



# Department of Veterans Affairs

## Office of Inspector General

### January 2014 Highlights

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#### OFFICE OF INSPECTOR GENERAL REPORTS

##### **Combined Assessment Program Reviews**

In January 2014, the Office of Healthcare Inspections published five Combined Assessment Program (CAP) reviews containing VA Office of Inspector General (OIG) findings for the medical centers and health care systems listed below. The purpose of the CAP reviews was to evaluate selected health care facility operations and to provide crime awareness briefings. Topics reviewed may vary due to differences in services provided at each facility, the need to follow up on previous CAP findings, or the rotation of CAP review topics over time.

[Carl Vinson VA Medical Center, Dublin, Georgia](#) and [Coatesville VA Medical Center, Coatesville, Pennsylvania](#)

Topics reviewed:

- Quality management (QM)
- Environment of care (EOC)
- Medication management (MM) – controlled substance inspections
- Coordination of care – hospice and palliative care
- Pressure ulcer prevention and management
- Nurse staffing
- Construction safety
- Mental health residential rehabilitation treatment program (MH RRTP)

[El Paso VA Health Care System, El Paso, Texas](#)

Topics reviewed:

- QM
- EOC
- Continuity of care
- Moderate sedation
- Suicide prevention safety plans

[Harry S. Truman Memorial Veterans' Hospital, Columbia, Missouri](#) and [Michael E. DeBakey VA Medical Center, Houston, Texas](#)

Topics reviewed:

- QM
- EOC
- MM
- Coordination of care
- Nurse staffing
- Pressure ulcer prevention and management
- Community Living Center resident independence and dignity
- Follow-Up on EOC Rounds attendance (Houston only)

## **Community Based Outpatient Clinic Reviews**

In January 2014, the Office of Healthcare Inspections published five Community Based Outpatient Clinic (CBOC) reviews containing OIG's findings at select CBOCs and primary care clinics that fall under the oversight of the parent facilities listed below. The purpose of the CBOC reviews was to evaluate four operational activities: (1) EOC, (2) alcohol use disorder, (3) MM, and (4) designated women's health provider.

- [Michael E. DeBakey VA Medical Center, Houston, Texas](#)
- [Syracuse VA Medical Center, Syracuse, New York](#)
- [Lexington VA Medical Center, Lexington, Kentucky](#)
- [Portland VA Medical Center, Portland, Oregon](#)
- [VA Central Iowa Health Care System, Des Moines, Iowa](#)
- [White River Junction VA Medical Center, White River Junction, Vermont](#)

## **CRIMINAL INVESTIGATIONS**

### **Small Business Owner Arrested for Service-Disabled Veteran-Owned Small Business Fraud**

The owner of a small business that contracted with VA to provide goods and services was arrested for fraudulently representing her company as a Service-Disabled Veteran-Owned Small Business in order to obtain more than \$1.2 million in Government contracts set aside for disabled Veterans. An OIG, General Services Administration (GSA) OIG, and Internal Revenue Service Criminal Investigations Division investigation revealed that the defendant fraudulently certified that her father-in-law, who was a Veteran, was the service-disabled owner of the company. The father-in-law was not service-disabled and also had very little involvement with the company. In actuality, the company was managed by the defendant and her husband as they controlled all revenues and the company's daily operations.

### **Palo Alto, California, VA Medical Center Employee and Three Other Subjects Indicted on Multiple Charges**

A Palo Alto, CA, VA Medical Center (VAMC) employee and three other subjects were indicted for conspiracy, bank fraud, access device fraud, fraud in connection with identification information, and aggravated identity theft. An OIG and VA Police Service investigation revealed that the defendants conspired to access a protected VA computer system at the Palo Alto VAMC. The VAMC employee subsequently stole a VA employee's personally identifiable information and used the identifiers to create unauthorized credit card accounts and counterfeit checks. All of the defendants subsequently used the credit card accounts and checks to make purchases at various stores. The purchased items were then sold for cash or traded for illegal narcotics.

### **Former Northport, New York, VAMC Employee Sentenced for Child Pornography**

A former Northport, NY, VAMC environmental engineer was sentenced to 51 months' incarceration and 7 years' supervised release after having previously pled guilty to accessing child pornography with intent to view. As part of his supervised release, the defendant must submit to periodic polygraph examinations and avoid unsupervised contact with minors. An OIG and local police investigation revealed that while employed

by VA, the defendant searched for and accessed child pornography sites using VA systems. The defendant was arrested without incident following an appointment with his probation officer relating to a previous conviction for molesting a family member who was a minor.

### **Former Bedford, Massachusetts, VAMC Police Chief Pleads Guilty to Conspiracy to Kidnap**

A former Bedford, MA, VAMC Police Chief pled guilty to conspiracy to kidnap. An OIG and Federal Bureau of Investigation (FBI) investigation revealed that from the spring of 2011 to January 2013, the former police chief and two co-conspirators engaged in a series of e-mail and instant message communications during which they discussed and planned the kidnapping, torture, and murder of the spouse and other family members of one of the co-conspirators. This planning included the co-conspirator providing the former police chief with photographs of these family members and the approximate location of their residence. The co-conspirators ceased active planning of the kidnapping when the FBI arrested a New York City police officer for a related kidnapping conspiracy and began investigating one of the co-conspirators. In addition, beginning in approximately January 2013, the former police chief, one of the co-conspirators, and an undercover agent began discussions about kidnapping a woman. The former police chief participated in multiple conversations with both the undercover agent and the other co-conspirator about the conspiracy's objective to kidnap and commit acts of violence against the intended victim (an undercover FBI agent) and other women. The co-conspirator purchased a high-voltage Taser gun, based on the police chief's recommendation, which they intended to use in the commission of the kidnapping. VA computers were examined by the OIG Computer Crimes and Forensics Lab, resulting in the discovery of incriminating evidence. Charges against the two co-conspirators are pending further judicial action.

### **Former Cleveland, Ohio, VAMC Employee Pleads Guilty to Theft of Government Property**

A former Cleveland, OH, VAMC employee pled guilty to theft of Government property and false statements. An OIG and VA Police Service investigation revealed that the defendant stole 3,220 pounds of aluminum conduit piping from the medical center and sold it to a metal recycling center. The stolen aluminum piping and inside wiring were for a backup generator at the medical center. When the generator was tested after the theft, there were multiple computer network failures, including the computerized patient record system. The piping and wiring had to be replaced in order for the backup generator to function. The defendant agreed to pay VA \$12,338 in restitution.

### **Former Seattle, Washington, VAMC Employee Charged with Making a Bomb Threat**

A former Seattle, WA, VAMC employee was charged in a criminal information with making a threat to bomb the medical center. An OIG and VA Police Service investigation determined that the defendant wrote two separate letters indicating that multiple bombs would detonate somewhere in the medical center within 2 weeks. No bombs or improvised explosive devices were found. The defendant later admitted that

he wrote the letters as a diversionary tactic in order to delay an investigation that was being conducted by VA Police Service and GSA OIG over his suspected misuse of a Government fuel credit card.

### **Two Former West Palm Beach, Florida, VAMC Employees Indicted for Conspiracy, Theft, and False Statements**

Two former West Palm Beach, FL, VAMC employees were indicted for conspiracy, theft, and false statements. An OIG investigation revealed that one of the defendants, who previously worked at the U.S. Attorney's Human Resources (HR) office, conspired with a fellow VA HR employee to alter and forge leave records from the Department of Justice. The altered and forged documents enabled the employee to fraudulently receive approximately \$16,608 in leave.

### **VA Fiduciary Pleads Guilty to Theft of Government Funds**

A VA fiduciary pled guilty to theft of Government funds. An OIG and local District Attorney's investigation revealed that the defendant embezzled \$202,319 in VA benefits from five Veterans. The defendant used the money to pay personal expenses, issue loans to other people, and other non-authorized expenses.

### **Fiduciary Indicted for Theft**

The brother of a VA beneficiary was indicted for theft, money laundering, and theft of entrusted property. An OIG, Social Security Administration (SSA) OIG, and local police investigation revealed that the defendant, who was a VA-appointed fiduciary, submitted an accounting to VA that falsely identified expenses pertaining to his brother for entertainment, clothing, and room and board. During this time period, the Veteran was a bedridden inpatient at a VAMC. The defendant was also found to have used his brother's Social Security benefits for personal gain. When interviewed, the defendant admitted to embezzling both VA and SSA benefits and using those funds to buy a car and for travel. The loss to the VA beneficiary is over \$100,000.

### **Former Fiduciary Pleads Guilty to Misappropriation**

A former VA fiduciary pled guilty to misappropriation by a fiduciary. An OIG investigation revealed that from 2005 to 2009, the defendant misappropriated approximately \$72,169 in VA benefits from his brother and used the stolen funds to pay for personal expenses.

### **Veteran Sentenced for Assault of Reno, Nevada, VAMC Police Officer**

A Veteran was sentenced to a \$1,000 fine and a \$25 special assessment after pleading guilty to assault on a Federal officer. An OIG investigation revealed that the Veteran struck a Reno, NV, VAMC police officer in the face and chest while the officer was in the performance of his official duties.

### **Veteran Enters into Pre-Trial Diversion Agreement After Making Threats to Winston-Salem, North Carolina, VA Regional Office Employees**

A Veteran entered into a pre-trial diversion agreement with the U.S. Attorney's Office after making threats towards VA employees. The defendant must complete

12 months' probation and 24 hours' community service to comply with the agreement. An OIG and Federal Protective Service investigation revealed that in May 2013 the defendant made threats to use an explosive device to kill VA employees at the Winston-Salem, NC, VA Regional Office.

#### **Defendant Pleads Guilty to Theft and Identity Theft**

A defendant pled guilty to theft of Government funds and aggravated identity theft. An OIG and U.S. Department of State Diplomatic Security Service investigation determined that the defendant used a fraudulent identity to enter the military and subsequently obtain VA education benefits. The investigation further determined that the defendant obtained multiple fraudulent passports using the stolen identities of at least five individuals. The loss to VA is \$122,134.

#### **Veteran Pleads Guilty to Fraud and Theft**

A Veteran pled guilty to wire fraud, aggravated identity theft, and filing a false tax return. A multi-agency investigation revealed that from 2007 to 2013 the Veteran created a series of fraudulent charter schools in order to receive approximately \$25,000,000 in surplus Government computer equipment under GSA's Computers for Learning Program. The defendant subsequently obtained computers from VA facilities located in multiple states. The computers fraudulently obtained from VA were valued at approximately \$1.9 million.

#### **Former United Parcel Service Employee Sentenced for Drug Theft**

A former United Parcel Service (UPS) employee was sentenced to 70 to 84 months' incarceration and a \$50,000 fine after pleading guilty to larceny and possession of controlled substances. A VA OIG, local police, and UPS Corporate Security investigation revealed that the defendant stole four UPS packages containing VA-prescribed narcotics shipped or intended for shipment to Veterans residing in North Carolina.

#### **Former Togus, Maine, VAMC Pharmacy Technician Sentenced for Drug Theft**

A former Togus, ME, VAMC pharmacy technician was sentenced to 2 years' probation and fined \$4,000 after pleading guilty to theft of Government property. An OIG investigation revealed that the defendant stole VA non-controlled pills (simvastatin, Fioricet, and Phrenilin) and one controlled narcotic (Vicodin) from the VA pharmacy. A subsequent inventory of the medications disclosed that the pharmacy was missing over 4,700 pills. The defendant admitted to stealing the simvastatin for her husband and the pain medications for her own use.

#### **Veteran Sentenced for Drug Distribution**

A Veteran was sentenced to 38 months' incarceration for selling and delivering oxycodone. An OIG and local law enforcement investigation revealed that the defendant sold his VA prescribed oxycodone to undercover law enforcement officers.

**Veteran and Wife Arrested for Theft of VA Benefits**

A Veteran and his wife were arrested for theft of Government funds, false statements, and conspiracy to defraud the United States. An OIG investigation revealed that the defendants submitted false claims to VA in order to receive VA disability compensation and education benefits for injuries allegedly sustained while in the U.S. Marine Corps. The loss to VA is approximately \$90,000.

**Widow of Deceased Veteran Sentenced for Theft**

The widow of a deceased Veteran was sentenced to 5 months' incarceration, 36 months' probation, and ordered to pay VA \$76,998 in restitution after pleading guilty to theft of Government funds. An OIG investigation revealed that the defendant stole VA benefits that were direct deposited and issued by Treasury check after her husband's death in December 2007.

**Veteran's Brother Pleads Guilty to Identity Theft**

A Veteran's brother pled guilty to possession of a fraudulent Florida driver's license, making a false application for a Florida driver's license, and fraudulent use of identification. An OIG and Florida Highway Patrol investigation revealed that the defendant, who was not a Veteran, obtained a Florida driver's license and received treatment at the Miami, FL, VAMC while using his brother's identity. The defendant received approximately \$59,403 in VA medical care to which he was not entitled.

**Non-Veteran Arrested for Theft and Burglary at Tampa, Florida, VAMC**

A non-Veteran was arrested for theft and burglary. An OIG and VA Police Service investigation revealed that on at least two occasions the defendant stole computers from the Tampa, FL, VAMC. The defendant is also a suspect in the theft of additional computers from the same medical center. The defendant was apprehended while attempting to leave the facility with a computer and later told investigators that he intended to sell the computer for crack cocaine. The stolen computers were properly Pretty Good Privacy encrypted. The loss to VA is approximately \$7,800.

**Veteran Pleads Guilty to Interstate Transportation of Stolen Property from Chillicothe, Ohio, VAMC**

A Veteran pled guilty to interstate transportation of stolen property. VA construction equipment and VA contractor equipment were stolen from the Chillicothe, OH, VAMC. Some of the stolen VA equipment was subsequently located in West Virginia. The defendant admitted to transporting and selling the stolen property in West Virginia, as well as selling some of the stolen equipment at a local pawn shop. A stolen generator was also recovered during a search of the defendant's residence. The value of the stolen property is approximately \$89,200.

**Veterans Sentenced for VA Benefit Travel Fraud Committed at Cleveland, Ohio, VAMC**

The last of 16 defendants was sentenced as a result of an OIG and VA Police Service travel benefits fraud investigation at the Cleveland, OH, VAMC. The defendants received sentences ranging from probation to 18 months' incarceration.

In addition, eight additional defendants were charged in state court with filing false travel vouchers. The loss to VA was approximately \$353,000.

**Veteran Sentenced for Making False Travel Claims at White River Junction, Vermont, VAMC**

A Veteran was sentenced to 5 years' probation, 4 months' home confinement, and ordered to pay VA \$25,000 in restitution after pleading guilty to making false claims. An OIG investigation revealed that the defendant filed fraudulent travel benefit claims with the White River Junction, VT, VAMC resulting in the payment of inflated travel payments.

**Veteran Arrested for Theft of Travel Benefit Funds at Memphis, Tennessee, VAMC**

A Veteran was indicted and subsequently arrested for theft of Government funds. An OIG investigation revealed that the defendant submitted false claims to the Memphis, TN, VAMC, certifying that he was traveling round-trip from Tupelo, MS, when he was actually residing approximately 1 mile from the medical center. The loss to VA is \$5,962.



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