



HIGHLIGHTS October 2009

OIG REPORTS

Medication, Phlebotomy Complaints Substantiated at Hines, Illinois, VA Hospital

The Office of Inspector General's (OIG's) Office of Healthcare Inspections reviewed three allegations concerning quality of care issues against a nursing unit at the Edward Hines, Jr. VA Hospital in Hines, IL. OIG substantiated that two nurses attempted to administer a medication to a patient with a documented allergy to that medication, and that a nurse failed to remove a tourniquet from the arm of a patient with dementia. OIG did not substantiate that a patient with large wounds on his buttocks was left lying in feces or that the nurse told the patient that the next shift should clean and dress the wounds. Although OIG substantiated two of the three allegations, OIG made no recommendations because inspectors concluded that management took appropriate administrative actions prior to OIG's review. [\[Click for Report.\]](#)

VA Recovery Act Reporting Processes Meet Data Quality Requirements

OIG's Office of Audits and Evaluations reviewed VA's process for meeting the reporting requirements related to the awarding and use of funds provided to VA through the enactment of the American Recovery and Reinvestment Act of 2009. Specifically, OIG assessed whether VA established a process to perform limited data quality reviews intended to identify material omissions or significant reporting errors and to notify the recipients of the need to make appropriate and timely changes. VA's Office of Finance developed a data quality review plan that meets Office of Management and Budget requirements, as well as a checklist to be used by reviewers to ensure the completeness and accuracy of recipient data. OIG made no recommendations but suggested ways VA could enhance the data quality review process. VA agreed with OIG's suggestions and plans to incorporate these changes after performing a complete evaluation of the plan. [\[Click for Report.\]](#)

CAP Review Conducted at Iron Mountain, Michigan, Medical Center

OIG evaluated patient care administration and quality management (QM) operations during a Combined Assessment Program (CAP) review of the Oscar G. Johnson VA Medical Center (VAMC) in Iron Mountain, MI. During the review, OIG also provided fraud and integrity awareness briefings to 131 employees. Reviewers identified the Green Environmental Management System program and Operation Enduring Freedom/Operation Iraqi Freedom transition efforts as organizational strengths. OIG

made recommendations to improve the QM program, environment of care, coordination of care, medication management, and physician credentialing and privileging. [\[Click for Report.\]](#)

CAP Reviews Conducted at VA Maryland Health Care System

OIG performed a CAP review of the VA Maryland Health Care System (the system) in Baltimore that focused on patient care administration and QM. The system complied with selected standards in contracted/agency registered nurses, medication management, patient satisfaction, and suicide prevention. OIG identified pressure ulcer/wound care management as an organizational strength. OIG made recommendations for improvement in QM, emergency/urgent care operations, environment of care, coordination of care, and breast cancer management. During the review, OIG provided fraud and integrity awareness training to over 600 employees. [\[Click for Report.\]](#)

CRIMINAL INVESTIGATIONS

Former Lexington, Kentucky, VAMC Nurse Indicted for Murder

A former Lexington, KY, VAMC registered nurse was indicted by a Federal grand jury and subsequently arrested for the murder of a patient. The investigation by OIG and a county coroner's office revealed that the Veteran died from lethal levels of morphine.

Former Chief Executive Officer Convicted of Wire Fraud

The former Chief Executive Officer of a biopharmaceutical company was convicted of wire fraud after a 7-week jury trial. The investigation was a 4-year joint effort conducted by OIG, the Federal Bureau of Investigation (FBI), the Food and Drug Administration (FDA) Office of Criminal Investigations, and the Office of Personnel Management (OPM) OIG. The investigation revealed that under the direction of the defendant, who is also a medical doctor, the company marketed and sold a drug as a treatment for idiopathic pulmonary fibrosis (IPF) even though the drug was not approved by FDA as a safe and effective treatment. The investigation further revealed that the defendant and other senior officials were aware that a clinical trial involving the use of this drug with IPF patients failed. However, when the trial results were publicized, the defendant caused the issuance and distribution of a false and misleading press release to portray that the trial established that patients lived longer using this drug. The company previously agreed to pay the Government nearly \$37 million to resolve criminal charges and civil liability in connection with its illegal marketing and sales. VA's portion of this civil settlement was approximately \$3.2 million.

Former West Haven, Connecticut, VAMC Employee Sentenced for Bribery

A former West Haven, CT, VAMC employee, who had duties as a contracting officer's technical representative, was sentenced to 24 months' incarceration and 24 months' probation after being convicted of receiving bribes and filing a false tax return. An OIG, FBI, Internal Revenue Service Criminal Investigations Division, General Services Administration OIG, and VA Police investigation revealed the defendant received various payments in exchange for steering VA contracts to two companies formed by an attorney for the purpose of doing business with VA. The total value of the bribes

exceeded \$45,000. The value of the contracts awarded to the attorney's two companies totaled almost \$400,000, which included \$81,000 in payments for services or supplies authorized by or charged directly to the defendant's Government credit card. The defendant also admitted to filing a false income tax return when he failed to report the illegal payments. The attorney was previously sentenced in this case.

Veteran Arrested for Threats to Jackson, Mississippi, VAMC

A Veteran was arrested for making threats to blow up the Jackson, MS, VAMC. An OIG and VA Police investigation determined that the Veteran telephoned VA and expressed a desire to use explosives to damage or destroy the VAMC. On the same day as the telephonic threat, the Veteran arrived at the VAMC and threatened to blow up the facility if he "did not get some help." The defendant is currently being held without bond pending further judicial action.

Former Martinsburg, West Virginia, VAMC Employee Sentenced for Fraud

A former Martinsburg, WV, VAMC nursing assistant was sentenced to 30 months' incarceration, 36 months' probation, and ordered to pay \$56,165 in restitution after pleading guilty to the unauthorized use of an access device. An OIG and VA Police investigation determined that the defendant used the debit cards of two inpatients to obtain money, goods, and services.

Veteran Sentenced for Possession of Child Pornography at Miami VAMC

A Veteran was sentenced to 58 months' incarceration after pleading guilty to possession of child pornography. An OIG investigation revealed that the Veteran used a VA computer located in the Miami, FL, VAMC medical library to download material depicting children and adults engaged in sexual acts. The investigation also revealed that the defendant actively stalked young girls and wrote on his e-mail account profile about his desire to molest these girls.

Veteran Indicted for Stolen Valor Fraud

A Veteran was charged in a superseding indictment with Stolen Valor and false statements after an OIG investigation determined that he submitted a fraudulent DD-214 to the Disabled American Veterans purportedly reflecting his receipt of the Medal of Honor. The document was subsequently forwarded to a VA Regional Office (VARO) in support of the Veteran's pending appeal for an increase in his VA disability benefits. Several months after submitting the fraudulent document, the Veteran also telephonically contacted the VARO to request that his records be changed to reflect that he was a Medal of Honor recipient.

Former Philadelphia VAMC Employees Sentenced for Theft from Veterans

A former Philadelphia VAMC employee was sentenced to time served and 9 years' probation and a second former employee was sentenced to 7 years' probation. The two defendants previously pled guilty to felony theft and conspiracy charges after an OIG and VA Police investigation revealed that they stole cash, savings bonds, and credit cards from elderly Veterans who resided at the nursing home. Both defendants were also ordered to make full restitution to the victims.

Defendant Pleads Guilty to Identity Theft

A defendant pled guilty to conspiracy, identity fraud, and access device fraud after an OIG, U.S. Secret Service, and VA Police investigation revealed that two former employees of the Bedford, MA, VAMC stole checks, credit card numbers, and bank account numbers from several disabled Veterans living at the hospital. The two former employees shared the information with the defendant, who was not a VA employee, and the three subjects then purchased goods and services over the telephone and internet using the Veterans' accounts and identities.

Veteran Arrested for Theft of VA Funds

A Veteran was arrested for theft of Government funds, false statements, and false claims about receipt of military decorations as the result of an OIG investigation. The investigation, which was initiated based on information obtained from a Stolen Valor website, revealed that in 1979 the defendant falsified military paperwork when he transferred from the Navy to the Coast Guard by adding a Silver Star, Bronze Star, five Purple Hearts, Navy Seal Trident, and numerous other medals of valor and badges to his Navy discharge paperwork. While on active duty in the Coast Guard for 11 years, the defendant represented himself as having earned these awards and military badges. The defendant subsequently used the same falsified military discharge paperwork to apply for VA compensation benefits. The loss to VA is approximately \$13,000.

Veteran Sentenced for Theft of Government Funds

A Veteran was sentenced to 180 days' home confinement, 3 years' supervised release, and a \$10,000 fine. Prior to the sentencing, the Veteran paid full restitution of \$137,704. This sentencing was based on an OIG, OPM OIG, and Federal Deposit Insurance Corporation OIG investigation that determined the Veteran had submitted forged documents to the Government, including a fraudulent DD-214 and a forged letter on VA letterhead, which purported that he had 11 years of active duty service. In actuality, he served only 4 months during basic training in the U.S. Army Reserve. The false claim fraudulently raised the Veteran's creditable civilian service to over 25 years and resulted in the illicit receipt of \$137,704 in OPM retirement benefits.

Sister of Deceased Veteran Sentenced for Theft of VA Funds

The sister of a deceased Veteran was sentenced to 36 months' probation and ordered to pay \$125,245 in restitution after pleading guilty to theft of Government funds. An OIG investigation determined that the defendant stole VA benefits that were direct deposited into a joint account after her brother's death in 2002.

Incarcerated Veteran Sentenced for Theft of VA Benefits

A Veteran was sentenced to 9 months' incarceration and ordered to pay restitution after pleading guilty to the fraudulent acceptance of Veterans' benefit payments. The term of incarceration is to run concurrently to the Veteran's current incarceration on unrelated State charges. An OIG investigation determined that the Veteran failed to report to VA that he had been incarcerated in a State prison since May 2000. The Veteran continued to receive disability compensation benefits at the 100 percent rate, while only

entitled to compensation at the incarcerated Veteran rate of 10 percent. The Veteran's 10 percent rate will be further reduced and applied to his court ordered restitution. The loss to VA is \$126,614.

Former Providence, Rhode Island, VAMC Cashier Sentenced for Theft

A former Providence, RI, VAMC agent cashier was sentenced to 36 months' probation and ordered to pay restitution of \$1,527 to VA after pleading guilty to theft of Government funds. A joint OIG, FBI, and VA Police investigation revealed that the cashier initially reported that an armed individual robbed the agent cashier's office. While being interviewed, the cashier recanted his story and admitted that he had stolen the cash, checks, and other items. A search of the cashier's vehicle and residence resulted in the recovery of the stolen funds and blank checks.

(original signed by:)

GEORGE J. OPFER
Inspector General