

NATIONAL VETERANS EMPLOYMENT & EDUCATION COMMISSION

TOPIC 1: ECONOMY

The American Legion has consistently pushed the Departments of Labor, Veterans Affairs, Defense, and Agriculture to make resources available for servicemembers transitioning out of the military. These resources should be extended to spouses and family members, as well. With an average of 200,000 servicemembers leaving the military, resources must be available in both urban and rural areas.



In a recent article - Veteran households consistently outearn their non-veteran counterparts — a trend that has prevailed for nearly 40 years, according to a new report.

“Households headed by veterans have higher incomes and are less likely to be in poverty, on average, and this is especially the case for veterans in racial or ethnic minority groups and those with less education,” a report from the Pew Research Center published Monday said.

The report, based on information from the U.S. Census Bureau, showed that the median annual income for veterans households in 2017 was approximately \$88,700 — about \$12,000 more than the median annual income among non-veteran households.

The report, however, does not explain why.

This is not a recent development. The study notes that the median income for veteran households was \$77,000 in 1980. For non-veteran households, that number dropped to \$61,500.

Since then, veteran households have always earned more each year than non-veteran households, according to the report.

The gap in income is even starker when examining households headed by racial or ethnic minorities. For example, black veteran households earned an average of \$77,400 in 2017, whereas non-veteran black households earned an average of \$50,300 that year.



The report also found that Hispanic veterans households earned more than \$30,000 on average a year than non-veteran Hispanic households in 2017.

Likewise, veterans with a high school diploma significantly outearned non-veterans with the same educational background by about \$20,000 in annual income, the report found.

Among those with bachelor’s degrees, the disparity was less severe, and veterans had a roughly \$2,500 advantage.

The analysis only reflected those between the ages of 25 and 54 to focus on those in their “prime working years,” since veterans are more likely to be older than non-veterans, the study said.

The Pew Research Center report comes days after the Bureau of Labor Statistics announced that the veterans' unemployment rate rose slightly from 3 percent in October to 3.4 percent in November.

Even so, veterans' unemployment has stayed under the national average for 19 consecutive months. The national unemployment rate reached 3.5 percent last month.

HOUSEHOLD		DATA				
Table A-5. Employment status of the civilian population 18 years and over by veteran status, period of service, and sex, not seasonally adjusted						
[Numbers in thousands]						
Employment status, veteran status, and period of service	Total		Men		Women	
	NOV 2018	NOV 2019	NOV 2018	NOV 2019	NOV 2018	NOV 2019
Unemployed	120	164	98	122	22	43
Unemployment rate	3.4	4.7	3.3	4.1	4.1	8.0

The national unemployment rate is 3.5 percent (November 2019). Gulf War II veterans' unemployment rate is 3.4 percent.ⁱ Currently, the unemployment rate for Gulf War II women veterans is 8.0 percent (down from 9.5 percent in October).

TOPIC 2: MEETINGS

On Wednesday, December 11th, the National Veterans Employment & Education Division attended Pfizer’s Small Business Advisory Council Meeting to discuss the future of Pharmaceutical prime vendor contract utilization at the Department of Veteran Affairs.

On Wednesday, December 11th, the National Veterans Employment & Education Division Representative met with Jennifer Gonzales-Colon, Puerto Rico. We discussed legislation that would mandate the Department of Labor to begin tracking the employment status of veterans in U.S. Territories. This is in line with the resolution passed by the Department of Puerto Rico during the 2019 fall NEC.

On Wednesday, December 11th, the National Veterans Employment & Education Division met with DOL VETS to discuss participation in the Legion's Credentialing Roundtable. After a discussion with Lumina Foundation, DOL VETS Mark Toal was identified as a late candidate to participate in all Credentialing Roundtable meetings.

On Thursday, December 12th, the National Veterans Employment & Education Division spoke with Janet Giles, CEO Jobzone. Janet would like for The American Legion to have a permanent role during JobZones 2020 career fairs (22-27 events.) Additionally, discussing potential Legion Posts for her to hold additional functions, with a strong focus in southern Maryland.

On Thursday, December 12th, the National Veterans Employment & Education Division spoke with Lynn Horton, Local Veteran Employer Representative (LVER), for the District of Columbia. Mrs. Horton would like to invite The American Legion to participate in an "invite-only" career fair.

On Thursday, December 12th, the National Veterans Employment & Education Division attended a walk-thru (with the principal consulting firm Jaydot) at the Walter Reed Veteran Apartments project for formerly homeless veterans in Washington, DC. The Walter Reed Veteran Apartments will provide housing at subsidized rates based on the veteran's monthly income, for 77 formerly homeless veterans at The Parks (a new community at the former Walter Reed campus (renovated Abrams Hall) in Ward 4).

On Thursday, December 12th, the National Veterans Employment & Education Division attended the House Education and Labor Committee hearing on Borrower Defense implementation, and Secretary DeVos called to testify. The Legion has a resolution on file supporting the Department of Education's Borrower Defense rule, which would forgive loans for defrauded students. Still, the Department has thus far refused to enforce the rule.

On Friday, December 13th, the National Veterans Employment & Education Division held an introductory meeting with the National Association of State Workforce Agencies (NASWA) to discuss their hiring pipelines for STEM student veterans. NASWA has a grant with the National Science Foundation to explore the 'future of work' occupations and is interested in veteran skills that can be brought to new STEM fields.

On Friday, December 13th, the National Veterans Employment & Education Division spoke with Jacque Wilson, Employee Assistance Program coordinator, with the 81st Regional Support Command. Ms. Kirkland would like to collaborate with The American Legion as another viable resource for veterans returning from deployment.

TOPIC 3: EMPLOYMENT

The national unemployment rate has dropped to a 50 year low; however, it is alarming to see that veterans struggled to find work last month, even as the national unemployment rates fell. The American Legion will continue to monitor efforts made by federal agencies and private-sector employers and conduct workshops (resume writing, financial literacy, and LinkedIn) to assist veterans in obtaining meaningful & suitable employment.



Veterans unemployment rose again in November even as the national jobless rate decreased slightly, with about 35,000 more veterans reporting problems finding work than the month before.

On Friday, December 6, 2019, the Bureau of Labor Statistics announced the veterans' unemployment rate rose from 3.0 percent in October to 3.4 percent in November. The rise among veterans of the Iraq and Afghanistan wars era was even larger, jumping from 3.5 percent to 4.7 percent.

The estimates translate into about 310,000 veterans nationwide looking for work, a figure that has fluctuated throughout the year. In the first half of 2019, the BLS estimates on veterans unemployment were below 3.0 percent for four consecutive months, but have risen slowly since then.

The national unemployment rate fell to 3.5 percent in November, matching its lowest mark of the year.

Employment experts have cautioned against focusing too closely on monthly changes in unemployment for sub-groups within the Labor Department's surveys of American workers because small changes in sample sizes can produce significant moves in the numbers.

And even with the rise in overall veterans unemployment, November marked the 19th month in a row that veterans unemployment has been lower than the national rate. That figure hasn't been above the national civilian rate since December 2016.

TOPIC 4: CAREER FAIRS

This week, work continued on The American Legion's upcoming hiring events to be staged in Herndon (VA), Fort Carson (CO), Aurora (CO), JBLM (WA), King George (VA), Fort Meade (MD), Dalgrenn (MD), Fort Hood (TX)

The Department of Texas, with assistance from the National staff, will be conducting several workshops – resume writing (civilian & federal), financial literacy, LinkedIn - before the MEGA Job Fair at Fort Hood on January 13th, 2020.

The mission of The American Legion's National Veterans Employment & Education Commission is to take actions that affect the economic wellbeing of veterans, including issues relating to veterans' education, employment, home loans, vocational rehabilitation, homelessness, and small business.

TOPIC 5: VETERAN HOUSING AND HOMELESSNESS

Walter Reed General Hospital opened its doors on May 1, 1909. The Commander of the Army General Hospital, Major William C. Borden had lobbied for several years for a new hospital to replace the aged one at Washington Barracks, now Ft. McNair.



In 1923, General John J. Pershing signed the order creating the Army Medical Center on the same campus as Walter Reed General Hospital. World War I saw the hospital's capacity grow from 80 patient beds to 2,500 in a matter of months. Through World War II, Korea and Vietnam, the facility treated hundreds of thousands of injured American soldiers.

As part of a Base Realignment and Closure announcement on May 13, 2005, the Department of



Defense proposed replacing Walter Reed *Army* Medical Center with a new Walter Reed National Military Medical Center (WRNMMC); the new center would be on the grounds of the National Naval Medical Center in Bethesda, Maryland, seven miles (11 km) from WRAMC's current location in Washington, D.C. The proposal was part of a program to transform medical facilities into joint facilities, with staff including Army, Navy, and Air Force medical personnel.

On August 25, 2005, the BRAC Committee recommended passage of the plans for the WRNMMC. The transfer of services from the existing to the new facilities was gradual to allow for continuity of care for the thousands of service members, retirees and family members that depended upon WRAMC. The end of operations at the WRAMC facility occurred on August 27, 2011. The Army says the cost of closing that hospital and consolidating it with Bethesda Naval Medical Center in suburban Maryland.



The question now is what to do with a facility that has helped so many veterans in its course of over a 100 years. In a recent tour of the HELP Walter Reed veteran apartments confirmed goodness is still occurring regarding in the hopes of eradicating homelessness among our veterans, by providing permanent housing solutions, which aligns with The American Legion's resolutions.



HELP USA Walter Reed veteran apartments are located on the former campus that was once home to Walter Reed Army Medical Center, which was shut down in 2011 after the military hospital relocated to Bethesda, Maryland. How fitting...a former location that serviced veterans continues to be of service to veterans. This vulnerable population will become inclusive of a larger initiative in the District of Columbia (DC) to create a multi-tiered community of housing, shops, and recreational spaces.

In January 2019, the Point-In-Time count for DC (on a single night), had 415 veterans experiencing homelessness.

HELP USA, a national housing and homelessness non-profit, in partnership with the District of Columbia have developed 77 permanent supportive housing units for seventy-seven (77) previously homeless veterans. Of the 77 units, 75 will be at 30 percent median family income (as calculated by HUD) for chronically homeless veterans, and two units will be at 50 percent median family income. There are also several ADA compliant rooms available which offer larger doorways and access to lower cabinets and tub entry. The site of these units is the former Abrams Hall (building 14), originally constructed in 1976 as barrack housing for soldiers receiving long-term medical care.



Veterans have already been identified through case management workers in DC and have submitted applications to Jaydot LLC, who will provide an onsite coordinator for day-to-day support operations. Jaydot LLC anticipates a move-in date before Christmas 2019. The renovated facility includes office space for four social work case managers and counselors, medical office space for a nurse, a gym, a movie room, and a courtyard area. Each room is approximately 220sq ft., and comes with a bathroom, closet, full-size refrigerator, sink, and cooktop. Each floor will have access to a laundry room as well.

The project has received government and private donations, which include donations from the JBJ (John Bon Jovi) Soul Foundation, The Weinberg Foundation, The Abell Foundation, The Federal Home Loan Bank of Pittsburgh, The Home Depot Foundation, the Local Initiatives Support Corporation, and the National Equity Fund. A Wider Circle is furnishing each unit, with furniture and accessories. The total cost of the furnish is approximately \$1,500 per unit.



TOPIC 6: SMALL BUSINESS

Several Miami and West Palm Beach VA Healthcare System workers and the owners of local medical supply companies were indicted in an alleged kickback scheme that netted the suppliers millions of dollars in proceeds while the VA employees pocketed thousands in bribes over the past decade.

Five of the employees, who worked at the Miami VA hospital, had their first appearances in federal court on Tuesday, and four more employees from the West Palm Beach VA hospital are expected to have their first appearances on Wednesday. An announcement of the investigation's results is expected on Wednesday afternoon.

The employees are accused of using government credit cards to order medical and other hospital supplies through corrupt vendors in exchange for cash payments and kickbacks. In some cases, prosecutors said, the prices of the supplies were "grossly inflated, while in other cases the orders were only partially fulfilled or not fulfilled at all."

About ten medical supply companies "collectively obtained millions of dollars in proceeds as a result of fraud and kickbacks" at the West Palm Beach VA Hospital, according to an indictment of several employees there. It was not immediately clear whether the company owners had been indicted on Wednesday. Still, the vendors were described as "co-conspirators" in the indictment of the four West Palm Beach VA employees, filed by federal prosecutor Roger Stefin.

Prosecutors in the U.S. Attorney's Office of the Southern District of Florida charged three inventory management specialists at the West Palm Beach hospital, Clinton Purvis, Robert "Bob" Johnson Jr., and Kenneth Scott, with conspiracy to commit healthcare fraud and other healthcare fraud-related charges. They charged Christopher Young, a materials handler at the facility, with the falsification of records.

As part of a scheme to enrich themselves, the employees submitted “fictitious and inflated invoices” to the VA hospital in West Palm Beach for supplies and materials not furnished or only partly furnished, the indictment for the employees said. The employees then authorized the payment of the invoices so they could receive kickbacks “in exchange for their placing fictitious and inflated orders with said vendors,” according to the indictment.

Prosecutors also charged several employees at the Miami VA hospital: inventory management specialist Waymon Melvon Woods, utility systems operator Don Anderson, electrician Jose Eugenio Cuervo, supervisory supply technician Donnie Hawkes and supply



technician Eugene Campbell, all for bribery-related charges ranging from three to five counts each. The bribery charges carry a 15-year maximum sentence for each count. All of the men worked at the Miami VA hospital, according to the indictments, filed by federal prosecutor Amanda Perwin.

In addition to four bribery-related counts involving \$4,200 in payments, Campbell was also charged with four counts of theft of government funds totaling \$13,200. Each theft count carries a 10-year maximum sentence. While the payments and alleged thefts in Campbell’s indictment ranged from 2014 to 2016, the rest of the purchase orders listed in indictments for the other defendants were from earlier this year.

Woods was accused of receiving or attempting to receive kickbacks for five purchase orders ranging from February to April and totaling \$6,600. Anderson was accused of receiving or attempting to receive kickbacks for three purchase orders ranging from February to March and totaling \$2,100.

Cuervo was accused of receiving or attempting to receive kickbacks for five purchase orders ranging from February to March and totaling \$5,400. Hawkes was accused of receiving or attempting to receive kickbacks for four purchase orders ranging from February to March and totaling \$2,900.

Several companies were listed in the Miami VA, and West Palm Beach VA indictments, all of which federal prosecutors say were owned and operated by Jorge Flores. The companies are JAF Supply Inc., Supply4vet Inc. Delray Medical Supply/Distributors Inc., Sunshine Supply USA Inc. MarfGroup LLC, and E&J Supply Inc. Prosecutors said the companies were acting as supply vendors to the Miami VA hospital and other VA hospitals.

VA hospital supply vendors operated by Carlichia Starks and Earron Starks, including Ekno Medical Supply LLC and Collonade Medical Supply LLC. were listed in the indictments for the West Palm Beach VA defendants and Campbell. The indictment for the West Palm Beach employees also listed Patriots Supply Corp. and Veterans Medical Supply Depot, Inc., companies owned by Robert Kozak, as participating in the scheme.

TOPIC 7: EDUCATION

The Department of Education has announced a new plan for how it will process a backlog of more than 210,000 claims for student loan forgiveness from borrowers defrauded by for-profit colleges – a new strategy that includes a formula that will provide only partial relief to the majority of them.

"We cannot tolerate fraud in higher education, nor can we tolerate furiously giving away taxpayer money to those who have submitted a false claim or aren't eligible for relief," Secretary DeVos said in a statement issued Tuesday. "This new methodology treats students fairly and ensures that taxpayers who did not go to college or who faithfully paid off their student loans do not shoulder student loan costs for those who didn't suffer harm."



Department officials say the law also gives DeVos the authority to create a new methodology for the debt relief that is in line with administration priorities – and in this case, for the Trump administration, that priority is limiting the relief to those who were most seriously harmed. It represents a major

shift from the more inclusive criteria for relief established by the Obama administration.

"We believe, you know, the administration changed, and the secretary has the authority to establish relief and our secretary has done that," said Diane Auer Jones, principal deputy undersecretary at the Education Department, during a briefing with reporters Tuesday. "Our secretary is exercising her authority to establish a tiered relief methodology that we believe is fair to all borrowers and taxpayers."

The new methodology uses various publicly available earnings data to compare median earnings of graduates who have made borrower defense claims to the median earnings of graduates from comparable programs. If the median earnings from the school in question are lower than the median earnings for that program at all comparable schools, then the applicants will be determined to have suffered harm and will receive student loan relief – either in full or in part, depending on how much lower the median earnings are. Notably, the department said it plans to award no less than 10% relief to all eligible borrower defense applicants who attended a program at the now-shuttered for-profit giant Corinthian Colleges, regardless of the median program earnings comparison.

Jones said that department officials rendered a large portion of the first batch of claims ineligible for relief for a number of reasons, including, among others, that the applicants did not have a federal loan related to the claim or that the applicants didn't make an allegation or provide sufficient evidence that the institution violated an applicable state law.

The department is sending out the first batch of notifications for anywhere from 15,000 to 20,000 borrower defense claims immediately.

Congressional Democrats argued the new methodology uses "faulty math" and doesn't provide meaningful relief to students who were duped by the for-profit colleges.

"If a student has been cheated or defrauded by their college, they should get their money back, plain and simple – but this new 'methodology' uses faulty math to justify denying borrowers the relief they are owed," Sen. Patty Murray, Washington Democrat and ranking member of the Health, Education, Labor and Pensions Committee, said in a statement. "While this step is deeply concerning, unfortunately, it's not surprising – because it is one more in a long list of examples of Secretary DeVos skirting her legal responsibilities to protect students and borrowers."



Much of the criticism of the new plan was aimed at the decision not to notify for nearly three years the roughly 9,000 borrowers whose claims the Obama administration had adjudicated and found ineligible but didn't notify before the change in administrations.

Jones said department officials chose not to notify those individuals that their claims were ineligible because they didn't want other borrowers to panic. "We were worried about borrowers losing confidence," she said. "We were. We understand that if a borrower is holding this loan and all you hear about is ineligible, you're automatically going to think, 'Oh my gosh, do I have any chance?' Well if you have an eligible claim, then absolutely you have a chance." "Can you imagine if ineligibles were sitting out here for five or six months," she asked. "Borrowers would panic."

She also said the department would cancel the interest that accrued on those loans over the course of the three years. Rep. Bobby Scott, Virginia Democrat and chairman of the education committee noted that making such a move in connection with delays in notification is ultimately only going to raise the price tag of relief for the federal government.

"The Department's reluctance to process Borrower Defense claims is not only forcing students to put their lives on hold, it is also increasing costs for taxpayers," Scott said. "Once a student files a Borrower Defense claim, the federal government is on the hook for much of interest that accrues while they wait for the claim to be processed. The Department's failure to process any Borrower Defense claims over the past year – which has produced a backlog of more than 200,000 claims – is racking up an interest bill, even on claims that are ultimately denied, that will be paid by taxpayers."

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