VETERANS BENEFITS ADMINISTRATION

Blue Water Navy Outreach Requirements Were Met, but Claims Processing and Procedures Could Improve

In addition to general privacy laws that govern release of medical information, disclosure of certain veteran health or other private information may be prohibited by various federal statutes including, but not limited to, 38 U.S.C. §§ 5701, 5705, and 7332, absent an exemption or other specified circumstances. As mandated by law, the OIG adheres to privacy and confidentiality laws and regulations protecting veteran health or other private information in this report.

Report suspected wrongdoing in VA programs and operations to the VA OIG Hotline:

www.va.gov/oig/hotline

1-800-488-8244

Executive Summary

In 1991, Congress passed the Agent Orange Act, which granted veterans who had been in the Republic of Vietnam a presumption of having been exposed to herbicide agents, such as Agent Orange.[1] Claimants could then receive benefits at varying levels according to the severity of specific diseases related to exposure.[2] The Blue Water Navy Vietnam Veterans Act of 2019, commonly known as the Blue Water Navy Act, extended the presumption to veterans who served within 12 nautical miles of Vietnam. Under a Veterans Benefit Administration (VBA) regulation, veterans are presumed to be exposed to herbicides unless there is affirmative evidence they were not.[3]

The VA Office of Inspector General (OIG) conducted this review to determine whether VBA staff

- performed necessary outreach to ensure potential beneficiaries were made aware of benefits they could receive from the Blue Water Navy Act,

- correctly decided veterans' eligibility for benefits due, and

- made accurate decisions on veterans' claims for benefits.

The Blue Water Navy Act required the VA to reach out to eligible veterans to notify them they can submit a claim for disability compensation. The outreach was to include information on VA's website informing eligible veterans they may submit or resubmit a claim for herbicide-related conditions, along with notice to veterans service organizations that eligible veterans and survivors may submit claims.[4] The law also required VA to report to Congress its plans to reach out to eligible veterans and to respond to inquiries about claims for herbicide-related disability compensation.

Effective January 1, 2020, VBA implemented centralized processing of all affected herbicide claims based on Vietnam-era service.[5] Centralized teams at eight regional offices were designated to analyze, research, and document a veteran's service in Vietnam and make

---

[1] The Republic of Vietnam, as it is called in the law and VA documents, refers to the former South Vietnam. It is now part of the Socialist Republic of Vietnam.

[2] The herbicide-related presumptive conditions are listed in figure 2 of the report narrative.

[3] 38 C.F.R. § 3.307.

[4] Veterans service organizations include accredited, private nonprofit groups that advocate on behalf of veterans, service members, dependents, and survivors.

[5] Blue Water Navy Centralized Processing Standard Operating Procedure, ver. 9, June 5, 2020; ver. 8, April 20, 2020; and ver. 7, March 13, 2020. Centralized processing teams include designated legacy appeals personnel. Legacy appeals are disagreements with a VA benefits decision made before February 19, 2019, the effective date of the Veterans Appeals Improvement and Modernization Act of 2017.

---

decisions regarding service connection of benefits affected by enactment of the 2019 law.[6]
Claims processors at these eight regional offices enter the name of a veteran's ship and the dates
served aboard into a ship locator tool to assist in determining eligibility. The tool displays
whether the ship was within the 12-nautical-mile boundary. Finally, the Blue Water Navy Act
also established effective date guidance for benefits awarded to veterans or survivors whose
claims had previously been denied.

What the Review Found

The OIG found VBA met outreach requirements as outlined in the law. VBA staff generally
determined herbicide exposure for Blue Water Navy veterans correctly, but guidance is needed
when the ship locator tool provides questionable results. However, the OIG found staff
inaccurately processed rating decisions because they did not follow general policies and
procedures and were not familiar enough with how to apply them to Blue Water Navy claims.
Appendixes A and B detail the review methodology.

VBA Met Outreach Requirements under the Blue Water Navy Act

The review team verified that VBA met all the act's requirements by publishing a notice on its
website, notifying veterans service organizations, and providing a report to Congress on its plans
to conduct outreach and respond to inquiries regarding claims associated with the law. The OIG
also found that VBA aired nationwide public service announcements on television and radio to
reach an audience beyond print, digital, and social media.

Blue Water Navy Eligibility Determinations Were Generally Accurate, but Procedures Addressing Questionable Deck Log Coordinates Had Not Been Established

The OIG reviewed a random statistical sample of 120 veterans' electronic claims folders and
estimated that VBA properly presumed herbicide exposure in 98 percent of them. However,
VBA did not create a procedure for processors to follow when questionable deck log coordinates
resulted in the ship locator tool producing an unlikely location for a veteran's vessel. For
example, in one case, a ship's deck log placed an aircraft carrier in an unlikely location inland.
The OIG found two veterans were prematurely determined as having been exposed to herbicides,
because additional development was needed to verify exposure.

---

[6] The eight centralized processing offices are Cleveland, Ohio; Phoenix, Arizona; Roanoke, Virginia; St. Louis,
Missouri; St. Paul, Minnesota; St. Petersburg, Florida; Salt Lake City, Utah; and Waco, Texas.

Nearly Half of Claims Decisions Were Inaccurate

While VBA performed the outreach the Blue Water Navy Act required and for the most part correctly determined if veterans were eligible, nearly half of the claims had inaccurate rating decisions. Based on the sample review, the OIG estimated that 2,100 of 4,600 veterans had inaccurate decisions from April through June 2020, resulting in about $25.2 million in overpayments and $12 million in underpayments (totaling an estimated $37.2 million in improper payments).[7] However, 95 percent of the errors involved VBA employees not following general rating policies, such as inaccurately assigning retroactive effective dates for evaluations. The VBA employees the review team interviewed did not fully understand how to apply effective dates for evaluations granted retroactively.

VBA did limit the number of regional offices that could process Blue Water Navy claims to centralize claims processing, yet those employees noted they were not frequently receiving these claims. VBA conducted national assessments to review the accuracy of Blue Water Navy claims from February through August 2020. A chief of quality assurance for VBA and a supervisory program analyst said the assessments stopped while officials were creating policies and procedures to apply a court decision that could affect how claims should be processed.[8] VBA regional offices that provided rating decisions for Blue Water Navy claims could have benefited from incorporating their own local special focused quality reviews to ensure accuracy, as one regional office reportedly did.

What the OIG Recommended

The OIG made three recommendations to the under secretary for benefits, including issuing procedures to follow when the ship locator tool provides results based on deck log coordinates for unlikely locations of herbicide exposure. VBA should also ensure employees understand how to accurately decide and evaluate herbicide-related medical conditions. Finally, VBA should implement a plan for centralized regional offices to conduct local reviews on the accuracy of rating decisions involving herbicide-related medical conditions that will mitigate common errors identified.

Management Comments

The acting under secretary for benefits concurred in principle with recommendations 1 and 2 and concurred with recommendation 3. The acting under secretary said VBA had responded to the areas of concern identified in the recommendations by updating guidance clarifying how

---

[7] Appendix C presents the estimated monetary impact.

[8] *Nehmer v. United States Veterans Administration* grants earlier entitlement when evidence establishes a diagnosis of an herbicide-related disease for a veteran who served in the Republic of Vietnam, with a claim for the disease inferred between September 25, 1985, and the date VA published the final regulation.

employees should handle a ship locator tool result that produces a questionable or impossible location, creating new training curricula specific to processing Blue Water Navy cases, and directing Blue Water Navy regional offices to identify error trends based on local quality reviews and act to correct them.

The acting under secretary noted that the ship locator tool is not a source of error or questionable results, but rather provides the coordinates as found on a deck log record. In situations where there is internal inconsistency with the coordinates in a naval deck log, such as quartermaster error, deck log discrepancy, or typographical error, claims processors have been directed not to accept clearly erroneous coordinates as evidence sufficient to concede exposure.

The acting under secretary also listed additional outreach activities VBA had undertaken regarding its Blue Water Navy outreach efforts. Appendix D contains the full text of VBA's management comments.

OIG Response

The acting under secretary's comments and actions are responsive to the recommendations, and the OIG considers recommendation 1 closed based on the updates to standard operating procedures. VBA requested closure of the second recommendation based on its submitted training portfolio. The OIG will close this recommendation after examining documentation that employees successfully completed the training. The OIG will monitor VBA's progress and follow up on the implementation of special focused quality reviews like those conducted at the Cleveland Regional Office for the remaining recommendation until they are completed.

LARRY M. REINKEMEYER
Assistant Inspector General
for Audits and Evaluations

Contents

Abbreviations

OIG	Office of Inspector General
VBA	Veterans Benefits Administration
VSO	veterans service organization

Introduction

The Agent Orange Act, passed by Congress in 1991, granted veterans who had been in the Republic of Vietnam the presumption of having been exposed during their service to herbicides, such as Agent Orange, for the purposes of VA benefit consideration.[9] This presumption positions covered veterans to receive benefits for specific diseases related to exposures, such as non-Hodgkin's lymphoma and more than a dozen others. However, this presumption did not apply to veterans who served in the waters off Vietnam until the Blue Water Navy Vietnam Veterans Act of 2019 was enacted. This law, commonly known as the Blue Water Navy Act, extended the presumption of exposure to veterans who served within 12 nautical miles of Vietnam. It also established effective payment dates for benefits awarded to veterans or survivors whose claims had previously been denied, allowing Veterans Benefits Administration (VBA) staff to assign benefits to them retroactively.

The act required VA to conduct outreach to veterans made eligible for benefits. This included notifying eligible veterans on the VA website that they may submit or resubmit a claim for herbicide-related illnesses, notifying veterans service organizations (VSOs) of the expanded eligibility conditions, and reporting to the House and Senate Veterans' Affairs Committees on the plans to conduct outreach to eligible veterans and to respond to inquiries about claims for herbicide-related disability compensation.[10]

The OIG conducted this review to determine whether VBA staff

- performed necessary outreach to ensure potential beneficiaries were made aware of their entitlement to benefits from the Blue Water Navy Act,

- correctly decided veterans' eligibility for benefits due, and

- made accurate decisions on veterans' claims for benefits.

Disability Compensation Claims Process

VA pays monthly disability compensation to veterans with service-connected disabilities according to the severity of the disability. As shown in figure 1, after a veteran submits a claim to VBA, veterans service representatives review the claim and assist the veteran in gathering evidence needed to evaluate it. Rating veterans service representatives analyze the evidence and

---

[9] The Republic of Vietnam, as it is called in the law and VA documents, refers to the former South Vietnam. It is now part of the Socialist Republic of Vietnam.

[10] Veterans service organizations include accredited, private nonprofit groups that advocate on behalf of veterans, service members, dependents, and survivors.

make decisions on the claim. A different group of veterans service representatives implements the decision, notifies the veteran, and authorizes payment.
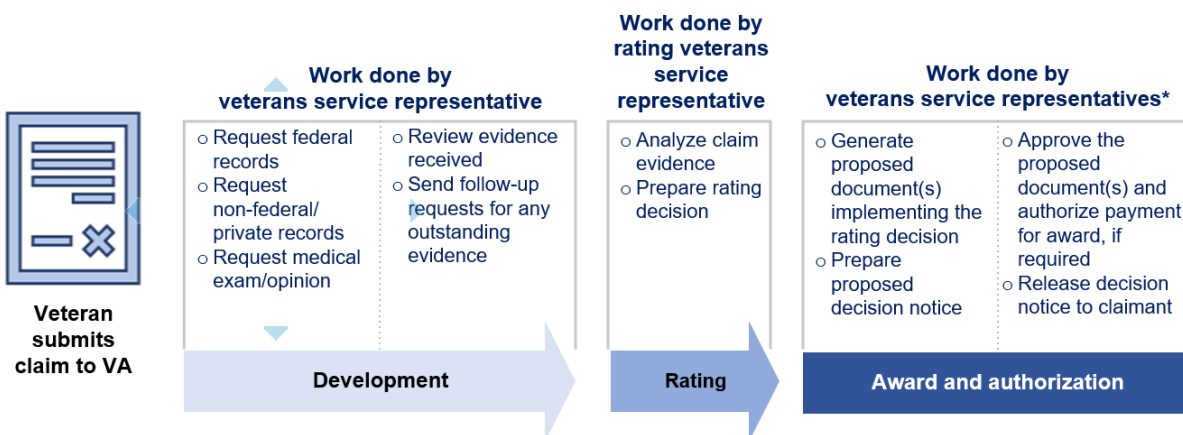

Figure 1. *VA benefits claims process.*

Source: VA OIG analysis of VBA's M21-1, Adjudication Procedures Manual and VBA training materials.

*Decisions cannot be generated (awarded) and authorized by the same veterans service representative.

Presumptive Service Connection for Diseases Associated with Herbicide Exposure

Under a VBA regulation, veterans who served in the Republic of Vietnam from January 9, 1962, to May 7, 1975, are presumed to have been exposed to herbicides unless there is affirmative evidence they were not.[11] Figure 2 lists the diseases for which service connection can be granted on a presumptive basis due to herbicide exposure in Vietnam.[12]

• AL amyloidosis • chloracne or other acne-form disease consistent with chloracne • type II diabetes • Hodgkin's lymphoma • ischemic heart disease • all chronic B-cell leukemias • multiple myeloma • non-Hodgkin's lymphoma	• Parkinson's disease • early-onset peripheral neuropathy • porphyria cutanea tarda (skin disorder) • prostate cancer • respiratory cancers (cancer of the lung, bronchus, larynx, or trachea) • soft-tissue sarcoma (other than osteosarcoma, chondrosarcoma, Kaposi's sarcoma, or mesothelioma)

Figure 2. *Presumptive health conditions for herbicide exposure.*

Source: 38 C.F.R. §3.309(e) (1976).

---

[11] 38 C.F.R. § 3.307.

[12] VA will add the three following conditions as presumptively associated with herbicide exposure in fiscal year 2021: bladder cancer, hypothyroidism, and Parkinsonism.

Centralization of Claims Processing

Starting January 1, 2020, VBA implemented centralized processing of all herbicide claims based on Vietnam service.[13] Centralized teams were to analyze, research, and document a veteran's service in Vietnam and make decisions regarding service connection for benefits affected by the new law.[14] All Blue Water Navy claims were to be processed at eight designated regional offices, as shown in figure 3.

Figure 3. *VBA's eight regional offices for processing Blue Water Navy claims.*
Source: VA OIG analysis of regional office Blue Water Navy claims training materials dated December 2019 and provided to claims processors.

Determination of Herbicide Exposure

During the development phase of the claims process, VBA employees verify that a veteran was in a qualifying service area with presumed exposure to herbicides. In all cases where centralized processing employees determine a veteran's service qualifies for herbicide exposure, processors must document all qualifying service areas for eligibility in a memo.[15] Qualifying service areas include

- duty or visitation in the Republic of Vietnam,

---

[13] Blue Water Navy Centralized Processing Standard Operating Procedure, ver. 9, June 5, 2020; ver. 8, April 20, 2020; ver. 7, March 13, 2020. Centralized processing teams include designated legacy appeals personnel. Legacy appeals are disagreements with a VA benefits decision made before February 19, 2019, the effective date of the Veterans Appeals Improvement and Modernization Act of 2017.

[14] Claims for veterans who served in Thailand, Korea, or other locations during the Vietnam conflict were not part of the required centralized processing.

[15] Blue Water Navy Centralized Processing Standard Operating Procedure, ver. 9, June 5, 2020; ver. 8, April 20, 2020; ver. 7, March 13, 2020.

- duty on the Republic of Vietnam's inland waterways,

- nautical service in one or more of the approved bays or harbors, or

- nautical service within 12 nautical miles off the coast of the Republic of Vietnam as defined in the Blue Water Navy Act.

Processors must also document in the memo if exposure cannot be determined based on the qualifying service areas above.[16]

Ship Locator Tool

To establish service in the waters off Vietnam, VBA partnered with the National Archives and Records Administration to scan deck logs for more than 1,800 vessels that may have been in the area covered by the Blue Water Navy Act.[17] Deck logs are maintained by the ship's quartermaster and record the ship's activities, including locations, at regular intervals. This information was uploaded to a tool known as the ship locator tool to determine where a naval vessel was sailing when exposure was claimed.

Claims processors enter the name of the ship and the dates a veteran served aboard into the tool, which then displays whether the ship was within the 12-nautical-mile boundary. If the tool's results do not show a ship within the boundary, that alone would not lead to a denial of benefits. The claim would then be referred to a records research team to assess if herbicide exposure can be determined based on additional research.

Retroactive Effective Dates and Evaluations for Blue Water Navy Claims

After exposure to herbicides has been determined and any necessary medical examinations to evaluate the claimed disability have been completed, the claim is ready for a rating decision to determine entitlement to benefits. The Blue Water Navy Act authorized retroactive payment of benefits based on previously denied claims. For veterans and survivors to qualify for a retroactive effective date of payment, they must

- have filed an explicit claim for and been denied benefits for a disability between September 25, 1985, and January 1, 2020, due to lack of evidence of Vietnam service; and

---

[16] Blue Water Navy Centralized Processing Standard Operating Procedure, ver. 9, June 5, 2020; ver. 8, April 20, 2020; ver. 7, March 13, 2020.

[17] Deck logs consist of chronological entries documenting the daily activities of a commissioned Navy ship, unit, station, or other command. Individual logbooks are arranged chronologically by date, with entries in each day's log arranged chronologically by the time of day as indicated on the 24-hour clock. Information contained in the logs was often generated from the quartermaster's notebook.

- resubmit a claim for disability compensation for the same condition covered by the prior claim.

In assigning effective dates, processors must consider the claim filed as of the date of receipt of the previous claim.[18] Figure 4 illustrates some of the complexity and extensive criteria processors must be aware of when determining effective dates for Blue Water Navy claims. The 3.309(e) health "condition" refers to diseases associated with exposure to herbicide agents as listed in 38 C.F.R. 3.309 (see figure 2).
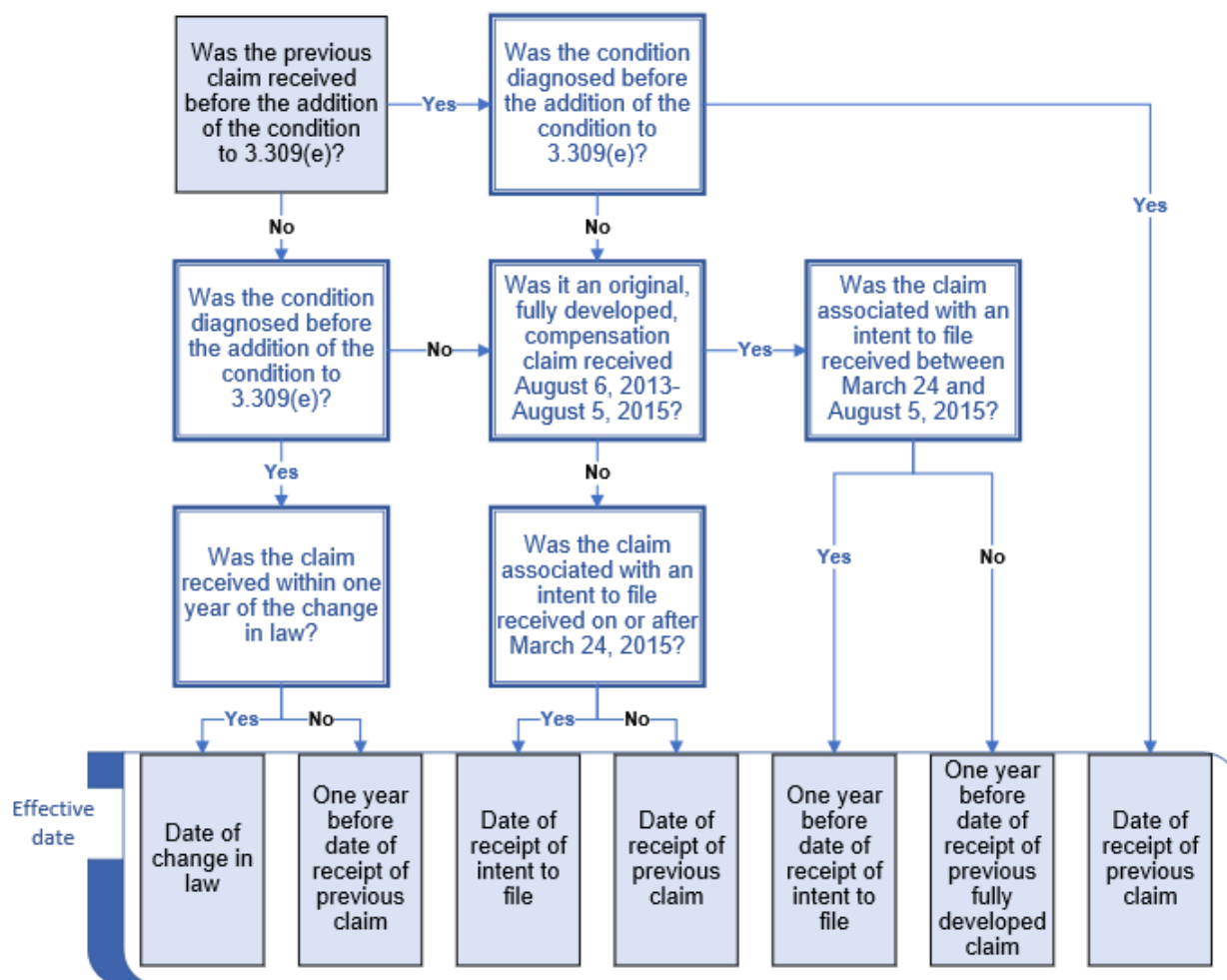
Figure 4. *Determination of retroactive effective date process.*

Source: PL 116-23, Blue Water Navy Vietnam Veterans Act of 2019: Rating Processing Job Aid, December 2019.

Note: A fully developed claim uses an optional expedited claims process. An intent to file is a form used to notify VA that a claim is coming and can be used to preserve an effective date of entitlement to benefits.

---

[18] Blue Water Navy Centralized Processing Standard Operating Procedure, ver. 9, June 5, 2020; ver. 8, April 20, 2020; ver. 7, March 13, 2020.

Claims processors also had to be aware of any changes to evaluation criteria (for example, the regulation for cardiovascular conditions was changed in October 2006) as well as the severity and symptoms of the veteran's disability, which can affect the level of payment. To ensure veterans are paid correctly, processors must determine the dates of any relevant criteria updates and changes in level of disability.

Results and Recommendations

Finding 1: VBA Met Outreach Requirements under the Blue Water Navy Act

The Blue Water Navy Act required VBA to

- publish a notice on its website that veterans who served in South Vietnamese waters may submit or resubmit a claim for presumptive health conditions associated with herbicide exposure,

- notify the VSO community in writing about the ability of veterans to submit and resubmit claims, and

- report its plans to Congress to conduct outreach and to respond to inquiries regarding claims for disability compensation under the law.

The OIG found VBA met these requirements. VBA also carried out the planned actions in its report to Congress and aired public service announcements on television and radio.

VA reported an estimated 420,000 to 560,000 Vietnam-era veterans may be considered Blue Water Navy veterans. However, not all those veterans would have entered the 12-nautical-mile limit off the coast of the Republic of Vietnam. Some who did enter this area may not have qualifying disabilities, and some may already be receiving benefits. VBA said about 155,000 Blue Water Navy claims had been received as of May 31, 2021.

What the OIG Did

To determine whether VBA met the law's outreach requirements, the review team obtained published documents and conducted a statistical random review of veterans' claims files to verify VBA's reported outreach was completed. The team interviewed staff at VSOs. In addition, the team interviewed staff at the VA central office in Washington, DC, and staff and managers at the following VA regional offices: Cleveland, Ohio; Phoenix, Arizona; Roanoke, Virginia; and Waco, Texas. Appendixes A and B provide additional details on the team's actions and methodology.

VBA Complied with the Law's Requirements

As stated above, VBA complied with the three mandates of the law. The Blue Water Navy Act required VBA to publish on its website a notice that veterans who served offshore of the Republic of Vietnam may submit or resubmit a claim for presumptive health conditions associated with herbicide exposure. The law did not specify any additional content that needed to be published on the website. The team reviewed the department's website and confirmed it

provided background information regarding the law, potential benefits for veterans, a fact sheet, frequently asked questions, and contact information for any questions or comments.[19]

The Blue Water Navy Act also required written notification to VSOs about the ability of veterans who served offshore of the Republic of Vietnam to submit and resubmit claims. The law did not specify any additional content to be provided to VSOs. The review team interviewed staff at the American Legion, American Veterans, Disabled American Veterans, Paralyzed Veterans of America, Veterans of Foreign Wars, and Vietnam Veterans of America. Representatives of each group confirmed written notification from VBA regarding claims submissions for Blue Water Navy benefits. The deputy director of the National Veterans Service for the Veterans of Foreign Wars noted VBA even provided a list of over 5,000 individuals represented by the organization who might be eligible for benefits under the new law.

VBA reported its outreach plan to Congress on October 17, 2019, within the 120-day limit required by the law. The report noted that activities included distributing information to digital and print media, establishing an electronic media presence (to include webcasts), providing call center awareness, and contacting local community stakeholders. VBA also said it planned to develop a tool kit that provided necessary information, additional VSO engagement, digital media presence, and an extensive national outreach campaign, and mailing to veterans and survivors to inform them of new eligibility for benefits.

VBA also told Congress it would use all available means to respond to claimant inquiries, primarily using its national call centers; public contact staff located in regional offices; and through VA's digital Inquiry Routing and Information System, an application that handles inquiries received from VA's home page. The review team interviewed public contact staff who reported they were equipped with the information to respond to veterans' inquiries and provide the support and assistance needed.

VBA Completed Outreach Detailed in Its Plan to Congress

The OIG inspected each of the planned outreach elements to confirm they were completed. VBA issued a national press release on July 5, 2019, detailing the provisions of the Blue Water Navy Act and directing veterans and other potential beneficiaries to resources where they could obtain additional information or assistance in filing a claim. VBA's under secretary for benefits hosted a webcast on July 2019 that devoted time to the Blue Water Navy Act, meeting the requirement for electronic media presence.

VBA call center agents were provided information about changes in the law so they could support and assist veterans and other beneficiaries who call a toll-free telephone number. VBA provided the review team with copies of certifications from each VBA district reporting that

---

[19] "Blue Water Navy Vietnam Veterans Act of 2019," accessed April 23, 2020, https://benefits.va.gov/benefits/blue-water-navy.asp.

local community stakeholder outreach was met.[20] Certifications dated July 2019 showed that VBA regional offices certified that active local Community Veterans Engagement Boards received information regarding the Blue Water Navy Act.

VBA reported to Congress that it tried to identify all veterans and survivors whose claims were previously denied and may now be eligible under the Blue Water Navy Act. VBA reported it sent about 77,000 letters in October 2019, providing veterans and survivors with information about the new law and how it may affect them and their benefits. VBA's chief of data requests said those veterans and survivors were identified in a search of records for those who had been denied service connection for herbicide-related conditions for the purposes of VA benefits. The letters included instructions on how to submit or resubmit a claim and included the necessary forms. The letters also instructed potential recipients on how to obtain additional information or assistance from VA or from a VSO representative.

The review team looked at a statistically random sample of veterans and survivors from those 77,000 recipients to verify that letters were sent. From a sample of 60 veterans' electronic claims folders, the team confirmed all 60 included letters with information about the Blue Water Navy Act. Accordingly, the OIG determined the mail campaign reached the intended recipients.

The review team confirmed that VBA created a Blue Water Navy tool kit as reported to Congress. The tool kit included a fact sheet, key messages, frequently asked questions, and briefing information. The tool kit was designed to assist VA leaders, VSOs, state veterans affairs departments, and other interested stakeholders by providing the content they needed to inform their constituencies of changes in the law, next steps in filing claims, and how to obtain additional assistance.

VBA's national outreach included social media posts on Facebook and Twitter about the Blue Water Navy Act, and email updates about the law to millions of subscribers to the GovDelivery web-based email subscription service. VBA also conducted tele-townhalls nationwide and at the state level, where the under secretary for benefits presented information regarding the law.

VBA issued another press release on December 31, 2019, announcing that Blue Water Navy Act provisions had taken effect and that VA would begin deciding related claims on January 1, 2020. The press release also provided details of the law's provisions and directed readers to resources for more information or assistance in filing a claim.

VBA Aired Radio and Television Ads

In addition to the activities included in the report to Congress, VBA's director for the office of strategic engagement told the OIG that VBA aired public service announcements on television

---

[20] VBA has four districts that are responsible for the effective management of the VBA regional offices in an assigned geographical area. The four districts are the Northeast, Southeast, Continental, and Pacific.

and radio to reach an audience beyond social media. The ads aired on a variety of stations in top markets such as Atlanta, Chicago, Dallas, Los Angeles, New York, Philadelphia, San Francisco, and Washington, DC, as well as other markets around the country. Figure 5 gives television and radio broadcast information from January 14, 2020, through February 3, 2021.

TV Ads

- Total air plays: 10,210
- Total stations confirming broadcast: 53

Radio Ads

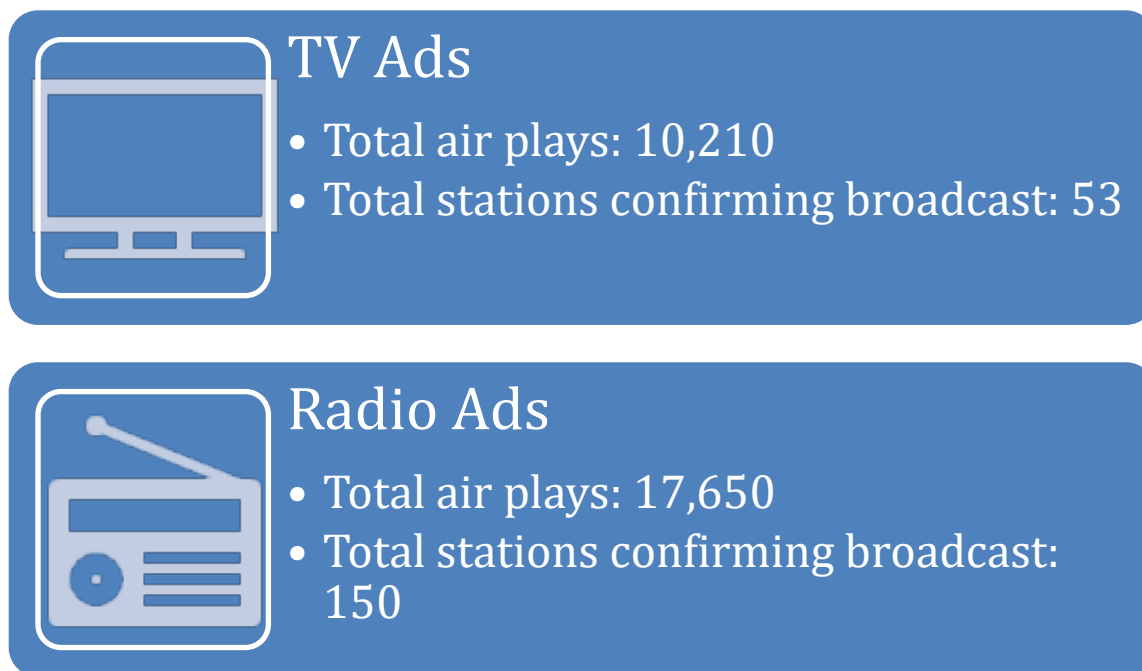- Total air plays: 17,650
- Total stations confirming broadcast: 150

Figure 5. Television and radio public service announcements from January 14, 2020, as of February 3, 2021. Source: Blue Water Navy public service announcement statistics, as provided by the Office of Strategic Engagement.

Finding 1 Conclusion

Based on the review team's work, the OIG concluded that VBA met the outreach requirements of the Blue Water Navy Act. VBA also carried out the planned actions it had reported to Congress and aired local and national television and radio ads to inform veterans of potential benefits. The OIG did not make any recommendations in this area.

Management Comments

VBA submitted comments (see appendix D) noting it conducted the following additional outreach activities:

- Twelve media engagements specifically focused on Blue Water Navy Act benefits

- Over 100 tele-townhalls with veterans and stakeholders that included information on Blue Water Navy Act benefits

- An op-ed mentioning Blue Water Navy Act benefits that was featured on the Fox News website, which reaches an audience of 72 million people

- A LinkedIn Live event with the American Legion to talk about Blue Water Navy benefits

- A satellite media tour with the deputy under secretary for field operations for 22 national, regional and local TV and radio outlets to discuss Blue Water Navy benefits on February 24, 2020

- Web-based information and blog post on related changes to the VA home loan benefit program

- A press release issued September 28, 2020, that highlighted VA's partnership with the National Archives and Records Administration and the completion of digitization of archived Vietnam-era deck logs

- A press release issued October 26, 2020, to highlight the number of Blue Water Navy disability claims completed

- A national public service announcement that aired more than 20,000 times with an estimated advertisement equivalency of $1.9 million, more than 30,000 landing page views, and over 300,000 views on YouTube

- Digital advertising that reached over 328,000 Facebook users and 2.3 million YouTube users

Finding 2: Blue Water Navy Eligibility Determinations Were Generally Accurate, but Procedures for Addressing Questionable Deck Log Coordinates Had Not Been Established

VBA staff generally determined herbicide exposure for Blue Water Navy veterans correctly. For the 120 veterans reviewed, the OIG estimated 98 percent were properly presumed to have been exposed to herbicides. However, two veterans were prematurely granted benefits due to herbicide exposure inaccurately being conceded. As a result of these errors, improper payments were made and would continue unless corrected. The team notified VBA staff, who agreed these claims were processed in error. The OIG determined VBA did not create a procedure for processors to follow when questionable deck log coordinates result in the ship locator tool producing an unlikely location for a veteran's vessel, which led to one of these errors.

What the OIG Did

To determine whether VBA staff correctly decided eligibility of herbicide exposure for Blue Water Navy veterans, the review team sampled a population of about 4,600 veterans who had one or more decisions completed from April through June 2020. The team reviewed a statistical sample of 120 claims to examine whether eligibility for herbicide exposure was properly determined. The team also interviewed staff at the four regional offices listed in finding 1.[21]

VBA Generally Made Accurate Determinations on Herbicide Exposure

The team reviewed 120 veterans' electronic claims folders to assess whether VBA staff properly determined their exposure to herbicides. The OIG estimated VBA staff correctly determined herbicide exposure for 98 percent of veterans based on evidence in electronic claims folders. Only two cases inaccurately granted eligibility for benefits based on herbicide exposure, as evidence did not yet show the veterans had served in the Republic of Vietnam or were aboard a vessel within 12 nautical miles offshore. As such, additional development was needed to verify their exposure. In one case, a veteran's records did not show any service in the Republic of Vietnam or within 12 nautical miles offshore. In the other case, the ship locator tool sited the veteran's ship in an unlikely location based on deck log coordinates that appeared to be erroneous, as described in the next section. In these two improperly processed cases, the veterans received more than $14,000 in improper payments through August 2020 and were continuing to receive more than $2,000 in monthly payments.

---

[21] See appendixes A and B for more information.

VBA Had No Procedures for Resolving Questionable Deck Log Coordinates

VBA has no written policy for what to do when the ship locator tool produces unlikely results from deck logs that are questionable. In the case for which the ship locator tool provided an unlikely result leading to premature concession of exposure, the tool initially provided results placing the veteran's ship within 12 nautical miles offshore on two separate dates in December 1969. However, the ship's deck logs placed the ship at a port of Japan on those dates. The review team met with a VBA records research team member who provided an additional result for a different date, November 25, 1969, using the same ship locator tool that was also unlikely. The tool showed the veteran's aircraft carrier, the USS *Hancock*, on land based on the unlikely coordinates from the deck log, as illustrated by the log bubble marked in figure 6.
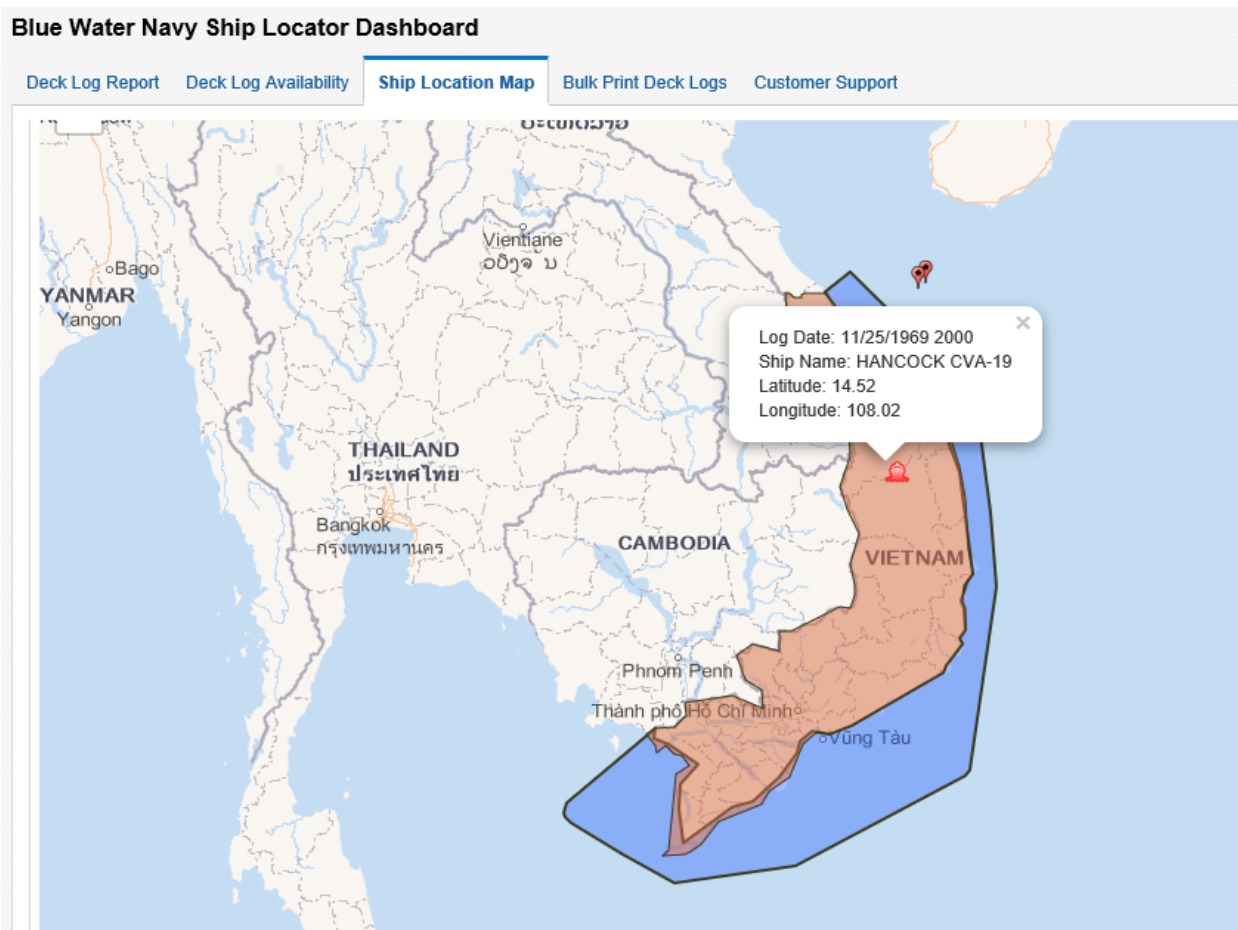

Figure 6. *Ship Locator result for USS Hancock.*
Source: VBA ship locator tool.

The review team asked VBA staff to contact the ship locator tool vendor to verify the coordinates. The vendor enters data as documented in ships' deck logs and is not authorized to make any adjustments. In response to the review team's inquiry, the vendor noted that the

coordinates locating the ship on land were not an error by the vendor but rather the coordinates as documented in the ship's deck logs. The team reviewed the deck logs and confirmed they matched the ship locator tool's results. Therefore, this claim should have been referred to a records research team to determine if herbicide exposure can be conceded based on additional research.

VBA initially did not concur with this error and noted that guidance stipulated that ship locator tool results not be questioned. The reviewer later concurred with the error based on additional research showing the unlikely coordinates for the ship's location.

During the team's review, the ship locator tool produced results that appeared unlikely for 14 other veterans. However, these samples had additional ship locator tool results that appeared legitimate and therefore did not result in herbicide exposure being prematurely conceded.

A VA regional office employee said in November 2020, VBA officials indicated they would tell employees how to handle similar cases when coordinates appeared to be entered in error by a ship's quartermaster. However, another VA regional office employee interviewed in February 2021 said employees still had not received guidance on what to do in these cases.

A VBA official confirmed guidance regarding erroneous coordinates from the ship locator tool was not in VBA manuals or standard operating procedures. The deputy said emails to field offices directed employees to submit inquiries related to Blue Water Navy claims processing to a VBA website.

Finding 2 Conclusion

Although claims processors generally provided accurate exposure determinations for Blue Water Navy veterans, VBA lacked adequate guidance on what to do if unlikely deck log coordinates produced questionable results. Written guidance in these cases could prevent costly errors.

Recommendation 1

The OIG made the following recommendation to the under secretary for benefits:

1. Develop and distribute procedures for when the ship locator tool provides results based on deck log coordinates for unlikely locations of herbicide exposure.

Management Comments

The acting under secretary for benefits concurred in principle with recommendation 1. VBA indicated it would clarify guidance to explicitly state that employees should use discretion in reviewing and interpreting the results generated by the ship locator tool. VBA updated its records research team standard operating procedure to address this situation. Further, VBA said the guidance in the Blue Water Navy centralized processing standard operating procedure now

clarifies how processors should handle a ship locator tool result that produces a questionable or impossible location. VBA requested closure of this recommendation.

The acting under secretary noted that the ship locator tool is not a source of error or questionable results, but rather provides the coordinates as found on a deck log record. In situations where there is internal inconsistency with the coordinates in a naval deck log, such as quartermaster error, deck log discrepancy, or typographical error, claims processors have been directed not to accept clearly erroneous coordinates as evidence sufficient to concede exposure.

OIG Response

The acting under secretary for benefits' comments and actions are responsive to this recommendation, and the OIG considers recommendation 1 closed.

Finding 3: Nearly Half of Claims Decisions Were Inaccurate

Although VBA met the Blue Water Navy law's outreach requirements and largely made accurate determinations for herbicide exposure, inaccurate decisions on entitlement to benefits by claims processors made from April through June 2020 resulted in an estimated $25.2 million in overpayments and $12 million in underpayments to veterans.[22]

The OIG estimated VBA employees inaccurately processed rating decisions for 2,100 of 4,600 Blue Water Navy veterans—a 46 percent error rate. About 95 percent of the errors involved noncompliance with general rating policies and procedures; the errors were not solely due to provisions of the Blue Water Navy Act. The OIG estimated 680 of the 2,100 veterans affected by inaccurate rating decisions involved incorrect application of retroactive effective dates for evaluations. Employees interviewed demonstrated they did not fully understand how to determine effective dates for evaluations that were granted retroactively.

While VBA limited the number of regional offices that could process Blue Water Navy claims in an attempt to build expertise among staff processing them, employees noted they were not frequently receiving such claims and therefore might not be maintaining their proficiency. VBA incorporated national quality assessments to review the accuracy of Blue Water Navy claims from February through August 2020. A chief of quality assurance for VBA and a supervisory program analyst said the focused assessments stopped while officials were creating policies and procedures to apply a court decision that could affect how claims should be processed.[23] The OIG concluded VBA regional offices that provided rating decisions for Blue Water Navy claims could also have benefited from incorporating their own local special focused quality reviews to ensure accuracy.

What the OIG Did

To determine whether VBA staff made accurate rating decisions for Blue Water Navy claims, the review team sampled a population of about 4,600 veterans who had one or more decisions from April through June 2020. The team reviewed a statistical sample of 120 claims. The team also interviewed employees at the four VA regional offices in Cleveland, Phoenix, Roanoke, and Waco about rating decisions as well. As noted earlier, appendixes A and B provide details on the team's actions and methodology.

The following issues are detailed in this finding:

- Processors did not comply with rating policies and procedures.

---

[22] Appendix C presents estimated monetary impact.

[23] *Nehmer v. United States Veterans Administration* grants earlier entitlement when evidence establishes a diagnosis of an herbicide-related disease for a veteran who served in the Republic of Vietnam, with a claim for the disease inferred between September 25, 1985, and the date VA published the final regulation.

- Employees did not understand retroactive evaluation procedures.

- Employees did not routinely process Blue Water Navy claims.

- Local reviews could improve the accuracy of Blue Water Navy rating decisions.

Processors Did Not Comply with Rating Policies and Procedures

In determining VBA staff made inaccurate decisions for an estimated 2,100 of 4,600 Blue Water Navy veterans from April through June 2020, the team found that about 95 percent of errors involved noncompliance with general rating policies and procedures. Of the estimated 2,100 claims inaccurately processed, some 1,500 actually affected veterans' benefit payments, and 570 had the potential to affect benefit payments.[24] The following is an example of an inaccurate decision that led to an improper payment.

Example 1

A rating veterans service representative granted service-connected compensation for diabetes mellitus due to a veteran's exposure to herbicides during the Vietnam War. However, the effective date for the evaluation was assigned from the date the veteran resubmitted his claim, rather than the earlier date of his original claim for the benefit, as required by VBA policy.[25] As a result, the veteran was underpaid approximately $22,000.

The next example illustrates an inaccurate decision that could have affected a veteran's benefits.

Example 2

A rating veterans service representative granted service-connected compensation for diabetes mellitus due to herbicide exposure. However, medical evidence in the veteran's electronic claims folder noted the veteran also had a diagnosed kidney condition related to the diabetes. A medical examination conducted on the veteran did not address the kidney condition. VBA policy requires employees to return examinations when they are insufficient, such as failing to address complications of diabetes.[26] By failing to return the examination as insufficient, the rating veterans service representative might have underpaid the veteran if the kidney condition is confirmed to be due to his service-connected diabetes.

---

[24] Totals do not sum to 2,100, due to rounding.

[25] Blue Water Navy Centralized Processing Standard Operating Procedure, ver. 9, June 5, 2020; ver. 8, April 20, 2020; ver. 7, March 13, 2020; VA Manual 21-1, part 3, sub. 4, chap. 5, sec. C, "Effective Dates," June 6, 2019.

[26] VA Manual 21-1, part 3, sub. 4, chap. 4, sec. M, "Endocrine Conditions," March 4, 2020.

VBA concurred that both of these examples were inaccurately processed. The estimated
1,500 inaccurately processed claims that affected veterans' benefits led to an estimated
$37.2 million in improper payments. Table 1 provides a breakdown of the estimated improper
payments due to the inaccurately processed claims.

Table 1. Estimated Improper Payments from Inaccurate Decisions

Type of improper payment	Amount in dollars
Overpayments	$25,200,000
Underpayments	$12,000,000
Total improper payment	**$37,200,000**
Ongoing monthly overpayments	$489,000

*Source: VA OIG analysis of Blue Water Navy veterans with rating decisions completed from
April through June 2020. Improper payments were calculated through August 2020, when
the team began the review.*

Employees Did Not Understand Retroactive Evaluation Procedures

The OIG estimated 680 of the 2,100 veterans affected by inaccurate rating decisions involved
incorrect application of retroactive effective dates for evaluations. Interviewed employees at
multiple regional offices noted that Blue Water Navy claims are more likely to involve
retroactive awards, which, as figure 4 demonstrates, can be quite complex.

The OIG team interviewed rating service veterans representatives and quality review employees
at four VA regional offices that specialized in processing Blue Water Navy claims. The
employees were presented with two rating scenarios to determine if they could provide accurate
effective dates for evaluations of conditions that would need to be applied retroactively based on
Blue Water Navy service. The first scenario involved determining effective dates and evaluations
solely based on the Blue Water Navy Act. The team got responses from 21 employees, nine of
whom provided incorrect responses (43 percent). A second scenario was then presented that
involved determining effective dates and evaluations when veterans had both Blue Water and in-
country service. Of the same 21 employees, 12 (57 percent) provided incorrect responses to this
modified scenario.

VBA training material dated December 2019 discussed how to apply retroactive effective dates
for disabilities due to Blue Water Navy service. However, employees who were interviewed said
the training material did not present enough scenarios, and the way the training was presented
did not allow for effective responses to questions. Employees said they would benefit from
refresher training that provides further clarification on applying retroactive effective dates.

Employees Did Not Routinely Process Blue Water Navy Claims

Blue Water Navy claims required centralized processing at eight regional offices.[27] VBA reported that the centralization of claims was chosen to cultivate and maintain a high level of proficiency, expertise, and quality assurance when processing these complex claims. However, employees interviewed noted even with the centralized process they did not frequently see Blue Water Navy claims; and by the first couple of months in 2021, sometimes they would only see one or two a week. Unless employees frequently worked these claims, they might not become proficient or maintain expertise with them, which was the reason for centralizing the process. Therefore, the OIG concluded employees would benefit from more frequent training to ensure their proficiency.

Local Reviews Could Improve the Accuracy of Blue Water Navy Rating Decisions

Quality assurance staff in VBA's Compensation Service issued reports summarizing monthly assessments of Blue Water Navy cases from February through August 2020. A quality assurance officer reported that monthly quality calls were conducted with the centralized regional offices regarding the quality of Blue Water Navy claims. A chief of quality assurance for VBA and a supervisory program analyst said those assessments stopped while officials reviewed how to apply a court ruling that could have an impact on effective dates for herbicide-related claims. These assessments found errors with rating decisions and analyzed commonly made mistakes. According to a chief of quality assurance for VBA, when errors were identified, the responsible claims processor would be notified. Figure 7 illustrates VBA's overall "issue-based" accuracy of Blue Water Navy claims from February through August 2020.[28]

---

[27] Blue Water Navy Centralized Processing Standard Operating Procedure, ver. 9, June 5, 2020; ver. 8, April 20, 2020; ver. 7 March 13, 2020.

[28] The OIG conducted a claim-based review, whereas VBA conducted an issue-based accuracy review that entails reviewing individual medical issues decided within each disability claim. For example, when evaluating the accuracy of a claim with 10 medical issues, the claim is considered 0 percent accurate under the claim-based accuracy criteria if one issue was incorrectly adjudicated. That same claim is considered 90 percent accurate under issue-based accuracy for those 10 issues since nine out of 10 issues were properly adjudicated. As a result of the two different accuracy criteria and calculations, the issue-based accuracy results in higher accuracy rates compared to the claim-based accuracy rate. The OIG review was claim-based because any issue improperly processed could potentially affect monetary benefits for the claim as a whole.
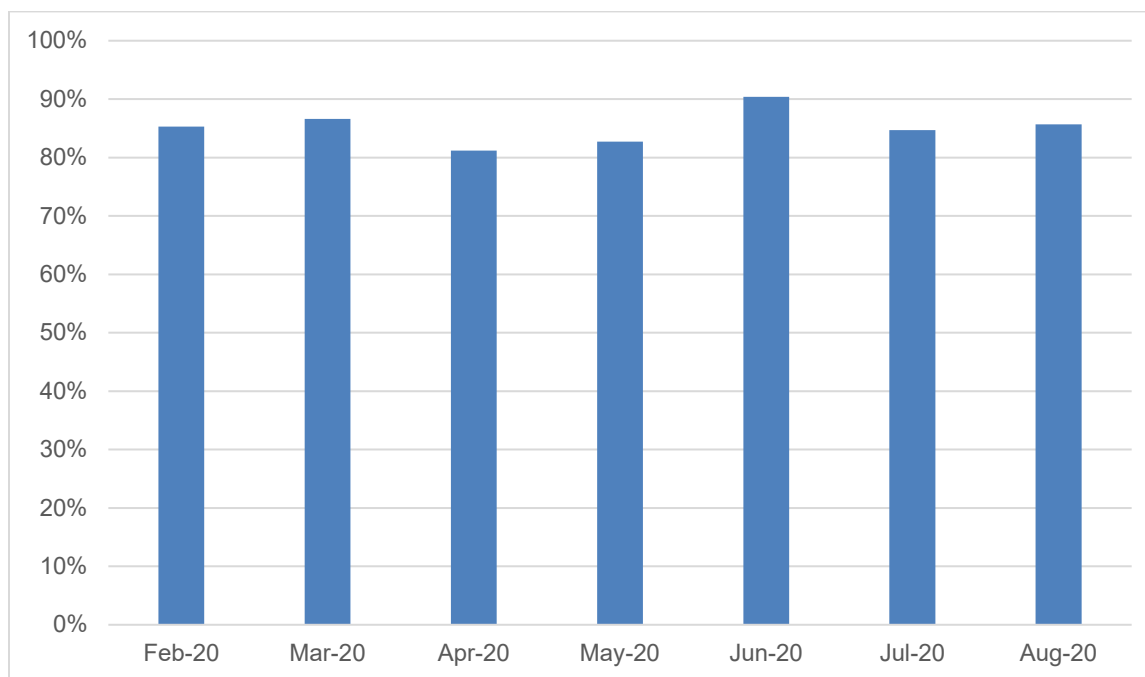
Figure 7. *Overall issue-based accuracy of Blue Water Navy Claims from February through August 2020. Source: VA OIG analysis.*

VBA conducted issue-based quality reviews of Blue Water Navy claims and provided feedback to local processors. In addition, they provided regional offices with error analyses and recommendations for improvement. However, regional offices were not required to conduct their own special focused reviews of Blue Water Navy claims. Additional local oversight focused on Blue Water Navy claims could have helped to identify and prevent additional errors, particularly if it included detecting and analyzing trends.

A chief of quality assurance for the Compensation Service noted VBA's quality assessments consisted of reviewing 10 claims per month from each centralized station. A quality review manager at the Cleveland VA Regional Office noted it was difficult to ascertain common errors from such a small sample size. As figure 2 shows, there are 14 conditions related to herbicide exposure, therefore it could be difficult to identify a trend from a sample size of 10 claims per month. For example, the quality reviews did not show specific conditions, such as those related to the heart. The veterans service center manager of the Cleveland VA Regional Office said the office implemented local special focused quality reviews to identify frequently made errors with herbicide-related disabilities. A quality manager at the office stated these reviews started in May 2020. As a result of these reviews, the office was able to identify trends in errors regarding certain disabilities and required responsive training and additional oversight on related rating decisions. The Cleveland veterans service center manager noted that local reviews were able to identify and correct errors before they were finalized.

Finding 3 Conclusion

VBA made an estimated $37.2 million in total improper payments as a result of inaccurate rating decisions on Blue Water Navy claims, about $12 million of which were underpayments to veterans. This occurred because employees did not always know how to correctly process these claims, particularly determining accurate retroactive effective dates for evaluations. While VBA conducted overall quality reviews of Blue Water Navy claims, regional offices were not required to conduct local reviews of these claims. VBA should increase oversight to help ensure employees processing these claims clearly understand how to correctly evaluate and decide them and to gain assurance that regional offices can effectively correct errors.

Recommendations 2–3

The OIG made the following recommendations to the under secretary for benefits:

2. Determine and execute additional actions to ensure employees processing Blue Water Navy claims understand how to accurately evaluate and decide herbicide-related medical conditions.

3. Implement a plan for centralized regional offices to conduct local reviews on the accuracy of rating decisions involving herbicide-related medical conditions that will mitigate error trends identified.

Management Comments

The acting under secretary for benefits concurred in principle with recommendation 2 and concurred with recommendation 3. Additional training was provided to the designated Blue Water Navy claims processors, to include new training specific to staged ratings (effective dates) and processing of Blue Water Navy cases. The training materials included specific samples and an assessment to assist employees in evaluating and deciding this work. VBA reported all claims processors completed the training by May 14, 2021. Closure of recommendation 2 was requested.

VBA reported it will direct Blue Water Navy regional offices to identify error trends based on local quality reviews and implement training and additional oversight measures locally, as needed. VBA provided a target completion date of August 31, 2021, for recommendation 3.

OIG Response

The acting under secretary for benefits' comments and actions are responsive to the recommendations. For recommendation 2, the OIG acknowledges that VBA has created training specific to staged ratings (effective dates) and processing Blue Water Navy cases. The OIG will close recommendation 2 upon receipt and review of documentation to ensure employees

successfully completed the training. The OIG will monitor VBA's progress and follow up on implementation of recommendations 2 and 3 until all proposed actions are completed.

Appendix A: Scope and Methodology

Scope

The OIG conducted its review work from August 2020 through June 2021. The review consisted of an assessment of VA's Blue Water Navy outreach activities. Additionally, the OIG reviewed documentation related to each veteran with one or more disability decisions based on Blue Water Navy service completed April 1 through June 30, 2020, to determine whether eligibility for benefits was properly established and to determine the accuracy of the disability decision(s).

Methodology

To accomplish the objective, the OIG

- reviewed applicable laws, policies, and procedures related to Blue Water Navy outreach and claims processing,

- examined VA's Blue Water Navy Act outreach activities by

    o verifying publication of notifications and completion of outreach events,

    o interviewing staff with veterans service organizations, and

    o reviewing a statistical sample of 60 claims folders for veterans and survivors whose claims were previously denied but may now be eligible under the Blue Water Navy Act to confirm mail outreach was provided,

- assessed a statistical sample of 120 Blue Water Navy veterans who received rating decisions from April 1 through June 30, 2020, to determine the accuracy of eligibility determinations and rating decisions, and[29]

- interviewed and obtained information from managers and staff from VA's central office and the personnel processing Blue Water Navy claims at specialized processing centers in Cleveland, Ohio; Phoenix, Arizona; Roanoke, Virginia; and Waco, Texas.

The review team used VBA's electronic systems, including the Veterans Benefits Management System, to review the sample of veterans' electronic claims folders and relevant documentation to assess whether eligible veterans and survivors received mailed information. The systems were also used to help determine whether VBA decision makers accurately decided disability evaluations for veterans' Blue Water Navy claims.

---

[29] Blue Water Navy claims are controlled by end product 335. The end product system is the primary workload monitoring and management tool for VBA.

Fraud Assessment

The review team assessed the risk that fraud and noncompliance with provisions of laws and regulations, significant in the context of the review objectives, could occur during this review. The team exercised due diligence in staying alert to any fraud indicators by

- identifying laws, regulations, and procedures related to the review subject matter to help detect noncompliance or misconduct,

- completing the Fraud Indicators and Assessment Checklist, and

- requesting relevant OIG hotline complaints for reports of fraud in the area under review.

The OIG did not identify any instances of fraud or potential fraud during this review.

Data Reliability

The review team used data received from VBA and computer-processed data from VBA's Corporate Database. To test for reliability, the team determined whether any data were missing from key fields, included any calculation errors, or were outside the time frame requested. The team also assessed whether the data contained obvious duplication of records, alphabetic or numeric characters in incorrect fields, or illogical relationships among data elements. For the mail outreach review, the team compared veterans' names and file numbers as provided in the data received in the 60 samples reviewed with information from the veterans' electronic claims folders. For the accuracy of claims processing review, the team compared veterans' names, file numbers, VA regional office numbers, dates of claims, and decision dates as provided in the data received in the 120 veterans reviewed with information from electronic claims folders. Testing of the data disclosed that they were sufficiently reliable for the review objectives. Comparison of the data with information contained in the veterans' electronic claims folders reviewed did not disclose any problems with data reliability.

Government Standards

The OIG conducted this review in accordance with the Council of the Inspectors General on Integrity and Efficiency's *Quality Standards for Inspection and Evaluation.*

Appendix B: Statistical Sampling Methodology

Approach

To accomplish the objectives of determining whether VBA staff correctly decided veterans' eligibility for benefits and the accuracy of claims associated with the Blue Water Navy Act, the OIG reviewed a statistical sample of veterans' records. The team assessed a random sample of veterans' Blue Water Navy claims that had rating decisions completed from April 1 through June 30, 2020. The team used statistical sampling to quantify the extent to which VA employees accurately processed Blue Water Navy claims.

Population

The review population was 5,770 veterans' records with completed Blue Water Navy claims from April 1 through June 30, 2020 (the review period). For the purposes of the review, the team estimated the population to be 4,555 veterans with rating decisions completed during the review period. The difference between the review population and the estimated population occurred because the team excluded 1,215 records for reasons such as the following:

- No rating decisions were completed for the Blue Water Navy claim.

- Rating decisions were not completed for the Blue Water Navy claim during the review period.

- The Blue Water Navy issues were processed as a legacy appeal.[30]

Sampling Design

In coordination with the OIG statistician, the team reviewed a statistical sample of 120 Blue Water Navy claims, with decisions completed from April 1 through June 30, 2020. The statistical samples are based on a design precision of 4.5 percent, a 90 percent confidence level, and an expected error rate of no more than 10 percent of the total.

Weights

Samples were weighted to represent the population from which they were drawn, and the weights were used in the estimate calculations. For example, the team calculated the error rate estimates by first summing the sampling weights for all sample cases that contained the given error, then dividing that value by the sum of the weights for all sample cases.

---

[30] A legacy appeal is a disagreement with a VA benefits decision made before February 19, 2019, the effective date of the Veterans Appeals Improvement and Modernization Act of 2017.

Projections and Margins of Error

The projection (e.g., estimated error) is an estimate of the population value based on the sample.

The associated margin of error and confidence interval show the precision of the estimate. If the OIG repeated this audit with multiple sets of samples, the confidence intervals would differ for each sample but would include the true population value 90 percent of the time.

The OIG statistician employed statistical analysis software to calculate estimates, margins of error, and confidence intervals that account for the complexity of the sample design.

The sample size was determined after reviewing the expected precision of the projections based on the sample size, potential error rate, and logistical concerns of the sample review. While precision improves with larger samples, the rate of improvement decreases significantly as more records are added to the sample review. Figure B.1 shows the effect of progressively larger sample sizes on the margin of error.
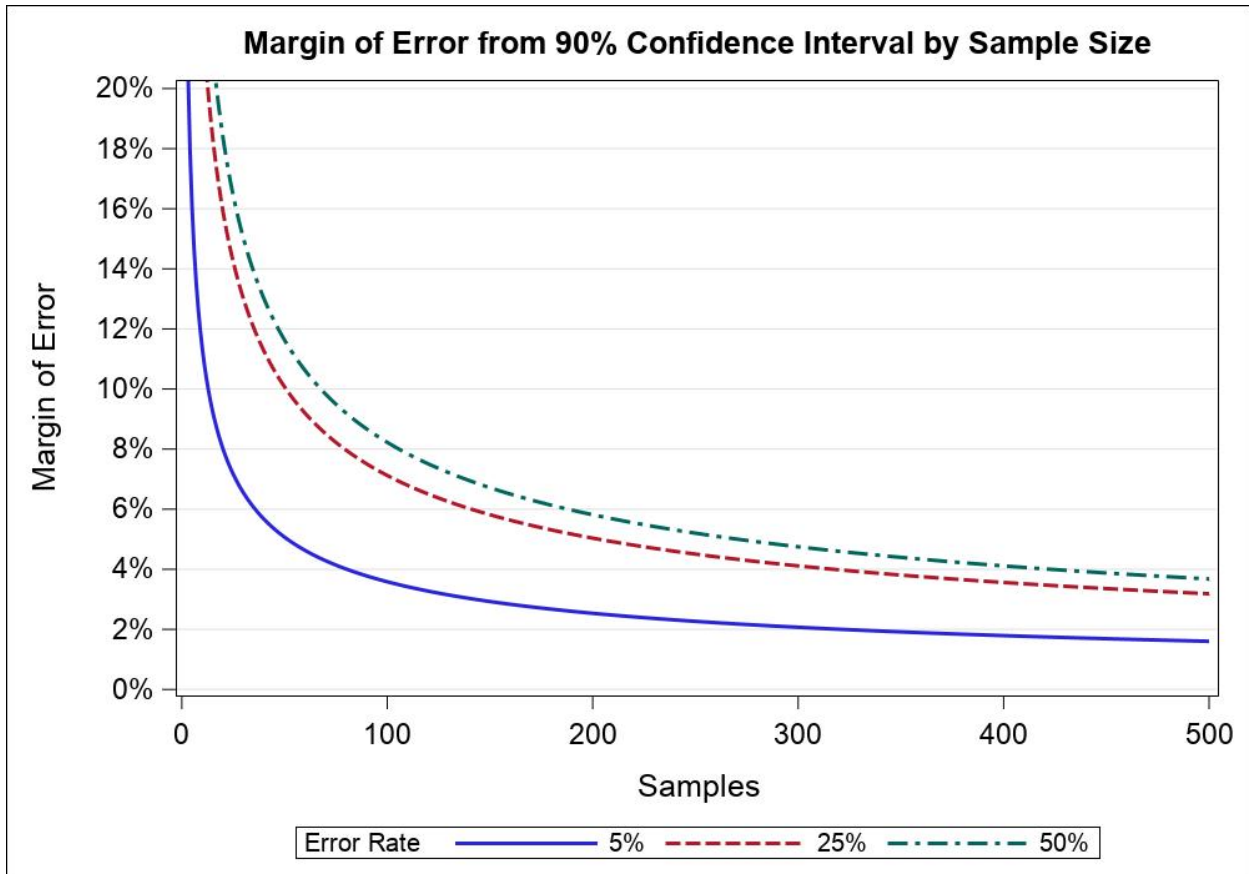

Figure B.1. *Effect of sample size on margin of error.*

Source: VA OIG statistician's analysis.

Projections

The tables below detail the review team's analysis and projected results.

Table B.1. Statistical Projections for Estimated Population of Blue Water Navy Veterans with Rating Decisions during the Review Period

Description	Estimated number	Margin of error based on 90 percent confidence interval	90 percent confidence interval lower limit	90 percent confidence interval upper limit	Count from sample
Estimated population	4,555	317	4,238	4,872	120
Veterans with rating decision errors	2,088	373	1,714*	2,461	55
Veterans with rating decisions resulting in impact errors	1,518	342	1,176	1,861*	40
Veterans with rating decisions resulting in potential impact errors	569	232	338*	801	15
Veterans with rating decisions that had errors involving retroactive effective dates for evaluations	683	251	432	934	18

Source: VA OIG statistician's projection of estimated population based on team's findings.

*Projections and confidence intervals may not total precisely due to rounding.

**Table B.2. Statistical Projections for Estimated Improper Payments Associated
with Blue Water Navy Veterans' Claims Inaccurately Processed**

Description	Estimated amount ($)	Margin of error based on 90 percent confidence interval ($)	90 percent confidence interval lower limit ($)	90 percent confidence interval upper limit ($)	Count from sample
Total improper payments	37,194,472	13,426,682	23,767,789*	50,621,154	40
Total overpayments	25,177,692	10,080,202	15,097,490	35,257,895*	31
Total underpayments	12,016,779	7,527,087	4,489,692	19,543,866	15
Monthly ongoing overpayments	488,512	300,052	188,460	788,564	13

Source: VA OIG statistician's projection of estimated population based on team's findings.

* Projections and confidence intervals may not total precisely due to rounding.

**Table B.3. Statistical Projections for Estimated Percentages
of Blue Water Navy Trends (%)**

Description	Estimated percentage (%)	Margin of error based on 90 percent confidence interval (%)	90 percent confidence interval lower limit (%)	90 percent confidence interval upper limit (%)	Count from sample
Blue Water Navy veterans' claims with correct eligibility determinations	98	2	96	100	118
Blue Water Navy veterans with rating decision errors not solely due to misapplication of the law	95	5	89*	100	52
Blue Water Navy veterans' rating decisions with errors	46	8	38	53*	55

Source: VA OIG statistician's projection of estimated population based on team's findings.

* Projections and confidence intervals may not total precisely due to rounding.

Appendix C: Monetary Benefits in Accordance with Inspector General Act Amendments

Recommendation	Explanation of Benefits	Better Use of Funds	Questioned Costs
2–3	The OIG estimated that errors in processing veterans' compensation claims resulted in approximately $37.2 million in improper payments.	$0	$37.2 million
	Total	**$0**	**$37.2 million**

Note: The OIG estimated VBA's inaccurate processing led to an estimated $37.2 million in questioned costs during the review period. The estimate includes payments that were either incorrect or unsupported. However, the results for unsupported costs were not precise enough to be included in this report due to low sample count and high margin of error.

Appendix D: Management Comments

Department of Veterans Affairs Memorandum

Date: August 6, 2021

From: Under Secretary for Benefits (20)

Subj: OIG Draft Report – Blue Water Navy Veterans' Outreach and Claims Processing
[Project No. 2020-00398-SD-0004]

To: Assistant Inspector General for Audits and Evaluations (52)

1. Attached is VBA's response to the OIG Draft Report: Blue Water Navy Veterans' Outreach and Claims Processing.

The OIG removed point of contact information prior to publication.

Thomas J. Murphy

Acting

Attachment

Veterans Benefits Administration (VBA)

Comments on OIG Draft Report

Blue Water Navy Veterans' Outreach and Claims Processing

[Project No. 2020-00398-SD-0004]

VBA provides the following comments:

VBA appreciates the opportunity to provide input to OIG's draft report on Blue Water Navy Veterans' Outreach and Claims Processing and submits the following additions to the report:

OIG noted, "VBA has no written policy for what to do when the ship locator tool produces unlikely results from deck logs that are questionable." For clarification, the ship locator tool is not a source of error or questionable results. Rather the ship locator tool provides the coordinates as described/found on the actual deck log record. In situations where there is internal inconsistency with the coordinates in a Naval deck log (e.g. quarter master error, deck log discrepancy, or typographical error) claims processors have been directed not to accept clearly erroneous coordinates as evidence sufficient to concede exposure.

VBA also submits additional comments regarding VBA's outreach activities:

- VBA secured 12 media engagement opportunities specifically focused on Blue Water Navy. For example, VBA secured media interviews with local and national media for its former Under Secretary for Benefits, Dr. Paul R. Lawrence, to highlight Blue Water Navy. Dr. Lawrence conducted interviews including Federal News Network Radio and The American Legion.

- VBA conducted over 100 tele-townhalls with Veterans and stakeholders within a nine month period that included information on Blue Water Navy. In addition, VBA conducted over 60 interviews with Blue Water Navy as a key topic of discussion.

- Dr. Lawrence also penned an op-ed mentioning Blue Water Navy benefits which was featured on Fox News website which reached an audience of 72 million. Further, Dr. Lawrence hosted a LinkedIn Live event with The American Legion to talk about Blue Water Navy.

- The Deputy Under Secretary for Field Operations, Willie Clark, participated in a satellite media tour on Feb. 24, 2020 with 22 TV and Radio national, regional and local media outlets to discuss Blue Water Navy.

- In addition, as part of the Blue Water Navy legislation, Congress also authorized the following changes to the VA Home Loan benefit beginning on January 1, 2020 for all eligible Veterans. As a result, VA's Home Loan Guaranty created a landing page, penned a blog post and Vet Resources included the changes to the VA Home Loan benefit in their email to Veterans. Mr. John Bell, III conducted an interview with the Wall Street Journal to highlight the changes to the VA Home Loan benefit.

- VA issued a press release on Sept. 28, 2020 to highlight VA's partnership with the National Archives and Records Administration (NARA) and the completion of digitization of archived Vietnam-era deck logs. VA also issued a press release on Oct. 26, 2020 to highlight the number of Blue Water Navy disability claims completed.

- In fiscal year 2020, VBA's BWN campaign included a national Public Service Announcement (PSA) that aired more than 20,000 times with an estimated advertisement equivalency of $1.9 million, more than 30,000 landing page views and over 300,000 PSA views on YouTube. Additionally, the digital advertising portion of the campaign reached over 328,000 Facebook users and 2.3 million YouTube users.

Recommendation 1: The Under Secretary for Benefits should develop and distribute procedures for when the ship locator tool provides results based on deck log coordinates for unlikely locations of herbicide exposure.

VBA Response: Concur in principle. VBA sees value in clarifying the Records Research Team (RRT) Standard Operating Procedure (SOP) to explicitly state that claims processors should use adjudicative discretion in reviewing and interpreting the results generated by VBA's Ship Locator Tool. Namely, if the tool produces results or coordinates that are clearly inconsistent with the remaining evidence of record and/or place a vessel in a location that would be factually inaccurate or impossible, that they should not accept these results as freestanding evidence sufficient to concede exposure. VBA updated the RRT SOP on June 21, 2021 to address this situation (see attached).

VBA also updated guidance in the *Blue Water Navy Centralized Processing SOP* on June 23, 2021 to address OIG's concern in clarifying how processors should handle a ship locater tool result that produces a questionable or impossible location.

Based upon this evidence, VBA requests closure of this recommendation.

Recommendation 2: The Under Secretary for Benefits should determine and execute additional actions to ensure employees processing Blue Water Navy claims understand how to accurately evaluate and decide herbicide-related medical conditions.

VBA Response: Concur in principle. VBA recognized the opportunity to provide additional training to the designated Blue Water Navy claims processors and created new training curricula specific to staged ratings (effective dates) and processing Blue Water Navy cases. The training materials include specific samples and an assessment to assist employees in evaluating and deciding this category of work. Training began April 19, 2021 through April 30, 2021, with all claims processors completing training April 23, 2021 through May 14, 2021. The training portfolio is attached.

Based upon this evidence, VBA requests closure of this recommendation.

Recommendation 3: The Under Secretary for Benefits should implement a plan for centralized regional offices to conduct local reviews on the accuracy of rating decisions involving herbicide-related medical conditions that will mitigate error trends identified.

VBA Response: Concur. The local special focused quality reviews conducted at the Cleveland Regional Office (RO) consisted of analysis of local Individual Quality Review (IQR) data and implementation of training and additional oversight based on the trends identified by the IQR data analysis. Per M21-4, 6.2, RO Quality Review Teams (QRT) routinely utilize national and local results to identify recurring issues at the individual or team level that require additional training.

In accordance with the M21-4, VBA will direct Blue Water Navy ROs to identify error trends based on local IQRs and implement training and additional oversight measures locally as needed - similar to the process implemented at the Cleveland RO.

Target Completion Date: August 31, 2021.

OIG Note: The attachments were not included in this report. Copies may be obtained from the OIG Information Release Office.

For accessibility, the original format of this appendix has been modified to comply with Section 508 of the Rehabilitation Act of 1973, as amended

---

OIG Contact and Staff Acknowledgments

Contact	For more information about this report, please contact the Office of Inspector General at (202) 461-4720.
Inspection/Audit/Review Team	Dana Sullivan, Director Brett Byrd Elyce Girouard Richard Johnson Despina Saeger Claudia Wellborn
Other Contributors	Daniel Blodgett Charles Hoskinson Michael Soybel

Report Distribution

VA Distribution

Office of the Secretary
Veterans Benefits Administration
Veterans Health Administration
National Cemetery Administration
Assistant Secretaries
Office of General Counsel
Office of Acquisition, Logistics, and Construction
Board of Veterans' Appeals

Non-VA Distribution

House Committee on Veterans' Affairs
House Appropriations Subcommittee on Military Construction, Veterans Affairs,
  and Related Agencies
House Committee on Oversight and Reform
Senate Committee on Veterans' Affairs
Senate Appropriations Subcommittee on Military Construction, Veterans Affairs,
  and Related Agencies
Senate Committee on Homeland Security and Governmental Affairs
National Veterans Service Organizations
Government Accountability Office
Office of Management and Budget

OIG reports are available at www.va.gov/oig.