacy, health care, and other community organizations.

While we believe our firm is already effective in employing veterans, we recognize that there is more work we all need to do. Collaboration among industry, veterans' organizations, and the government is of paramount importance, and we particularly support the Subcommittee's efforts to enhance this type of collaboration.

Madam Chairman, thank you again for permitting me the opportunity to discuss this important issue with you today. I welcome any questions you may have.

Senator McCASKILL. Thank you very much. Ms. Sullivan.

**TESTIMONY OF SALLY SULLIVAN,¹ EXECUTIVE VICE
PRESIDENT, MANTECH INTERNATIONAL CORPORATION**

Ms. SULLIVAN. Madam Chairman and distinguished Members of the Subcommittee, I am honored on behalf of ManTech International Corporation to appear before you this morning to share our experiences in hiring and retaining our Nation's veterans.

ManTech is a global employer to almost 10,000 people. That roughly 40 percent of our employees today proudly identify themselves as having served or are currently serving in the U.S. military is evidence of the success we enjoy as a company and a culture that successfully attracts those exiting the military and assimilates them into the civilian workforce on a sustained basis. ManTech provides those leaving the military with the opportunity to join the civilian workforce, the opportunity to gain additional job skills and training, health care coverage, and the opportunity to continue to serve their country and support an important mission as a contractor.

As the majority of our work today supports the U.S. military and intelligence community, a large number of the career opportunities available at ManTech are for positions that directly support mis-

¹The prepared statement of Ms. Sullivan appears in the appendix on page 63.

sion requirements and typically require skills gained through military service and the possession of active security clearances. Many of our recruiting activities are focused on engaging those who are in the process of exiting the military or those who have recently exited.

ManTech is an active member of more than a dozen military employment partnerships, such as the 100,000 Jobs Mission, the Military Spouse Employment Partnership, Wounded Warrior Project, Hiring Our Heroes, and VA for Vets. We also build and maintain relationships directly with colleges and universities that support the G.I. Bill and offer programs developed especially for veterans. Over the past year, we have participated in more than 125 hiring events spanning 72 cities nationwide. As a result, we connected with more than 5,000 veterans and hired more than 2,000 of them.

As part of our outreach to recruits, we work closely with the Transition Assistance Program sponsored by the U.S. military. Through TAP, we offer onsite assistance to active duty soldiers who will be leaving the military, including practical advice on how to develop and write a resume, how to interview for a job, and how the civilian job environment works.

Of the many things we do to retain our employees, to include veterans, ManTech offers educational skills and career development training as well as mentorship opportunities. Our educational programs are offered through ManTech University (MTU), a first-class award-winning corporate university established to support the emerging training and educational needs of our employees. Additionally, MTU has alliances with 13 different accredited universities offering certificates, Bachelor's and Master's degrees, and mini-MBAs, both online and in traditional classroom settings. In 2011, a large percentage of our veteran employees took advantage of training opportunities through ManTech University. More than 40,000 courses were successfully completed by our veterans, roughly 10 courses per veteran employee.

Many of ManTech's contracts require foreign deployments, so ManTech offers two specific programs to assist family members of deployed individuals. One program, called LifeWorks, provides employees and family members free confidential access to resources and counseling 24 hours a day, 365 days a year. This program offers expert guidance on health-related issues, addiction, grief and loss, financial ideas, how to parent a difficult child or teenager, and how to cope with stress.

Constant Care, a second program offered by ManTech, is an internally staffed program available to employees 24 hours a day, 365 days a year, by human resource professionals who have the knowledge and experience to assist deployed employees and their families. Constant Care is similar to the Military Ombudsman program and, therefore, is familiar and well received by veterans and their families.

As a result of retention efforts such as these, many of our new recruits come as referrals from existing employees, which accounts in part for ManTech being named Number Six Top Military Friendly Employers by G.I. Jobs Magazine, Most Valuable Employer for the Military by CivilianJobs.com, one of the country's most veteran-

friendly employers by USAA Magazine, and the Top Ten Best Employer for Veterans by Military Times Edge Magazine.

Now, let me comment on ManTech's experience with assembling and filing information regarding veterans and the Department of Labor. Logistically, the assembling and reporting information required by the Department of Labor for the VETS-100A is an automated process by database systems that capture employee information at the initial stage of the hiring process, when information required for payroll, health benefits, taxes, et cetera, is input into our systems when new hires join ManTech. Each new employee is asked to self-identify if they are a veteran, and this information is aggregated and reviewed by human resource specialists as well as by our senior management routinely throughout the year.

Last, you have asked for our suggestions for improving the Federal Government's effort to facilitate the hiring of veterans by contractors. To answer this question thoughtfully, I engaged with several cognizant employees working in a variety of levels and roles. Whether human resource specialist, recruiter, or line manager, their answers were very consistent. All felt strongly that the Federal Government already takes many bold and aggressive actions to ensure maximum outreach to this important segment of our population.

Further, we know that companies like ManTech have embraced veterans' outreach. After all, if we have not served ourselves, we each have family members and loved ones who have selflessly served our Nation or are serving today.

Our recommendation is to stay the course with those efforts we have in place today.

Madam Chairman, that concludes my oral statement and I am pleased to answer any further questions.

Senator MCCASKILL. Thank you all very much.

It was interesting. I try to visit small businesses in my State from time to time and I actually had a visit with a plumbing supply house in St. Louis, and this is not a large employer, less than 50 employees. The people that work there, most of them have worked there many years. So they want to be careful when they hire someone because they assume when they hire someone, they are going to be with them for years.

I did not go there to talk about hiring veterans, but they brought it up with me. And the man that owns the company said it was incredibly difficult for them to find veterans, and he mentioned a couple of things and I would love your take on this, Mr. Daywalt.

First, he said that the Web sites that in their experience, as they looked at the various listings on the Web sites, they were taken aback at how many people had put information on the Web site that were not veterans, that people had been able to access various Web sites and put their employment—that they were anxious to get employed, and then when they actually did the due diligence, they found that people were signing up on these Web sites that were not veterans at all. So they found that overwhelming. Because this is a small operation, they did not really have—they ended up working at this for a while. I mean, they spent a lot of time and energy. They finally found two applicants that they are in the final process of interviewing.

The other thing he mentioned to me, and I would like your take on both of these issues, is matching. He said, at the veterans' jobs fairs and the places they were going to access, there would be employers there like banks and Enterprise Rental Car, Anheuser-Busch, and they needed people for their warehouse. They were not able to hire someone who was disabled because they needed someone who was going to help them load plumbing supplies into the warehouse and out of the warehouse and deliver these plumbing supplies. And he said it was clear to him how inefficient this was because you had all these employers that wanted a much different employee than he was looking for. And he said that, once again, took hours and hours of their time and effort to try to match up the right veteran with the right job opportunity.

So if you could, if you would address those two issues that this particular employer in St. Louis was struggling with.

Mr. DAYWALT. Yes, Madam Chairman. Excuse me. I am suffering from allergies.

Your comment about candidates in a job board database not being vets does not surprise me. There are a number of sites out there that do not validate who the person is that is putting up the resume. You have over 300,000 Internet job boards out there. You have about 30 left in the military space. The leaders are VetJobs, MilitaryHire, and Corporate Gray, and the three of us actually do validate each person that is putting up their resume. With some of the others, they will let anybody put up a resume. And in reality, most veterans do not put their resumes up on the Internet. We are getting over 200,000 visitors a month, but we only have 140,000 active resumes, as it has been hammered into us that our friends over in the sandbox are using sites like VetSuccess or other free sites to track down veterans to go attack them here in this country. I wish the press would cover that more.

But I hear that from a lot of employers because until they need to make a hire, they are not always aware of who the players in a given space are. It is sort of like I do not know any heart doctors, but if all of a sudden I needed to have a heart operation, I might start doing a lot of research to find out who is going to be a good one. So it is not a common thing that everybody uses on a daily basis.

Regarding the matching, the more advanced sites—ours being one of them, MilitaryHire is another good example—have matching mechanisms and career assessment tests that we have people—we use the CRI tests out of Forth Worth, where we can identify a veteran that matches best with the employer. And the way you do it at VetJobs, we have customer service reps. When a customer puts up a job, and we have about 52,000 jobs up today, when they are key jobs, we will go into the database, identify people, and refer them in to our customers. We have had a pretty good success rate.

But a lot of the complaints that he or she was voicing really comes from just not understanding how the system works and it is because it is not a system that is used day in and day out.

Senator MCCASKILL. Well, what would you suggest, if anything, maybe part of the problem in this area is all of us want to help.

Mr. DAYWALT. Right.

Senator MCCASKILL. And sometimes, all best intentions have ugly endings in government. And, frankly, I am beginning to believe that this reporting requirement to the Department of Labor is a good example of that—

Mr. DAYWALT. Yes, ma'am.

Senator MCCASKILL [continuing]. Where all best intentions, where we were going to try to keep track of contractors hiring veterans, but no one is doing the due diligence to make that effort really meaningful in any way.

What could we do that would help an employer like Crescent Plumbing Supply in St. Louis find veterans in a way that is more efficient for them? Now, these are great folks and they just kept working at it until they found two because they wanted to do this because they love their country and they want to hire veterans. But I am not sure very many businesses as small as this business is would have spent the time and effort they spent at it. What should we be doing to make this easier? I am surprised that your Web site would not pop up as one of the first if you went on to search "hiring veterans"—

Mr. DAYWALT. We generally pop up in the top three or four.

Senator MCCASKILL. And is it very clear on your Web site that all of the veterans on there have been certified as veterans?

Mr. DAYWALT. Well, yes.

Senator MCCASKILL. OK.

Mr. DAYWALT. I mean, we have some people who put their resumes up that were not veterans. We take them out. But some suggestions to help improve the system, one would be to have your veterans' representatives at the workforce centers, what they call Local Veteran Employment Reps (LVERs) and Disabled Veteran Opportunity Programs (DVOPs)—

Senator MCCASKILL. I speak that foreign language now.

Mr. DAYWALT. OK.

Senator MCCASKILL. I have been on the Armed Services Committee for 6 years.

Mr. DAYWALT. We make jokes—

Senator MCCASKILL. I can do the acronym dance with you.

Mr. DAYWALT. We make jokes, you have to have a dictionary to understand the military acronyms, but having more of them familiar with what goes on—and I am a little outspoken, I am not politically correct, but, madam, you have a lot of people in the DOL who are the classic bureaucrats. They would have a wonderful job if it were not for all these damn people coming in wanting help. And they do not take the initiative. And I will give you a real good example.

We had a veteran down there in Georgia who needed a job. He is in his 50s. He had been sitting over at the DOL office for 3 days trying to get help to get a job, and each day he would go in and say, "Oh, we have you in the system now. Welcome back. You are in our system now. You are in the system now." He did not give a damn about being in the system. He wanted a job.

So someone had him give us a call and we found out where he was living. He did not have a car. Did a Google search of his apartment and found a Publix supermarket, a Target, and a Wal-Mart all within walking distance of his apartment complex. We called

the managers of those three stores and all three of them said, send him over. They interviewed him. Two of them made a job offer and he took one of them. He went with Target because they paid more than the others. But we did all that inside of 20 minutes.

Why can you not have this \$50,000 bureaucrat sitting on their butt in a nice air conditioned office do the same thing? Because there is no penalty and no incentive to go out and do it. I know that is not politically correct, but that is the brute reality and we deal with that day in and day out down in our office.

But having them better educated as to what the real resources are for their local area, because all employment is on a local level—

Senator MCCASKILL. Right.

Mr. DAYWALT [continuing]. And being able to direct somebody as to what are the good sites, what are the—we put out a listing of what we consider to be all the legitimate job boards on the Internet because there are so many rip-offsites, especially targeting veterans and their spouses. But that would be a big move forward if they would do that.

Senator MCCASKILL. Well, I think we have to figure out a way to try to remove as much as this as possible from the Federal Government and put it in the State and local offices where frankly, they are going to be the ones that are going to have the best ears to the ground.

Mr. DAYWALT. Yes, ma'am.

Senator MCCASKILL. Let me ask about—both Booz Allen and ManTech. You all have great records. Both of your companies told us that the reporting requirements were not burdensome on your companies. I am not sure that they are providing much value, but you did say they were not burdensome.

Let me ask you this about the National Guard problem. Are the majority of the people that you are hiring actually those that are leaving active service as opposed to National Guard?

Ms. SULLIVAN. I cannot talk to those statistics. I know that we capture those, and I could probably look through my files here and see what those numbers are.

I was thinking about congressional mandate programs and one of the congressionally mandated programs that we absolutely love, and we know it has a high impact and it does make a difference and it has to do with those who are in the process of separating from the military and that is that TAP program. I think—

Senator MCCASKILL. Right, the Transition—

Ms. SULLIVAN. Yes. In the Army—

Senator MCCASKILL. Transition Assistance Program?

I think they call it the Army Career Alumni Program (ACAP). They might call it a little bit different. But this is where you can really, work with them and help them think through how to write a resume.

Right.

Ms. SULLIVAN [continuing]. I will look through our numbers, and I may not be able to comment here, but I do not think that the majority of them are National Guard or Reserves. They are typically ones who are separating from the military.

Senator MCCASKILL. Right. If you would get those numbers for us, that would be helpful, Ms. Sullivan.

Ms. SULLIVAN. Mm-hmm.

Senator MCCASKILL. And how about you, Ms. Hardy? I assume the same thing is probably true for Booz-Allen, that the majority are those that are separating from active service?

Ms. HARDY. Correct, and about 11 percent of our 30 percent of our hires self-identify as having recently separated, representing, one, the highest overall diversity constituency group within the firm, but also indicating that these individuals are coming directly from the military, from active duty to Booz Allen as a first stop.

I do not have the numbers for the Reservists but we do capture them and certainly can provide that to the Subcommittee.

Senator MCCASKILL. I think it would be really important to get those numbers, and let me ask you, Mr. Sulayman, I think this National Guard situation is a crisis. I think it is something that we are kind of sweeping under the rug and not paying close attention to. When I was the elected prosecutor in Kansas City, I remember looking at resumes and thinking the National Guard was a really good thing. Now, that was before it became an operational reserve.

And I think the testimony that was given here today demonstrates the problem. These companies are not hiring people just because they want to hire a veteran. They are hiring them because they need them for their ongoing business operations and you cannot blame them for not wanting to hire someone and train them thinking they are going to be gone four or five times over a 6-or 7-year period, or 4 or 5 times over a 7-or 8-year period, or even 4 or 5 times over a 10-year period.

Now, I know we are drawing down in Afghanistan and obviously we have drawn down in Iraq, but I think that we have permanently injured the ability of the National Guard to get employment in our country by the way we have made these changes, and I do not think they were well thought out. I get it. We did not have enough boots and we had to do it because our ground force was not big enough, but what I do not think they anticipated that there was going to be this problem and I think it is one of the reasons that we have had some of the problems with suicides and some of the other issues that we are seeing in our military.

What would you recommend that we could do, short of convincing our military leadership that they need to go back to the old way in terms of utilizing the Guard and the Reserve? What could we do that would help this problem?

Mr. SULAYMAN. Well, ma'am, I mean, you really hit on the big crux of the matter, is that the National Guard and the Reserves have been used in unprecedented fashion in the conflicts in Iraq and Afghanistan. They have been used as an operational reserve. I know that in briefings I have been to at the Pentagon, the Army has talked about their Force Generation Model that they refer to as ARFORGEN. It envisions Guard and Reserve units activating at least once, or they say once every 5 years. So out of every 5-year period, you can expect to be deployed out of the National Guard or Reserve, and more often if you are switching units and you happen to catch the unit at the right or the wrong time, depending on your opinion, in the cycle. And that is going to be a continued issue, par-

ticularly with smaller employers who can stand to absorb that loss less well.

I know that what we have heard from our membership, somewhat anecdotally, is that they are not getting hired because they are in the Guard or Reserve and that employers have—it is one of the questions that they are often asked. Are you in the Guard or Reserve? Are you anticipating deploying any time soon? And that there are some bills both in the House and the Senate that are designed at strengthening the Uniformed Services Employment and Reemployment Rights Act (USERRA) protections and make that law a little bit tougher. But, really—

Senator MCCASKILL. And USERRA protections are the protections that were put into the law that prohibit the discrimination against members of the Guard and Reserve in connection with their military service.

Mr. SULAYMAN. Yes, ma'am. So having those employment and re-employment rights a little bit stronger, we believe is always a good thing. But we think that incentivizing employers it is better to dangle the carrot than break out the stick. We believe that most employers want to hire veterans. It is just, like you said, those concerns of missing out an employee who you anticipate having, especially if you are a small or medium-sized business.

That is really a tough question. We have been trying to work with employers through our Smart Job Fairs to convince them that here is the value of a Guard or Reservist and that they may be gone for a year out of a 5-year period, but their skills as managers and leaders are going to be sharper and—I deployed with a Reserve unit to Iraq. I was a light armored reconnaissance unit. We had, obviously, heavily mechanical and we had a lot of mechanics in the civilian world who I would say that after the 9-months that we were deployed, tearing engines out and tearing them apart and rebuilding them in a foot and a half of moon dust sand in the Iraqi desert without any electricity, without any water, without any lifts, basically improvising all this, the Cummins diesel engines and transmissions, Detroit diesel engines that run the trucks that they repaired back in their civilian lives, that made them much better and more efficient at their jobs once they returned home.

And that is really a job of selling that to potential employers, because the Army, as you said, and the Marine Corps, which is, I understand, going to operate on a similar Force Generation Model with respect to reserves, are not going to change that because of the operational commitments that we have and what they need to fulfill.

Senator MCCASKILL. Let me turn to Senator Begich for some questions, and then I have some additional questions I will ask when he is completed. Senator Begich.

Senator BEGICH. Thank you very much, Madam Chairman.

First, I appreciate you all being here and giving us some insight on what we need to do about employment for veterans. My State has about 11, 12 percent of the population are veterans, the highest per capita in the Nation, so we have a lot of need and, as you can imagine, a lot of issues that come up.

When I was mayor, just to followup on the Guard issue, the Employer Support for the Guard and Reserve (ESGR), we always

signed up on it because we wanted to make sure people were taken care of no matter where they were. Is there an—let me just throw an idea and I have a couple of questions more specific to it. Anyone who wants to answer, and I will start with you, Ramsey, if it is OK. To create an incentive for the businesses to—they know they are going to be gone for a period of time. The question is how long can you keep those kind of jobs open. Is there, through tax policy, is there an opportunity to create incentives to incentivize them not only to hire them, but to keep that space open and creating flex schedules? I do not know who wants to answer—

Mr. DAYWALT. Yes, I will answer that, sir. I have testified about this several times in the past. Tax incentives, while nice and a “feel good” from a political standpoint, is not a driver to get people hired. And what I hear from employers, I mean, they love getting the people off active duty, but—

Senator BEGICH. Right.

Mr. DAYWALT [continuing]. They would be more than willing to support members of the National Guard and Reserve if they were compensated for when their employee is taken away.

Senator BEGICH. Got it.

Mr. DAYWALT. So if Sulayman works for me and he gets called up, I want a direct cash stipend so that I can hire a contractor to do his job until he gets back. That is the cost of doing business.

Senator BEGICH. Get you.

Mr. DAYWALT. I cannot spend the tax credit. And one of the big problems with a lot of tax credits is that once the Department of Labor lays on all their tracking requirements, I may be getting \$9,600 back, but it may be costing me \$11,000 for all of the reporting and tracking.

Senator BEGICH. Just to keep track of that.

Mr. DAYWALT. And I am not going to make it up in volume.

Senator BEGICH. So the better approach, at least from your view, is if there is an opportunity to do a differential, a cash differential for the period of time deployed so you can at least keep the work flow moving—

Mr. DAYWALT. Yes, but see, you have a bigger problem. It is a systemic problem. The USERRA was written for when people were gone on the weekend or maybe a 2-week active duty—

Senator BEGICH. Right. Two weeks.

Mr. DAYWALT. It was not designed for people being going away for 12, 18, or 24 months. So it is out of—it is an anachronism. What is happening now, and we documented this when the Iowa brigade was called up, they had 750 people that were unemployed, a little over 30 percent of the brigade. They did not lose their jobs when they were over in Afghanistan. They lost their jobs before they left—

Senator BEGICH. Right.

Mr. DAYWALT [continuing]. Because it is announced about day 160 from mobilization day, and most of them lost their jobs between day 150 down to day 90 because the employers realized that if I lay you off under the guise of the recession, I am not subject to USERRA because I am not subject to USERRA until you have your orders in hand.

Senator BEGICH. Got you.

Mr. DAYWALT. Now, if you say that we are going to make USERRA effective the moment you announce a unit, nobody will ever hire a member of the National Guard.

Senator BEGICH. Right.

Mr. DAYWALT. You have a systemic problem. It is the way the Guard and Reserve are being used. And until you fix that problem, everything else is just going to be a band-aid.

Senator BEGICH. Very good.

Mr. SULAYMAN. Sir, I agree in large part with what Mr. Daywalt said, but, one of the things that also has to be considered is that less than one percent of the population has served in these conflicts.

Senator BEGICH. That is right.

Mr. SULAYMAN. So this is not a situation where World War II where you had, I think 11 percent is the figure—and so everybody had a brother, or cousin, or husband, or wife, or sister, or there was a relative, or a neighbor, somebody who was close to you. And so everybody had sacrifice. I mean, there was rationing of sugar, gas, and stamps. I mean, my grandfather went away and all his brothers, and it is interesting to hear my grandmother talk about, silk stockings, not being able to have stockings during World War II. And I think that is just weird. I mean, it is just something that is not in—and I have been in the Marine Corps for 14 years and that is something that just does not enter my mind.

But I think employers have to understand that there is a sacrifice associated with the wars that have been fought and that while tax incentives or direct stipends, if those are the carrots that we come to understand are the best solutions and that we can afford to do, hey, that would be great. But it is also a matter of the country's shared sacrifice.

Senator BEGICH. It is a moral obligation.

Mr. SULAYMAN. Yes, sir. I mean, it is a moral obligation. The Reservists that I took over, a lot of them, as Mr. Daywalt said, lost their jobs before we left. Oh, hard economic times, your job is gone. And under USERRA, if the job disappears, you do not have to find another position.

So employers understanding that this is part of the shared sacrifice, and hopefully as Afghanistan winds down, this becomes less and less of a problem. But as Senator McCaskill pointed out, with the unprecedented use and the Army Force Generation Model that I was talking about, it remains to be seen exactly what effect that is going to have in the future, continuing an operational reserve.

So we really feel at IAVA that it is a moral obligation. It is a small percentage of the population that has been doing a lot of the fighting and multiple deployments and—

Senator BEGICH. Let me hold you there, only because I want to get—I have one quick question left here, and it is a big question, but kind of—on January 11, the Government Accountability Office (GAO) reported how many different employment training programs there are—I think it is 40, 50—between the Department of Labor, the Department of Veterans Affairs, and all these other miscellaneous. I am coming more and more to the feeling that maybe we consolidate these, put them all in the Department of Veterans Affairs, focus in that arena.

Just give me a couple of quick thoughts. My time is pretty close to being out here. But I just think with so many Department of Labor tries, bless their soul, but veterans understand veterans and it seems like we should just shift it all, streamline it, and focus on what we should be doing, and that is employing and retraining and have the Veterans Administration do it in concert with their veterans benefit programs and all these other things they do. Any thoughts from folks?

Mr. SULAYMAN. Yes, sir. There is—

Senator MCCASKILL. Take your time. You do not need to hurry.

Mr. SULAYMAN. OK. There is legislation in the House that is currently working its way through. I think it is H.R. 4072—

Senator BEGICH. Right.

Mr. SULAYMAN [continuing]. Which IAVA supports and is designed to take Department of Labor and the veterans program and transfer it wholesale to the VA. We subscribe to the same thinking that you have, sir, that Veterans Affairs is what a veteran thinks of when—where do I go for help? I am going to the VA. And the fact that the legislation is written to just basically make an address change is a good thing because it is not diminishing any of the functions of—

Senator BEGICH. Right.

Mr. SULAYMAN [continuing]. The vets program—

Senator BEGICH. It seems like if you are a vet, you are coming in. You are trying to figure out, do I need some more education if I want to be in this job, and do I need any medical assistance and some of the issues that I might have had or might not have. But it seems like you want to do that just kind of in one place—

Mr. SULAYMAN. Yes, sir, and DOL Vets has employment outreach and VA has employment outreach. And so having DOL Vets move and become VA Vets and do the employment for veterans at VA to us makes sense because it removes some of that duplicative effort that is over at VA and it just centralizes it all.

And that is a little bit that I talk about in my testimony here, as well. With the numbers and the outreach for veterans small business, we feel that DOL—or VA should be a conduit, that DOL should be a conduit. If veterans come to DOL or VA looking for small business help and advice, they should go to the veterans outreach over at SBA because those are the experts, and that is the same thing we feel with DOL Vets moving to VA.

Senator BEGICH. Madam Chairman, can I ask—Ted, were you about to say something to that issue?

Mr. DAYWALT. Oh, no.

Senator BEGICH. Oh, OK. I appreciate it. Let me just end there. You actually answered my second question, which was on the small business. You got right to it, because I think the same thing, that we want to make sure it is as streamlined as possible. I know there are some good efforts being done with TAP and trying to move entrepreneurship. The TAP has a lot of work to be done. I think the mind of a soldier going into and having to take that program and figure out how—they are not focused on that. I mean, they are focused on, thank God, I am now doing XYZ. I have to go to where now for what?

And I think the more we can improve that, but also entrepreneurs seem like a huge opportunity for veterans. I just met some in Alaska on some small companies, all veterans, incredible work they are doing, worldwide operations now, small little manufacturing business but very precise. They took their skill, turned it into a business that struggled getting their business together, but because enough of them banded together, they have some capital. It just seems like that is an incredible track for veterans. As someone who comes from a small business world, it seems like this is a huge opportunity for the innovation. Ted.

Mr. DAYWALT. I would like to add to what you just said, Senator. I am on the Small Business Council at the U.S. Chamber and I have had—I have submitted 11 different ideas of how to help the National Guard and Reserve, one of which is for the government to put up a pool of money so that—and this would only help maybe 12, 14 percent of the people in the National Guard—but a pool of money where they can draw on, no interest or low interest notes so they can buy a franchise.

Senator BEGICH. Yes.

Mr. DAYWALT. There are a lot of advantages to that, because veterans tend to hire other veterans. Everybody in VetJobs is either in the military, married to the military, or a child of the military—do not tell the DOL that, they will say I am discriminating—but we do. And if they are in the Guard, you cannot file a USERRA complaint against yourself.

Senator BEGICH. Right.

Mr. DAYWALT. And while they are gone, their family can be running it while they are deployed, and then when they come back, there is no employment problem. There is no loss of benefits. There is no loss of income. But it will only help 10 to 14 percent of them, and there are a lot of other things to help the others, but entrepreneurship—veterans, study after study—Booz has done a great study on that—shows that some of your best entrepreneurs—

Senator BEGICH. Are veterans.

Mr. DAYWALT [continuing]. Were prior military because they have that all important quality called leadership and they can understand risk—

Senator BEGICH. That is right.

Mr. DAYWALT [continuing]. Because if I made a mistake out there, it cost some of my troops their lives. So you can make a decision very quickly. And so entrepreneurship would be a big part. There is no silver bullet.

Senator BEGICH. Right.

Mr. DAYWALT. I am always fascinated when I come up here, because everybody is looking for the one silver bullet that is going to solve all their problems. Your problem is multifaceted. There is no one silver bullet. So you are going to have to do 11, 12, 13 things, and none of them are cheap.

Senator BEGICH. Right. I will just end with this comment. Thank you, Madam Chairman, for the chance to ask a couple of questions. Again, thank you all for doing what you are doing.

But you are right on the franchise piece. I have seen some good reports and franchisers, which I have looked into many times in my years, the veteran component, they look for because of just

what you said, because they know when they say, OK, build five stores, it is like a mission and they are on it and they figure out how to move through it. But their issue is capital. It is always—because when you do a franchise, there is no \$5,000 issue. It is a \$50,000 to \$250,000—

Mr. DAYWALT. Or more.

Senator BEGICH [continuing]. Or more, depending on the franchise you get.

Mr. DAYWALT. The International Franchise Association sponsors a group called VetFran. We are a part of that.

Senator BEGICH. Yes.

Mr. DAYWALT. And they have a big initiative going on this summer, and the VFW and some of the other VSOs are getting involved with it now. We think that is a good solution.

Senator BEGICH. Yes.

Mr. DAYWALT. But there—

Senator BEGICH. It is a piece.

Mr. DAYWALT. It is a piece to the puzzle.

Senator BEGICH. Thank you, Madam Chairman.

Senator MCCASKILL. Maybe we could do away with some of the bureaucracies around this issue and take that savings and put it into a fund that could—

Senator BEGICH. If we do—

Senator MCCASKILL [continuing]. For low-interest loans and—

Senator BEGICH. Combine the Department of Labor over with Vets. Take that savings.

Senator MCCASKILL. And it is more than just the Department of Labor.

Senator BEGICH. Oh, yes, it is. Yes.

Senator MCCASKILL. There is something touching veterans in almost every agency of government, all for the right reason, because people wanted to help veterans. But what we have done is we have spawned, and what this hearing today has shown is that one piece of that we have exposed is this report that everybody is supposed to file. You guys are doing a great job. They do not even have your data. One of the data they had showed that somebody hired—you were not here, Senator, but the Committee got data from the Department of Labor that showed that one company hired 400 percent veterans more than they employed, than their total employees.

So, clearly, we are—

Senator BEGICH. We want more of those companies. [Laughter.]

Senator MCCASKILL. Well, yes. I mean, the data is like a joke. It is like a bad joke.

Let me ask, the certification of this is something that was scandalous that the SBA had to deal with, where it was discovered that somebody was claiming to be a veteran, was getting the advantages of being a veteran, and was not a veteran. And even worse, I believe the example that brought this to light was they were claiming a service disabled veteran and they were not even a veteran.

So, first, how can we certify veterans for advantages that we try to put into the law for them in a way that does not hinder the entrepreneurship of them as they move into the business world, and second, what about fronting? How many veterans are being hired to front for companies to get the benefits that are associated with

a veteran-owned business? In your experience, have you all seen that? And if so, do you think the government even dents the surface of getting at fronting?

Mr. SULAYMAN. Well, ma'am, I can tell you that I have heard of fronting. We have not heard anything anecdotally and I have talked to folks at SBA and VA and DOL on those issues a couple times.

The process that the VA goes through right now to certify veteran contractors, veteran businesses, is apparently statutorily mandated, and I understand that the intent was to eliminate some of those issues and abuses. But it has also made it very difficult for veteran-owned companies, whether they are small—whether they are service-disabled veteran-owned businesses or just veteran-owned businesses, to get into the system. And you were talking about some of the bureaucracy. If you look at—there is vetbiz.gov, which is the VA's site, and then there is fedbizops.gov, which is, I guess, the general site. There are multiple touch points and I think that makes it difficult for veterans to understand where they need to go and what they need to do.

Anecdotally on that point, I have heard several veterans who have gone through the VA's credentialing process and think, OK, now I can do business with the Federal Government, only to find out that they never had to go through that process to do business with the other arms of the Federal Government.

And we certainly have heard, not necessarily from our membership but through the media and news, about instances like SBA and veterans either fronting or companies claiming to be SDBOs or veteran-owned businesses that are not. And SBA, in talking to the veterans outreach folks over there, they said that, historically, the rate is very low.

So we think that the self-certification that is used by SBA is probably the way to go, but maybe add some small barriers, you have to produce a certificate of incorporation or you have to produce incorporation documents that show a veteran and the veteran's DD-214, something that is a little bit more than self-certifying. What exactly that would be and how best that would be done, I could not say off the top of my head, but I think adding some small hurdles, while still allowing that small business to have a low barrier to entry into business with the Federal Government, is probably the way to go, and I think you would weed out most of that.

Fronting, I think, really, at that point, I mean, just taking somebody to the woodshed, judicially speaking, is probably the way to end that.

Senator MCCASKILL. I just wonder if we were even doing the oversight that is necessary to find the fronting. I mean, what this hearing has taught me is that we are not really paying attention. We are passing laws and then we are not paying attention, and that is why we are going to try to stay on this from a contracting standpoint and try to continue to pay attention to see if we cannot—I am just, dollar, bet you a dime, that it is going on out there, but it has not been uncovered in any way.

Let me ask you, Mr. Kympton, I am fascinated by your organization. It is a win-win-win-win-win-win-win. I assume that all of this

is being done with charitable donations. Are there any government funds that are involved in your organization whatsoever?

Mr. KYMPTON. Madam Chairman, there are no government funds at this time, no.

Senator MCCASKILL. And what is the amount of stipend? I mean, if someone is on a fellowship with your organization, how many can you do a year, and how big is your organization's budget, because we should—this is a great example of where the private sector does—the not-for-profit sector does a much better job than government in trying to assist not only the veterans, but the community writ large as it relates to the various organizations that you get fellowships in. How does this work? Are the various organizations providing the money or do you provide the money for the stipends during the fellowship?

Mr. KYMPTON. Madam Chairman, our loose planning figure for a fellowship is \$10,000 per fellowship, and what that funds is 6 months of living stipends for the fellow so that he or she can work in a volunteer capacity within whatever organization, whether that is Habitat for Humanity or the Boys and Girls Club. And all of that money comes currently from private dollars, either corporate corporations or individuals who have seen the value of placing veterans within these nonprofit and community service organizations.

So the living stipend that we pay them so that they can serve in a volunteer capacity represents roughly \$7,000 of that \$10,000, and it is pegged to the AmeriCorps living stipend. So we pegged it on something that is out there. It varies by location. It varies by the cost of living in that location. And, again, the intent is so that they can serve in a volunteer capacity, reconnecting to a mission, while they are also working toward a longer-term outcome for the contract, whether that is full-time employment either with the organization in which they are serving or one that they have targeted as a place that they would like to serve, or as a segue into continued education, or placing them in that ongoing role of service in their community.

Senator MCCASKILL. Are you a United Way agency?

Mr. KYMPTON. No, we are not.

Senator MCCASKILL. So how many veterans are you serving on an annual basis in this capacity?

Mr. KYMPTON. This year, we have targeted internally somewhere between 400 and 500 fellows. Most recently, we have organized these fellows into classes, cohorts, a very military concept. So we brought 114 fellows together in San Diego and started them as a class, and then after their 3-day orientation in person, a very kind of military flavored orientation—

Senator MCCASKILL. And how do you find these veterans, or how do they find you?

Mr. KYMPTON. The most prolific source of recruitment right now for us are our former fellows or the volunteers who have served with us in communities and have seen what these fellows are capable of.

Senator MCCASKILL. Have you done National Guard folks?

Mr. KYMPTON. We have, yes.

Senator MCCASKILL. It seems like, to me, this might be a good fit for the National Guard, because if you are talking about a 6-

month fellow, someone who has been deployed and has come back and is serving in the National Guard, I mean, maybe this model is something that we could try to promote, not through government but in the private sector, to actually focus on the National Guard population, because it seems to me that the flexibility that a not-for-profit represents in terms of not being as worried about future deployments upsetting the entire business model of a not-for-profit makes a lot more sense than maybe some of the other kinds of work that a Guard or Reservist could look for.

Mr. KYMPTON. Madam Chairman, I can tell you both anecdotally and with data that the organizations in which our fellows serve deeply respect what they have brought to those organizations in terms of the skill sets—

Senator MCCASKILL. Right.

Mr. KYMPTON [continuing]. And the unique experiences, and plus they are getting a volunteer who are bringing all of those skill sets and experiences to the table. So they keep coming back to us. We have placed more than one fellow at Habitat for Humanity and I believe that is due to the impact that these veterans are having on those organizations.

Senator MCCASKILL. I bet they really give those organizations a shot in the arm in terms of morale and passion and focus. I think it is a terrific organization.

I want to give Senator Carper a chance. Am I calling on you before you are ready? I have more questions if you need time.

Senator CARPER. I am ready. Thank you.

Senator MCCASKILL. OK. Senator Carper.

Senator CARPER. Thank you, Madam Chairman.

To our witnesses, welcome. It is very nice to see Ted Daywalt again, and we welcome each of our witnesses.

Senator MCCASKILL. Just put your sign up here so the people watching on C-SPAN know who you are.

Senator CARPER. Thank you. Who is that guy, anyway, sitting next to Claire McCaskill? [Laughter.]

Just, like, airdropped in from the Finance Committee. Here we are.

But I just want to express my thanks. Some of you, and I do not know if you have talked about it here today, we have a situation going on where I am a former veteran, Navy guy like Ted, and the idea of being able to pursue a degree or post-secondary program while on active duty, being detached, deployed around the world, I mean, that is great. That could be—it is a great model, because the nature of the work you do in the military is you are gone a lot and it is just great.

Unfortunately, and we have some folks whose distance learning colleges and universities, some of them do a great job in screening people, preparing people for these programs, making sure that they get the tutoring that they need and a lot of support and they are actually being prepared for jobs that will enable them to be productive citizens and pay off whatever their loans or debts might be that relate to their education. Not everybody is wearing a white hat, though, in that industry, as we know.

As Mr. Daywalt knows, some of us have been working on legislation that says, let us go back and actually revisit the way the law

used to be. It used to be that 15 percent of the revenues of a proprietary school had to come from sources other than the Federal Government and 85 percent could come from the Federal Government. And then that was changed to 90 percent could come from the Federal Government but 10 percent had to come from other places. Now the rules are such that 10 percent that can come from other places can come from the G.I. Bill and from tuition assistance for folks that are on active duty. So we have literally got 100 percent of a college's or institution's income can come from the Federal Government, no skin in the game. Not a good situation. So we are trying to address this and work our way back to a real 90-10 rule where 10 percent of revenues have to come from someplace other than the Federal Government.

I wanted to just ask, if I could, of Mr. Daywalt, and others if you want to jump in here, employers, we know, are not readily snapping up some of our veterans. Some, they are, but some, they are not. But even those that have completed their college degrees using G.I. Bill benefits. And I guess one of the questions is, why is that, and could there be some correlation here between the quality of the post-secondary training that folks are getting from the G.I. Bill or from tuition assistance and whether or not it is doing as much in terms of job preparation as we think it ought to be getting? Could you just speak to that, Ted?

Mr. DAYWALT. Sure, sir. I will start by saying that if we did not have the National Guard problem, we would not be sitting here talking about veteran unemployment today because what we see, overall, the bulk of the veterans coming off active duty are getting employed, or they go back to school and then they get employed. But when they are totally separated, employers want to hire you. It is that National Guard issue where the real veteran unemployment issues lies.

If we were talking about this problem 20 years ago, it was the over-50 veteran that could not get a job. And then DOL did, I think, what was one of the best programs it ever did, was put in these computer training programs in all the workforce centers, and within 6 months, the unemployment rate went from the 20s down to, like, 4 or 5 percent.

Senator CARPER. Is that right?

Mr. DAYWALT. Because they have the skills. They just did not know how to use the computer. In today's environment, if you cannot use the computer, you are illiterate. But the real unemployment problem—the overall unemployment rate for all veterans right now is 7.7 percent, using the CPS numbers. It is that young veteran that is in the National Guard is where your real problem is at.

But to your question, employers want to hire them. We have what, 5,000, 6,000 companies that use VetJobs on a regular basis. I can only think of one company I have ever dealt with that I would say was anti-military.

Senator CARPER. Out of how many?

Mr. DAYWALT. Over 5,000.

Senator CARPER. Whoa.

Mr. DAYWALT. Only one that I would call anti-military. Now—and the government contractors, I know there is going to be a big

stink about what The Weather Channel did with a major here recently, but for the most part, when there are USERRA problems in a company, it is because an individual made a stupid judgment, not—it is not corporate policy. But, overall, they do want to hire them, sir.

You have to fix a systemic problem. If you fix the problem—go back to the change of policy on January 11, 2007—in 2006, the unemployment rate for your 18 to 24-year-olds was only about 10 percent, thereabouts. In 2008, it went up—I mean, at the end of 2007, it went to over—like, 23 percent. And the employers started saying, wait a minute. If you are going to take my employee away for up to 48 months out of any 60, I am not going to keep them, and that is why it doubled, and it doubled in the young ones because that is where most of the members of the National Guard are your 18- to 29-year-old veterans.

You get rid of that systemic problem, you will not need a hearing like this today.

Senator CARPER. OK. Any other comments on the issue? What I am looking for is the correlation between folks that are using our G.I. Bill and maybe tuition assistance and it is not preparing them for a real job.

Mr. DAYWALT. Well, it does prepare them. The G.I. Bill is working. It gives people—they go in—Student Veterans of America and IAVA both have been very active helping people to get into the schools. When they come out of the schools on the other side, it prepares them. And a lot of great companies—ManTech is a good example, where they bring people in and they train them. They do not want to hire veterans, but they do not want them taken away. It is a simple problem.

Senator CARPER. Yes. Ms. Sullivan?

Ms. SULLIVAN. So in thinking about any stones left unturned, and I was glad that you brought up the G.I. Bill, so certainly ManTech is as networked as anybody. We have a successful program. Our numbers speak for themselves. It is part of our culture. It is a part of our company, how we operate.

But there is one thing that I heard universally from people with inside of ManTech of, is there some stone unturned that really could make the difference, really move the needle in a significant way, and certainly I am not expert on this, but something for all of us to consider is, is there a way for veterans who are leveraging the G.I. Bill and trying to improve their skill set so they become more employable, something that we see is many times veterans who are leveraging that G.I. Bill, in the process of getting their education or more training, they lose their security clearance. And for an employer like ManTech, and most of our work is mission oriented so it serves the Department of Defense or serves the intelligence community, that ability to have a security clearance, an active one, is a very necessary component, and that part of the market is still a good market and it has competitive pay.

So anything that could be done to help preserve that clearance, maybe, I do not know, put it in a deep freeze or a deferral mode versus just cancel it outright, I think could be a real needle mover for everyone.

Senator CARPER. OK. Thanks.

Senator MCCASKILL. That is a great idea.

Senator CARPER. Yes. Thank you very much.

Any other comments on this issue? Yes, sir.

Mr. SULAYMAN. Yes, sir. I know you are probably used to hearing Tom Tarantino talk about the G.I. Bill issue on IAVA's behalf, but that is something that, definitely, we thank you for your leadership on with trying to change the 90-10 rule, and we have heard anecdotally, and we think we have plenty of examples and there are plenty of statistics to back up the idea that veterans, in trying to take advantage of the best career-ready training program that is out there, which is the G.I. Bill, especially the Post-9/11 G.I. Bill now that it can be used for licenses, certifications, not just for post-secondary education, but professional degrees and trades and everything else, basically—

Senator CARPER. It is even transferrable, I believe.

Mr. SULAYMAN. And transferrable to—

Senator CARPER. Family members.

Mr. SULAYMAN [continuing]. To children and spouses and, I mean, it is—

Senator CARPER. What a deal.

Mr. SULAYMAN. It is an awesome program. But we—

Senator CARPER. I think when we came back from Southeast Asia at the end of the Vietnam War, I think we have about \$200, \$250 a month.

Mr. SULAYMAN. Right, and there was a big differential between the post-World War II G.I. Bill and the G.I. Bill for the Vietnam era veterans. And this, the Post-9/11 G.I. Bill, really restored some parity more on the level of the post-World War II G.I. Bill and can be a game changer, and a lot of institutions sprang up, as they did after World War II, to take advantage of that and take advantage of some of the loopholes. And we have found from our membership that really has been an issue for them, with not completing degrees because they have exhausted the G.I. Bill on, quite frankly, really expensive degrees that were not going to prepare them for the jobs they were taking—criminal justice technology, for instance.

I had a small business before I got deployed in construction. I was reviewing some of the online universities' courses in construction management technology and I could not figure out how that would have applied to any of my subcontractors that I used or me as a project manager for a Fortune 500 construction company. It was really—and that is one of those things, where if you go to school and you get that degree and then you go out looking for the job or you try and startup a business as a small contractor and want to do business with Federal, State, or local governments in construction, those sorts of things, that is not going to impress anybody and help you out, and that is one of the things that we have found as we have looked at the issue.

Senator CARPER. All right. Anybody else?

Mr. DAYWALT. To Ms. Sullivan's issue about security clearances, we hear that all the time, and there is a solution but it is going to take a change of paradigms over at DOD. In our country, unlike in Europe, the individual does not have the security clearance. The billet or the job has the security clearance. And then when you step out of that billet, you are no longer cleared. Now, at the TS/SCI

level, you have up to 6 months to get back into a job at the TS/SCI level. Otherwise, you have to start all over again with a brand new special background investigation, very expensive, which is why we always make jokes that when one government contractor hires someone at the TS/SCI level, especially with polygraph, they have not filled a job, they have created a vacancy someplace else.

When the person goes to school, when they get out to go back to work, they have to start all over again. So the solution is to create some billets that would be holding billets so that, like when I stepped out of the Navy, I had a TS/SCI, since I left Naval Intelligence, and if I wanted to go back to school, I would be put into a billet that leaves me at that security clearance, even though I am not working at it, now when I go to apply for a job, I already have my TS/SCI in place so that I can go into a job requiring a security clearance because I would be switching from that billet to whatever billet I go to work for in that company. That would be a solution.

Now, a lot of your unions want to fight that because then they cannot do the background checks and everything else at DSS, but—and the same problems with the certifications of veterans. We have talked for years about if a guy drives a truck in the military, he could get a commercial driver's license (CDL) or be able to get an emergency medical technician (EMT) license or whatever in the civilian world, and everybody says they are in favor of it until it gets on the floor of the House and the unions say, oh, no, no, no, no, no, no, no. We are not going to have them come out and compete with us. But that would be a simple way to fix part of that problem.

Senator MCCASKILL. I think we passed that, did we not?

Senator BEGICH. We did, and also, there is a program that—I am not sure 100 percent agree with you, because there is a program called Helmets to Hardhats that the unions actually organized, because they are in huge needs because the trades are averaging 52 to 55 years old and they need replacements very quickly. And so I am not sure that old paradigm of one group against is there because the legislation we passed starts opening up the doors.

Senator MCCASKILL. Right.

Senator BEGICH. But I know the Helmets to Hardhats program, at least in my State, has been somewhat successful. That is why, when I walked out of here, it was with the labor union about what they are doing.

Mr. DAYWALT. And the purpose of Helmets to Hardhats is to recruit people into the unions, which is great. I mean, unions are good. But let us not stand in the way of—if you are an electrician in the Army and you come out, you have been in the Army 25 years, you are not going to go to Detroit and start as a journeyman electrician, but that is what the union wants you to do. You are going to go to Right to Work States where you can make a decent wage and not start at \$8 or \$9 an hour and work your way up through some union bureaucracy. That is brute reality. I come from Realsville. I am sorry.

Senator CARPER. All right. Mr. Kympton, do you want to say something, and then I am done. Thank you.

Mr. KYMPTON. Yes. Thank you, Senator. At The Mission Continues, we are using the vehicle of service as a reintegration strat-

egy for veterans and are finding that it is leading to employment, it is leading to continued education.

Currently, Madam Chairman, as you asked, we are not receiving any Federal funding to do that. I believe that the G.I. Bill represents an opportunity to expand what we allow veterans to focus that funding on and to choose the training program or the education program that they want to use as a vehicle to further employment. And that vehicle of service, funding a 6-months in service or funding a year in service, might just be possible within the G.I. Bill itself.

Senator CARPER. OK. Thanks.

All right. Thanks, Madam Chairman. Thanks very much. Thanks for holding this hearing and letting me slip by and ask a couple of questions.

Senator MCCASKILL. Thank you. Senator—

Senator CARPER. Captain, nice to see you.

Senator BEGICH. I do not. Actually, my last question was just on that, the VOW to Hire Heroes Act, which is the one we passed. I know one potential might be, and maybe it is here, maybe it is in the Veterans Committee, is kind of see where that is going, because the goal of it is to start making sure that if you are an electrician in the military, that you can make that transition into the private sector without having to retrain, recertify, going through the process. That legislation that was passed last year, or this last several months ago, was pretty significant.

So it may be that it is a question we need to ask, I do not know if it is here or given to the Veterans Committee, kind of where that is at and how that is progressing, because that is one of the biggest complaints I hear, that we see people who are—if you are a truck driver in Afghanistan, you can be a truck driver anywhere is the way I look at it. But they need to get the legislation that is passed and what DOD is doing on that, so just a little side note there.

Senator MCCASKILL. Let me finish up with this VETS-100 form. Do the two businesses represented here, do you feel like going through the requirement of filling out this form, has it in any way been beneficial to your company, even though clearly the Department of Labor is not paying any attention to it?

Ms. SULLIVAN. We aggregate so much information because we are publicly traded, so any information that we collect or report, it comes up to management's attention. I do not think we have ever looked at, to my knowledge, the VETS-100A as a management tool or resource. To that end, typically, because we are publicly traded, there are a lot of reports that we have to file relative to compliance, such as the Securities and Exchange Commission (SEC) reporting and other things.

Senator MCCASKILL. Right.

Ms. SULLIVAN. So I am not sure that we have ever stepped back, the compliance part, and really thought about it in that sense.

Senator MCCASKILL. I am wondering, if we made these public, if it would help. I mean, if the data was publicly available, would you all not notice that they did not have your data?

Ms. HARDY. Madam Chairman, we think providing public access to all vets data would encourage other companies to step up their practices and provide contractors with more information about the

government's internal use of the data will lead to new and creative solutions. So we think transparency is the right approach.

Senator MCCASKILL. Yes. I think one of the reasons that this data has been such a waste of time is because no one has been paying attention to the fact that they are not paying attention to it, whereas if it had to be publicly posted, perhaps the agency would feel—and they are not here today, but they will hear from us. We will make sure that they are aware that we have discovered that no one is paying attention. They are not checking this data. They are not validating the data. They are not sharing the data. It is just a check that someone is making in a box somewhere and taking energy from companies that are doing it. But, frankly, if you are not doing what you are supposed to be doing, I do not think anybody over there would ever know it, the way it is being operated now.

So perhaps the way we do it is to before we try to do away with it, we try to make it public and see if it could come to some good and make it transparent before we actually try to say, let us—unwinding legislation that was put into place because people were trying to help a real problem is hard. I mean, speaking of SEC companies, look at Sarbanes-Oxley, right? I mean, it has become ingrained in our business world, and I am not sure that it accomplished what we wanted it to accomplish, other than providing full employment for a whole lot of lawyers and accountants.

Ms. SULLIVAN. So I realize that some of the questions might come on reporting, and when I talk to folks inside of ManTech who are more closely related to compliance reporting and this report and everything, at the end of the day, from a very practical sense of being an employer and doing the kind of work that we do, it does not change our behavior any because we are so mission focused. The work that we have are for positions required by the government that are very mission focused. So we are going to do what we need to do anyway, and it is—so it is not—one way or the other, it is not going to change our behavior.

Senator MCCASKILL. Yes. I think it is time that we step back from all of this and look and see what is a meaningful way for the government to impact this problem, because I do not think this is a meaningful way to impact it. There are meaningful ways we can. I think the new G.I. Bill is one way, if we can get our act together and ferret out these people that will have a special place where for taking advantage of veterans and their families to cabbage up their benefits without giving them one iota of educational benefit.

But organizations like Mr. Kympton's and Web sites like Mr. Daywalt's, those are the things that are going to make the difference, and tackling this Guard problem, really focusing on the Guard problem, since that is really what is driving these unemployment numbers. But those that want to do the right thing because it supports who their company is will do it. Those that do not will not, and I am not sure turning in a report to the government is going to have one bit of impact on that.

So we will go forward from here. If you would get us your information on Guard and Reserve hires, because I think that will be instructive to us. If there is anything that you all can add to the record about things that we should unwind that the Federal Gov-

ernment is doing now, programs that should be consolidated, there is a big controversy about moving all of these programs into VA, and some of that is turf. Some of it may be legitimate. There are those even, Mr. Sulayman, that think we should move the SBA functions around veterans' programs over to VA. I think the jury is out on that. But I want you all to feel comfortable continuing to give information to this Subcommittee as we track this.

I wish I could tell you that government contractors are doing a good job of hiring veterans, but unfortunately, the government's incompetence in this area has made that impossible for us to know. We have two good examples here today of companies that are doing the right thing, and by the way, it is a pleasure for me to compliment contractors. As you might know, most of the time when I sit in this chair, I am not doing that. Most of the time I am sitting in this chair, I am doing the opposite of that. So it is pleasant for me to compliment you on the work you are doing in this regard.

Thank you all for being here today and we will continue to try to focus on this problem, and in a meaningful way that does not cause businesses too much of a headache and ultimately helps veterans get where they need to be, and that is gainfully employed in a career where their leadership has a chance to shine.

Thank you all very much. The Subcommittee is adjourned.

[Whereupon, at 11:46 a.m., the Subcommittee was adjourned.]

A P P E N D I X

VETERANS EMPLOYMENT AND GOVERNMENT CONTRACTORS

June 5, 2012

Senator Claire McCaskill

This hearing will now come to order.

We are here today to talk about an alarming trend in the employment of our nation's veterans.

Service in the active-duty military or the National Guard or Reserve has historically been an advantage in seeking employment. Recruiters for the military promised that service could lead to careers. Yet, after more than a decade of war, we are seeing something very different – that the men and women who have served so honorably in Iraq and Afghanistan are facing unprecedented challenges in finding employment.

Last week, the Department of Labor released its latest unemployment figures, which show that the unemployment rate in the United States is currently 8.2%. Those same figures show that veterans who have served on active duty since September 2001 have an unemployment rate of 12.7%.

The unemployment rate for veterans who have served since September 2001 has also been increasing. In May 2011, the unemployment rate for these veterans was 12.1%. In May 2010, it was 10.6%.

These numbers are a stark reminder that we are not doing enough to help our veterans, and that we must take new and urgent steps to improve our national efforts to make sure veterans have the tools and opportunities they need to find careers after they leave the military.

Part of the problem is that there are significant barriers that veterans face in seeking employment. Veterans are finding that all of their training and experience cannot simply be translated into similar civilian jobs. They may be finding employers who feel unsure about hiring veterans and members of the National Guard and Reserve because they do not understand what service requires. Breaking down these barriers is critical and requires innovative and comprehensive responses.

Part of the problem is that the government isn't doing what it should. Simply telling a veteran to go down to his or her local employment office, or to search the job boards, as we have heard happens, is just not enough. Many different federal agencies, including the Defense Department, the VA, and the Department of Labor, have programs to work with veterans on employment issues, and some are more successful than others.

Government contractors are well-situated to be major employers of veterans, and many are. Contractors are also required by law to take affirmative action to hire veterans. Since 2002, companies with government contracts over \$100,000 are required to post job listings at nationwide employment offices, to report their veteran hiring and employment numbers to the Department of Labor through the VETS-100A form, and those with 50 or more employees are required to develop an affirmative action plan.

The question is, how well are contractors doing at this? The answer is that we have no idea.

Last year, I asked the Department of Labor for the information collected from government contractors for the past ten years. The Department was only able to provide data for 2009 and 2010 because it only just became electronically available. The Subcommittee staff

prepared a fact sheet summarizing this information and I ask unanimous consent that this fact sheet be included in the hearing record.

What this fact sheet shows is that the information currently being collected and maintained by the Department of Labor is spotty and frequently inaccurate. We saw numbers that are obviously wrong, like seeing a company whose number of veteran hires is 400% larger than the total number of people working for the company.

We also saw a significant amount of missing information. For example, the two companies represented here today did not appear in the data. Both had in fact submitted the data as required and were able to produce it upon the request of the Subcommittee.

It seems that the reason for this discrepancy is with the Department of Labor. There are two offices within the Department of Labor responsible for collecting the data and enforcing compliance. That is the Office of the Assistant Secretary for Veterans Employment and Training (VETS) and the Office of Federal Contract Compliance Programs (OFCCP). Yet, in conversations with the Department of Labor, the Subcommittee learned that VETS collects this information but never reviews it for any purpose and OFCCP has the authority to audit contractor compliance, but in fact conducts very few and never attempts any quality assurance reviews.

This doesn't make any sense to me. So I called this hearing today to bring together two groups who are actually taking active steps to promote contractor employment of veterans. We're here today to learn from some of the nation's leading veterans service organizations about the challenges facing recent veterans. We will also hear from two large and well-known businesses about the excellent work they are doing in recruiting and hiring veterans.

I look forward to a constructive discussion today.

I also want to make one point clear from the outset: the status quo is just not acceptable. We cannot continue to betray the trust of our nation's veterans by not doing everything in our power to ensure that they have access to employment. We also cannot continue to invest scarce government resources – and waste businesses' time – demanding that they file reports which nobody pays any attention to and which don't seem to have any benefit to veterans employment. We need to avoid duplication in programs but also ensure that we are not taking a one-size-fits-all approach.

This is a tall order, but when it comes to our veterans we have an obligation to do everything we can. I hope this hearing will be the first step. I also sincerely hope that the Department of Labor is listening, because I plan to follow up with them about the issues that we discuss here today.

I thank the witnesses for being here and I look forward to their testimony.



FOR RELEASE: June 5, 2012
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**U.S. SENATE COMMITTEE ON HOMELAND SECURITY AND
GOVERNMENTAL AFFAIRS**

**SUBCOMMITTEE ON CONTRACTING OVERSIGHT HEARING
HEARING: "Veterans Employment and Government Contractors"**

Statement of Senator Tom Carper
As prepared for delivery

Today's hearing is great opportunity to hear from businesses and nonprofit leaders, as well as other employers who have made a special and important commitment to hiring veterans. As a veteran, I know the sacrifices our service members make by defending our nation, and we have a responsibility to ensure that our heroes have the proper resources and support to re-enter the workforce once they arrive home.

In 2011, our nation had nearly 857,000 unemployed veterans seeking work. The jobless rate among post-9/11 veterans continues to be higher than the national average, and women veterans have one of the highest unemployment rates in the nation. That is unacceptable. That's why I was proud to pledge my support to the bipartisan Senate Veterans Jobs Caucus to help find solutions to lower the disturbingly-high veteran unemployment rate. Members of this caucus have made the commitment to hiring veterans, developing veterans' employment initiatives, and partnering with businesses and organizations to boost veteran job-training and hiring.

But as I always like to say, 'you can't manage what you can't measure,' and in order to make sure the public and private sectors are doing all that they can to hire more of our service men and women, we must have the proper metrics in place to track hiring and employment. As we've learned over the past couple of years, there have been several notable inconsistencies in reports that government contractors are required to submit to the Labor Department's Office of Assistant Secretary for Veterans Employment and Training (VETS). It is critical that we examine these discrepancies to make sure that the Department of Labor has the proper tools in place to track veterans' reintegration back into the civilian workforce and ensure that we don't leave our heroes behind once they arrive home.

Four years ago, Congress passed the Post 9/11 GI Bill. Under this law, members of the armed forces who have served after Sept 10, 2001 are entitled to a very generous education benefit that essentially pays the costs of earning a college degree. While I've introduced legislation to close the 90/10 loophole in the Post 9/11 G.I. Bill., *the Military*

Veterans Education Protection Act (S.2116), to me, the G.I. Bill continues to be a great motivation for veterans to encourage them to go back to school, to better themselves and to increase their attractiveness to employers with well-paying jobs. However, as we've seen today, there is still work to be done.

I appreciate this opportunity today to hear from our witnesses and to evaluate the integrity of the reporting system used to quantify veteran hiring by contractors and veterans hiring as a whole. We owe our nation's veterans – including the more than 78,000 veterans in Delaware – more than just a debt of gratitude for their service to our country. We owe them our sincere commitment to providing them with new jobs. As Congress, the President and companies across America focus on creating jobs for our nation's unemployed, we must strengthen our efforts to get veterans in Delaware and across the country back to work.

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Written Testimony

Of

Theodore (Ted) L. Daywalt

CEO and President

VetJobs

www.vetjobs.com



Concerning

**Veterans Employment and Government
Contractors**

Subcommittee on Contracting Oversight
Senate Committee on Homeland Security and Governmental Affairs

10:00 A.M., Tuesday, June 5, 2012
Dirksen Senate Office Building, Room SD-342
Washington, DC

WRITTEN TESTIMONY

Good morning, Chairman, members and staff of the Subcommittee on Contracting Oversight for the Committee on Homeland Security and Governmental Affairs.

I am very pleased to discuss with you how veterans are being employed by government contractors.

VetJobs (www.vetjobs.com) has a unique vantage point on this discussion as by the nature of our business over the last thirteen years, VetJobs has dealt with veterans and their family members on a daily basis who are pursuing employment with government contractors. VetJobs assists all veterans, including Officer and Enlisted, Active Duty, Transitioning Military, Reservists, Veterans and Retirees, of the Air Force, Army, Coast Guard, Marine Corps, Merchant Marine, National Guard, Navy, NOAA and Public Health Service, DOD civilians and their family members.

Background

When looking at veteran employment, it helps to understand that from an employer's perspective, there are **three groups** that comprise the post military service veteran employment and unemployment picture.

The first group would be those who are transitioning off active duty with no further military obligation and who are most frequently referred to as veterans. This group is the most desirable veteran group from which employers prefer to hire since the candidate has no further military obligation but comes with many skills and attributes wanted by employers.

The second group is comprised of the Federal Reservists of the Army, Air Force, Coast Guard, Marine Corps and Navy. While these veterans have the same attributes at the transitioning military, they are subject to being called up on a regular basis.

The third group is the National Guard. There are 54 National Guards who belong to the states and territories of the United States.

While all three groups are veterans, it helps to make the distinctions when analyzing how the veterans are being employed or why employers prefer one type of veteran over another.

Of the three groups, the National Guard has unique problems and is the least preferred source of veterans. Unlike active duty component members, when National Guard component members return from war they are demobilized and thus do not have a ready source of income unless they can find or have a civilian job. Given the bias against hiring National Guard members due to the call up policy and high operation tempo, National

Guard members have problems maintaining a continuum of service with a civilian employer. Additionally, since the National Guard component member belongs to the state and reports the governor of a state or territory, the National Guard personnel are used for local emergencies such as flooding, hurricanes, earthquakes and security services within a state which again takes them away from their employer.

This leads to financial difficulties and a host of family and personal problems for the National Guard participant.

During a press conference on January 11, 2007, Secretary of Defense Robert Gates and General Peter Pace, Chairman of the Joint Chiefs of Staff announced that the policy on the use of the NG&R was changing.

The previous Pentagon's policy for the National Guard & Reserve (NG&R) had been that members' cumulative time on active duty for the Iraq or Afghan wars could not exceed 24 months. That cumulative limit was lifted; the remaining limit would be on the length of any single mobilization, which may not exceed 24 consecutive months. What this meant was a National Guard member could be mobilized for up to a 24-month tour in Iraq or Afghanistan, be demobilized and allowed to return to a civilian working life, only to be mobilized a second time for as much as an additional 24 months for a total of 48 months in any 60 month period. In practice, most members of the National Guard have been called up for only 12 to 18 months and then released back to the civilian work force. Many have then been recalled again. But due to the change in the call up policy, the annual unemployment rate of the 18 to 24 year old veterans doubled from 10.4% in 2006 to 22.3% in 2007!

From a business point of view, one must understand that companies have a fiduciary responsibility to their shareholders to run an efficient and profitable operation, but they cannot do so if they cannot count on the availability of their employees. While for a business person this is common sense, those making the decisions on how to utilize the NG&R seem to have missed what corporate America is saying about extended call-ups. Employers will not support having their employees gone for long periods of time.

Consequently, the real veteran unemployment problem is in the NG&R. In 2007 the Department of Defense changed the NG&R from being a strategic reserve to an operational reserve. This made sense given the need for combat troops during the wars. But contrary to the Department of Defense (DOD) stated policy of calling up members of the NG&R only one year in six, the NG&R was used as a back door draft with multiple deployments.

For example, the National Guard in Georgia has had six one year plus call ups at the brigade level in the last ten years. That makes it very difficult for a member of the National Guard to keep a job. Many studies have found that due to the constant call ups, employers shy away from hiring active members of the NG&R.

Listening to the mainstream press and certain government executives, one would think the majority of veterans are unemployed, have PTSD or lack civilian work skills. For

example, a senior representative from the Department of Labor speaking at the Society of Human Resource Management (SHRM) 62nd National Conference in Las Vegas in June 2011 left the audience with the impression that most veterans have PTSD, do not have skills and are unemployable. Her speech was that veterans were broken. Fortunately, that is NOT the case.

The real story is that most veterans are finding jobs when they leave the active military. At VetJobs we have noticed that those veterans who are totally separated from the military are for the most part finding employment. Not so with the NG&R.

It is interesting to note that the unemployment rate for all veterans as a group has ALWAYS been lower than the national unemployment rate. While there will always be those select individuals who have problems finding work, as a whole, the veteran employment rate has historically done quite well when compared to their civilian and nonveteran counterparts, even during the current chronically bad economy.

The June 1, 2012 Current Population Survey (CPS) veteran unemployment report had total veteran unemployment at 7.8%, with a total of 880,000 veterans unemployed. This compares very favorably to the national CPS unemployment rate of 7.7%. One of the major sources of employment that has kept the overall veteran unemployment so low is government contractors.

However, the CPS unemployment for 18 to 24 year old veterans jumped from 18.6% in April to 23.5% in May. The majority of the 53,000 unemployed 18 to 24 year old veterans are in the NG&R.

Employers in America, and especially government contractors, see veterans as one of their most valuable sources of labor so long as the veteran is not active in the National Guard.

One final note for background: It is important to understand why employers make hires. Some Department of Labor (DOL) officials like to tout how many unemployed people there are for each job opening in the country and then bemoan the fact that employers are not hiring the unemployed. DOL and other governmental officials who make these statements are displaying a gross misunderstanding of how our economy works and why employers hire candidates.

Employers do not hire someone just because they are standing and breathing or are unemployed. Employers hire candidates to fill a need within the company. Bottom line is employers look for "qualified" candidates to hire. If one were to ask how many qualified candidates exist for each job opening in the country you would have large negative numbers in disciplines like healthcare (nurses, general practitioners, morticians, etc.), maintenance, electricians, welders, software engineers, internet security specialists, just to name a few.

Government contractors are major employers. Many have discussed with me the problem of finding qualified candidates to hire. And for that reason government contractors like to hire veterans as generally they have excellent skill levels.

Why Employers Hire Veterans

Leading reasons why employers hire veterans include the following:

Proven Leadership: Veterans are put into leadership roles at early stages of their time in the service. The real world, front line and often battle proven leadership developed in the military is well beyond that of a similar person in a civilian job.

Mission Focused: Every member of the military is used to working in an environment that is focused on the mission at hand. They are not clock watchers, but rather are focused on what it takes to be successful in their mission.

Team Players: From the early stages of initial training, all members of the military are used to working in a team environment. Some teams are small, others very large, but all members of the team know that their individual efforts are to support the team in reaching the larger objective.

Work Ethic: The work ethic of veterans is unparalleled due to the need to depend on each other for their lives. Every military person knows that their life and success depends on their teammates. As a result, the work ethic of veterans is vastly stronger than the normal civilian work ethic. People who have served in the military are used to working long hours in non-traditional environments.

Skill Training and Education: Today's veterans have been trained in nearly every occupation imaginable, with a strong emphasis on technology. Most of the training schools of the military that teach technology, leadership, recruiting (sales), management and operations surpass those available to civilians.

Immediate Contributor: Veterans, through their proven experiences in the military, become valuable contributors from day one of employment. Veterans are used to being challenged, encouraged to demonstrate initiative, think quickly on their feet and give recognition for performance to those who earn it.

Background Checks and Security Clearances: Over 90% of those in the military have had extensive background checks for various levels of security clearances. When a company hires a veteran, the veteran is less likely to become a risk to the company or its operation. If a company requires security clearances, a veteran can save the company a great deal of money on special background investigations since the veteran's clearance can be transferred in status.

Government Paid Relocation Assistance: When leaving active duty, veterans are given government paid relocation. The amount of this assistance varies with each individual, but it can save companies money that can be used for other purposes.

Government Contractors Proactively Hire Veterans

For all the reasons discussed above, I have found that government contractors are proactively hiring veterans.

Government contractors use many public and private resources to reach the veteran community. Frequently used resources and recruiting channels include:

- Military related job boards – private industry and government sites
- Military related newspapers and magazines
- Military related career fairs
- Networking
- Social networking sites
- Veteran Service Organizations (VFW, Legion, MOAA, ROA, etc.)
- Radio and TV advertising
- Veteran representatives at state and federal DOL workforce center
- Private and government sponsored career mentoring organizations
- University career placement centers

Representative companies who have outstanding military hiring programs and would be models for others to follow in the hiring of veterans include General Electric, CACI, ManTech International, BNSF Railway, Lockheed, Boeing, Rockwell International, Schneider Logistics, Home Depot, Loews, Combined Insurance, Prudential, etc. The listing of government contractors who do excellent jobs in pro-actively seeking to hire veterans could go on for many pages.

So the Committee can better understand what an outstanding military recruiting program by a government contractor looks like, I would like to highlight the military and veteran recruiting program and efforts of one of our many customers, BNSF Railway. BNSF is a major employer of not only veterans and transitioning military, but has also been an outstanding employer of the NG&R!

BNSF has a strong and nationally recognized military recruiting program. BNSF currently employs more than 6,000 veterans. In 2011, BNSF hired 5,500 new employees of which 1,339 were veterans which was 24% of all hires. Of the nearly 2,000 new hires made in 2012, 481 have been veterans, which again is 24%!

To accomplish this feat, BNSF has made a serious commitment to hiring veterans. For example,

- BNSF has an exclusive military staffing program lead by a dedicated full-time employee who is retired military. Government contractors who use dedicated military recruiters always do better when it comes to hiring military. Interested veterans can learn more about BNSF and apply online at www.bnsf.com/careers/military or contact John Wesley III, US Army, 1SG (Retired), Manager Military Staffing, at john.wesley2@bnsf.com. The program originated in 2005 as BNSF met and exceeded the challenge of creating an actionable program that took advantage of making veterans a valuable part of the BNSF workforce.
- BNSF makes extensive use of the recruiting the channels discussed above. This includes using the DOD transition centers, DOL workforce veteran representatives, heavily advertise on military job boards like VetJobs, and attend career fairs. On average, BNSF attends fifty (50) veteran focused job fairs and recruiting events annually.
- BNSF offers enhanced and extended benefits for those employees who participate in the NG&R and are called to active duty, including make-whole pay and company-provided sustained health care benefits for the duration of the orders which includes coverage for family members.
- BNSF offers fifteen (15) days of make-whole pay, without the use of any vacation, for employees in the NG&R for military training (e.g. annual training, etc.).

Other initiatives that BNSF has implemented include internal veteran programs such as:

- **Blue Star Gold Star Banner program** - sending the appropriate blue or gold star flag of recognition to every family of each of deployed employee service member who has answered the call to service in support of the Global War on Terrorism. Additionally, the appropriate flag is sent to the veteran employee's place of work and displayed for co-workers to remember until the employee returns.
- **Annual Veteran's Day recognition program** - BNSF chairman and chief executive officer Matt Rose sends personal letters of appreciation to every veteran employee (1st year included the new BNSF veteran lapel pin).
- **Patriot Award Program** - is a way for BNSF veteran employees who are called to serve in active military duty to recognize and thank their supervisors for their support

BNSF is truly a role model for civilian employers on how to hire and keep veterans in their workforce.

Obstacles to Government Contractors Hiring Veterans

At VetJobs we have found that government contractors of all sizes maintain active military hiring programs and want to hire veterans. While they prefer to hire veterans

who are totally separated from their military service, government contractors have proven to be leading employers of members of the NG&R.

But there are actions taken by the federal government which have unintended consequences and actually discourage the hiring of veterans. The following information is based on my conversations with many government contractors who think things need to change so they can be more effective in hiring veterans.

VETS100

A hindrance to hiring is the reporting requirements of the VETS100 and VETS100A. The VETS100 report is required by DOL of all government contractors. It is a very time consuming report and costs private industry many millions of dollars to collect the data. Yet only 5% or less of government contractors are audited for the VETS100 report.

Another problem with the VETS100 report is many members of the NG&R do not want to disclose they are active in the NG&R over concerns of keeping their jobs.

From a business perspective, for a report to be effective it has to be relevant, timely and actionable. The VETS100 report does not meet any of these three criteria.

Additionally, there really is no serious consequence to a government contractor. From an employer's perspective, the VETS100 report is an expensive paperwork exercise draining assets that could be better utilized within the company.

As a businessman, I have to ask why the government is requiring a universe of all government contractors to collect data when the government is only going to audit 5% or less of those collecting the data.

Is the purpose of the VETS100 report is a paperwork exercise to justify government budgets and bureaucratic jobs at DOL?

If the government wants to know how many veterans have been hired at a company, that information could be asked during an OFCCP desk audit. Or DOL could request that the local veteran employment representative (LVER) sign off on the VETS100 report so they know what is happening in a more timely fashion. This might facilitate better exchange of information between government contractors and DOL.

But the real bottom line is the fact that the VETS100 report does not cause more veterans to be hired by government contractors. Thus, for all the expense that the report causes employers, I could easily support eliminating the VETS100 report and DOL could find other meaningful employment for the bureaucrats that collect the information.

Certifications and Licenses

Personnel who serve in the military are trained in over 200 occupations that provide skills wanted by civilian employers and especially government contractors. Most of the skills learned by people serving in the military have direct civilian application but to obtain a civilian job the candidate frequently needs civilian certification or a license.

If DOD education and training commands were to add civilian certification to their training programs, it would be easier for a transitioning veteran to find civilian employment. This is particularly true with government contractors who frequently need candidates with specific certifications.

This assumes that the unions will no longer fight the awarding of civilian certifications to military personnel and assumes active duty commanders will understand that providing such certifications will not be a retention problem. In fact, it could help retention.

I would recommend that military education commands and institutions provide training that meets civilian certification and licensing requirements.

Office of Federal Contract Compliance Program (OFCCP)

There needs to be a serious review of OFCCP audit practices. OFCCP says it will concentrate on veteran and disabled issues this year. From a human resource perspective, OFCCP audits are a paperwork nightmare. But I question whether their approach is causing government contractors to hire more veterans. Many government contractors feel the tactics being used by OFCCP is a “gotcha” approach designed to punish employers and increase revenues to DOL.

For example, OFCCP in its desk audits are currently asking for screen shots of jobs posted to internet job boards over a previous 24 month period. At VetJobs we keep these in order to support our customers.

In a conversation with an OFCCP manager, I brought up the issue of the requirement for screen shots and asked where on the DOL website or in the OFCCP Frequently Asked Questions is the requirement for employers to keep and produce the screen shots of posted jobs because it does not exist. The answer I received was “We can ask for anything we want when conducting an audit”! When an employer cannot produce documents for which there is no written or legal requirement to produce, they are then assessed, frequently substantial amounts of money.

Another example is the way audits are conducted. I have heard from many government contractors that they had a desk audit, did well, and a few weeks later auditors come back to audit again, i.e., the auditors have been sent back by their managers to keep digging until they can find things on which to assess fines. That is no longer an audit. It is a revenue quota.

There are many examples like these two which raise questions for me as to whether the audits are facilitating employers to hire more veterans.

OFCCP has as its goal to ensure companies do not discriminate. We all agree that government contractors should not discriminate. But employers need to realistically know what will be required of them during an audit. Leaving the requirements of an audit to the on scene discretion of the auditor puts employers in a very precarious position.

In order to solve a problem one must effectively analyze, define and identify the problem and its causes. If one does not understand the sources of the problem, well-meaning solutions that are chosen will not work, or worse, will not address the problem at all.

I would recommend the committee consider asking the Government Accounting Office to conduct a study to ascertain if the current OFCCP audit procedures are effective and actually getting more jobs for veterans.

Transition Assistance Program (TAP)

Finally, many veterans transitioning off active duty need more assistance than is being provided. This is especially true of the NG&R component members which is where the real veteran unemployment problem exists. If transitioning military were to be better educated to everything one must do to find a job and understand the opportunities that exist with government contractors, more would be employed by government contractors. This would help reduce the high unemployment rate in the younger veterans.

As has been reported widely, the military Transition Assistance Program (called TAP in the Navy, Air Force, Coast Guard and Marine Corps – the Army calls their program ACAP (Army Career Alumni Program)) needs to be seriously reworked. It has been nearly 20 years since the program curriculum has been updated and many of the TAP offices are understaffed. There has been much talk about reworking the TAP program, but no action to date. The bottom line is transitioning military are not getting the assistance they need to find civilian job upon leaving the military.

Please understand there are excellent TAP offices. Examples would be the TAP program at Norfolk Naval Base and the ACAP program run by Eddie Perez at Fort Benning, Columbus, GA. Unfortunately, they are exceptions, not the rule.

With input from recruiting professionals and the successful TAP programs, I would recommend that the reorganization and effectiveness of TAP be accelerated.

Veteran Employment Outlook

The overall employment outlook for veterans transitioning off active duty is positive. Over 80% of military occupations have a direct or very close civilian equivalent. Any person who has spent a year or more on active duty has marketable skills wanted by

civilian employers. The military has engineers, nurses, lawyers, accountants, store managers, telecommunications technicians, truck drivers, food service managers and more. And all military members possess, to some degree, intangible skills such as leadership, process improvement, problem identification, trouble shooting, managerial/supervisory administration, and project management.

But if the veteran is active in the NG&R, they face great difficulties. Fortunately many government contractors have stepped up to the plate to assist the members of the NG&R with employment.

It is very encouraging to see how government contractors are employing wounded warriors. Companies like Walmart, Home Depot, BNSF Railway, American Airlines and many others are making special accommodations to hire our wounded warriors. It is a positive change from the 1970s when veterans would apply to a job and not mention having served in Vietnam as their Vietnam service frequently would work against them. The Vietnam Veterans of America, Veterans of Foreign Wars and American Legion have been leaders in changing the attitude of employers in this regard.

Thank you for your time. I trust the information presented will be of assistance in your deliberations.

This concludes my presentation.

Theodore (Ted) L. Daywalt

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U.S. SENATE COMMITTEE ON HOMELAND SECURITY
& GOVERNMENTAL AFFAIRS
SUBCOMMITTEE ON CONTRACTING OVERSIGHT
JUNE 5, 2012

STATEMENT OF SPENCER KYMPTON
CHIEF OPERATING OFFICER
THE MISSION CONTINUES

Madam Chairman, Ranking Member Portman, and Members of the Subcommittee, thank you for inviting me to participate in these important hearings. Based on my experience as a veteran, and my service at The Mission Continues, I believe that this subcommittee is doing work that is critical to the success of this generation of veterans.

Today, I am testifying as a West Point graduate and former Army helicopter pilot, and as a veteran who sought meaningful employment after military service. I now serve as the Chief Operating Officer of The Mission Continues, a national nonprofit organization, where we have worked with over 350 veterans to pursue successful transitions to civilian life.

Based on these experiences with veteran recruitment and retention, I believe that there are several key lessons that federal contractors and corporate leaders can apply to successfully tap into the great skills of today's veteran. Applying these lessons will strengthen their organization while building successful transitions for the veteran.

At The Mission Continues, we create successful transitions by engaging veterans in six-month community-service fellowships. Today, a Cavalry Scout mentors hundreds of children at the Boys and Girls Club; a Marine Corps sergeant helps his community prepare for disasters and emergencies through The American Red Cross; an Army Communications Specialist teaches English as a second language to immigrant children and their parents. We introduced these Fellows to a meaningful mission. We welcomed them onto a distinct team, and asked them to don a new uniform of service. As they serve, we provide them with living stipends and mentors.

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At the end of their fellowship, we will challenge them to mark their lifetime commitment to service by executing a service project in their community. After their fellowship, they move on to realize their post-fellowship goal of full-time employment, continued education, or an ongoing role of service in their communities.

Our experiences with these Fellows, and with more than a thousand veterans who applied for fellowships, have shown us this: when you connect veterans to a meaningful mission, ask them to join a distinct team, and challenge them with a set of goals that lead to definable impact, they excel. Just as they excelled in their military service, they again excel in their citizen service.

A primary factor in our selection and placement of Fellows is the passion they have for service. The Cavalry Scout serves at The Boys and Girls Club because he is fulfilled by mentoring youth. The Marine reads his community because he is passionate about emergency response. Reconnecting to a meaningful mission has been critical to their success.

Our Fellows are further enriched by the renewed connection to a team. As you know, all enlistees and officers take an oath to support and defend the constitution upon entering the military. They then join their military units, each of which possesses a distinct identity and strong traditions. Recently, we gathered more than 100 veterans and awarded them Mission Continues fellowships. We asked these Fellows to take a similar oath and join this distinct new team. In front of thousands of fans at a Major League Baseball game, wearing sharp royal blue Mission Continues polo shirts, standing at attention alongside their new comrades in arms, these Fellows proudly recited a new oath of service. They walked off the field motivated and eager to serve.

While they serve, we also require that our Fellows set and achieve goals; they each identify at least three goals for the impact they will have in their community. They identify a post-

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fellowship goal that will impact their own lives for years. We hold them accountable to those goals, and we partner in their success.

Roxley Pratt grew up in war-torn Sierra Leone. As a child, he marveled at the sentries guarding the U.S. Embassy there. He decided then that he wanted to be a Marine. Years later, after escaping a siege of his city and immigrating to America, he enlisted in the United States Marine Corps. He honorably served for six years, and his service included deployments to Iraq. Upon his return, people thanked him for his service, but when it came to landing a job, he struggled to get interviews. Unemployed and unable to translate his military skills at job fairs in Southern California, Roxley found The Mission Continues. Driven by his own experiences with homelessness and his personal responsibility to assist those less fortunate, he earned a fellowship with Habitat for Humanity. He has reconnected to a mission that is important to him. He is working on distinct teams – his team at The Mission Continues, his team at Habitat for Humanity, and the teams of volunteers he organizes. He is translating military skills to civilian skills. And he is excelling.

Roxley's story can be the story of this generation of veterans; it is a story of service in war and continued service at home.

Madam Chairman, we are grateful for your support and the support of this Subcommittee. I would welcome any questions that you or other Members may have. Thank you.



**Testimony of Ramsey Sulayman
Legislative Associate, Iraq and Afghanistan Veterans of America
Senate Homeland Security and Governmental Affairs Committee
Contracting Subcommittee
June 5, 2012**

Madam Chairwoman, Ranking Member, distinguished members of the subcommittee, on behalf of more than 200,000 members and supporters of Iraq and Afghanistan Veterans of America (IAVA), I thank you for the opportunity to share the views of our members on this important issue.

My name is Ramsey Sulayman and I am a Legislative Associate with IAVA. I am a veteran of Iraq where I was an infantry platoon commander and company executive officer. I have spent 14 years in the Marine Corps trying to execute the Marine Corps' two missions: winning battles and making Marines. As an IAVA staff member, I don't make soldiers, sailors, airmen or Marines but I do try to make their lives better. The views expressed in this testimony reflect the views and analysis of IAVA and not the United States Marine Corps. Thank you for your attention to the pressing issues facing our nation's veterans.

Unemployment is clearly one of the most pressing issues facing veterans today. While recent unemployment statistics may indicate that the employment outlook is potentially getting better for veterans as a whole, the situation is still worse than it ought to be. For example, the unemployment rate for veterans 18 - 24 years old is nearly double the rate for 18 - 24 year old civilians. Many people have suggested that empowering veteran entrepreneurs and incentivizing the growth of veteran-owned small businesses by setting aside a percentage of government contracts will help reduce the level of veteran unemployment. Many people question whether that goal is currently being met and if it is not, then why? IAVA agrees that helping veterans who own businesses is the right thing to do: it is a small helping hand in return for the sacrifices of service and will help make our nation and our economy stronger. However, there are several issues that need to be addressed.

IAVA believes that the logical place to begin helping veterans break into federal contracting is through the Transition Assistance Program (TAP). Because TAP is now mandatory for all service members, it is a convenient touch-point that will allow for the dissemination of information on federal contracting processes and opportunities, as well as the most basic level of information and training, to the widest possible audience. The Small Business Administration is currently developing an entrepreneurship track for TAP and we believe that this will be a key component in setting veterans up for success. We also believe that allowing veterans and their spouses to re-take TAP after separating as proposed in S. 2246, the TAP Modernization Act of



2012, is a necessary step. Allowing a veteran or spouse who has completed one track of TAP, education for example, to retake a different TAP track based on new circumstances, in this case the entrepreneurship track, is a small investment on the frontend. It will pay dividends in greater veteran success and lesser use of safety net programs on the backend.

Another necessary step is understanding the landscape of veteran-owned small businesses and service-disabled veteran-owned small businesses. Acquiring meaningful, complete and easily accessible data is critical to this endeavor. Unfortunately, the VETS 100 and VETS 100A forms, the main source of data on veteran prime contractors and sub-contractors, are not particularly useful. The information contained in VETS 100 and 100A is meaningful data, but only as a snapshot of those actually employed as prime contractors or subcontractors. Even then, the information is more akin to head count and it misses some crucial information. Because VETS 100 and 100A allows reporting of veterans employed at any point during the filing year, there is no guarantee that the level of veteran employment by a federal contractor or subcontractor is consistently reliable or accurate. In addition, without the inclusion of other relevant information, the value of the VETS 100 and 100A forms is limited. A good example would be the North American Industry Classification System (NAICS) that would allow tracking the number of veteran contractors by industry type or the era from which the veteran hails. These pieces of information would help elucidate in which industries veteran contractors are most heavily and lightly concentrated and whether that workforce is declining due to age.

The information contained in the VETS 100 and 100A forms is also not easily accessible. Few groups will have the stomach or resources to go through the difficult process of liberating that data. This is an important issue because in order to determine if there is difficulty in meeting the goal of no less than 3 percent participation in federal prime contracts and subcontracts by service-disabled veteran-owned (SDVO) small businesses that was established by the Veterans Entrepreneurship and Small Business Development Act of 1999, we must first have reliable data that will allow us to determine: 1) how many SDVO businesses exist; 2) how many SDVO businesses have (or are being awarded) government contracts; 3) the kinds of industry in which SDVO businesses operate. Lacking clear and reliable figures makes determining whether there is a problem and its extent nearly impossible.

IAVA also believes that the certification process for a SDVO business or veteran-owned small business should be easy and consistent. While we appreciate and support efforts at curbing fraud and abuse by definitively ascertaining the veracity behind claims SDVO or veteran-owned small business status, we also recognize and appreciate the fact that the certification process should be as painless as possible so as not to discourage small businesses with limited resources. We are concerned that the statutorily mandated certification process currently used for SDVO and veteran-owned small businesses doing business with the Veterans Administration (VA) is too cumbersome. Extending this system to all federal agencies would be unnecessarily burdensome



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on both the government and small businesses. The Small Business Administration (SBA) has relied on self-certification as a SDVO or veteran-owned small business and has experienced little fraud. IAVA believes that maintaining this system with some enhanced documentation requirements will help ease the burden on SDVO and veteran-owned small businesses while helping to guarantee that the consideration earned through service to country is not abused.

During research for this testimony, IAVA staff has pursued many different leads on making the system more efficient and to increase the number of veteran contractors. Many of the recommendations we heard often already exist in some form. For example, the idea of a searchable, centralized database of veteran contractors that could be used by federal contracting officers and federal contractors already exists as the Central Contractor Registration (CCR) and Dynamic Small Business Search (DSBS). The use of those resources to find veteran contractors, even by federal contracting officers, appears to be less than optimal because, we were told, many choose “the path of least resistance.” Therefore, part of the assessment of the problem will require a review of existing systems and processes. Some of these reviews are already underway and ideally will result in clarifying best and worst practices so we don’t waste our veterans time and money and tax-payer dollars.

IAVA strongly welcomes the efforts of Congress, the executive branch, and private industry in increasing the number of veteran contractors whether those contractors are fulfilling government or private contracts. As part of our commitment, IAVA is willing to spread the word about available opportunities or training to our membership and the greater population through our extensive social media outreach. We are also able and willing to partner with either government agencies or private corporations in targeted efforts to help increase veteran employment through our programs, such as our Smart Job Fairs held in partnership with the U.S. Chamber of Commerce. We believe that employment is the number one issue facing veterans of Iraq and Afghanistan and will only become more important as the war in Afghanistan ends. IAVA appreciates the efforts of this subcommittee and the other witnesses and we look forward to helping in any way that we can. Thank you.

**Pamela Hardy, Senior Associate in People Services,
Booz Allen Hamilton
before the
Ad Hoc Subcommittee on Contracting Oversight of the
Committee on Homeland Security and Governmental Affairs
United States Senate
Hearing on
Veterans Employment and Government Contractors
June 5, 2012**

Madame Chairwoman, Ranking Member Portman, and distinguished members of the subcommittee, thank you for inviting me to testify here today.

My name is Pamela Hardy and I am a Senior Manager in the Diversity & Inclusion team in People Services at Booz Allen Hamilton. I am responsible for all aspects of our organizational efforts to build, maintain, and assure a diverse and inclusive culture. Part of my job is to make Booz Allen an employer of choice for veterans.

Booz Allen Hamilton is based in McLean, Virginia, with over 80 offices throughout the United States. For nearly a century, Booz Allen has been at the cutting edge of helping U.S. government agencies, defense components, and other business and institutional clients accomplish critical missions.¹ Our firm, now public, employs about 25,000 people and is one of the federal government's most trusted contractors. We partner with government clients across a broad range of government agencies to solve their most important and complex problems; our work in analytics, engineering, operations, strategy and organization, and technology helps our customers better execute the most challenging government missions around the world.

Booz Allen is known as one of the leading federal employers of retired and former military service members. *Forbes* recently reported that Booz Allen ranked as the top employer for veterans, citing the approximately one-third of our employees who have self-identified as having military backgrounds.² We have also been recognized by members of the National Guard and the Reserve, as well as by the Disabled American Veterans (DAV) organization, for outstanding practices and policies that assist those groups. And we are honored to have been named in the top ten of the G.I. Jobs list of Top 100 Military Friendly Employers for six years running. We are proud to be consistently ranked among the country's top employers for veterans,

¹ Missions that Matter, Fiscal Year 2011 Annual Report, Booz Allen Hamilton (2011), available at <http://www.boozallen.com/investors/annual-report/annual-report-fy2011/missions-that-matter>.

² Jacquelyn Smith, *The Top Employers for Veterans*, FORBES (Apr. 23, 2012), available at <http://www.forbes.com/sites/jacquelynsmith/2012/04/23/the-top-employers-for-veterans/>.

and I am honored to have the opportunity today to speak about our demonstrated commitment to the men and women who have made personal sacrifices to serve our country.³

Booz Allen's commitment to military employment

Booz Allen Hamilton is a leader in the employment of so many former military service members because our commitment to veterans and wounded warriors is part of our corporate culture, extending from our senior leadership throughout the firm. We're successful, we believe, because we execute on this commitment in a highly integrated way—involving multiple aspects of our business and in every layer of our company—much like we integrate our various capabilities for our government and commercial clients.

We approach military hiring, as one might expect, through a variety of creative recruitment programs. But we also leverage the wide range of expertise we develop and provide to military clients—such as knowledge of veterans health services—to help us attract and support new hires; we support veteran-owned businesses through our contracting organization; we use members of our own workforce to mentor and support other veteran employees through employee resource groups, mentoring circles, education and leadership programs, and other means; we focus on programs to support military families and spouses; and importantly, veterans and wounded warriors are a major focus and beneficiary of the firm's philanthropic efforts through our Community Partnerships group. And all of these efforts are coordinated by an assigned committee of senior leaders to ensure maximum effectiveness.

It is the integration of effort throughout the firm, we believe, that makes the difference for hiring and retaining veterans. We are committed to employing and offering an inclusive culture for veterans because we respect and admire their service to our country, but also because former members of the military have strong training and bring a unique knowledge and experience base to their work. Few can know the challenges that face our U.S. military and other government clients better than those who have served our country in uniform.

Recruitment and retention: Booz Allen's experience and best practices

Much of our success in employing veterans is due to our core efforts to recruit military talent and retain them on our team. In fact, Booz Allen—as part of our client work—assists federal agencies with programs to help military personnel, wounded warriors, and their families transition from active duty into the civilian workforce, so we have a strong understanding of the military-to-civilian career transition process.

Booz Allen invests significant time and resources into improving our military recruitment efforts. Because Booz Allen's core work is conducted in such close collaboration with our government clients, including defense and intelligence agencies, we provide a unique civilian workplace environment that is attractive to those leaving military service. But over the years we have come to believe that our success in this area can be best attributed to a dynamic set of strategies for hiring and retaining former military personnel.

³ Supporting Veterans and Wounded Warrior Reintegration, Booz Allen Hamilton, *available at* <http://www.boozallen.com/consulting/view-our-work/48383297/supporting-veterans-and-wounded-warrior-reintegration>.

Recruitment. In its outreach efforts, Booz Allen's military recruiting team annually participates in veterans-focused career fairs across the country. Booz Allen also cooperates with the Labor Department's Transition Assistance Program ("TAP") by conducting direct jobs marketing at TAP centers and Family Services Offices on key military installations.

Another best practice for veterans' employment is to focus recruitment efforts on service members at the front end of their time in the military. For example, we have an active Student Veteran Intern Pilot program. By marketing our firm to these individuals early in their career, we try to create a pathway for them to rejoin a familiar community at Booz Allen later in their careers. We also recruit junior military officers through a program that connects these officers directly to a member of our military recruiting team. And further, we also have forged a relationship with the U.S. Army Partnership for Youth Success (PaYS) program, which offers Army soldiers a chance to pursue job opportunities with our firm after their military service.

We also facilitate strategic recruitment partnerships with military community organizations, and we leverage these partnerships to identify military and extended military community talent. Through these partnerships, the firm markets its employment opportunities to targeted organizations, including organizations focused on disabled and severely disabled veterans.

Retention. Veterans' employment programs are not tested only at the point of hiring. We have prioritized retention as part of our military-related talent program and have played a role as thought leader on veterans' inclusion initiatives with clients such as the U.S. Chamber of Commerce, Department of Navy, Department of Labor, DC Business Leadership Network, and others. We are proud of our success in retaining veterans in Booz Allen jobs and have designed and implemented innovative programs to smooth the transition between a veteran's separation from the military and his or her integration into the civilian workforce.

The Armed Services Forum, one of 14 employee resource groups offered by the firm, is a cornerstone of our retention initiatives. Led by our own employees, it provides a forum for veterans to communicate with each other and with our senior management about easing the transition from a military culture to a civilian workplace. Ideas generated in the Forum have assisted our Human Resources Department in developing programs to assist in the reintegration of staff returning from active duty. Throughout the year, the program provides resources to the families of activated service members. The Forum is not just open to veterans, but also to our non-veterans wishing to gain first-hand insights into the military perspective. The Forum is a success because employees and senior management alike so strongly support it.

Booz Allen has also served as a thought leader on issues of veterans' recruitment and inclusion. Inspired by the success of our Armed Services Forum, the Disability Management Employer Coalition recruited Booz Allen employee Andrew Gilbert, one of the Forum's co-founders, to contribute to their report. Their guide, "Workplace Warriors: The Corporate Response to Deployment and Reintegration," identifies the challenges returning veterans face and strategies and resources employers can use to support them. Many of the lessons learned from our program found their way into the final report, including suggestions about establishing

a military leave and return policy and a clear communication plan to explain benefits and programs.

Booz Allen is consistently recognized in the industry for top-notch training initiatives, and we have tailored these training opportunities to veterans. Our development programs include classroom-based as well as self-paced and online programs targeted at veterans. We run learning circles that are focused on certain military communities and a program that matches new hires with fellow employee mentors based on shared interests in military culture. We believe the combination of formal and informal programs for employees to share experiences helps solidify the integration of those who have served into the broader civilian workplace environment at Booz Allen.

Another Booz Allen initiative that eases the transition of veterans into the civilian workforce is our Disability Accommodations Team (DAT). This team reaches out to all newly hired veterans who self-identify as disabled or as a Disabled Veteran to apprise them of services available to staff who may need or would benefit from workplace accommodations and/or ergonomic office equipment. A core feature of the program is that it provides a centralized point of contact for these veterans who might not otherwise be comfortable requesting this type of assistance from their career or job manager. In addition, costs for ergonomic equipment or accommodation needs are covered by a separate firmwide investment fund managed by the DAT, ensuring maximum effectiveness without reliance on or impact to individual team budgets. We believe this program significantly eases what can be a difficult transition to the civilian workforce for veterans who may need or benefit from services like these for the first time in their careers.

Public service in the veterans' community is one of the most popular among Booz Allen's employee public service initiatives. We foster a supportive environment for veterans and other military employees and facilitate opportunities for all employees to give back to the military community and strengthen relationships within the company. Among many philanthropic efforts, Booz Allen works in partnership with the organization Rebuilding Together to identify veteran homeowners, among others, whose homes are in need of repairs. Just last month, Booz Allen deployed more than 1,200 volunteers in 32 cities to make free repairs to 67 properties. Fifteen of those properties impacted veterans and wounded warriors, including repairs to transitional housing for veterans in San Diego and Boston.

Finally, we are excited to share with the subcommittee our recently launched initiative to study how communities can strengthen collaboration on veterans' issues with public, private, and non-profit groups. We have hosted four interactive community summits to date, in San Diego, California; Fayetteville, North Carolina; San Antonio, Texas; and Radcliff, Kentucky—cities across the United States where military families live, and where Booz Allen has a strong local presence. Earlier this year, for example, our San Antonio summit brought together roughly 30 leaders from local government, advocacy groups, academia, healthcare provider organizations, businesses, and non-profit organizations to discuss providing care that is truly veteran-centric. We identified the most pressing hurdles facing transitioning warriors, developed collaborative action plans, and defined discrete initiatives that would help ensure long-term engagement with our participating organizations. These events serve as a catalyst for innovative ideas accessible to all veterans in these communities, not just those we employ.

We believe programs and initiatives such as those I just described have been key to our success in veterans' employment. Despite these achievements, however, we still face certain challenges and are always seeking ways to improve our military employment efforts. As with probably every firm that hires veterans, we find that providing a highly supportive and effective transition to the civilian workplace is most important to ensure the employee's success on the job. While we feel we are already highly effective in this area, we know that there is always room to explore new initiatives and new ways of communicating with veterans about those initiatives. We already work with government clients to develop programs for the transition from the military, but stronger coordination between the military and civilian employers on transition issues in particular should be a goal.

Suggestions for improving the federal government's efforts to facilitate veterans' employment

The subcommittee has asked us to discuss our company's experience in assembling information regarding veterans and filing this information with the Department of Labor. Annually, Booz Allen submits our employment statistics to the Department of Labor's Office of Federal Contract Compliance Programs (OFCCP) and the Veterans' Employment and Training Service (VETS) office. Each year we report the number of veterans employed throughout the company, as well as the number of veterans we hired during the year.

Booz Allen has long made hiring and retaining veterans a priority, and we agree with the federal government's efforts to encourage federal contractors to employ veterans. The federal government has struck the right regulatory balance, we believe, because it asks companies to think creatively about their veterans' employment efforts. We are committed to these substantive goals, as well as the need for reporting requirements that enable the government's oversight function in this critical area.

In addition, our experience has allowed us to distill a few suggestions for reform in this area. Our first recommendation is that all completed VETS-100 and VETS-100A reports be made available to the public online in a searchable format. Organizations including the U.S. Veterans of Foreign Wars (VFW) and American Veterans (AMVETS) have testified before one of your peer committees to the importance of transparency in veterans' hiring, and we concur with these views. We are confident this change would yield solutions because data analytics are the foundation not only of our own successful programs but also of many of the consulting services we provide for our government clients, including clients seeking strategies to improve their veterans'-related programs. Making the VETS reports public would permit firms to develop datasets from them and in turn formulate new and increasingly creative solutions for improving veterans' employment at their respective firms.

Beyond that, we also recommend that there be greater visibility to employers about how the wealth of data that is collected is actually used. To know what data is of greatest importance to the government, and more specifically how it is used to benefit which particular programs, would allow employers to fine tune their hiring strategies to better align with the government's goals and priorities. We believe this reform too will increase the information flow between federal contractors and the government, further enabling creative approaches to some of the issues we have discussed here today.

Senate Homeland Security & Governmental Affairs Committee

Subcommittee on Contracting Oversight

Veterans Employment and Government Contractors

**Testimony of Sally Sullivan, Executive Vice President
ManTech International Corporation**

June 5, 2012

Madam Chairman, Senator Portman, and distinguished members of the Committee, I am honored on behalf of ManTech International Corporation and our CEO and Chairman of the Board, Mr. George J. Pedersen to appear before you this morning to share our experiences in hiring and retaining our nation's veterans. As requested by your invitation letter, I have come today prepared to share with the Committee our experience in assembling and filing information regarding veterans to the Department of Labor, and our thoughts on what can be done to improve the federal government's efforts to facilitate the hiring of veterans by contractors.

ManTech is a global employer to almost 10,000 people, many of whom have selflessly served their country in uniform. That roughly 40% of our employees today proudly identify themselves as having served or are currently serving in the U.S. military, is evidence of the success we enjoy as a company and culture that successfully attracts those exiting the military and assimilates them into the civilian workforce on a sustained basis. ManTech provides those leaving the military with the opportunity to join the civilian workforce, the opportunity to gain additional job skills and training, healthcare coverage, and the opportunity to continue to serve their country and support an important mission as a contractor.

As the majority of our work today supports the U.S. military and Intelligence Community, a large number of the career opportunities available at ManTech are for positions that directly support mission requirements, and typically require skills gained through military service and the possession of active security clearances. To meet staffing requirements, ManTech actively engages with a variety of sources to identify and recruit the talent required by our government customers. Many of our recruiting activities are focused on engaging those who are in the process of exiting the military, or those who have recently exited. ManTech is an active member of more than a dozen military employment partnerships such as the 100,000 Jobs Mission, the Military Spouse Employment Partnership, Wounded Warrior Project, Hiring Our Heroes, and VA for Vets. We also build and maintain relationships directly with colleges and universities that support the G.I. Bill and offer programs developed especially for veterans. Over the past year, we have participated in more than 125 hiring events spanning 72 cities nationwide. As a result,

we connected with more than 5,000 veterans and hired more than 2,000 of them.

As part of our outreach to recruits, we work closely with the Transition Assistance Program (TAP), sponsored by the U.S. military. Through TAP, we offer onsite assistance to active-duty soldiers who will be leaving the military, including practical advice on how to develop and write resumes, how to interview for jobs, and how the civilian job environment works.

The fact that ManTech's employment base is made up of more than 40% veterans helps greatly with the reception and integration of new veteran hires. As much of our work aligns with or is complimentary to the skills that come with having military experience, veterans at ManTech find that making the transition from their military service to a civilian job is generally a smooth process that happens in a relatively short period of time.

Of the many things we do to retain our employees, to include veterans, ManTech offers educational, skills and career development training as well as mentorship opportunities. Our educational programs are offered through ManTech University, or MTU, a first-class, award winning corporate university established to support the emerging training and educational needs of our employees. MTU focuses on learner-centered instructional design, using interactive delivery methods, with an emphasis on thoughtful and informed problem definition, and implementing complex training initiatives. MTU has designed and deployed over 400 custom e-learning courses on a web-based platform available to ManTech employees 24/7 and in numerous countries throughout the world. MTU is also an equivalent provider for the Defense Acquisition University (DAU), and the Project Management Institute (PMI), which allows ManTech employees to maintain continuing education credits by taking e-learning courses developed by ManTech. Additionally, MTU has alliances with 13 different accredited universities, offering certificates, bachelors and masters degrees and mini-MBAs both online and in traditional classroom settings. These university alliances offer our employees an even wider range of credit and non-credit bearing professional development and continuing education courses that help meet the specific workforce training needs of ManTech and its customers.

In 2011, a large percentage of our veteran employees took advantage of training opportunities through ManTech University. More than 40,000 courses were successfully completed by our veterans, roughly 10 courses per veteran employee.

Many of ManTech's contracts require foreign deployments so ManTech offers two specific programs to assist the family members of deployed individuals. One program called LifeWorks, provides employees and family members free confidential access to resources and counseling 24 hours a day, 365 days a year. This program offers expert guidance on health related issues, addiction, grief and loss, financial ideas, how to parent a difficult child or teenager, and how to cope with stress. This program also assists families with referrals to local resources and services. Constant Care, a second program offered by ManTech is an internally staffed program available to employees 24 hours a day, 365 days a year by Human Resource professionals who have the knowledge and experience to assist deployed employees and their families. The employees who staff Constant Care are well versed on deployment and understand the unique challenges facing family members and provide a consistent connection for the family to the employee and ManTech. Constant Care is similar to the Military Ombudsman Program and, therefore, is familiar and well received by veterans and their families.

As a result of retention efforts such as these, many of our new recruits come as referrals from existing employees, which accounts in part for ManTech being named "#6 top military friendly employers" by G.I. Jobs Magazine, "most valuable employer for the military" by CivilianJobs.com, "one of the country's most veteran-friendly employers" by USAA Magazine, and "top 10 best employer for veterans" by Military Times Edge Magazine.

I am hopeful that this information sheds light on our experiences as well as some of the best practices we have developed at ManTech to recruit and retain veterans. Now, I will address your second request, which is to comment on ManTech's experience with assembling and filing information regarding veterans with the Department of Labor.

Logistically, the assembling and reporting information required by the Department of Labor for the VETS-100A is automated by database systems that capture employee information at the initial stage of the hiring process, when information required for payroll, health benefits, taxes, etc. is input into our systems when new-hires join ManTech. Each new employee is asked to self-identify if they are a veteran and this information is aggregated and reviewed by Human Resources specialists as well as by senior management routinely throughout the year. VETS-100A reporting to the Department of Labor is one of several routine compliance reports for which ManTech maintains established and audited compliance procedures. Changes to the VETS-100A reporting requirements or to the current Affirmative Action Plan requirements would need to be evaluated before I could comment knowledgeably about impact.

Lastly, you have asked for our suggestions for improving the federal government's efforts to facilitate the hiring of veterans by contractors. To answer this question thoughtfully, I engaged with several cognizant employees working in a variety of levels and roles. Whether Human Resources specialist, recruiter or line manager, their answers were very consistent... all felt strongly that the federal government already takes many bold and aggressive actions to ensure maximum outreach to this important segment of our population. Further, we know that companies like ManTech have embraced veterans outreach. After all, if we have not served ourselves, we each have family members and loved ones who have selflessly served our nation or are serving today. Our recommendation is to "stay the course" with those efforts we have in place today.

Madam Chairman, thank you for inviting me to appear before the Committee today on this very important matter. I would be pleased to answer any further questions at this time.

Questions for the Record from Ramsey Sulayman

Q. Does IAVA believe that the Employer Support for the Guard and Reserve (ESGR) award support system for companies is effective? If not, how could the system be improved?

IAVA believes that recognizing employers who support the Guard and reserve service of their employees is important. Recognizing employer support not only serves to applaud the valuable contributions of employers but lets employees and the general public know a company's level of commitment. The Employer Support of the Guard and Reserve has several different awards that an employer can receive. An employer must be nominated by a current employee who is a member of the Guard or reserve for a Patriot Award; higher awards are then considered by state or territory ESGR committees.

The awards system, as currently designed, can serve to recognize employer support ranging from being "highly supportive" of employees' service to continuing employees' salaries while they are on active duty. However, it is not clear from the nominating forms or the process described on the ESGR website what other (if any) specific criteria is used to evaluate employers. IAVA believes that outlining specific criteria for specific awards would help increase the efficacy of the program by giving employers goals to strive for and letting the public know exactly what an employer has done to deserve a Freedom Award, for instance. This approach would also guarantee that employers meet a minimum standard. For example, all levels of awards should require that an employer not have any USERRA complaints, SCRA violations, or legal action related to an employee's military service filed against them.

The Department of Labor's Office of Contract Compliance Programs (OFCCP) has published a proposed rule which would require for the first time that federal contracts establish annual hiring benchmarks, including specific information on veterans in the civilian labor force, the number of veterans who participated in state employment services, and referral ratios.

Q. Does IAVA have any concerns about the proposed rule?

In the current economic climate, the veteran unemployment rate has been consistently higher than the civilian unemployment rate. In some cases, the unemployment rate for veterans of Iraq and Afghanistan has been significantly higher, such as the unemployment rate for 18-24 year olds which for veterans has been double the civilian rate and higher. Therefore, it is sensible that the federal government does everything in its power to reduce the level of unemployment for those who have served their country so honorably.

One of the hurdles that makes assessing the success of programs aimed at veterans is the lack of information about veterans. While IAVA supports establishing benchmarks for hiring of veterans by federal contractors and establishing benchmarks for contracting with service-disabled veteran small businesses (SDVOSB) and veteran owned small businesses (VOSB), we recognize that this poses some issues for employers as well as the federal government. Establishing benchmarks

arbitrarily is a concern because some fields may be significantly under-represented by veterans, SDVOSB and VOSB. The reporting requirements required by the OFCCP's proposed rule do not appear to be overly burdensome and can possibly fill some of the gaps in knowledge about veteran employment. Benchmarks should also be adjusted based on the best available information.

IAVA believes that requiring federal contractors to post employment vacancies with state employment agencies is a reasonable request. Theoretically at least, disabled veteran outreach program officers (DVOPs) and local veteran employment representatives (LVERs) are the first point of contact for veterans seeking employment. Practically, this has not been the case, however, because states have come to use DVOPs and LVERs as auxiliary personnel for all clients rather than allowing them to focus exclusively on veterans. This is an example of why IAVA supports moving the Department of Labor's Veteran Employment and Training Service (DoL VETS) to the VA. Consolidating DVOPs and LVERs into a single role as veteran employment specialists and requiring that they focus on veterans will substantially increase the likelihood that OFCCP's posting requirements find their target audience and that the intent of increasing veteran employment levels with federal contractors is met.

**Post-Hearing Questions for the Record
Submitted to
Pamela Hardy, Senior Manager, Diversity and Inclusion Team,
Booz Allen Hamilton
“Veterans Employment and Government Contractors”**

**Tuesday, June 5, 2012, 10:00 A.M.
United States Senate, Subcommittee on Contracting Oversight,
Committee on Homeland Security and Governmental Affairs**

Q. How many veterans are employed in management level positions at Booz Allen Hamilton?

A: 34.4 percent of employees at the level of Senior Associate and above self-identify as veterans. In addition, 31 percent of the firm’s Leadership Team self-identifies as having a military background.

The Department of Labor’s Office of Contract Compliance Programs (OFCCP) has published a proposed rule which would require for the first time that federal contracts establish annual hiring benchmarks, including specific information on veterans in the civilian labor force, the number of veterans who participated in state employment services, and referral ratios.

Q. Does Booz Allen Hamilton have any concerns about the proposed rule?

A: As we indicated in our testimony during the hearing, Booz Allen has its own very strong commitment to hiring veterans. This commitment is an integral part of our firm’s culture, and we believe that it is good for our employees and our business. We fully intend to maintain our leadership position in the industry as a military employer of choice, notwithstanding the establishment of the proposed rule and accompanying benchmarks. If a rule were to be implemented, we would hope that the rule would allow companies such as Booz Allen the flexibility to continue their successful practices and programs with respect to the recruitment of military veterans and, furthermore, hope that the rule achieves its desired positive effects.

Q. Has OFCCP ever performed a routine desk audit on your company? If so, was the audit focused on veterans employment specifically or more generally on equal employment opportunity requirements?

A: The OFCCP has performed routine audits of Booz Allen; to the best of our knowledge, the past audits performed were not focused specifically on veterans employment.

Q. Has OFCCP ever asked to view Booz Allen Hamilton’s affirmative action plan?

A: The OFCCP has asked to view, and has reviewed, various Booz Allen affirmative action plans.

At the hearing, a proposal was made that separating service members should be allowed to retain their security clearances while taking advantage of their post-service education benefits.

Q. Would such a proposal be of a benefit to Booz Allen Hamilton?

A: For a company such as Booz Allen which regularly hires employees for positions requiring security clearances, the time required to wait for staff to receive new clearances can be substantial and costly, and this negatively impacts our ability to serve clients. Any program that would expand the pipeline of candidates who hold existing clearances would be beneficial to us in that regard.

Questions for the Record from Sally Sullivan

Q. What number and percentage of the personnel hired and employed by ManTech over the past three years are members of the National Guard or Reserve?

	<u>2010</u>	<u>2011</u>	<u>2012YTD</u>	<u>Total</u>
Active National Guard:	24	22	13	59
Inactive National Guard:	23	21	5	49
Active Reserve:	32	28	14	74
Inactive Reserve:	91	59	36	186
Total	170	130	68	368

Q. How does ManTech work with the Transition Assistance Program (TAP)? Are there opportunities for better integration with the business community and potential employers?

ManTech works with all of the TAP programs: Army, Navy, Air Force, Marine Corps and Coast Guard. We have a formal partnership with the Army's TAP program (ACAP) and informal partnerships with the other programs. ManTech regularly participates in:

- TAP sponsored Military Career Fairs on bases across the country
- TAP and ETAP classes (executive classes for retirees; higher ranking career military officers and staff non-commissioned officers) during which we provide them with employment information regarding ManTech as well as military transition related instruction
- TAP employer discussion panels and symposiums

We provide job posting to the Armed Services and TAP coordinators for distribution and post all of our jobs on the Services TAP websites and social media sites. The Services TAP websites also provide links to our ManTech Talent Network and Careers Website.

Q. Has ManTech worked directly with the Transition Assistance Offices at military bases? If so, how effective have those partnerships been? How can they improve?

There is a significant opportunity for better integration of TAP with employers in the business community. At this time, TAP classes do not directly connect transitioning military with employers other than through the informal methods I mentioned above. However, the US Chamber of Commerce is working on a project ("Fast Track"/Employment Mapping Program) that has the potential to significantly enhance the connection between transitioning military members and employers. The Chamber's program will essentially create a job board that service members attending TAP will be able to utilize to find and apply for jobs during and following attendance of the TAP course. In short, the Department of Defense and the business community recognize that there are some shortcomings in the current TAP curriculum and are working to improve connections between veterans and employers.

Q. In your testimony, you stated that ManTech has a number of current vacancies that it is unable to fill despite recruiting efforts. What areas are these vacancies in? How can the government or veterans groups help match up the right applicant with these vacancies?

The hard to fill vacancies are for defense and intelligence related work, almost all of which require a security clearance. For those veterans that held security clearances as a result of their active duty, the ability to maintain their security clearances is very important. Because possession of a security clearance improves employment prospects with companies that serve the US military and Intelligence Community, anything the government can do to help veterans preserve and pass their security clearances to private industry jobs that require security clearance should improve their success with securing these jobs.

Q. Does ManTech have any concerns about the proposed rule?

Yes, while ManTech maintains a strong commitment to hiring veterans, the proposed regulations would impose a significant administrative burden on employers.

Q. Has OFCCP ever performed a routine desk audit on your company?

Yes.

If so, was the audit focused on veterans' employment specifically or more generally on equal employment opportunity requirements?

Audits have been routine, and more generally on equal employment requirements.

Q. Has OFCCP ever asked to view ManTech's affirmative action plan?

Yes.



Fact Sheet

VETERANS HIRING BY GOVERNMENT CONTRACTORS

Senator Claire McCaskill

Chairman, Subcommittee on Contracting Oversight

Companies with government contracts are required to report information to the government regarding the hiring and employment of veterans. Contractors with at least \$100,000 in contracts awarded after December 1, 2003 must submit this information to the Labor Department's Office of the Assistant Secretary for Veterans Employment and Training (VETS) using a form called the VETS-100A.¹

At the request of Chairman Claire McCaskill, the Labor Department provided the Subcommittee with the available information collected by VETS.² The data received by the Subcommittee raises serious concerns about whether contractors are providing accurate data to the Labor Department and whether the Labor Department performs adequate quality assurance. In its review, the Subcommittee noted obviously incorrect information and statistically improbable data. The information provided to the Subcommittee is also missing data for many contractors, including large employers such as Booz Allen, Supreme Group, and ManTech International.³

Except as noted, the Subcommittee's analysis assumes that the VETS-100A data provided is accurate.

Overview of Veterans Hiring

The VETS-100A information produced by the Labor Department shows that federal contractors hired 223,666 veterans in 2010. In total, approximately 946,515 veterans were employed by government contractors and their subsidiaries in 2010.⁴

According to the data provided by the Labor Department, the contractor who hired the most veterans in 2010 was Compass Group, who reported that they hired 78,385 veterans. This number is likely incorrect, as it is approximately four times larger than Compass' reported total for all new hires.⁵

Contractor	Veterans Hired	Total New Hires	Percentage of Veterans Hired
Compass Group	78,385	19,607	400%
General Dynamics Corp.	10,000	23,568	42%
Allied Barton Security Services	4,188	59,104	7%
L-3 Communications	3,301	8,737	38%
SAIC	2,979	6,916	43%
Home Depot	2,452	67,233	4%
Northrop Grumman	2,322	10,499	22%
Lockheed Martin	2,228	8,980	25%
Computer Sciences Corporation	2,154	7,865	17%
Xerox	1,954	33,152	6%

The information provided to the Subcommittee from the Labor Department also does not match information provided by contractors as part of a study which appeared in *Forbes* magazine. According to *Forbes*, the top corporate employers of veterans in 2010 were Booz Allen Hamilton, SAIC, Northrop Grumman, L-3 Communications, Lockheed Martin, BAE Systems, CSC, CACI, and Boeing.⁶

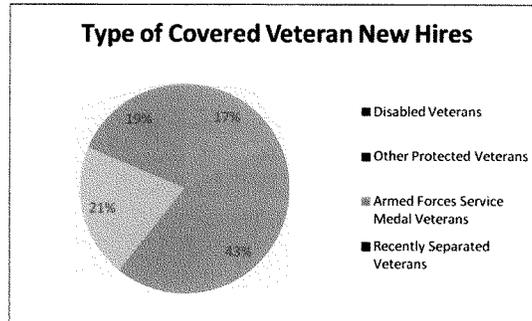
Categories of Veterans Hired

The VETS-100A reports comprise four categories of "covered" veterans. These categories include:

- **Disabled Veterans** - (i) a veteran of the U.S. military, ground, naval or air service who is entitled to compensation (or who but for the receipt of military retired pay would be entitled to compensation) under laws administered by the Secretary of Veterans Affairs, or (ii) a person who was discharged or released from active duty because of a service-connected disability.
- **Other Protected Veterans** - a veteran who served on active duty in the U.S. military, ground, naval, or air service during a war or in a campaign or expedition for which a campaign badge has been authorized.
- **Armed Forces Service Medal Veterans** - means a veteran who, while serving on active duty in the U.S. military, ground, naval, or air service, participated in a U.S. military operation for which an Armed Forces service medal was awarded pursuant to Executive Order 12985.
- **Recently Separated Veterans** - a veteran during the three-year period beginning on the date of such veteran's discharge or release from active duty in the U.S. military, ground, naval, or air service.⁷

Contractors are permitted to count new hires and employees in more than one category, so there is the possibility that numbers are overstated.

The information provided to the Subcommittee shows that recently separated veterans comprised only 19% of all new hires.

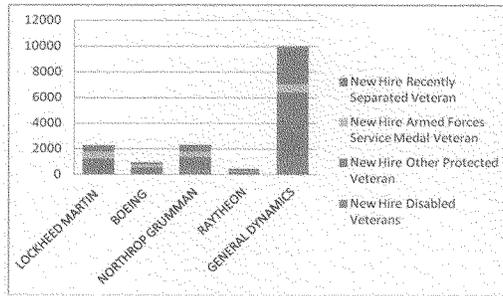


2010 Veterans Hiring by Contractors Receiving the Most Federal Contract Dollars

The 20 largest government contractors, who collectively received more than \$177.3 billion in government contracts in 2010, reported hiring approximately 27,814 veterans in 2010. Two of the largest contractors, Cerberus Capital Management (the owner of DynCorp) and Booz Allen Hamilton, both of whom reportedly hire many veterans, did not have any information in the 2010 VETS-100A report.

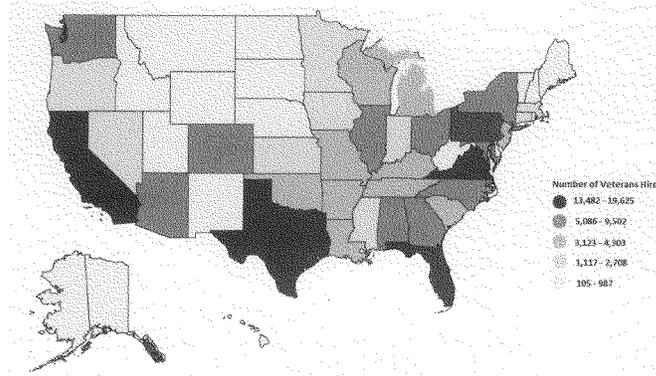
Contractor	2010 Contract Dollars (in billions)	2010 Veterans Hiring	Total New Hires	Percentage of Veterans Hired
Lockheed Martin	\$35.8	2,228	8,980	25%
Boeing	\$19.2	960	5,776	17%
Northrop Grumman	\$16.4	2,322	10,499	22%
Raytheon	\$15.4	456	3,891	12%
General Dynamics	\$15.4	10,000	23,568	42%
United Technologies	\$7.7	591	3,417	17%
L-3 Communications	\$7.5	3,301	8,737	38%
Oshkosh	\$7.3	114	708	16%
SAIC	\$6.8	2,979	6,916	43%
BAE Systems	\$6.7	892	5,039	18%
Cerberus Capital Management	\$4.8	<i>No data</i>		
McKesson Corporation	\$4.6	24	3,833	1%
Computer Sciences Corporation	\$4.5	2,154	7,865	27%
URS Corporation	\$4	1,312	7,175	18%
Bechtel Group Inc.	\$3.9	94	1,404	7%
Booz Allen Hamilton	\$3.9	<i>No data</i>		
KBR Inc.	\$3.7	41	6,275	1%
Harris Corporation	\$3.3	330	1,434	23%
Health Net Inc.	\$3.2	29	647	4%
Humana Inc.	\$3.2	30	1,946	2%

The five largest government contractors, which accounted for over \$102 billion of total contract dollars in 2010, reported hiring 15,966 veterans. These companies alone accounted for 7% of all new veteran hires in 2010.



Contractor Hiring by State

Contractors are required to report the city, county, and state where veterans are hired. Although the contract may not actually be performed in that location, the information highlights where contractors are most active in hiring veterans. According to the data provided to the Subcommittee, contractors hired the most veterans in Texas (19,625), Virginia (18,925), California (15,100), Florida (14,833), and Pennsylvania (13,482).



Veterans Hiring by Small Businesses⁹

A review of veterans hiring by the top ten small businesses by contract dollars received illustrates the significant amount of hiring data that was not reported for the VETS-100A.

Contractor	2010 Dollars (in millions)	Total New Hire Veterans	Total New Hires	Percentage of Veterans Hired
Atlantic Diving Supply	\$941.8	29	139	21%
Aegis Mission Essential Personnel	\$649.9	No data		
Precious A-Mark Metals	\$609.7	No data		
Sunshine Minting	\$304.2	No data		
World Wide Technology	\$254.5	38	380	10%
Eyak Technology	\$246.6	No data		
immixtechnology ⁹	\$243.6	No data		
Telos Corporation	\$232.9	20	58	34%
Energy Enterprise Solutions	\$225.9	12	109	11%
Coins 'N Things	\$214.8	No data		

Veterans Hiring by Veteran-Owned Small Businesses

Anecdotally, veteran-owned small businesses are among the leading employers of veterans.¹⁰ However, it cannot be determined from the data provided whether some contractors simply did not report the data or whether they had no qualifying contracts that required reporting.

Contractor Name	2010 Contract Dollars (in millions)	2010 Veterans Hiring	Total New Hires	Percentage of Veterans Hired
Aegis Mission Essential Personnel*	\$649.9	No data		
Navmar Applied Sciences Corporation*	\$192.5	No data		
Sword & Shield Enterprise Security	\$151.1	0	4	0%
Military Produce Group	\$139.9	No data		
MicroTech*	\$138.6	No data		
Four Points Technology*	\$134.4	No data		
Merlin International Incorporated	\$113.6	No data		
Source One Distributors, Inc.	\$110.6	No data		
Fedstore Corporation*	\$93.6	4	13	31%
CSI Aviation Services* ¹¹	\$90.4	No data		

*Also received contracts as a service-disabled, veteran-owned small business.

¹ 38 U.S.C. 4212. The Jobs for Veterans Act of 2002 expanded on the reporting requirements originally enacted in the Vietnam Era Veterans Readjustment Assistant Act of 1972.

² Letter from Chairman Claire McCaskill to Secretary Hilda Solis, Labor Department (Nov. 15, 2011); Letter from Brian V. Kennedy, Labor Department to Chairman Claire McCaskill (Dec. 20, 2011).

³ In conversations with Subcommittee staff, a representative for ManTech stated that they submitted their 2010 VETS-100A information to the Labor Department.

⁴ This number does not include the 10.9 million veterans reportedly employed by National Interest Advanced Solutions, a small business based in West Virginia.

⁵ In conversations with Subcommittee staff, a representative for Compass Group stated that they had difficulty submitting information for 2010 to the Labor Department. Compass Group stated that they provided the same information to the Department electronically multiple times and ultimately provided the information manually.

⁶ *The Top Employers for Veterans*, *Forbes* (Apr. 23, 2012) (online at <http://www.forbes.com/sites/jacquelynsmith/2012/04/23/the-top-employers-for-veterans/>). According to *Forbes*, the study looked only at employers that offer positions where military experience or training was highly relevant in day to day work.

⁷ 38 U.S.C. § 4212(a)(3).

⁸ Previous work by the Subcommittee has demonstrated that some businesses that are not actually small by the industry standards developed by the Small Business Administration receive small business contracts. The businesses listed here are the ones that received the most small businesses contract dollars. See Subcommittee on Contracting Oversight, *Hearings on Small Business Contracts: How Oversight Failures and Regulatory Loopholes Allow Large Businesses to Get and Keep Small Business Contracts*, 112th Cong. (July 26, 2011) (S. Hrg. 112-144).

⁹ immixTechnology's parent company, immixGroup, reported data in the VETS-100, but reported that it hired no veterans in the 2010 reporting period.

¹⁰ In preparation for its hearing, the Subcommittee met with numerous veteran services organizations (VSOs), which reported that veteran-owned small businesses were among those businesses which hired veterans at a high rate.

¹¹ CSI Aviation Services reported in the VETS-100 that it hired one special disabled veteran in the 2010 reporting period.

Booz | Allen | Hamilton

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June 11, 2012

Kelsey Stroud
United States Senate
Committee on Homeland Security & Governmental Affairs
Contracting Oversight Subcommittee
340 Dirksen Senate Office Building
Washington DC, 20510

Dear Ms. Stroud:

Please extend our thanks to the Subcommittee for inviting Booz Allen Hamilton to testify before the Contracting Oversight Subcommittee on June 5, 2012. As we described in both our written and oral testimony, the hiring of veterans is a very important issue to Booz Allen and is woven throughout the fabric of our corporate culture. We are grateful that the Subcommittee is focused on the important task of encouraging the hiring of veterans and easing their transition into the workforce.

We are writing today in response to a request made at the hearing for Booz Allen's hiring data with respect to Reservists and National Guard personnel. While we do not capture National Guard specific data, we are able to provide you with information on Booz Allen's hiring history for Reservists. Below, please find Booz Allen's data for the last three fiscal years that has been self-reported by our employees and compiled by our Human Resources Department:

**Total
Employee
Headcount**

	Firmwide	Military	%	Reservists	%
FY10	23,315	7,651	32.8%	773	3.3%
FY11	25,024	7,689	30.7%	948	3.8%
FY12	24,950	7,554	30.3%	1003	4.0%

Source: Booz Allen HR Data Mgmt - Based on self-reported information

**Total
Hires**

	Firmwide	Military	%	Reservists	%
FY10	5,021	1,701	33.9%	208	4.1%
FY11	6,218	1,663	26.7%	354	5.7%
FY12	5,234	1,420	27.1%	318	6.1%

Source: Booz Allen HR Data Mgmt - Based on self-reported information

June 11, 2012
Page 2

Again, Booz Allen is honored to have participated in the Contracting Oversight Subcommittee's inquiry into veteran hiring in our industry. Please feel to reach out to us if you have additional questions or require additional information.

Sincerely,


BOOZ ALLEN HAMILTON INC.

William S. Meyers
Vice President & Deputy General Counsel

STATEMENT FOR THE RECORD

**Director Patricia A. Shiu
Office of Federal Contract Compliance Programs
United States Department of Labor**

**Senate Committee on Homeland Security and Government Affairs
Subcommittee on Contracting Oversight**

**Hearing on
“Veterans Employment and Government Contractors”**

June 5, 2012

Introduction

Chair McCaskill, Ranking Member Portman, and Members of the Subcommittee, thank you for holding this important hearing. President Obama and Secretary Solis are committed to ensuring that the men and women who serve this country have the employment support, assistance, and opportunities they deserve to succeed in the civilian workforce.

As the Director of the Office of Federal Contract Compliance Programs (“OFCCP”) at the Department of Labor (“Department”), I am pleased to provide this Statement for the Record on some of the Department’s regulatory and enforcement actions to promote the employment of Veterans by federal contractors and subcontractors.

OFCCP is a worker protection agency, responsible for enforcing the civil rights of nearly one-quarter of American workers. The mission of OFCCP’s more than 700 dedicated staff is to protect workers, promote diversity, and enforce the nation’s equal employment opportunity laws in federal contractors’ and subcontractors’ workforces. OFCCP has jurisdiction over 170,000-plus establishments that profit from over \$700 billion in government contracts annually. These companies are held to the fair and reasonable standard that discrimination, including discrimination against our nation’s Veterans, must never be a factor in their hiring, promotion, termination, compensation, and other employment decisions. With jurisdiction over so many employees and companies, the work OFCCP does to level the playing field has a ripple effect across the entire labor market.

Background on OFCCP

OFCCP has long been a pillar of the federal government’s civil rights enforcement and enforces, for the benefit of job seekers and wage earners, the contractual promise of equal employment opportunity (both nondiscrimination and affirmative action) required of those who do business with the federal government. OFCCP administers and enforces three legal authorities that require equal employment opportunity: (1) the Vietnam Era Veterans’ Readjustment Assistance Act of 1974, as amended, 38 U.S.C. 4212 (“VEVRAA”); (2) Executive Order 11246, as

amended (“the Order” or “EO 11246”); and (3) Section 503 of the Rehabilitation Act of 1973, as amended, 29 U.S.C. 793 (“Section 503”).

VEVRAA sets forth the requirements for nondiscrimination against Veterans by federal contractors. Section 4212(a)(1) prohibits federal contractors from discriminating against specified categories of Veterans¹ and requires contractors to take affirmative action to employ, and advance in employment, those Veterans. Federal contractors with a contract of at least \$100,000 and 50 or more employees are required to develop and maintain a formal Affirmative Action Program for Veterans.

EO 11246 prohibits federal contractors and federally-assisted construction contractors and subcontractors (hereafter, “contractors”) who have contracts of at least \$10,000 with the federal government from discriminating in employment on the basis of race, color, religion, sex, or national origin. For contractors with 50 or more employees and a contract of at least \$50,000, the Order also requires contractors to develop and maintain a formal Affirmative Action Program to ensure that equal opportunity is provided in all aspects of their employment.

Section 503 protects the employment rights of individuals with disabilities. It covers persons with a wide range of mental and physical impairments that substantially limit or restrict a major life activity such as hearing, seeing, speaking, walking, breathing, performing manual tasks, caring for oneself, learning, or working. Like the Order, Section 503 requires federal contractors with Government contracts of at least \$50,000 and 50 employees to develop and maintain a formal Affirmative Action Program for individuals with disabilities.

Taken together, these laws ban discrimination and require federal contractors to take affirmative action to ensure that all individuals have an equal opportunity for employment, without regard to race, color, religion, sex, national origin, disability or status as a protected Veteran. Under all three laws, provided the aforementioned contractual dollar and employee thresholds are met, contractors must develop written programs detailing the actions that they are taking for this purpose and make the plans available when requested in a compliance evaluation or complaint investigation. It is important to note that EO 11246 protects individuals from discrimination based on sex and race, so that veterans facing discrimination based on those traits are also covered by that law. Similarly, Section 503 protects persons who are disabled from discrimination, providing another source of protection for disabled veterans.

Over the past few years, OFCCP has focused on three priorities:

- strengthening **enforcement** activities,
- broadening **outreach** to agency stakeholders, and

¹ For contracts entered into before December 1, 2003, the contract dollar threshold is \$25,000, and the Veterans covered are: (1) special disabled Veterans; (2) Veterans of the Vietnam era; (3) Veterans who served on active duty in the Armed Forces during a war or in a campaign or expedition for which a campaign badge has been authorized; and (4) Veterans separated from the service for one year or less. For contracts entered into on or after December 1, 2003, the contract dollar threshold is \$100,000, and the Veterans covered are: (1) disabled Veterans; (2) Veterans who served on active duty in the Armed Forces during a war or in a campaign or expedition for which a campaign badge has been authorized; (3) Veterans who, while serving on active duty in the Armed Forces, participated in a United States military operation for which an Armed Forces service medal was awarded pursuant to Executive Order No. 12985; and (4) Veterans separated from the service for three years or less.

- implementing an ambitious agenda of **regulatory reform**.

All three of these priorities are directly related to improving job opportunities for protected Veterans in federal contractors' workplaces.

Strengthening Enforcement

The majority of OFCCP's enforcement consists of in-depth compliance evaluations of about 4,000 contractor establishments annually, selected according to a neutral selection and scheduling system. During these scheduled reviews, compliance officers check to make sure that contractors are meeting their legal obligations to provide equal opportunity for all of their workers. OFCCP also receives and investigates complaints, filed by individuals or classes of individuals, of violations of any of the three laws that the agency enforces.

OFCCP's compliance reviews are particularly important because too often, workers and job applicants are unaware of the discrimination they face. Job seekers who don't get an offer, employees who are being paid less than colleagues doing similar work, workers who are downsized in a bad economy – they may not know if the underlying cause is discrimination, because they do not have the necessary information. But federal contractors have specific obligations when it comes to recordkeeping and data collection, including maintaining information about listed job openings; worker recruitment methods; selections of interviewees for openings; and decisions about hiring, terminations, placement, pay, and promotions. Contractors are required to share those records with OFCCP during audits, and OFCCP is able to analyze that data and determine if there are indicators of discrimination. If so, OFCCP does a more in-depth investigation to see if the contractor treats protected groups differently or follows practices that create an unjustified adverse impact on job seekers or workers.

When I first became Director of the OFCCP in September 2009, I was disappointed to discover that OFCCP's compliance evaluations did not routinely include checks for compliance with VEVRAA or Section 503. Instead, the agency audited for VEVRAA and Section 503 compliance in only a few focused reviews each year, which meant that very few violations of those laws were ever uncovered. As soon as I could, I changed that practice. OFCCP now reviews compliance with VEVRAA and Section 503 in *every* evaluation in which a contractor meets minimum coverage requirements. One result of this change is that the proportions of evaluations in which violations are found have significantly increased. **For VEVRAA, that proportion rose from four percent in FY 2005 to 18 percent in FY 2011.** For Section 503, the proportion rose from three percent in FY 2005 to 10 percent in FY 2011. The vast majority of these include failure to have an Affirmative Action Program, failure to conduct outreach, recordkeeping violations, and, for VEVRAA, failure to list job openings with State Workforce Agencies or local employment delivery service systems as required.

Another result of this change is that it enables OFCCP Compliance Officers (COs) to verify that contractors have filed their VETS-100 and 100A reports in every case. VEVRAA currently requires that qualifying federal contractors and subcontractors file a VETS-100 and/or VETS-100A report annually to the Secretary that contains certain statistical data on their workforce, including the number of employees and new hires who belong to the categories of Veterans

protected under the statute. Since April of this year, contractors' completed VETS-100 and 100A reports have been directly available to COs in the OFCCP internal database system. Pursuant to a Memorandum of Understanding between OFCCP and the Department of Labor's Veterans' Employment and Training Service (VETS), OFCCP notifies VETS if it finds that a contractor has not complied with the VETS-100/100A filing requirement at the time it conducts a scheduled compliance evaluation for that particular facility.²

As DOL has previously testified, the Department also supports public disclosure via the Internet of the information contained in the VETS-100/100A reports submitted annually by federal contractors to DOL. In our view, providing public access to the information contained in VETS-100/100A reports is consistent with the President's commitment to openness and transparency in government, and supports the Secretary's "Good Jobs for Everyone" initiative. Qualified Veterans seeking employment may find the information contained in the VETS-100/100A reports useful in targeting their job search, by helping them to identify federal contractors who employ or have recently hired Veterans with similar skill sets. Moreover, making information contained in these reports publicly available will encourage federal contractor compliance. However, the Department would want to work with Congress, the contractor community and others to ensure the appropriate treatment of proprietary or other confidential or protected information.

Under this Administration, OFCCP has also undertaken a concerted effort to shift toward more thorough, careful and consistent compliance reviews, toward higher *quality* – not just *quantity* – of evaluations. In 2010, OFCCP provided the first national training for its compliance officers in more than a decade. Also in 2010, it updated its enforcement and evaluation protocols to improve the way compliance evaluations are conducted – with more thorough desk audits, more frequent on-site investigations, more flexibility in defining classes of victims, and more reviews focused on specific types of discrimination. Now, OFCCP investigates *all* types of discrimination – not just hiring, but also compensation, placement, promotion, termination, harassment, retaliation, and other conditions of employment; every protected group, including women, minorities, people with disabilities, and protected Veterans; and every industry and job group. Notably, these changes have been accomplished while maintaining the overall level of compliance evaluations conducted at approximately 4,000 per year.

In some cases, OFCCP requests additional information during the desk audit phase of a compliance evaluation. This has been a long-standing practice and has been upheld by the courts, which have found that contractors must provide the information requested. As one United States District Court recently stated: "submission to such lawful investigations is the price of working as a federal contractor."³ OFCCP has always verified and followed up on concerns presented in a contractor's Affirmative Action Plan or otherwise revealed in a desk audit, and will continue to do so.

² Generally, contractors are required to file their VETS-100/100A reports annually, typically by September 30 of each year following the calendar year in which the contractor held a covered contract, in order to be in compliance with the VETS-100/100A reporting regulation. For 2012, these reports are due by September 30, 2012.

³ *United Space Alliance, LLC v. Solis*, Civil Action No. 11-746, 2011 WL 5520428 (D.D.C. Nov. 14, 2011).

The increased thoroughness of OFCCP's compliance reviews is revealed by several other (non-VEVRAA) performance statistics as well:

- The proportion of compliance evaluations in which some kind of violation – including discrimination as well as violations such as failure to have an Affirmative Action Program, failure to list job openings as required, failure to do outreach, and recordkeeping violations -- rose dramatically, from 13 percent in FY 2007 to 30 percent in FY 2011.
- In FY 2011, the number of cases closed with financial remedies was at its highest point since at least FY 2005.
- The amount of back pay and interest collected in FY 2011 -- \$12.3 million -- was at its highest point since at least FY 2005.
- The average back pay and interest per eligible worker in FY 2011 -- \$842 -- was at its highest point since at least FY 2005.

One statistic that has remained constant is that the vast majority of reviews in which violations were found – 99 percent – are resolved by conciliation agreement or consent decree. Extremely few cases go to litigation, and voluntary compliance is always OFCCP's goal. However, OFCCP will litigate if necessary, and, for the worst offenders, will seek debarment of federal contracts.

In addition, OFCCP has an active program to assure the quality of its evaluations. Under the new procedures announced in 2010, every 25th contractor establishment is selected for a full compliance evaluation – including on-site visits -- for quality control purposes. Moreover, the Branch of Quality Assurance in OFCCP's Division of Program Operations conducts accountability reviews of field operations and oversees quality assurance activities undertaken by field staff to ensure quality in compliance evaluations and complaint investigations. This quality assurance program has been in effect for more than 30 years.

OFCCP also works with the Employment and Training Administration (ETA) to ensure that federal contractors are listing appropriate job openings with the employment service delivery system so that Veterans may be given priority in referral, as stated in 41 C.F.R. 60-250.5(a)(2) and 60-300.5(a)(2). ETA administers the federal programs that are part of the Nation's workforce system and, in collaboration with VETS, supports the statutory requirement that Veterans and other eligible individuals receive priority of service within these programs. ETA recognizes the importance of these activities, not only for listing federal contractors' job announcements and referring Veterans to job openings, but for getting unemployed Veterans back to work more generally. In PY 2010 alone, the workforce system served over 1.7 million Veterans.

Outreach to Stakeholders

Through its outreach efforts, OFCCP seeks to ensure input from stakeholders as it develops policies that are both practical and effective. Outreach is also undertaken to make sure that workers understand OFCCP is available as their resource. At both the national and local levels, OFCCP proactively reaches out to community-based groups, Veterans' Service Organizations (VSOs), labor unions, employer associations, civil rights leaders, contractors, subcontractors, and the workers directly affected by its protections. Indeed, I have made it a priority to meet with Veterans and other groups that are directly affected by OFCCP's programs.

In FY 2011, OFCCP hosted more than 1,800 outreach events where more than 61,000 stakeholders were engaged. Of these events, more than 140 outreach events engaged more than 148 Veteran organizations around the country. A few examples include Veterans' jobs fairs with the Lone Star Veterans Association and Disabled American Veterans in Dallas; a faith-based event with the Veterans Employment Program of Catholic Charities in Chicago; monthly meetings with the Women Veterans Committee in Central Western New York State; a Veterans job matching and training event in Newport, RI; a Veterans Summit on "Building a Veteran-Friendly Community" in Morgantown, WV; Veteran-focused community events or job fairs with Wounded Warriors groups in Jacksonville FL, Denver CO, Edison, NJ, and Hampton VA, among others; major community events with the Purple Heart Association in Albuquerque NM and the Native American Veterans' Association in San Diego CA; creation of linkages between contractors and a wide variety of Veteran organizations such as the Navy Safe Harbor Wounded Warrior Program, Leave NO Veteran Behind, True North Project for Veterans Program of Volunteers of America, and Employer Support of the Guard and Reserve – Fort Dix, NJ. Other major Veteran organizations with which OFCCP offices held meetings or other events include AMVETS, the American Legion, Paralyzed Veterans of America, and the National Coalition for Homeless Veterans.

In addition, nearly 1,000 of OFCCP's outreach events provided contractors with compliance assistance to understand and comply with the laws OFCCP enforces. More than a third of those compliance assistance events were directed specifically at small businesses and first-time federal contractors. These events are free of charge and are offered via Webinars, trainings, and forums at regional and field offices across the country, as well as in individual consultations. There are no adverse consequences to contractors for participating in these events.

Regulatory Proposals

Over the last three years, OFCCP has recovered nearly \$35 million in back wages and interest on behalf of over 70,000 workers affected by discrimination. It has audited more than 12,000 businesses which employ almost seven million workers. While these are major accomplishments, workplace discrimination against protected Veterans, women, minorities, and people with disabilities is still a major problem. To increase the effectiveness of its efforts and those of contractors to eliminate such discrimination, OFCCP has recently issued several regulatory proposals, two of which are highlighted below.

Notice of Proposed Rulemaking on Contractors' Obligations With Respect to Employment Opportunities for Protected Veterans under VEVRAA

OFCCP's VEVRAA regulations have remained unchanged, in large measure, since the implementing rules were first published in 1976. While OFCCP has strived to enforce VEVRAA vigorously under the existing regulations, I believed that more could be done to improve the job opportunities for protected Veterans and ensure that the men and women who served our country are afforded their full rights and protections under VEVRAA. That is why, on April 26, 2011, OFCCP published a Notice of Proposed Rulemaking ("NPRM") to make historic revisions to its VEVRAA regulations.

The proposed VEVRAA regulations would, for the first time, require contractors to measure the success of their efforts to recruit and hire protected Veterans. It is a simple rule of business that what gets measured gets done. Any successful company relies on data every day to track its performance and identify where it can do better. The proposed new data requirements would ensure that contractors have the data they need to measure their own performance in providing equal employment opportunity and to identify areas where they can do better. Businesses must be able to track their progress in hiring our nation's Veterans, just as they track sales, inventory, profits, or any other critical measure of success.

New data requirements. Specifically, the VEVRAA NPRM proposed to require contractors to record and maintain quantitative data on their recruitment and hiring of protected Veterans, including, for each year, the number of protected Veterans that applied for positions with the contractor and the number of protected Veterans hired by the contractor. Currently, the only data about employment of protected Veterans that contractors must keep are those that must be reported on the VETS-100/100A reports – the number of Veterans in each classification of "protected Veteran" employed and hired in each of 10 broad job categories.⁴ The additional data required by the NPRM would give contractors and OFCCP important information that does not currently exist, and would help them evaluate and tailor their recruitment and outreach efforts.

Annual Hiring Benchmarks. The NPRM would require contractors, for the first time, to establish an annual, aspirational, numerical benchmark for the employment of Veterans, to provide the contractor with a yardstick to use to measure progress in employing protected Veterans. When establishing benchmarks, contractors would be required to consider the percentage of Veterans in the civilian labor force in the State where the contractor is located and the number of Veterans who participated in the State's employment service delivery system. (OFCCP plans to make State Veteran participation information available on its website.) Contractors would also be permitted to consider other factors, such as the nature of the job openings and their location, which might tend to affect the availability of qualified protected Veterans.

⁴ It is true that the numbers of protected Veterans hired by the contractor in a year are reported on the VETS-100/100A reports. But because these reports require reporting by category of protected Veteran (e.g., disabled; separated from the service for less than three years), and because some Veterans fall into more than one category, the VETS-100/100A reports can double-, triple-, or even quadruple-count the number of protected Veterans employed by federal contractors.

The NPRM also proposes requiring contractors to evaluate the effectiveness of their efforts to ensure that protected Veterans have access to employment opportunities. The newly required data would help contractors do this.

It is crucial to note that the goals that would be required by the NPRM are not quotas. They are benchmarks, designed to provide contractors with quantitative standards by which to measure their progress -- standards that are less ambiguous than current requirements which simply call on contractors to make "good faith" efforts to hire Veterans. Importantly, OFCCP would not consider a contractor's failure to meet the benchmark, in and of itself, a violation of VEVRAA.

Self-identification. A key provision of the NPRM would require contractors to invite applicants voluntarily to self-identify as protected Veterans at the pre-offer stage of the hiring process, in addition to the post-offer self-identification currently required by the regulation. As proposed, prior to an offer of employment, the contractor would be required to invite all applicants for employment voluntarily to self-identify as a "protected Veteran." After the contractor makes an offer of employment, it would be required to invite the applicant to self-identify, again voluntarily, as a member of one or more of the specific classifications of protected Veterans covered under VEVRAA. These proposed changes would allow the contractor to collect enhanced applicant data regarding protected Veterans that is not currently collected. This, in turn, allows the contractor and OFCCP to better identify and monitor the contractor's employment practices with respect to protected Veterans.

Other provisions of the NPRM. Other elements of the NPRM include:

- detailing mandatory actions by contractors in the areas of recruitment, employee training, and the dissemination of their affirmative action policies;
- clarifying when electronic posting of employee rights and contractor obligations is permissible and when it is required;
- updating how compliance evaluations are conducted;
- clarifying OFCCP's existing mandatory job listing requirement to state that contractors must provide job vacancy information to the appropriate employment service in the manner and format the employment service needs it in order to include the job in their database; and
- requiring contractors to inform state employment services of their status as a federal contractor, request priority referrals of protected Veterans for job openings at each location in the state, and provide the contact information for the hiring official at each location in the state and for any outside job search companies that assist the contractor with hiring.

Prior to issuing the NPRM, OFCCP gathered input from various stakeholders, including the contractor community, state employment agencies, Veteran organizations, and other interested parties, via town hall meetings, webinars and listening sessions. OFCCP is carefully reviewing the over 100 comments received on the NPRM.

Notice of Proposed Rulemaking on Contractors' Obligations With Respect to Employment Opportunities for People with Disabilities under Section 503

Similarly, on December 9, 2011, OFCCP published an NPRM to strengthen affirmative action obligations with respect to employment opportunities for people with disabilities under Section 503. Like the VEVRAA NPRM, the Section 503 NPRM proposes specific actions contractors would be required to take in the areas of recruitment, training, recordkeeping and policy dissemination. The proposed rule would establish, for the first time, a single, national utilization goal for individuals with disabilities: contractors would be required to set an aspirational goal of having 7 percent of their employees be workers with disabilities in each job group of the contractors' workforce. Like the benchmarks proposed in the VEVRAA NPRM, this goal is not a quota; rather, it would be a tool to help contractors evaluate the effectiveness of their recruitment efforts towards workers with disabilities. The proposed rule also would improve collection of data on the employment of people with disabilities by requiring contractors to invite applicants to voluntarily self-identify as an "individual with a disability" at the pre-offer stage of the hiring process, to invite post-offer voluntary self-identification, and to survey all employees annually to invite their self-identification.

OFCCP received over 400 comments on the Section 503 NPRM and is carefully reviewing these comments.

Conclusion

Our Veterans are among our nation's greatest resources. The United States has the most talented, most innovative, and most hard-working people in the world, and they are the engine of our economic recovery. That is why the Department of Labor is committed to ensuring that Veterans, transitioning Service Members, and other American workers have the opportunities and working conditions that will allow them and their employers to flourish.

