



## HIGHLIGHTS February 2010

### CONGRESSIONAL TESTIMONY

#### **Deputy Inspector General Testifies on Fiscal Year 2011 OIG Budget**

Deputy Inspector General Richard Griffin testified before the Subcommittee on Oversight and Investigations, Committee on Veterans' Affairs, U.S. House of Representatives, on the Office of Inspector General (OIG) budget request for fiscal year (FY) 2011. Mr. Griffin highlighted the OIG's accomplishments in FY 2009 and explained how OIG would invest budget resources made available in FY 2011 to provide oversight for VA programs and operations. Mr. Griffin was accompanied by James O'Neill, Assistant Inspector General (AIG) for Investigations; Belinda Finn, AIG for Audits and Evaluations; John D. Daigh, Jr., MD, AIG for Healthcare Inspections; and Maureen Regan, Counselor to the Inspector General.

#### **AIG for Audits and Evaluations Testifies on VA Purchased Health Care Services from Non-VA providers**

AIG for Audits and Evaluations Belinda Finn testified before the Subcommittee on Health, Committee on Veterans' Affairs, U.S. House of Representatives, on OIG findings regarding Veterans Health Administration purchases of health care services for Veterans from non-VA providers. OIG estimated that VA made over \$1 billion in improper payments over a 5-year period. Ms. Finn was accompanied by Gary Abe, Director, Seattle Office of Audits and Evaluations.

#### **Anchorage VA Regional Office Inspection Report Subject of Senate Hearing**

AIG for Audits and Evaluations Belinda Finn testified at Senate Veterans' Affairs Committee field hearings in Anchorage and Fairbanks, AK, on the results of an OIG inspection of the VA Regional Office (VARO) in Anchorage. OIG reported that the Anchorage VARO faces challenges in providing benefits and services to Veterans and the need for increased management oversight. The VARO did not meet Veterans Benefits Administration (VBA) standards for 13 of the 14 operational areas inspected. Ms. Finn was accompanied by Brent Arronte, Director, Benefits Inspections Division.

### OIG REPORTS

#### **Administrative Investigation Substantiates Improper Behavior by VA Official**

An administrative investigation substantiated that a National Programs & Special Events senior official misused official time and travel, failed to properly record compensatory time for her subordinates, improperly used hundreds of hours of unauthorized compensatory leave, interfered with an OIG investigation, accepted gratuities from a

prohibited source, and circumvented acquisition requirements. The investigation also substantiated that a different senior official and three other VA employees made false statements and interfered with an OIG investigation. [\[Click for Redacted Report.\]](#)

### **Veterans Erroneously Charged for Treatment Due to Billing System Issue**

At the request of Senate Veterans' Affairs Committee Chairman Daniel K. Akaka, OIG reviewed allegations of charging Veterans for treatment as a result of military sexual trauma (MST) at the Austin Outpatient Clinic, which is part of the Central Texas Veterans Health Care System (CTVHCS). The review found that the billing system may not automatically cancel copayment charges if MST designation takes place after the encounter date. OIG also found that erroneous copayments for MST-related care have resulted from staff changing patients' copayment status from "not required to make a copayment" to "copayment required." When manual edits are made to create a copayment bill, proper controls must be in place to ensure that the manual changes consider MST and any other conditions that entitle Veterans to cost-free care. CTVHCS has cancelled all erroneous charges and refunded payments received from Veterans. [\[Click for Report.\]](#)

### **OIG Assesses VBA Hiring Initiative and New Hire Productivity**

OIG conducted a review to assess VBA's efforts to meet its hiring goals and the impact of VBA's increased workforce on compensation and pension (C&P) claims workload. Between FYs 2007 and 2009, VA received \$335 million from congressional appropriations and American Recovery and Reinvestment Act (ARRA) funds to hire about 2,300 C&P claims processors. VBA met its FY 2008 hiring goals and filled almost all of its ARRA-funded positions in FY 2009. However, VBA's rating and non-rating claims inventory is expected to continue to grow in FYs 2010 and 2011. OIG recommended that VBA collect information related to local VARO performance measures and overtime hours worked so that VBA can accurately determine its workforce capacity and future workforce needs. OIG also recommended that VBA issue guidance to VAROs requiring that temporarily promoted supervisors complete a standardized core curriculum of supervisory training. [\[Click for Report.\]](#)

### **Doctor Collected Improper VA Pay While Performing Paid Lectures**

An administrative investigation substantiated that a podiatrist, formerly working at the North Chicago VA Medical Center, provided non-VA related professional services for remuneration during his official VA time. The investigation disclosed that VA improperly paid the podiatrist \$22,208 for hours he was away from his VA duty station while traveling, lecturing, and receiving payment for non-VA related professional services. VA issued the podiatrist a bill of collection in the amount of \$22,208.

### **Allegations Not Substantiated at Wilkes-Barre, Pennsylvania, VA Medical Center**

OIG conducted an inspection to determine the validity of allegations regarding quality of care received by a patient at the VA Medical Center (VAMC) in Wilkes-Barre, PA. OIG did not substantiate the allegations; however, OIG concluded that communication and documentation could be improved. OIG recommended that providers improve communication with patients and family members to ensure that instructions and plans

of care are clearly understood and that they document instructions, plans, and patient and/or family member understanding in the medical record. [\[Click for Report.\]](#)

## **CRIMINAL INVESTIGATIONS**

### **Veteran's Wife Sentenced for Poisoning Veteran**

The wife of a Veteran was sentenced to 30 months' incarceration, 3 years' supervised release, and was ordered to pay a \$1,000 fine after pleading guilty to poisoning her husband while he was an inpatient at the Temple, TX, VAMC. The Veteran survived the poisoning. A joint OIG, Federal Bureau of Investigation (FBI), and VA Police investigation revealed that the defendant introduced various toxic substances into her husband's beverages over a period of approximately 5 weeks, causing him to repeatedly lose consciousness and require multiple hospital admissions. Video surveillance of the Veteran's hospital room revealed that the defendant continued to poison her husband even after he was admitted to the facility for treatment of previous poisonings committed outside the facility.

### **Veteran Found Guilty of Making Threats to Jackson, Mississippi, VAMC**

A Veteran was found guilty at trial of making terroristic threats. An OIG and FBI Joint Terrorism Task Force investigation revealed that the Veteran contacted the Jackson, MS, VAMC and made a threat to blow up the VA facility. The defendant conveyed a detailed plan to use Semtex, a commercially-available explosive, in elevator shafts and the radiology department.

### **Veteran and Mortgage Broker Indicted for Fraud**

An OIG and local law enforcement investigation resulted in the indictments of a Veteran and a mortgage broker. The Veteran was charged with mortgage fraud and the mortgage broker was charged with engaging in organized criminal activity. The investigation revealed that the Veteran and the mortgage broker conspired to defraud the VA Home Loan Guaranty Program by knowingly presenting falsified tax statements to a loan underwriter in order to purchase a home. The mortgage broker then used the acquired property as a primary residence without making the requisite mortgage payments. In June of 2009, the home was allowed to go into foreclosure, resulting in a potential loss of \$104,193 to VA. The total dollar amount of the fraudulent transaction was determined to be \$416,772. The Veteran received \$11,741 in cash following the sale of the home, disbursed to him by a title company in the form of a realtor's commission.

### **Veteran Convicted of Stolen Valor Fraud**

A Veteran was convicted at trial for making a false claim of being awarded the Medal of Honor and making a false statement. An OIG investigation revealed that the Veteran falsely represented that he had been awarded the Medal of Honor, in violation of the Stolen Valor Act, and fraudulently provided false information to a VARO in an attempt to increase his VA benefit payments.

### **VA Domiciliary Resident Sentenced for Identity Theft**

A Veteran was sentenced to 2 years' suspended incarceration and 2 years' probation after pleading guilty to the fraudulent use of identifying information. An OIG and VA

Police investigation determined that the defendant had been committing identity theft while he was a VA domiciliary resident. The defendant used the Government-furnished phone in his room to fraudulently obtain computers, cell phones, credit cards, and other items by using the identities of individuals he obtained while working at an auto dealership.

#### **Veteran Sentenced for VA Education Fraud**

A Veteran was sentenced to 48 months' probation and ordered to pay \$20,920 in restitution after pleading guilty to theft of Government funds. An OIG investigation determined that the defendant fraudulently received VA education benefits from March 2004 to July 2007. The defendant submitted forged VA monthly certifications reporting that he was attending school when, in fact, he failed to attend classes.

#### **Former Albuquerque VAMC Nurse Pleads Guilty to Drug Diversion**

A former Albuquerque, NM, VAMC nurse pled guilty to drug diversion charges. An OIG investigation disclosed that the defendant used the Acudose system to access oxycodone and other controlled substances for personal use. The defendant attempted to conceal the diversion activity by associating the oxycodone to certain patients, many of whom had no standing order to receive that particular medication.

#### **Veterans Indicted for Travel Benefits Fraud at Albuquerque VAMC**

Eleven Veterans were indicted for submitting fraudulent vouchers for reimbursement of travel expenses related to attending their medical appointments at the Albuquerque, NM, VAMC. The cash reimbursement was calculated on a mileage basis and the defendants claimed they were commuting several hundred miles per day, several days per week. The OIG investigation determined that the defendants were actually residing a few miles from the VAMC. The loss to VA is approximately \$110,000.

#### **Mother and Daughter Indicted for Defrauding Disabled Veteran**

The sister and niece of an incompetent Veteran, who was residing in a VA nursing care facility, were indicted for felony theft and misapplication of fiduciary property in excess of \$100,000. An OIG investigation revealed that the two defendants conspired to defraud the Veteran by using a Power of Attorney to misappropriate over \$170,000 in VA benefits belonging to the Veteran. The investigation revealed that the defendants convinced the Veteran that they were saving his benefits in a special savings account. Instead, they utilized the stolen funds for personal purchases, and also distributed a portion of the funds to other family members.

#### **Veteran Indicted for VA Compensation Fraud**

A Veteran was indicted for health care fraud, false statements relating to health care matters, being a felon in possession of a firearm, and making a false statement during the purchase of a firearm. An OIG and a Bureau of Alcohol, Tobacco, Firearms, and Explosives investigation determined that for over 20 years the defendant falsely represented to VA that he had extreme loss of vision in both eyes. The investigation further determined that the defendant drove, read, hunted, and performed numerous

activities that would not be possible with his purported vision loss. The loss to VA is approximately \$804,500.

**Veteran Arrested for Identity Theft Involving VA Benefits**

A Veteran was arrested and charged with theft of Government funds. The defendant, who was rated ineligible to receive VA benefits, stole the identity of his honorably discharged brother in order to receive VA pension payments and medical care. The defendant admitted to posing as his brother in order to receive VA benefits since 1984. The brother, who died in 2006, had never applied for VA pension or medical care. The loss to VA is approximately \$200,000.

**Remarried Widow Sentenced for Compensation Fraud**

The widow of a Veteran was sentenced to 3 months' incarceration, 180 days in a halfway house, 36 months' supervised release, and ordered to pay \$147,558 in restitution. An OIG investigation determined that the defendant had remarried more than 14 years ago and falsely certified to VA that she was unmarried in order to continue to receive a Dependency and Indemnity Compensation benefit. During the investigation, the defendant obtained an annulment from her current husband in an effort to continue to receive benefits. After the annulment was granted, she continued to live with her ex-husband as a married couple.

*(original signed by Richard J. Griffin,  
Deputy, Inspector General for:)*

GEORGE J. OPFER  
Inspector General