



**Department of Veterans Affairs
Office of Inspector General**

**Evaluation of Allegations of Inappropriate
Compensation and Pension Claims
Processing at VA Regional Office
Montgomery, Alabama**

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**Department of
Veterans Affairs**

Memorandum

Date:

From: Assistant Inspector General for Auditing (52)

Subj: Evaluation of Allegations of Inappropriate Compensation and Pension Claims Processing at VA Regional Office Montgomery, Alabama

To: Director, VA Regional Office (322/00)

1. Summary

The Office of Inspector General conducted an evaluation of compensation and pension (C&P) claims processing at VA Regional Office (VARO) Montgomery, Alabama to determine the validity of allegations that Veteran Service Center (VSC) staff had entered inaccurate data into the Work-In-Process (WIPP) system to give the appearance that program performance was better than that actually achieved. Specifically, the allegations were that VSC management:

- Routinely changed End Product (EP) codes and dates of claim (DOC) to reduce pending workload, improve timeliness, and meet production goals.
- Cancelled and immediately re-established EPs for claims with older DOCs to reduce the time the EPs were pending.
- Processed additional EPs for brokered cases to enhance production numbers.

We did not substantiate the allegations; therefore, this report contains no recommendations. Regional Office management was orally briefed on the results of our evaluation and no written comments were requested.

2. Scope and Methodology

We focused our review on the WIPP database of 16,024 C&P original and reopened rating-related claims the VARO processed from October 1, 2002, through June 6, 2003. To determine the validity of the allegations, we randomly selected 115 of the 16,024 claims and reviewed the EPs established and cancelled for these claims. We also evaluated the procedures VSC staff were using for claims brokered to other VAROs.

We interviewed the VARO Director, and VSC management and staff responsible for oversight of claims processing.

3. Results of Evaluation

We did not substantiate the allegations. Our analysis of the database did not identify any indicators or patterns relating to the allegations. Our sample did not show that EP codes and DOCs were routinely changed to reduce pending workload, EPs were cancelled and immediately re-established to reduce the time the EPs were pending, or that additional EPs for brokered claims were taken to enhance production numbers.

However, we identified 14 (12 percent) processing errors related to EPs and claims authorization practices that were unrelated to the allegations. Of the 14 errors identified, 8 EPs (4 incorrect, 4 additional) were taken that affected workload production reports (7 percent of all claims reviewed). For example:

- Incorrect EP 180 (original pension) was taken May 2003. Original award action for same issue was processed in 1990. The VARO can only receive credit once for an original claim. The correct EP would have been EP 120 (reopened pension).
- An additional EP was established and taken. EP 024 (reopened diabetes claim) and EP 025 (reopened post-traumatic stress claim) were established and taken separately. These claims should have been considered under the same EP.

We found no patterns or trends in the cases reviewed that indicated these errors were deliberate or done for the purpose of giving the appearance of improved program performance. The VSC Manager stated that the staff in the relatively new Triage Unit, which establishes all EPs for incoming claims, was inexperienced and not as knowledgeable of VBA workload measurement criteria as they should be. VARO management took immediate action to arrange training for VSC claims processing staff.

For the Assistant Inspector General for Auditing

(original signed by:)
JAMES R. HUDSON
Director, Atlanta Audit Operations Division

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