In Aftermath of Financial Investigation Phoenix VA Employee Demoted after Her Testimony

A previous Southwest Journal of Pulmonary and Critical Care Journal editorial commented on fiscal mismanagement at the Department of Veterans Affairs (VA) Medical Center in Phoenix (1). Now Paula Pedene, the former Phoenix VA public affairs officer, claims she was demoted for testimony she gave to the VA Inspector General's Office (OIG) regarding that investigation (2). In 2011, the OIG investigated the Phoenix VA for excess spending on private care of patients (3). The report blamed systemic failures for controls so weak that $56 million in medical fees were paid during 2010 without adequate review. The report particularly focused on one clinician assigned by the Chief of Staff to review hundreds of requests per week and the intensive care unit physicians for transferring patients to chronic ventilator units (1,3). After the investigation, the director and one of the associate directors left the VA and the chief of staff was promoted to chief medical officer in one of the VA's networks. The other associate director was appointed as director of another VA medical center in 2010 before the investigation.

According to the *Arizona Republic*, Pedene was interviewed in May 2011 by the OIG to probe the misspending along with allegations of sexual harassment and a hostile workplace (2). Pedene testified that the Phoenix VA suffered from "leadership run amok" (2). She said that agency bosses intimidated employees and that then-Director Gabriel Perez threatened her with banishment to a basement workspace, making it clear he did not want a woman — or someone with a service-connected disability — as the VA's public-affairs officer. The OIG report makes no mention of intimidation, sexual harassment or a hostile workplace in their report (3).

Pedene, the Veterans Day Parade coordinator since 1997, was accused of having her husband take photographs of the Veterans Day Parade. Pedene, who is blind, then allowed her husband to upload the photos onto the VA website using her password (2). Pedene's legal advisers and VA records indicate the dispute stems from a larger controversy involving years of mismanagement, squandered funds, discrimination, sexual harassment and retaliation at the Phoenix VA. Pedene was notified of her transfer in a Dec. 10 letter from Associate Director Lance Robinson. He wrote that she was the subject of a "very serious" allegation, and he issued a gag order prohibiting public disclosures.

Former Maricopa County Attorney Rick Romley, who chairs the parade-sponsoring Veterans Commemorative Committee of Phoenix, said he authorized Pedene to hire her husband as a photographer and cannot understand VA administrators' response to a seemingly minor transgression (2). "Quite frankly, this is peanuts in the security world," said Romley, who in 2006 served as special security adviser to the secretary of Veterans Affairs in Washington (2).

Pedene had been called as a witness in the case. The investigation was initiated after complaints by employee Sheila Cain, who in 2010 was assistant chief of the Phoenix VA's Health Administration Services. Cain had sought to repair problems with the Phoenix VA's budget and fee-payment systems. According to VA reports, her efforts led to infighting over blame and responsibility. Cain filed a series of grievances alleging that she was subjected to false accusations, denied due process, stripped of authority and isolated in a basement workspace for six months. Cain endured sexual remarks, threats, improper touching, public humiliation and other abuse more than 30 times. In one instance, she alleged that Dr. Christopher Bacorn, then Phoenix VA Associate Director, hit her rear end with a spatula in front of a fellow employee (2).

Documents obtained independently by the *Arizona Republic* show Cain also was victimized by unlawful access to her medical records (2). An investigation of that patient-confidentiality breach resulted in the discipline of at least nine employees of the health system, some of whom left the VA. Cain remains with the VA but not under the supervision of Phoenix administrators. In the meantime, Pedene became a target of similar treatment under new bosses. Her reassignment to the hospital library, initially set at 30 days, is in its third month.

Employee-relations consultant, Roger French, who at one time represented Pedene and has represented about 40 VA employees in grievances, said he has seen a pattern of abuse, discrimination and retaliation in the Phoenix VA (2). He said Pedene was criticized for her blindness, and administrators dismantled a public-relations program once considered among the nation's best. Recently, he added, Pedene's name was redacted from the VA's online employee directory, and her awards were removed from a display case at the Phoenix VA. "She stood up and told the truth," French said. "It cost (administrators) their jobs, and they threatened to destroy adversaries and families."

French has asked Department of Veterans Affairs Secretary Eric Shinseki to launch a new inquiry. French's Feb. 12 letter accuses the present Phoenix VA administration of nepotism, retaliation and improper downgrading of evaluations. "I have never seen the hostility, cavalier violations of regulations and laws (or) lack of dignity and respect for employees," French wrote to Shinseki. Shinseki did not respond, French said.

Unfortunately, if Shinseki does act, it will likely be through another investigation by the OIG which inadequately investigated the previous allegations of mismanagement (1). Instead of focusing on the administrators responsible for budget control, the OIG attempted to place the blame on clinicians acting in the best interests of the patients (1). Furthermore, if the *Arizona Republic* report is correct, the OIG ignored accusations of sexual harassment and a hostile workplace made at the time of their original investigation. If French's accusations regarding the present Phoenix VA administration are true, a whitewashing with

resignation of some and promotion of other present Phoenix VA administrators is likely to result, as it did in the original investigation (1).

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References

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3. http://www.va.gov/oig/pubs/VAOIG-11-02280-23.pdf (accessed 3/29/13).

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