FOR IMMEDIATE RELEASE
November 10, 2016


WASHINGTON – The VA Office of Inspector General (VA OIG) issued an administrative investigation report that found that John Thomas Burch, Jr., who is employed as an attorney in the VA Office of General Counsel (OGC), engaged in conduct prejudicial to the Government, misused his VA position for his private gain and misused government resources in connection with his outside employment as Chairman of the Board and President of the veterans’ charity, National Vietnam Veterans Foundation, Inc. (NVVF). The Department of Veterans Affairs requested that VA OIG investigate Burch’s activity with the charity after media stories questioned his relationship with the veterans’ charity and exposed the charity’s poor record of helping veterans and financial mismanagement. Mr. Burch’s conduct, as described in this report, served to tarnish VA’s reputation and diminish the trust of veterans, which is paramount to the success of the Department.

"VA employees are held to high standards and are afforded a special public trust to execute their duties properly for the benefit of veterans and the American people," said Michael J. Missal, Inspector General, U.S. Department of Veterans Affairs, Office of Inspector General. "The VA OIG's investigation found that Mr. Burch engaged in conduct prejudicial to the Government, and misused his position and government equipment for his own personal enrichment. As a lawyer for VA with ethical, fiduciary, and professional obligations, his conduct is particularly disturbing and repugnant."

The OIG report contained three recommendations. VA concurred in all of them. In addition, VA notified OIG that it initiated the process for Mr. Burch’s removal from federal service after reviewing the OIG’s evidence.

The VA OIG also worked in collaboration with the New York Office of the Attorney General Charities Bureau (NYAGCB), sharing evidence that resulted in Mr. Burch admitting he breached his fiduciary duties to NVVF and used Foundation funds for his personal benefit. The NYAG issued an Assurance of Discontinuance against Mr. Burch. In that Assurance, Mr. Burch agreed to findings that he breached his fiduciary duties to the NVVF by, among other things, engaging in a pattern of abuse, mismanagement, and misspending of NVVF’s revenues. Aside from paying fund raisers the great majority of the donations collected, Mr. Burch used the NVVF
funds to pay for his foreign and domestic travel, frequent visits to nightclubs, and lavishing gifts and money on women who either had no, or only a tangential, relationship to a veteran.

“There is nothing more shameless than exploiting military veterans in order to enrich oneself. The actions of this charity and its founder are appalling,” said Attorney General Schneiderman. “This organization took advantage of the good will of millions, yet failed to fulfill nearly all of its promises to help those who have sacrificed for our nation. This settlement sends a clear message that charities will not get away with fleecing donors in New York.”

Under the terms of the Assurance, Mr. Burch has agreed to pay $100,000 to the N.Y. Department of Law, and repay $5,331 to the charity. Mr. Burch has also issued an apology to the People of New York and the Veterans of the Vietnam War. He also agreed to never again handle charitable funds, refrain from serving in any non-profit, religious or other charitable organizations, and to cooperate with NYAG’s ongoing investigation.

The VA OIG conducts oversight of VA and its programs and operations, providing independent and objective reporting to the VA Secretary and the Congress for the purpose of preventing and detecting fraud and abuse, and bringing about positive change in the integrity, efficiency, and effectiveness of VA. To report potential criminal activity, fraud, waste, mismanagement, or other abuse, contact the VA OIG hotline at vaoighotline@va.gov or www.va.gov/oig/hotline/default.asp.

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