US DEPARTMENT OF VETERANS AFFAIRS
OFFICE OF INSPECTOR GENERAL

Office of Audits and Evaluations

VETERANS BENEFITS ADMINISTRATION

Without Effective Controls, Public Disability Benefits Questionnaires Continue to Pose a Significant Risk of Fraud to VA

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Executive Summary

The VA Office of Inspector General (OIG) conducted this review as required by the Johnny Isakson and David P. Roe, M.D. Veterans Health Care and Benefits Improvement Act of 2020.[1] The act required the Veterans Benefits Administration (VBA) to resume publishing disability benefits questionnaires after VBA removed them from its public-facing website in April 2020. These questionnaires are forms that veterans can download and ask their non-VA medical providers to complete.[2] According to VBA, the questionnaires were removed because the VA Schedule for Rating Disabilities was undergoing modernization, necessitating questionnaire revisions, and VBA increased its internal capacity both to provide examinations to all veterans who needed them and to safeguard against the inherent risk of fraud. In this second annual report to Congress, the OIG sought to determine whether VBA continues to use updated public disability benefits questionnaires and, because public questionnaires may pose a significant risk of fraud without adequate internal controls, examine VBA's oversight of their use.

VA is responsible for making reasonable efforts to assist claimants in obtaining evidence necessary to substantiate their claims for benefits. This includes providing a medical examination or obtaining a medical opinion if either is necessary to decide the claim.[3] In October 2010, VBA implemented disability benefit questionnaires to help speed the processing of veterans' claims for disability compensation benefits. Publicly available questionnaires are intended to be completed by veterans' non-VA medical providers, whereas internal questionnaires are completed by VA medical providers. The questionnaires are also regularly updated based on revisions to the rating schedule.[4] These revisions result from recurring reviews undertaken on a cyclical basis to ensure the rating schedule evaluation criteria align with current medical, scientific, and technological advancements.

Internal questionnaires—and the providers completing them—receive greater scrutiny from VBA than public questionnaires completed by non-VA medical providers. Completed internal questionnaires are reviewed to ensure they meet the requirements set forth by VA. Additionally, VA medical providers are vetted and receive specific VA training before they complete any questionnaires. In contrast, providers who complete public questionnaires are not vetted by VA, nor are they required to take any specific VA training prior to completing public questionnaires.

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[1] Johnny Isakson and David P. Roe, M.D. Veterans Health Care and Benefits Improvement Act of 2020, Pub. L. No. 116–315 (2021) § 2006.

[2] These forms are central to claims processing because they document medical information needed to determine whether claimants have service-connected disabilities.

[3] Veterans Claims Assistance Act of 2000, Pub. L. No. 106-475, 114 Stat. 2096 (2000) § 3.

[4] 38 C.F.R. § 4.1 (2023). The rating schedule is primarily a guide in the evaluation of disability resulting from all types of diseases and injuries encountered as a result of or incident to military service.

According to the M21-1, *Adjudication Procedures Manual*, the general guide for processing and adjudicating claims, VA claims processors review public questionnaires to ensure they were completed by an acceptable healthcare professional and that the questionnaire is sufficient for benefit entitlement determinations.[5] Claims processors are not required to authenticate any of the information provided, and instead are asked only to *consider* the authenticity of the information provided.[6] Although the manual instructs claims processors to determine whether additional steps are necessary if a public questionnaire raises questions of authenticity or improper alteration, it does not provide indicators of potential fraud risk or guidance on how to evaluate the evidence for possible fraud issues.[7]

Managers of federal agencies are required to assess and consider the potential for internal and external fraud when identifying, analyzing, and responding to risks.[8] This is because, as the US Government Accountability Office (GAO) stated, "Fraud poses a significant risk to the integrity of federal programs and erodes public trust in government."[9] The GAO further explained that effective fraud risk mitigation should involve all levels of the agency, such as mid-level managers and entry-level employees.[10]

What the Review Found

The team reviewed 100 claims for benefits completed from January 1 through December 31, 2022, supported by at least one public questionnaire. (See appendixes B and C for more information about the review's scope and methodologies.) These 100 claims contained 207 public questionnaires because some claims had more than one questionnaire submitted. The OIG review team developed its own indicators of potential fraud risk because VBA has no guidance on the identification of possibly fraudulent public questionnaires. The indicators were discussed with VBA claims-processing staff, quality review specialists, and managers, who broadly agreed that these indicators highlight an increased fraud risk. The team used several sources to develop these indicators, including those used by other federal OIGs, previous VA

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[5] VA Manual 21-1, "General Criteria for Sufficiency of Examination Reports," updated July 21, 2022, sec. IV.i.3.A in *Adjudication Procedures Manual*. Examinations completed by a licensed healthcare provider including a nurse practitioner or physician's assistant, are acceptable for VA examinations.

[6] VA Manual 21-1, "General Criteria for Sufficiency of Examination Reports."

[7] VA Manual 21-1, "General Criteria for Sufficiency of Examination Reports."

[8] OMB Circular A-123, *Management's Responsibility for Enterprise Risk Management and Internal Control*, July 15, 2016.

[9] GAO, *A Framework for Managing Fraud Risks in Federal Programs*, GAO-15-593SP, July 2015.

[10] GAO, *A Framework for Managing Fraud Risks in Federal Programs*.

OIG reports, hotline complaints, and red flags already identified by the VA OIG Office of Investigations.[11]

The team found that VBA generally accepted and used public questionnaires when determining entitlement to benefits. However, VBA does not have effective controls to mitigate the risk of using potentially fraudulent forms to decide benefits. Without better controls, public questionnaires could pose a significant risk of fraud to VA. The team estimated that of the 31,900 claims completed during the review period, approximately 22,000 claims (69 percent) had one or more potential fraud indicators, 17,500 claims (55 percent) had two or more indicators, and 7,600 claims (24 percent) had three or more indicators. Although public questionnaires with potential fraud indicators only show possible instances of fraud, the team's projections suggest that the monetary risk to VA could be approximately $390 million. It is important to note that the OIG team did not determine whether the benefit payments resulting from these determinations were improper; rather, the team projected the overall monetary risk based on benefit payments related to potentially fraudulent questionnaires to highlight the monetary risk to VA, as well as the importance of robust fraud mitigation controls.[12]

According to interviews with staff, VBA has initiated multiple internal control processes to mitigate the risk of public questionnaire fraud. However, these efforts currently provide insufficient fraud mitigation controls. While VBA conducts validation reviews to detect and prevent fraud, these reviews are very limited in scope, lack robust methodology and follow-up, and do not safeguard against any potential physician-assisted fraud.

According to a program analyst with the Office of Financial Management's Benefits Delivery Protection and Remediation division, VBA has also started developing a data analytics system to store and analyze public questionnaire data to potentially identify fraudulent activity, but this is still in the early stages. VBA formed a work group to develop direction for regional offices on handling inquiries and establishing processes to support potential fraud investigations. The work group determined that the existing policies and procedures were sufficient for claims processors to handle potentially fraudulent questionnaires. However, the work group did not communicate guidance received from the VA Office of General Counsel that claims processors have the authority to order VA examinations or assign low probative value to suspect questionnaires.

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[11] The OIG published a prior report, *Public Disability Benefits Questionnaires Reinstated but Controls Could Be Strengthened*, Report No. 21-02750-63, March 9, 2022, and a fraud alert on "Public Disability Benefits Questionnaire (DBQ) Fraud Schemes" in September 2023.

[12] The Office of Management and Budget (OMB) defines federal payments as improper when they are for an incorrect amount, paid to an ineligible recipient, or issued without adequate supporting documentation. An overpayment, according to OMB, is a form of improper payment that "jeopardize[s] agency missions by diverting resources from their intended purpose." OMB, "Requirements for Payment Integrity Improvement," app. C in OMB Circular A-123, *Management's Responsibility for Enterprise Risk Management and Internal Control*, March 5, 2021.

Claims processors can play a key role in mitigating the risk of fraud for claims supported by public questionnaires, as they are responsible for reviewing all available evidence when determining entitlement to benefits. The manual states that when a review of public questionnaires raises questions, claims processors should determine whether additional action is necessary. This includes obtaining treatment records and ordering a VA examination, but the manual does not provide any examples or explain how this determination should be made. This leaves claims processors without any guidance on how to identify potentially fraudulent questionnaires. Additionally, according to the manual, "VA decision makers are expected to be appropriately critical of the evidence (including assessing competency and probative value) and to make credibility determinations when credibility is raised by the available evidence."[13] However, the claim review showed that most public questionnaires with potential fraud indicators were accepted and used by claims processors. Without guidance in the manual on how to determine if a questionnaire is fraudulent, claims processors seemingly default to accepting them at face value as instructed by the manual.[14]

VBA's training curriculum does not contain any mandatory training, nor did VBA provide other guidance for claims processors on how to determine authenticity or potential fraud related to public questionnaires. This was confirmed through interviews with claims processors, who all stated that public questionnaires pose a risk of fraud. In addition, 22 of the 25 staff indicated that they had not received any training on the matter, though they agreed that they could benefit from such training.

Overall, VBA has followed the requirements of the Johnny Isakson and David P. Roe, M.D. Veterans Health Care and Benefits Improvement Act of 2020. VBA continues to publish updated questionnaires on its website and generally accepted and used them when submitted as part of a claim for benefits. However, the OIG review team found that many submitted public questionnaires contained potential fraud indicators. Without adequate controls, public questionnaires present a significant risk of fraud.

What the OIG Recommended

The OIG recommended that VBA continue to develop a system for digitally capturing, analyzing, and monitoring public questionnaires, and develop policies for reviewing and remediating any potentially fraudulent public questionnaires identified. Additionally, VBA should update the examiner certification and signature section found in the questionnaires to include that the form is being completed under the penalty of perjury. The questionnaires should also include a section for examiners to list any organizations that requested that they complete

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[13] VA Manual 21-1, "Principles of Reviewing and Weighing Evidence," updated February 19, 2019, sec. V.ii.1.A. in *Adjudication Procedures Manual.*

[14] VA Manual 21-1, "General Criteria for Sufficiency of Examination Reports."

the examinations on the claimant's behalf. VBA should provide claims processors guidance on how to identify a potentially fraudulent public questionnaire and clarify the steps they should take when they suspect that a public questionnaire may be inauthentic or potentially fraudulent. The OIG also recommended that VBA inform claims processors as part of the public questionnaire review process that they have a duty to review and weigh all the evidence of record, and they have the responsibility to assign low or no probative value if they suspect that the public questionnaire is potentially fraudulent. VBA should also develop and provide training on authentication and fraud, including training related to public questionnaires.

VA Management Comments and OIG Response

The under secretary for benefits concurred with all recommendations and provided acceptable action plans for implementation. The comments are provided in full in appendix D. The OIG will monitor VBA's progress and follow up on the implementation of the recommendations until all proposed actions are completed.

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Contents

Abbreviations

C.F.R.	Code of Federal Regulations
GAO	Government Accountability Office
OFO	Office of Field Operations
OIG	Office of Inspector General
OMB	Office of Management and Budget
VBA	Veterans Benefits Administration

Introduction

The VA Office of Inspector General (OIG) conducted this review as required by the Johnny Isakson and David P. Roe, M.D. Veterans Health Care and Benefits Improvement Act of 2020.[15] The act required the Veterans Benefits Administration (VBA) to resume publishing disability benefits questionnaires after VBA removed the questionnaires from its website in April 2020.[16] These questionnaires are forms that veterans can download and ask their non-VA medical providers to complete. The forms, which document necessary medical information needed to determine whether claimants have service-connected disabilities, are central to claims processing.

The act required the OIG to submit a report at least once each year through 2023 detailing its findings with respect to VA's use of the published forms.[17] In this review, the second annual report to Congress, the OIG sought to determine whether the VBA is using updated public disability benefits questionnaires to make benefit entitlement decisions and to examine VBA's oversight of their use.

Disability Benefits and Claims Processing

Federal law entitles veterans to compensation for diseases or injuries that were incurred or aggravated during active military service.[18] VBA administers tax-free disability compensation benefits, which are overseen by VBA's Compensation Service. VA's compensation program provides benefits to more than 5.4 million veterans totaling $112 billion in annual payments. Disability compensation claims are processed by VBA staff in the regional offices. After a veteran submits a claim to VA, claims processors review it and assist the veteran in gathering evidence needed to evaluate it, including ordering medical examinations and requesting medical opinions.[19] Claims processors use the *Adjudication Procedures Manual*, which serves as a

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[15] Johnny Isakson and David P. Roe, M.D. Veterans Health Care and Benefits Improvement Act of 2020, Pub. L. No. 116–315 (2021) § 2006.

[16] According to VBA, the questionnaires were removed because the VA Schedule for Rating Disabilities was undergoing modernization, necessitating questionnaire revisions, and VBA increased its internal capacity to provide examinations to all veterans who needed them and to safeguard against the inherent risk of fraud.

[17] Johnny Isakson and David P. Roe, M.D. Veterans Health Care and Benefits Improvement Act of 2020 § 2006.

[18] 38 U.S.C. 1110; 38 U.S.C. 1131.

[19] VA Manual 21-1, "Duty to Assist with Providing a Medical Examination or Opinion," updated September 30, 2022, sec. IV.i.1.A in *Adjudication Procedures Manual*. Claims processors are members of an adjudication team that includes veterans service representatives, rating veterans service representatives, and others. They are responsible for the development, rating, and authorization activities necessary to process a VBA claim. VA Manual 21-1, "Structure of the Veterans Service Center (VSC)," updated January 24, 2022, sec. I.ii.1.A in *Adjudication Procedures Manual*.

general guide for processing and adjudicating claims, to analyze the evidence and make decisions on the claim.[20]

Disability Benefits Questionnaires

On November 9, 2000, Congress passed the Veterans Claims Assistance Act of 2000.[21] The purpose of the act was to reaffirm and clarify the duty of the Secretary of Veterans Affairs to assist claimants for benefits. Under the act, VA is responsible for making reasonable efforts to assist claimants in obtaining evidence necessary to substantiate their claims for benefits. This includes providing a medical examination or obtaining a medical opinion if it is necessary to decide the claim. VA will provide an exam if needed and will even reimburse claimants for travel costs for attending the exam. VA will not pay for or reimburse for any costs related to the veteran's own provider completing an exam.

In October 2010, VBA implemented disability benefits questionnaires to help speed the processing of veterans' claims for disability compensation benefits. The questionnaires cover a full range of medical conditions. In fiscal year 2020, the VA Schedule of Rating Disabilities Program Management Office was established with the mission of revising the rating schedule in staggered cycles of recurring reviews.[22] This iterative process was undertaken to ensure a constant alignment of the schedule's evaluation criteria with medical, scientific, and technological advancements. These updates are then incorporated into both internal and public questionnaires.

Generally, each questionnaire relates to a specific type of disability or part of the body. The questionnaires are designed for internal use and are also publicly available. The distinction is that publicly available questionnaires are intended to be prepared by veterans' non-VA medical providers, whereas internal questionnaires are used by VA medical providers, but the forms themselves are generally the same.

Before VA medical providers complete an internal questionnaire, they must meet examiner qualifications. The providers are vetted using a credentialing process that includes a review of the examiner's background, practices, and overall medical standing. Examiner credentials are reviewed on a recurring basis, adding an additional layer of security and safeguarding the integrity of all examinations conducted. The VA examiners receive training on examination requirements by completing certification courses on topics such as the claims process, reviewing veteran records, and formulating medical opinions. Completed internal questionnaires are also

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[20] VA Manual 21-1, Prologue, in *Adjudication Procedures Manual*, updated May 17, 2023. The *Adjudication Procedures Manual* is based on the statutes and regulations set forth in Title 38 of the United States Code and Title 38 of the Code of Federal Regulations, the legal authority governing VA benefits.

[21] Veterans Claims Assistance Act of 2000, Pub. L. No. 106-475, 114 Stat. 2096 (2000) § 3.

[22] 38 C.F.R. § 4.1 (2023). The rating schedule is primarily a guide in the evaluation of disability resulting from all types of diseases and injuries encountered as a result of or incident to military service.

subject to review to ensure they are accurate and complete and meet the questionnaire requirements set forth by VA.

In contrast, providers who complete public questionnaires are not vetted by VA, nor are they required to take any of the same training required of the VA examiners. However, the questionnaires do inform the provider that the patient is applying for VA benefits and that the provider's signature constitutes a certification that the information provided on the form is accurate, complete, and current. The questionnaires also inform the provider that the VA may request medical information if necessary, including additional exams, to complete VA's review of a claimant's application.

Claims Processors' Role in Reviewing Public Questionnaires

When public questionnaires are submitted, they are admitted into the official evidentiary record, and claims processors are responsible for reviewing the evidence and determining its value and sufficiency.[23] Claims processors must review each public questionnaire to ensure that it is completed by an acceptable healthcare professional, that the provider meets any specialty requirement for the examination conducted, and that the questionnaire is sufficient for benefit entitlement determinations.[24] If the evidentiary record contains a public questionnaire, generally claims processors must consider the authenticity of the information reported, evaluate it under evidentiary principles, and determine if a VA examination is still warranted. When claims processors receive an examination completed by a non-VA provider, they must ensure that the signature block contains the following information:

- Provider's signature, printed name, and credentials

- Area of practice/specialty

- Phone or fax number

- Medical license number

- National Provider Identifier number

There is an exception to the phone or fax number requirement if the public questionnaire is otherwise satisfactorily completed and the provider's contact information can be verified through

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[23] VA Manual 21-1, "Principles of Reviewing and Weighing Evidence," updated August 6, 2020, sec. V.ii.1.A in *Adjudication Procedures Manual*.

[24] VA Manual 21-1, "General Criteria for Sufficiency of Examination Reports," updated July 21, 2022, sec. IV.i.3.A in *Adjudication Procedures Manual*. Examinations completed by a licensed healthcare provider, including a nurse practitioner or physician's assistant, are acceptable for VA examinations.

an internet search. However, claims processors are not required to authenticate any of the information provided.[25]

The manual instructs claims processors that, in general, questionnaires completed by non-VA medical providers should be taken at face value, with the caveat that "all [questionnaires] are subject to review to ensure that the information provided is seemingly authentic, consistent with the evidentiary record, and free from improper alteration."[26] However, the manual does not specify any indicators of potential fraud or provide guidance on how to evaluate the evidence for potential fraud issues. Previous versions of the manual did include specific requirements for claims processors to authenticate the information from non-VA medical providers and to assess the sufficiency of the information; however, these requirements were removed in 2022.[27]

When a review of the public questionnaire raises questions of authenticity or improper alteration, claims processors should determine whether additional development is necessary. The manual explains that additional steps may include validating results by the treatment provider, obtaining medical records, and requesting a VA examination. Finally, the manual notes that "informal contact with the Office of Inspector General or a fraud referral may also be appropriate."[28]

VBA Offices Involved with Public Disability Benefits Questionnaires

Within VBA, the processing and control of public questionnaires are handled by many offices. Table 1 shows the VBA offices with significant responsibilities involving public questionnaires.

Table 1. VBA Offices Involved with Public Questionnaires

Office name	Office overview	Public questionnaire responsibilities
Medical Disability Examination Office	Administers VBA's contract medical examination program and development of questionnaires	Develops and maintains public questionnaire forms
Compensation Service	Guides and supports claims processing of compensation benefits	Develops and disseminates procedures for the processing of claims with public questionnaires, as well as validation reviews of them to prevent fraud
Office of Field Operations	Provides operational support for the facilitation of services to veterans	Manages claims-processing actions when validation reviews of public questionnaires uncover potential fraud

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[25] VA Manual 21-1, "General Criteria for Sufficiency of Examination Reports."

[26] VA Manual 21-1, "General Criteria for Sufficiency of Examination Reports."

[27] VA Manual 21-1, "General Criteria for Sufficiency of Examination Reports."

[28] VA Manual 21-1, "General Criteria for Sufficiency of Examination Reports."

Office name	Office overview	Public questionnaire responsibilities
Office of Policy and Oversight	Oversees the administration of benefits and services to veterans	Established a work group for public questionnaire fraud
Office of Financial Management's Benefits Delivery, Protection, and Remediation division	Performs fraud risk assessments of VBA business lines	Coordinated the scanning of public questionnaires for data collection and analysis

Source: OIG analysis of VBA Central Office documentary and testimonial evidence.

Responsibility for Fraud Risk Mitigation

Compensation benefits fraud involves individuals' submission of fraudulent claims for payment. Fraud is defined as

> an act committed when a person knowingly makes or causes to be made or conspires, combines, aids, or assists in, agrees to, arranges for, or in any way procures the making or presentation of a false or fraudulent affidavit, declaration, certificate, statement, voucher, or paper, concerning any claim for benefits under any of the laws administered by the Department of Veterans Affairs …[29]

Federal Internal Control Standards require managers to assess and consider the potential for internal and external fraud when identifying, analyzing, and responding to risks.[30] According to a Controller Alert issued by the Office of Management and Budget (OMB), managing and addressing the risk of fraud is foundational to the stewardship of taxpayer resources. Agencies are required to establish both financial and administrative controls to identify and assess fraud risks, and in doing so must consider both financial and nonfinancial risk. This Controller Alert instructs agencies to

- conduct an evaluation of fraud risks and use a risk-based approach to design and implement financial and administrative control activities to mitigate identified fraud risks;

- collect and analyze data from reporting mechanisms on detected fraud to monitor fraud trends, and use that data and information to continuously improve fraud prevention controls; and

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[29] 38 C.F.R. § 3.901 (2023).

[30] OMB Circular A-123, *Management's Responsibility for Enterprise Risk Management and Internal Control*, July 15, 2016.

- use the results of monitoring, evaluation, audits, and investigations to improve fraud prevention, detection, and response.[31]

In July 2015, the US Government Accountability Office (GAO) published *A Framework for Managing Fraud Risks in Federal Programs.* This document has identified four areas in which agencies need to take additional actions to help effectively manage fraud:

- Commit to combating fraud by creating an organizational culture and structure conducive to fraud risk management;

- Plan regular fraud assessments and assess risks to determine a fraud risk profile;

- Design and implement a strategy with specific control activities to mitigate assessed fraud risk and collaborate to help ensure effective implementation; and

- Evaluate outcomes using a risk-based approach and adapt activities to improve fraud risk management.[32]

The GAO stated that "fraud poses a significant risk to the integrity of federal programs and erodes public trust in government," explaining that effective fraud risk management helps ensure that services fulfill their intended purpose and funds are spent effectively. Effective fraud risk mitigation should involve all levels of the agency, such as midlevel managers and entry-level employees.[33] In April 2023, the GAO published *Fraud Risk Management: Key Areas for Federal Agency and Congressional Action*, to highlight areas where their prior work has shown that federal agencies and Congress can improve fraud risk management efforts. A key part of the fraud risk framework is implementing data-analytics activities as part of an overall antifraud strategy. According to the fraud risk framework, data-analytics activities can include a variety of techniques. Predictive analytics can identify potential fraud before an agency makes payments.[34]

According to the GAO, other federal agencies that provide disability benefits, such as the Social Security Administration, mitigate the risk of fraud by having their employees gather sufficient information to either remove suspicion or determine if there is potential fraud.[35] The Social Security Administration's program operations manual outlines high-risk factors that employees should consider when reviewing cases. Such risk factors include identifying patterns of similar medical histories across claims, conflicting medical evidence, and anomalies such as claimants

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[31] OMB Controller Alert 23-03, *Establishing Financial and Administrative Controls to Identify and Assess Fraud Risk*, October 17, 2022.

[32] GAO, *A Framework for Managing Fraud Risks in Federal Programs*, GAO-15-593SP, July 2015.

[33] GAO, *A Framework for Managing Fraud Risks in Federal Programs*.

[34] GAO, *Fraud Risk Management: Key Areas for Federal Agency and Congressional Action*, GAO-23-106567, April 2023.

[35] The Social Security Administration administers two programs under the Social Security Act that provide benefits to individuals with disabilities—Disability Insurance and Supplemental Security Income.

providing medical evidence from physicians in a different geographic area without the appearance of a logical reason for doing so. The agency also bolstered its antifraud efforts by conducting a study to evaluate its fraud risk, review the management approach, and establishing a dedicated antifraud office.[36]

Previous OIG Report about Disability Benefits Questionnaires

In March 2022, the OIG published its inaugural review as required by the Johnny Isakson and David P. Roe, M.D. Veterans Health Care and Benefits Improvement Act of 2020. That review, *Public Disability Benefits Questionnaires Reinstated but Controls Could be Strengthened*, determined that VBA generally complied with the requirements of the act by reinstating 69 questionnaires on its public-facing website.[37] However, the OIG found that some disability benefits questionnaires from non-VA medical providers were incomplete, inaccurate, or of questionable authenticity and were not always correctly used by VBA when determining entitlement to benefits. Conversely, some questionnaires that were sufficient for determining benefits were not used.

In total the OIG made five recommendations for improvement, as shown in appendix A. Among these, the OIG recommended that VBA revise the manual to clarify and communicate steps that claims processors must take to ensure all certification elements on the public questionnaires are provided and authentic. Instead of adding steps for claims processors to authenticate the information from the public questionnaires, VBA weakened one of the existing controls. VBA replaced the requirement for claims processors to authenticate the information with an instruction that "authenticity should be considered in view of the general policy that evidence be accepted at face value." Because this action was responsive to the recommendation, the OIG concurred with closing the recommendation. However, the OIG informed VBA that this removes an important control for fraud mitigation. The OIG reminded VBA that requiring information to be filled out without checking its validity provides no assurance that the information is authentic or can be relied on by claims processors. This in turn increases the risk that inauthentic or inaccurate public questionnaires could be used to determine benefit entitlement.

Based on the OIG's March 2022 report, VBA added requirements to what a public questionnaire's certification and signature section must include and provided reminders to claims processors on the need to document the evaluation of evidence within benefits entitlement

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[36] GAO, *SSA Disability Benefits: Enhanced Policies and Management Focus Needed to Address Potential Physician-Assisted Fraud*, GAO-15-19, November 2014.

[37] VA OIG, *Public Disability Benefits Questionnaires Reinstated but Controls Could Be Strengthened*, Report No. 21-02750-63, March 9, 2022; Johnny Isakson and David P. Roe, M.D. Veterans Health Care and Benefits Improvement Act § 2006; "Public Disability Benefits Questionnaires (questionnaires)-Compensation" (web page), VA, accessed April 22, 2021, https://www.benefits.va.gov/compensation/dbq_publicdbqs.asp. VBA published 69 disability benefits questionnaires, each tailored to specific types of diseases and conditions, with the intent that veterans will select and submit the questionnaire(s) appropriate for their claimed condition(s).

decisions when using public questionnaires. VBA also updated the manual to provide the requirements for a valid rationale to support a medical opinion. Four of the five recommendations have been closed; however, VBA is still in the process of correcting all the processing errors identified by the review team.

Results and Recommendations

Finding: Public Disability Benefits Questionnaires Continue to Pose a Significant Risk of Fraud to VA Due to a Lack of Effective Controls

VBA has followed the requirements of the Johnny Isakson and David P. Roe, M.D. Veterans Health Care and Benefits Improvement Act of 2020 by continuing to publish updated disability benefits questionnaires on a publicly available website and generally accepting and using them when submitted as part of a claim for benefits.[38] However, VBA has not imposed effective controls to mitigate the risk of using potentially fraudulent public questionnaires when determining entitlement to benefits.[39] Without better controls, the questionnaires could pose a significant risk of fraud to VA.

The team reviewed 100 claims completed from January 1 through December 31, 2022, that were supported by 207 public questionnaires. The OIG team found that VBA accepted and used 97 percent of the estimated 66,000 public questionnaires when determining entitlement to benefits. The sample results were drawn from an estimated population of 31,900 claims that had 66,000 public questionnaires submitted as evidence in support of those claims for the same period. Based on the sample, the OIG team found that an estimated 22,000 of 31,900 claims (69 percent) had one or more indicators of fraud risk. Additionally, an estimated 17,500 of 31,900 claims (55 percent) had two or more indicators of fraud risk and 7,600 of 31,900 claims (24 percent) had three or more indicators of fraud risk.[40] The OIG team determined that VBA lacks robust disability fraud control and mitigation processes, sufficient guidance for claims processors to handle public questionnaires, and training for claims processors to identify potentially fraudulent public questionnaires.

As a result, the OIG team estimated that claims processors who primarily relied on public questionnaires with at least one indicator of fraud risk awarded claimants approximately $390 million in benefits. It is important to note that these claims were not determined to be fraudulent in fact, but they contained indicators of fraud risk and gave VBA staff reason to doubt or question the authenticity of the provided information. The OIG team did not determine that

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[38] Johnny Isakson and David P. Roe, M.D. Veterans Health Care and Benefits Improvement Act of 2020, Pub. L. No. 116–315 (2021).

[39] OMB Circular A-123.

[40] The estimated numbers of claims with fraud risk indicators are inclusive of each other. Claims with one or more fraud indicators include all the claims with two or more and all claims with three or more indicators of fraud risk.

the payments resulting from these determinations were improper.[41] Rather, the team calculated and projected the overall monetary risk based on benefit payments related to potentially fraudulent questionnaires. This was done to highlight the large potential monetary risk for VA and the importance of robust fraud controls to mitigate this risk. If VA continues to use public questionnaires as evidence in support of claims without mitigating the risk of fraud, significant waste in taxpayers' money could occur.

This finding builds on the following observations:

- Public questionnaires were used to determine entitlement to benefits even when they pose a risk of fraud.

- VBA lacks robust disability fraud control and mitigation processes.

- The VBA procedures manual does not provide sufficient guidance to claims processors on handling public questionnaires.

- VBA does not provide training for claims processors on identifying or mitigating potentially fraudulent public questionnaires.

What the OIG Did

The team reviewed the sample of 100 claims for benefits completed from January 1 through December 31, 2022, supported by at least one public questionnaire. Using VBA's electronic systems, including the Veterans Benefits Management System, the team reviewed documentation required to determine whether VBA is using updated public questionnaires to make benefit entitlement decisions. The team also determined whether the questionnaires contained indicators of potential fraud risk. The OIG team also interviewed key staff at two regional offices and at VBA's central office, including Compensation Service, the Medical Disability Examination Office, the Office of Financial Management, the Office of Field Operations, and the Office of Policy and Oversight. (See appendixes B and C for more information about the review's scope and methodologies.)

A review of VBA's internal controls revealed there is no guidance on the identification of fraud for claims that had public questionnaires. Because VBA lacked this guidance, the OIG review team developed its own indicators of potential fraud for its review of the 100 claims that had public questionnaires. The team used several sources to develop these indicators, including those used by other federal agencies, previous VA OIG reports, and complaints submitted to the OIG

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[41] The OMB defines federal payments as improper when they are for an incorrect amount, paid to an ineligible recipient, or issued without adequate supporting documentation. An overpayment, according to OMB, is a form of improper payment that "jeopardize[s] agency missions by diverting resources from their intended purpose." OMB, "Requirements for Payment Integrity Improvement," app. C in OMB Circular A-123, Management's Responsibility for Enterprise Risk Management and Internal Control, March 5, 2021.

hotline.[42] For example, the team found the Department of Defense Office of Inspector General has a comprehensive list of fraud indicators. Among them is the falsification of documents—when changes are discovered to the original documentation that do not appear to be authentic, such as different print or incorrect spacing.

The team also developed indicators of potential fraud from extensive discussions with the VA OIG Office of Investigations.[43] The Office of Investigations informed the team that it is a red flag when veterans who provided a public questionnaire refuse to report for a subsequent VA examination, or in situations where a claim with a public questionnaire warrants a 100 percent disability rating without evidence of current medical treatment confirming the severity of the condition. The team adopted these red flags as indicators of potential fraud for this review. These indicators were discussed with VBA claims-processing staff, quality review specialists, and managers, who broadly agreed that these indicators highlight an increased fraud risk.

The OIG review team identified six indicators for potential fraud and used these indicators to assess whether the public questionnaires posed a risk of fraud to the claims:

1. Signs of alteration

2. Contact information discrepancies

3. Examiner's address on the questionnaire is more than 100 miles away from the veteran's address for in-person examinations

4. Other available evidence contradicts the findings of the questionnaire

5. Veteran refused to report for a VA examination

6. Assignment of a 100 percent disability rating without evidence of current medical treatment confirming the severity of the condition

The team applied these indicators of fraud as it reviewed the public questionnaires and all other documentation submitted with the claims, including private treatment records. Signs of alteration could include different appearances of text and formatting, such as typeface and size, physical changes through the use of cutting and pasting information, and the examiner signature and certification page being visually different than all other pages in the questionnaire. The team also used tools, such as the National Plan and Provider Enumeration System National Provider Identifier Registry and internet search engines, to validate examiner contact information and

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[42] The OIG published a report, *Public Disability Benefits Questionnaires Reinstated but Controls Could Be Strengthened*, Report No. 21 02750 63, March 9, 2022, as well as a fraud alert on "Public Disability Benefits Questionnaire (DBQ) Fraud Schemes" in September 2023.

[43] The VA OIG Office of Investigations has the authority to conduct criminal and administrative investigations into allegations of criminal violations or administrative misconduct related to VA programs and operations.

qualifications (state examiner medical licenses and other examiner credentials), as well as to calculate the distance between the examiner and the veteran's physical addresses.[44]

Public Questionnaires Were Used to Determine Entitlement to Benefits Even When They Pose a Risk of Fraud

The OIG team reviewed 100 claims supported by 207 public questionnaires, drawn from an estimated population of 31,900 claims that had 66,000 public questionnaires. Based on the sample, the team found that VBA accepted and used an estimated 63,700 of 66,000 public questionnaires (97 percent) when determining entitlement to benefits.[45] The team also found numerous claims in its sample with questionnaires that contained indicators of potential fraud risk and were used to determine entitlement to benefits.

Table 2 details the indicators of potential fraud and the estimated number of claims affected.

Table 2. Claims with Specific Indicators of Potential Fraud

Indicator of potential fraud	Estimated number of affected claims with public questionnaires
1. Signs of alteration	10,800
2. Contact information discrepancies	15,000
3. Examiner's address is more than 100 miles away from the veteran's address for in-person examinations	6,100
4. Other available evidence contradicted the findings of the questionnaire	13,700
5. Veteran refused to report for a VA examination	5,100
6. Assignment of a 100 percent disability rating without evidence of current medical treatment confirming the severity of the condition	3,200

Source: VA OIG analysis of completed claims from January 1 through December 31, 2022, that included at least one public disability benefits questionnaire.

Table 3 shows the estimated number of claims with public questionnaires that had indicators of potential fraud and the associated monetary risk. The OIG team did not determine that the payments resulting from these determinations were improper payments.

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[44] "NPPES NPI Registry" (web page), National Plan & Provider Enumeration System, accessed July 2023, https://npiregistry.cms.hhs.gov/search. NPI Registry Public Search is a free directory of all active National Provider Identifier (NPI) records. Healthcare providers acquire their unique 10-digit NPIs to identify themselves in a standard way throughout their industry.

[45] Claims can include more than one disability, resulting in multiple questionnaires.

Table 3. Claims with Indicators of Potential Fraud and Associated Monetary Risk

Number of indicators of potential fraud	Estimated number of affected claims with public questionnaires	Estimated number of affected claims with public questionnaires used as the primary basis for determining benefit entitlement	Monetary risk to VA
One or more	22,000	16,600	$390 million
Two or more	17,500	13,700	$340 million
Three or more	7,600	6,100	$158 million

Source: VA OIG analysis of completed claims from January 1 through December 31, 2022, that included at least one public disability benefits questionnaire.[46]

Of the 22,000 claims that had public questionnaires with one or more indicators of potential fraud, 16,600 had public questionnaires that were used as the primary basis for determining entitlement to benefits. The remaining claims were not only supported with public questionnaires, but had other available evidence such as VA examinations. The following example shows a claim that used only a public questionnaire to determine a claimant's entitlement to benefits although indicators of potential fraud were present.

Example

In January 2022, a veteran submitted a public questionnaire as evidence in support of a claim for an increased evaluation of his knees, which were previously evaluated as 10 percent disabling for each knee. While the public questionnaire showed a significant reduction in range of motion in both knees, a review of the public questionnaire also revealed multiple indicators of potential fraud. The form included signs of alteration, such as different typeface and sizes. It also contained contact information discrepancies—the provider noted their address in Austin, Texas, but the examiner's national provider identifier number noted the address was in Galveston, more than 200 miles away. Additionally, the examiner's phone number could not be verified. Another indicator involved conflicting available medical evidence. In November 2021, within a year of this claim, the veteran's extremities had normal ranges of motion on an annual physical examination, contradicting findings reported on the questionnaire. Finally, the veteran refused to report for a subsequently ordered VA examination. Despite these four indicators of potential fraud, the claim was decided using the public questionnaire as evidence in support of the decision to grant an increased

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[46] The estimated monetary risk amounts for the claims with fraud risk indicators are inclusive of each other. For example, the $390 million in monetary risk for claims with one or more indicators of fraud risk includes the monetary risk for claims with two or three or more fraud risk indicators.

evaluation from 10 percent to 40 percent for each knee, which assisted the veteran in obtaining a permanent and total 100 percent disability rating. The claims processor had the authority to weigh the evidence and could have given little weight to the questionnaire if determined to be suspicious when evaluating the claim on the overall evidence of record. However, the manual lacks clear guidance on recognizing indicators of potential fraud and encourages acceptance of use of public questionnaires.

The team found claims supported by public questionnaires with numerous indicators of potential fraud were used when determining entitlement to benefits. Without better controls to mitigate the risk of fraud from public questionnaires, VA weakens its stewardship of taxpayer money.

Outdated Forms, Identical Language, Significant Increases, and Permanent and Total Evaluations Were Observed

The OIG review team observed 55 of 207 public questionnaires were outdated versions, which may not provide the same level of information as the latest versions that assist claims processors with validation or other fraud mitigation steps. The outdated forms may not include all the information needed for fully accurate evaluations of a veteran's disability, as the latest versions align with VA's most recent updates to the Schedule for Rating Disabilities. In 57 of 207 public questionnaires, the team also observed identical or nearly identical language used by different examiners practicing in different states. While this was not one of the indicators of potential fraud used by the team, identical language could be an indicator that the examinations are being completed, at least in part, by an entity other than the examiner listed on the questionnaire—which calls into question the validity of the information being provided. Additionally, the team found 55 of 100 claims with public questionnaires resulted in significant evaluation changes—an increase of two or more disability rating levels from the previously assigned evaluation. For 44 of those claims, the public questionnaire was the only evidence submitted in support of the increase. Large increases in the level of disability without accompanying treatment records or other supporting medical evidence could be a sign of fraud. Lastly, 35 of 100 claims resulted in 100 percent total disability ratings based on the use of public questionnaires, of which 33 had permanent evaluations assigned.[47] Assigning a permanent and total evaluation based on potentially fraudulent questionnaires can result in the highest evaluations continuing when they may be unwarranted.

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[47] 38 C.F.R § 3.340 (2023). A total impairment that is reasonably certain to continue throughout the life of the disabled person is assigned a permanent evaluation.

VBA Lacks Robust Disability Fraud Control and Mitigation Processes

The GAO affirms that "Internal control is a process effected by an entity's oversight body, management, and other personnel that provides reasonable assurance that the objectives of an entity will be achieved."[48] In implementing these internal controls, the VA Payment Integrity and Fraud Reduction Manual states that responsible program officials should continue to ensure that their programs serve and provide access to their intended beneficiaries while instituting strong fraud, waste, and abuse prevention activities to reduce improper payments.[49]

According to interviews with staff, VBA has initiated some internal control processes to mitigate the risk of public questionnaire fraud, including validation reviews completed by VBA's Compensation Service; efforts by the Office of Financial Management's Benefits Delivery, Protection, and Remediation Office to collect and analyze data from public questionnaires; and a public questionnaire fraud work group established by the Office of Policy and Oversight. However, VBA needs to do more to effectively identify suspicious activity by claimants and examiners related to the use of public questionnaires before granting higher disability ratings.

Validation Reviews

The Compensation Service's validation reviews involve assessments of public questionnaires to ensure the authenticity of the questionnaire and detect and prevent fraud, waste, and abuse. The team spoke to a VBA quality analyst in Compensation Service who told the team that she has been conducting these validation reviews since March 2017. During the interview, the analyst stated that she is currently the only VBA employee responsible for completing these reviews and is conducting approximately 1,080 reviews annually. The team estimated that during the period of this review (January 1, 2022, through December 31, 2022), VBA received approximately 31,900 claims that included 66,000 public questionnaires.

The validation review process is conducted after claims have already been completed, meaning that any successful fraud detection efforts will occur only *after* a veteran's benefits have already been awarded or increased. This results in avoidable outcomes, such as claims processors having to conduct additional work, a probable requirement for veterans to report for additional examinations, and the potential reduction in benefits that were already awarded. Additionally, the scope of the validation reviews is limited to claims including only three specific disability questionnaires that have been determined by VA to "[pose] the most increased risk of fraud" out

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[48] GAO, *Standards for Internal Control in the Federal Government*, GAO-14-704G, September 2014.

[49] VA Financial Policy, "Payment Integrity and Fraud Reduction," in vol. 7, *Financial Reporting* (August 2021), chap. 9.

of the 69 public disability questionnaires it has published, and any additional questionnaires submitted with those claims.[50]

The analyst who conducts the validation reviews informed the team that she conducts approximately 90 validation reviews each month by answering questions within a checklist. She explained that when the review identifies a potentially fraudulent questionnaire, she reaches out to the medical provider for clarification. Private providers are requested to answer only four questions regarding each public questionnaire:

1. Is the veteran regularly seen as a patient in your clinic?

2. Was the veteran examined in person?

3. Does the veteran reside out of state?

4. Are the medical license number and telephone number of the signing clinician correct on the questionnaire?

According to the analyst, there is only a 50 percent response rate from the medical providers. When no response is received, the analyst will follow up with the provider. If there is still no reply, the review will be closed out as a "nonresponse," resulting in no further action by VBA. It is only when a response is received, and the provider indicates discrepancies, that the analyst forwards the questionnaire to the Office of Field Operations (OFO) for further action based on potential fraud. The analyst reported only ever referring 10 questionnaires to OFO due to discrepancies indicated by the private providers.

The team reached out to OFO inquiring about what actions, if any, had been taken on the public questionnaires forwarded to the office. Officials from that office responded that they had conducted a case review on only three of the referred claims and ordered a new examination on all three. Upon receipt of the examination, VBA claims processors will render a new decision. According to responses received by the review team, no other action has been taken by VBA as a result of the validation reviews.

As currently designed, the review process is very limited in scope, lacks robust methodology and follow up, and does not safeguard against any potential physician-assisted fraud. According to the analyst, the review only identified 10 potentially fraudulent public questionnaires since 2017. This limited finding by VBA raises concerns over the value of this review process in its current state.

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[50] Medical Disability Examination Office, "For Validation Review of Disability Benefit Questionnaires Completed by Non-VA Providers" (standard operating procedure), July 2020.

Data Analytics System for Public Questionnaires

The GAO notes a key part of the fraud risk framework is implementing data-analytics activities as part of an overall antifraud strategy. According to the fraud risk framework, data-analytics activities can include a variety of techniques, such as data mining and data matching, as well as predictive analytics. Predictive analytics can identify potential fraud before making payments.[51]

A program analyst for Benefits Delivery, Protection, and Remediation related that the division has developed a preliminary system to extract medical provider names from public questionnaires and perform data associations to identify potentially fraudulent activity. Analysis will include patterns related to evaluation outcomes and other anomalies. According to the analyst, the office recorded that it had extracted data from over 750,000 public questionnaires as of June 2023, but it does not have an analytics environment to store the data, preventing them from analyzing the information. The program analyst also told the team that the goal is to have all public questionnaires scanned daily as they are received, with the reporting function stood up by the end of fiscal year 2023. The next phase will involve analyzing the information and fixing data issues.

While this method could possibly detect public questionnaire fraud, the staff told the OIG review team that the office is having issues with accurately capturing the information needed for analysis. Additionally, staff informed the team that the system struggles to read or accurately find handwritten information on the public questionnaires. An analyst for the Benefits Delivery, Protection, and Remediation division informed the team that the office has asked for $500,000 in funding for cloud options to house data; however, a senior advisor for the division explained that this request for funding has not been prioritized at this time. This limits storage and analysis of the large amounts of data to help mitigate the risk of fraud. The analyst expressed hope that with proper funding the office will continue to see progress in tracking patterns in public questionnaires. The Medical Disability Examination Office also sought information technology assistance when first reimplementing public questionnaires but encountered similar funding issues.

It is unclear to the OIG team as to what techniques the Benefits Delivery, Protection, and Remediation office has definitively planned and whether those plans will be supported. Although the office is making recognized attempts to prevent the risk of fraud, there is more work and funding needed to be able to implement the predictive analytics that will aid in mitigating the risk of fraud.

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[51] GAO, *Fraud Risk Management: Key Areas for Federal Agency and Congressional Action*, GAO-23-106567, April 2023.

Public Questionnaire Fraud Work Group

In 2023, VBA's Office of Policy and Oversight formed a fraudulent public questionnaire work group. One of the members informed the OIG team that the purpose was to formulate guidance through policies and procedures, to highlight the need for more attention to fraud and more fraud related training, as well as a need to help bridge the gap with the OIG when there is a question of fraud. Additionally, according to one of the participants, the group intended to outline rules and responsibilities for public questionnaires for all regional offices, lay out steps for handling inquiries, and establish processes to support potential fraud investigations.

A work group participant told the OIG team that the group met a total of three times and determined that current policies and procedures were sufficient. This determination came after the work group posed a question to VA's Office of General Counsel related to VBA's authority to reject or assign no probative value to questionnaires identified as illegitimate. The VA Office of General Counsel provided guidance that claims processors have the

- authority to order VA examinations for claimants whenever they suspect there might be issues with public questionnaires and

- ability to assign low probative value once they make that determination.

However, VBA did not communicate these options to claims processors, who through interviews with the OIG review team explained that the guidance on what to do with potentially fraudulent public questionnaires is unclear. The work group did not address claims processors' ability to identify potentially fraudulent public questionnaires through existing procedures or training for claims processors to identify areas of potential fraud.

VBA has taken some first steps in establishing controls on the acceptance and use of public questionnaires; however, as currently structured, these controls do not provide a reasonable assurance that the risk of fraud inherent to public questionnaires is mitigated. Additionally, these controls identify fraud only *after* it has already occurred and do nothing to prevent the use of potentially fraudulent questionnaires in the first place. Funding and prioritization by VBA could lead to systems being able to effectively connect and analyze public questionnaire data and could lead to effective fraud mitigation.

The VBA's Procedures Manual Does Not Provide Sufficient Guidance to Claims Processors on Handling Public Questionnaires

When a public questionnaire is submitted in support of a claim for benefits, claims processors are key to mitigating the fraud risk because they are the individuals who see the questionnaires in the available evidence when determining benefit entitlement. The internal controls and risk management officer for the Compensation Service stated that without claims processors, mitigating the risk of fraud relative to public questionnaires could not be done. This pivotal role

makes the guidance that claims processors rely on—the VA *Adjudication Procedures Manual*—critically important.

Since reintroducing public disability questionnaires in 2021, VBA removed specific requirements from the manual for claims processors to substantiate the information found on these forms. In the OIG's previous review of the use of public questionnaires, VBA's procedures manual instructed claims processors to authenticate the signature and qualification information and confirm the information provided when evaluating the questionnaires.[52] The OIG recommended that VBA clarify the steps claims processors should take to ensure all certification elements are provided and authentic. Rather than providing specific steps, VBA clarified the procedures for claims processors by instructing them to *accept*, rather than *authenticate*, the information provided by non-VA providers. VBA also replaced the requirement to confirm the authenticity of the information provided in the questionnaire with an instruction to simply consider the authenticity of the information.[53]

Though the manual does state that when a review raises questions, claims processors should determine whether additional action is necessary—including obtaining treatment records and ordering a VA examination—it does not provide any examples of suspect questionnaires or indicate at what point additional action to validate the information provided in the questionnaire should be taken. This leaves claims processors without any guidance on how to identify or handle potentially fraudulent questionnaires.

The OIG team spoke to several claims processors who agreed the guidance was lacking. For example, one claims processor explained that he did not know how to identify fraud or how to report it. Overall, 18 out of the 25 VBA staff interviewed stated that they were unaware of any steps in the manual that would assist them in identifying fraud.

Claims Processors May Not Be Considering Public Questionnaires in Light of the Entirety of the Evidence

The manual requires decision makers to make findings of fact and conclusions of law when analyzing all evidence of record. This includes determining the weight and admissibility of evidence and whether there is a need for a VA examination. After weighing the evidence to reach a conclusion, claims processors must discuss the evidence in favor of the claim, the evidence against the claim including any negative evidence and their decision that one set of evidence outweighs another, or that the evidence is equal. According to the manual, "VA decision makers are expected to be appropriately critical of the evidence (including assessing

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[52] VA OIG, *Public Disability Benefits Questionnaires Reinstated but Controls Could Be Strengthened*.

[53] VA Manual 21-1, "Examination Reports Requirements," updated April 27, 2022, sec. IV.i.3.A. in *Adjudication Procedures Manual*.

competency and probative value) and to make credibility determinations when credibility is raised by the available evidence."[54]

All the claims processors and quality review specialists interviewed by the OIG team indicated that public questionnaires posed a risk of fraud for VBA. Claims processors and quality specialists related that they have encountered public questionnaires that did not match the overall medical evidence of record, were completed by medical providers who resided in a different state from the claimant, or contained responses that used "boilerplate" language. Despite this risk, the OIG team found that most public questionnaires with indicators of potential fraud were accepted and used by claims processors.

Claims Processors Are Unaware of the Extent of Their Authority to Assign Probative Value to Suspicious Examinations When Making Benefit Entitlement Decisions

Claims processors and quality review specialists pointed to unclear guidance in the manual as to why public questionnaires would be accepted and used even though they may pose a risk of fraud. Of the 10 claims processors interviewed who made benefits entitlement decisions, eight stated that claims processors may be accepting potentially fraudulent questionnaires because the manual instructs them to accept the evidence in these forms at face value. This opinion was shared by four of the five quality specialists interviewed, who stated that the manual's requirement for claims processors to both consider the authenticity of public questionnaires and accept public questionnaires at face value may cause confusion for claims processors.[55]

The OIG's previous report recommended that VBA implement actions to facilitate claims processors' understanding of the need to document the evaluation of evidence within benefits entitlement decisions.[56] However, in most claims where public questionnaires were used to determine benefits, claims processors did not discuss the weight of the evidence or how they determined any probative value assigned to the questionnaire. This occurred even in instances where the claims processor ordered a VA examination and the claimant refused to report for that exam. Not explaining the reasoning behind their decisions provides no assurance that these frontline employees are performing any fraud risk mitigation by reviewing questionnaires for fraud indicators and properly assigning probative value to that evidence before making decisions.

Weighing all the evidence of the claim is vital. Guidance from VA's Office of General Counsel, provided to the Office of Policy and Oversight in response to request from VBA dated March 17, 2023, explained, "VA has the authority to assign a [questionnaire] low or no probative

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[54] VA Manual 21-1, "Principles of Reviewing and Weighing Evidence," updated February 19, 2019, sec. V.ii.1.A. in *Adjudication Procedures Manual*.

[55] VA Manual 21-1, "General Criteria for Sufficiency of Examination Reports."

[56] VA OIG, *Public Disability Benefits Questionnaires Reinstated but Controls Could Be Strengthened*.

value if it has reason to suspect that the [questionnaire] is fraudulent or illegitimate, regardless of OIG involvement." Despite receiving this information from the Office of General Counsel, a work group formed to come up with guidance for public questionnaires for all regional offices did not communicate this authority to claims processors after its final meeting in May 2023. Based on interviews with claims processors and quality specialists, 80 percent of whom thought that claims processors are accepting these public questionnaires with indicators of potential fraud because their manual instructs them to take the evidence at face value, it appears they do not understand their authority to assign low probative value to questionnaires they suspect are illegitimate. Without guidance in the manual on how to determine if a questionnaire is fraudulent, claims processors seemingly default to accepting them at face value, as instructed by the manual.

Because claims processors no longer have the requirement to ensure the information provided on a public questionnaire is authentic, it is essential that the manual provide them with sufficient guidance. Claims processors must understand how to verify that the questionnaires are seemingly authentic, consistent with the evidentiary record, and free from improper alteration; the need to analyze the information provided in public questionnaires in light of all of the evidence of record; and the need to document how they evaluated the evidence in their decisions.

VBA Does Not Provide Training for Claims Processors on Identifying or Mitigating Potentially Fraudulent Public Questionnaires

The Compensation Service has a training staff assigned to provide VA employees with the resources they need. The staff maintains a learning catalog of training courses and materials, as well as an established curriculum available to claims processors. A review of this material shows that VBA's training curriculum, including the two courses for claims processors that discuss public questionnaires, does not contain any mandatory or other training for claims processors on how to determine authenticity or identify or mitigate the risk of potential fraud related to public questionnaires. The assistant director for training noted that the Compensation Service does not offer fraud training because it is one of the hardest things to delineate in claims processing.

Guidance Provided to Claims Processors Did Not Address Fraud Mitigation

Outside of foundational training, Compensation Service provides guidance to the field through regular communication using Compensation Service Quality Calls. During 2022, there were two such quality calls pertaining to public questionnaires. One conducted in May 2022 intended to train field staff on changes made to the procedures related to public questionnaires, but the call merely addressed that the procedural changes occurred. The May 2022 call did not discuss how a public questionnaire would be authenticated or how a claims processor can review public questionnaires to determine they are free from alteration. There was no training provided to note

any steps to consider authenticity or examples of what would make a public questionnaire authentic or inauthentic. The call notes merely point claims processors to the procedure that notes public questionnaires should be accepted at face value unless otherwise indicated.

A Quality Call conducted in July 2022 addressed weighing and discussing the evidence when there is a public questionnaire of record. This training was important for claims processors to understand, and it addressed the general evidentiary principles and guidelines for evaluating all forms of evidence. Although the training discussed weighing evidence related to public questionnaires, the reason why this is important for claims processors to do so was left out of the call notes. It is important that claims processors understand the principles of weighing evidence in relation to public questionnaires because public questionnaires routinely present with authenticity, consistency, and potential fraud issues. In situations where public questionnaires present with significant indicators of potential fraud, it will be incumbent on claims processors to assign little to no probative value to the public questionnaires and discuss this in the decision narratives.

Without clearly discussing how to analyze and authenticate public questionnaires and why weighing the evidence is implicated specifically with public questionnaires, Compensation Service misses an opportunity to help mitigate the risk of fraud. By explaining to claims processors how public questionnaires can raise doubts or cause questions, and that when these instances arise, they can and should assign low probative value to that evidence, these call notes do not highlight the tools that claims processors possess. These two alternative trainings fail to benefit Compensation Service in improving fraud mitigation, but this method of training could prove beneficial to address fraud mitigation with more detail.

Claims Processors Recognize Fraud Mitigation Training Is Needed

The OIG review team interviewed 25 regional office staff in various roles of processing and reviewing claims involving public questionnaires. All 25 believed that public questionnaires pose a risk of fraud to VBA. However, the majority of the staff the OIG team interviewed (22 of 25) reported that they have not received training on potential fraud related to public questionnaires. Additionally, 23 of those 25 staff interviewed indicated that they could benefit from training on how and when to authenticate public questionnaires, determine they are consistent with the evidence, check them for alteration, and make a finding of potential fraud.

One claims processor questioned whether he could benefit from additional training because it would add to the work he already has to do. He indicated that he would welcome the training and performing the additional task of reviewing for potential fraud if the production requirements accounted for the time involved. A second claims processor indicated that training would be helpful because the manual is conflicting, and another, because the manual is very broad. While training would be helpful, the Assistant Director of Training for Compensation Service stated that training is built from the procedures. She noted that the procedures are very broad in nature

and that training should not be the driver, but clarity and guidance in the manual—what claims processors refer to—is what is needed.

The Executive Director of Compensation Service stated that claims processors need to rely on their training and the manual to evaluate public questionnaires. The Executive Director does not feel like claims processors are powerless to deal with the potential fraud risks, but wonders if claims processors would ever be comfortable with the authority that they have to do more work on a case to scrutinize a public questionnaire, even one they may feel uncomfortable with. But from the reports of claims processors, the majority believe the added training would be beneficial.

Based on the lack of documentation showing that claims processors received foundational or alternative methods of training to assess authenticity or potential fraud related to public questionnaires, and because of the testimony provided confirming the desire for training on this subject matter, it is apparent that improvements can be made. The Senior Principal Advisor for Compensation Service related that it is clear VBA needs to communicate to the claims processors what they need to do and recognized opportunities in this area. Providing comprehensive training to claims processors would allow them to leverage the tools they already have to identify and mitigate the risk of fraudulent public questionnaires.

Conclusion

Overall, VBA has continued to follow the requirements of the Johnny Isakson and David P. Roe, M.D. Veterans Health Care and Benefits Improvement Act of 2020.[57] VBA published updated disability benefits questionnaires on a publicly available website and generally uses public questionnaires when submitted as part of a claim for benefits. However, without adequate internal controls public questionnaires present a significant fraud risk, and this risk is not adequately mitigated by VBA. The OIG review team's analysis of claims supported by public questionnaires found a sizeable number contained indicators of potential fraud risk; however, the vast majority of these were accepted by claims processors. This occurred because VBA lacks robust organizational fraud identification and remediation processes. While VBA has attempted different variations of fraud control, they have not been effectively used or given the proper funding and prioritization. VBA is starting to take promising steps to develop these processes, but more work is needed for the organization to effectively mitigate the fraud risk posed by public questionnaires. Additionally, VBA lacks specific policies or procedures for claims processors that provide guidance on what to look for to identify questionable or potentially fraudulent questionnaires and what to do when they are identified. Claims processors were also unaware of their authority to give low evidentiary weight to public questionnaires that they find

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[57] Johnny Isakson and David P. Roe, M.D. Veterans Health Care and Benefits Improvement Act of 2020, Pub. L. No. 116–315 (2021).

to be suspicious. The lack of procedures is compounded by a lack of training provided to claims processors on how to identify fraud or what to do when they suspect a public questionnaire may be fraudulent.

Recommendations 1–5

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

1. Direct the Office of Financial Management to continue to develop a system for digitally capturing, analyzing, and monitoring public questionnaires to identify inauthentic or potentially fraudulent questionnaires and work with the Compensation Service to develop policies for reviewing and remediating any such public questionnaires identified.

2. Have the Medical Disability Examination Office update the examiner certification and signature section found in public questionnaires to include that the form is being completed under the penalty of perjury and to ask examiners to list any organizations that requested they complete the examinations on the claimant's behalf.

3. Instruct the Compensation Service to provide claims processors guidance in the procedures manual on how to identify a potentially fraudulent public questionnaire, and provide the steps they should take when they suspect that a public questionnaire may be inauthentic or potentially fraudulent.

4. Require the Compensation Service to inform claims processors as part of the public questionnaire review process that they have a duty to review and weigh all the evidence of record, including public questionnaires, and that they have the responsibility to assign low or no probative value if they have reason to suspect that the public questionnaire is inauthentic or potentially fraudulent.

5. Direct the Veterans Benefits Administration to develop and provide training on authentication and fraud, including training related to public questionnaires, to provide claims processors with the knowledge to identify inauthentic or potentially fraudulent public questionnaires, and include what steps claims processors should take when they make that determination.

VA Management Comments

The under secretary for benefits concurred with all five recommendations. To address recommendation 1, VBA will continue to focus on data extraction, report usability, and data cleansing, with a final data extraction completed in March 2024. Findings and best practices will be shared once a system for electronically monitoring public disability questionnaires is in place. For recommendation 2, VBA will update the examiner certification and signature section on

public disability questionnaires. To comply with recommendation 3, VBA will update the manual with guidance on how to identify a potentially fraudulent public questionnaire and provide steps that claims processors should take when it is suspected that a public questionnaire may be potentially fraudulent or inauthentic. For recommendation 4, VBA will remind claims processors they have a duty to review and weigh all the evidence of record and that assigning low or no probative value is appropriate if they have reason to suspect that the public questionnaire is potentially fraudulent or inauthentic. Finally, to address recommendation 5, VBA will develop and provide training to claims processors on authentication and fraud related to public questionnaires including steps claims processors should take when they identify public questionnaires that appear potentially fraudulent or inauthentic. The under secretary's comments are presented in full in appendix D.

OIG Response

The under secretary for benefits provided acceptable action plans for all recommendations. The OIG will monitor VBA's progress and follow up on recommendation implementation until all proposed actions are completed.

Appendix A: Previous OIG Report Recommendations and Results

2022 Recommendations and Results

1. Revise the Veterans Benefits Administration's adjudication procedures manual to clarify and communicate steps that claims processors must take to ensure all certification elements on the publicly available disability benefits questionnaires are provided and are authentic.

   VBA concurred with this recommendation, published updates to its manual procedures in April 2022, adding guidance for claims processors. The recommendation was closed on August 11, 2022.

2. Update the Veterans Benefits Administration's adjudication procedures manual to clarify the intent of guidance involving authenticity, face value, and validation of publicly available disability benefits questionnaires to ensure claims processors evaluate the questionnaires in accordance with evidentiary principles.

   VBA concurred with this recommendation, published updates to its manual procedures in April 2022, adding guidance for claims processors. The recommendation was closed on August 11, 2022.

3. Implement actions to facilitate claims processors' understanding of the need to document the evaluation of evidence within benefits entitlement decisions when using publicly available disability benefits questionnaires.

   VBA concurred with this recommendation and reminded claims processors of the processes for handling publicly available benefits questionnaires. The recommendation was closed on August 26, 2022.

4. Amend the Veterans Benefits Administration's adjudication procedures manual to define valid rationale to ensure medical opinions are well supported when deciding entitlement to benefits.

   VBA concurred with this recommendation and published updates to its manual procedures in April and July 2022, adding guidance for claims processors. The recommendation was closed on July 21, 2022.

5. Correct all processing errors on cases identified by the review team and report the results to the Office of Inspector General.

   VBA concurred with this recommendation and committed to correct all processing errors on cases identified by the review team. The recommendation remained pending as of September 28, 2023, with a targeted completion date of December 31, 2023.

Source: VA OIG, Public Disability Benefits Questionnaires Reinstated but Controls Could Be Strengthened, Report No. 21-02750-63, March 9, 2022.

Appendix B: Scope and Methodology

Scope

The VA Office of Inspector General (OIG) review team conducted its work from April through November 2023. The OIG team focused on claims completed from January 1 through December 31, 2022, that included at least one public disability benefits questionnaire.

Methodology

To accomplish the objective, the OIG team assessed applicable laws, regulations, policies, procedures, and guidelines, related to claims that had public questionnaires. The OIG team obtained information associated with claims processing and public questionnaires from the Veterans Benefits Administration's (VBA) central office. The team interviewed staff at the VA regional offices in Cleveland, Ohio, and Salt Lake City, Utah. The team also interviewed staff and officials with the Compensation Service, the Medical Disability Examination Office, the Office of Field Operations, the Office of Financial Management, and the Office of Policy and Oversight.

The OIG team obtained completed claims from January 1, 2022, through December 31, 2022. The team then reviewed a randomly selected sample of 117 claims until it identified 100 completed claims as in-scope that included at least one public questionnaire submitted in support. The team identified 17 claims as out of scope because they did not have a public questionnaire submitted in support. (See appendix C for more information.) These claims were reviewed using VBA's electronic systems, including the Veterans Benefits Management System. The team reviewed relevant documentation to determine whether the VBA is using updated public questionnaires to make benefit entitlement decisions, as well as examine their controls and oversight over the questionnaires. During this review the OIG team discussed the findings with VBA officials and took their feedback into consideration.

Internal Controls

The OIG team assessed VBA's internal controls significant to the objective. This included an assessment of the five internal control components including control environment, risk assessment, control activities, information and communication, and monitoring.[58] In addition, the team reviewed the principles of internal controls. The team identified internal control weaknesses related to two components and five principles and proposed recommendations to address them:

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[58] GAO, *Standards for Internal Control in the Federal Government*, GAO-14-704G, September 2014.

- Component: Control Activities

    o Principle 10: Design Control Activities

    o Principle 11: Design Activities for the Information System

    o Principle 12: Implement Control Activities

- Component: Monitoring

    o Principle 16: Perform Monitoring Activities

    o Principle 17: Evaluate Issues and Remediate Deficiencies[59]

Fraud Assessment

The OIG review team assessed the risk that fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements, 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;

- examining previous reviews, audits, and inspections as reported by VA OIG and other auditing organizations regarding VBA;

- completing the Fraud Indicators and Assessment Checklist; and

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

The OIG team identified instances of potential fraud during this review and provided those instances to the OIG Office of Investigations. The instances were provided because the review identified numerous claims with public questionnaires with indicators of fraud risk, such as signs of alteration, contact information discrepancies, examiner's address on the questionnaire was more than 100 miles away from the veteran's address for in-person examinations, other evidence of record contradicted the findings of the questionnaire, the veteran refused to report for a VA examination, and the assignment of a 100 percent disability rating occurred without evidence of current medical treatment confirming the severity of the condition.

Additionally, the OIG identified 57 public questionnaires, representing over a quarter of the total questionnaires completed during this review that contained similar or identical language in

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[59] Since the review was limited to the internal control components and underlying principles identified, it may not have disclosed all internal control deficiencies that may have existed at the time of this review.

questionnaires completed by different examiners for different veterans across multiple states. These 57 questionnaires represent a risk that these examinations could be completed, at least partly, by an entity other than the examiner listed on the examiner's certification and signature sections for each questionnaire. Given this risk, these instances were also provided to the OIG Office of Investigations for further review.

Data Reliability

The OIG used 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. Furthermore, the team compared veterans' names, file numbers, dates of claims, and end product closed dates as provided in the 100 Veterans Benefits Management System records reviewed.

Testing of the data showed sufficient reliability for the review objective. Comparison of the data with information contained in the reviewed veterans' Veterans Benefits Management System records 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 C: Statistical Sampling Methodology

Approach

To accomplish the objective, the VA Office of Inspector General (OIG) team reviewed a statistical sample of claims for benefits completed from January 1 through December 31, 2022 (the review period), that included at least one public disability benefits questionnaire. The team used statistical sampling to quantify the use and risk of public questionnaires submitted as evidence in support of claims for benefits.

Population

The review population included 37,292 claims completed during the review period. For the purposes of the review, the team estimated the population to be 31,874 in-scope claims. The difference between the review population and the estimated population occurred because the team excluded 17 claims because they did not have a public questionnaire submitted in support of the claims. Since the excluded claims represent others in the original review population that may also be out of scope, the team estimated the population out of scope is 5,418. Therefore, the population eligible for review is 31,874.

Sampling Design

The review team selected a statistical sample of 100 claims from the population of completed claims that included at least one public questionnaire.

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 estimated the percent of claims with at least one fraud risk in the population by first summing the sampling weights for all claims that the team categorized as having at least one fraud risk, then dividing that value by the sum of the sampling weights for all claims.

Projections and Margins of Error

The projection 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.

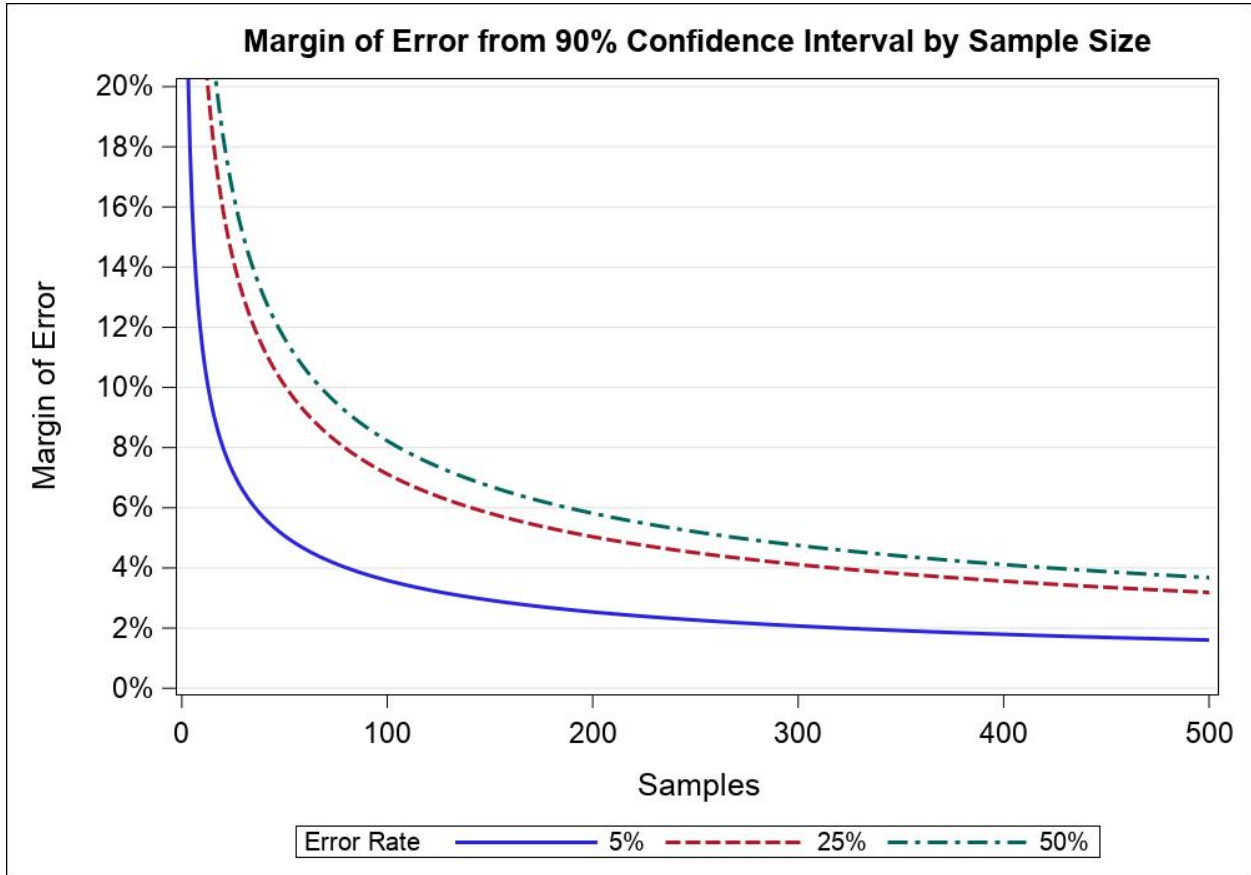Figure C.1 shows the effect of progressively larger sample sizes on the margin of error.

Figure C.1. *Effect of sample size on margin of error.*
Source: VA OIG statistician's analysis.

Projections

Tables C.1 through C.6 detail the OIG team's analysis and projected results.

Table C.1. Summary of Projections and Confidence Intervals for Population of Claims That Had Public Questionnaires

Claims	Estimate number	90 percent confidence interval			Sample count/size
		Margin of error	Lower limit	Upper limit	
Claims in scope	31,874	2,163	29,445	33,770	100/117
Claims out of scope	5,418	2,163	3,522	7,847	17/117

Source: VA OIG statistician's projection of estimated population.
Note: Projections and confidence intervals may not total precisely due to rounding.

Table C.2. Summary of Projections and Confidence Intervals for Population of Public Questionnaires

Public questionnaires	Estimate number	90 percent confidence interval			Sample count/size
		Margin of error	Lower limit	Upper limit	
Public questionnaires	65,978	9,667	56,311	75,645	100/117
Public questionnaires accepted and used	63,747 (96.6%)	9,744 (3.5%)	54,003 (93.2%)	73,491 (100.1%)	96/117 (96/100)

Source: VA OIG statistician's projection of estimated public questionnaires.
Note: Projections and confidence intervals may not total precisely due to rounding. The sample counts in this table are the number of reviewed claims with at least one in-scope questionnaire and the number of reviewed claims with at least one in-scope claim that was accepted and used. The 100 reviewed in-scope claims encompassed 207 questionnaires, of which 200 were accepted and used.

Table C.3. Summary of Projections and Confidence Intervals for Claims That Had Public Questionnaires with Specific Indicators of Fraud Risk

Claims	Estimate number	90 percent confidence interval			Sample count/size
		Margin of error	Lower limit	Upper limit	
Claims that had questionnaires with signs of alteration	10,837	2,732	8,259	13,723	34/117
Claims that had questionnaires with contact information discrepancies	14,981	2,935	12,118	17,987	47/117
Claims that had questionnaires where examiner's address was more than	6,056	2,254	4,054	8,563	19/117

Claims	Estimate number	90 percent confidence interval			Sample count/size
		Margin of error	Lower limit	Upper limit	
100 miles each way from the veteran's address for in-person examinations					
Claims that had questionnaires where other evidence of record contradicted the findings of the questionnaire	13,706	2,889	10,914	16,692	43/117
Claims that had questionnaires but veteran refused to report for a VA examination	5,100	2,113	3,260	7,486	16/117
Claims that had questionnaires with an assignment of a 100 percent disability rating without evidence of current medical treatment confirming the severity of the condition	3,187	1,757	1,749	5,262	10/117

Source: VA OIG statistician's projection of claims that had public questionnaires with specific indicators of fraud risk.

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

Table C.4. Summary of Projections and Confidence Intervals for Claims That Had Public Questionnaires with Indicators of Fraud Risk

Claims	Estimate number	90 percent confidence interval			Sample count/size
		Margin of error	Lower limit	Upper limit	
Claims that had questionnaires with at least one indicator of fraud risk	21,993 (69.0%)	2,944 (8.1%)	18,983 (60.5%)	24,871 (76.7%)	69/117 (69/100)
Claims that had questionnaires with two or more indicators of fraud risk	17,530 (55.0%)	2,984 (8.7%)	14,568 (46.2%)	20,537 (63.6%)	55/117 (55/100)
Claims that had questionnaires with three or more indicators of fraud risk	7,650 (24.0%)	2,450 (7.5%)	5,418 (17.1%)	10,319 (32.1%)	24/117 (24/100)

Source: VA OIG statistician's projection of claims that had public questionnaires with indicators of fraud risk.

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

Table C.5. Summary of Projections and Confidence Intervals for Claims That Had Public Questionnaires with Indicators of Fraud Risk and Were Used for Benefit Determinations

Claims	Estimate number	90 percent confidence interval			Sample count/size
		Margin of error	Lower limit	Upper limit	
Claims that had questionnaires with at least one indicator of fraud risk and were used for benefit determinations	16,574	2,972	13,643	19,587	52/117
Claims that had questionnaires with two or more indicators of fraud risk and were used for benefit determinations	13,706	2,889	10,914	16,692	43/117
Claims that had questionnaires with three or more indicators of fraud risk and were used for benefit determinations	6,056	2,254	4,054	8,563	19/117

Source: VA OIG statistician's projection of claims that had public questionnaires with indicators of fraud risk and were used for benefit determinations.

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

Table C.6. Summary of Projections and Confidence Intervals for Monetary Risk for Claims That Had Public Questionnaires with Indicators of Fraud Risk

Monetary risk	Estimate number	90 percent confidence interval			Sample count/ size
		Margin of error	Lower limit	Upper limit	
Monetary risk for claims that had questionnaires with at least one indicator of fraud risk	$391,123,596	$89,840,926	$301,282,669	$480,964,522	50/117
Monetary risk for claims that had questionnaires with two or more indicators of fraud risk	$340,209,701	$86,901,265	$253,308,437	$427,110,966	42/117
Monetary risk for claims that had questionnaires with three or more indicators of fraud risk	$157,725,673	$64,135,288	$93,590,384	$221,860,961	18/117

Source: VA OIG statistician's projection of monetary risk for claims that had public questionnaires with indicators of fraud risk.

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

Appendix D: VA Management Comments

Department of Veterans Affairs Memorandum

Date: December 19, 2023

From: Under Secretary for Benefits

Subj: OIG Draft Report -- Without Effective Controls, Public Disability Benefits Questionnaires Continue to Pose a Significant Risk of Fraud to VA [Project No. 2023-01690-AE-0068] — [VIEWS 11073633]

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

1. Attached is VBA's response to the OIG Draft Report: Without Effective Controls, Public Disability Benefits Questionnaires Continue to Pose a Significant Risk of Fraud to VA.

The OIG removed point of contact information prior to publication.

(Original signed by)

Joshua Jacobs

Attachment

Attachment

Veterans Benefits Administration (VBA)
Comments on OIG Draft Report
Without Effective Controls, Public Disability Benefits Questionnaires Continue to Pose a Significant Risk of Fraud to VA

The Veterans Benefits Administration (VBA) concurs with the Office of Inspector General's (OIG) report findings and provides the following comments in response to the recommendations:

Recommendation 1: The Office of Financial Management should continue to develop a system for digitally capturing, analyzing, and monitoring public questionnaires to identify inauthentic or potentially fraudulent questionnaires and work with Compensation Service to develop policies for reviewing and remediating any such public questionnaires identified.

VBA Response: Concur. On September 15, 2023, VBA's Office of Financial Management (OFM) released the internal VBA Public Use DBQ (PDBQ) dashboard. OFM will continuously improve the initial increment of capabilities of the PDBQ dashboard by focusing on continued data extraction, report usability, and data cleansing. OFM expects to have the final increment data extraction completed in March 2024. Once the system for digitally capturing, analyzing, and monitoring public DBQs to identify potential fraud has been established, OFM will partner with Compensation Service to share findings and best practices so that policy can be defined and shared with claims processors.

Target Completion Date: TBD

Recommendation 2: The Medical Disability Examination Office should update the Examiner Certification and Signature Section found in public questionnaires to include that the form is being completed under the penalty of perjury and for examiners to list any organizations that requested they complete the examinations on the claimant's behalf.

VBA Response: Concur. VBA's Medical Disability Examination Office (MDEO) will update the Examiner Certification and Signature Section on public disability benefits questionnaires (DBQ). However, the new process for publishing forms to public-facing Internet sites requires a compliance audit and approval by VA's Section 508 Office, as well as a separate publishing process by VBA's Office of Communication. Due to the volume of public-facing DBQs, the compliance auditing process will take a significant amount of time. MDEO expects to submit the updated DBQs to the Section 508 Office by March 31, 2024.

Target Completion Date: March 31, 2024

Recommendation 3: The Compensation Service should provide claims processors guidance within the procedures manual on how to identify a potentially fraudulent public questionnaire and provide the steps they should take when it is suspected that a public questionnaire may be inauthentic or potentially fraudulent.

VBA Response: Concur. VBA's Compensation Service will update the M21-1, *Adjudication Procedures Manual*, with guidance on how to identify a potentially fraudulent public questionnaire and provide steps claims processors should take when it is suspected that a public questionnaire may be potentially fraudulent or inauthentic.

Target Completion Date: February 29, 2024

Recommendation 4: The Compensation Service should inform claims processors as part of the public questionnaire review process that they have a duty to review and weigh all the evidence of record

including public questionnaires and that they have the responsibility to assign low or no probative value if they have reason to suspect that the public questionnaire is inauthentic or potentially fraudulent.

VBA Response: Concur. VBA's Compensation Service will inform claims processors, through communications such as the Quality Call and potential procedural updates, that as part of the public questionnaire review process they have a duty to review and weigh all the evidence of record and that assigning low or no probative value is appropriate if they have reason to suspect that the public questionnaire is potentially fraudulent or inauthentic.

Target Completion Date: February 29, 2024

Recommendation 5: The Veterans Benefits Administration should develop and provide training on authentication and fraud, including training related to public questionnaires, to provide claims processors with the knowledge to identify inauthentic or potentially fraudulent public questionnaires and include what steps claims processors should take when they make that determination.

VBA Response: Concur. VBA will develop and provide training on authentication and fraud related to public questionnaires, to provide claims processors with the knowledge to identify inauthentic or potentially fraudulent public questionnaires and include what steps claims processors should take when they make that determination.

Target Completion Date: TBD

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

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