

# REPORT OF THE CHIEF LEGISLATIVE ANALYST

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DATE: February 4, 2020

TO: Honorable Members of the Rules, Elections, and Intergovernmental Relations Committee

FROM: Sharon M. Tso   
Chief Legislative Analyst Council File No.: 20-0002-S3  
Assignment No.: 20-01-0043

SUBJECT: Resolution (Bonin – Koretz) to Support H.R. 5093 (Lieu), the West Los Angeles VA Campus Improvement Act of 2019.

CLA RECOMMENDATION: Adopt the attached Resolution (Bonin – Koretz) to include in the City's 2019-20 Federal Legislative Program SUPPORT for H.R. 5093, the West Los Angeles Veterans Affairs (VA) Campus Improvement Act of 2019 which ensures that any funds secured from settlements resulting from fraud or misuse of VA leases can be used in the renovation and upkeep of campus facilities.

## SUMMARY

Resolution (Bonin – Koretz) was introduced on January 14, 2020 and states that President Obama signed into law the West Los Angeles Leasing Act of 2016, which ensures that the VA enter into leases that benefit veterans and their families first and foremost. The Act also authorized the Department to implement a Master Plan for the West L.A. VA campus with enhanced-use leases. The Resolution states that parts of the VA campus were being rented to third parties that provided no benefit to veterans and their families which led to *Valentini v Shinseki*, a lawsuit that challenged this practice.

Congressman Ted Lieu (D-CA) introduced H.R. 5093, the West Los Angeles VA Campus Improvement Act of 2019, on November 14, 2019 to ensure that any money that will be recouped from fraudulent activities at the West LA VA Campus will go back to serving the veterans on the campus.

The Resolution recommends that the City support H.R. 5093 inasmuch as the bill will ensure that any funds secured from settlements resulting from misuse of VA leases will be used for renovation and upkeep of the campus facilities and will go back to support veterans.

## BACKGROUND

The West Los Angeles Leasing Act of 2016, signed by President Obama, ensures that any leases that the West Los Angeles VA Campus enters into should benefit veterans and their families. In the recent past, the West LA VA Campus was rented out to various third parties which did not benefit veterans. Investigations by FBI resulted in findings which showed more than \$13 million was defrauded from veterans by officials and contractors.

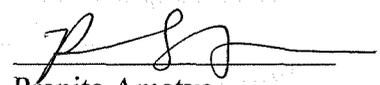
In 2011, the American Civil Liberties Union of Southern California filed a lawsuit against the VA Secretary on behalf of homeless veterans with severe disabilities. The lawsuit, *Valentini v Shinseki* challenged the misuse of the 387 acre West LA VA Campus, which was deeded to the United States for specific purpose of providing a home to disabled veterans. The case discovered that a third party

contractor skimmed funds that were meant to go to the VA facility with millions of dollars being taken away from veterans. The bill, H.R. 5093, amends the West Los Angeles Leasing Act of 2016 to include that any funds received by the VA Secretary under a lease be credited to a medical facilities account and shall be available exclusively for renovation and maintenance of land and facilities at the Campus. The bill also states that any proceeds from any seized or forfeited assets and restitution paid should be considered as funds received by the VA Secretary and should be available for renovation and maintenance.

Support of H.R. 5093 will provide additional funds to maintain the VA Campus and provide adequate services to veterans and veteran homeless in the City.

**BILL STATUS**

- 11/14/2019 Introduced in House
- 11/14/2019 Referred to the House Committee on Veterans' Affairs.
- 12/19/2019 Referred to the Subcommittee on Health.

  
Pranita Amatya  
Analyst

Attachment: 1. Resolution

RESOLUTION

WHEREAS, any official position of the City of Los Angeles with respect to legislation, rules, regulations or policies proposed to or pending before a local, state, or federal governmental body must have first been adopted in the form of a Resolution by the City Council with the concurrence of the Mayor, and

WHEREAS, President Obama signed into law the *West Los Angeles Leasing Act of 2016*, which ensures that the VA enter into leases that benefit veterans and their families first and foremost, authorized the Department to implement a Master Plan for the West L.A. VA campus with enhanced-use leases;

WHEREAS, prior to this new law, parts of the campus were being rented to various third parties that sometimes provided little to no value for veterans and their families;

WHEREAS, the FBI investigated and convicted officials and contractors who defrauded the West L.A. VA out of more than \$13 million in relation to a parking lot scheme on the campus;

WHEREAS, *Valentini v Shinseki* challenged the misuse of the 387-acre West LA VA campus, which was deeded to the United States in 1888 for the specific purpose of providing a home to disabled veterans, which it did for nearly 80 years, but which now is leased out to private companies;

WHEREAS, the VA has not publicly disclosed how much it is paid for these private deals or where the profits go;

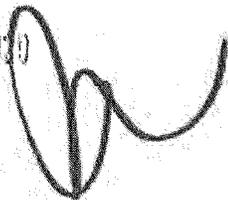
WHEREAS, the case discovered a third party contractor skimmed funds that were meant to go to the VA facility, with millions of dollars stolen from veterans in need;

WHEREAS, veterans served by the West LA VA Campus deserve to recoup lost funds in the *Valentini v Shinseki* settlement;

WHEREAS, the settlement allowed the Veterans Affairs Administration to recoup funds for maintenance;

WHEREAS, H.R. 5093, the *West Los Angeles VA Campus Improvement Act of 2019*, introduced by Congressman Ted Lieu (D-CA), will ensure that money recouped from that fraud will go back to serving veterans at the West L.A. campus;

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WHEREAS, H.R. 5093 amends the *West Los Angeles Leasing Act of 2016* to ensure that the West Los Angeles VA campus is able to recoup much-needed resources in service of our nation's veterans; specifically, H.R. 5093 ensures that any funds secured from settlements resulting from fraud or misuse of VA leases can be used in the renovation and upkeep of campus facilities;

NOW, THEREFORE, BE IT RESOLVED, with the concurrence of the Mayor, that by the adoption of this Resolution, the City of Los Angeles hereby includes in its 2019-2020 Federal Legislative Program SUPPORT for H.R. 5093, the *West Los Angeles VA Campus Improvement Act of 2019*.

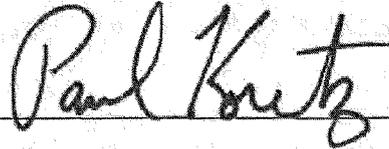
PRESENTED BY: \_\_\_\_\_



MIKE BONIN

Councilmember, 11th District

SECONDED BY: \_\_\_\_\_



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