



DEPARTMENT OF VETERANS AFFAIRS  
**OFFICE OF INSPECTOR GENERAL**

*Office of Audits and Evaluations*

VETERANS BENEFITS ADMINISTRATION

VBA's Fiduciary Program  
Needs to Improve the  
Timeliness of Determinations  
and Reimbursements of  
Misused Funds

REVIEW

REPORT #20-00433-168

JULY 21, 2021



## MISSION

The mission of the Office of Inspector General is to serve veterans and the public by conducting meaningful independent oversight of the Department of Veterans Affairs.

*In addition to general privacy laws that govern release of medical information, disclosure of certain veteran health or other private information may be prohibited by various federal statutes including, but not limited to, 38 U.S.C. §§ 5701, 5705, and 7332, absent an exemption or other specified circumstances. As mandated by law, the OIG adheres to privacy and confidentiality laws and regulations protecting veteran health or other private information in this report.*

**Report suspected wrongdoing in VA programs and operations  
to the VA OIG Hotline:**

[www.va.gov/oig/hotline](http://www.va.gov/oig/hotline)

**1-800-488-8244**



## Executive Summary

The purpose of the VA Fiduciary Program is to protect beneficiaries who are unable to manage their VA benefits as a result of injury, disease, the infirmities of advanced age, or being younger than 18 years old.<sup>1</sup> The VA Office of Inspector General (OIG) conducted this review to determine whether Fiduciary Program staff properly addressed allegations of benefit payments being misused and followed up by reimbursing beneficiaries as required. VA appoints fiduciaries to receive direct payments on behalf of beneficiaries and disburse those funds for beneficiaries' care, support, welfare, and needs. VA beneficiaries rely on their appointed fiduciaries to make financial decisions in their best interests. When choosing a fiduciary, VA considers factors including a beneficiary's preference, such as a spouse or other family member if they are qualified, willing to serve, and in the beneficiary's interest.

During fiscal year (FY) 2019, the Fiduciary Program served more than 170,000 beneficiaries who received approximately \$3.5 billion in VA benefits.<sup>2</sup> The Veterans Benefits Administration's (VBA) Pension and Fiduciary Service administers the program through six fiduciary "hubs" located in different geographical regions throughout the country. Hub staff provide oversight to help prevent fiduciaries from taking advantage of beneficiaries. A fiduciary's use of a beneficiary's funds for something other than "the use and benefit" of the beneficiary is considered misuse.<sup>3</sup> Use and benefit is any expense reasonably intended for the care, support, or maintenance of the beneficiary or the beneficiary's dependents.<sup>4</sup> Hub staff may identify potential misuse when performing routine supervision and estate administration. Allegations and indications of misuse may also come from beneficiaries and third parties.

Once an allegation is received, hub staff decide if an investigation is warranted. If so, the fiduciary hub manager or designee assigns the misuse allegation for investigation. Investigations should not be assigned to hub staff who appointed the fiduciary being investigated. Hub staff then complete a misuse determination, which must be approved by the fiduciary hub manager or designee, and notify the fiduciary of their decision. If misuse is found or hub staff determine that the fiduciary is not suitable, staff remove the fiduciary from supervising the beneficiary and assign a new fiduciary. When reimbursement depends on a finding of VA negligence, Pension and Fiduciary Service staff determine whether VA was negligent in investigating and monitoring the fiduciary.<sup>5</sup> Hub staff reimburse beneficiaries for misused funds if VA is negligent and in other specified circumstances.

---

<sup>1</sup> 38 CFR § 13.10.

<sup>2</sup> VBA, Annual Benefits Report Fiscal Year 2019, updated July 2020.

<sup>3</sup> 38 U.S.C. § 6106.

<sup>4</sup> 38 CFR § 13.400.

<sup>5</sup> 38 U.S.C. § 6107; 38 CFR § 13.410.

## What the Review Found

The OIG did not find systemic issues related to VBA staff's review and investigation into allegations of misuse. From January 1, 2018, through September 30, 2019, the OIG team's review period, VBA staff initiated approximately 12,000 allegations of misuse. However, the OIG review team found instances of significant wait times in staff's making misuse and negligence determinations as well as in reimbursing misused funds. In these instances, VBA did not adequately monitor misuse determinations, negligence determinations, and reimbursements of misused funds.

VBA modified its timeliness standard for completing misuse determinations and eliminated the standard for reimbursing veterans. Additionally, VBA does not have timeliness standards for completing negligence determinations because of the variances in investigating and processing these cases. Although a relatively small number of beneficiaries have been subjected to misuse of their funds, they have experienced long waits for necessary decisions and reimbursements to be made.

VBA implemented process changes and performance target adjustments for misuse determinations that may improve both monitoring and timeliness. Therefore, the OIG is not making any recommendations regarding misuse determinations at this time. However, VBA should also determine what mechanisms will work best for ensuring the prompt completion of negligence determinations and reimbursements to beneficiaries whose funds were not used for their benefit. One beneficiary waited 19 months after hub staff completed the initial misuse determination before Pension and Fiduciary Service staff completed a negligence determination and VA reimbursed the beneficiary for over \$20,000 in misused funds. Another beneficiary had to wait 14 months from the date of the misuse determination before fiduciary hub staff reimbursed approximately \$5,800. Unless VBA improves the timeliness and monitoring of all misuse actions, beneficiaries are at risk of financial hardship caused by their losses—in conflict with the program's mission to protect this vulnerable population.

As mentioned above, during the review period, VBA initiated inquiries into approximately 12,000 allegations of misuse. Fiduciary hub staff determined that fiduciaries misused beneficiaries' funds in 105 of these cases. The OIG team reviewed the hub staff's actions for 40 statistically selected misuse determinations. The 40 cases reviewed included 14 negligence determinations and one reimbursement completed for this period. As Pension and Fiduciary Service and fiduciary hub staff do not have timeliness standards for completing all misuse actions, the team reported the average number of days VBA took to complete each action, shown in table 1.

**Table 1. Summary of Average Days to Complete Misuse Actions for Allegations Initiated from January 1, 2018, through September 30, 2019**

Misuse action	Number of cases reviewed	Average days to complete
Misuse determinations	40	228
Negligence determinations	14	468
Reimbursement of misused funds	1	426

*Source: VA OIG analysis.*

To assess the extent of lengthy processing times, the OIG review team looked back farther. The team generated Beneficiary Fiduciary Field System (BFFS) reports for January 1, 2016, through December 31, 2017, to determine whether there were additional pending negligence determinations and reimbursements before the OIG review period beginning in January 1, 2018. The review team identified the following delayed determinations and reimbursements:<sup>6</sup>

- Eleven negligence determinations that Pension and Fiduciary Service staff had not processed.
- Eleven reimbursements that fiduciary hub staff had not processed (and for which there are no VBA targets for completion) involving approximately \$160,000 in misused beneficiaries' funds.

Additionally, from January 1, 2016, through December 31, 2017, the OIG found that at least four beneficiaries died after misuse determinations were completed but before their reimbursements were processed. Those beneficiaries died seven to 35 months after VBA received misuse allegations involving a total of approximately \$53,000 in misused beneficiaries' funds. Hub staff determined that misuse occurred in these four cases; however, because the beneficiaries were deceased, they could not be reimbursed. By law, when it is determined that a fiduciary misused a beneficiary's funds, VA shall reimburse the beneficiary or beneficiary's successor fiduciary (the fiduciary that replaced the former fiduciary that misused beneficiary funds).<sup>7</sup> There is no statutory requirement for VA to reimburse a deceased beneficiary's estate.

<sup>6</sup> VBA subsequently completed these actions.

<sup>7</sup> 38 U.S.C. § 6107.

## Inadequate Monitoring Contributed to Long Wait Times for Some Misused Fund Determinations and Reimbursements

The OIG team found that VBA staff did not consistently complete misuse determinations, negligence determinations, and reimbursements promptly. One mechanism used to try to improve consistent timeliness has been targets for completing each process. VBA modified its timeliness standard for completing misuse determinations and eliminated a standard for reimbursing veterans. Additionally, VBA does not have timeliness standards for completing negligence determinations. Applicable guidance for each process includes the following:

- **Misuse determinations:** VBA changed the performance targets from a percentage of misuse determinations completed within 90 days from FY 2018 to FY 2020, to a percentage of misuse investigations completed within 60 days for FY 2021.
- **Negligence determinations:** According to VBA officials, there is no timeliness standard for negligence determinations given the variability associated with the complexity and distinct nature of each case.
- **Reimbursement of misused funds:** VBA requires fiduciary hub staff to reimburse beneficiaries for misused funds “as expeditiously as possible” but does not provide a target.

The OIG team also found that VBA did not adequately monitor all reported misuse follow-up actions. VBA was unaware of unprocessed negligence determinations from 2016 and 2017 identified by the team. Additionally, the team examined the workload management plans and systematic analysis of operations for two hubs that it visited, but none of the documents discussed or identified issues related to pending reimbursements. VBA's failure to adequately monitor all misuse actions led to long waits for determinations or reimbursements for some beneficiaries and potentially put them at risk of financial hardship. VBA should consider whether the average days it takes to complete each type of misuse action is acceptable to meet its oversight responsibilities and fulfill the stated mission of protecting these vulnerable veterans and beneficiaries.

### What the OIG Recommended

The OIG recommended the under secretary for benefits ensure the Pension and Fiduciary Service implements mechanisms to ensure negligence determinations and reimbursements of misused funds after December 31, 2017, are completed promptly.

### Management Comments

The acting under secretary for benefits concurred with both recommendations and requested that the OIG close both recommendations based on system and process changes. The acting under

secretary's comments and corrective action plans for recommendations 1 and 2 are acceptable and responsive to the intent of the recommendations. The OIG considers recommendation 1 closed. Recommendation 2 will remain open and the OIG will monitor the development and release of additional system reporting functionality to improve the timeliness of reimbursement of misused funds.



LARRY M. REINKEMEYER  
Assistant Inspector General  
for Audits and Evaluations

## Contents

Executive Summary .....	i
Abbreviations .....	vii
Introduction.....	1
Results and Recommendations .....	7
Finding: Inadequate Monitoring Contributed to Lengthy Processing Times in Completing Determinations and Reimbursements of Misused Funds.....	7
Recommendations 1–2.....	18
Appendix A: Scope and Methodology.....	19
Appendix B: Management Comments.....	21
OIG Contact and Staff Acknowledgments .....	24
Report Distribution .....	25

## Abbreviations

BFFS	Beneficiary Fiduciary Field System
FY	fiscal year
OIG	Office of Inspector General
VBA	Veterans Benefits Administration



## Introduction

The VA Fiduciary Program's purpose is to protect beneficiaries who, as a result of injury, disease, the infirmities of advanced age, or by reason of being under age 18, are unable to manage their VA benefits.<sup>8</sup> The Veterans Benefits Administration (VBA) administers the program through six fiduciary hubs. The VA Office of Inspector General (OIG) conducted this review to assess whether fiduciary hub staff properly addressed allegations that beneficiaries' funds were misused and then completed reimbursements for misused payments as required.

When choosing a fiduciary, VA considers multiple factors, including the fiduciary's suitability and a beneficiary's preference. Fiduciaries are authorized to receive direct VA benefit payments and disburse funds for the care, support, welfare, and needs of their beneficiaries. VA beneficiaries rely on their appointed fiduciaries to make financial decisions in a beneficiary's best interests. Fiduciary hub staff provide oversight to help prevent fiduciaries from misusing funds. Misuse occurs when a fiduciary spends a beneficiary's benefit payments for something other than the "use and benefit" of the beneficiary.<sup>9</sup> Use and benefit is any expense reasonably intended for the care, support, or maintenance of the beneficiary or the beneficiary's dependents.<sup>10</sup> A 2015 OIG report assessed whether VBA protected beneficiaries when fiduciary misuse was identified or alleged.<sup>11</sup> The report included several recommendations for the under secretary for benefits to improve Fiduciary Program requirements. Those recommendations were closed. This follow-up report assesses the timeliness and oversight of VBA staff's actions related to a fiduciary's misuse of funds.

The following sections outline the Fiduciary Program, including field examinations and fiduciary accountings. For additional context, the sources of misuse allegations are discussed. The report also examines the guiding authorities as to how allegations of misuse are processed, including misuse determinations and related reimbursements.

## Fiduciary Program

VBA's Pension and Fiduciary Service manages and oversees the Fiduciary Program. At the time of this review, VBA used the Beneficiary Fiduciary Field System (BFFS) to administer the

---

<sup>8</sup> 38 CFR § 13.10.

<sup>9</sup> 38 U.S.C. § 6106.

<sup>10</sup> 38 CFR § 13.400.

<sup>11</sup> VA OIG, *Audit of Fiduciary Program Controls Addressing Beneficiary Fund Misuse*, Report No. 13-03922-453, August 27, 2015.

sizeable program.<sup>12</sup> BFFS was an electronic database and diary system that program managers used to monitor and distribute pending work inventories.

During fiscal year (FY) 2019, the Fiduciary Program included more than 170,000 beneficiaries who received approximately \$3.5 billion in VA benefits.<sup>13</sup> Program staff responsibilities include protecting a beneficiary's assets from loss or diversion and investigating alleged or suspected fiduciary misuse of beneficiaries' funds. Under the fiduciary hub model, its managers are responsible for all program activities within an assigned geographic region. Hub staff assess beneficiaries and monitor fiduciaries through activities such as field examinations and fiduciary accountings.

## Field Examinations

Fiduciary hub staff conduct an initial field examination to determine if there is a need to appoint a fiduciary to receive and disburse VA benefit payments to a beneficiary. To determine need, staff evaluate the beneficiary using the elements listed in figure 1.

---

Understanding of the sources and amounts of his or her income

---

Understanding of his or her fixed monthly expenses such as rent, mortgage, utilities, clothing, food, and medical bills

---

Memory of recent transactions and ability to allocate appropriate funds to fixed monthly expenses and discretionary items

---

Ability to pay monthly bills in a timely manner

---

Actions he or she currently takes or would take to conserve excess funds and plans to prepare for large, irregular purchases or unexpected expenses

---

Knowledge of financial exploitation and strategies to prevent being a victim

---

**Figure 1.** Determination of need.

Source: Fiduciary Program Manual, "Field Examinations."

---

<sup>12</sup> On November 9, 2020, VBA began using the Veterans Benefits Management System in place of BFFS. According to the Pension and Fiduciary Service, this was done due to BFFS system limitations and outdated technologies. The transition from BFFS to the Veterans Benefits Management System did not affect the OIG's findings, conclusion, or recommendations.

<sup>13</sup> VBA, Annual Benefits Report Fiscal Year 2019, updated July 2020.

If fiduciary hub staff determine the beneficiary needs a fiduciary, then they review potential candidates' qualifications prior to appointment.<sup>14</sup> When selecting a fiduciary, hub staff must consider a beneficiary's preference.<sup>15</sup> This may include a spouse or other family member if qualified and willing to serve and if the appointment would be in the beneficiary's interest. After a fiduciary is appointed, hub staff conduct a follow-up field examination within one year of appointment and then every one to three years thereafter to complete tasks shown in figure 2.

---

---

Reassess the needs of the beneficiary and dependents
Reassess the adult beneficiary's ability to manage funds
Assess the continued suitability of the fiduciary
Document expenditure changes
Determine whether funds are used for the beneficiary's needs
Ensure VA funds are properly protected
Uncover any irregularities
Provide advice and assistance in relation to VA or other benefits based on the beneficiary's needs

---

---

**Figure 2.** Elements assessed during follow-up field examinations.

Source: *Fiduciary Program Manual*, "Field Examinations."

Following each field examination, fiduciary hub staff schedule future beneficiary and fiduciary oversight activities based on the circumstances of each case. In addition to scheduled examinations, hub staff may conduct unscheduled field examinations based on an identified or alleged problem or deficiency, such as a discrepancy with the annual accounting information provided by the fiduciary.

## Fiduciary Accountings

A fiduciary accounting is a written report outlining the management of a beneficiary's VA benefits payments and expenses for a specified period. VA-appointed fiduciaries must submit annual accounting reports when certain criteria are met, such as when the fiduciary manages over \$10,000 in VA funds.<sup>16</sup> There are exceptions to this accounting requirement, such as when the fiduciary is the beneficiary's spouse.

---

<sup>14</sup> 38 CFR § 13.100. Prior to appointment, fiduciary hub staff must conduct an investigation regarding the proposed fiduciary's qualifications, such as a criminal background check to determine whether the proposed fiduciary has been convicted of any offense which would be a bar to serving as a fiduciary.

<sup>15</sup> 38 CFR § 13.100.

<sup>16</sup> 38 CFR § 13.280.

Fiduciary hub staff establish the accounting period and document the accounting requirement and the reason in the beneficiary's electronic record. As part of the accounting review, the hub staff verify expenses, examine fiduciary fees, review the administration of VA and other managed funds, and look for indicators of inappropriate use of beneficiary funds. The accounting review process is a critical control activity for protecting beneficiaries and must occur within 60 days of when VA receives the fiduciary accounting.

## **Misuse of Benefits by a Fiduciary**

As previously stated, misuse of benefits occurs when a fiduciary receives and uses a payment other than for the use and benefit of the beneficiary.<sup>17</sup> If misuse is found or hub staff determine that the fiduciary is not suitable, staff remove the fiduciary from supervising the beneficiary and assign a new fiduciary.<sup>18</sup>

## **Sources of Misuse Allegations**

Fiduciary hub staff may identify potential misuse when performing routine supervision and estate administration, such as during field examinations or when reviewing fiduciary accountings. Allegations and indications of misuse may also come from beneficiaries and third parties. Additionally, fiduciary hub staff may treat any willful neglect or refusal to file proper accountings as a reason to initiate a misuse investigation.<sup>19</sup> If staff decide that an allegation has merit, they investigate whether misuse of beneficiary funds occurred.

## **Misuse Determinations**

After assessing an allegation, if warranted, the fiduciary hub manager or designee assigns the misuse allegation for investigation.<sup>20</sup> Investigations should not be assigned to hub staff who appointed the fiduciary being investigated. Hub staff then complete a misuse determination and notify the fiduciary of their decision. The misuse determination must be approved by the fiduciary hub manager or designee.

---

<sup>17</sup> 38 U.S.C. § 6106.

<sup>18</sup> Fiduciary Program Manual, chap. 5, sec. C.1, "Investigating Misuse," October 21, 2019.

<sup>19</sup> 38 CFR § 13.280.

<sup>20</sup> 38 CFR § 13.410. VA is negligent in investigating and monitoring a fiduciary if, after deciding to investigate an allegation of misuse and finding misuse, fiduciary hub staff failed to initiate action within 60 days of receipt of the misuse allegation to terminate the fiduciary.

Figure 3 details key steps in the misuse determination process.

---

### **Allegation**

Fiduciary hub staff must review each allegation of misuse and decide if an investigation is warranted. Staff compare the allegation with documentation contained in VBA electronic systems. In addition, staff may contact the complainant, beneficiary, or fiduciary to assess the allegation. If staff decide that an allegation lacks merit or has no basis in fact, an investigation is not conducted.

---

### **Investigation**

If staff decide that an allegation has merit, they investigate whether misuse of beneficiary funds occurred and prepare a misuse investigation report. Misuse investigation reports must include, among other things, individuals interviewed, evidence reviewed, and a conclusion. If misuse is found, staff must document the time period of misuse.

---

### **Determination**

Staff must complete a misuse determination for every misuse allegation for which an investigation was conducted. The determination summarizes the facts and circumstances upon which the determination was made, and a copy is provided to the fiduciary. If the fiduciary requests reconsideration of the decision within 30 days of notification, staff must consider new evidence and prepare a revised determination.

---

*Figure 3. Key steps in the misuse process.*

*Source: OIG summary of information contained in the Fiduciary Program Manual, "Misuse, Negligence, and Reissuance of Benefit Payments."*

## **Reimbursement of Misused Funds**

If fiduciary hub staff determine that misuse occurred, they notify the fiduciary and request repayment of the funds. Repayment from the fiduciary is requested regardless of how many beneficiaries the fiduciary serves or whether the fiduciary is an individual, corporation, or other entity. If a fiduciary does not repay all misused benefits, hub staff refer the issue to the local VA finance office to create a debt and coordinate recoupment.

VA *must* reimburse beneficiaries for misused funds when one or more of the criteria in figure 4 are met.

---

The fiduciary serves 10 or more beneficiaries

---

The fiduciary is a corporation or other entity

---

The fiduciary repays a portion, or all, of the misused funds to VA

---

VA is found to be negligent in investigating and monitoring a fiduciary

---

Misused benefits are recovered from a surety company\*

---

**Figure 4.** *Criteria for when VA must reimburse beneficiaries for misused funds.*

*Source: 38 U.S.C. § 6107 and 38 CFR § 13.410.*

*\*38 C.F.R. § 13.230 requires a fiduciary to furnish a surety bond in any case in which the VA benefit funds under management for a beneficiary exceed \$25,000. A surety bond is an agreement whereby a bonding company becomes liable for beneficiary funds misused by a fiduciary.*

When reimbursement depends on a finding of VA negligence, the Pension and Fiduciary Service staff must decide whether VA was negligent in investigating and monitoring the fiduciary.<sup>21</sup> VA is negligent when hub staff find misuse and one or more of the conditions in figure 5 have been met.

---

Staff do not review a fiduciary's accounting within 60 days of the date VA received that accounting

---

Staff do not initiate action to terminate a fiduciary within 60 days of receiving an allegation of misuse

---

VA owes a duty to the beneficiary, VA's action or failure to act was negligent, and the misuse would not have occurred but for VA's negligence\*

---

**Figure 5:** *Explanation of when VA negligence occurs.*

*Source: 38 U.S.C. § 6107 and 38 CFR § 13.410.*

*\*Example: Hub staff did not conduct criminal background and credit checks prior to the appointment of the fiduciary.*

---

<sup>21</sup> 38 CFR § 13.410.

## Results and Recommendations

### Finding: Inadequate Monitoring Contributed to Lengthy Processing Times in Completing Determinations and Reimbursements of Misused Funds

The OIG did not find systemic issues related to VBA staff's review and investigation into allegations of misuse. However, the review team found some beneficiaries faced significant wait times in the processing of misuse determinations, negligence determinations, and reimbursements of misused funds. VBA attempted to try to improve timeliness by setting targets for completing each process. VBA modified its timeliness standard for completing misuse determinations and eliminated a standard for reimbursing veterans, as shown in table 1. VBA does not have timeliness standards for completing negligence determinations because of the variances in investigating and processing these cases.

**Table 1. Overview of Relevant Changes to Standards for Fiduciary Misuse Actions**

Fiduciary misuse action	Relevant changes
Misuse determinations	<p><b>July 2005:</b> The Adjudication Procedures Manual required a misuse determination within 30 days of receipt of the completed investigation, and within 90 days from the date of the misuse allegation.</p> <p><b>May 2017:</b> The Fiduciary Program Manual required a misuse determination within 90 days of the date of the allegation recorded in the electronic system.</p> <p><b>April 2019:</b> The Pension and Fiduciary Service eliminated the 90-day standard from the manual.</p> <p><b>FY 2018 through FY 2020:</b> The Office of Field Operations set performance targets for completing a certain percentage of misuse determinations in 90 days or less.</p> <p><b>FY 2021:</b> The Office of Field Operations set performance targets for completing misuse investigations within 60 days.</p>
Negligence determinations	<p><b>Not applicable</b>, as VBA does not have timeliness standards for completing negligence determinations.</p>
Reimbursement of misused funds	<p><b>July 2005:</b> The Adjudication Procedures Manual required reimbursement of misused funds within 14 days of the date of the misuse determination or, when required, the negligence determination.</p> <p><b>May 2017:</b> The Fiduciary Program Manual required reimbursement within 14 days from the date reissuance is determined appropriate.</p> <p><b>April 2019:</b> The Fiduciary Program Manual required fiduciary hub staff to reimburse beneficiaries for misused funds "as expeditiously as possible."</p>

*Source: VA OIG analysis of the Adjudication Procedures Manual, the Fiduciary Program Manual, and Office of Field Operations performance targets.*

The OIG team's review of the data revealed one beneficiary waited 19 months after hub staff completed the initial misuse determination before Pension and Fiduciary Service staff completed a negligence determination and VA reimbursed the beneficiary over \$20,000 in misused funds. Another beneficiary waited 14 months from the date of the misuse determination before fiduciary hub staff reimbursed approximately \$5,800. Unless VBA improves the timeliness and monitoring of all misuse actions, beneficiaries are at risk of financial hardship and neglect due to mishandling of funds by fiduciaries. Table 2 shows the average days it took VBA to complete each type of misuse action during the initial review period.

**Table 2. Average Days to Complete Misuse Actions for Allegations Initiated from January 1, 2018, through September 30, 2019**

Misuse action	Number of cases reviewed	Average days to complete
Misuse determinations	40	228
Negligence determinations	14	468
Reimbursement of misused funds	1*	426

Source: VA OIG analysis.

\*This represents the time it took VBA to complete the one reimbursement that did not require a negligence determination.

To assess the extent of lengthy processing times, the OIG review team looked back farther. The team generated BFFS reports for January 1, 2016, through December 31, 2017, to determine whether there were additional pending negligence determinations and reimbursements before the OIG review period beginning in January 1, 2018. The review team identified the following delayed determinations and reimbursements:<sup>22</sup>

- 11 negligence determinations that Pension and Fiduciary Service staff had not processed
- 11 reimbursements that fiduciary hub staff had not processed (and for which there are no VBA timeliness targets for completion) involving approximately \$160,000 in misused beneficiaries' funds

Additionally, misuse allegations from January 1, 2016, through December 31, 2017, included at least four beneficiaries who died after misuse determinations were completed but before their reimbursements were processed. Those beneficiaries died seven to 35 months after misuse allegations were received, and their cases involved approximately \$53,000 in misused beneficiaries' funds. Hub staff determined that misuse occurred in these four cases; however, because the beneficiaries were deceased, they could not be reimbursed. By law, when it is determined that a fiduciary misused a beneficiary's funds, VA shall reimburse the beneficiary or

<sup>22</sup> VBA subsequently completed these actions.

beneficiary's successor fiduciary (the fiduciary that replaced the former fiduciary who misused beneficiary funds).<sup>23</sup> There is no statutory requirement for VA to reimburse a deceased beneficiary's estate.

## What the OIG Did

The OIG team assessed the appropriateness of Pension and Fiduciary Service and fiduciary hub staff actions by reviewing relevant documentation related to misuse determinations, negligence determinations, and reimbursements. From January 1, 2018, through September 30, 2019, the initial review period, fiduciary hub staff initiated approximately 12,000 allegations of misuse. Of those cases, staff determined that 105 fiduciaries misused beneficiaries' funds. The team reviewed the staff's actions for 40 statistically selected misuse determinations. Pension and Fiduciary Service staff completed 14 negligence determinations and fiduciary hub staff completed one reimbursement of misused funds for allegations initiated during that period.

The OIG team expanded the review to assess whether there were additional pending negligence determinations and reimbursements from January 1, 2016, through December 31, 2017. The OIG team also examined whether fiduciary hub staff appropriately handled unsubstantiated allegations of misuse by reviewing a sample of 126 allegations for which hub staff found misuse did not occur. The team interviewed managers and staff at the VBA Central Office in Washington, DC; the fiduciary hub in Louisville, Kentucky; and the fiduciary hub in Indianapolis, Indiana. Appendix A provides additional details on the scope of work and the methodology used.

As table 1 outlined, VBA has updated some timeliness requirements and targets for misuse actions since the OIG's 2015 report on Fiduciary Program controls addressing beneficiary fund misuse.

Due to VBA's lack of specific timeliness requirements for misuse determinations, negligence determinations, and reimbursements of misused funds, the OIG team reported the average number of days it took fiduciary staff to complete these actions. Based on the team's analysis, VBA should consider whether the average days it took to complete misuse actions is in alignment with its responsibility to protect a beneficiary's assets from loss or diversion.

## VBA Took an Average of 228 Days to Complete Misuse Determinations

Fiduciary hub staff determined 105 allegations of misuse could be substantiated from January 1, 2018, through September 30, 2019. Hub staff must review each allegation of misuse

---

<sup>23</sup> 38 U.S.C. § 6107.

and decide if an investigation and determination is warranted.<sup>24</sup> They review available documentation and may contact the complainant, beneficiary, or fiduciary before making the decision as to whether an investigation is warranted. Hub staff must complete a misuse determination for every misuse allegation they investigate.<sup>25</sup> The misuse determination summarizes the facts and circumstances upon which the determination is made. It is the official decision document in response to an allegation of misuse. The 105 allegations of misuse that hub staff could substantiate are a small percentage of the misuse allegation workload (although the impact on those veterans can be significant). The OIG recognizes that hub staff initiated a tremendous number of allegations, which can be time-consuming and complex—12,000 in just the review period. Further, based on the cases sampled in this review, the OIG team did not identify significant issues with the time it took hub staff to replace fiduciaries that misused beneficiaries' funds. Additionally, VBA implemented process changes and performance target adjustments for misuse determinations that may improve both timeliness and monitoring. Therefore, the OIG is not making any recommendations regarding misuse determinations at this time.

For the 40 cases reviewed, misuse determinations were pending an average of 228 days from the date of the allegation, ranging from zero to 1,292 days. Figure 6 summarizes the average time to complete specific steps within the misuse process for the 40 cases reviewed.



**Figure 6.** Summary of average time frames to complete misuse process for the 40 cases reviewed.

Source: VA OIG analysis.

<sup>24</sup> Fiduciary Program Manual, chap. 5, sec. B.3, “Review and Disposition of Allegations,” March 15, 2017.

<sup>25</sup> Fiduciary Program Manual, chap. 5, sec. D.1, “Misuse Determinations,” May 2, 2017.

As seen in table 3, fiduciary hub staff took over 90 days to complete the misuse determinations for 65 percent of the 40 cases reviewed.

**Table 3. Summary of Days to Complete Misuse Determinations**

Range of days	Number of cases	Percent
90 or less	14	35
91–120	2	5
121–180	5	12.5
Over 180	19	47.5
<b>Total</b>	<b>40</b>	<b>100</b>

Source: VA OIG analysis.

\*Percentages highlighted in gray make up the 65 percent of cases that took over 90 days to complete.

## VBA Implemented Process Changes and Adjusted Performance Targets for Misuse Determinations

In April 2019, the Pension and Fiduciary Service updated its fiduciary program manual with changes in how VBA handles significantly past-due (more than 120 days) accountings. Updated procedures include initiating an unscheduled (no notice) field examination when an accounting cannot be approved because a complete accounting report was not received or because the fiduciary is unwilling to provide the information.<sup>26</sup> As part of the field examination, hub staff determine if an allegation of misuse is warranted. An assistant director of the Pension and Fiduciary Service stated that the service’s executive director decided to change the procedures to ensure that fiduciary hub staff had options for resolving delinquent accountings.

The emphasis on resolving delinquent accountings has likely led to a drastic decrease in the misuse investigation workload. In September 2018, VBA initiated nearly 1,000 misuse allegations. In contrast, in September 2019, VBA initiated slightly more than 100 misuse allegations. Additionally, VBA implemented an FY 2021 target that may improve both timeliness and monitoring. For FY 2021, the Office of Field Operations eliminated the performance target to have a certain percentage of misuse determinations completed in or pending for 90 days or less. Instead, the target is to complete misuse investigations within 60 days. This target aligns with VA regulations stating that VA is negligent if, after deciding to

<sup>26</sup> Fiduciary Program Manual, chap. 3, sec. E.4, “Procedures When Approving an Accounting Is Not Possible” and chap. 3, sec. E.5, “Handling Accountings Work Items Following an Unscheduled Field Examination,” April 22, 2019.

investigate an allegation of misuse and finding misuse, fiduciary hub staff fail to initiate action within 60 days of receipt of the misuse allegation to terminate the fiduciary.<sup>27</sup>

## **VBA Took an Average of 468 Days to Complete Negligence Determinations**

If VA is found to be negligent in investigating and monitoring fiduciaries, VA is required to reimburse the amount attributed to VA negligence.<sup>28</sup> In such cases, misused funds cannot be reimbursed until Pension and Fiduciary Service staff complete a negligence determination.<sup>29</sup> The OIG team found that 16 of the 40 misuse cases reviewed required fiduciary hub staff to determine whether VA was negligent. As of September 2020, Pension and Fiduciary Service staff had completed negligence determinations for 14 of the 16 cases that required determinations. Staff took from about three to 23 months to complete the 14 negligence determinations, with an average of 468 days. Half the cases were pending in excess of 500 days before being completed. The remaining two were not completed due to active criminal investigations.

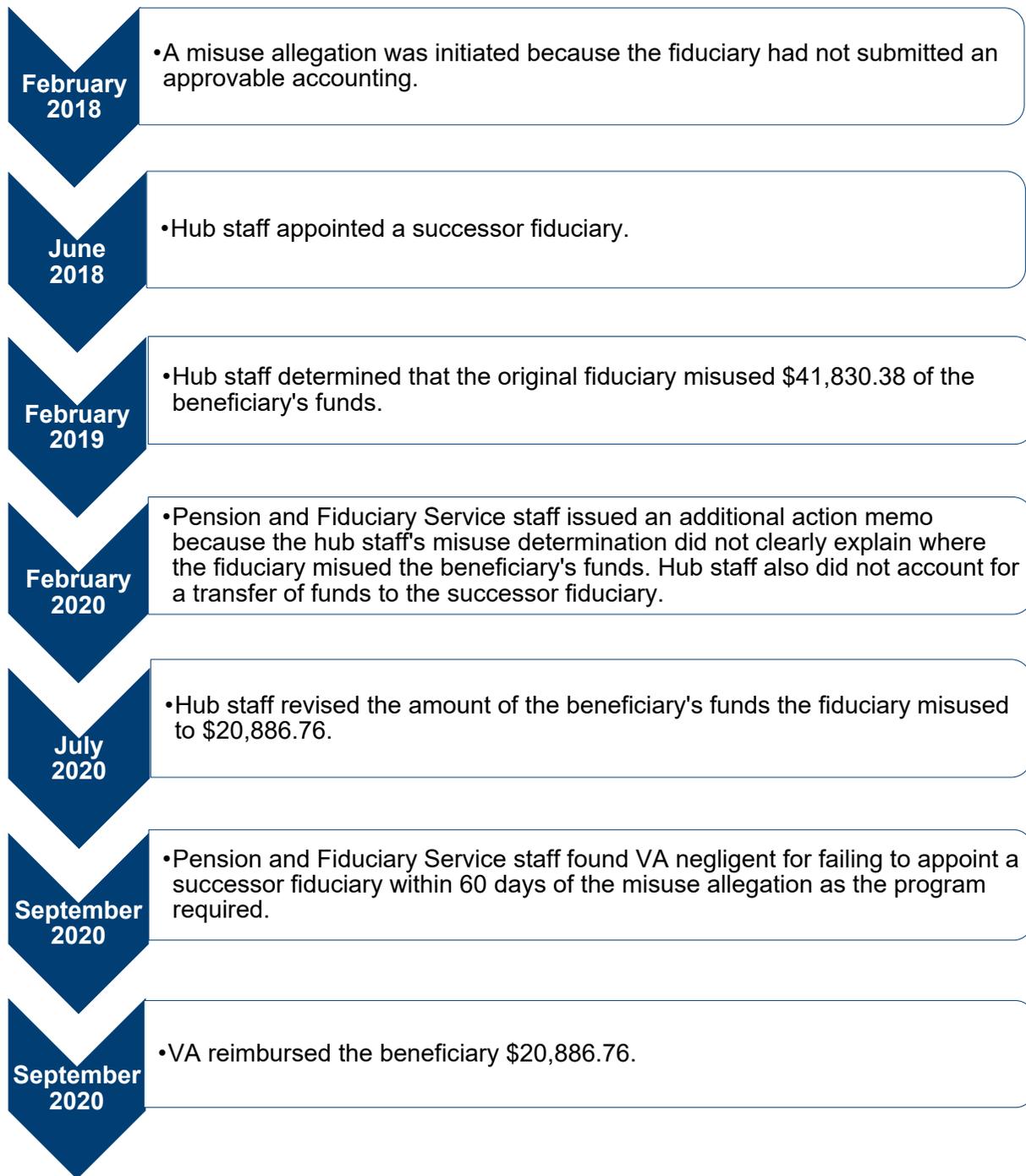
For 12 of the 14 cases where negligence determinations were completed, Pension and Fiduciary Service staff determined that VA was not negligent; therefore, VA was not required to reimburse misused funds. For the remaining two cases, Pension and Fiduciary Service staff determined that VA was negligent, and the beneficiaries were reimbursed a total of just over \$65,000. As seen in figure 7, one beneficiary waited more than 19 months after fiduciary hub staff completed the initial misuse determination before Pension and Fiduciary Service staff completed a negligence determination and VA reimbursed the beneficiary for over \$20,000 in misused funds.

---

<sup>27</sup> 38 CFR § 13.410.

<sup>28</sup> 38 U.S.C. § 6107.

<sup>29</sup> Fiduciary Program Manual, chap. 5, sec. G.1, "General Overview of Reissuance," May 2, 2017.



**Figure 7.** Timeline of one reimbursement that required a VA negligence determination.

Source: VA OIG analysis.

Although VA was found to be negligent in only two of the 14 negligence determinations completed, the impact on each beneficiary was significant. To further assess the extent of lengthy processing times, the team generated BFFS reports to determine whether there were additional pending negligence determinations outside the initial scope period. The OIG team found

fiduciary hub staff had not processed 11 negligence determinations from January 1, 2016, through December 31, 2017. In January and February 2021, after the OIG provided the Pension and Fiduciary Service with the list of unprocessed negligence determinations, VBA staff processed them. The 11 negligence determinations resulted in three findings of VA negligence with reimbursements to beneficiaries totaling approximately \$63,000. Because VBA staff were unaware of 11 unprocessed negligence determinations from January 1, 2016, through December 31, 2017, VBA should take steps to improve monitoring of these misuse actions.

### **VBA Did Not Adequately Monitor Negligence Determinations**

The OIG team determined that Pension and Fiduciary Service staff did not have timeliness standards for completing negligence determinations either in 2015 or during the scope of this review. The OIG report published in 2015 identified issues and made a recommendation related to the timeliness of negligence determinations.<sup>30</sup> However, VBA did not concur with the OIG's recommendation, stating that an arbitrary timeliness standard could not be established because each case involving misuse was unique and complex. While this may be true, VBA should consider whether other actions can be taken to prevent negligence determinations from taking long periods to complete, indeed several years in some cases, in keeping with the program's goal of protecting beneficiaries.

The team determined the lack of a timeliness standard contributed to lengthy processing times for some negligence determinations. Pension and Fiduciary Service managers also did not adequately monitor pending negligence determinations. Despite an assistant director of the Pension and Fiduciary Service stating that staff generate a daily report of pending VA negligence determinations, 12 of the 14 negligence determinations were only completed by Pension and Fiduciary Service staff after the team initiated this review. These 12 cases had been pending from almost 10 months to almost two years. Pension and Fiduciary Service staff completed the negligence determinations an average of 512 days after the misuse determinations were signed.

Based on these results, the OIG team expanded the review and requested a list of pending VA negligence determinations from the Pension and Fiduciary Service staff. The list provided by staff did not include 11 cases the team identified from January 1, 2016, through December 31, 2017. This discrepancy supports the team's determination that Pension and Fiduciary Service staff did not adequately monitor pending VA negligence determinations, causing some determinations to remain unprocessed for years.

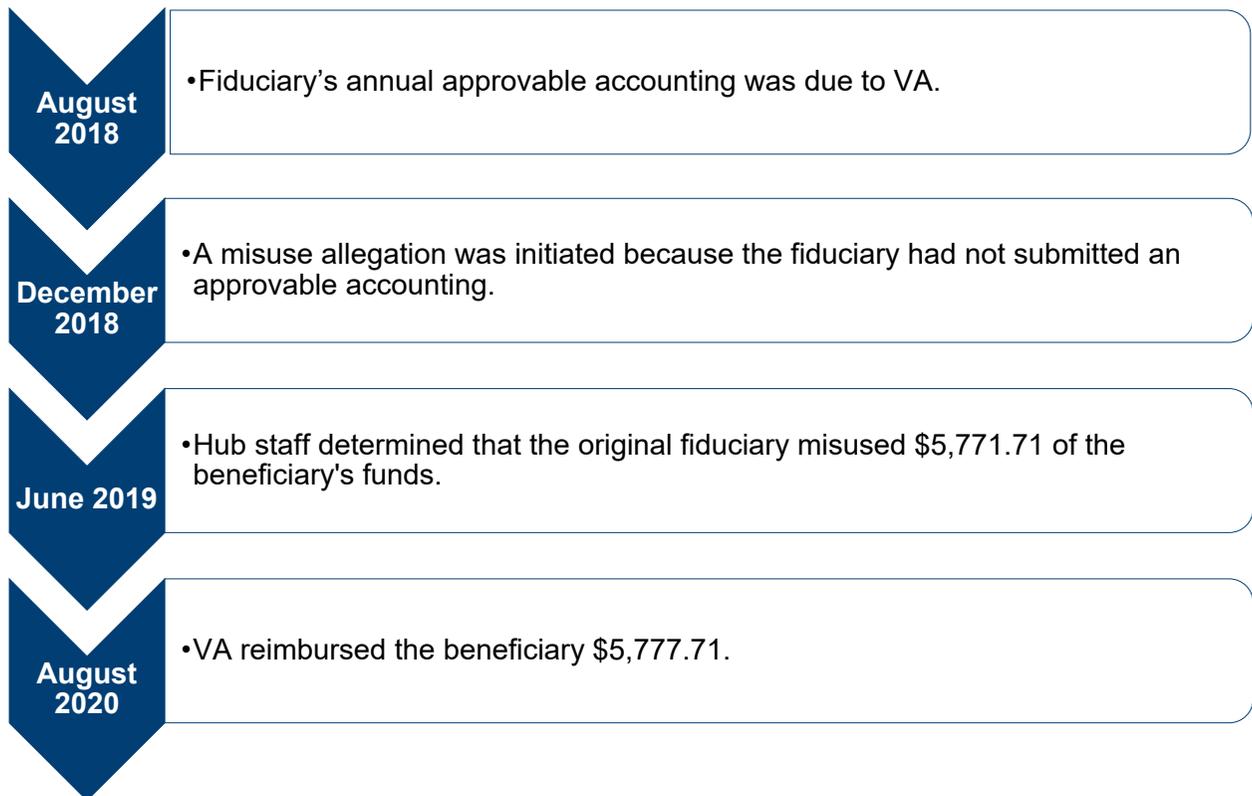
---

<sup>30</sup> VA OIG, *Audit of Fiduciary Program Controls Addressing Beneficiary Fund Misuse*, Report No. 13-03922-453, August 27, 2015.

## VBA Took More Than a Year to Reimburse Some Beneficiaries

The OIG team reviewed 40 misuse determinations and found one case that required reimbursement without the need for a VA negligence determination. In this case, a VA negligence determination was not required because the fiduciary managed 10 or more beneficiaries.<sup>31</sup> The beneficiary was reimbursed 426 days after hub staff completed a misuse determination. Based on the results of the sample cases reviewed, the OIG team expanded the review and found fiduciary hub staff had not processed 11 reimbursements for misused beneficiaries' funds from January 1, 2016, through December 31, 2017. In October 2020, after the OIG provided the Pension and Fiduciary Service with the list of unprocessed reimbursements, VBA staff processed the 11 reimbursements totaling approximately \$160,000.

Although reimbursements are infrequent, the impact on an individual beneficiary can be significant. As seen in figure 8, one beneficiary had to wait almost 14 months from the date of the misuse determination for reimbursement.



**Figure 8.** Timeline of the one reimbursement that did not require a VA negligence determination.

Source: VA OIG analysis.

<sup>31</sup> 38 CFR § 13.410.

Unless VBA improves the timeliness and monitoring of reimbursements, beneficiaries are at risk of financial hardship.

## VBA Did Not Adequately Monitor Reimbursements of Misused Funds

As seen in table 4, VBA eliminated the requirement to reimburse beneficiaries within 14 days, replacing it with a requirement to reimburse beneficiaries for misused funds “as expeditiously as possible.” An assistant director of the Pension and Fiduciary Service reported removing time frame references from the manual. The Office of Field Operations, which is responsible for determining performance targets, has not set a target for reimbursements.

**Table 4. Relevant Changes to Standards for Reimbursement of Misused Funds**

Relevant changes
<b>July 2005:</b> The Adjudication Procedures Manual required reimbursement of misused funds within 14 days of the date of the misuse determination or, when required, the negligence determination.
<b>May 2017:</b> The Fiduciary Program Manual required reimbursement within 14 days from the date reissuance is determined appropriate.
<b>April 2019:</b> The Fiduciary Program Manual required fiduciary hub staff to reimburse beneficiaries for misused funds “as expeditiously as possible”.

---

*Source: VA OIG analysis of the Adjudication Procedures Manual and the Fiduciary Program Manual.*

As of April 2019, the Fiduciary Program Manual urges fiduciary hub staff to reimburse beneficiaries for misused funds “as expeditiously as possible” after the misuse determination is signed by the fiduciary hub manager or assistant fiduciary hub manager.<sup>32</sup> An assistant director at Pension and Fiduciary Service stated that fiduciary hubs are required to address the misuse process, including reimbursements, in their workload management plans and systematic analyses of operations. The team examined the workload management plans and systematic analyses of operations for the two hubs visited, but none of the documents discussed or identified issues related to reimbursements. The assistant director also stated that the site visit protocol included a review of active misuse cases under a fiduciary hub’s jurisdiction, which includes reimbursements. The OIG team reviewed the only site visit report published from January 1, 2018, through September 30, 2019, and it also did not identify issues related to reimbursements.

The OIG report published in 2015 found similar issues related to the timeliness of reimbursements and determined that an average of 300 days elapsed from the date VBA

---

<sup>32</sup> Fiduciary Program Manual, chap. 5, sec. G.2, “Requirements for Automatic Reissuance of Benefits,” April 19, 2019.

determined misuse occurred without reimbursing misused benefits.<sup>33</sup> At the time the OIG published the report, procedures required staff to reimburse misused funds within 14 days of the date of the misuse determination.<sup>34</sup> The OIG recommended that the processing of all misuse actions be incorporated into quality reviews of Fiduciary Program operations, and VA concurred. However, due to the infrequent occurrence of reimbursements, trends might not be identified through random quality reviews or site visits. Since VBA staff were unaware of 11 unprocessed reimbursements from January 1, 2016, through December 31, 2017, VBA should take steps to improve monitoring of these misuse actions.

## Conclusion

The OIG acknowledges that VBA processes and initiates a tremendous number of allegations of misuse generated from its own systems and other sources—12,000 in just this review period. OIG staff found no issues with VBA staff's review and investigation into allegations of misuse and recognizes this can be a time-consuming and sometimes complex process.

This review has revealed, however, that VBA could improve both its timeliness and monitoring of negligence determinations and reimbursements. Although the number of beneficiaries is small, the impact of misused funds on their lives can be significant. Monitoring timelines and performance measures are certainly factors in ensuring beneficiaries are not harmed. As the findings of this review suggest, some veterans waited extremely long periods, some cases were not being monitored, and some beneficiaries died before they could be reimbursed.

The OIG recognizes VBA for implementing process changes and establishing a target to complete misuse investigations within 60 days in FY 2021. VBA should also determine what mechanisms will work best for ensuring the prompt completion of negligence determinations and reimbursements to beneficiaries whose funds were not used for their benefit. To ensure misuse actions are not delayed, VBA should establish controls and requirements for completing these actions promptly and monitor compliance. Every effort should be made to ensure that fiduciaries are using benefits in the best interests of the vulnerable adults and children in their charge, and that when misuse is identified the beneficiaries are promptly safeguarded and reimbursed to the greatest extent possible.

---

<sup>33</sup> VA OIG, *Audit of Fiduciary Program Controls Addressing Beneficiary Fund Misuse*.

<sup>34</sup> VA Manual 21-1MR, part 11, chap. 5, sec. E, "Reissuance of Benefits and Negligence Determinations," July 13, 2005.

## Recommendations 1–2

The OIG made two recommendations to the under secretary for benefits:

1. Implement a mechanism for ensuring negligence determinations subsequent to December 31, 2017, are completed promptly and monitor compliance.
2. Implement a mechanism for ensuring reimbursements subsequent to December 31, 2017, are completed promptly and monitor compliance.

## Management Comments

The acting under secretary for benefits concurred with both recommendations and requested the OIG close both recommendations based on system and process changes. In response to recommendation 1, the acting under secretary stated that in November 2020 VA deployed a new information technology platform. The acting under secretary also stated that this new system contains misuse records that can capture the completion of misuse actions, including negligence determinations. Additionally, the acting under secretary highlighted a drastic improvement in negligence determination timeliness for cases initiated after VA deployed this new system.

In response to recommendation 2, the acting under secretary stated that misuse records provide a field that users must update to capture the amount of reimbursed funds. The acting under secretary also stated that the new system supports VA reporting systems that provide real-time reporting capabilities, and that, currently, Pension and Fiduciary Service monitors the misuse workload using a misuse reporting tool. The acting under secretary stated that more detailed reports, to include reimbursements, are pending development.

## OIG Response

The acting under secretary for benefits' comments and corrective action plans for recommendations 1 and 2 are acceptable and responsive to the intent of the recommendations. The OIG was able to validate an improvement in negligence determination timeliness by reviewing VBA data for completed negligence determinations from December 2020 through May 2021, and pending negligence determinations as of June 2021. Therefore, the OIG considers recommendation 1 closed. Recommendation 2 will remain open and the OIG will monitor the development and release of additional system reporting functionality to improve reimbursement of misused funds timeliness.

## Appendix A: Scope and Methodology

The OIG team conducted its work from December 2019 through May 2021. The review focused on 105 cases where fiduciary hub staff determined fiduciaries had misused beneficiaries' funds during the period from January 1, 2018, through September 30, 2019. The team reviewed the staff's actions for 40 statistically selected misuse determinations. The OIG team also examined whether fiduciary hub staff appropriately handled unsubstantiated allegations of misuse by reviewing a sample of 126 allegations where hub staff found misuse did not occur. Additionally, to assess the extent of lengthy processing times, the team generated BFFS reports and identified 11 negligence determinations and 11 reimbursements that had not been processed for the period from January 1, 2016, through December 31, 2017.

### Methodology

To accomplish the review objective, the OIG team

- identified and reviewed applicable laws, regulations, VA policies, procedures, and guidelines related to the Fiduciary Program;
- conducted an in-person site visit at the fiduciary hub in Louisville, Kentucky, in January 2020;
- conducted a virtual site visit at the fiduciary hub in Indianapolis, Indiana, in March 2020;
- conducted interviews with VBA Central Office managers and staff from Pension and Fiduciary Service;
- used VBA electronic systems to review relevant documentation;
- discussed the findings and recommendations with VBA officials and included their comments where appropriate;
- reviewed a statistical sample of initiated misuse allegations; and
- used BFFS-generated reports to identify negligence determinations or reimbursements that had not been processed.

### Fraud Assessment

The review team assessed the risk that fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements, significant within the context of the review objectives, could occur during this review. The team exercised due diligence in staying alert to fraud indicators. The OIG did not identify any instances of fraud or potential fraud during this review.

## **Data Reliability**

To test the reliability of the data, the OIG team determined whether any data generated from BFFS were missing from key fields, included any calculation errors, or were outside the time frame requested. The team also assessed whether the data contained obvious duplication of records, alphabetic or numeric characters in incorrect fields, or illogical relationships among data elements.

Testing disclosed the data were sufficiently reliable for the review objectives. Comparison of data obtained by the OIG team to information contained in VBA electronic systems did not disclose any issues with data reliability. Accordingly, the team determined the computer-generated data in BFFS were sufficiently reliable to support the project's objective, conclusions, and recommendations.

## **Government Standards**

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

## Appendix B: Management Comments

### Department of Veterans Affairs Memorandum

Date: June 11, 2021

From: Under Secretary for Benefits (20)

Subj: OIG Draft Report – VBA's Fiduciary Program Needs to Improve the Timeliness of Determinations and Reimbursements of Misused Funds. [Project No. 2020-00433-BI-0001] – VIEWS 05221826

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

1. Attached is VBA's response to the OIG Draft Report: VBA's Fiduciary Program Needs to Improve the Timeliness of Determinations and Reimbursements of Misused Funds.

/s/

Thomas J. Murphy  
Acting

Attachments

Attachment

**Veterans Benefits Administration (VBA)  
Comments on OIG Draft Report  
VBA's Fiduciary Program Needs to Improve the Timeliness of Determinations and  
Reimbursements of Misused Funds**

VBA concurs with the findings in OIG's draft report and provides the following comments in the response to the recommendations.

Recommendation 1: Implement a mechanism for ensuring negligence determinations subsequent to December 31, 2017 are completed promptly and monitor compliance.

VBA Response: Concur. On November 9, 2020, VA deployed a new information technology module to VA's premier electronic case-processing platform, the Veterans Benefits Management System (VBMS) for the fiduciary program, called VBMS-Fiduciary (VBMS-Fid). VBA discontinued use of the previous system, the Beneficiary Fiduciary Field System (BFFS). Prior to the transition, the data was migrated to VBMS-Fid.

VBMS-Fid contains a misuse record which users use to capture the completion of misuse actions to include the requirement for the completion of a negligence determination. When the user indicates a negligence determination is required, VBMS-Fid generates a controlling end product (EP) 290 Negligence Determination. Upon establishment of the EP 290 Negligence Determination, the claim is automatically routed by the system to the Station 101 Work Queue in VBMS at which time Pension and Fiduciary Service assumes control of the claim. This enhanced functionality provides Pension and Fiduciary Service with a real-time view of all active negligence determination end products that assists in the timely completion and monitoring of the negligence determination workload.

Twice weekly, the RO 101-FID VBMS EP 290 Negligence Determination claims work queue of claims received is reviewed by Pension and Fiduciary Service to ensure timely completion of the negligence determination workload. As part of the work queue review, a cursory review is completed to determine if the case is ready for a negligence determination. If not, the case is returned to the appropriate fiduciary hub to take necessary actions or held until the reconsideration period has expired. Additionally, bi-weekly the entire EP 290 Negligence Determination inventory is reviewed to ensure all cases are properly assigned. All cases not assigned to the RO 101-FID VBMS work queue are reviewed to ensure they are transferred if appropriate. Weekly reports are also provided to Pension and Fiduciary Service leadership to monitor the progress of the inventory.

Since migration into VBMS-Fid, 118 EP 290 Negligence Determination cases have been completed in an average of 396.2 days (including Negligence Determination that were migrated from BFFS), an improvement over the 468 days noted in OIG's report. Furthermore, 46 of these 118 EP 290 Negligence Determinations have a date of claim that is after the VBMS-Fid deployment and the average days to complete these claims is 66.9 days. As Pension and Fiduciary Service continues to monitor the misuse inventory, the average days to complete a negligence determination is expected to continue to decrease. Please see attached documentation of applicable procedures and reporting regarding negligence determinations. Based on improved functionality and processes, VBA request closure of this recommendation.

Recommendation 2: Implement a mechanism for ensuring reimbursements subsequent to December 31, 2017 are completed promptly and monitor compliance.

VBA Response: Concur. The misuse record provides a field that users must update to capture the amount of reissued funds. The Fiduciary Program Manual (FPM II.3.D.1.f) outlines that the fiduciary hub

must update the VBMS misuse record to reflect any reissuance. To process a reissuance in VBMS, the hub must follow the steps in the table below:

Step	Action
1	Upon receipt of confirmation of reissuance from the finance activity: <ul style="list-style-type: none"> <li>• capture a screenshot from Share, and</li> <li>• upload the document to the eFolder.</li> </ul>
2	Select the appropriate misuse record located within the beneficiary profile. <p><b>Note:</b> If multiple misuse records are available for a beneficiary, the fiduciary name and date of allegation can aid in determining which record is appropriate.</p>
3	Update the appropriate fields within the misuse record to accurately reflect the reissued funds.
4	<ul style="list-style-type: none"> <li>• Locate the appropriate <i>Misuse Documentation</i> task</li> <li>• update the ACTION TAKEN field to include the date the hub received the reissuance notification from finance activity</li> <li>• set the status of the task to COMPLETE, and</li> <li>• save the task.</li> </ul>

Additionally, VBMS-Fid supports the seamless integration into VA reporting systems that provide real-time reporting capabilities that are used to track data entered and work items completed in VBMS-Fid. Currently, Pension and Fiduciary Service monitors the misuse workload using the 'FID Misuse Reporting Tool' on Tableau Server. More detailed reports, to include reissuance, are pending development as VBMS-Fid enhancements. This integration enhances Pension and Fiduciary Services' ability to identify gaps in the data and ensure that timely follow-up occurs to improve reissuance timelines. As future enhancements are identified to improved efficiency, they will be developed and released to the field.

As this is new functionality that was recently deployed, there is not significant data to validate its impact. However, the purpose and intent of this new functionality is to ensure proper oversight and timely reimbursement of funds, which did not exist in BFFS. Based on the implementation of improved processes and functionality, VBA request closure of this recommendation.

*For accessibility, the original format of this appendix has been modified to comply with Section 508 of the Rehabilitation Act of 1973, as amended.*

## OIG Contact and Staff Acknowledgments

---

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

---

<b>OIG Team</b>	Charles Chiarenza, Director Christopher Beltz Shae Buchanan Casey Crump Bryan Shaw Mark Ward
-----------------	---

---

<b>Other Contributors</b>	Kathryn Berrada Daniel Blodgett Michael Soybel
---------------------------	--

## Report Distribution

### VA Distribution

Office of the Secretary  
Veterans Benefits Administration  
Veterans Health Administration  
National Cemetery Administration  
Assistant Secretaries  
Office of General Counsel  
Office of Acquisition, Logistics, and Construction  
Board of Veterans' Appeals

### Non-VA Distribution

House Committee on Veterans' Affairs  
House Appropriations Subcommittee on Military Construction, Veterans Affairs,  
and Related Agencies  
House Committee on Oversight and Reform  
Senate Committee on Veterans' Affairs  
Senate Appropriations Subcommittee on Military Construction, Veterans Affairs,  
and Related Agencies  
Senate Committee on Homeland Security and Governmental Affairs  
National Veterans Service Organizations  
Government Accountability Office  
Office of Management and Budget

OIG reports are available at [www.va.gov/oig](http://www.va.gov/oig).