



DEPARTMENT OF VETERANS AFFAIRS OFFICE OF INSPECTOR GENERAL

APRIL 2018 HIGHLIGHTS

Criminal Investigations for Health Care

Former San Juan, Puerto Rico, VA Medical Center Employee Pled Guilty to Theft of Government Property

A former San Juan VA Medical Center (VAMC) Pharmacy Procurement Technician pled guilty to theft of government property. An investigation by the Office of Inspector General (OIG) and VA Police revealed that the defendant used her position to order and subsequently steal large quantities of insulin with a commercial market value of \$6.75 million from the medical center. The loss to VA is approximately \$762,000.

Non-VA Care Chiropractor Sentenced for Theft from a Healthcare Program

A non-VA care (community-based care) chiropractor was sentenced to five years' probation and ordered to pay approximately \$34,900 in restitution to the VA. The defendant also agreed to a 10-year ban on being a healthcare provider for VA. An OIG investigation revealed that the defendant submitted over \$220,000 in claims for alleged chiropractic treatments provided to a single veteran during a one-year period. On multiple occasions, the defendant did not treat the veteran, made arrangements for the veteran to receive massages and copper tub treatments at a local spa, and then billed VA for those spa treatments.

Former Waco, Texas, VA Medical Center Employee Sentenced for Sexual Assault

A former Waco VAMC maintenance worker accepted a plea deal and was sentenced to 15 years' imprisonment. An OIG, VA Police, and local police investigation revealed that the defendant sexually assaulted a coworker with intellectual disabilities on VA grounds.

Former Denver, Colorado, VA Medical Center Employee Sentenced for Drug Diversion

A former Denver VAMC contract nurse was sentenced to 14 months' incarceration and 36 months' supervised release. An investigation by the OIG and Food and Drug Administration Office of Criminal Investigations revealed that the defendant diverted hydromorphone from the VAMC on approximately 20 occasions and tampered with two vials of Fentanyl while working at a non-VA hospital.

Criminal Investigations for Benefits

VA Beneficiary and Husband Arrested for Conspiracy and Theft of Government Property

A VA beneficiary and her husband were arrested for conspiracy and theft of government property. An OIG investigation resulted in charges that allege the beneficiary, with assistance from her husband, fraudulently led VA to believe she was so severely disabled that VA granted her special monthly compensation benefits for the loss of the use of both feet. The investigation revealed that the beneficiary

had little to no limitations and received no assistance from her husband. The loss to VA is over \$942,000.

Non-Veteran Indicted for Theft of Government Funds

An OIG investigation resulted in charges that allege the defendant, who was not a veteran, submitted a forged DD-214 to VA claiming he earned the Purple Heart and Navy Cross. Consequently, the defendant received approximately \$108,000 in VA healthcare benefits and approximately \$111,000 in VA pension benefits over 13 years. The total loss to VA is over \$219,000.

Veteran Sentenced for Theft of Government Funds

An OIG investigation revealed that a veteran fraudulently received compensation benefits for the alleged loss of use of both feet. The veteran claimed to VA and OIG agents that he could not walk or even stand for more than a few seconds without falling. However, the veteran was observed and recorded walking, driving, climbing ladders, mowing his lawn, and engaging in other physical activities. The veteran was sentenced to a year and one day in federal prison after being convicted of theft of government funds and was ordered to pay restitution of over \$157,000 to VA.

Criminal Investigations for Other Matters

Two Construction Companies and Six Individuals Charged in Conspiracy Scheme

A VA OIG, Federal Bureau of Investigation (FBI), General Services Administration OIG, Small Business Administration (SBA) OIG, Defense Criminal Investigative Service, Department of Transportation OIG, and U.S. Army Criminal Investigation Division investigation resulted in charges that allege construction companies used straw owners who qualified as service-disabled veterans (or as socially and economically disadvantaged individuals) but did not actually control the companies in order to gain contacts. A grand jury indicted two non-veterans and two construction companies allegedly involved in the conspiracy to commit wire fraud, mail fraud, misprision of felony, and money laundering. The scheme involved more than \$190 million in VA contracts. In addition to this indictment, two veterans and two non-veterans were each charged with criminal information with conspiracy and/or false statements.

Medical Practice Agrees to Pay \$326,000 to VA to Resolve Allegations of Violating the False Claims Act

A Las Vegas medical practice agreed to pay \$1.5 million to the United States to resolve allegations that the company violated the *False Claims Act*. Of this amount, VA will receive \$326,000. An OIG, Health and Human Services OIG, and FBI investigation revealed that the company billed federal healthcare programs, including Medicare and VA, for surgical services not actually performed and for more expensive services than those that were actually provided.

Veteran Arrested for Making Threats against VA Employees, a U.S. Congresswoman, and Congressional Staff

A veteran was arrested in Oregon after allegedly threatening to kill at least five specific VA employees at the Palo Alto and San Francisco VA medical centers, as well as threatening to “end” a U.S. Congresswoman and kill members of her staff. The defendant also repeatedly “threatened to shoot all [African Americans] at the VA with a 1911 handgun.” During March 2018, the defendant called various VA facilities in Northern California more than 600 times. The OIG was notified by VA Police, and the San Mateo Police Department subsequently requested OIG’s assistance in locating the defendant. The OIG worked with the FBI to track the individual to a hotel along the border of Oregon and Washington. Once the defendant’s location was confirmed, the Gresham Police Department arrested the defendant without incident.

Audit

[VA’s Federal Information Security Modernization Act Audit for Fiscal Year 2017](#)

This OIG audit identified continuing significant deficiencies in VA information systems related to access, configuration management, and change management controls. Concerns were also noted in service continuity practices designed to protect mission-critical systems from unauthorized access, alteration, or destruction.

Healthcare Inspection

[Testosterone Replacement Therapy Initiation and Follow-Up Evaluation in VA Male Patients](#)

This OIG report focuses on an assessment of whether VA providers established androgen deficiency (lower levels of male sex hormones, particularly testosterone, than is needed for health) prior to initiating testosterone therapy. It also examines the extent to which VA providers performed follow-up evaluations after initiating the therapy, in accordance with the 2010 Endocrine Society Clinical Practice Guidelines and current VA criteria for use.



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