

VA Office of Inspector General

OFFICE OF AUDITS AND EVALUATIONS



Department of Veterans Affairs

*Review of
Alleged Data Manipulation
at VA Regional Office,
Boston, Massachusetts*

April 15, 2015
15-01332-121

ACRONYMS

FY	Fiscal Year
OIG	Office of Inspector General
VA	Department of Veterans Affairs
VARO	Veterans Affairs Regional Office
VFW	Veterans of Foreign Wars
VSO	Veterans Service Officer

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Report Highlights: Review of Alleged Data Manipulation at VA Regional Office Boston, MA

Why We Did This Review

We performed this review to determine the merits of an allegation that a Veterans Service Officer (VSO) manipulated dates of claims when submitting them to the VA Regional Office (VARO) for processing. Following our June 2014 inspection of the Boston VARO, VBA's Undersecretary for Benefits notified the Office of Inspector General that a VSO, accredited by the Veterans of Foreign Wars, had allegedly engaged in data manipulation when submitting claims on behalf of veterans.

What We Found

We substantiated that the VSO manipulated or attempted to manipulate dates of claims at the Boston VARO. We also found evidence indicating the VSO may have engaged in a similar manipulation scheme at the VARO in Togus, Maine dating back to 2013. The VSO secretly date stamped multiple blank documents, providing the opportunity to cut, attach, and photocopy these dates onto claims documents for other claimants. We found about 25 benefits claims in the VSO's workspace that were not been submitted. We could not identify claims where the VSO may have altered the actual dates of claim because there is no audit trail that tracks claims submitted by individual VSOs.

Untimely processing by the VSO impeded the VARO's ability to initiate required development actions and resulted in veterans waiting longer for their claim to be processed.

The VSO was able to manipulate dates of claims to cover up the untimely submission of claims because VARO management did not ensure only authorized staff had access to the date stamping equipment. Additionally, VARO management did not ensure the keys needed to unlock and operate date stamping machines were securely stored. Rather, keys were stored in unlocked desk drawers near the date stamping machines. Further, manipulation of dates of claims compromised the data integrity of claims processing timeliness and introduced delays in processing benefits claims. VARO management stated they have since taken precautions to secure date stamping equipment by purchasing cypher locking boxes and designated specific staff to access and use of the equipment.

What We Recommended

We recommended the Under Secretary for Benefits implement plans to ensure only authorized staff at the VARO use date stamping equipment and that they receive training on securing this equipment.

Agency Comments

The Under Secretary for Benefits concurred with all recommendations. Management's planned actions are responsive and we will follow up as required.

Handwritten signature of Linda A. Halliday in black ink.

LINDA A. HALLIDAY
Assistant Inspector General
for Audits and Evaluations

TABLE OF CONTENTS

Introduction.....	1
Results and Recommendations	2
Allegation A Veterans Service Officer Manipulated Dates of Claims To Cover Up Untimely Submission of Veterans' Claims	2
Recommendations	5
Appendix A Management Comments.....	6
Appendix B Office of Inspector General Contact and Staff Acknowledgments.....	8
Appendix C Report Distribution	9

INTRODUCTION

Allegation

On October 3, 2014, following the on-site work OIG performed as part of our cyclic Benefits Inspection Program in June 2014 inspection at the Boston VA Regional Office (VARO), the Under Secretary for Benefits notified the Office of Inspector General (OIG) that a Veterans Service Officer (VSO), accredited by the Veterans of Foreign Wars (VFW) and employed by the VFW, Department of Massachusetts, had allegedly engaged in data manipulation when submitting claims on behalf of veterans.

Background

A chartered VSO has authority to prepare, present, and submit a claim and present evidence on behalf of a beneficiary. Each claim VA receives is date stamped with a date of claim, which typically reflects the earliest date a claim is received at a VA facility. Generally, Veterans Benefits Administration (VBA) policy allows benefits payments to begin based on the date of claim. VBA has an ethical and legal responsibility to adequately control all date stamping equipment maintained in its facilities. Electronic date stamps must be equipped with locking mechanisms to prevent unauthorized use. VARO managers are also required to designate staff responsible for accessing and operating the equipment as well as securing date stamping equipment during and after working hours. Securing the equipment is essential to ensure the integrity of dates of claims.

RESULTS AND RECOMMENDATIONS

Allegation **A Veterans Service Officer Manipulated Dates of Claims To Cover Up Untimely Submission of Veterans' Claims**

What We Did

In October 2014, OIG Benefits Inspectors visited the Boston VARO to determine whether the VSO circumvented controls regarding dates of claims and if so, how long the VSO may have engaged in this practice. We were concerned that the VSO's actions to manipulate dates of claims may have resulted in inaccurate benefits payments for some beneficiaries represented by the VFW.

With complete cooperation from the VFW, the OIG retrieved the following documents from the VSO's workspace:

- Nineteen blank documents with the following Boston VARO date stamps:
 - July 15, 2013
 - September 27, 2013
 - November 29, 2013
 - May 30, 2014
 - July 30, 2014
 - September 5, 2014
- One document related to a veteran's military service was date stamped as received at the Togus VARO on September 27, 2013, at 8:56 a.m. and three other blank documents also containing a date stamp reflecting receipt at the Togus VARO on September 27, 2013 at 8:56 a.m.
- A Department of Defense Form 2586, "Verification of Military Experience and Training" belonging to the VSO suspected of manipulating dates of claims, contained a date stamp reflecting receipt at the Boston VARO on March 11, 2014 however the VARO date stamp had been suspiciously taped onto the document.
- A VFW memorandum cover sheet that the VSO had altered to reflect July 15, 2014, rather than September 9, 2014, the date the VSO actually submitted the claim to the VARO.

We could not identify claims where the VSO may have altered the actual dates of claim because there is no audit trail that tracks claims submitted by individual VSOs.

What We Found

We substantiated the allegation that a VSO manipulated or attempted to manipulate dates of claims at the Boston VARO. We also found evidence indicating the VSO may have engaged in the same type of manipulation scheme at the VARO located in Togus, Maine. We determined the VSO

secretly and inappropriately date stamped multiple blank documents, providing the opportunity to later cut, attach, and photocopy these dates onto claims documents for beneficiaries. The evidence revealed that the VSO's manipulation of dates of claims appeared to be a routine practice dating back to at least July 2013. We based our assessment on documents we reviewed and considered the results from an internal review conducted by the VSO's accrediting organization, the VFW.

Additionally, we examined the VSO's workspace and observed approximately 25 benefits claims that had not been submitted to the VARO for processing. Some claims dated back to as early as December 2013, thereby impeding the VARO's ability to initiate required development actions. These 25 claims had not received any type of VARO date stamp acknowledgment, genuine or altered.

Further, we observed date stamping machines located throughout the VARO. Although the stamping machines were kept in secured areas, the keys needed to unlock and operate the machines were not secured. Rather, the keys were stored in unlocked desk drawers just below where the stamp machines were located, providing easy access for anyone.

*VSO Cover-Up
for Untimely
Claims
Submission*

The VFW first detected the VSO's manipulation of dates of claims in August 2014. An October 2014 letter from the Director of the National Veterans Service for the VFW, to the Boston VARO Director, disclosed the possible motivation for the VSO's manipulation of dates of claims. According to the letter, the VSO had become concerned after discovering 14 veterans' claims, some dating back to November 2013, had not been submitted to the VARO for processing. VFW management advised the VSO to submit the claims immediately and provide the VFW with a list of these claims. Upon later questioning by the VFW, the VSO said he did not keep a list of the veterans affected, but assured VFW management that veterans had not been harmed due to the late filing of claims.

The data manipulation scheme as described in the VFW memo is consistent with our observations of the physical evidence in the VSO's workspace. Specifically, the identification of 25 veterans' benefits claims that had not been submitted to the VARO for processing. Some claims dated back to as early as December 2013. Unless the VARO receives these claims timely, their ability to process required development actions is delayed and veterans wait longer for their claims to be processed. These 25 claims had not received any type of VARO date stamp acknowledgment.

*Inadequate Key
Controls*

VARO management did not ensure the keys needed to unlock and operate date stamping machines were securely stored. Although date stamping machines at the Boston VARO are located in secured areas, the keys needed to unlock and operate the machines were not secured. Generally, keys to the

machines were stored in unlocked desk drawers below the date stamp machines.

*Unauthorized
Use of Date
Stamping
Equipment*

According to the VFW's letter, the VSO admitted slipping blank paper in claims he submitted to the VARO to obtain date stamps. He then could apply these date stamps to cover memoranda to make it appear as though older claims were being submitted timely. This usually occurred at the end of the month. Ultimately, the VSO refused to discuss any further details concerning the unfiled claims to avoid self-incrimination. As such, the VFW asked VA General Counsel to cancel the VSO's accreditation immediately.

VARO staff told us they were unaware of the VSO's date-stamping scheme; but, confirmed that the VSO as well as other non-VA staff occasionally used the VARO's date stamping equipment to date stamp documents—a practice that is contrary to VBA policy. As such, the VARO was unaware that the VSO was obtaining date stamps on blank sheets of paper.

*Effects of
Manipulated
Dates of
Claims*

The VSO was able to manipulate dates of claims to cover up the untimely submission of claims because VARO management did not ensure only authorized VARO staff accessed and used the date stamping equipment. If the VARO limited access and use of date stamping equipment to authorized staff, the VSO would not have had the opportunity to slip blank sheets of paper in between claims documents. Had VARO staff date stamped the VSO's documents as required, they may have realized the VSO did not always submit veterans' claims timely, such as the 25 claims retrieved from the VSO's workspace. Because the VSO submitted claims untimely, required claims processing actions were delayed. Consequently, delays in benefits and inaccurate benefits payments may have occurred. Additionally, the manipulation of dates of claims compromised the data integrity of the VARO's claims processing timeliness measures and introduced inappropriate delays into the process of VBA delivering benefits to veterans.

Further, management did not ensure the keys needed to unlock and operate date stamping machines were securely stored in order to minimize the risk misuse or fraud. Inadequate security of date stamping equipment increases the risk for more widespread date stamp abuse and misuse. With easy access, unauthorized personnel had access to date stamping machines without an authorized VARO employee being present.

*VARO
Corrective
Actions*

In response to the VFW letter, VARO management initiated measures to secure and reduce the risk of misuse of the date stamping equipment. In a memo, dated October 14, 2014, the VARO Director designated specific staff with access privileges to use the date stamping machines. VARO management stated it also purchased cypher lock boxes to store the keys needed to open and operate the machines. However, at the time of our October 2014 review, the lock boxes had not arrived.

Recommendations

1. We recommended the Under Secretary for Benefits implement a plan to ensure only specifically authorized staff at the Boston VA Regional Office use date stamping equipment.
2. We recommended the Under Secretary for Benefits implement a plan to ensure claims processing staff at the Boston VA Regional Office receive training on securing date stamping equipment.
3. We recommended the Under Secretary for Benefits implement a plan to ensure staff at the Boston VA Regional Office secure the keys needed to open and operate date stamping equipment.

Management Comments

The Under Secretary for Benefits concurred with the recommendations and reported cypher locks had been placed on all Boston VARO date stamp machine cases in November 2014. The VARO Director also restricted access to the date stamping equipment to authorized staff and in November 2014, provided training to individuals with access to the date stamping equipment.

OIG Response

The Under Secretary for Benefits planned actions are responsive to the recommendations. We will follow up as required on all actions.

Government Standards

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

Appendix A Management Comments

Department of Veterans Affairs

Memorandum

Date: February 26, 2015

From: Under Secretary for Benefits (20)

Subj: OIG Draft Report—Review of Alleged Data Manipulation of Veteran Claim Dates, VA Regional Office, Boston, Massachusetts —VAIQ 7570919

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

1. Attached is VBA's response to the OIG's Draft Report: Review of Alleged Data Manipulation of Veteran Claim Dates, VA Regional Office, Boston, Massachusetts
2. Questions may be referred to Ruma Mitchum, Program Analyst, at 632-8987.

(original signed by:)

Allison A. Hickey

Attachment

**Veterans Benefits Administration (VBA)
Comments on OIG Draft Report
Review of Alleged Data Manipulation of Veteran Claim Dates, VA Regional Office, Boston,
Massachusetts**

VBA concurs with OIG's findings in the draft report and provides the following comments in response to the recommendations:

Recommendation 1: We recommended the Under Secretary for Benefits implement a plan to ensure only specifically authorized staff at the Boston VA Regional Office use date stamping equipment.

VBA Response: Concur. In November 2014, combination cypher locks were placed on all date stamp machine cases. The Boston Regional Office (RO) Director implemented a plan restricting access to the date stamping equipment to authorized staff. The combination to each date stamp machine cypher lock is only known by the authorized users and the senior managers of the specific division. VBA requests closure of this recommendation.

Recommendation 2: We recommended the Under Secretary for Benefits implement a plan to ensure claims processing staff at the Boston VA Regional Office receive training on securing date stamping equipment.

VBA Response: Concur. Training was provided to individuals with access to the date stamping equipment on November 10, 2014. VBA requests closure of this recommendation.

Recommendation 3: We recommended the Under Secretary for Benefits implement a plan to ensure staff at the Boston VA Regional Office secures the keys needed to open and operate date stamping equipment.

VBA Response: Concur. Date stamping equipment and keys are secured with cypher locks as mandated by the plan implemented in November 2014. VBA requests closure of this recommendation.

Appendix B Office of Inspector General Contact and Staff Acknowledgments

OIG Contact	For more information about this report, please contact the Office of Inspector General at (202) 461-4720
Acknowledgments	Nora Stokes, Director Kristine Abramo Ramon Figueroa Kerri Leggiero-Yglesias

Appendix C Report Distribution

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