

NATIONAL VETERANS EMPLOYMENT & EDUCATION COMMISSION

TOPIC 1: ECONOMY



Imports of goods from China to the U.S. have also been disrupted, though that is likely to be temporary. While lower imports boost the GDP calculation for the U.S., shortages of inputs can be a drag on U.S. manufacturing production.

U.S. GDP growth is likely to slide to 1.4% in 2020, versus 2.3% in 2019. The coronavirus has the potential to slow the U.S. economy because attempts to contain it will inevitably crimp both consumer and business spending and activity. Some type of outbreak seems likely – the only question is how bad it will be. If it is severe, then a shallow recession this year is not out of the question. Even if there is no U.S. outbreak, U.S. exports to China and other countries with outbreaks are likely to suffer.

U.S. GDP grew by 2.1% in the fourth quarter, the third consecutive quarter of roughly 2% growth. While the growth rate stayed the same, some components shifted. Consumer spending growth slowed substantially from 3.2% in the third quarter to just 1.7% the fourth quarter. Business spending on equipment contracted for the second consecutive quarter. Construction of buildings dropped heavily for the third quarter in a row. And inventories grew by the lowest amount in six quarters.

What saved growth in the fourth quarter was a huge drop in imports, one of the reasons for the flatness of inventories. Housing was a bright spot, and government spending also contributed.

The labor force participation rate for prime-age workers (ages 25-54) ticked up in January to its highest level since 2008. As the unemployment rate has dropped to just 3.6%, worker shortages have led employers to step up recruitment efforts.

The 225,000 workers hired in January reflect the underlying strength of the economy. The usual sectors showed large gains: Health care, restaurants, e-commerce delivery and warehousing. Construction jobs jumped as the mild winter allowed more hiring than usual. Hiring for the 2020 Census has begun, with 12,000 temporary Census takers signed on so far, and more to come later in the spring.

Trouble spots were also familiar: Manufacturing industries related to slow exports, such as metals, machinery and autos. The coronavirus outbreak in China is likely to reduce both U.S. exports and imports this year. Retail, especially department stores, saw continued job losses.

Monthly job growth in 2020 is likely to average 150,000 hires, down from 175,000 in 2019 and 193,000 in 2018. Partly, that is because there are fewer available workers to hire, given the low unemployment rate. But the smaller gains also signal that the economy is easing a bit to a more moderate growth rate.

Wages grew at a moderate 3.3% rate for nonsupervisory workers. Moderate wage growth is likely to allay the Federal Reserve’s concerns about potential future inflation, making it less likely to raise interest rates in the near term. In fact, the Fed seems more worried about inflation coming in too low, rather than too high.

| 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 | |
| | JAN 2019 | JAN 2020 | JAN 2019 | JAN 2020 | JAN 2019 | JAN 2020 |
| Unemployed | 147 | 149 | 141 | 134 | 6 | 15 |
| Unemployment rate | 4.2 | 4.4 | 4.7 | 4.7 | 1.2 | 2.6 |

The national unemployment rate is 3.6 percent (January 2020). Gulf War II veterans' unemployment rate is 4.4 percent.ⁱ Currently, the unemployment rate for Gulf War II women veterans is 2.6 percent (down from 3.1 percent in December).

TOPIC 2: MEETINGS

On Wednesday, March 4, 2020 the National Veterans Employment & Education Division will host an Employment Advisory Boarding Meeting at Washington Conference.

On Wednesday, March 4, 2020 The Veterans Employment and education Division met with the National Industry for the Blind (NIB) to discuss progress on their veterans programing and their legislative priorities.

On Thursday, March 5, 2020 The National Veterans Employment & Education Division will sponsor a Veteran Resume and Financial Workshop/Networking Luncheon at Washington Conference

On Friday, March 6, 2020 The National Veterans Employment & Education Division attended a meeting with Opportunity Starts at Home, Legislative Working Group to discuss upcoming homelessness and eviction challenges.

On Friday, March 6, 2020 The National Veterans Employment & Education Division will join the Coalition for Veteran Owned Businesses’ for their quarterly Partners and Stakeholder Meeting.

On Friday, March 6, 2020 The National Veterans Employment & Education Division will attend an Access to Capital Roundtable at Washington Conference.

On Friday March 6, 2020 The Veterans Employment and education Division will join the Coalition for Veteran Owned Businesses' for their quarterly Partners and Stakeholder Meeting.

TOPIC 3: EMPLOYMENT

The wife of a U.S. Army soldier stationed at Joint Base Anacostia-Bolling in Washington, D.C., Kristie Wooddell knows firsthand the intangibles that come with being in the military. That's one of the reasons Wooddell, an area human resources business partner for Lowes, has a passion for hiring veterans.

Wooddell was one of the Lowes employees manning a table at The American Legion-Hiring Our Heroes career fair March 5 at the Washington Hilton in the nation's capital. Dozens of employers – from national companies such as Lowes, Raytheon and Hilton, to federal agencies like the Department of Veterans Affairs and the Transportation Security Administration – were on hand for the 200 registered job seekers.

Those on hand seeking prospective employment were current members of the military, their spouses and veterans – a group that Wooddell said Lowes has enjoyed great success in employing.



**Kashi Russell, H.R. Manager presenting at the Employment Advisory Boarding Meeting during Washington Conference*

“Lowes is a huge supporter of the military in general, and veterans,” Wooddell said. “And I’m also a military spouse, so it’s something that’s near to my heart. I’ve been coming to these (hiring fairs) for three years now. It’s always good to come in and connect, and hopefully connect somebody with a job they want.”

Wooddell said veterans “have some transferable skills. Leadership is not always something you can teach. That’s one of the first things I look for (when) looking at somebody’s résumé and trying to place them within our organization: Did they lead a group of people, and were they successful leading that group. The rest is something you can teach.”

One of the job seekers attending the workshop was 26-year-old U.S. Army veteran Stephanie Ramirez, who served in the U.S. Army from 2011-2019. The March 5 event was the first hiring fair she’d attended – but it won’t be the last.

“I’m absolutely obsessed,” Ramirez said. “One, it was so fun. I’m a people person. I love the one-on-one interactions. Love that the employers here are willing to talk to you. If you have questions they’ll answer it. Even if you’re not looking for a job with their company, if you want some advice on something they’re willing to give it. This has been great. I will come to more of these.”

Ariel A. De Jesus Jr., assistant director of The American Legion's National Veterans Employment & Education Division, said such events are important in order to get veterans and servicemembers in front of a large audience of potential employers.

“(Hiring Our Heroes) has a lot of great companies that attend (the hiring fairs),” De Jesus said. “And it’s hard for the job seekers. They don’t know what’s out there. Being able to get out and see the companies that are here is important. You can go on ... all these job boards, but they’re hard at times to navigate. And then having that face-to-face contact with the company, that matters.”

Nicholas Maggio, who served in the Army from 1999-2018 and is now looking for his “second career” attended The American Legion’s workshops in the morning and then headed downstairs for the hiring fair. It was his first such hiring fair after doing his previous job-search efforts online.

“I’ve had various degrees of success online. Not many interviews,” Maggio said. “Coming here, I’m trying something new.”

Earlier in the day, Ramirez attended three employment workshops that focused on résumé cliché writing, using LinkedIn and financial literacy. She said the day’s events helped out as she moves toward her civilian career.

“I think transitioning is a really scary thing, no matter what stage in life you’re at. Taking what you do in the military and applying it to the civilian can be very, very overwhelming,” Ramirez said. “Organizations like Hiring Our Heroes and The American Legion taking the time to reach out to veterans, to reach out to transitioning servicemembers to make sure they’re ready for the workforce, is crucial. I don’t think I would be as confident as I am if it weren’t for things like this.”

TOPIC 4: CAREER FAIRS

On March 5th, The National Veterans Employment and Education Commission, in collaboration with Hiring Our Heroes, hosted the Washington Conference Hiring Fair.

The wife of a U.S. Army soldier stationed at Joint Base Anacostia-Bolling in Washington, D.C., Kristie Wooddell knows firsthand the intangibles that come with being in the military. That’s one of the reasons Wooddell, an area human resources business partner for Lowes, has a passion for hiring veterans.

Wooddell was one of the Lowes employees manning a table at The American Legion-Hiring Our Heroes career fair March 5 at the Washington Hilton in the nation’s capital. Dozens of employers – from national companies such as Lowes, Raytheon and Hilton, to federal agencies like the Department of Veterans Affairs and the Transportation Security Administration – were on hand for the 200 registered job seekers.

Those on hand seeking prospective employment were current members of the military, their spouses and veterans – a group that Wooddell said Lowes has enjoyed great success in employing.

“Lowes is a huge supporter of the military in general, and veterans,” Wooddell said. “And I’m also a military spouse, so it’s something that’s near to my heart. I’ve been coming to these (hiring fairs) for three years now. It’s always good to come in and connect, and hopefully connect somebody with a job they want.”

Wooddell said veterans “have some transferable skills. Leadership is not always something you can teach. That’s one of the first things I look for (when) looking at somebody’s résumé and trying to place them within our organization: Did they lead a group of people, and were they successful



leading that group. The rest is something you can teach.”

One of the job seekers attending the workshop was 26-year-old U.S. Army veteran Stephanie Ramirez, who served in the U.S. Army from 2011-2019. The March 5 event was the first hiring fair she’d attended – but it won’t be the last.

“I’m absolutely obsessed,” Ramirez said. “One, it was so fun. I’m a people person. I love the one-on-one interactions. Love that the employers here are willing to talk to you. If you have questions they’ll answer it. Even if you’re not looking for a job with their company, if you want some advice on something they’re willing to give it. This has been great. I will come to more of these.”

Ariel A. De Jesus Jr., assistant director of The American Legion’s National Veterans Employment & Education Division, said such events are important in order to get veterans and servicemembers in front of a large audience of potential employers.

“(Hiring Our Heroes) has a lot of great companies that attend (the hiring fairs),” De Jesus said. “And it’s hard for the job seekers. They don’t know what’s out there. Being able to get out and see the companies that are here is important. You can go on ... all these job boards, but they’re hard at times to navigate. And then having that face-to-face contact with the company, that matters.”

Nicholas Maggio, who served in the Army from 1999-2018 and is now looking for his “second career” attended The American Legion’s workshops in the morning and then headed downstairs for the hiring fair. It was his first such hiring fair after doing his previous job-search efforts online.

“I’ve had various degrees of success online. Not many interviews,” Maggio said. “Coming here, I’m trying something new.”

Earlier in the day, Ramirez attended three employment workshops that focused on résumé cliché writing, using LinkedIn and financial literacy. She said the day’s events helped out as she moves toward her civilian career.

“I think transitioning is a really scary thing, no matter what stage in life you’re at. Taking what you do in the military and applying it to the civilian can be very, very overwhelming,” Ramirez said. “Organizations like Hiring Our Heroes and The American Legion taking the time to reach out to veterans, to reach out to transitioning servicemembers to make sure they’re ready for the workforce, is crucial. I don’t think I would be as confident as I am if it weren’t for things like this.”

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

The House Judiciary Subcommittee on Crime, Terrorism, and Homeland Security held a hearing, “Returning Citizens: Challenges and Opportunities for Reentry,” on February 27. Formerly incarcerated individuals must navigate significant challenges upon reentry into their communities after leaving prison or jail, particularly in obtaining safe, affordable, accessible housing. These challenges place returning individuals at risk of housing instability, homelessness, and ultimately recidivism. Witnesses discussed barriers to successful re-entry faced by individuals and highlighted potential reforms that would provide returning citizens the stability and opportunities needed to successfully reintegrate after incarceration.

Witnesses included John Harriel, diversity manager and superintendent at 2nd CALL; Conan Harris, principal at Conan Harris & Associates; Nancy La Vigne, vice president of justice policy at the Urban Institute; Ronald Lampard, senior director of the Criminal Justice Task Force and Civil Justice Task Force at the American Legislative Exchange Council; Vanessa Martin, director of reentry services at the Office of Diversion and Reentry, Los Angeles County Department of Health Services; and Jesse Wiese, national director of Academy Advancement at the Prison Fellowship.

“Laws or policies that restrict individuals from associating with felons might result in homelessness,” Subcommittee Chair Karen Bass (D-CA) noted in her opening statement. “Returning citizens are ten times more likely to be homeless than the general public. If you cannot find a place to live, cannot find a job, it should be no surprise that in order to survive, you re-offend.”



**National Low Income
Housing Coalition**

“One of the most pressing [challenges] continues to be access to housing,” said Mr. Harris. “The truth of the matter is, one of the biggest barriers to being able to get out and stay out [of prison] is housing.” Representative Cedric Richmond (D-LA) agreed, “We have so many people that can’t go home on probation or parole because they don’t have stable housing. [Housing] is one of the biggest determining factors in whether you get back into the [prison] system.”

Witnesses noted that successful reentry programs should focus on the holistic needs of individuals, including finding returning citizens safe, stable, affordable housing. “Successful reentry programs need to be both holistic – addressing all of the needs of an individual – and tailored, recognizing that people have different needs,” said Ms. La Vigne.

National Low Income Housing Coalition recently published a new issue of *Tenant Talk* exploring the challenges formerly incarcerated individuals face in accessing housing upon reentry.

TOPIC 6: SMALL BUSINESS

Ensuring that each veteran receives our full respect and support as he or she transitions back to civilian life is one of our duties as a nation.

While the personal sacrifice made by our veterans is impossible to measure and represents a debt that can never fully be repaid, it is vital that Americans do what we can to protect the benefits and services our nation's veterans have earned.

Extending opportunities to entrepreneurial veterans who have suffered service-related disabilities is one way our nation honors their extraordinary service. The Service-Disabled Veteran-Owned Small Business ("SDVOSB") procurement program was established in 2003 as an extension of the federal government's policy to maximize procurement opportunities for small businesses. The program provides opportunities for SDVOSBs by establishing a goal that at least 3 percent of all federal contracting dollars be awarded to service-disabled veteran-owned small businesses each year.



Three percent of federal contracting dollars may seem like a small amount—but the reality is this program represents billions of dollars in opportunity for our nation's veterans. Unfortunately, over the years, this program has become a lucrative target for fraud and abuse. In fact, in a sobering December 2019 report from the Government Accountability Office focused on contracting fraud with the Department of Defense, one of the most rampant forms of abuse

documented relates to contractors falsely claiming eligibility for contracts set aside for small businesses owned by service-disabled veterans.

Schemes in which well-resourced, large companies either create fraudulent SDVOSBs or manipulate existing SDVOSBs to capture federal set-aside contracts for themselves are on the rise. These schemes are robbing our nation's veterans of opportunities that they earned through their service. This is why it is critical that we understand the rules involving contracts set aside for SDVOSBs, as well as how to identify SDVOSB fraud.

First, let us look at the rules of SDVOSB procurement. In order to be eligible for a set-aside or sole-source SDVOSB contract with the federal government, a firm must meet four criteria. First, the firm must be a small business. Second, the company must be at least 51-percent owned by one or more service-disabled veterans. Third, a service-disabled veteran must hold the highest position in the company—such as the role of CEO—and be responsible for the day-to-day operation of the firm. And finally, the eligible veterans must have a service-connected disability.

It's also worth noting that while SDVOSBs can join forces with large companies to bid on government contracts, to qualify for an SDVOSB set-aside opportunity, at least 51 percent of the net profits earned by the joint venture must be distributed to the SDOSB and the SDVOSB needs to play the lead role as project manager on the project.

Even though these rules should be easy to understand and follow, the lure of securing set-aside government contracts worth billions of dollars is too much for some large business owners to resist, often leading some to commit fraud by creating small businesses to serve as a “pass through” entity to illegally win SDVOSB set-aside contracts. For example, the Virginia-based defense contractor ADS, Inc. and Luke Hillier, ADS’s former Chief Executive Officer, collectively agreed to pay the United States nearly \$37 million to settle allegations that they violated the False Claims Act by fraudulently obtaining federal set-aside contracts reserved for small businesses that ADS was ineligible to receive. Specifically, ADS settled allegations that it had established a “pass through” small business named MJL Enterprises led by a former ADS employee who happened to be a service-disabled veteran. The lawsuit further alleged that ADS managed MJL’s day-to-day operations and supplied the necessary logistical services to allow MJL to perform under its SDVOSB set-aside contracts. In turn, MJL brought in more than \$70 million in small business set-aside government contracts that ADS otherwise would not have been eligible to receive.

In the case of ADS, the punishment for allegedly using a fraudulent SDVOSB was severe. Hillier’s settlement of \$20 million is among the largest secured against an individual in the history of the FCA. In addition to the \$20 million settlement announced by the DOJ in August 2019, the firm also paid the U.S. government a settlement of \$16 million in 2017 related to the same conduct.

So, what can be done about the issue? The GAO report underscores that the Defense Department should be doing more to verify who actually owns and manages the companies that supply the agency with goods and services. That sounds great, but the reality is the complex system that includes thousands of vendor companies and hundreds of thousands of contracts and subcontracts makes this kind of additional oversight a herculean task.

Another solution is to encourage those with insider knowledge of potential SDVOSB fraud to come forward as whistleblowers. Whistleblowers with direct knowledge about the ownership and management structure of these organizations are uniquely positioned to shine a light on fraudulent schemes that may otherwise never be uncovered.

The sad truth is that each time a government contract is awarded to a company falsifying its status as a SDVOSB, other veterans operating legitimate, eligible small businesses are denied opportunities that they’ve earned through their service to our nation. It’s up to us to ensure these opportunities are safeguarded for our veterans today and tomorrow. It’s the honorable thing to do.

TOPIC 7: EDUCATION

For all of President Trump’s controversial policies, it has been rare for the Republican Senate to formally condemn the administration. But lobbyists on both sides of the debate over U.S. Education Secretary Betsy DeVos’s borrower-defense rule say it’s increasingly possible that the Republican Senate could join the Democratic House in rebuking the administration over the rule critics say makes it harder for defrauded students to have their education loans forgiven.

Lobbyists representing groups who support as well as oppose the rule stop short of predicting that the resolution sponsored by Senate Democratic Whip Dick Durbin of Illinois will pass. But they say several Republicans are on the fence, making it possible that the proposal could get the four Republican votes needed to pass.



Indeed, none of the eight moderate Republican senators, or those facing tough re-election races, contacted this week would say they will oppose the proposal. Instead aides either said the senators are undecided or declined to say where they stand.

Giving supporters of the measure hope is that six Republicans crossed party lines and backed the House measure. The Senate is required to vote on the resolution, though it's uncertain when, an aide to Durbin said.

The Senate has passed similar resolutions opposing Trump's policies over at least three issues. Eleven Republicans in November 2019 backed a resolution over his emergency declaration to access funds for a border wall. In June 2019, seven Republicans voted in favor of a resolution opposing arms sales to Saudi Arabia and other nations. Five of them also supported a resolution against arms sales benefiting Jordan, the United Arab Emirates and other nations.

In March 2018, three Republicans joined Democrats to disapprove of the Trump administration's replacement of net neutrality rules created during the Obama administration.

The debate over borrower defense stems from a flood of loan-discharge applications after the collapse of the for-profit chain Corinthian Colleges in 2015. In response, the Obama administration clarified the government's rules in 2016 to make it easier for students to get discharges.

While discharge applications currently fall under the Obama rule, those made after July 1 will come under DeVos's tighter rules. However, the rule is facing attack in Congress and the courts. Last week, the Project on Predatory Student Lending and Public Citizen Litigation Group jointly filed a federal lawsuit in New York that would block it.

Joseph C. Sharpe, Jr., Director
Veterans Employment & Education Division
202.861.2700 ext. 2989
Week Ending: 3/6/20
