

VA Office of Inspector General

OFFICE OF AUDITS AND EVALUATIONS



Veterans Benefits Administration

*Review of
Alleged Mail
Mismanagement at the
Baltimore VA Regional
Office*

July 14, 2014
14-03644-225

ACRONYMS AND ABBREVIATIONS

FY	Fiscal Year
OIG	Office of Inspector General
PII	Personally Identifiable Information
VA	Veterans Affairs
VARO	Veterans Affairs Regional Office
VBA	Veterans Benefits Administration

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Report Highlights: Review of Alleged Inadequate Mail Management Controls at the Baltimore VA Regional Office

Why We Did This Review

On June 19, 2014, the Acting Director of the Baltimore VA Regional Office (VARO) alerted the OIG that approximately 8,000 documents and claims folders for 80 veterans were inappropriately stored in a supervisor's office. Desk audits of staff office space performed by VARO management revealed about 1,500 additional documents containing Personally Identifiable Information (PII) were inappropriately stored in employees' individual workspaces. We initiated this review to assess the allegations of a lack of accountability for mail management and benefits claims processing at the VARO.

What We Found

A team of benefits inspectors dispatched to the Baltimore VARO from June 21 to 27, 2014, substantiated the conditions reported. We determined a supervisor had inappropriately stockpiled about 8,000 documents in an office. Most of the documents reviewed contained PII and consisted of processed and unprocessed claims-related mail with the potential to affect benefits payments. Some veterans claims found in the supervisor's office required additional processing actions to finalize rating decisions or award benefits payments.

Generally, these conditions occurred because the VARO did not use available controls to identify claims folders stored at one location for a lengthy period or adequately monitor cycle-time performance reports for its non-rating related claims

inventory. Further, VARO management did not perform quarterly desk audits of staff workspace as required.

As a result, more than 9,500 documents and 80 claims folders lacked the oversight necessary to ensure timely claims processing and the protection of veteran and employee PII. A proactive approach to addressing these management issues is needed to rebuild trust with veterans and other VA stakeholders.

What We Recommended

We recommended the Under Secretary for Benefits implement a plan to ensure proper control of documents and claims folders, staff training on mail handling and workload management, quarterly desk audits, and mail mismanagement impact assessments at the Baltimore VARO.

Agency Comments

The Under Secretary for Benefits concurred with our recommendations, provided an acceptable corrective action plan, and quickly responded to ensure this mail was processed. Further, the Under Secretary for Benefits directed a 100 percent regional office wide, facility, and desk audit for mail or documents across the country.

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

LINDA A. HALLIDAY
Assistant Inspector General
for Audits and Evaluations

VA OIG Management Advisory Letter to the Under Secretary for Benefits (July 10, 2014)

Department of Veterans Affairs

Memorandum

Date: July 10, 2014

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

Subj: Review of Allegations of Mail Management Controls at the Baltimore VA Regional Office

To: Under Secretary for Benefits (20)

We are providing this memorandum to advise you that significant lapses in management controls at the Baltimore VA Regional Office (VARO) have resulted in mail mismanagement, claims processing delays, and inappropriate management of unprotected personally identifiable information (PII) for veterans and VARO employees. We initiated this review in response to allegations from the Veterans Benefits Administration (VBA), received through the VA OIG Hotline, that the Baltimore VARO lacked program management accountability related to mail handling and benefits claims processing.

On June 19, 2014, and on the advice of VBA Regional Counsel, the Acting Director of the Baltimore VARO alerted the OIG that approximately 8,000 documents and about 80 claims folders were being stockpiled in a supervisor's office. Additionally, desk audits of staff's office space, directed by VARO management, revealed that approximately 1,500 documents containing PII were inappropriately stored in employees' individual workspaces.

In response to the seriousness of the allegations, we dispatched a team of benefits inspectors to the Baltimore VARO from June 21 to 27, 2014, to confirm the conditions reported. We also sought to determine the impact on veterans who needed their claims information processed and why these conditions were not detected timely and managed appropriately.

We substantiated several oversight weaknesses related to mail management, workload management, and the protection of PII at the Baltimore VARO. We visited the office of the supervisor who had allegedly been stockpiling claims-related information. We found that the VARO had already begun action to sort through the volume of paper documents and claims folders observed in his workspace. Claims folders located in the supervisor's office include both rating and non-rating related work. Following are the various types of inappropriately stored claims-related documents that required processing actions by VARO staff.

- Incomplete award processing actions related to disability determination decisions
- Requests from service members to resume and/or discontinue compensation benefits payments
- Requests to adjust benefits payments by adding or removing dependents

Subject: OIG Review of Allegations of Mail Management Controls at the Baltimore VA Regional Office

- Documents related to Federal matching programs affecting benefits payments, such as Social Security death matches and reports of incarcerated veterans from the Bureau of Prisons
- Controlled and uncontrolled claims for benefits
- Reports of veterans hospitalization that in some cases required benefits adjustments
- Undistributed copies of notification letters and decision documents intended for veterans' appointed representatives

A number of the claims stored in the supervisor's office involved retroactive benefits in excess of \$25,000 per veteran that had gone unpaid. VARO managers told us they previously had visited the supervisor's office on multiple occasions but had not been concerned about the conditions there. Management conceded the supervisor's office had been disorganized, but attributed some of the disorganization to his move 3 months prior from another office. VARO managers stated that the supervisor's previous office also had been disorganized. Based on the volume of claims-related documents stored in the office, management should have been viewed this stockpiling as a concern much earlier.

We also observed one VARO employee using approximately five large locking suitcases to transport veterans' claims folders to the office after teleworking at her residence. We asked whether claims folders removed from the office by teleworking employees were reconciled at the end of the telework period. VARO management responded that the VARO's policy for employees who telework is the same as for those who work in the office. That is, all employees are to use the Control of Veterans Records System (COVERS) to record the location of files in their possession on a weekly basis. As a best practice, the Baltimore VARO should consider modifying its COVERS policy to require staff who telework to account for all claims folders removed from the VARO at the end of the telework period.

Generally, these conditions occurred because the VARO did not use available controls to ensure efficient and effective claims management. For example, management could not recall the last time the VARO generated a COVERS aging report, identifying claims folders stored at one location for a lengthy period. Had management generated this report, it would have determined that one employee was holding claims folders for an extraordinary period of time.

Additionally, VARO management did not adequately monitor cycle-time performance reports for its non-rating related claims inventory. If management had done so, it could have identified numerous non-rating related actions pending more than five days. In several instances, we found claims waiting more than 10 months for finalization. Management reported it generated cycle-time reports for its non-rating work; however, we learned the supervisor responsible for monitoring this report was the same person who had inappropriately stockpiled documents and claims folders in his office.

Further, VARO management did not ensure quarterly desk audits of staff workspace as required. This control would have helped identify employees inappropriately storing PII

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and claims-related mail. The last desk audit conducted at the Baltimore VARO was in March 2013, about 15 months ago.

In conclusion, program management accountability for mail and benefits claims processing was generally lacking at multiple levels across the VARO. As a result, more than 9,500 documents and 80 claims folders lacked the controls necessary to ensure timely claims processing and the protection of veteran and employee PII. A proactive approach to addressing these management issues is needed to rebuild trust with veterans and other VA stakeholders.

Consequently, we recommend the following:

1. We recommend the Under Secretary for Benefits implement a plan to ensure Baltimore VA Regional Office staff analyze and take appropriate actions to properly control the approximately 9,500 documents and 80 claims folders referenced in this report.
2. We recommend the Under Secretary for Benefits implement a plan to ensure Baltimore VA Regional Office staff receive refresher training on proper mail handling procedures.
3. We recommend the Under Secretary for Benefits implement a plan to ensure Baltimore VA Regional Office supervisory staff receive refresher workload management training.
4. We recommend the Under Secretary for Benefits implement a plan to ensure Baltimore VA Regional Office staff conduct quarterly desk audits as required.
5. We recommend the Under Secretary for Benefits implement a plan to ensure Baltimore VA Regional Office staff assess the impact that mismanaged mail and claims processing actions had on benefits delivery and provide that information for our review.

We were pleased to see VBA react quickly to alert us concerning the issues identified at the Baltimore VARO. We will issue a final report upon receipt of official management comments identifying VBA's corrective action plan for implementing our recommendations. We would like to thank you for the cooperation extended to the OIG during this review.


LINDA A. HALLIDAY

Under Secretary for Benefits' Comments to OIG Recommendations

Department of Veterans Affairs

Memorandum

Date: July 11, 2014
From: Under Secretary for Benefits (20)
Subj: OIG Review of Allegations of Mail Management Controls at the Baltimore VA Regional Office
To: Assistant Inspector General for Audits and Evaluations (52)

1. Attached is VBA's response to the OIG Memorandum— OIG Review of Allegations of Mail Management Controls at the Baltimore VA Regional Office.
2. Questions may be referred to Catherine Milano, Program Analyst, at 461-9216.



Allison A. Hickey

Attachment

Attachment

**Veterans Benefits Administration (VBA)
Comments on OIG Memorandum
Review of Allegations of Mail Management Controls at the Baltimore VA
Regional Office**

VBA greatly appreciates OIG's quick response upon notification of the issues identified by the Acting Director of the Baltimore Regional Office. As a result, I have directed a 100 percent regional office wide, facility and desk audit for mail or documents across the country.

VBA concurs with OIG's findings and provides the following comments in response to the recommendations in the OIG Memorandum:

Recommendation 1: We recommend the Under Secretary for Benefits implement a plan to ensure Baltimore VA Regional Office staff analyze and take appropriate actions to properly control the approximately 9,500 documents and 80 claims folders referenced in this report.

VBA's Response: Concur. Action is already underway to properly control the approximately 9,500 documents and 80 claims folders. All mail is being scanned into the electronic system. As the documents are scanned, claims processing personnel are reviewing them and putting them under proper end product control.

Target Completion Date: September 30, 2014

Recommendation 2: We recommend the Under Secretary for Benefits implement a plan to ensure Baltimore VA Regional Office staff receive refresher training on proper mail handling procedures.

VBA's Response: Concur. A schedule is being developed to conduct refresher training on proper mail handling procedures. The refresher training will begin by August 25, 2014 and all personnel will complete the training by August 31, 2014.

Target Completion Date: August 31, 2014

Recommendation 3: We recommend the Under Secretary for Benefits implement a plan to ensure Baltimore VA Regional Office supervisory staff receive refresher workload management training.

VBA's Response: Concur. All supervisory staff members are attending VBA's Advanced Coaches 201 training, which provides instruction on workload management and other topics. These sessions are being conducted now through August 2014. Additional local workload management training will also be provided to all supervisors by the end of September.

Target Completion Date: September 30, 2014

Recommendation 4: We recommend the Under Secretary for Benefits implement a plan to ensure Baltimore VA Regional Office staff conduct quarterly desk audits as required.

VBA's Response: Concur. A schedule for quarterly desk audits was developed and is being implemented. An employee has been temporarily detailed into the Records Management Officer (RMO) position until the current RMO situation is resolved.

Target Completion Date: Completed

Recommendation 5: We recommend the Under Secretary for Benefits implement a plan to ensure Baltimore VA Regional Office staff assess the impact that mismanaged mail and claims processing actions had on benefits delivery and provide that information for our review.

VBA's Response: Concur. Action is already underway to review the discovered mail and claims folders. All mail will be reviewed by September 30, 2014, after which the impact of the findings will be assessed. Information regarding the outcome of actions taken on the mail and claims folders and the associated impact will be provided to the OIG.

Target Completion Date: December 30, 2014

Appendix A 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.
Acknowledgments	Nora Stokes, Director Kyle Flannery Suzanne Love Michelle Santos-Rodriguez

Appendix B Report Distribution

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