



**AFGE COUNCIL 228**  
United States Small Business Administration  
Washington, DC  
**Council 228 President Keith Lucas**  
**NEWSLETTER**



**Breaking News**

**Mismanagement at the SBA-  
The GAO Report**

On January 6, 2016, SBA Administrator went before the Committee on Small Business to discuss a GAO report dated September 15, 2015. The GAO reported that the U.S. Small Business Administration has not resolved many longstanding management challenges due to lack of sustained priority attention over time. Frequent turnover of political leadership at the SBA has often made sustaining attention to needed changes difficult. Senior SBA leaders have not prioritized long-term organizational transformation in areas such as human capital and information technology (IT). For example, at a 2013 hearing on SBA's budget, the committee Chairman Chabot stated that SBA's proposed budget focused on the agency's priorities but ignored some long standing management deficits. This raises questions about SBA's sustained commitment to addressing management challenges that could keep it from effectively assisting small businesses. A senior SBA official told the GAO that improving human capital management, IT, and the 8(a) program were priorities for the next Administrator. For example, he stated that SBA was exploring creative ways to recruit staff and plans to expand SBA One- a database currently used to process loan applications. Administrator Maria Contreras-Sweet at January 6, 2016 hearing stated that SBA has begun addressing some internal control weaknesses that GAO and the SBA OIG identified as contributing to agency's management challenges. She stated that SBA officials had begun to

update its standard operational procedures. However, GAO identified the following management areas that needed improvements:

**Human Capital**

*As of May 2015, SBA has not yet developed a workforce plan, and as of June 2015, it had not conducted a skills assessment that its workforce has the skills the agency requires.*

**Procedural guidance**

*SBA has not determined that 74 of its 165 SOP's needed to be revised, 31 needed to canceled and 60 required no revision and an additional 9 needed to be issued.*

**Information Technology**

*SBA has not implemented more than 30 SBA OIG recommendation related to IT security but has recently increased its emphasis on improvement. SBA has not conducted regular reviews of its operational IT investments to ensure that they continue to meet agency needs. Until SBA fully implements all of the required IT management initiative, the agency cannot provide reasonable assurance that its IT investment are cost-effective, meet agency goal or are effectively managed.*

**Organizational structure**

*SBA's organizational structure has created complex overlapping relationships among office that have contributed to challenges in program oversight. Although a contractor assessed SBA's organizational structure in March 2015, SBA has not documented its assessment of the contractors work. Until SBA documents its assessment, it will not have an institutional record of its actions, and it will be difficult for SBA or a third party to validate that SBA's current organizational structure is contributing effectively to its mission objectives and programmatic goals.*

**SBA's Headquarters and Field relationships**

*The 8(a) development program, the GAO found lacked communication between SBA district offices and headquarters (due in part*

*to the agency's organizational structure) that resulted in inconsistencies in the way district offices delivered the program. For example, in about half the 8(a) files, the GAO found, that district staff did not follow the required annual review procedures for determining continued eligibility for the program. This was due in part to lack of clear guidance from headquarters. In addition, the GAO found that confusion over roles and responsibilities led to district staff being unaware of the types and frequency of complaints across the agency on the eligibility of firms participating in the 8(a) program. In 2013, the SBA OIG found that communication from a headquarters program office to field offices about conducting examinations for a specific program had been limited. The report noted that this lack of communication could have not only inhibited the sharing of crucial information but also caused inconsistencies in the examinations across field offices. It concluded that these weaknesses in the examination process had diminished the agency's ability identify regular violations and other noncompliance issues in the operation of the program.*

**Small Business Contracting**

*The GAO report found that many firms were in the HUBZone program for more than 3 years without being recertified as required, resulting in potentially ineligible firms participating in the program. The GAO recommended that SBA eliminate the backlog using either SBA or contract staff and take the necessary steps to ensure that recertification were completed in a more timely fashion in the future. However, the GAO reported in February 2015 that SBA did not replace the contract staff with FTE staff because, according to SBA, part of its funding was rescinded in 2013.*

**AFGE Local 1208**

Fresno Center LSAs brought to the attention of their local that their telephone performance element did not

contain an objective standard. AFGE Local 1208 President Niklas Gustafsson and Steward Bob Krum worked with local management in good faith to draft a new, objective and MLA compliant performance element.

## **SBA's Employee Viewpoint Survey**

The U.S. Small Business Administration with approximately 2,000 across the U.S. has consistently ranked almost dead last of all the federal agencies. Keith Lucas, president, AFGE Council 228 stated "there has been a longstanding problem and disconnect with SBA promoting its dedicated and hardworking employees who constantly are overlooked for promotions within the SBA. Until the agency promotes its well-deserving employees, you more than likely won't see any uptick in the employee view point survey and this GAO report is the first indicator that there is a problem which must be addressed."

## **Meeting with Administrator Maria Contreras- Sweet**

A meeting was held on January 27, 2016 with Administrator Maria Contreras-Sweet to discuss various issues for the remainder of her term as SBA Administrator.



The Administrator discussed the multi-million renovation project currently underway at SBA Headquarters and the agencies future need for space as defined in GSA's new policy to "reduce the footprint" throughout the federal government. We also discussed training goals and internal promotions of qualified employees within SBA who have long been overlooked for promotional positions within the agency.



## **AFGE Council 228 re-files another Overtime lawsuit against the U.S. Small Business Administration**

AFGE Council 228 has filed another overtime lawsuit against the U.S. Small Business Administration utilizing the same law firm of Snider and Associates.

In 2007, it was the Snider law firm that successfully settled a \$7.5 million dollar law suit against the U.S. Small Business Administration (SBA), which allowed many SBA employees to receive paychecks ranging in the amounts from \$200 to as much as \$8,000 per employees when the case was finally settled.

The federal overtime provisions are contained in the Federal Labor Standards Act (FLSA). Unless exempt, employees covered by the Act must receive overtime pay for hours worked over 40 hours in a workweek at a rate not less than time and one-half their regular rates of pay. There is no limit in the Act on the number of hours any employees aged 16 and older may work in any workweek. The Act does not require overtime pay for work on Saturdays, Sundays, holidays or regular days of rest, unless overtime is worked on such days.

The Act applies only on a work week basis. An employee's workweek is a fixed and regularly recurring period of a 168 hours – seven consecutive 24 hour periods. It need not coincide with the calendar week, but may begin on any day and at any hour of the day. Normally, overtime pay earned in a particular workweek must be paid on a regular pay day for the pay period in which the wages were earned. The overtime grievance is currently in arbitration with an assigned arbitrator.

The case is currently pending before an arbitrator and we will let you know of any discussions.

## **AFGE Local 2532 has approved the 1<sup>st</sup> Women's Center and Nursing room for nursing mothers**

SBA Administrator Maria Contreras-Sweet and Council President Keith Lucas with Regional vice president Sandra Wells opened the first women's center at SBA Headquarters, specifically designed for pregnant mothers. The Center, which is located on the concourse level will consist of two separate private rooms with beds, chairs and refrigerators to accommodate SBA mom's during the course of their pregnancies.



"It's a good day when it's a part of your job to positively affect the next generation and future moms here at the SBA", said Keith Lucas, Council president of AFGE Council 228.

For SBA mom's either located at Headquarters or visiting, should contact Kenneth Etheridge, Director of Facilities who will provide you with a private passcode to enter the Women's Center and the policies that apply to the Center.

## **Update on SBA Headquarters construction project and the relocation of 180 bargaining unit employees at the Patriots Plaza**

As many of you may know, in February 2015, a major construction project was started at SBA Headquarters office, which required the relocation of 180 bargaining unit employees to the Patriots Plaza located across the street from SBA's Headquarter office. Now the next phase of the construction project is in the final process. The relocated employees will remain at the Patriot Plaza until June 2016 at which time it estimated that the move back to SBA Headquarters office

will start. Employees will return to back to newly painted walls, carpeting and equipment when the construction is finally completed. At the same time, the Union would like to inform all affected employees that these are estimates and the return date to SBA Headquarters may be subject to change to a later date, if there are constructions delays relating to weather and any other factors but we will keep you informed at every step in the process.

### **President Obama approves locality pay increases by Executive Order**

President Obama by executive order issued on November 30, 2015 to increase civilian federal locality increases based on an allocation of 0.3 percent of payroll – was introduced in his alternative plan for locality pay because the changes that would have gone into effect in January could not be sustained by agency budgets.

The increases that were set to take effect in January averaged 28.74 percent and would cost \$26 billion.

In August 2015, President Obama approved a 1 percent pay raise for federal employees in in 2016. AFGE National President J. David Cox said, “while the locality increase is quite small, averaging 0.3 percent, this is a welcome recognition by the administration that federal employees have more than paid their fair share of helping to reduce the nations deficit and cannot endure another year of frozen wages.”

### **AFGE Local 2959 investigates the delay in processing union applications**



AFGE Local 2959 president Johnnie Green has been investigating the time that it takes for employees to join

the Union and the agency inputting this information into its systems and there appears to be a “bottleneck” from the time an employee joins the union on the Form 1187 and the SBA Office of Payroll inputting this information properly into systems to coincide with AFGE National office.

On November 19, 2015, Council President Keith Lucas met with Joseph Loddo, Deputy chief operating officer to rectify the current problem with the processing of union applications. The union and management both agreed to establish monthly meetings to monitor the progress Local 2959 investigations of this matter.

### **AFGE Council President Keith Lucas meeting with Deputy Administrator Doug Kramer**

A meeting with Deputy Administrator Doug Kramer and Council President Keith Lucas was held on September 2015 to discuss the future direction of the Agency. One issue was the impending continuing resolution deadline on December 7, 2015, which passed and now the agency has an operational budget for FY 2016. Council President Lucas made it known that it would be a great idea to reinstate the transfer-to-transfer within the 68 district offices for bargaining unit employees in the Office of Field Operations and the Servicing Centers. Transfers to transfer have benefited employee who for either personal family reasons or financial reasons to transfer to another location if there is slot available.

The transfers would only impact SBA district office employees and Servicing Center employees. This would mean hypothetically that if an employee was located in the West Virginia District office for an example, that employee could transfer to another district office if it would be personally or financially beneficial to transfer to another location.

### **Performance Systems Committee meeting**

The Performance Systems Committee met for three (3) days in Washington, DC at SBA Headquarters to discuss the upcoming position description negotiations, Human Resource issues, the SBA Way Committee in September

2015. The Committee members for the Union were as follows: Keith Lucas Council President, Johnnie Green 1<sup>st</sup> vice president, Nik Gustafsson, President, Local 1208, Elodia Castro, Regional vice president, Theresa Pike Secretary, Carlos Ortiz, vice president, Local 2532. For the Management the members were as follows: Kelly Robinson, Eugene Cornelius, Associate Administrator for Field Operations, Dorothy Overall, (District Director, Oklahoma district office in January 2016

### **Herndon Servicing Center will remain in the bargaining unit at the SBA**

A decision and order has been finalized by the U.S. Small Business Administration and the American Federation of Government Employees concerning the certification petition for the Herndon Servicing Center employees.



The employees of the center will remain in the bargaining unit without any future questions pertaining to their status. This certification will also include the attorney’s at the Center and their positions have long been in dispute with the agency. That issue is now cleared up and all bargaining employees at the Center will be represented exclusively by AFGE.

### **AFGE Local 2532 wins an unfair labor practice charge**

On December 8, 2015, AFGE Local 2532 filed an unfair labor practice charge against Kenneth Etheridge, Director, the Office of Administration for relocating a group of bargaining unit employees within the Office of Native American Affairs from temporary space on the 2<sup>nd</sup> floor to the 3<sup>rd</sup> floor in SBA Headquarters. The Notice will be posted for 30 days throughout each floor in SBA Headquarters.

## **AFGE Council 228 wins an unfair labor practice charge**

On October 5, 2015, AFGE Council 228 filed an unfair labor practice charge against Jackqueline Robinson-Burnette, Associate Administrator for Business Development for violating the protected activity of filing a grievance by one of her employees and soliciting comments from member of her staff about the status of the grievance. The Notice will post in SBA Headquarters building for 30 days.

## **AWS is fully reinstated within the Office of OCIO**

As part of a settlement agreement from and unfair labor practice charge, Keith Lucas, president of AFGE Local 2532 and Keith Bluestein, Deputy OCIO signed a formal agreement on July 31, 2015 to reinstate AWS for OCIO Headquarters employees. Renee Macklin, the former OCIO terminated all AWS for OCIO employees without any formal notice or bargaining with Union.

## **AFGE Local 3196 is merged with AFGE Local 1208**

By a letter dated February 3, 2016, National President J. David Cox has officially merged L3196 in Seattle, Washington into L1208 in Fresno, California.

George “Nik” Gustafsson is the president of AFGE Local 1208 with the representational duties for the Seattle District office. Please contact Nik if you have any questions. Congratulations Nik!

## **Contract Negotiations**

SBA Deputy Administrator Douglas Kramer officially informed AFGE Council 228 President Keith Lucas of the agencies desire to bargain over the 2013 Master Labor Agreement. President Lucas was also informed that Adalberto Quijada, District Director of the Santa Ana District office will serve as the Chief Negotiator for the Agency.

## **The Chief Digital Officer/OCIO**

An unfair labor practice charge has been filed against the newly established Chief Digital Officer/OCIO for various unilateral changes concerning space and the hiring of employees on Schedule A. In a meeting with Keith Bluestein, Deputy OCIO, Keith Lucas, Council President stated, “my concern in when these Schedule A positions go away, will there be any competitive hiring for these position in the future, whereby SBA employees can apply?”

## **Council 228 Officers**

*President – Keith Lucas*

*1<sup>st</sup> Vice President – Johnnie Green*

*Treasurer – Theresa Pike*

*Secretary – Rhonda Crouch*

## **Regional Vice Presidents**

*Region 1 – Jorge Betancourt*

*Region 2 – Sandra Wells*

*Region 3 - Brenda Wilson*

*Region 4 – Sonya Wagasky*

*Region 5 – Elodia Castro*

### **Quote of the Month**

*“The Lord said unto my Lord, Sit thou on my right hand, till I make thine enemies thy footstool..” Matthew 22:44 (KJV)*