

CALIFORNIA LEGISLATURE

STATE CAPITOL
SACRAMENTO, CALIFORNIA
95814

October 26, 2016

The Honorable Kevin McCarthy
2421 Rayburn House Office Building
Washington, D.C. 20537

Dear Representative McCarthy:

We understand that from 2005-2010, thousands of members of the Army National Guard in California and elsewhere were granted various financial incentives, including reenlistment bonuses and student loan repayments, to encourage their service reenlistment, primarily to help ensure their continued availability in fighting global terrorism.

We also understand that subsequent audits have determined that approximately 6,500 California Soldiers were ineligible and improperly received those financial incentive payments. Although a small number of Guard members took bonus money knowing that they were committing fraud, the overwhelming majority acted on good faith, relying on bad information from recruiters and others in positions of authority. Now, years later, the federal government is demanding that the good-faith Soldiers pay the moneys back – in most cases long after the money has been spent.

The federal clawback of the funds is devastating the families of current and former Guard members. In some cases, individuals must repay more than \$15,000. The recovery effort ignores that the primary fault lies with the recruiting system's failure to ensure eligibility at the time of the awards and also that the Soldiers fulfilled the associated service obligations, which often included deploying back into combat zones in Iraq and Afghanistan.

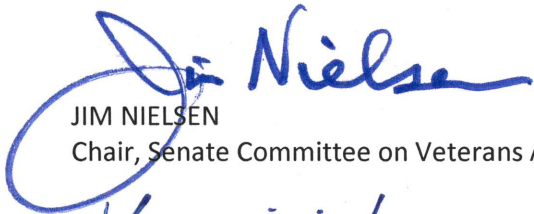
As Californians, we are greatly appreciative of the crucial national security role that the California National Guard plays as part of the United States Department of Defense. However, we also know how vital is the Guard's support to our state during times of natural disaster and unrest. The morale of the California National Guard has been and continues to be tested by its exhausting wartime deployment schedule over the past 15 years, the current downsizing of the federal military force structure, and now also by the retroactive clawback of these incentive awards. We believe it is crucial to protect the morale and financial well-being of our Guard members so that they can continue to serve our state and nation in times of crisis.

Accordingly, we ask the California Congressional delegation to help ensure that the federal government, by the most appropriate and expeditious means possible, waives the requirement that current and former Guard, who acted in good faith, repay those moneys. Waiving the repayment requirement is both a moral obligation and practical necessity. Furthermore, any federal remedy should extend some form of relief or repayment to those Soldiers who have already complied with recoupment orders.

Please know that the California State Legislature has been involved with this issue since news of the "bonus scandal" broke in late 2010. Our committees conducted legislative oversight hearings in Sacramento and helped pass relevant state reform legislation to help ensure future accountability of federal and state funds.

We express our great gratitude to our federal colleagues in our bipartisan California Congressional delegation, which works so diligently to represent our state's interests in Washington, DC. Please inform us if we may be of any assistance in resolving this current matter.

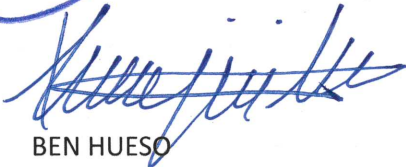
Sincerely,



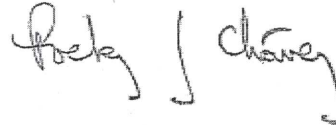
JIM NIELSEN
Chair, Senate Committee on Veterans Affairs



JACQUI IRWIN
Chair, Assembly Committee on Veterans Affairs



BEN HUESO
Vice Chair, Senate Committee on Veterans Affairs



ROCKY CHÁVEZ
Vice Chair, Assembly Committee on Veterans Affairs



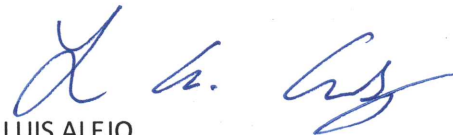
BEN ALLEN
Member, Senate Committee on Veterans Affairs



KATCHO ACHADJIAN
Member, Assembly Committee on Veterans Affairs



JANET NGUYEN
Member, Senate Committee on Veterans Affairs



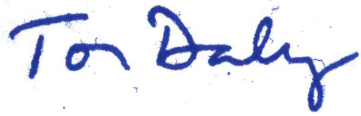
LUIS ALEJO
Member, Assembly Committee on Veterans Affairs



RICHARD ROTH
Member, Senate Committee on Veterans Affairs



JOAQUIN ARAMBULA
Member, Assembly Committee on Veterans Affairs



TOM DALY
Member, Assembly Committee on Veterans Affairs



DEVON MATHIS
Member, Assembly Committee on Veterans Affairs



RUDY SALAS
Member, Assembly Committee on Veterans Affairs