

Congress of the United States
Washington, DC 20515

July 8, 2010

The Hon. Gordon S. Heddell
Inspector General
U.S. Department of Defense
400 Army Navy Drive
Arlington, Virginia 22202-4704

Dear Inspector General Heddell:

We are writing to apprise you of a policy at the Defense Finance and Accounting Service (DFAS), an agency within the Department of Defense (DOD), which may be discriminatory, in violation of fair labor practices, and otherwise illegal. As Members of Congress from the Cleveland area where an affected DFAS base is located, we request that the DOD Inspector General (IG) investigate this matter so that DFAS workers in Cleveland and throughout the nation are treated fairly.

A significant number of long-term employees at DFAS have recently been indefinitely suspended or fired. The investigations leading to the firings were initiated solely as a result of background investigations finding personal credit problems. While we agree that there may be compelling reasons to hold employees requiring security clearances to a more stringent code of personal conduct and financial standards, it appears that personal credit remains a prevailing factor in suspending or terminating employees. Following inquiry by our offices and other members of the Northeast Ohio congressional delegation, DFAS now says that there are other factors which have not been disclosed.

The DFAS employees who were fired have allegedly gotten behind on some of their personal credit payments. However, very few employees anywhere could withstand the scrutiny DFAS has imposed, especially during the current recession and the financial and housing crises which caused it.

It is noteworthy that 85% of the DFAS employees suspended or terminated as a result of the re-designation in security levels are African Americans, according to DFAS Director Teresa McKay in a recent meeting in which we were briefed. Financial history was the prevailing factor in justifying the terminations or suspensions in 75% of the cases.

The African American community in Cleveland and elsewhere has been disproportionately affected by predatory lending and the foreclosure crisis which followed. The House Oversight and Government Reform Subcommittee on Domestic Policy, which Rep. Kucinich chairs,

documented the phenomenon of the disproportionate effect of foreclosure to communities with predominant African American populations.

Focusing on credit history as a reason for firing employees can thus be seen as either a direct or de facto targeting of African Americans in the federal workforce for termination. We ask that the DOD/IG conduct an investigation as to whether DFAS is engaged in violations of these workers civil rights in unfairly targeting and discriminating against African American employees.

The firings may also be in violation of fair labor practices. At least one of the fired DFAS employees in Cleveland is an officer and organizer of the American Federation of Government Employees (AFGE) Local 3283. AFGE, like other labor unions, has a right to organize, conduct collective bargaining, and represent fellow employees before management. We are concerned that these firings may be a direct or de facto targeting of labor organizers and labor organizations at DFAS. We ask that the DOD/IG conduct an investigation as to whether DFAS is engaged in unfair labor practices in targeting labor organizers for dismissal while using a pretext of financial problems.

Additionally, DFAS employees may be targeted as a reprisal for Congressional oversight of that agency's efforts to privatize its workforce. We ask that you determine whether DFAS, which previously pushed people off its payroll in a move to privatize, is now retaliating against its employees after it was forced to reverse its privatization, and whether this move is a prelude to further privatization.

In addition to racial discrimination, unfair labor practices, and privatization of its workforce, we ask that the DOD/IG look at this policy and the situation in their entirety and determine if other discriminatory or illegal practices are involved. We are very concerned about actions by federal agencies to use personal financial information as a starting point to find reasons to terminate their employees. Please treat this as an urgent matter, as termination letters have already been sent. Please also let us know if there is any further information we can provide to you regarding this matter.

Sincerely,



Dennis J. Kucinich
Member of Congress



Marcia L. Fudge
Member of Congress