

VA Office of Inspector General

OFFICE OF AUDITS AND EVALUATIONS



Veterans Benefits Administration

*Audit of
Veterans Retraining
Assistance Program*

September 17, 2013
12-04524-321

ACRONYMS AND ABBREVIATIONS

IVR	Interactive Voice Response
OIG	Office of Inspector General
RPO	Regional Processing Office
VA	Veterans Affairs
VA-ONCE	VA ONline Certification of Enrollment
VBA	Veterans Benefits Administration
VRAP	Veterans Retraining Assistance Program
WAVE	Web Automated Verification of Enrollment

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Report Highlights: Audit of VBA's Veterans Retraining Assistance Program

Why We Did This Audit

In November 2011, Congress passed the Veterans Opportunity to Work to Hire Heroes Act authorizing the Veterans Retraining Assistance Program (VRAP). VRAP offers training assistance to unemployed veterans who are not eligible for any other VA education benefits program. The program expires in March 2014. Our objective was to determine whether the Veterans Benefits Administration (VBA) effectively administered VRAP to maximize veterans' use of the program.

What We Found

Early in our audit, we issued an interim report stating that VRAP would not achieve the participant levels authorized by Congress. The Under Secretary for Benefits agreed with our recommendations to accept applications until VBA reached the program limit for veterans enrolled in approved training or until October 1, 2013, the last date a veteran may apply for program benefits.

This report details the conditions identified since issuing the interim report. We projected about 2,700 (15 percent) of 18,500 enrolled veterans did not comply with the program's full-time attendance requirements, and over 1,800 of the 2,700 veterans inaccurately certified their status as full-time students. Some school officials did not adequately monitor veterans' academic progress or accurately report enrollment information. Also, VBA did not have sufficient warnings in place

describing the penalty for false certifications and it should not have approved one of the schools that did not have appropriate procedures as a training institution.

We projected that VBA paid about \$12 million to just over 2,300 veterans who were not complying with VRAP attendance requirements. Without increased oversight and controls, VBA risks providing further inappropriate payments to veterans who do not meet full-time attendance requirements.

What We Recommended

We recommended the Under Secretary for Benefits reinforce to schools they must monitor veterans' progress and accurately report enrollments, clarify and establish procedures to manage VRAP, and warn veterans of the penalty for incorrect certifications. If extended beyond March 2014, VBA should consider stronger controls to ensure the long-term integrity of the program.

Agency Comments

The Under Secretary for Benefits concurred with our recommendations and provided plans for corrective actions. We consider the actions acceptable and will follow up on their implementation.

A handwritten signature in blue ink that reads "Linda A. Halliday".

LINDA A. HALLIDAY
Assistant Inspector General
for Audits and Evaluations

TABLE OF CONTENTS

Introduction.....	1
Results and Recommendations	2
Finding VBA’s Oversight of VRAP Needs Improvement	2
Recommendations	7
Appendix A Background	8
Appendix B Scope and Methodology.....	9
Appendix C Statistical Sampling Methodology	11
Appendix D Potential Monetary Benefits in Accordance With Inspector General Act Amendments	14
Appendix E Under Secretary for Benefits Comments	15
Appendix F Executive Summary of Interim Report	18
Appendix G Office of Inspector General Contact and Staff Acknowledgments.....	19
Appendix H Report Distribution.....	20

INTRODUCTION

Objective The VA Office of Inspector General (OIG) performed this audit to determine if the Veterans Benefits Administration (VBA) effectively administered the Veterans Retraining Assistance Program (VRAP) to maximize veterans' use of the program.

Veterans Retraining Assistance Program VRAP participants must enroll in a VA-approved program of education offered by a community college or technical school. The program must lead to an associate degree, non-college degree, or a certificate, and train veterans for a high-demand occupation as determined by the Department of Labor. These veterans must attend full-time and may receive up to 12 months of financial assistance, which is \$1,564 monthly for FY 2013.

Interim Report Early in our audit of VRAP, we issued an interim report for VBA's immediate action to ensure VBA maximized veterans' use of this time-sensitive program. We reported that if VBA continued using its current method of counting authorized participants, veterans' use of VRAP would not achieve the levels authorized by Congress. In November 2011, Congress authorized VRAP benefits for 45,000 participants during FY 2012, and 54,000 participants from October 1, 2012, through March 31, 2014. To ensure VBA did not exceed the authorized limit of 99,000 participants, VBA counted approved applicants as participants. However, not all approved applicants were actually participating in the program. As of February 15, 2013, about 33,000 (33 percent) of the 99,000 authorized participants were enrolled in an approved training program and receiving program benefits. We recommended VBA continue to accept applications until they reach the program limit for veterans enrolled in an approved training program, or until October 1, 2013, the last date a veteran may apply for program benefits. We made three other recommendations related to ensuring veterans take full advantage of VRAP in our Veterans Benefits Administration – Interim Report – *Participation in the Veterans Retraining Assistance Program* (April 15, 2013, Report Number 12-04524-171), which is available on the OIG Web page: <http://www.va.gov/oig/pubs/VAOIG-12-04524-171.pdf>.

Other Information The following appendices provide additional information:

- Appendix A provides pertinent background information.
- Appendix B provides details on our scope and methodology.
- Appendix C provides details on the statistical sampling methodology.

RESULTS AND RECOMMENDATIONS

Finding VBA's Oversight of VRAP Needs Improvement

We estimated over 2,700 (15 percent) of the approximately 18,500 veterans enrolled in VRAP as of November 27, 2012, did not meet the program's full-time attendance requirements. In addition, we estimated that over 1,800 of those 2,700 enrolled veterans inaccurately certified their status as full-time students and received inappropriate monthly benefit payments. This occurred because some school officials were not adequately monitoring academic progress and reporting full-time student status changes timely or accurately.

We also identified one school that VBA should not have approved for any GI Bill benefits, including VRAP. Only one veteran from our sample was enrolled at this school. However, we conducted a site visit and school attendance records showed an additional 55 veterans were enrolled and receiving VRAP benefits at this school. A VBA Education Liaison Representative approved the school without ensuring the school had adequate procedures detailing academic standards and attendance policies.

We estimated VBA paid approximately \$5 million to \$19 million with a mid-point estimate of \$12 million to just over 2,300 of the 2,700 veterans who did not meet VRAP full-time attendance requirements. The remaining veterans did not incur payment errors. Without increased oversight and additional controls, VBA risks providing further inappropriate benefit payments to veterans who do not meet full-time attendance requirements.

Veterans Not Meeting Program Requirements

As of November 27, 2012, VBA reported it approved about 65,000 veterans for VRAP and approximately 18,500 of these veterans enrolled in training. Table 1 summarizes the oversight errors identified at the four Regional Processing Offices (RPOs) selected for review.

Table 1

Summary of School Oversight and Veteran Certification Errors			
Regional Processing Office	School Official Oversight	Veteran Certification of Attendance	Sample Size
Atlanta, GA	6	5	35
Buffalo, NY	5	4	33
Muskogee, OK	9	7	52
St. Louis, MO	3	1	34
Total	23	17	154

Source: OIG analysis of VRAP veterans enrolled as full-time students

School Officials Not Providing Adequate Oversight

We estimated over 2,700 (15 percent) of the approximately 18,500 veterans enrolled in VRAP as of November 27, 2012, did not meet the program's full-time attendance requirements. This occurred because schools did not effectively monitor academic progress and report full-time student status changes.

Inadequate Monitoring of Academic Progress

Some school officials did not identify those veterans who reduced their enrollment to less than full-time. This occurred because some school officials were not monitoring veterans' attendance or grades in order to report enrollment status changes. Schools approved to participate in VRAP are required to report veterans' enrollment status changes to VBA within 30 days of veterans interrupting, terminating, or reducing their credit hours. Effective monitoring and reporting is needed to provide VBA with information supporting whether the veteran is a full-time student and is entitled to monthly benefit payments. The following two examples illustrate the inadequate school monitoring of VRAP participants' academic progress.

Example 1

A veteran enrolled as a full-time student (13 hours) for the class term from September to December 2012. However, the veteran's transcript showed he withdrew from all classes in September 2012. Until we requested this information from the school, the official was unaware the veteran withdrew from classes. VBA paid the veteran approximately \$8,000 over 5 months even though he had dropped all of his classes and was no longer enrolled.

Example 2

We requested the certifying official at another school provide attendance records or the last date of attendance for a veteran who received failing grades for three classes. The official told us their instructors did not take attendance, and the school's practice was to require a signed statement from the veteran as to the last date the veteran attended. This school later provided documentation from the instructor that the veteran's last date of attendance in one class was October 10, 2012, which reduced the veteran's enrollment status to less than full-time after that date. VBA paid the veteran just under \$3,650 for over 2 months even though he was not attending full-time.

While VA's *School Certifying Official Handbook* allows obtaining a signed statement from a veteran, the signed statement option is listed after four other more objective means of verification. It is our opinion a veteran's signed statement should not be used as the only means of verifying attendance. The other means of attendance verification are:

- Attendance records
- Grading reports
- Last day on which exam or other papers were filed
- Last day of activity in instructor records

VBA needs to reinforce to all schools that participate in VRAP they must monitor veterans' grades for satisfactory progress and report changes of enrollment within 30 days. In addition, VBA should revise the *School Certifying Official Handbook* to state a veteran's signed statement should not be used as the only means of verifying attendance.

*Inaccurate
Reporting of
Full-Time
Student Status*

Some school officials reported veterans' full-time student status inaccurately. While other VA education benefits have different options, VRAP participants must attend as a full-time student. If a school term is different from a standard quarter or semester, school officials must report actual class terms and hours in the VA ONline Certification of Enrollment (VA-ONCE) system. This allows VBA to know whether the veteran is a full-time student and supports entitlement to monthly benefit payments. Some school officials did not always fully understand this and reported inaccurate student status information. The following is an illustration of a school inaccurately reporting a veteran as a full-time student.

Example 3

One school's official reported a veteran as a full-time student taking 13.5 credit hours of courses for the entire semester term of September 26 through December 15, 2012. The veteran's transcript showed he was enrolled in 9 credit hours from September 26 through December 15 and an additional 4.5 credit hours from November 5 through December 15, 2012. According to VRAP eligibility criteria, the veteran was not attending school full-time until November 5, 2012. The RPO inappropriately paid the veteran a little over \$1,800 in VRAP benefits for the period of September 26 through November 4, 2012, due to the school inaccurately reporting the veteran's enrollment status.

VBA should reinforce to schools participating in VRAP they need to accurately report credit hours with specific class term dates in the VA-ONCE system.

Veteran Self-Certification

We estimated over 1,800 of the 2,700 veterans inaccurately certified their status as full-time students and received inappropriate monthly benefit payments. VBA notifies veterans on their certificate of eligibility that they should promptly notify their school officials and VA if there is any change in their enrollment status. The certificate also explains that VA cannot pay them for courses they do not attend or courses from which they withdraw.

Once enrolled, veterans are required to certify their attendance every month to receive VRAP payments, either by the Web Automated Verification of Enrollment (WAVE) system or by telephone using the Interactive Voice Response (IVR) system. When veterans log into the WAVE system to verify enrollment, the system displays their current enrollment information. Veterans must certify the enrollment information is correct, and the confirmation page states there is a penalty for willful false reports. When

veterans call into the IVR system, no such warning is provided. After answering a series of questions, the IVR system locates the veteran's record by VA claim number and zip code. It then compares the current date with the date the veteran was last paid. If the veteran is eligible for the monthly benefit, the IVR system automatically informs the veteran they will receive payment for that period.

We identified 17 veterans who certified their status as full-time students. However, upon a review of their records, we found they were not attending training or they had reduced their training to less than full-time or completely withdrew from training during the term. The following two examples illustrate instances of veterans inaccurately certifying their full-time attendance.

Example 4

One veteran enrolled in a 3-week truck driver training program for the term October 15 to November 9, 2012. However, the school official incorrectly reported the training ended November 9, 2015. While training ended November 9, 2012, the veteran continued to certify his enrollment each month by both WAVE and IVR. The veteran received payments through January 2013 when RPO staff stopped his award based on our inquiry. The veteran was overpaid about \$4,223 and could have received additional unsupported payments totaling approximately \$13,250 had OIG not identified this error, or had it not been caught by VA in a subsequent compliance survey visit.

Example 5

A veteran's school transcripts showed the veteran received "F" grades for 12-credit hours during a 2012 class term. Class instructor records showed that the veteran had never attended a 3-credit hour training course. While this resulted in the veteran not meeting full-time student requirements, the veteran continued to certify full-time student status. The veteran was overpaid approximately \$5,600 for the school term.

If schools reported timely and accurately that a veteran was no longer attending training or was not attending full-time, VBA would be able to identify veterans who inaccurately certify their status as full-time students. To further minimize payment errors, VBA should include language on the IVR scripts to warn veterans of the potential penalty for certifying false enrollment information. We provided VBA Education Service management and the OIG Office of Investigations with a list of veterans who inaccurately certified their enrollment.

**Inappropriate
Approval of
School**

We identified one school that VBA should not have approved to provide training for any GI Bill benefits, including VRAP. According to VBA, an Education Liaison Representative inappropriately approved this technical school as an authorized educational institution without obtaining the required documentation. Schools are required to submit certain information with their

application for approval. This includes school policies and regulations detailing veteran academic standards and attendance policies.

Only 1 of the 23 errors we identified from our sample involved a veteran who was enrolled at this school. However, we conducted a site visit to this school, and school attendance records indicated an additional 55 veterans were enrolled and receiving VRAP benefits. We obtained hand-written attendance records for the 56 veterans, which showed the following.

- Forty veterans had attended classes, but only 28 of these veterans attended at least 50 percent of the classes.
- Sixteen veterans had no record of any attendance.

Additionally, we conducted an unannounced site visit to a scheduled class at this school. According to the school's attendance records, 27 veterans were enrolled in this class. After 45 minutes from the official class start time, we observed only one individual sitting in the classroom with no apparent instruction occurring.

We recommended VBA officials consider reviewing the school's approval for VRAP benefits. VBA agreed and immediately scheduled a review of this school. Following its review, VBA informed us it withdrew approval for the school to provide training to any new veteran enrollees as of April 25, 2013. In addition, VBA:

- Reviewed 26 additional for-profit non-college degree-approved schools or training facilities approved by this Education Liaison Representative.
- Withdrew approval for 14 of the 26 non-college degree schools to participate in VRAP and suspended participation of 8 others until the schools provided additional documentation. Only 9 of the 14 schools whose approval was withdrawn or suspended had veterans enrolled in their program.

VBA is allowing currently enrolled veterans at the nine schools that are no longer allowed to participate in VRAP to complete their training program. However, VBA should implement a plan to monitor these veterans to ensure they meet VRAP full-time attendance requirements and are making positive progress towards program completion.

***Inappropriate
Benefit
Payments***

We estimated VBA paid approximately \$5 million to \$19 million with a midpoint estimate of \$12 million to just over 2,300 veterans who did not meet VRAP full-time attendance requirements.

Conclusion

VBA should make sure participating schools comply with program requirements that veterans attend training and make satisfactory progress while receiving VRAP payments. Without increased oversight and

additional controls, VBA risks making additional payments to veterans who do not meet full-time attendance requirements. We developed our recommendations based on VRAP's termination date of March 31, 2014. If Congress extends the program, VBA needs to consider implementing stronger controls to ensure the long-term integrity of the program.

Recommendations

1. We recommended the Under Secretary for Benefits reinforce to schools participating in the Veterans Retraining Assistance Program they must monitor VA students' attendance and grades for satisfactory academic progress.
2. We recommended the Under Secretary for Benefits reinforce to schools participating in the Veterans Retraining Assistance Program they are required to report VA students' changes in enrollment to VBA within 30 days.
3. We recommended the Under Secretary for Benefits revise the certifying official handbook to state a veteran's signed statement should not be used as the only means of verifying attendance.
4. We recommended the Under Secretary for Benefits reinforce to schools participating in the Veterans Retraining Assistance Program they need to accurately report credit hours and class terms in the VA Online Certification of Enrollment system.
5. We recommended the Under Secretary for Benefits include language on the Interactive Voice Response scripts to warn veterans of the potential penalty for certifying false enrollment information.
6. We recommended the Under Secretary for Benefits implement a plan to monitor veterans currently enrolled at the schools that had their approval withdrawn or suspended to ensure they meet Veterans Retraining Assistance Program full-time attendance requirements and are making positive progress towards program completion.

Management Comments and OIG Response

The Under Secretary for Benefits concurred with our recommendations and agreed that VBA could improve its oversight of VRAP. The Under Secretary stated VBA began accepting applications for VRAP within 6 months of the law being enacted and has continuously worked to improve the administration of the program and educate schools and students on program requirements.

The Under Secretary's comments and action plans were responsive to the intent of our recommendations. We will monitor implementation of these actions and will close the recommendations when we receive sufficient evidence demonstrating VBA's progress in addressing the issues identified. Appendix E contains the full text of the Under Secretary's comments.

Appendix A Background

The GI Bill of Rights

The Servicemen's Readjustment Act of 1944, commonly known as the GI Bill of Rights, was established to help veterans assimilate into civilian life. Education benefits under what became known as the Montgomery GI Bill–Active Duty (Chapter 30 of Title 38, United States Code) is limited to 10 years following a service member's last discharge from active duty. On November 21, 2011, Congress passed the Veterans Opportunity to Work to Hire Heroes Act, which provided an opportunity for unemployed veterans not eligible for GI Bill education benefits to gain new skills through a temporary expansion of eligibility for education and training benefits.

Veterans Retraining Assistance Program

The Veterans Opportunity to Work to Hire Heroes Act authorized VRAP. The program offers training assistance to unemployed veterans who are not eligible for any other VA education benefits program. Congress allowed for up to 45,000 participants from July 1, 2012, through September 30, 2012, and 54,000 participants from October 1, 2012, through March 31, 2014. To participate in VRAP, veterans must:

- Be at least 35 but no more than 60 years of age
- Have an other than dishonorable discharge
- Be unemployed and have no eligibility to any other VA education benefits
- Not be in receipt of VA compensation due to unemployability
- Not be enrolled in a Federal or State job training program

When an application is received and all the above criteria are met, VBA issues the veteran a certificate of eligibility and notifies the veteran he or she is entitled to benefits that must be used before April 1, 2014. Once eligible, it is the veteran's responsibility to enroll in an approved full-time training program and pay the program costs.

Once enrolled, VA pays a standard monthly stipend that is equal to the monthly full-time payment rate under the Montgomery GI Bill–Active Duty program. The stipend does not change based on the cost of the training program or the veteran's circumstances, such as number of dependents. The FY 2012 VRAP monthly stipend rate was \$1,473 a month. The stipend increased to \$1,564 a month for FY 2013.

Appendix B Scope and Methodology

Scope

We conducted our audit work from September 2012 through August 2013. The audit focused on all veterans' applications for VRAP received between May 15, 2012 (the first date on which applications were accepted), and November 27, 2012. During this period, VBA reported it received almost 79,000 applications for VRAP, approved about 65,000 applications, and denied benefits to over 5,000 veterans who were not eligible for the program. VBA paid over \$48 million to approximately 18,500 veterans enrolled in training as of November 27, 2012.

The number of veterans trained or in training has increased by over 300 percent since November 27, 2012. As of July 15, 2013, VBA updated its program information and reported it received approximately 128,500 applications for VRAP, approved about 112,000 applications, and denied benefits to about 10,000 veterans. As of July 2013, VBA reported paying a total of about \$367 million to approximately 57,000 veterans who enrolled in training.

Methodology

To address our audit objective, we:

- Interviewed VBA Education Service management and staff at VA Central Office, Washington, DC; and at the four RPOs in Atlanta, GA; Buffalo, NY; Muskogee, OK; and St. Louis, MO.
- Analyzed a sample of VRAP applications to determine the timeliness of processing and samples of completed decisions to determine the accuracy of eligibility decisions and of payments.
- Requested officials complete a survey showing each veteran's current status and provide the veteran's school transcript at 142 schools where 154 veterans were in training.
- Reviewed academic transcripts for veterans who received VRAP benefits to ensure they were enrolled full-time. Where transcripts showed veterans withdrew from their classes or received failing grades, we contacted the school officials and confirmed certain veterans' information, such as when they stopped attending class.
- Conducted site visits to four schools to identify school policies and procedures for veteran/student enrollment, attendance requirements, monitoring, and reporting.
- Reviewed for potential program fraud and provided VBA Education Service management and the OIG Office of Investigations with a list of veterans who inaccurately certified their enrollment.

Criteria To evaluate decisions, we applied the same criteria RPOs are required to follow when determining VRAP eligibility. This included Education Service VRAP Procedural Advisories and VBA Manual M22-4.

Data Reliability To answer the audit's objective, we relied on computer-processed data contained in the VA-ONCE system, the Image Management System, SHARE, and Modern Award Processing-Development applications. The VA-ONCE system is a completely Internet-based application developed by schools and VA representatives as an enhanced means for submitting enrollment information. The Image Management System is an image-based application that contains workflow information to support the processing of education benefits. SHARE is a computer application used to establish and manage benefits information. Modern Award Processing-Development is an application to help perform claims development and identify evidence that has and has not been received.

We assessed the reliability of this data by reviewing information in VBA's electronic records and comparing this information with the system data provided to us. We also conducted sufficient tests of the data and discussed the data with program management. Additional data reliability tests included steps to identify any missing data in key fields, calculation errors, and data outside of our period of review. Based on these tests and assessments, we concluded the data were sufficiently reliable for us to use to meet the audit's objective.

Government Standards Our assessment of internal controls focused on those controls related to our audit objective. We conducted this performance audit in accordance with generally accepted government auditing standards. These standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

Appendix C Statistical Sampling Methodology

Population

VBA's *Daily VRAP Report*, dated November 28, 2012, showed 78,864 individual applicants as of November 27, 2012. The 78,864 applications consisted of approved applications, not deemed eligible (disallowed) applications, and applications not yet decided (pending).

Table 2 identifies the total number of VRAP applications by status and the number of sample applications we reviewed.

Table 2

Sample Size by VRAP Status		
VRAP Status	Sample Size	Population
Disallowed	160	5,385
Approved/ not enrolled	166	46,691
Approved and trained or in training	154	18,503
Pending	120	8,285*
Total	600	78,864

Source: OIG statistical samples selected based on population shown on VBA's Daily VRAP Report, November 28, 2012

Sampling Design

To answer our audit objective, we selected four samples. We stratified each population by RPO and selected a statistical simple random sample. All RPOs and veterans had a chance of being selected, which allowed making projections over the whole population, dollar amount, and RPOs. We analyzed our four samples to determine the following results.

- We sampled 160 of the 5,385 disallowed applications as of November 27, 2012, and did not identify any reportable disallowance decisions.
- We sampled 166 of the 46,691 veterans who had received a certificate of eligibility but had not yet enrolled in training, as of November 27, 2012, and did not identify any reportable approval decisions.
- We stratified the 18,503 veterans who were trained or in training, as of November 27, 2012, into groups based on the 4 RPOs and dollar amounts by payment levels. The sample included 154 approved applicants who had enrolled in training. Reportable issues are highlighted in this report.

* VBA did not maintain a list of pending applications. However, VBA's *Daily VRAP Report*, dated November 28, 2012, showed 78,864 applications had been received. By subtracting 65,194 approved and 5,385 denied applications, 8,285 applications were left pending.

- We sampled 120 applications that were pending as of May 16, 2013. We found that the 120 pending applications had been reviewed or were primarily waiting for character of service determinations.

Weights

We calculated estimates in this report using weighted sample data. Sampling weights are computed by taking the product of the inverse of the probabilities of selection at each stage of sampling.

Projections and Margins of Error

We used a 90 percent confidence interval and sample size based on dollars and RPO to compute expected margins of error for the sample. The margins of error and confidence intervals are indicators of the precision of the estimates. If we repeated this audit with multiple samples, the confidence intervals would differ for each sample but would include the true population value 90 percent of the time.

We used the midpoint of the 90 percent confidence interval for each projection. For the 18,503 veterans trained or in training as of November 27, 2012, we projected that 2,744 (15 percent) did not meet VRAP full-time attendance program requirements, and VBA sent unsupported payments to 2,329 (13 percent) veterans.

Table 3 shows a summary of types of errors found. Table 4 provides a summary of estimated benefit payment errors and total payment errors. In Tables 3 and 4, unlike the projected values themselves, the margins of error for each of the categories do not sum to the margin of error for the total. Margins of error are calculated independently for each projected value. Numbers are rounded for report presentation.

Table 3

Summary of Types of Errors					
Type of Error	Projected Number	Margin of Error	90 Percent Confidence Interval		Error Number (Sample Size 154)
			Lower Limit	Upper Limit	
School Officials Not Providing Adequate Oversight	2,744	997	1,747	3,741	23
Percentage	14.8	5.4	9.4	20.2	
Veterans Inaccurately Certifying	1,829	810	1,020	2,639	17
Percentage	9.9	4.4	5.5	14.3	

Source: VA OIG statistical analysis of school official oversight issues based on sample results of veterans enrolled in training

Table 4

Summary of Estimated Benefit Payments Errors					
Type of Error	Projected Number	Margin of Error	90 Percent Confidence Interval		Error Number (Sample Size 154)
			Lower Limit	Upper Limit	
Total Errors	2,744	997	1,747	3,741	23
Percentage	14.8	5.4	9.4	20.2	
Benefit Payments Errors	2,329	920	1,409	3,249	20
Percentage	12.6	5.0	7.6	17.6	
Total Payments in Error	\$12 million	\$7 million	\$5 million	\$19 million	

Source: VA OIG statistical analysis of benefit payments errors based on sample results of veterans enrolled in training

Appendix D Potential Monetary Benefits in Accordance With Inspector General Act Amendments

Recommendation	Explanation of Benefits	Better Use of Funds	Questioned Costs
1-5	<p>Using statistical sampling, we identified the number of veterans who were not complying with VRAP requirements. We identified the amount VBA overpaid each veteran and projected that to our universe. Strengthened program controls will help ensure only eligible veterans receive VRAP benefits.</p>	\$12 million	\$0
Total		\$12 million	\$0

Appendix E Under Secretary for Benefits Comments

Department of Veterans Affairs

Memorandum

Date: September 6, 2013

From: Under Secretary for Benefits (20)

Subj: OIG Draft Report—Audit of Veterans Retraining Assistance Program
[Project No. 2012-04524-R5-0218)—VAIQ 7387772

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

1. Attached is VBA's response to the OIG's draft report: Audit of Veterans Retraining Assistance Program.
2. Questions may be referred to Catherine Milano, Senior Program Analyst, at 461-9216.



Allison A. Hickey

Attachment

**Veterans Benefits Administration (VBA)
Comments on OIG Draft Report
Audit of Veterans Retraining Assistance Program**

VBA provides the following comments:

Within six months of the law being enacted, VA and the Department of Labor collaboratively leveraged existing systems to begin accepting applications on May 15, 2012, to meet the statutory program start date of July 1, 2012. VA developed an aggressive outreach campaign to raise awareness about the Veterans Retraining Assistance Program (VRAP) for both students and schools and has already acted upon interim recommendations from the Office of Inspector General to help maximize program utilization. While we concur with the recommendations in this report, we note that we have continuously worked to improve the administration of the program and educate schools and students on program requirements.

The following comments are submitted in response to the recommendations in the OIG draft report:

Recommendation 1: We recommend the Under Secretary for Benefits reinforce to schools participating in the Veterans Retraining Assistance Program they must monitor VA students' attendance and grades for satisfactory academic progress.

VBA Response: Concur. Education Service will issue a memo reminding School Certifying Officials that they are obligated to accurately monitor and report VA student attendance and progress.

Target Completion Date: October 1, 2013

Recommendation 2: We recommend the Under Secretary for Benefits reinforce to schools participating in the Veterans Retraining Assistance Program they are required to report VA students' changes in enrollment to VBA within 30 days.

VBA Response: Concur. Education Service will issue a memo reminding School Certifying Officials that they are obligated to accurately and timely report changes in VA student enrollment status.

Target Completion Date: October 1, 2013

Recommendation 3: We recommend the Under Secretary for Benefits revise the certifying official handbook to state a veteran's signed statement should not be used as the only means of verifying attendance.

VBA Response: Concur. Education Service will revise the School Certifying Official Handbook to clearly state that a Veteran's signed statement should not be used as the only means of verifying attendance.

Target Completion Date: October 1, 2013

Recommendation 4: We recommend the Under Secretary for Benefits reinforce to schools participating in the Veterans Retraining Assistance Program they need to accurately report credit hours and class terms in the VA ONline Certification of Enrollment system.

VBA Response: Concur. Education Service will issue a memo to School Certifying Officials reminding them of the correct method of reporting multiple overlapping terms in the VA ONline Certification of Enrollment system.

Target Completion Date: October 1, 2013

Recommendation 5: We recommend the Under Secretary for Benefits include language on the Interactive Voice Response scripts to warn veterans of the potential penalty for certifying false enrollment information.

VBA Response: Concur. Education Service will work to have the appropriate changes made to the Interactive Voice Response system.

Target Completion Date: December 1, 2013

Recommendation 6: We recommend the Under Secretary for Benefits implement a plan to monitor veterans currently enrolled at the schools that had their approval withdrawn or suspended to ensure they meet Veterans Retraining Assistance Program full-time attendance requirements and are making positive progress towards program completion.

VBA Response: Concur. Education Service will direct the appropriate field personnel to perform follow-up visits to all schools with VRAP participants that had their approval suspended or withdrawn, to ensure the Veterans are meeting the full-time attendance requirements, thus making positive progress towards program completion.

Target Completion Date: November 1, 2013

Appendix F Executive Summary of Interim Report

Veterans Benefits Administration – Interim Report – Participation in the Veterans Retraining Assistance Program, April 15, 2013, Report No. 12-04524-171

During our ongoing national audit of the Veterans Retraining Assistance Program (VRAP), we determined that if Veterans Benefits Administration (VBA) officials continued using its current method of counting authorized participants, veterans' use of VRAP would not achieve the levels authorized by Congress.

On November 21, 2011, Congress passed the Veterans Opportunity to Work (VOW) to Hire Heroes Act, which authorized VRAP benefits for 45,000 participants during FY 2012 and 54,000 participants from October 1, 2012, through March 31, 2014. To ensure VBA did not exceed the authorized limit of 99,000 participants, Education Service Program officials decided to count approved applicants as participants. However, not all approved applicants were actually participating in the program. As of February 15, 2013, about 33,000 (33 percent) of the 99,000 authorized participants were enrolled in an approved training program and receiving program benefits. To ensure VBA maximizes veterans' use of this time-sensitive program, we recommended VBA continue to accept applications until they have 99,000 veterans enrolled in an approved training program or until October 1, 2013, the last date a veteran may apply for program benefits. We also made three other recommendations related to ensuring veterans' ability to take full advantage of VRAP.

We are conducting our national audit of VRAP in accordance with generally accepted government auditing standards (GAGAS). For this interim report, we did not follow all of the reporting standards because of the seriousness of this issue. Reporting, as an interim advisory, helps VBA address the urgency needed to take proactive corrective actions. We believe that the tests we did perform provide sufficient evidence for our conclusion. Given the urgency associated with reporting this information, we did not follow all GAGAS requirements. The final report on our national audit of the VRAP, which will also include this interim report, will address all of the GAGAS requirements related to reporting.

The Under Secretary for Benefits concurred with our recommendations, stating VBA was committed to maximizing the use of VRAP benefits and getting our nation's unemployed veterans back to work in high-demand occupations. VBA management was responsive to our recommendations and made suitable action plans. We will follow up as required and continue with our ongoing national audit.


LINDA A. HALLIDAY
Assistant Inspector General
for Audits and Evaluations

Appendix G Office of Inspector General Contact and Staff Acknowledgments

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

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