

# United States Senate

WASHINGTON, DC 20510

June 14, 2016

The Honorable Beth F. Cobert  
Acting Director  
United States Office of Personnel Management  
1900 E St. NW, Washington, DC 20415

Dear Acting Director Cobert:

I write seeking information about the practice of breaking performance awards for Senior Executive Service (SES) employees into smaller pieces over time, presumably to evade scrutiny and maximize their size. Recently, it was made public that Mr. Kelly Hoggan, former assistant administrator for the Office of Security Operations at the Transportation Security Administration (TSA), received roughly \$90,000 in bonuses paid over a 13-month period. Such a bonus, if paid in one lump sum, would have far exceeded the statutory 20 percent cap on SES bonuses, and I am concerned that this practice may be occurring at other federal agencies.

Under federal law, SES bonuses must be paid “in a lump sum,” and they are intended “to encourage excellence in performance.”<sup>1</sup> Performance awards cannot exceed 20 percent of an SES employee’s base salary, and agencies’ total funding for SES bonuses is capped at 10 percent of the agency’s aggregate base pay for senior executives in the preceding fiscal year. Additional limitations were in place in 2013 and 2014, when Hoggan received his bonuses.<sup>2</sup>

Hoggan’s \$90,000 in bonus payments in 13 months is a clear violation of the spirit, if not the letter, of the law. For these payments to be 20 percent of his base salary, he would have had to have earned more than \$450,000. At a time when the Department of Homeland Security’s Office of Inspector General was able to carry illegal weapons and fake explosives past TSA security checkpoints in 67 of 70 attempts as part of an undercover investigation, any bonus to the administrator in charge of security operations could be considered excessive.<sup>3</sup> That Hoggan was also accused of retaliating against whistleblowers makes these bonus payments offensive.<sup>4</sup>

Federal employees should not be compensated in a manner that is deliberately intended to evade scrutiny and allow employees and agencies to exceed the 20 percent cap. Notably, current TSA Administrator Peter Neffenger fixed this problem at TSA by capping the agency’s cash awards at \$10,000 per year, and I commend him for that. President Obama, in December, also issued an executive order limiting SES bonuses to 7.5 percent of an agency’s aggregate base pay

---

<sup>1</sup> 5 U.S.C. § 5384

<sup>2</sup> “Senior Executive Service Compensation Overview.” *United States Office of Personnel Management*. Web.

<sup>3</sup> Fishel, Justin, Pierre Thomas, Mike Levine, and Jack Date. “Undercover DHS Tests Find Security Failures at US Airports.” *ABC News*. 1 June 2015. Web.

<sup>4</sup> Halsey, Ashley, III. “Huge Bonuses and Forced Transfers Were Downfall of Top TSA Official Kelly Hoggan.” *Washington Post*, 26 May 2016. Web.

for senior executives.<sup>5</sup> However, it is still unclear how widespread the practice of awarding incremental bonuses to SES employees really is.

In an effort to better understand this issue, I respectfully request the following information:

- (1) The number of SES employees who received multiple performance awards in any single fiscal year from FY 2011 to FY 2015, broken down by agency and by rank on the Executive Schedule;
- (2) The number of those awards that, when taken in the aggregate, exceeded 20 percent of the employee's base pay; and
- (3) A list of federal agencies where total SES bonuses exceeded 10 percent of the agency's aggregate base pay for senior executives in the preceding fiscal year for FY 2011 through FY 2015.

I request you provide this information as soon as possible but no later than July 11, 2016. If you have questions about this request, please contact Charlie Moskowitz at 202-224-6154 or [Charlie\\_Moskowitz@mccaskill.senate.gov](mailto:Charlie_Moskowitz@mccaskill.senate.gov). Thank you for your assistance.

Sincerely,



Claire McCaskill  
U.S. Senator

---

<sup>5</sup> Exec. Order No. 13714, 3 C.F.R. (2015).