



# Department of Veterans Affairs

## Office of Inspector General

### November 2013 Highlights

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#### **CONGRESSIONAL TESTIMONY**

##### **OIG STAFF TESTIFIES BEFORE CONGRESS THAT VA IS INEFFECTIVE IN MANAGING CAPITAL PLANNING AND ASSESS MANAGEMENT**

Ms. Linda A. Halliday, Assistant Inspector General for Audits and Evaluations, testified before the Committee on Veterans' Affairs, United States House of Representatives, on several Office of Inspector General (OIG) reports dealing with VA's planning for, and management of, minor construction projects and health care centers. She focused on findings from OIG reports that show the consequences of VA's poor planning and management of its capital improvements. Ms. Halliday was accompanied by Ms. Maureen Regan, Counselor to the Inspector General.

#### **OIG REPORTS**

##### **OIG Makes Two Recommendations To Improve Opioid Prescription Practices at San Francisco VAMC**

OIG conducted an inspection concerning improper opioid prescription renewal practices in the Medical Practice Clinic (clinic) at the San Francisco VAMC. The complainant alleged that attending physicians on-duty are tasked with evaluating numerous opioid renewal requests for patients with whom they are unfamiliar, providers do not routinely document patients' opioid prescription renewal problems in the electronic health record, and there have been patient hospitalizations and deaths related to opioid misuse. OIG substantiated that attending physicians on-duty are tasked with evaluating numerous opioid renewal requests for patients with whom they are unfamiliar; however, Veterans Health Administration (VHA) regulations and local policy do not prohibit such practice. OIG partially substantiated that providers do not routinely document patients' opioid prescription renewal problems in the electronic health record. The providers did not consistently document an assessment for adherence with appropriate use of opioids and monitor patients for misuse. The primary care providers did not consistently complete the templated Narcotic Instructions Note. OIG partially substantiated that there have been patient hospitalizations and deaths related to opioid misuse. Seven clinic patients were hospitalized for opioid overdose; however, the primary care provider, Psychiatry Service, and/or the facility's Substance Abuse Program appropriately assessed and monitored the patients. There were no deaths related to opioid overdose. OIG recommended that the Facility Director ensure that providers comply with all elements of the management of opioid therapy for chronic pain, as required by VHA and the VA/Department of Defense Clinical Practice Guideline for Management of Opioid Therapy for Chronic Pain; the Narcotic Instructions Note is reevaluated for appropriate use; and providers comply with established protocol.

[Click here to access report.](#)

**Alleged Computed Tomography Scan Delays at Dayton VA Medical Center, Dayton, Ohio, Not Substantiated**

OIG's Office of Healthcare Inspections (OHI) conducted an inspection in response to a complainant's allegations that the Dayton VA Medical Center (VAMC) placed patients with stroke at risk for potential harm because computed tomography (CT) imaging was not staffed 24 hours a day, 7 days a week. The complainant specifically alleged that delays in obtaining CT scans after-hours reduced the patients' chances of getting tissue plasminogen activator (tPA) therapy, often referred to as a "clot buster" drug. Additionally, the complainant alleged that a great deal of overtime money was paid to CT technologists for call coverage after-hours when the CT section was not staffed. OIG did not substantiate the allegation that after-hours on-call staffing resulted in problematic delays in obtaining CT scans or provision of tPA therapy for acute stroke patients. As a supporting stroke facility, the VAMC promptly transfers or diverts patients acutely presenting stroke symptoms to the community primary stroke center and does not provide CT scans or tPA therapy in these cases. While emergency clinicians were very clear about this process, some imaging staff were not. The VAMC convened a compliance review and, later, an Administrative Investigation Board (AIB) in response to concerns regarding overtime and timekeeping. The AIB found irregularities in the overtime paid for after-hours CT coverage, but did not substantiate that some timekeepers violated policies and procedures related to timekeeping and privacy. OHI concurred with the findings and recommendations of the facility's compliance review and AIB. OIG did not make any recommendations. The Veterans Integrated Service Network (VISN) and Facility Director concurred with the report. No further action is required. [Click here to access report.](#)

**Review Finds Action Taken To Improve Audiology Services at the Sheridan VA Healthcare System, Sheridan, Wyoming**

OIG conducted an inspection to assess allegations regarding audiology services within the Sheridan VA Healthcare System (HCS) Sheridan, WY. OIG substantiated that Audiology Service staffing was insufficient; however, the HCS has taken action to improve the provision of audiology services. OIG did not substantiate that requests for audiology consultations, including non-VA purchased care, were inappropriately cancelled or discontinued. OIG substantiated that Veterans' access to audiology services was delayed. The HCS was aware of the situation and had processes and procedures in place to address the demand including the use of non-VA purchased care as a first choice, use of locums tenens, if available, and then the Electronic Wait List. OIG made no recommendations. [Click here to access report.](#)

**CRIMINAL INVESTIGATIONS****Widow Indicted for Murder of Veteran Husband**

The widow of a Veteran was indicted for first degree murder and conspiracy to commit first degree murder. A VA OIG, Social Security Administration (SSA) OIG, Tennessee Bureau of Investigation, and District Attorney's Office investigation revealed that the defendant and her current spouse conspired to murder her previous husband, a combat Veteran and VA beneficiary, by forcing him to overdose on prescription drugs and then staging the scene to make it appear that he committed suicide. The defendant later

applied for Dependency and Indemnity Compensation benefits and falsely claimed that her husband's drug overdose was related to his post-traumatic stress disorder (PTSD) disability. The defendant's current spouse previously pled guilty to conspiracy to commit first degree murder and agreed to fully cooperate with the prosecution against his wife in exchange for a reduced sentence. The loss to VA is over \$104,865.

### **Construction Company Owner and Son-in-Law Plead Guilty to Fraud**

The owner of a New Mexico construction company and his son-in-law pled guilty to conspiracy and to committing a major fraud against the United States. The plea agreements require 57 months' incarceration for the owner and 37 months' incarceration for his son-in-law. An OIG investigation determined that the owner of the company paid his step-brother approximately \$50,000 to use his service-disabled Veteran status in order to qualify for and obtain \$10.9 million in VA Service-Disabled Veteran-Owned Small Business (SDVOSB) contracts. The owner's step-brother previously pled guilty to conspiracy, major fraud, and wire fraud.

### **Company Employee Arrested for False Statements**

A company employee was arrested for false statements after a VA OIG, Housing and Urban Development (HUD) OIG, and U.S. Postal Inspection Service investigation revealed that he participated in an interstate fraudulent construction bond scheme involving multiple Federal agencies. The defendant was an employee of an "assignment of claims company" identified as one of four straw companies that had been working together to provide fictitious bonding documents to construction companies that were unable to obtain traditional bonding. The company entered into an agreement with the VISN 6 contracting office to disburse all funds from the U.S. Government to sub-contractors and suppliers of a North Carolina based SDVOSB construction company. The defendant received payment from one of the straw company's owners to sign the bonds for the multi-million dollar project even though funds were not available to support the project. As a result of the scheme, VA and HUD projects fell into default.

### **Veterans Sentenced for VA Compensation Fraud**

A Veteran was sentenced to 12 months' home detention, 36 months' supervised release, and ordered to pay \$75,982 in restitution after pleading guilty to wire fraud. A second Veteran was sentenced to 12 months' home detention, 36 months' supervised release, ordered to continue substance abuse and mental health treatment, and ordered to pay \$88,953 in restitution after pleading guilty to wire fraud. From 2003 to 2011, while working at the Maryland Department of Veterans Affairs, a State employee created fraudulent doctor notes and amendment forms, commonly referred to as DD-215s, as part of claims for service-connected disabilities. An OIG investigation revealed that the State employee solicited and received cash payments from the Veterans in exchange for assistance with their claims. The doctor's notes claimed that the Veterans had been diagnosed with diabetes and were insulin dependent. The fraudulent DD-215s were used as proof of service in Vietnam. The State employee also filed a fraudulent DD-215 form to increase his own rating for PTSD. A total of 17 Veterans received compensation benefits using the fraudulent forms. The loss to VA is

\$1,151,219. The State employee also assisted the Veterans in receiving \$255,555 in property tax waivers from the State that they were not entitled to receive.

### **Veteran Pleads Guilty To Making False Statements to VA**

A Veteran pled guilty to making false statements. An OIG investigation revealed that the defendant submitted fraudulent claims to the Veterans Benefits Administration (VBA) for traumatic brain injury and PTSD and subsequently made numerous false statements to VHA in support of those claims. The defendant told VA doctors that his service-connected PTSD was due to a traumatic event he experienced while in combat. It was later revealed that the defendant never fell out of a helicopter as he claimed, never deployed, and that he never experienced combat.

### **Former VA Fiduciary Pleads Guilty to Misappropriation by a Fiduciary**

A former VA fiduciary pled guilty to misappropriation by a fiduciary. An OIG investigation determined that the defendant, who is an attorney and former police officer, embezzled approximately \$137,000 of VA benefits from his brother-in-law, a disabled Veteran. The defendant hid the embezzlement by charging it to excessive legal fees.

### **Former VA-Appointed Guardian Sentenced for Theft**

A former VA-appointed guardian was sentenced to 2 years' probation and ordered to pay the victim \$48,000 in restitution. An OIG investigation revealed that the defendant stole funds payable to his sister, the mentally disabled daughter of a deceased Veteran, and used the stolen funds for personal expenses.

### **VA Fiduciary Indicted for Misappropriation**

A VA fiduciary was indicted for misappropriation by a fiduciary. An OIG investigation revealed that the defendant, who is the Veteran's sister, used the Veteran's VA funds for her personal expenses and failed to make 20 mortgage payments toward the Veteran's home. The Veteran's home entered into foreclosure status as a direct result of the defendant's actions.

### **Veteran Sentenced for Assaulting Portland, Oregon, VAMC Employee**

A Veteran was sentenced to 6 months' incarceration, 3 years' supervised release, and ordered to pay restitution of \$1,850 (payment of victim's medical bill) after pleading guilty to the assault of a Federal employee. An OIG and VA Police Service investigation revealed that the defendant, who was an inpatient at the Portland, OR, VAMC, assaulted a nurse causing a fractured jaw.

### **Veteran Arrested for Assaulting Bath, New York, VAMC Police Officers**

A Veteran was arrested for assaulting Federal officers. An OIG and VA Police Service investigation revealed that the Veteran assaulted two Bath, NY, VAMC police officers when he was being processed for admission to the medical center's Addiction Services Unit.

**Veteran Indicted for Threats to VA Employees**

A Veteran was arrested and subsequently indicted for threatening to murder a Government employee and failing to register as a sex offender. An OIG and VA Police Service investigation revealed that in August 2013 the defendant made several threats to kill VA employees and police officers. The defendant also failed to register as a sex offender when he moved to Washington State. The defendant remains in custody pending trial.

**Former Union President Sentenced for Embezzlement**

A former American Federation of Government Employees union president was sentenced to 6 months' home confinement, 3 years' probation, and ordered to pay \$122,477 in restitution. An OIG and Department of Labor, Office of Labor Management Standards investigation revealed that the defendant embezzled union funds by writing 187 checks to himself from the union's checking account.

**West Palm Beach, Florida Employee Sentenced for Drug Sales**

A VA employee, who was also a Veteran, was sentenced to 12 months' incarceration after pleading guilty to the sale of oxycodone. The sentencing stemmed from a 7-month multiagency drug diversion task force investigation. Operation Tango Vax focused on combating the sale and distribution of illicit and controlled prescription pharmaceuticals at the West Palm Beach, FL, VAMC and the surrounding community by VA employees, Veterans, and their associates. The investigation determined that the majority of all criminal activity occurred at the VAMC and resulted in the seizure of over 3,000 oxycodone pills, 2 vehicles, and \$180,920 in cash.

**Former Bronx, New York, VAMC Nursing Assistant Sentenced for Identity Theft**

A former Bronx, NY, VAMC nursing assistant was sentenced to 8 months' home confinement, 3 years' probation, and ordered to pay \$4,495 in restitution. An OIG and Department of State, Bureau of Diplomatic Security investigation revealed that the defendant fraudulently gained employment with VA on two separate occasions and fraudulently obtained a U.S. Passport by using the false identity of a person who died in 1988. The defendant, originally from Ghana, resigned from VA in November 2012.

**Veteran Pleads Guilty To Making False Statements**

A Veteran pled guilty to making false statements. An OIG investigation revealed that between August 2007 and July 2011 the defendant, who was receiving VA pension benefits, failed to report his earnings to VA. The loss to VA is \$58,440.

**Former Togus, Maine, VA Pharmacy Technician Pleads Guilty to Theft**

A former Togus, ME, VA pharmacy technician pled guilty to theft of Government property. An OIG investigation disclosed that the defendant stole VA non-controlled medication to include Simvastatin, Fioricet, Phrenalin, and the controlled narcotic Vicodin from the VA pharmacy. A subsequent inventory of the prescription non-controlled pain medications disclosed that the VA pharmacy was missing over 4,700 pills. The replacement cost of these pills is \$2,469. The defendant admitted to stealing the Simvastatin for her husband and the pain medication for her own use.

**Widow of Deceased Veteran Pleads Guilty to Theft of Government Funds**

The widow of a deceased Veteran pled guilty to theft of Government funds. An OIG investigation determined that the defendant stole VA benefits that were direct deposited and also received, forged, and negotiated VA benefit checks that were issued after her husband's death in December 2007. The loss to VA is \$76,998.

**Veteran Sentenced for Theft of Government Travel Funds**

A Veteran was sentenced to 10 months' incarceration, 36 months' probation, and ordered to pay VA \$21,394 in restitution after pleading guilty to theft of Government funds. An OIG investigation revealed that the defendant submitted 316 fraudulent travel vouchers claiming that he traveled 174 miles round-trip to the Salt Lake City, UT, VAMC, when the defendant lived a few blocks from the facility.

**Son of Deceased Veteran Sentenced for Fraud**

The son of a deceased Veteran was sentenced to 4 months' home detention, 2 years' probation, and ordered to pay VA restitution of \$16,995 and the SSA restitution of \$62,110 after pleading guilty to program fraud. A VA OIG and SSA OIG investigation revealed that the defendant failed to report his father's January 2007 death to VA and the SSA. The defendant subsequently stole SSA benefits and VA benefits that were direct deposited to his father's account.

**Former Martinsburg, West Virginia, VAMC Registered Nurses Sentenced for Drug Diversion**

A former Martinsburg, WV, VAMC registered nurse was sentenced to 36 months' probation after pleading guilty to acquiring and obtaining a controlled substance by fraud and deception. An OIG and VA Police Service investigation determined that on five occasions in October 2011 the defendant removed controlled medication from the facility's automated Omnicell medication dispensers using the names of patients whose electronic medical records indicated that they did not receive the medication. In an unrelated case, a second former Martinsburg, WV, VAMC registered nurse was sentenced to 24 months' probation after previously pleading guilty to acquiring and obtaining Hydromorphone by fraud, deception, and subterfuge. An OIG and VA Police Service investigation determined that on 23 occasions between October 2009 and December 2009 the defendant removed controlled medication from the facility's automated Pyxis medication dispensers for patients whose electronic medical records indicated that they did not receive the medication.

**Fugitive Felon Arrested with Assistance of OIG**

A Veteran wanted for aggravated sexual assault on a child was arrested by a U.S. Marshals Regional Fugitive Task Force with the assistance of OIG and VA Police Service.



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