



Department of Veterans Affairs

Office of Inspector General

February 2011 Highlights

ADMINISTRATIVE INVESTIGATION

Investigation Substantiates IT Policy Violations by Senior OI&T Official

An administrative investigation substantiated that an Office of Information & Technology (OI&T) senior official violated VA policy when he failed to properly safeguard and report the theft of a VA-issued laptop computer in September 2007. The employee also misused his VA-issued computers, cellular telephones, and e-mail account to create and send messages and pornographic images to another person. He additionally failed to testify freely and honestly about his past behavior and actions.

OIG REPORTS

Audit Finds Changing Priorities, Overlapping Systems Requirements Continue to Challenge Veterans Service Network

The Office of Inspector General (OIG) conducted an audit of the Veterans Service Network (VETSNET), a replacement system to consolidate compensation and pension benefits processing, to determine whether VA implemented effective controls to address previously identified program governance deficiencies; met schedule, cost, and performance goals for the program; and implemented effective change controls to support the planning, testing, and implementation of the VETSNET suite of applications. OIG found that VA addressed prior program governance deficiencies by establishing oversight groups, risk management processes, and software development gate reviews to provide greater visibility and control of VETSNET program activities. Despite these improvements, VETSNET faces the continuing challenge of managing competing mandates and new systems initiatives that have repeatedly changed the scope and direction of the program. These changes have adversely affected achieving schedule, cost, and performance goals over the life of the VETSNET program. Additionally, planned system functionality enhancements remain unaddressed. OIG recommended OI&T clarify goals, align resources, establish a schedule for accomplishing the goals of VETSNET, and implement improved processes to address software development deficiencies. [\[Click here to access report.\]](#)

OIG Substantiates Inadequate Communication of Discharge Planning at Hampton, Virginia, VA Medical Center

At the request of Senator Jim Webb, the OIG reviewed the validity of allegations regarding quality of care and communication at the Hampton, VA, VA Medical Center (VAMC). OIG substantiated that VAMC managers and the hospitalist did not adequately communicate with the complainant. However, OIG determined that efforts to improve communications between management, clinical staff, and the complainant were effective; therefore, OIG made no recommendations. OIG did not substantiate allegations that Emergency Department (ED) or inpatient staff provided poor patient care; however, OIG did determine that staff did not involve the complainant, who was the caregiver and held Power of Attorney for the patient, in the discharge planning process or provide complete and timely discharge instructions and medications to the

patient and his son. OIG made one recommendation to address this finding. [\[Click here to access report.\]](#)

Allegations of Imminent Danger Not Substantiated at Southern Arizona VA Health Care System, Tucson, Arizona

In response to a Hotline allegation, OIG investigated allegations of unsafe care and imminent danger to patients at the Southern Arizona VA Health Care System in Tucson, AZ. OIG substantiated that there was unsafe triage of patients in the ED, because staff did not always evaluate every patient before discharge as required by policy. OIG did not substantiate the other allegations, but did note opportunities for improvement in the areas of clinic operations, organizational improvement, and care of patients with chronic pain. OIG made two recommendations to correct the findings. [\[Click here to access report.\]](#)

Allegations Against Clinical and Administrative Staff Not Substantiated at Alexandria VAMC, Pineville, Louisiana

OIG conducted an evaluation to determine the validity of allegations regarding quality of care, altered medical records, intimidation, and management responsiveness at the Alexandria VAMC, Pineville, LA. OIG did not substantiate the allegations made by the seven complainants, but rather determined that the treatment provided to all patients included in the review was appropriate. OIG found no evidence that the treatment provided by the physician in question was improper or harmful. Additionally, VA Police & Security Service acted properly to protect the patients and VAMC staff, and management took acceptable actions to address patient and family concerns. OIG made no recommendations. [\[Click here to access report\]](#)

Benefits Inspection Division Visits Regional Offices in Boston, Massachusetts; Boise, Idaho; and Portland, Oregon

OIG conducted an onsite inspection at the Boston, MA, VA Regional Office (VARO) to review disability compensation claims processing and Veterans Service Center (VSC) operations. VARO staff correctly processed Post-Traumatic Stress Disorder (PTSD) disability claims. Staff followed Veterans Benefits Administration (VBA) policy to establish correct dates of claims in the electronic record and corrected all errors that VBA's Systematic Technical Accuracy Review (STAR) program identified. VARO management needs to improve the control and accuracy of processing temporary 100 percent evaluations, traumatic brain injury (TBI) claims, and herbicide exposure-related claims; in addition to strengthening controls over recording Notices of Disagreement (NOD) for appealed claims, completing Systematic Analyses of Operations (SAOs), and processing mail and final competency determinations. OIG made 10 recommendations to improve operations. [\[Click here to access report.\]](#)

A similar onsite inspection at the Boise, ID, VARO determined staff generally established correct dates of claim in the electronic record, followed VBA mail handling procedures, processed PTSD disability claims accurately, and corrected errors identified by VBA's STAR program. VARO management needs to improve the control and accuracy of processing disability claims for temporary 100 percent disability

evaluations, TBI, and herbicide exposure-related claims, in addition to ensuring timely processing of NODs as well as timely and complete SAOs. OIG made six recommendations to improve operations. [\[Click here to access report.\]](#)

A third inspection conducted at the Portland, OR, VARO found that staff correctly processed disability claims for PTSD, established correct dates of claim in the electronic record, and corrected errors identified by VBA's STAR program. Generally, VARO staff correctly processed herbicide exposure-related disability claims and ensured timely controlling of NODs for appealed decisions. VARO staff should emphasize the need to improve control of processing temporary 100 percent disability evaluations, mail handling, completion of SAOs, and ensure the accuracy of processing TBI claims. OIG made six recommendations to improve operations. [\[Click here to access report.\]](#)

Sixteen Community Based Outpatient Clinics Reviewed

OIG reviewed eight Community Based Outpatient Clinics (CBOCs) to assess whether they are operated in a manner that provides Veterans with consistent, safe, high-quality health care. Facilities reviewed included Spring City and Springfield, PA; Sarasota and Sebring, FL; Paragould, AR, and Salem, MO; and Cottonwood and Lake Havasu City, AZ. The review covered four areas: quality of care measures, credentialing and privileging, environment of care and emergency management, and management of laboratory results. OIG made 18 recommendations to Veterans Integrated Service Network (VISN) and Facility Directors. [\[Click here to access report.\]](#)

In a similar review, OIG reviewed eight CBOCs at Framingham, MA; Charlottesville, VA; Jennings and Lafayette, LA; Bridgeport (Decatur) and Sherman, TX; and Caldwell and Twin Falls, ID. OIG noted several opportunities for improvement and made 16 recommendations to VISN and Facility Directors. [\[Click here to access report.\]](#)

CRIMINAL INVESTIGATIONS

Veteran Arrested for Threatening to Shoot VARO Employees

A Veteran was arrested by OIG agents after making a threat against Columbia, SC, VARO employees while using VA's Inquiry Routing and Information System. At the time of his arrest, the Veteran was wearing body armor and armed with a concealed firearm. A U.S. Magistrate Judge ordered the Veteran detained. The defendant admitted making the threats and admitted traveling to a VAMC in a neighboring state earlier the same day while carrying a concealed handgun and wearing body armor. The Veteran claimed to have a plan of violence already in place that included robbing local banks to finance his "crime spree" and shooting VARO employees.

Former Contractor at Martinez, California, Pleads Guilty to Bomb Threat Hoax

A former Martinez, CA, VA Outpatient Clinic contract housekeeping employee pled guilty to false information and hoaxes after using the VA Public Address (PA) system to make phony bomb threats on two separate occasions. The defendant stated over the PA system that there were bombs in the Community Living Center (CLC), which houses Veterans in need of rehabilitation, skilled nursing, and hospice care. The Veterans

housed in the CLC had to evacuate the building after the second bomb threat was made. The defendant admitted to making the bomb threats to get out of work.

Veteran Arrested for Making Threats to Blow Up VA Clinic in Georgia

A Veteran was arrested for making terroristic threats to a VA clinic associated with the Atlanta, GA, VAMC. An OIG and local police investigation revealed that the defendant called the clinic and informed an employee that he was going to blow up the clinic with a grenade, specifically targeting the employee because he did not receive his requested medication.

Former OI&T Employee Found Guilty of Fraud and Identity Theft

A former OI&T employee, assigned to the Fayetteville, NC, VAMC was found guilty at trial of false and fraudulent tax returns, wire fraud, and aggravated identity theft. An OIG and Internal Revenue Service (IRS) Criminal Investigations Division (CID) investigation revealed that the defendant used his position to obtain approximately 160 Veterans' personal identifiers and then utilized the identifiers on tax documents without the Veterans' knowledge. The defendant used his computer and tax consulting business to prepare and file the fraudulent tax documents.

Family Member Charged with Theft of Veteran's Identity

A felony complaint was filed charging the cousin of a Veteran with identity theft and grand theft. An OIG investigation determined that the defendant stole the identity of his cousin and over several years obtained medical care from VA to include hip replacement surgery. The loss to VA is \$98,274.

Long Beach, California, VAMC Nurse Charged with Fraudulent Impersonation

A Long Beach, CA, VAMC nurse was charged with fraudulent impersonation of another to obtain credit. An OIG and local police department investigation revealed that the defendant stole the personal identifying information of 45 patients and used that information to make fraudulent purchases.

Son of Deceased Veteran Found Guilty of Fraud and Identity Theft

The son of a deceased Veteran was found guilty at trial of bank fraud and aggravated identity theft. An OIG and U.S. Postal Inspection Service investigation determined that the defendant failed to report his father's death to VA, assumed his identity, and utilized the VA benefits for his personal use. The loss to VA is \$126,276.

Former Providence, Rhode Island, Nurse Indicted for Drug Diversion

A former Providence, RI, VAMC intensive care nurse was indicted for diversion of a controlled substance after an OIG and VA Police Service investigation revealed that he obtained hydromorphone and falsified VA controlled substance records to conceal his theft of the drug. This case was initiated following an internal VA analysis that showed a high frequency of Pyxis system overrides performed by the defendant compared to other nurses on the ward.

UPS Supervisor Arrested for Embezzlement of VA Drugs

A United Parcel Service (UPS) supervisor was arrested for embezzlement as the direct result of an OIG and local law enforcement investigation. The investigation utilized electronic and other surveillance methods to monitor a UPS facility where approximately 35 VA parcels containing drugs had previously been stolen. During the surveillance, the defendant stole a VAMC parcel and after being arrested admitted to stealing approximately 40 VA parcels containing drugs, which he then sold for approximately \$10,000 and also traded for cocaine. A search of the defendant's vehicle yielded two additional VA pill bottles and four bags containing suspected cocaine.

Wife of Deceased Veteran Pleads Guilty to Theft of Government Funds

The wife of a deceased Veteran pled guilty after being indicted for theft of Government funds. A competency hearing is pending in State court concerning charges that the defendant also murdered her husband. An OIG, U.S. Secret Service, Social Security Administration (SSA) OIG, and local police investigation determined that the defendant stole her husband's Government benefits after killing him and burying his body in their backyard. The defendant accessed a joint bank account after her husband's death in April 2007 and used the VA and SSA benefits to pay for personal expenses. The loss to VA is \$103,839 and the loss to SSA is \$25,353.

Veteran's Daughter Sentenced for Exploiting Disabled, Elderly Father

The daughter of an incompetent disabled Veteran was sentenced to 15 to 18 months' incarceration and ordered to participate in mental health therapy after pleading no contest to the exploitation of a disabled/elderly adult. The Veteran's son-in-law was arrested on charges of exploitation of a disabled/elderly adult, obtaining property by false pretenses greater than \$100,000, and conspiracy to obtain property by false pretenses. An OIG, SSA OIG, local law enforcement, VARO, and social services investigation revealed that the defendant and her husband stole \$213,662 from the Veteran and physically and mentally abused him for several years. The investigation resulted in the Veteran being placed in a safe environment and a fiduciary being appointed to monitor his finances.

Veteran and Wife Indicted for Fraud

A Veteran and his wife were indicted for theft of funds, concealment of a material fact related to social security funds, conspiring to defraud the Government, obtaining Title IV Department of Education funds by fraud and false statements, filing false tax returns, and causing another to file a false tax return. An OIG, IRS CID, SSA OIG, and Department of Education OIG investigation revealed that the defendant failed to disclose his employment income to VA and SSA while collecting VA unemployment benefits. Both defendants also conspired to defraud the United States by under-reporting their income and using fraudulent tax returns to apply for Federal student aid for two daughters. The loss to VA is \$224,473.

Widow Sentenced for Defrauding VA

A widow was sentenced to 8 months' electronic monitoring, 4 years' probation and ordered to make restitution of \$221,474 to VA. An OIG investigation revealed that the

defendant failed to notify VA that she had remarried and subsequently received Dependency and Indemnity Compensation benefits to which she was not entitled.

Former Leavenworth, Kansas, VAMC Employee Arrested for Theft of Government Funds

A former Leavenworth, KS, VAMC employee was arrested after being indicted for the theft of Government funds. An OIG and Department of Labor (DOL) OIG investigation revealed that between 2003 and 2008, the defendant concealed approximately \$577,000 in Office of Workers' Compensation Program benefits from DOL while managing a subcontracting business. The defendant also stole, forged, and negotiated approximately \$27,000 in workers' compensation benefit checks intended for her deceased brother, a former U.S. Postal Service employee and service-connected Veteran. The loss to VA is approximately \$175,000.

Veteran Indicted for Filing Fraudulent Travel Claims

A Veteran was indicted for theft of Government funds after an OIG investigation revealed that from April 2009 to December 2010, he filed fraudulent travel claims at the Gainesville, FL, VAMC. The defendant claimed that he was traveling 240 miles roundtrip while his actual residence was approximately 30 miles from the VAMC. The loss to VA is \$21,738.

Defendant Indicted for "Stolen Valor"

A former National Guard member, ineligible for VA health care benefits, was indicted for theft of Government property and making a false statement after an OIG investigation revealed that he fraudulently received VA health care benefits between 1998 and 2010. The investigation determined that the defendant falsely claimed to have served in Vietnam by using altered military discharge documents. The defendant also falsely claimed to have earned the Vietnam Service Ribbon and the Purple Heart. The loss to VA is \$143,606.

VA Employee and Nephew Plead Guilty to Theft of Government Funds

A VA employee and his nephew pled guilty to theft of Government funds. The VA employee was terminated after he entered his guilty plea. An OIG investigation revealed the defendants conspired to defraud VA by submitting fraudulent claims for VA education benefits. The approximate loss to VA is \$45,000.

Daughter of Deceased Beneficiary Sentenced for Theft of VA Benefits

The daughter of a deceased VA beneficiary was sentenced to 5 years' probation and ordered to pay restitution of \$93,648 to VA after pleading guilty to theft of Government funds and false statements. An OIG and U.S. Postal Inspection Service investigation determined that the defendant failed to report her mother's August 2004 death to VA, forged her deceased mother's signature on VA documentation, and attempted to transfer and hide the VA benefit payments from investigators. After sentencing, funds were seized from the defendant's bank account by court order for payment of the restitution.

Former Lexington, Kentucky, Contract Nurse Sentenced for Theft of Government Funds

A former Lexington, KY, VAMC contract nurse was sentenced to 6 months' home detention, 5 years' probation, and ordered to pay restitution of \$35,605 to VA after pleading guilty to theft of Government funds. An OIG investigation revealed that for approximately 18 months the defendant submitted false time sheets and invoices to VA. The defendant admitted to forging nearly 15 different supervisory signatures on the false invoices.

Former Fort Mitchell, Alabama, Cemetery Employee Arrested for Theft of Vehicle Involved in Homicide

A former Fort Mitchell, AL, National Cemetery VA Compensated Work Therapy employee was arrested for theft of a Government vehicle after an OIG, VA Police Service, and local sheriff's office investigation revealed that the stolen Government vehicle was used in a homicide. The homicide is currently an ongoing local police investigation.

Former Fayetteville, North Carolina, Employee Charged with Damage to Government Property

A former Fayetteville, NC, VAMC employee was charged in a criminal information with damage to Government property and theft of Government property. An OIG and VA Police Service investigation disclosed that the defendant intentionally damaged a canister of ethylene oxide (EtO) and exposed himself and other VA employees to the hazardous chemicals on two separate occasions. Ethylene oxide is a highly carcinogenic chemical, which is hazardous to humans. All of the VA employees exposed to EtO will be tested annually due to their exposure.

Fugitive Arrested with Assistance of OIG

A Veteran receiving VA medical services was arrested by a fugitive task force for failure to comply with registration as a sexual offender, aggravated indecent assault (under age 16), and corruption of minors. An OIG and task force investigation used an address and contact information to locate the fugitive, who was publicized in the local media as one of the Top Ten Most Wanted fugitives in the area.

*(original signed by Richard J. Griffin,
Deputy Inspector General for:)*

GEORGE J. OPFER
Inspector General