

VA Office of Inspector General

OFFICE OF AUDITS AND EVALUATIONS



Veterans Benefits Administration

*Inspection of
the VA Regional Office
Atlanta, Georgia*

August 10, 2017
16-05468-282

ACRONYMS

DOC	Date of Claim
DRO	Decision Review Officer
EP	End Product
FY	Fiscal Year
NWQ	National Work Queue
OIG	Office of Inspector General
QRT	Quality Review Team
RVSR	Rating Veterans Service Representative
SAH	Specially Adapted Housing
SHA	Special Home Adaptation
SMC	Special Monthly Compensation
TBI	Traumatic Brain Injury
VARO	Veterans Affairs Regional Office
VBA	Veterans Benefits Administration
VSC	Veterans Service Center
VSCM	Veterans Service Center Manager

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Highlights: Inspection of the VARO Atlanta, GA

Why We Did This Review

In December 2016, we evaluated the Department of Veterans Affairs Regional Office (VARO) in Atlanta, Georgia, to determine how well Veterans Service Center (VSC) staff processed disability claims, how timely and accurately they processed proposed rating reductions, how accurately they entered claims-related information, and how well VARO staff responded to special controlled correspondence.

What We Found

Claims Processing—Atlanta VSC staff did not consistently process one of the two types of disability claims we examined. We reviewed 30 of 1,590 veterans' traumatic brain injury claims (2 percent) and found that Rating Veterans Service Representatives (RVSR) accurately processed 27 cases (90 percent). However, RVSRs did not always process entitlement to special monthly compensation (SMC) and ancillary benefits consistent with Veterans Benefits Administration (VBA) policy. We reviewed 30 of 67 special SMC claims (45 percent) and found that RVSRs inaccurately processed four cases (13 percent) due to lack of experience evaluating these cases and ineffective oversight for higher-level SMC cases. This resulted in 61 improper monthly payments totaling approximately \$27,600.

Proposed Rating Reductions—VSC staff generally processed proposed rating reductions accurately but needed better oversight to ensure timely actions. We reviewed 30 of 733 benefits reduction cases (4 percent) and found that VSC staff delayed

or inaccurately processed 12 cases (40 percent). As in our 2014 inspection, VSC staff did not prioritize rating reduction cases. These delays and processing inaccuracies resulted in 101 improper monthly payments to 12 veterans totaling approximately \$41,000.

Systems Compliance—VSC staff needed to improve the accuracy of claims-related information input into the electronic systems at the time of claims establishment. We reviewed 30 of 3,287 newly established claims. VSC staff did not correctly input claim information in 12 cases due to incomplete training—which did not provide specific details on associating disabilities with medical classifications—and an insufficient quality review process.

Special Controlled Correspondence—VSC staff needed to improve controls and timeliness for processing special controlled correspondence. We reviewed 30 of 1,170 special controlled correspondences and found that VSC staff did not accurately process all 30 cases due to management's deviation from VBA's policy, as well as lack of adequate oversight.

What We Recommended

We recommended the VARO Director ensure SMC cases are distributed to the most qualified personnel, monitor the effectiveness of SMC training, ensure accurate signed second-level reviews, provide oversight and prioritization of proposed rating reduction cases, implement a plan to ensure claims assistants receive systems compliance training relevant to claims establishment, and modify the quality

review checklist for claims assistants. Moreover, the VARO Director should ensure that staff properly maintain control of workload and provide timely responses for special controlled correspondence.

Agency Comments

The VARO Director concurred with our recommendations. Management's planned actions for Recommendations 1-5, 7, and 8 are responsive. However, the Director's response did not fully address Recommendation 6. We will follow up and continue to assess compliance with VBA policy in the future.



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INTRODUCTION

Objectives

The Benefits Inspection Program is part of the VA Office of Inspector General's (OIG) efforts to ensure our nation's veterans receive timely and accurate benefits and services. We conduct onsite inspections at randomly selected VAROs to assess their effectiveness. In FY 2016 and 2017, we are examining four mission-critical operations—Disability Claims Processing, Management Controls, Data Integrity, and Public Contact. Our independent oversight inspection focused on identifying key objectives and risks within each of these areas of operation or VARO program responsibility. Specifically, we assessed the VARO's effectiveness in:

- Disability claims processing by determining whether Veterans Service Center (VSC) staff accurately processed traumatic brain injury (TBI) claims and claims related to special monthly compensation (SMC) and ancillary benefits
- Management controls by determining whether VSC staff timely and accurately processed proposed rating reductions
- Data integrity by determining whether VSC staff accurately input claim and claimant information into the electronic systems at the time of claims establishment
- Public contact by determining whether VSC staff timely and accurately processed special controlled correspondence

When we identify potential procedural inaccuracies, we provide this information to help the VARO understand the procedural improvements it can make for enhanced stewardship of financial benefits. Errors that affect benefits have a measurable monetary impact on veterans' benefits. Errors that have the potential to affect benefits are those that either had no immediate effect on benefits or had insufficient evidence to determine the effect to benefits.

Atlanta VA Regional Office

As of December 2016, the Atlanta VARO reported a staffing level of 770 full-time employees, 34 fewer than the authorized amount of 804 employees. Of this total, the VSC had 527 employees assigned, 23 fewer than the authorized amount of 550 employees. In FY 2016, Veterans Benefits Administration (VBA) reported the Atlanta VARO completed 34,905 compensation claims, averaging 4.4 issues¹ per claim.

¹ Under M21-1 Adjudication Procedures Manual, Part III, Subpart iv, Chapter 6, Section B, *Determining the Issues*, "issues" are disabilities and benefits.

RESULTS AND RECOMMENDATIONS

I. Disability Claims Processing

Finding 1 Atlanta VSC Staff Generally Process TBI Claims Correctly But Need To Improve Accuracy of Claims Related to Special Monthly Compensation and Ancillary Benefits

Rating Veterans Service Representatives (RVSR) generally processed TBI cases correctly. However, RVSRs did not accurately process entitlement to SMC and ancillary benefits consistent with Federal regulations.² The errors occurred because of RVSRs' lack of experience and ineffective second-level reviews of higher-lever SMC cases. Overall, RVSRs inaccurately processed seven of the 60 veterans' disability cases we reviewed (12 percent), resulting in 61 improper monthly payments to five veterans totaling approximately \$27,600,³ as of November 2016. We sampled claims related only to specific conditions that we considered at higher risk of processing errors. As a result, the errors identified do not represent the universe of disability claims or the overall accuracy rate at this VARO.

Table 1 reflects the errors affecting, and those with the potential to affect, veterans' benefits processed at the Atlanta VARO.

Table 1. Atlanta VARO Disability Claims Processing Accuracy

		Veterans' Claims Inaccurately Processed		
Type of Claim	Reviewed	Affecting Veterans' Benefits	Potential To Affect Veterans' Benefits	Total
TBI	30	3	0	3
SMC and Ancillary Benefits	30	2	2	4
Total	60	5	2	7

Source: VA OIG analysis of VBA's TBI disability claims completed from April through September 2016 and SMC and ancillary benefits claims completed from October 2015 through September 2016 and obtained from VBA's corporate database

² 38 CFR §3.350, *Special monthly compensation ratings.*

³ All calculations in this report have been rounded when applicable.

**VBA Policy
Related to
TBI Claims**

VBA defines a TBI as a traumatically induced structural injury or a physiological disruption of brain function caused by an external force. The major residual disabilities of TBI fall into three main categories—physical, cognitive, and behavioral. VBA policy requires staff to evaluate these residual disabilities. Decision Review Officers (DRO) and RVSRs who have completed the required TBI training must process all decisions that address TBI as an issue. Rating decisions for TBI require two signatures until the decision-maker demonstrates an accuracy rate of 90 percent or greater, based on the VARO’s review of at least 10 TBI decisions.⁴

VBA policy requires that one of the following specialists make the initial diagnosis of TBI: physiatrist, psychiatrist, neurosurgeon, or neurologist. A generalist clinician who has successfully completed the required TBI training may conduct a TBI examination, if the diagnosis is of record and was established by one of the aforementioned specialty providers.⁵

**Review of
TBI Claims**

We statistically selected and reviewed 30 of 1,590 veterans’ TBI claims (2 percent) completed from April 1 through September 30, 2016 to determine if staff processed them according to VBA policy. For example, we reviewed the qualifications of the medical examiners to ensure compliance with VBA policy.

RVSRs correctly processed 27 of the 30 TBI claims we reviewed (90 percent). The three errors we identified as incorrectly processed resulted in seven improper monthly payments, from May 2015 to November 2016, totaling approximately \$4,200. Details on these errors follow.

- An RVSR provided an incorrect effective date of June 20, 2015, the date the veteran’s claim was received, for an increased evaluation of the veteran’s mental disorder with TBI. The veteran submitted an intent to file on April 22, 2015, which should have preserved that date as the effective date for benefits. However, since the RVSR used the incorrect date, the veteran has been underpaid approximately \$2,500 over a period of two months.
- An RVSR incorrectly evaluated migraine headaches secondary to the veteran’s service-connected TBI as 10 percent disabling. The medical evidence of record showed the veteran warranted a 30 percent evaluation. As a result, the veteran has been underpaid approximately \$1,100 over a period of four months.
- An RVSR incorrectly continued the evaluation of post-traumatic stress disorder and TBI as 50 percent disabling when the veteran failed to

⁴ M21-1 Adjudication Procedures Manual, Part III, Subpart iv, Chapter 4, Section G, Topic 2, *TBI*.

⁵ Chapter 3, Section D, Topic 2, *Examination Report Requirements*.

report for review examinations without good cause. According to policy, the RVSR should have proposed to reduce the evaluation of post-traumatic stress disorder and TBI to zero percent. As a result, the veteran has been overpaid approximately \$650 over a period of one month.

Even though RVSRs made three TBI errors, we did not identify a systemic trend. As a result, we determined RVSRs generally followed VBA policy, and we made no recommendations for improvement in this area. We provided the notification of errors to the Assistant Veterans Service Center Manager for review and corrective action. VSC management concurred with our findings.

*Previous OIG
Inspection
Results*

In our previous report, *Inspection of the VA Regional Office, Atlanta, Georgia* (Report No. 14-00902-207, August 5, 2014), we determined that VSC staff incorrectly processed eight of 30 TBI claims. The majority of errors were due to VSC staff prematurely evaluating TBI residuals using insufficient medical examination reports and assigning separate evaluations for TBI and coexisting mental disorders. We did not identify similar errors during this inspection. Given the significant improvement demonstrated by RVSRs when processing TBI claims, we conclude that the VARO's actions in response to our prior recommendations were effective.

*VBA Policy
Related to
SMC and
Ancillary
Benefits*

VBA assigns SMC to recognize the severity of certain disabilities or combinations of disabilities by adding an additional compensation to the basic rate of payment when the basic rate is not sufficient for the level of disability present. SMC represents payments for "quality of life" issues such as the loss of an eye or limb, or the need to rely on others for daily life activities, like bathing or eating.

Ancillary benefits are secondary benefits considered when evaluating claims for compensation, which include eligibility for educational, automobile, and housing benefits.⁶ Specially Adapted Housing (SAH) and Special Home Adaptation (SHA) are two grants administered by VA to assist seriously disabled veterans in adapting housing to their needs. An eligible veteran may receive an SAH grant of not more than 50 percent of the purchase price of a specially adapted house, up to the maximum allowable by law.⁷ VBA policy requires staff to address the issues of SMC and ancillary benefits

⁶ 38 CFR, Part 3 – Adjudication, (§3.807, §3.808, §3.809).

⁷ Specially Adapted Housing (SAH) Grants under 38 CFR §3.809 and Special Home Adaptation (SHA) Grants under 38 CFR §3.809a provide eligible veterans funds for the purchase or construction of barrier-free homes or the costs associated with the remodeling of an existing home to accommodate disabilities in accordance with Title 38 United States Code Section 2101. The maximum dollar amount allowable for SAH grants in 2016 was \$73,768. The maximum dollar amount allowable for SHA grants in 2016 was \$14,754.

whenever they can grant entitlement.⁸ VBA policy also states that all rating decisions involving SMC above a specified level require a second signature.⁹

In our report, *Review of Special Monthly Compensation Housebound Benefits* (Report No. 15-02707-277, September 29, 2016), we reviewed SMC housebound benefits. Our benefits inspection report reviewed a higher-level of SMC that included those payment rates related to disabilities such as loss of limbs, loss of eye sight, and paralysis. This review did not overlap because this review involved different types of SMC that cannot be granted simultaneously with SMC housebound benefits.¹⁰

**Review of
SMC and
Ancillary
Benefit Claims**

We randomly selected and reviewed 30 of 67 veterans' claims (45 percent) involving entitlement to SMC and related ancillary benefits completed by VSC staff from October 1, 2015 through September 30, 2016. We examined whether VSC staff accurately processed entitlement to SMC and ancillary benefits associated with amputations, the loss of use of two or more extremities, or bilateral blindness with visual acuity of 5/200 or worse.¹¹ We determined that four RVSRs incorrectly processed four of 30 claims (13 percent). Two of the errors affected veterans' benefits and resulted in 54 improper monthly payments from October 2013 to November 2016—totaling approximately \$23,400. These improper monthly benefit payments will continue to increase without appropriate and timely corrective action. We provided details on the following errors to the Assistant Veterans Service Center Manager for appropriate action.

- On three occasions, RVSRs did not grant an increased level of SMC for a veteran with an additional permanent disability independently evaluated at 100 percent disabling, as required.¹² The veteran receives SMC because of bilateral leg amputations. The veteran is also entitled to increased SMC based on service connection for kidney failure, evaluated at 100 percent disabling. As a result, VA underpaid the veteran \$20,200 over a period of three years and one month.
- An RVSR did not assign the proper level of SMC for a veteran when the medical evidence documented paralysis of the arm at the elbow. As a result, the veteran was underpaid approximately \$3,200 over a period of one year and 11 months.

⁸ M21-1 Adjudication Procedures Manual, Part III, Subpart iv, Chapter 6, Section B, Topic 2 *When to Address Subordinate Issues and Ancillary Benefits*.

⁹ Section D, Topic 7, *Two-Signature Ratings*.

¹⁰ 38 CFR §3.350(a), *Ratings under 38 U.S.C. 1114(k)*.

¹¹ 38 CFR §3.350(b), *Ratings under 38 U.S.C. 1114(l)*: For VA purposes, blindness is conceded with visual acuity of 5/200 or worse.

¹² §3.350, *Special monthly compensation ratings*.

The remaining two errors had the potential to affect benefits.

- An RVSR incorrectly granted an increase in SMC based on a veteran's kidney transplant, evaluated at a temporary 100 percent rate, subject to future examination. VBA regulations require that 100 percent disabilities be permanent evaluations, not temporary, to qualify for the SMC increase.¹³ The veteran is at risk of receiving overpayments if hospitalized at Government expense.
- An RVSR did not grant Special Adapted Housing for a veteran with leg amputations, a benefit valued at \$73,768 in FY 2016. According to Federal regulation, veterans with bilateral leg amputations may receive grants for the purchase or construction of barrier-free homes or remodeling an existing home to accommodate disabilities.¹⁴

Generally, the errors occurred because of RVSRs' lack of experience with these claims and ineffective second-level reviews of higher-level SMC claims. Prior to VBA's National Work Queue (NWQ) deployment, the Atlanta VSC completed all higher-level SMC cases within the Special Operations Team.¹⁵ Following the April 2016 deployment of NWQ, RVSRs on the Special Operations Team, which handles priority claims, no longer solely received higher-level SMC claims. Because NWQ assigns work based upon overall station capacity, rather than team capacity, the Atlanta facility sometimes receives more SMC claims than can be worked by the Special Operations Team. When this occurs, higher-level SMC claims are distributed to RVSRs with less familiarity with the complex nature of these claims.

We found that three of the four errors were made by RVSRs who were not on the Special Operations Team. Special Operations Team and Quality Review Team managers, and staff told us that those RVSRs were unfamiliar with higher-level SMC claims because they do not process them as often, and consequently they make errors. Although all RVSRs received training on the topic in FYs 2015 and 2016, staff told us that they do not process higher-level SMC claims often enough to retain the knowledge of how to process such claims.

A VSC directive requires the Quality Review Team (QRT) to conduct an additional level of review for higher-level SMC decisions.¹⁶ VBA policy requires the QRT to provide feedback and training on error trends.¹⁷ However, when they performed their reviews, QRT staff did not identify two

¹³ 38 CFR §3.350, *Special monthly compensation ratings*.

¹⁴ §3.809, *Specially adapted housing under 38 U.S.C. 2101(a)(2)(A)(i)*.

¹⁵ Department of Veterans Affairs, Veterans Benefits Administration, National Work Queue, Phase 1 Playbook: National Work Queue centrally manages the national claims workload by prioritizing and distributing claims across VBA's network of VAROs.

¹⁶ VSC Directive 21-15-04, *Second Signatures Required for SMC Rating*.

¹⁷ M21-4 Manual, Chapter 6, Subchapter I, *Duties of the Quality Review Team*.

of the errors we found. The Veterans Service Center Manager (VSCM) and the Special Operations Team supervisor said that the speed and workload of the QRT reviewers may have caused them to overlook the errors. In the remaining two errors, RVSRs did not grant an increased level of SMC and did not route the cases to the QRT for second review because they misunderstood the requirement to do so. Interviews with VSC staff found that the local policy was unclear as to whether decisions denying SMC required an additional level of review. The VSCM indicated more frequent communication with staff is required to clarify the local second-signature requirements. Accurate second-level reviews of higher-level SMC cases are crucial to ensuring that veterans receive correct decisions on these benefits.

*Previous OIG
Inspection
Results*

In our previous report, *Inspection of the VA Regional Office, Atlanta, Georgia* (Report No. 14-00902-207, August 5, 2014), we determined that VSC staff incorrectly processed nine out of 30 veterans' claims involving SMC and related ancillary benefits. The majority of errors were due to assignment of incorrect SMC and hospital codes. Generally, errors occurred because VSC managers did not ensure all claims processing staff received refresher training on SMC determinations. In response to our recommendations, the Director reported that refresher training on SMC cases would be completed in July 2014 and annually thereafter. The Director also mandated that all higher-level SMC cases be second-signed by QRT. We did not identify errors similar to these during this inspection.

Recommendations

1. We recommended the Atlanta VA Regional Office Director implement a plan to ensure higher-level Special Monthly Compensation and Ancillary Benefits cases are appropriately distributed to the most qualified personnel.
2. We recommended the Atlanta VA Regional Office Director implement a plan to monitor the effectiveness of training on higher-level Special Monthly Compensation and Ancillary Benefits.
3. We recommended the Atlanta VA Regional Office Director implement a plan to ensure higher-level Special Monthly Compensation and Ancillary Benefits cases receive an accurate, signed second-level review.

*Management
Comments*

The VARO Director concurred with our findings and recommendations. To address the first recommendation, the Director reported that the SMC claims-related workload is distributed through VBA's National Work Queue; however, in an effort to improve accuracy in this workload, all DROs and RVSRs received training on SMC claims-related issues on January 17, 2017. In addition, QRT staff received refresher training on effectively reviewing SMC claims for quality purposes. The Director also reported that the VARO's guidance for required second-signature reviews for SMC claims

had been updated. To address the second recommendation, the Director implemented a plan requiring SMC claims-related training each quarter, beginning in July 2017 through March 2018. To ensure the training has been effective, the VARO will conduct internal consistency studies and receive feedback on the lesson content, including the effectiveness of the training instructors. To address the third recommendation, the Director plans to work with the Office of Performance Analysis and Integrity to identify and sample SMC-related claims to ensure those claims contained the required secondary review.

**OIG
Response**

The VARO Director's comments and actions are responsive to the recommendations. We will follow up as required.

II. Management Controls

Finding 2 Atlanta VSC Staff Generally Process Rating Reductions Accurately But Need To Improve Timeliness

VSC staff generally processed proposed rating reductions accurately but staff needed better oversight to ensure timely action. We randomly selected and reviewed 30 proposed benefits reduction cases to determine whether VSC staff accurately and timely processed them. VSC staff accurately processed 27 of 30 cases (90 percent) involving benefit reductions. However, 12 of these cases (40 percent) contained delays or accuracy errors—all affected veterans' benefits. Generally, these processing delays occurred because the VSCM's primary focus was on processing disability claims with timeliness measures listed on the VARO Director's performance goals—established by VBA's Central Office. These delays and processing inaccuracies resulted in 101 improper monthly payments to 12 veterans—from August 2014 through November 2016—totaling approximately \$41,000. In accordance with Federal regulation and VA policy, VBA does not recover these overpayments because the delays were due to administrative errors.¹⁸

Federal Regulation Related to Proposed Rating Reductions

Federal regulation provides for compensation to veterans for conditions they incurred or aggravated during military service.¹⁹ The amount of monthly compensation to which a veteran is entitled may change because his or her service-connected disability may improve or worsen. Improper payments associated with benefit reductions generally occur when beneficiaries receive payments to which they are not entitled. Such instances are attributable to VSC staff not taking the actions required to ensure veterans receive correct payments for their current levels of disability.

When the VARO obtains evidence which demonstrates that a disability has improved and that the new evaluation would result in a reduction or discontinuance of current compensation payments, VSC staff must inform the beneficiary of the proposed reduction in benefits. In order to provide beneficiaries due process, VBA allows 60 days for the veteran to submit additional evidence to show that compensation payments should continue at their present level.²⁰ If the veteran does not provide additional evidence within that period, VSC staff may make a final determination to reduce or discontinue the benefit beginning on the 65th day following notice of the proposed action.²¹

¹⁸ 38 CFR §3.500, *Reductions and Discontinuances*; M21-1 Adjudications Procedures Manual, Part III, Subpart v, Chapter 1, Section 1, Topic 3, *Handling Cases Involving Administrative Errors*.

¹⁹ 38 CFR §3.303, *Principles relating to service connection*.

²⁰ 38 CFR §3.105, *Revision of decisions*.

²¹ M21-1 Adjudications Procedures Manual, Part 1, Chapter 2, Section C, Topic 1, *General Information on the Adverse Action Proposal Period*.

**Review of
Claims
To Assess
Accuracy**

VSC staff accurately processed 27 of 30 cases (90 percent) involving benefits reductions. We randomly sampled 30 of 733 completed cases (4 percent) from July 1 through September 30, 2016 that proposed reductions in benefits. We identified three benefits reduction errors. A summary of the errors follows.

- An RVSR assigned an incorrect effective date of September 1, 2016 for the disability reduction. The RVSR finalized a veteran's reduction on June 28, 2016, but a supervisor did not notify the veteran until July 7, 2016. The effective date should have been October 1, 2016, the beginning of the month following the 60-day period from the date of notification to the veteran.²² Because of this processing inaccuracy, VA underpaid the veteran approximately \$520 over a period of one month.
- An RVSR assigned an incorrect effective date of August 1, 2016 for the disability reduction. The RVSR finalized a veteran's reduction on May 3, 2016, but a supervisor did not notify the veteran until July 5, 2016. The effective date should have been October 1, 2016, the beginning of the month following the 60-day period from the date of notification to the veteran.²³ Because of this processing inaccuracy, VA underpaid the veteran approximately \$650 over a period of two months.
- An RVSR erroneously reduced the veteran's benefits. The due process letter stated that staff proposed to reduce the veteran's overall evaluation from 90 to 80 percent. An RVSR completed a rating decision reducing the benefits from 90 to 70 percent, which resulted in a lower monthly benefit amount than was proposed. According to VBA policy, the due process letter must include a statement of the proposed decision and the new payment rate.²⁴ Because of this processing inaccuracy, VA underpaid the veteran approximately \$410 over a period of one month, as of November 2016. The amount underpaid will continue to increase without appropriate and timely corrective action.

We provided details of these errors to the Assistant Veterans Service Center Manager for appropriate action. VSC management agreed with our assessment in these three cases. We did not find the three accuracy errors to be a systemic issue that required management's attention at the Atlanta VARO.

²² 38 CFR §3.105, *Revision of decisions*.

²³ *Ibid*.

²⁴ M21-1 Adjudications Procedures Manual, Part I, Chapter 2, Section B, Topic 2, *Elements of the Notice of Proposed Adverse Action*.

**Review of
Claims
To Assess
Processing
Timeliness**

Processing delays that required rating decisions to reduce benefits occurred in 11 of the 30 cases we reviewed (37 percent). The delays resulted in an average of nine months of improper payments at the time we began our review in November 2016. We considered claims to be delayed when RVSRs and Veterans Service Representatives did not process them on the 65th day following notice of the proposed action, and the resulting effective date of reduction was impacted by at least one month.

In the case with the most significant overpayment and delay, a supervisor proposed to reduce the evaluation for a veteran's condition in a rating decision dated March 20, 2014. However, a Veterans Service Representative did not send the due process notification letter until January 8, 2016 and did not reduce the benefits until June 30, 2016. As a result, VA overpaid the veteran approximately \$8,100 over a period of 26 months.

The VSCM disagreed with our assessments in these 11 cases, stating that VBA policy does not contain a definition of untimely. The Improper Payments Elimination and Recovery Act of 2010 defines an improper payment as any payment (including overpayments) that should not have been made or was made in an incorrect amount under statutory requirements.²⁵ VBA policy does not alter this statutory definition. Furthermore, management's responsibility to prevent improper payments is not a matter of its discretion based on workload priorities. According to Executive Order 13520, *Reducing Improper Payments and Eliminating Waste in Federal Programs* (Nov. 20, 2009), the Federal government must make every effort to confirm the right recipient is receiving the right payment for the right reason at the right time when it pays beneficiaries. Therefore, it is VBA management's responsibility to address this issue.

We are concerned VBA modified its policy and removed a control that could minimize overpayments. On April 3, 2014²⁶ and again on July 5, 2015,²⁷ VBA leadership modified its policy regarding the processing of claims requiring benefits reductions. The current policy only outlines the processing steps and no longer includes the requirement for VSC staff to take "immediate action," nor does VBA have any timeliness standard to process these reductions. Instead of merely removing the vague standard, VBA should have provided clearer guidance on completing this work to ensure sound financial stewardship of these monetary benefits.

**Previous OIG
Inspection
Results**

In our previous report, *Inspection of the VA Regional Office, Atlanta, Georgia* (Report No. 14-00902-207, August 5, 2014), we determined that VSC staff delayed processing benefits reductions, which resulted in approximately \$138,000 in improper payments. The delays

²⁵ Pub. L. No. 111-204 §2(e).

²⁶ M21-1 Adjudications Procedures Manual, Part I, Chapter 2, Section B, Topic 7, *Establishing and Monitoring Controls*.

²⁷ Section C, Topic 2, *Responding to the Beneficiary*.

occurred due to lack of oversight to ensure staff processed the reductions timely.

In response to our recommendation, the VARO Director issued a local directive outlining the workflow and oversight of proposed rating reductions. Based on the Director's response and planned actions, we closed the recommendation in February 2015. During our current inspection, the VSCM stated that staff and managers were not following the directive because their emphasis was on processing disability claims measured in the VARO Director's performance goals established by VBA's Central Office. The VSCM indicated compliance with the nationally mandated workload priorities affected the VSC's ability to dedicate the appropriate number of resources to address benefits reduction cases.

Given the similarity of our findings for two consecutive benefits inspections, we concluded the corrective actions taken by the VARO Director were ineffective because VSC staff did not follow a local directive that outlined workflow and oversight for benefits reduction cases. Rather, VSC managers and staff gave higher priority to the workload established by VBA's Central Office. Delays associated with processing benefits reduction cases that were identified in the last two benefits inspections at the Atlanta VARO resulted in improper payments totaling approximately \$178,000, with the potential to increase in value as additional monthly benefits are processed. These improper payments could have been avoided if VARO management had ensured staff timely processed these reductions.

Recommendation

4. We recommended the Southeast District Director implement a plan to ensure the Atlanta VA Regional Office Director provides oversight and prioritization of proposed rating reductions claims for completion at the end of the due process period.

Management Comments

The Southeast District Director and the VARO Director concurred with our finding and recommendation. VBA provides oversight and prioritization of proposed rating reduction cases at the national level. The NWQ manages the distribution of due process end products with the national standard to complete the workload in 5 days. The Directors, as well as Office of Field Operations staff, monitor performance measures related to the 5-day standard.

OIG Response

The VARO Director's comments are responsive to the recommendation. We will follow up as required.

III. Data Integrity

Finding 3 Atlanta VSC Staff Need To Improve Information Input

VSC staff needed to improve the accuracy of information input into the electronic systems at the time of claim establishment. We reviewed 30 of 3,287 pending rating claims with multiple disabilities selected from VBA's corporate database to determine whether VSC staff accurately input claim and claimant information into the electronic systems at the time of claim establishment. In 12 claims, VSC staff did not enter accurate and complete information in the electronic systems. Generally, errors occurred because of ineffective training that did not provide specific details on associating disabilities with medical classifications in the electronic record. In addition, errors occurred because the quality review process did not assess all required elements of claims establishment. As a result, claims established using erroneous or incomplete data might be misrouted in the National Work Queue (NWQ) and result in delayed claims processing.²⁸

**VBA Policy
Related to
Data Integrity**

VBA relies on data input into electronic systems to accurately manage and report its workload to stakeholders and to properly route claims within the NWQ—VBA's electronic workload management tool. The NWQ centrally manages the national claims workload by prioritizing and distributing claims across VBA's network of VAROs using rules that assign workload based on certain claimant and claim information within the electronic system, which includes corporate flashes, claim labels, and special issues.²⁹ Veterans Benefits Management System is an electronic processing system the NWQ uses to distribute work.³⁰ Claims misidentified or mislabeled at the time of claims establishment can result in improper routing within the NWQ and can potentially lead to untimely processing of claims.

Initial claim routing begins at the time of claims establishment. VSC staff must input claim and claimant information into the electronic system to ensure system compliance.

²⁸ Department of Veterans Affairs, Veterans Benefits Administration, National Work Queue, Phase 1 Playbook.

²⁹ *Ibid.*

³⁰ *Ibid.*

Table 2 reflects nine terms used by VSC staff when they establish a claim in the electronic record.

Table 2. Claim Establishment Terms

Term	Definition
Date of Claim	Earliest date the claim or information is received in any VA facility
End Product	The end product system is the primary workload monitoring and management tool for the VSC
Claim Label	A more specific description of the claim type that a corresponding end product represents
Claimant Address	Mailing address provided by the claimant
Claimant Direct Deposit	Payment routing information provided by the claimant
Power of Attorney	An accredited representative of a service organization, agent, non-licensed individual, or attorney representative chosen by the claimant to represent him or her
Corporate Flash Indicator	Claimant-specific indicators which can represent an attribute, fact, or status that is unlikely to change
Special Issue Indicator	Claim-specific indicators and can represent a certain claim type, disability or disease, or other special notation that is only relevant to a particular claim
Claimed Issue with Classification	Specifies the claimed issue and its medical classification

Source: VA OIG presentation of definitions from VBA's M21-1 and M21-4

Systems Compliance

We statistically selected and reviewed 30 of 3,287 pending rating claims selected from VBA's corporate database established in September 2016. We determined that VSC staff established 12 claims using inaccurate or incomplete data and the VSCM agreed with our findings in these cases. The 12 claims included 14 errors because some cases had multiple inaccuracies. None of the errors affected benefits. We provided the details of the 14 errors to VSC management for appropriate action. Summaries of the errors follow.

- In seven claims, VSC staff did not enter the correct classifications, as required by VBA policy.³¹ Failure to enter the claimed issues, correct claim types, and/or issue classifications may lead to additional corrective action later in the claim development process and could lead to an incorrect VA examination request.

³¹ M21-1 Adjudications Procedures Manual, Part III, Subpart iii, Chapter 1, Section D, Topic 2, *Utilizing Contentions and Special Issue Indicators Associated with Claimed Issues*.

- In six claims, VSC staff did not select the correct special issue indicators, as required.³² Special issue indicators are claim-specific and represent a certain claim type, disability or disease, or other special notation. An example of a special issue indicator is Agent Orange–Vietnam, which is both claim specific and representative of a disability or disease that may result from exposure to the herbicide Agent Orange. Incorrect special issue indicators may result in misrouted and/or delayed claims.
- In one claim, VSC staff did not enter direct deposit information, as required.³³ Failure to enter direct deposit information may cause delays in veterans receiving their benefits.

VSC staff improperly entering claimed issues with classification (contention classifications) caused half of the errors identified. The contention classification is entered for each disability claimed by a veteran on his or her application and aligns to a major body system. For example, a Vietnam-era veteran submitting an application for service connection for diabetes would have an employee of the Intake Processing Center (the team designated by VBA to establish claims) enter the “endocrine system” contention classification that is associated with the claimed condition of diabetes. The employee would also add the special issue of “Agent Orange-Vietnam” to the claimed condition. The proper VA examination is selected with the use of the classification and the special issue indicator alerts claims development staff that special processing procedures are required.

Generally, processing errors occurred because VBA’s training materials related to claims establishment did not address all the steps necessary to properly establish a claim in the electronic systems of records as specified in VBA’s internal policies. We reviewed the FY 2016 training plan for claims assistants and identified training lapses. Absent from the training plan were courses related to systems compliance and claim attribute indicators. Successful implementation of the course material could have eliminated some of the errors we identified.

During our inspection, we interviewed several employees, including current claims assistants, coaches, and the VSCM. We learned that claims assistants completed *Contention Classification Name Update* training in June 2016. Claims assistants told us they found the training materials confusing because they did not include frequently claimed conditions. Claims assistants said they only used the training materials intermittently, preferring to use an internet search instead. Claims assistants also stated that they did not fully understand the medical terminology required to classify the disabilities with each body system. As a result, they did not consistently use the training materials as intended in the web-based training. We analyzed the training

³² *Ibid.*

³³ M21-1 Adjudications Procedures Manual, Part III, Subpart ii, Chapter 3, Section C, *Systems Updates*.

materials and found that the class did not provide information on how to determine proper contention classification. The VSCM agreed with our findings but stated that the requirement for claims assistants to enter contention classifications may be outside their skill level.

In addition, we found that the Intake Processing Center's claims assistants' quality review checklist lacked sufficient questions to ensure systems compliance accuracy. Specifically, the checklist does not require the reviewer to check if the claims assistants associated the correct claim label and contention classification—both of which are required at claim establishment. Because of incomplete training and an insufficient quality review process, there is the potential to misroute claims in the NWQ and delay claim processing.

Recommendations

5. We recommended that the Atlanta VA Regional Office Director ensure claims assistants receive all systems compliance related training relevant to claims establishment.
6. We recommended that the Atlanta VA Regional Office Director implement a plan to modify the quality review checklist on claims establishment to include claim label and claimed issue classification indicators for all claims.

Management Comments

The VARO Director concurred with our finding and recommendations. For Recommendation 5, the Director indicated multiple training sessions on systems compliance in relation to claims establishment were provided to appropriate staff during January and February 2017. The Director also noted refresher training on systems compliance would be held quarterly beginning in July 2017 through March 2018.

For Recommendation 6, the Director reported the quality review checklist on claims establishment is a national tool. The Director will forward the recommendation to modify the checklist to the workgroup overseeing the development of the national claims assistant performance standards for consideration. The Director also reported the VARO quality reviews will incorporate feedback in this area.

OIG Response

The VARO Director's comments and actions are responsive for Recommendation 5. However, the Director's response did not fully address Recommendation 6. While the VARO may not be able to change the national quality review checklist, the Director did not submit an alternate solution for modification of the quality reviews for claims establishment by claims assistants at the local level. We will continue to follow up as required on the corrective actions the VARO will take to address Recommendation 6.

IV. Public Contact

Finding 4 **Atlanta VSC Staff Need To Improve the Processing of Special Controlled Correspondence**

VSC staff needed to improve their controls and timeliness in processing special controlled correspondence. We randomly sampled 30 special controlled correspondences to determine whether VSC staff timely and accurately processed them. VSC staff did not establish and maintain required workload controls or provide timely responses to inquiries as required. These errors occurred because of the VSCM's decision to deviate from VBA policy by establishing incorrect local guidance. In addition, the VSCM and Public Contact Team Coach did not provide sufficient oversight to ensure special controlled correspondences were processed in accordance with VBA policy.³⁴ As a result, the errors affected the VSC's data integrity and misrepresented its workload. What's more, established relationships with congressional stakeholders and overall customer service could be affected.

VBA Policy Related to Special Controlled Correspondence

Special controlled correspondence is mail that requires expedited processing, control, and response. Examples include requiring special handling of inquiries from the White House, members of Congress, national headquarters of service organizations, and private attorneys. VBA policy designated responsibility for managing this correspondence to VARO directors or the VSCM. VBA uses a three-digit code EP code to monitor and manage its workload. EPs may be modified to identify specific issues, type of claim, or incremental multiple non-rating claims of the same end product category. The specific EP used to manage the special controlled correspondence workload is an EP 500.³⁵

If VSC staff cannot provide a complete response within 5 business days of receiving the correspondence, an interim response acknowledging receipt is required.³⁶ Responses to correspondence must provide complete, accurate, and understandable information.³⁷ In addition, VSC staff is required to maintain the correspondence in claims folders.³⁸

³⁴ M27-1 Benefits Assistance Service Procedures, Part I, Chapter 5, Topic 5, *Handling Various Types of Correspondence*.

³⁵ M21-4 Manual, Appendix B, Section I and II, *End Products – General Principles and End Products – Compensation, Pension, and Fiduciary Operations*.

³⁶ M27-1 Benefits Assistance Service Procedures, Part I, Chapter 5, Topic 3, *Acknowledging Correspondence*.

³⁷ Topic 1, *General Guidance for Processing Correspondence*.

³⁸ Topic 5, *Handling Various Types of Correspondence*.

**Review of
VARO
Processing of
Special
Controlled
Correspondence**

We randomly selected and reviewed 30 of 1,170 special controlled correspondences (3 percent) that VSC staff processed from July through September 2016 to determine if staff expedited processing, and controlled and accurately responded to the inquiries. We did not identify inaccurate responses related to this workload. However, VSC staff did not establish and maintain appropriate workload controls for all 30 cases and delayed acknowledging receipt of special controlled correspondence inquiries for 12 of the 30 cases. The VARO's processing time ranged from 5 to 106 days—averaging 25 days to provide final responses. The VSCM agreed with our assessment. Details on the processing errors we identified follow.

- In all cases reviewed, VSC staff only completed one-time EP 500 clears upon completion of the final response for special controlled correspondence. An end product clear is the simultaneous action of establishing and clearing an end product at the completion of a claim. VBA policy requires VBA staff to promptly establish and maintain an EP 500 for the control of special controlled correspondence.³⁹
- In 12 cases, VSC staff did not acknowledge special controlled correspondence inquiries with an interim or full response within 5 business days after receipt at the office. The VARO's processing time with the 12 errors identified averaged 8 days.
- In two cases, VSC staff did not establish the correct dates of claim based on date of receipt of special controlled correspondence.
- In two cases, VSC staff did not obtain a privacy release form or written consent before the release of claimant information to a third party.
- In the remaining case, VSC staff did not upload the privacy release form into the electronic folder.

The errors associated with clearing a one-time EP 500 occurred because of the VSCM's implementation of guidance contrary to VBA policy. The VSCM stated that she provided guidance in 2012 to do one-time EP 500 clears for special controlled correspondence, which is a deviation from VBA policy.⁴⁰ This guidance was implemented to avoid the time and administrative task of establishing, maintaining, and clearing the end product, despite it contradicting VBA policy.

The VSCM stated that in July 2015, she updated the VSC's local guidance to follow VBA policy and establish EP 500s correctly. However, the VSCM also stated that oversight was not provided to ensure staff followed the new guidance. During interviews, the Public Contact Team coach indicated the emphasis of the quality reviews was only on the accuracy of the response.

³⁹ M21-4 Manual, Appendix B, Section I and II, *End Products – General Principles and End Products – Compensation, Pension, and Fiduciary Operations*.

⁴⁰ *Ibid.*

In addition, the VSCM, Public Contact Team coach and VSC staff indicated untimely responses on special controlled correspondence inquiries were due to workload volume and inadequate allocation of staff. The Public Contact Team coach indicated there were more than 500 special correspondences pending initial review as of December 2016. However, we could not confirm the total number of pending special controlled correspondences because EP 500s were not properly maintained in the system. The Public Contact Team coach stated that staff responsible for special correspondence are often redirected to assist with other Public Contact Team work.

Because VSC staff did not establish and maintain an EP 500 from the date the inquiries were received until the date the final response was provided, the special controlled correspondences were not represented in the VSC's workload. Furthermore, untimely processing of special controlled correspondence could affect customer service and established relationships with congressional stakeholders.

Recommendations

7. We recommended the Atlanta VA Regional Office Director implement a plan to ensure claims processing staff properly establish and maintain end product 500s for control of special controlled correspondence.
8. We recommended the Atlanta VA Regional Office Director implement a plan to ensure staff adhere to Veterans Benefits Administration policy and acknowledge special controlled correspondence with a timely interim or full response.

Management Comments

The VARO Director concurred with our finding and recommendations. In response to Recommendations 7 and 8, the Director reported a standard operating procedure was updated to include guidance on establishing and maintaining EP 500s. The Director reported that the Public Contact Team staff received training on the updated standard operating procedure in November 2016. To ensure compliance with VBA policy, VARO management now reviews for accuracy 15 EP 500s on a monthly basis to ensure proper action was taken.

OIG Response

The VARO Director's comments and actions are responsive to the recommendations. We will follow up and continue to assess compliance with VBA policy.

Appendix A Scope and Methodology

Scope and Methodology

In December 2016, we evaluated the Atlanta VARO to see how well it provides services to veterans and processes disability claims.

We reviewed selected management, claims processing, and administrative activities to evaluate compliance with VBA policies regarding benefits delivery and nonmedical services provided to veterans and other beneficiaries. We interviewed managers and employees and reviewed veterans' claims folders.

We randomly selected and reviewed 30 of 1,590 veterans' disability claims related to TBI that VSC staff completed from April through September 2016, and 30 of 67 veterans' claims involving entitlement to SMC and related ancillary benefits claims that VSC staff completed from October 2015 through September 2016. In addition, we reviewed 30 of 733 proposed rating reductions cases that VSC staff completed from July through September 2016. Furthermore, we reviewed 30 of 3,287 pending rating claims established by VSC staff in September 2016 for systems compliance. Finally, we reviewed 30 of 1,170 special controlled correspondences completed by VSC staff from July through September 2016.⁴¹

Data Reliability

We used computer-processed data from VBA's corporate database obtained by the Austin Data Analysis division. To test for reliability, we reviewed the data to determine whether any data were missing from key fields, included any calculation errors, or were outside the period requested. We also assessed whether the data contained obvious duplication of records, alphabetic or numeric characters in incorrect fields, or illogical relationships among data elements. Moreover, we compared veterans' names, file numbers, Social Security numbers, VARO numbers, dates of claim, and decision dates as provided in the data received with information contained in the 150 claims folders we reviewed. The 150 claims folders related to TBI claims, SMC and ancillary benefits, completed claims related to benefits reductions, pending claims for systems compliance, and special controlled correspondence.

Our testing of the data disclosed that they were sufficiently reliable for our inspection objectives. Our comparison of the data with information contained in the veterans' claims folders reviewed in conjunction with our inspection of the VARO did not disclose any problems with data reliability.

⁴¹During the inspection, while determining our sample size of 30 cases, we determined some claims were outside the scope of our review; therefore, we removed them from the universe of claims.

***Inspection
Standards***

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

Appendix B Management Comments

Recommendation 1: We recommended the Atlanta VA Regional Office Director implement a plan to ensure Special Monthly Compensation and Ancillary Benefit cases are appropriately distributed to the most qualified personnel.

Response: Concur

The Atlanta Regional Office (RO) concurs with this recommendation. All Rating Veterans Service Representatives (RVSRs) are trained to complete rating decisions on special monthly compensation (SMC) and ancillary benefit cases. Due to the national strategy of work distribution through the National Work Queue, rating claims are assigned to all RVSRs, to include SMC/ancillary benefit cases. Therefore, in an effort to increase accuracy in this workload, the RO conducted training in this area for all Decision Review Officers (DROs) and RVSRs on January 17, 2017. Additionally, members of the Quality Review and Training Team (QRT) review decisions prior to their implementation on higher-level SMC cases.

The Veterans Service Center (VSC) Directive 21-15-04, 2nd Signatures Required for SMC Ratings, was reissued with updated guidance to include decisions made by DROs, denials of SMC, and confirmed and continued evaluations of SMC. The directive was issued to all VSC employees on December 9, 2016. Lastly, refresher training was administered to the QRT on January 17, 2017, on how to effectively review SMC cases for quality purposes.

Recommendation 2: We recommended the Atlanta VA Regional Office Director implement a plan to monitor the effectiveness of training on higher-level Special Monthly Compensation and Ancillary Benefits.

Response: Concur

The Atlanta RO concurs with this recommendation. VSC Directive 21-15-04, 2nd Signatures Required for SMC Ratings, was reissued with updated guidance on December 9, 2016, to all VSC employees. The directive mandates the second signature process for SMC cases to include decisions made by DROs, denials of SMC, and confirmed and continued evaluations of SMC. The directive also mandates that the reviews are tracked by the QRT in the In-Progress Review Tracker. The data is analyzed for error trends on a monthly basis by the QRT coach. Training is then conducted for all RVSRs, DROs, and Rating Quality Review Specialists (RQRS) monthly for any trends identified. The RO will conduct training each quarter on SMC/ancillary benefits beginning in the 4th Quarter FY17. The quarterly training will continue through the 2nd Quarter FY18. The RO will conduct internal consistency studies and receive feedback on the lesson content and effectiveness of the instructors conducting the training to ensure the training has been effective.

Recommendation 3: We recommended the Atlanta VA Regional Office Director implement a plan to ensure higher-level Special Monthly Compensation and Ancillary Benefits cases receive an accurate, signed second-level review.

Response: Concur

The Atlanta RO concurs with this recommendation. VSC Directive 21-15-04, 2nd Signatures Required for SMC Ratings, was updated and reissued on December 9, 2016, to all VSC employees. The directive mandates the second signature process for SMC cases to include decisions made by DROs, denials of SMC, and confirmed and continued evaluations of SMC. The second review is completed by RQRSS. These employees have been identified as subject matter experts on rating decisions. Additionally, refresher training was conducted for RQRSS on January 17, 2017, regarding how to effectively review SMC cases for quality purposes. Beginning in the 4th Quarter FY17, the RO will work with the Office of

Performance Analysis and Integrity to identify cases rated with SMC/Ancillary benefits and conduct a sample review to ensure that the appropriate 2nd signature process has been completed.

Recommendation 4: We recommended the Southeast District Director implement a plan to ensure the Atlanta VA Regional Office Director provides oversight and prioritization of proposed rating reductions claims for completion at the end of the due process period.

Response: Concur

VBA provides oversight and prioritization of proposed rating reduction cases at the national level. As of April 9, 2017, all Regional Offices receive a daily distribution of actionable due process work that is either priority - homeless, terminally ill, etc. - or our oldest pending claims. Nationally, Regional Offices are held to a standard that all work must be completed on a claim that is distributed to them within five days. Regional and District Office leadership, as well as the Office of Field Operations, routinely monitor stations performance related to the five day Time In Queue (TIQ) standard. Since NWQ began managing distribution of EP600s (due process EPs), timeliness of these claims improved by 30 days.

VBA will continue to monitor the improvements in EP600 timeliness and make prioritization adjustments as necessary. VBA requests closure of this recommendation.

Recommendation 5: We recommended that the Atlanta VA Regional Office Director ensure Claims Assistants receive all systems compliance related training relevant to claims establishment.

Response: Concur

The Atlanta RO concurs with this recommendation. The RO conducted training on classifications for Claims Assistants (CAs) on January 27, 2017, and for Veterans Service Representatives (VSRs) on February 6, 2017. Medical terminology training was conducted for CAs on January 27, 2017, and focused training on appropriate Agent Orange (AO) special issues and flashes was provided to CAs on January 27, 2017. The specific utilization of the AO special issues and flashes was also covered with VSRs on February 6, 2017. The RO will conduct refresher training on the systems compliance associated with claims establishment quarterly beginning in the 4th Quarter FY17. The quarterly training will continue through the 2nd Quarter FY18.

Recommendation 6: We recommended that the Atlanta VA Regional Office Director implement a plan to modify the quality review checklist on claims establishment to include claim label and claimed issue classification indicators for all claims.

Response: Concur

The VSR performance standard and its corresponding quality checklist were created and implemented nationally March 1, 2017. The task-based checklist for quality purposes incorporates systems compliance. Additionally, the Compensation manual, M21-1, is clear that it is the employee's responsibility to ensure that information is correct at the time of claims establishment. This includes the necessity to ensure appropriate and accurate claim labels and issue classifications for all claims.

The checklist referenced in this report was taken from ASPEN which is a national program used to track work credit for employees. VBA is currently piloting a national CA performance standard at 10 ROs. We will forward the recommendation of including claim label and issue classification systems compliance into a quality checklist to the workgroup overseeing the development of the national CA performance standards for their consideration.

While the recommendation indicates the use of the checklist, the Atlanta RO has identified the root cause of the inaccurate claim labels and issue classification errors to be due to a knowledge gap with the CAs. OIG findings indicate the RO is utilizing claim labels and contention classifications; however, they are not

the correct ones. Therefore, beginning with the 4th Quarter FY17, the RO will conduct refresher training each quarter on the systems compliance associated with claims establishment. This training will continue through the 2nd Quarter FY18. Additionally, our local quality review will incorporate feedback in this area.

Recommendation 7: We recommended the Atlanta VA Regional Office Director implement a plan to ensure claims processing staff properly establish and maintain end product 500s for control of special controlled correspondence.

Response: Concur

The Atlanta RO concurs with this recommendation. It is noted that while the improvement of administrative control of this workload is needed, quality responses were provided in all instances reviewed. The RO utilizes a separate Access database to control and track controlled correspondence.

In order to improve the timeliness and management oversight of EP 500s, a standard operating procedure (SOP) was updated and issued on November 29, 2016. This guidance included when to establish end product (EP) 500 and how to properly maintain the EP until the release of the final correspondence. Training was also conducted for the members of the Public Contact Team (PCT) on November 29, 2016, regarding the updated SOP and manual references covering controlled correspondence.

In order to strengthen management oversight and to ensure compliance with policy, we now review 15 EP 500s each month to ensure proper adjudicative action was taken and that we are compliant with the existing policy pertaining to this workload. Since the time of the OIG visit we implemented this process. The last three months reviewed (February through April 2017) showed 98% compliance.

Recommendation 8: We recommended the Atlanta VA Regional Office Director implement a plan to ensure staff adhere to Veterans Benefits Administration policy and acknowledge special controlled correspondence with a timely interim or full response.

Response: Concur

The Atlanta RO concurs with this recommendation. It is noted that while improved timeliness of responses is needed, quality responses were prepared and provided in all instances reviewed. In order to improve timeliness, an SOP was updated and issued on November 29, 2016. This guidance included the responsibility of releasing an interim reply within five days. Training was conducted for the members of the PCT on November 29, 2016, regarding the updated SOP and manual references covering controlled correspondence. Compliance of this mandate is reviewed daily by the PCT supervisor and weekly by division management. The most recent review conducted on June 15, 2017, indicates that all inquiries outstanding are less than five business days old, demonstrating compliance in this area.

For accessibility, the format of the original memo has been modified to fit in this document.

Appendix C **OIG Contact and Staff Acknowledgments**

Contact	For more information about this report, please contact the Office of Inspector General at (202) 461-4720.
Acknowledgments	Nora Stokes, Director Kelly Crawford Yolanda Dunmore Kyle Flannery Suzanne Love Lisa Van Haeren

Appendix D Report Distribution

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