

VA Office of Inspector General

OFFICE OF AUDITS AND EVALUATIONS



Department of Veterans Affairs

*Review of
Alleged Shredding of
Claims-Related
Evidence at the VA
Regional Office
Los Angeles, California*

April 14, 2016
15-04652-266

ACRONYMS

DRMO	Division Records Management Officer
OIG	Office of Inspector General
RMO	Records Management Officer
RMT	Records Management Technician
SSD	Support Services Division
VA	Department of Veterans Affairs
VARO	Veterans Affairs Regional Office
VBA	Veterans Benefits Administration

To Report Suspected Wrongdoing in VA Programs and Operations:

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EXECUTIVE SUMMARY

On January 20, 2015, the Office of Inspector General (OIG) received an anonymous allegation that staff at the VA Regional Office (VARO), in Los Angeles, CA, were shredding mail related to veterans' disability compensation claims. The complainant also alleged that supervisors were instructing staff to shred these documents. In February 2015, we conducted an unannounced inspection at VARO Los Angeles to assess the merits of the allegation.

We substantiated that the VARO staff were not following Veterans Benefits Administration's (VBA) January 2011 policy on management of veterans' and other governmental paper records. Although we cannot quantify or identify claims-related documents that the VARO may have shredded prior to our review, we found nine claims-related documents that VARO staff incorrectly placed in personal shred bins for non-claims-related documents. Eight of the nine documents had the potential to affect veterans' benefits and one had no effect on the veteran's benefits. Since VARO staff placed these nine claims-related documents in shred bins for non-claims-related documents, these nine documents bypassed the first VBA control requiring supervisory review of claims-related documents before shredding. Of the nine claims-related documents, five did not have required initials of both the employee and supervisor and the remaining four had only the employee's initials. If VARO staff and their supervisors had followed VBA policy, these nine claims-related documents would not have been placed in personal shred bins that are designated for non-claims-related documents.

In response to an OIG report on inappropriate shredding of veterans' claims in November 2008, VBA created the permanent position of a Records Management Officer (RMO) to ensure the appropriate management and safeguarding of veterans' records, to include providing oversight of the shredding of documents. The RMO serves as the VARO's final control to prevent shredding of claims-related documents.

We found that there was no RMO at VARO Los Angeles from August 2014 until our inspection in February 2015. The RMO was promoted to another position in August 2014, and the Assistant Director determined that it was not necessary to fill the RMO position. We found that Support Services Division (SSD) staff who took over the duties of the RMO lacked training regarding maintaining, reviewing, protecting, and appropriately destroying veterans' and other governmental paper records. The Assistant Director assumed that the RMO had provided SSD staff with training but did not ensure this had occurred. SSD staff stated they would only complete a "cursory review" as they dumped all collected documents and material in shred bins for contractor shredding. When asked to define "cursory review," SSD staff stated they would observe the documents as they were dumped into the bin destined for contractor shredding.

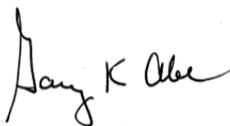
We determined that SSD staff were not properly trained and their cursory reviews were inadequate to identify and separate any claims-related documents from other documents. They were not familiar with claims-processing activities and lacked the knowledge needed to identify claims or claims-related documents. In addition, there was no control preventing VARO staff from incorrectly placing claims-related documents in the wrong shred container.

Lastly, the VARO failed to provide any documentation of shredding logs for the past 2 years. SSD staff only kept certificates of each shredding event carried out by the shredding contractor. SSD staff were unaware of VBA's requirement to log any material that was determined inappropriate for destruction or identify staff who did not follow VBA policy. In the absence of the shredding logs, we could not measure the effectiveness of the RMO/SSD reviews over the past 2 years to prevent claims-related documents from being improperly destroyed, compared to what we found during our 1 week onsite. This was a missed opportunity for the VARO to identify its training needs on the management of veterans' paper records.

Because VARO Los Angeles management did not consistently follow VBA's controls, it was likely that VARO staff would have inappropriately destroyed the nine claims-related documents we found. The shredding of these documents would have prevented the documents from becoming part of the veterans' permanent record and potentially affect veterans' benefits. We could not determine whether the VARO staff improperly shredded documents prior to our review. This is because the VARO staff destroyed documents prior to our arrival, as part of the VARO's normal records disposition process. Finally, we did not substantiate that VARO supervisors instructed their staff to shred claims-related mail.

We recommended the VARO Director implement a plan and assess the effectiveness of training to ensure VARO staff comply with VBA's policy for handling, processing, and protection of claims-related documents and other governmental records. We also recommended that the VARO Director take proper action on the eight cases that had the potential to affect veterans' benefits. The VARO Director concurred with our recommendations. We will follow up as required.

In order to determine whether this was an isolated problem or a systemic issue, we completed surprise inspections at 10 selected VAROs across the nation. The 10 sites were Atlanta, GA; Baltimore, MD; Chicago, IL; Houston, TX; New Orleans, LA; Oakland, CA; Philadelphia, PA; Reno, NV; San Juan, PR; and St. Petersburg, FL. Our *Review of Claims-Related Documents Pending Destruction at VA Regional Offices*, Report No. 15-04652-146, provides the results of the 10 inspections.



GARY K. ABE
Acting Assistant Inspector General
for Audits and Evaluations

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RESULTS AND RECOMMENDATIONS

Allegation **The Los Angeles VARO Was Inappropriately Shredding Veterans' Claim Information**

On January 20, 2015, the Office of Inspector General (OIG) received an anonymous allegation that staff at the VA Regional Office (VARO) in Los Angeles, CA, were inappropriately shredding mail regarding veterans' disability compensation claims. The complainant also alleged that VARO supervisors were instructing their staff to shred these documents. In February 2015, we conducted an unannounced inspection at the Los Angeles VARO to assess the merits of the allegation.

We substantiated that the VARO staff were not following Veterans Benefits Administration's (VBA) January 2011 policy on management of veterans' and other governmental paper records. Although we could not quantify or identify claims-related documents that the VARO may have shredded prior to our review, we did find nine claims-related documents inappropriately placed in shred bins. Eight of the nine documents had the potential to affect veterans' benefits and one had no effect on the veteran's benefits. We did not substantiate that VARO supervisors were instructing their staff to shred claims-related documents.

Background

In our previous report¹, we found that VBA needed to improve the handling, processing, and protection of claims-related documents. During the course of 2008-2009, OIG examined inappropriate shredding of veterans' claim information at four VAROs. OIG found that these four VAROs inappropriately placed some claims-related documents in shred bins. The problem was determined to be systemic. VBA had no requirement for any supervisor or any other official to review documents placed in shred bins. Furthermore, VBA had no requirement for any final review of documents placed in shred bins prior to destruction. The findings were reported to Congress in separate white papers issued in October and December 2008. In response to our findings and the results of VBA's own follow-on administrative review, VBA issued additional policy guidance in November 2008 that established the following:

- Staff and supervisor review procedures to protect against inappropriately shredding veterans' and other governmental paper records
- The positions of Division Records Management Officer (DRMO) and Records Management Officer (RMO) to ensure the appropriate management and safeguarding of veterans' records, to include the review of specific types of documents before being shredded

¹*Audit of VA Regional Office Claim-Related Mail Processing*, Report No. 08-01759-234, September 30, 2009

Criteria

VBA has since revised its policy. VBA's January 2011 policy established an optional full-time position, the Records Management Technician (RMT). Each VARO could replace their DRMO position with an RMT. VBA made this change to provide more time for VARO supervisors to devote toward claims processing activities. Supervisors had previously performed DRMO responsibilities as a collateral duty.

RMOs/RMTs are responsible for reviewing all claims-related materials submitted for shredding, spot-checking non-claims-related materials, and ensuring that the destruction of documents complies with VBA policy. They are also responsible for maintaining a log of all violations that includes the date submitted for destruction, the employee's name, and the reason the material was determined inappropriate for destruction. The VARO should retain the log for 2 years.

Shredding of Documents

The VARO provides each employee with a red envelope and a red box in which to place documents to be shredded. The red envelope is for duplicate claims-related documents that require legible initials of the employee and the employee's supervisor. These types of documents are considered claims-related:

- Claims and evidentiary submissions deemed duplicates submitted by the veteran or representative
- Waivers, administrative decisions, formal findings, etc., submitted by the veteran or representative that are determined to be duplicate VA documents of evidentiary nature
- Duplicate evidentiary submissions from third parties external to VA
- Computer-generated write outs that are usually included in veteran claims records

The red box is for non-claims-related documents that require only the employee's initials. These types of documents are considered non-claims-related:

- CAPRI records
- Draft rating decisions, notification letters, and MAP-D letters
- Duplicate rating decisions, notification letters, and MAP-D letters
- Training materials

The RMO/RMT then collects the envelopes and boxes directly from the employees, and reviews all claims-related documents submitted for shredding. They are also to conduct spot-checks of all non-claims material to ensure that the documents are properly identified for shredding. The RMO/RMT must identify and separate any documents that are claims-related

and require a second signature. These documents are to be recorded in a log and returned to the supervisor to discuss with the employee. After the RMO/RMT approves the documents to be shredded, the documents are placed in a grey shred bin to be shredded by a contractor. The shredding contractor and the RMO must document each shredding event.

What We Did

We interviewed management and staff at the VARO. In addition, we reviewed VBA's policy for managing veterans' and other governmental paper records, as well as the VARO's procedures for disposal of documents containing personally identifiable information. We reviewed approximately 13,800 pieces of documents to be shredded. These documents were contained in the VARO's locked grey shredding disposal containers, as well as in individual employee red shred boxes on the appeals team, the intake processing center, the mailroom, the file room, the public contact team, and the Veterans Service Center Manager's office. Moreover, we determined whether VARO staff placed claims-related documents destined for shredding in claim folders or VBA's electronic systems.

What We Found

We found nine claims-related documents that VARO staff incorrectly placed in their red shred boxes instead of their red envelopes. Eight of the nine documents had the potential to affect veterans' benefits and one had no effect on the veteran's benefits. Since staff placed these nine claims-related documents in red shred boxes, the documents only required the employee's initials. Of the nine claims-related documents, five did not have any initials and the remaining four had only the employee's initials. This indicates that these errors bypassed the first VBA control requiring supervisory review of claims-related documents before shredding.

VARO Did Not Have a RMO

To determine whether the RMO/RMT would have identified the nine claims-related documents, we planned to interview the RMO/RMT² about the thoroughness of the RMO's reviews of documents placed in employees' red shred boxes. The RMO serves as the VARO's final control to prevent shredding of claims-related documents. However, there was no RMO at the Los Angeles VARO from August 2014 until our inspection in February 2015. The RMO was promoted to another position in August 2014, and the Assistant Director made the determination that it was not necessary to fill the RMO position.

The Assistant Director stated that she made this decision because VARO Los Angeles was not only in a full electronic state with mail processing, but was also processing 99 percent of its claims electronically. However, while we were onsite, we found nine bins of unprocessed paper mail requiring VARO review. She also said that the RMO found his duties required less time to complete.

² The Los Angeles VARO did not have an RMO/RMT.

The Assistant Director stated that she transferred the RMO duties to Support Services Division (SSD) staff to include shredding oversight responsibilities at the VARO. However, the Assistant Director could not provide us with documentation that the VARO's higher headquarters, VBA's Western Area Office, approved not filling this required VBA position.

*Final Shredding
Control
Ineffective*

We found that SSD staff who took over the duties of the RMO lacked training regarding maintaining, reviewing, protecting, and appropriately destroying veterans' and other governmental paper records. The Assistant Director assumed that the previous RMO had provided SSD staff with training but did not ensure this had occurred. SSD staff stated they would only complete a "cursory review" as they dumped all collected documents and material in the locked grey shred bins. When asked to define "cursory review," SSD staff stated they would observe the documents as they were dumped from the red shred bins into the grey shred bins.

We determined that SSD staff were not properly trained and their cursory reviews were inadequate to identify and separate any claims-related documents that both employee and their supervisor have or may not have initialed. They are not familiar with claims-processing activities and lack the knowledge needed to identify claims or claims-related documents. In addition, there is no control preventing VARO staff incorrectly placing claims-related documents in red shred boxes instead of red envelopes. Documents placed in red shred boxes do not require supervisory review because VBA assumes these are non-claims-related documents, and RMOs are only required to perform spot-checks on these types of documents.

Lastly, the VARO failed to provide any documentation of shredding logs for the past 2 years. SSD staff only kept certificates of each shredding event carried out by the shredding contractor. SSD staff were unaware of VBA's requirement to log any material that was determined inappropriate for destruction or identify staff that did not follow VBA policy. In the absence of the shredding logs, we could not measure the effectiveness of the RMO/SSD reviews over the past 2 years to prevent claims-related documents from being improperly destroyed compared to what we found during our 1 week onsite. This was a missed opportunity for the VARO to identify their training needs on the management of veterans' paper records.

*Claims-Related
Documents
Improperly
Placed in Shred
Boxes*

We found nine claims-related documents that VARO staff incorrectly placed in their red shred boxes instead of their red envelopes. Of the nine claims-related documents, five did not have any initials or signatures and the remaining four had only the employee's initials. If VARO staff and their supervisors followed VBA policy, these nine claims-related documents would not have been placed in red shred boxes.

As stated earlier, the RMO (in this case SSD staff) is VBA's final control point to prevent shredding of claims-related documents. It is highly unlikely

that SSD staff's inadequate training, knowledge to identify claims-related documents, and cursory reviews would have detected and prevented SSD staff from dumping these nine documents in a grey shred bin for shredding.

Eight of the nine documents had the potential to affect veterans' benefits and one had no effect on the veteran's benefits. The nine documents are detailed here:

- On December 20, 2014, two homeless veterans submitted disability compensation claims. The VARO staff received these claims at a homeless outreach event. During our review, we discovered VARO staff inappropriately placed these claims in a red shred box without establishing these claims in VBA's electronic system, as required. VBA policy requires that staff place claims under control in the electronic record and inform the claimant of the type of evidence needed to substantiate the claim. VARO staff should have put both claims under control and then initialed and placed the claim document in their red envelope. Their supervisor would then review and initial the document. One of these documents did not contain the initials of the employee or supervisor. The other document only contained the employee's initials. If VARO staff had inappropriately destroyed these claim applications, the VARO would not have considered whether these two homeless veterans were entitled to any benefits. In addition, if the veterans had to resubmit their benefit applications, the VARO's error would have delayed the consideration of the homeless veterans' claims.
- On January 26, 2015, the VARO received a faxed letter from a veteran's VA medical provider stating that the veteran was unemployable due to his service-connected post-traumatic stress disorder. During our review, we discovered VARO staff inappropriately placed this claim in a red shred box without establishing the claim in VBA's electronic system. VBA considers this type of document an informal claim. VARO staff should have put the claim under control and then initialed and placed the claim document in their red envelope. Their supervisor would then review and initial the document. This document did not contain the initials of either the employee or supervisor. If VARO staff had inappropriately destroyed this letter, the VARO would not have notified the claimant of what additional evidence was necessary to make a claim decision. The veteran may not have received consideration for an increase in benefits to which he may have been entitled. In addition, if the veteran had to resubmit the medical documentation, the VARO's error would have delayed the consideration of the veteran's claim.
- On December 24, 2014, VARO staff sent a letter to a veteran proposing to reduce the disability evaluation for the veteran's right knee condition. On January 9, 2015, this letter was marked undeliverable and returned to the VARO. During our review, we found VARO staff inappropriately placed the letter in a red shred box. VARO staff should have placed the

letter under control in the veteran's electronic record. This letter did not contain the initials of either the employee or supervisor. VARO staff failed to follow VBA's return mail procedures to satisfy due process notification requirements. VBA allows 60 days from the notification letter for the veteran to submit additional evidence to show that compensation payments should continue at their present level. If VARO staff had inappropriately destroyed this letter, the veteran's current monthly payments would have potentially been at risk of improper reduction because VARO staff did not notify the veteran of the proposed reduction.

- On December 18, 2014, VARO staff sent a letter to a veteran notifying him of the decision regarding entitlement to VA benefits. On January 9, 2015, this letter was marked undeliverable and returned to the VARO. During our review, we found VARO staff inappropriately placed the letter in a red shred box. VARO staff should have placed the letter under control in the veteran's electronic record. This letter did not contain the initials of either the employee or supervisor. VARO staff failed to follow essential return mail procedures to satisfy due process notification requirements. If VARO staff had inappropriately destroyed this letter, the veteran may not be aware of his right to appeal the decision, which is within one year of the date of the notification letter.
- On December 18, 2013, a veteran submitted an informal claim. On October 22, 2014, VARO staff sent a formal application to the veteran in response to his informal claim. On December 17, 2014, this letter was marked undeliverable and returned to the VARO. During our review, we found VARO staff inappropriately placed the letter in a red shred box. VARO staff should have placed the letter under control in the veteran's electronic record. This letter did not contain the initials of either the employee or supervisor. VARO staff failed to follow essential return mail procedures to satisfy due process notification requirements. If VARO staff had inappropriately destroyed this letter, the veteran may not be aware of the procedures and timeliness requirements needed to formalize his claim.
- On August 8, 2013, a veteran called the VA National Call Center to report a change of address. VARO staff inappropriately placed the report of contact document generated by the call in a red shred box without updating the address. The report only contained the employee's initials. If VARO staff had inappropriately destroyed this report of a change of address without updating his electronic record, the veteran may not be able to receive any future VBA correspondence.
- On December 11, 2013, VARO staff received a letter from a veteran asking why he needed to formalize his appeal. Although the mail contained the name of the veteran and his address, VARO staff annotated the mail as unidentifiable and inappropriately placed it in a red shred box.

VARO staff should have placed the letter under control in the veteran's electronic record. This letter only contained the employee's initials. We were able to identify the veteran using VBA's electronic systems. If VARO staff had inappropriately destroyed this veteran's letter, VBA may not have addressed the veteran's request for information pertaining to his appeal. Additionally, this may have caused an unnecessary delay in VBA considering the veteran's appeal.

- On June 30, 2013, VARO staff received an original letter from another VARO that needed to be associated with a veteran's claims folder. VARO staff inappropriately placed it in a red shred box. However, the veteran's claim number was on the back of the mail, and we were able to locate the claims folder while we were on station. This letter only contained the employee's initials. This had no impact on the veteran's benefits.

Due to noncompliance with VBA policy, poor controls, inadequate oversight, and lack of training, the Los Angeles VARO put veterans' claims-related documents at risk for inappropriate destruction. Because the Los Angeles VARO did not consistently follow VBA's controls, it was likely that VARO staff would have inappropriately destroyed the nine claims-related documents we found. This would have prevented the documents from becoming part of the veterans' permanent record and potentially affecting veterans' benefits. In addition, we did not substantiate that Los Angeles VARO supervisors instructed their staff to shred claims-related mail.

Conclusion

We could not substantiate that the Los Angeles VARO inappropriately shredded some claims-related documents prior to our review. However, VBA's controls to manage veterans' documents appropriately were ineffective at the supervisory and RMO level. Although these nine claims did not get to VBA's final control point before shredding, it was unlikely that SSD staff's cursory reviews would have detected and prevented these nine claims-related documents from being dumped in a grey shred bin for shredding.

In response to our findings, Los Angeles VARO management reinstated the RMO position and provided VARO staff training on proper shredding procedures. In order to determine whether this was an isolated problem or a systemic issue, we initiated unannounced inspections at 10 selected VAROs across the nation. Our *Review of Claims-Related Documents Pending Destruction at VA Regional Offices*, Report No. 15-04652-146, provides the results of the 10 inspections.

Recommendations

1. We recommended the VA Regional Office Director implement a plan to ensure the Los Angeles VA Regional Office staff comply with the Veterans Benefits Administration's policy for handling, processing, and protection of claims-related documents.
2. We recommended the VA Regional Office Director assess the effectiveness of the training provided to the Los Angeles VA Regional Office staff on Veterans Benefits Administration's policy for managing veterans' and other governmental records.
3. We recommended the VA Regional Office Director provide documentation to VA OIG that proper action has been taken to process the eight cases that had the potential to affect veterans' benefits.

Management Comments

The VARO Director concurred with our recommendations. He stated refresher training was provided to all employees on handling, processing and protection of claims-related documents, and a revised local Standard Operating Procedure on shredding was instituted. In addition, management now receives reports from the RMO detailing errors made in the handling of the documents and follows up with retraining and accountability for conduct. Finally, the VARO Director stated they have completed action on the eight cases referenced in the report. The Director also disagreed with portions of our report, and we have responded to those comments.

OIG Response

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

The Los Angeles VARO Director stated that their control process was effective because the inspection team did not find improper documents in final grey shred bins. It is true that no improper documents were found in final grey shred bins. We reviewed all of the documents in the final grey bins, which were only about 720 of the 13,800 (5 percent) total documents we reviewed. The remainder of the documents, including the claims-related documents, were from employees' red shred boxes. Due to the limited number of available documents in the final grey shred bins, we could not definitively assess the effectiveness of the final review performed by SSD staff. However, SSD staff told us they performed only a cursory review, which consisted of observing the documents as SSD staff dumped documents from the red shred bins into the final grey shred bins. As a result, we concluded it was likely this cursory review would not have identified the nine claims-related documents we found, and they would have likely been inappropriately destroyed.

During our review, we found nine claims-related documents incorrectly placed in personal shred bins bypassing VBA's control that requires

supervisory review of claims-related documents before shredding. The Los Angeles VARO Director stated only four documents were claims-related and had the potential to affect benefits. However, we identified eight documents that could potentially affect veterans' benefits including homeless veterans' disability claims, medical evidence, VARO letters returned as undeliverable, an address change, and a veteran's request for information related to his appeal. The final claims-related document was a letter from a veteran that did not affect benefits, but should have been included in the file for historical purposes.

We reported there was no RMO at the Los Angeles VARO from August 2014 until our inspection in February 2015. Although the Director stated that RMO duties have always been performed, VBA policy requires that an RMO continue to oversee all programs established to manage veterans' records. Upon our request, VARO management could not provide documentation of permission to reassign the RMO duties to other staff and deviate from the requirement of having an RMO, which is one of VBA's controls.

The Los Angeles VARO Director criticized the report stating we failed to interview all the correct personnel to properly assess the quality of SSD training. We conducted interviews with management and staff from the Veterans Service Center and SSD. Staff told us they did not receive formal RMO training, and the Assistant Director confirmed she had not ensured this training occurred. The VARO Director was not in attendance during these interviews. Therefore, the Director's comments are based on conjecture and not firsthand knowledge.

Due to noncompliance with VBA policy, poor controls, inadequate oversight, and lack of training, the Los Angeles VARO put veterans' claims-related documents at risk for inappropriate destruction. As previously stated, because the Los Angeles VARO did not consistently follow VBA's controls, it was likely that VARO staff would have inappropriately destroyed the nine claims-related documents we found.

*Government
Standards*

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

Appendix A Management Comments

Department of Veterans Affairs

Memorandum

Date: January 15, 2016
From: Director, Los Angeles VA Regional Office
Subj: OIG Interim Report— *Review of Alleged Shredding of Claims-Related Evidence at the VA Regional Office Los Angeles, California* [Project No. 15-04652-448)
To: Assistant Inspector General for Audits and Evaluations (52)

1. Attached is VBA's response to the OIG interim report: Review of Alleged Shredding of Claims-Related Evidence at the VA Regional Office Los Angeles, California.
2. Questions may be referred to Robert W. McKenrick at (310)235-7696.

(original signed by:)

ROBERT W. MCKENRICK

Attachment

**Veterans Benefits Administration (VBA)
Comments on OIG Interim Report
Review of Alleged Shredding of Claims-Related Evidence at the VA Regional Office Los Angeles,
California**

The following comments are submitted in response to the recommendations in the OIG Interim Report:

Recommendation 1: We recommend the VA Regional Office Director implement a plan to ensure the Los Angeles VA Regional Office staff comply with the Veterans Benefits Administration's policy for handling, processing, and protection of claims-related documents.

VBA Response: Concur. The Los Angeles Regional Office has taken the following steps to ensure that staff comply with Veterans Benefits Administration's policy for handling, processing, and protection of claims-related documents:

- Provided refresher training to all employees on handling, processing, and protection of claims-related documents.
- Created quick-reference guide and issued to all employees.
- The Veterans Service Center (VSC) at the LARO reissued guidance on February 12, 2015, and reinforced paper shred guidance in team huddles (training material and training log previously provided to OIG).
- LARO reviewed and refined local Standard Operating Procedure (SOP) on shredding; a revised final SOP was reissued in March 19, 2015.
- All employees review their shred material and certify there are no inappropriate documents in their shred before submitting it to their immediate supervisor.
- Supervisors perform a 100% review of each employee's materials before submitting them to the RMO for review.
- The RMO and a member of management perform a 100% two-person review of all documents prior to placing them in the locking grey shred bins.
- Republished VBA guidance and shred reference on local RO SharePoint.
- LARO conducted a station-wide PII stand-down including inspections of workspaces and common areas.

Recommendation 2: We recommend the VA Regional Office Director assess the effectiveness of the training provided to the Los Angeles VA Regional Office staff on Veterans Benefits Administration's policy for managing veterans' and other Governmental records.

VBA Response: Concur. LARO has provided extensive training to all employees. Additionally, management has utilized visual management and pop-up reminders to remind employees of Veterans Benefits Administration's policy for handling, processing, and protection of claims-related documents. Assessment of RO policy is an ongoing matter to ensure optimum security of Veterans' and other Governmental records is always achieved. Management receives reports from the RMO detailing errors made in the handling of the documents and follows-up with retraining and accountability for conduct. Management officials assist in the final review of all documents to ensure the integrity of the control processes. Individuals performing supervisory and RMO reviews provide monthly feedback to the LARO leadership through the SSD Chief's written *Director's Update*. LARO leadership remains confident that Veterans' records have not been inappropriately destroyed nor are they in danger of inappropriate destruction.

Recommendation 3: We recommend the VA Regional Office Director provide documentation to VA OIG that proper action has been taken to process the eight cases that had the potential to affect veterans' benefits.

VBA Response: Concur. Action has been completed on the eight cases referenced in the report. Below are the details of all nine items OIG specifically addressed:

Document 1: Claim from Veteran received at Homeless Stand-Down. The document received was actually not signed by the Veteran. However, all claims received from the event were tracked on a spreadsheet, and this was on the spreadsheet. LARO completed all remaining processing actions. LARO action complete.

Document 2: Claim from Veteran received at Homeless Stand-Down. All claims received from the event were tracked on a spreadsheet, and this was on the spreadsheet. LARO completed all remaining processing actions. LARO action complete.

Document 3: Unsigned fax received from a private provider. No impact on benefits. LARO completed all remaining processing actions. LARO action complete.

Document 4: Notification letter returned to LARO as undeliverable. LARO completed all remaining processing actions. LARO action complete.

Document 5: Notification letter returned to LARO as undeliverable. No impact on benefits. Information was conveyed via telephone to the Veteran. LARO sent a new letter to the Veteran. LARO action complete.

Document 6: Informal claim letter returned to LARO as undeliverable. LARO completed all remaining processing actions. LARO action complete.

Document 7: Report of Contact regarding address change. No impact on benefits. Current address updated subsequent to referenced Report of Contact. LARO action complete.

Document 8: Letter from Veteran requesting an explanation of why he has to file VA Form 9. No impact on benefits. Subsequent contact with the Veteran provided the requested information. LARO action complete.

Document 9: Routing slip from another RO and a letter from the Veteran requesting amount of education entitlement remaining. This was received in LARO as "drop mail". No impact on benefits. RO action complete.

The Veterans Benefits Administration provides the following comments:

The Los Angeles VA Regional Office (LARO) takes the security and preservation of Veterans' and other Governmental records very seriously and has invested in process controls to manage records. The LARO confirms that improvements in the process controls for the handling and accountability of documents containing Personally Identifiable Information (PII) were improved through additional employee training, policy updates, and additional management involvement. The document control process in place prior to and during the OIG inspection resulted in ten out of the 13,800 documents reviewed being turned over to LARO management, all taken from red shred bins at employees desks early in the process. With no documents being found in the final steps of the document control process (the Records Management Official (RMO) final review), LARO remains confident in the OIG's findings that no inappropriate documents were in the locking grey shred bins.

The OIG report cites two allegations for investigation:

1. "VARO staff were inappropriately shredding mail related to Veterans' disability compensation claims."

While the OIG's *Conclusion* section of the Report did not specifically address the first allegation regarding the shredding of "mail" related to Veterans' disability compensation claims, they did state that they could not substantiate that the LARO inappropriately shredded some claims-related documents prior to their review. Such a conclusion would be the equivalent of an unanswerable rhetorical question in the absence of evidence. Evidence does exist to make a meaningful conclusion about shred activity on the station; however, the OIG chooses to comment on activity prior to their visit, for which the records are already destroyed. OIG's report states that 13,800 documents were reviewed and that no inappropriate documents were found in the final repository, the locking grey bins. This evidence should have led to a firm conclusion about VARO staff activity relative to shredding mail.

2. "Supervisors were instructing staff to shred these documents."

The OIG places their response to this second allegation at the end of the *Claims-Related Documents Improperly Placed in Shred Boxes* section, where they state that they "did not substantiate that Los Angeles VARO supervisors instructed their staff to shred claims-related mail. It is noteworthy that this conclusion to one of the two allegations does not appear in *Conclusion* section of the OIG Report.

LARO does not agree with the manner in which the investigation was conducted and the subsequent reporting of the investigation. It is understood that OIG must follow investigatory protocol. However, the absence of daily briefings or other communications about the findings or challenges in gathering information or data would have led to a much more meaningful and accurate inspection. Not only could LARO management have benefited from the OIG Team's observations and recommendations at the time of the inspection in February, six months prior to the release of the Interim Report in August but, the senior management could have ensured that the OIG Team had the opportunity to interview other key RO personnel involved in the handling of PII and performing or assisting with RMO duties, as well as corrected the failure of the Team to see existing document logs. As LARO senior management stood ready to work with the OIG Team, the OIG chose to work in silence and to provide no meaningful details or recommendations upon their departure from the station, only saying that the investigation would continue. These issues are first received from the OIG in the Interim Report six months later.

LARO disagrees with the following specific areas of the OIG Interim Report as follows:

- a) OIG states "The OIG immediately deployed a team of inspectors to determine the merits of these allegations." (A Statement from the Deputy Inspector General, August 17, 2015, page. 1, para. 1).
 - o On January 5, 2015, OIG informed LARO of a routine benefits inspection to begin on February 9, 2015. LARO provided advanced documents. OIG received the anonymous shred complaint on January 20, 2015. OIG arrived at LARO February 9, 2015 and conducted the normal benefits inspection in-briefing. After the benefits inspection had begun and in a separate meeting, the OIG Team Leader told the LARO Director that they would also look at our shred bins.
- b) OIG states "... found nine claims-related documents" (throughout the Executive Summary and Interim Report).
 - o Ten documents were turned over to the LARO Assistant Director and placed on a spreadsheet for immediate control purposes, processing, and fact finding. LARO has determined that only four of the nine documents are claims-related.
- c) OIG states "... eight of the nine documents had the potential to affect Veterans' benefits" (throughout the Executive Summary and Interim Report).
 - o LARO has determined that four of the nine documents had the potential to affect Veteran benefits.

- d) OIG states “Lastly, the VARO failed to provide any documentation of shredding logs for the past two years.” (Interim Report, page 4, para. 4).
- o LARO does have shred logs, and they extend beyond the required two years. The OIG report did not specify who was questioned on this matter. However, shred logs were provided to them by the longtime RMO and a frontline supervisor. At no time did OIG raise this issue to leadership so, the issue could be immediately addressed and the records provided. LARO does not dispute that better records keeping was needed during the six month transition period of the longtime RMO and if in fact the RO was not keeping records at all and the station personnel were unaware of the requirement to do so, station leadership would have liked to have known about such a serious deficit sooner than six months after the inspectors departed the station.
- e) OIG states “... determined that SSD staff were not properly trained...” (Executive Summary, page (i), para 5 and Interim Report, page 4, para 3).
- o Staff performing RMO duties were properly trained. Training consisted of annual VA Records Management Training and station wide face-to-face training regarding Veteran data shred procedures provided by the station Information Security Officer (ISO) and the RMO. One-on-one mentoring and on-the- job training was also provided by the RMO, prior to his promotion on August 24, 2014. The junior supervisor had last completed Records Management Training on February 5, 2014, and the Senior Supervisor completed the same training on June 21, 2010. Both supervisors have completed training on Records Management for Supervisors and Employees and Records Management for Records Officers and Liaisons and additional on-the-job training with the RMO since the OIG visit. It appears that the OIG did not interview the Senior Supervisor or the SSD Acting Division Chief at all, regarding any of the RMO requirements, duties or activities that would lead to an accurate assessment of the quality of training.
- f) OIG states “... it is likely that VARO staff would have inappropriately destroyed the nine claims-related documents we found.” (Executive Summary, page (ii), para 3).
- o The OIG reviewed 13,800 documents. Of the 13,800 documents reviewed, ten documents were turned over to the LARO Assistant Director. OIG states that they turned over nine documents which were pulled from individual employee shred bins, the first step of the shredding process prior to supervisory and RMO review. The review also included the final step of the process, the locking grey shred bins, and no inappropriate documents were found in the locking grey bins. The fact-based conclusion is that the LARO control process was working and that no inappropriate documents were found to have bypassed the final steps of the process into the locking grey shred bins; therefore, the staff would not have shred the nine documents.
- g) OIG states “The red box is for non-claims related documents that require only the employee’s initials.” (Interim Report, page 2, para. 4).
- o The red box is for all documents not requiring two signatures (those documents requiring only one signature, the employees, and all other documents that do not require signatures before destruction). The red envelope is for documents requiring two signatures.
 - o Policy at LARO requires all paper to go into the red bin except: food related items (wrappers, cups, plates), packaging material (bubble wrap, cardboard), plastic items (tabs, document flags, packaging tape), facial tissue, tear-off strips (leave and earning statements, receipts), magazines, and newspapers.
- h) OIG states “However, there was no RMO at the Los Angeles VARO from August 2014 until our inspection in February 2015.” (Interim report, page 3, para. 4).
- o RMO duties have always been performed at LARO. When the RMO was promoted to another position in August 2014, the RMO duties were assumed by his previous supervisor. The trained supervisor and two immediate subordinates performed the RMO duties during the ninety-day period, until November 2014, when the previous RMO resumed his RMO duties on a detail basis until he again filled the position under the new organizational structure on January 25, 2015.

- i) OIG states “The Assistant Director stated that she made this decision because the Los Angeles VARO was not only in a full electronic state with mail processing, but was also processing 99 percent of their claims electronically. However, while we were onsite, we found nine bins of unprocessed paper mail requiring VARO review. She also said that the RMO found his duties required less time to complete.” (Interim Report, page 3, para. 5).
 - o The Assistant Director stated that there is no longer a need for a fulltime RMO due to the Centralized Mail Portal and being 99% paperless (VBMS). Average shred bin pickups were reduced by over 50% in the last few years. The AD stated that the duties would be covered by the SSD Chief and SSD staff until reorganization in SSD was complete and duties would be assigned to a newly created Support Service Specialist national Position Description (PD). When the RMO was promoted to another position in August 2014, the RMO duties were assumed by his previous supervisor. The trained supervisor and two immediate subordinates performed the RMO duties during the ninety-day period, until November 2014, when the previous RMO resumed his RMO duties on a detail basis until he was hired back into a position containing the duties under the new organizational structure on January 25, 2015.
- j) OIG states “We found that SSD staff that took over the duties of the RMO lacked training regarding maintaining, reviewing, protecting, and appropriately destroying veterans’ and other Governmental paper records.” (Interim Report, page 4, para. 2).
 - o See paragraph e) above.
- k) OIG states “We determined that SSD staff were not properly trained and their cursory reviews were inadequate to identify and separate any claims-related documents that both employee and their supervisor have or may not have initialed. They are not familiar with claims-processing activities and lack the knowledge needed to identify claims or claims related documents.” (Interim Report, page 4, para 3).
 - o See bullet five above reference SSD staff training.
 - o SSD Staff are familiar with claims process and claims-related documents. Staff members are able to understand and follow VA guidance regarding shred policy and procedures. Shred training includes identification of basic document types as required to conform to shred policy and does not require the document handler to be a claims processor.
- l) OIG states “It is highly unlikely that SSD staffs’ inadequate training, knowledge to identify claims-related documents, and cursory reviews would have detected and prevented SSD staff from dumping these nine documents in a grey shred bin for shredding.” (Interim Report, page 4, para 6).
 - o The OIG makes a faulty qualitative analysis of training where they clearly failed to interview all of the correct personnel to properly assess the quality of SSD personnel training and skills and then goes on to use this faulty inadequate training logic to conclude that the process controls would also fail and inappropriate documents would be shred. The OIG conclusion is unsupported as the LARO training is adequate. When properly analyzed with the process controls, as supported by their own 13,800 documents reviewed, finding no errors or inappropriate documents in the final locking grey bins, the logical conclusion is a working control process that does in fact prevent inappropriate shredding from occurring.
- m) OIG states “... it is likely that VARO staff would have inappropriately destroyed the nine claims-related documents we found.” (Interim Report, page 7, para 3).
 - o See paragraph l) above.
- n) OIG states “Although these nine claims did not get to VBA’s final control point before shredding, it is unlikely that SSD staffs’ cursory reviews would have detected and prevented these nine claim-related documents from being dumped in a locking grey shred bin for shredding.” (Interim Report, page 7, para. 4).
 - o See paragraph l) above.

- o) OIG states “In response to our findings, Los Angeles VARO management reinstated the RMO position and provided staff training on proper shredding procedures” (Interim Report, page 7, para. 5).
 - o The training reference is accurate. The RMO statement is inaccurate because these duties were always covered by SSD staff. On July 10, 2015, Representatives Julia Brownley and Raul Ruiz released a statement regarding the shredding of documents at the LARO. Not knowing if this was in reference to the anonymous allegations that the OIG acted upon in February 2015, or a new issue being raised, the LARO Director committed additional focus and resources to address potential vulnerabilities and to provide additional assurances to our Congressional stakeholders by holding all shred material onsite for inspection, reviewing procedures, conducting additional document control training and local audits. Additionally, on July 23, 2015, the LARO Director reallocated the Support Services Specialist’s time spent to RMO duties from part-time to full-time for a 120 day period.
 - o LARO leadership never communicated with the OIG that the Support Services Specialist was reallocated by the Director from part-time to full-time RMO duties for a 120 day temporary period.
 - o With the recent release of the August 17, 2015 Interim Report, LARO leadership is now able to conclude that the July 10, 2015 letter from Representatives Brownley and Ruiz is in fact referencing the February 2015 OIG investigation and not a new issue. LARO finds the lack of communication and efforts to cooperate with the RO leadership a deviation from normal OIG protocol, in that Congressional Representatives released inaccurate facts some five months after the inspection and six months before the LARO received the results of the inspection.

Appendix B **OIG Contact and Staff Acknowledgments**

OIG Contact	For more information about this report, please contact the Office of Inspector General at (202) 461-4720.
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