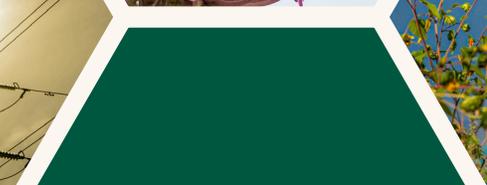




U.S. Department of Agriculture
Office of Inspector General

Potential Anomalies Related to Locality Pay

December 2024





OFFICE OF INSPECTOR GENERAL

U.S. Department of Agriculture



DATE: December 13, 2024

TO: Anita R. Adkins
Chief Human Capital Officer
Office of Human Resources Management

FROM: Peter Sima-Eichler
Assistant Inspector General
Office of Analytics and Innovation

SUBJECT: Potential Anomalies Related to Locality Pay

The Telework Enhancement Act of 2010 specifies roles, responsibilities, and expectations for all Federal executive agencies regarding telework policies and reporting.¹ An agency must determine and designate the official worksite for pay purposes for a General Schedule (GS) employee covered by a telework or remote work agreement.² This official worksite location is used to determine the locality rate.³ Per U.S. Department of Agriculture (USDA) Departmental Regulation, Federal regulations, and U.S. Office of Personnel Management (OPM) guidance, an employee's official worksite location will be the agency worksite location if they report physically to the agency worksite location for two full workdays each biweekly pay period on a regular and recurring basis.⁴ An employee's official worksite location will change to their home (or other approved alternative location where they are authorized to work) if they do not report at least two full workdays each biweekly pay period on a regular and recurring basis.

On August 28, 2023, Senator Joni K. Ernst requested that USDA Office of Inspector General (OIG) determine:

- "...how many employees spend the majority of their working hours in a region with a lower locality pay rate than where their designated primary workstation is located, but continue to receive the higher locality pay associated with the primary workstation?
- How much money could be saved by adjusting locality pay for teleworking employees who reside outside of the region in where their primary workstation is located to the true location from where they perform the majority of their work?
- Has the agency taken any action to readjust current locality pay or calculate the locality pay of new or existing hires accounting for the true geographical location from where each employee who teleworks spends the majority of their working hours, rather than the physical location of their position of record?"

To address these questions, we analyzed human resources data with duty station and remote/telework information and a report with automated telework alerts. As of April 11, 2024, we identified 37 USDA employees with a duty station in the Washington-Baltimore-Arlington, DC-MD-VA-WV-PA Locality Area (DC locality area) but remote work agreement locations outside of the DC locality area.

We worked with USDA's Office of Human Resources Management to obtain and understand

¹ The Telework Enhancement Act of 2010, Pub. L. No. 111-292, 124 Stat. 3165 (2010) (codified at 5 U.S.C. §§ 6501-6506).

² 5 C.F.R. § 531.605.

³ 5 C.F.R. § 531.604.

⁴ USDA Departmental Regulation 4080-811-002, *Telework and Remote Work Programs* (Nov. 22, 2021).

the data. During our review, we shared our approach, identified anomalies, and had numerous discussions with USDA. We appreciate the courtesy and assistance provided by USDA staff throughout this project.

USDA must maintain accurate human resources data to navigate complex workforce issues, such as hybrid work environments. We are issuing this memorandum to share the results of our analysis and notify you of potential anomalies.⁵

Results

To conduct our analysis, we used Enterprise Human Resources Application (eHR Apps), which is the Department's system for all telework and remote work information and source for personnel data. Of the USDA employees in the eHR Apps as of September 21, 2023, we identified 8,889 employees with a duty station code in the DC locality area.⁶ Of those 8,889 employees, 86 had a remote work location outside the DC locality area.⁷

We performed analysis on the 86 employees using updated personnel data as of April 11, 2024 and found that the remote work agreements for 37 of the 86 USDA employees still did not match their duty stations and were potentially pay impacting.⁸ For ease of review, we attached the list of the 37 individuals (Attachment A).

We also calculated the potential monetary impact of adjusting the locality pay for the 37 employees with duty station/remote work location mismatches. We found that up to \$282,394 could be saved per year⁹ by adjusting locality pay to the remote work location for these employees.

Scope and Methodology:

To complete the remote work/telework analysis, we were provided the following sources:

- eHR Apps provided duty stations for 103,676 USDA employees (the full universe of USDA employees) as of September 21, 2023;
- eHR Apps provided telework and remote work days for 72,465 employees (the number of USDA employees who telework or work remotely) as of September 21, 2023;
- eHR Apps Telework Alerts File provided 6,634 USDA telework alerts as of October 19, 2023 (the USDA dataset that identifies potential telework or remote work issues);
- eHR Apps provided duty stations for 109,513 USDA employees (the updated full universe of USDA employees) as of April 11, 2024;
- OPM duty stations;¹⁰ and
- Fedpay locality pay.¹¹

To determine which USDA employees received DC locality pay (or other rates of locality pay), we joined the eHR Apps duty station data to the OPM duty station and locality pay data. Then,

⁵ USDA should also periodically verify that each USDA employee's official worksite location is correct for pay purposes.

⁶ To mitigate impairments to independence in fact or appearance, we excluded OIG employees from this review.

⁷ We excluded six employees because of exceptions or data quality issues.

⁸ Of the 86, all of whom were under the GS pay plan, we identified 32 employees whose personnel data was accurately updated between September 21, 2023 and April 11, 2024, ten employees who were no longer with the agency as of April 11, 2024, and seven employees whose pay was not impacted by their duty station/remote work location mismatch. We suggest USDA review the duty stations of all remote workers to ensure their duty stations match their remote worksites.

⁹ Based on calendar year 2024 locality pay rates.

¹⁰ Office of Personnel Management, *Data, Analysis & Documentation*, <https://dw.opm.gov/datastandards/dutystation/searchbyname> (last visited Apr. 30, 2024).

¹¹ FederalPay.org, *General Schedule Locality Pay Map*, <https://www.federalpay.org/gs/locality> (last visited Apr. 3, 2024).

we joined the employee data with the eHR Apps Telework Alerts File to identify employees with different remote/telework agreement localities than their eHR Apps duty stations.

Using the base annual salary rates for each grade¹² and the locality pay area percentages for each locality pay area, we calculated the annual salary (based on the duty station) and the adjusted annual salary (based on the remote work location) for each employee. We took the difference between these salaries and summed those differences to calculate the monetary impact of adjusting locality pay to the remote work location.

USDA OIG applied the established Office of Analytics and Innovation quality assurance standards to ensure the information presented in this product is adequately supported.

Attachment

USDA Duty Station vs Remote Work Location Analysis.xlsx

CC: Michelle Long, Deputy Chief Human Capital Officer, Office of Human Resources Management

¹² Since we did not have employee GS step data, we used Step 1 to determine base annual salary.

Appendix A: Potentially Pay Impacting Concerns by Agency

This appendix provides the number of employees with a potentially pay impacting concern by agency identified by OIG analysis.

Agency	Agency Code	Agency Name	Number of Employees with Potential Locality Pay Concerns Identified by OIG ¹³
AMS	02	Agricultural Marketing Service	2
APHIS	34	Animal and Plant Health Inspection Service	4
ARS	03	Agricultural Research Service	2
DA	DA	Departmental Administration	1
FBC	99	Farm Production and Conservation Business Center	2
FCS	30	Food and Nutrition Service	7
FS	11	Forest Service	6
FSIS	37	Food Safety and Inspection Service	2
NASS	20	National Agricultural Statistics Service	2
OCFO	90	Office of the Chief Financial Officer	4
OCIO	IT	Office of the Chief Information Officer	1
OCR	EO	Office of Civil Rights	2
RHCDS	07	Rural Housing Service	1
SEC	01	Office of the Secretary of Agriculture	1
		Totals	37

¹³ The data in this column is as of April 11, 2024.

Attachment to December 13, 2024, Memorandum from Peter Sima-Eichler, Office of Inspector General, to Anita R. Adkins, Office of Human Resources Management, on “Potential Anomalies Related to Locality Pay”:

USDA Duty Station vs Telework or Remote Work Location Analysis

This Attachment contains sensitive content, including personal and financial information about USDA employees. It is being withheld from public release due to privacy concerns.



Departmental
Administration

Office of the
Assistant Secretary
for Administration

Office of Human
Resources
Management

1400 Independence
Avenue, SW
Washington, DC
20250-9600

DATE: December 10, 2024

TO: Peter Sima-Eichler
Assistant Inspector General
Office of Analytics and Innovation
Office of Inspector General

FROM: Anita R. Adkins
Chief Human Capital Officer
Office of Human Resources Management

**ANITA
ADKINS**

Digitally signed by
ANITA ADKINS
Date: 2024.12.10
12:16:46 -05'00'

SUBJECT: OHRM Response to Potential Anomalies Related to Locality Pay

Thank you for the opportunity for the Office of Human Resources Management (OHRM) to review and comment on the draft letter titled *Potential Anomalies Related to Locality Pay* authored by your office in response to a Congressional request posing questions concerning the intersection of locality pay and telework participation by USDA employees. The content of the memorandum is predominantly predicated on data pulls and information provided by OHRM's Human Resources Enterprise System Management Division (HRESM) reflecting the posture of telework and remote work duty stations as of September 21, 2023, October 19, 2023, and April 11, 2024, respectively. We appreciate OIG's detailed explanation of the processes by which it exercised due diligence to both confirm the provenance of and analyze the data provided by HRESM.

OHRM notes the draft memorandum is generally positive in describing USDA's collective effort across 29 Mission Areas, Agencies and Staff Offices to address and resolve identified potential locality pays issues. We further acknowledge and understand OIG's position that the breadth and timing of this project precludes additional revisions to its analytical findings to date. However, in the interests of continued accuracy and transparency, this office feels it only appropriate to provide additional data subsequently captured by Enterprise Human Resources Applications (eHR Apps) during the period of OIG's pending analysis of the earlier data pulls.

On August 28, 2024, HRESM personnel uploaded a spreadsheet titled *Final Results compared to April 2024 USDA Duty Station HPG 08-21-24_wjs_notes* (attached) into the OIG Secure File Transfer portal. This updated information – extrapolated from eHR Apps data as of August 21, 2024 – disclosed that the number of “employees with duty station/remote work location mismatches” in question – i.e., employees with a duty station in the DC locality area¹ – had substantially decreased from 37 in April 2024 to 13 by August 2024. This is not an insignificant reduction, especially considering the total USDA population was 117,004 employees on August 21, 2024, when the data was captured in eHR Apps. Further, of the 48 “mismatches” previously

¹ Official duty station within the Washington-Baltimore-Arlington, DC-MD-VA-WV-PA Locality Pay Area.

flagged, USDA agencies corrected 30 and four (4) were resolved by employee separations representing a nearly 73 percent reduction.

Considering the above, OHRM offers the following chart to more accurately reflect USDA personnel data from eHR Apps as of August 21, 2024:

Agency	Agency Code	Agency Name	Number of Employees with Potential Locality Pay Concerns Identified
ARS	03	Agricultural Research Service	1
FBC	99	Farm Production and Conservation Business Area	1
FCS	30	Food and Nutrition Service	2
FS	11	Forest Service	2*
FSIS	37	Food Safety and Inspection Service	1
NASS	20	National Agricultural Statistics Service	1
OCFO	90	Office of the Chief Financial Officer	2
OCR	EO	Office of Civil Rights	2
SEC	01	Office of the Secretary	1
		Totals	13

* One (1) of the three (3) originally identified potential pay issues was addressed and resolved, but the locality issue is now a [REDACTED] issue within the [REDACTED] area.

In addition to having made considerable strides in data gathering by harnessing eHR Apps and requiring the use of reporting tools by Human Resources Offices across the Department, OHRM remains a champion of implementing policy mandates across USDA and corresponding accountability. Again, OHRM appreciates the opportunity to submit these comments and remains committed to continued collaboration with OIG on this issue as we continue to engage USDA agencies to resolve the few remaining discrepancies.

cc: Michelle Long, OHRM
 Bryan Knowles, OHRM
 Amelia Ngo, HRESM, OHRM
 Michael Rafferty, OHRM

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