

VA Office of Inspector General

OFFICE OF AUDITS AND EVALUATIONS



Veterans Benefits Administration

*Audit of
the Efforts to
Effectively Obtain
Veterans' Service
Treatment Records*

August 28, 2014
14-00657-261

ACRONYMS AND ABBREVIATIONS

DoD	Department of Defense
HAIMS	Healthcare Artifacts and Image Management Solution
NPRC	National Personnel Records Center
OIG	Office of Inspector General
POC	Point of Contact
RAD	Release from Active Duty
RMC	Records Management Center
STR	Service Treatment Record
VA	Veterans Affairs
VALO	VA Liaison Office
VARO	Veterans Affairs Regional Office
VBA	Veterans Benefits Administration
VBMS	Veterans Benefits Management System

To Report Suspected Wrongdoing in VA Programs and Operations:

Telephone: 1-800-488-8244

Email: vaoighotline@va.gov

(Hotline Information: www.va.gov/oig/hotline)



Report Highlights: Audit of VBA's Efforts to Effectively Obtain Veterans' Service Treatment Records

Why We Did This Audit

This audit was Congressionally required by the Consolidated Appropriations Act, 2014. The Act directed the Department of Veterans Affairs (VA) Office of Inspector General (OIG), in coordination with the Department of Defense (DoD) OIG, to examine the processes and procedures for transmitting service treatment records (STRs) and personnel records from DoD to VA.

We focused our efforts on the Veterans Benefits Administration's (VBA) processes and timeliness of requesting paper STRs and providing them to VA Regional Office (VARO) staff, who need the records to make decisions on veterans' disability compensation claims. We also assessed initial timeliness of receiving electronic STRs from DoD, which is a process that began in January 2014.

What We Found

We determined that DoD is not timely in providing VBA electronic STRs. From January 1, 2014, through June 3, 2014, VBA submitted 7,278 STR requests to DoD for veterans who submitted claims and separated from military service on or after January 1, 2014. Of those, DoD only completed 2,111 requests (29 percent) and 5,167 requests (71 percent) were pending. Of the 2,111 completed STR requests, 377 requests (18 percent) were received by VBA within 45 calendar days of the veterans' separation from military service. This occurred because DoD reported experiencing challenges and delays implementing the process of transmitting electronic STRs to VBA.

Based on a review of 400 statistically selected original disability compensation claims completed during calendar year 2013, we identified delays within VBA's processes. Delays occurred with VARO staff establishing claims, requesting STRs, and receiving requested STRs. Overall, we attributed a total of about 131 days to these actions. Delays occurred primarily because of VBA's focus on eliminating the disability claims backlog. As a result of these delays, DoD and VBA need to improve timeliness of their current STR processes in order for VBA to achieve its timeliness goal of processing all claims within 125 days.

What We Recommended

We made recommendations to the Under Secretary for Benefits to improve VBA's processes of requesting and providing STRs to VARO staff.

Agency Comments

The Under Secretary for Benefits concurred with our recommendations and provided an acceptable action plan. We will follow up on the implementation of the corrective actions.

A handwritten signature in black ink that reads "Linda A. Halliday".

LINDA A. HALLIDAY
Assistant Inspector General
for Audits and Evaluations

TABLE OF CONTENTS

Introduction.....	1	
Results and Recommendations	2	
Finding	Despite New Process of DoD Transmitting Electronic STRs, VBA Needs To Improve Timeliness of Its Paper STR Processes.....	2
	Recommendations	11
Appendix A	Background	12
Appendix B	Scope and Methodology.....	14
Appendix C	Statistical Sampling Methodology	16
Appendix D	Under Secretary for Benefits Comments.....	20
Appendix E	Office of Inspector General Contact and Staff Acknowledgments	23
Appendix F	Report Distribution.....	24

INTRODUCTION

Objective

This audit was Congressionally required by the Consolidated Appropriations Act, 2014. The Act directed the Department of Veterans Affairs (VA) Office of Inspector General (OIG), in coordination with the Department of Defense (DoD) OIG, to examine the processes and procedures for transmitting service treatment records (STRs) and personnel records from DoD to VA.

We focused our efforts on the Veterans Benefits Administration's (VBA) processes and timeliness of requesting paper STRs and providing them to VA Regional Office (VARO) staff, who need the records to make decisions on veterans' disability compensation claims. We also assessed initial timeliness of receiving electronic STRs from DoD, which is a process that began in January 2014. Based on discussions with Senate Appropriations Committee staff, we focused the audit on the transmission of STRs and did not review the transmission of personnel records. DoD OIG focused on determining whether DoD was providing timely and complete STRs to VA.

Service Treatment Records

STRs are veterans' military health records that typically include medical history, physical and dental examinations, military entrance and discharge examinations, and outpatient treatments. STRs are a source of evidence required to establish a relationship between a disability claim and an injury, disease, or event during military service. When a servicemember separates from military service, DoD is responsible for providing VBA the individual's complete and certified STR within 45 business days from the release from active duty (RAD) date. VBA officials reported that VBA tracks compliance based on 45 calendar days from the RAD date, and discussions are ongoing with DoD to agree on a common standard.

Prior to 2014, DoD sent paper STRs to VBA's Records Management Center (RMC) or to the National Personnel Records Center (NPRC). Starting in January 2014, DoD changed its processes, and military service departments began scanning their paper STRs into DoD's Healthcare Artifacts and Image Management Solution (HAIMS). Once in HAIMS, electronic STRs are uploaded to the Veterans Benefits Management System (VBMS) when VARO staff establishes a veteran's claim.

Other Information

- Appendix A provides additional background information.
- Appendix B provides details on our scope and methodology.
- Appendix C provides details on our statistical sampling methodology.

RESULTS AND RECOMMENDATIONS

Finding **Despite New Process of DoD Transmitting Electronic STRs, VBA Needs To Improve Timeliness of Its Paper STR Processes**

We determined that DoD is not timely in providing VBA electronic STRs. From January 1, 2014, through June 3, 2014, VBA submitted 7,278 STR requests to DoD for veterans who submitted claims and separated from military service on or after January 1, 2014. Of those, DoD only completed 2,111 requests (29 percent) and 5,167 requests (71 percent) were pending. Of the 2,111 completed STR requests, DoD only provided 377 requests (18 percent) to VBA within 45 calendar days of the veterans' separation from military service. This occurred because DoD reported experiencing challenges and delays implementing the process of transmitting electronic STRs to VBA.

Although in January 2014 DoD stopped sending paper STRs to VBA, this new initiative is not expected to significantly help VBA in the near term. VBA's processes will continue to involve requesting and scanning paper STRs because prior to January 1, 2014, DoD mailed paper STRs to RMC or NPRC when a servicemember separated from military service. VBA does not have plans to scan all paper STRs located at RMC and NPRC. It plans to scan STRs only as they are requested. Thus, VBA will rely on its current processes for the foreseeable future.

Based on a review of 400 statistically selected original disability compensation claims completed during calendar year 2013, we identified delays within VBA's current processes. Delays occurred with VARO staff establishing claims, requesting STRs, and receiving requested STRs. Overall, we attributed a total of about 131 days to these actions, which precede VARO staff having all key evidence needed to process veterans' disability compensation claims. This period goes beyond the 125 days VBA set as the timeliness goal for processing claims. VBA reported the average days to complete original disability compensation claims in calendar year 2013 was about 387 days and nearly 34 percent of that time could be attributed to VARO staff establishing claims, requesting STRs, and waiting to receive requested STRs.

Delays occurred primarily because of VBA's focus on eliminating the disability claims backlog. This focus had a negative influence on VBA effectively monitoring its timeliness standard for establishing claims. Further, VBA did not develop a timeliness standard for generating initial requests for STRs. The process of requesting records for National Guard and Reserve veterans also had a significant effect on receiving STRs, resulting in delays.

Veterans who separated from military service prior to January 1, 2014, are expected to make up a significant portion of VBA's claims workload in the foreseeable future. Therefore, VBA needs to improve timeliness within its current STR processes in order to achieve its timeliness goal of processing all claims within 125 days.

**Initial Delays
With New
Process**

Starting in January 2014, DoD began transferring STRs to VBA electronically for veterans separating from military service. To assess initial timeliness of this initiative, we reviewed VBA's summary data on completed and pending requests for electronic STRs from January 1, 2014, through June 3, 2014. We determined that DoD is encountering delays providing VBA with requested STRs. During this period, VBA submitted 7,278 STR requests for veterans who submitted a claim and separated from military service on or after January 1, 2014. Of those, DoD only completed 2,111 (29 percent) of VBA's requests and 5,167 requests (71 percent) were pending. Table 1 summarizes this information by each military service department.

Table 1. Electronic STR Requests—Completed and Pending

Service Department	STR Requests	Completed Requests	Pending Requests
Army	3,317	521 (16%)	2,796 (84%)
Air Force	1,318	849 (64%)	469 (36%)
Navy	1,482	426 (29%)	1,056 (71%)
Marine Corps	1,161	315 (27%)	846 (73%)
Total	7,278	2,111 (29%)	5,167 (71%)

Source: VBA Compensation Service (as of June 3, 2014)

Note: Percent estimates are rounded.

**Completed
Requests Not
Timely**

Of the 2,111 completed STR requests, DoD provided only 377 (18 percent) of VBA's requests within 45 calendar days¹ of the veterans' separation from military service. The remaining 1,734 requests were not completed timely.

¹ VBA officials reported that it tracks compliance based on 45 calendar days even though DoD's standard is to provide STRs to VA within 45 business days. VBA officials further reported that discussions are ongoing with DoD to agree to a common standard.

Table 2 summarizes this information by military service department.

Table 2. Electronic STR Requests—Completed

Service Department	Completed STR Requests	Completed Timely (within 45 days)	Completed Late (over 45 days)
Army	521	28 (5%)	493 (95%)
Air Force	849	213 (25%)	636 (75%)
Navy	426	68 (16%)	358 (84%)
Marine Corps	315	68 (22%)	247 (78%)
Total	2,111	377 (18%)	1,734 (82%)

Source: VBA Compensation Service (as of June 3, 2014)

Note: Percent estimates are rounded.

Pending Requests Overdue

Of the 5,167 pending STR requests, only 923 (18 percent) requests were pending within the 45 calendar days after the veterans' RAD date. The remaining 4,244 (82 percent) requests were overdue because they were pending for more than 45 calendar days from the veterans' RAD date. Table 3 summarizes this information by each military service department.

Table 3. Electronic STR Requests—Pending

Service Department	Pending STR Requests	Pending Within 45 Days	Pending Overdue (more than 45 days)
Army	2,796	300 (11%)	2,496 (89%)
Air Force	469	167 (36%)	302 (64%)
Navy	1,056	237 (22%)	819 (78%)
Marine Corps	846	219 (26%)	627 (74%)
Total	5,167	923 (18%)	4,244 (82%)

Source: VBA Compensation Service (as of June 3, 2014)

Note: Percent estimates are rounded.

DoD military service departments established Central Cells where paper STRs are scanned into HAIMS and merged with electronic health information stored in the Armed Forces Health Longitudinal Technology

Application² after a servicemember separates from that military service. A VBA Compensation Service official reported that the Army and Air Force established a Central Cell in San Antonio, TX, and the Navy and Marine Corps established a Central Cell in Chantilly, VA. DoD reported experiencing challenges and delays implementing the process of transmitting electronic STRs to VBA. For example, DoD officials attributed delays to initial setbacks in training and obtaining background checks for contractor personnel.

*Coordination
With DoD*

VBA officials stated that VBA currently provides DoD a report containing newly submitted electronic STR requests, newly completed STR requests, and pending electronic STR requests. The officials said the report is provided to help DoD prioritize its workload, and the data are used for regular discussions between VBA and DoD. VBA officials further noted that continued coordination with DoD is needed to ensure all electronic STR documentation is provided in searchable, portable document format because VBMS will only accept images in this format for the foreseeable future.

*DoD's
Initiative Not
Expected To
Significantly
Improve VBA
Timeliness in
the Near Term*

Although on January 1, 2014, DoD stopped sending paper STRs to VBA, this new initiative is not expected to significantly help VBA in the near term with achieving its timeliness goal of processing all claims within 125 days. For veterans with a RAD date prior to January 1, 2014, VBA's processes to obtain STRs will continue to rely on requesting paper STRs stored at RMC and NPRC. Prior to January 1, 2014, DoD mailed paper STRs to RMC or NPRC when a servicemember separated from military service.

VBA reported all VAROs started using VBMS to process claims electronically by June 2013. In order to convert requested STRs into an electronic format, VBA sends paper STRs located at RMC or NPRC to contract vendors for scanning. This process eliminates sending paper records to VAROs and provides VARO staff access to searchable, electronic STRs. VBA does not have plans to scan all paper STRs located at RMC and NPRC. It plans to scan STRs only as they are requested. Thus, VBA will rely on its current processes for the foreseeable future.

*Majority of
Veterans' RAD
Prior to 2010*

It is expected that VBA's disability claims workload will continue to be made up of veterans who separated from military service prior to the electronic STR initiative. For example, we reviewed 400 statistically selected original disability compensation claims completed during calendar year 2013 and nearly 75 percent of the claims in our sample were for veterans with a RAD date prior to 2010.

² The Armed Forces Health Longitudinal Technology Application is an electronic medical record system used by DoD medical providers who enter progress notes, put in orders, and document procedures performed.

Table 4 summarizes estimates for veterans' RAD dates, based on our claims review and stratified by decades.

Table 4. Veterans' RAD Dates

Time of RAD	Number From Universe	Percent of Universe
1940s and 1950s	12,300	5 percent
1960s and 1970s	83,200	31 percent
1980s and 1990s	57,300	22 percent
2000s	40,500	16 percent
2010s	66,200	26 percent

Source: VA OIG analysis of 400 statistically selected original disability compensation claims

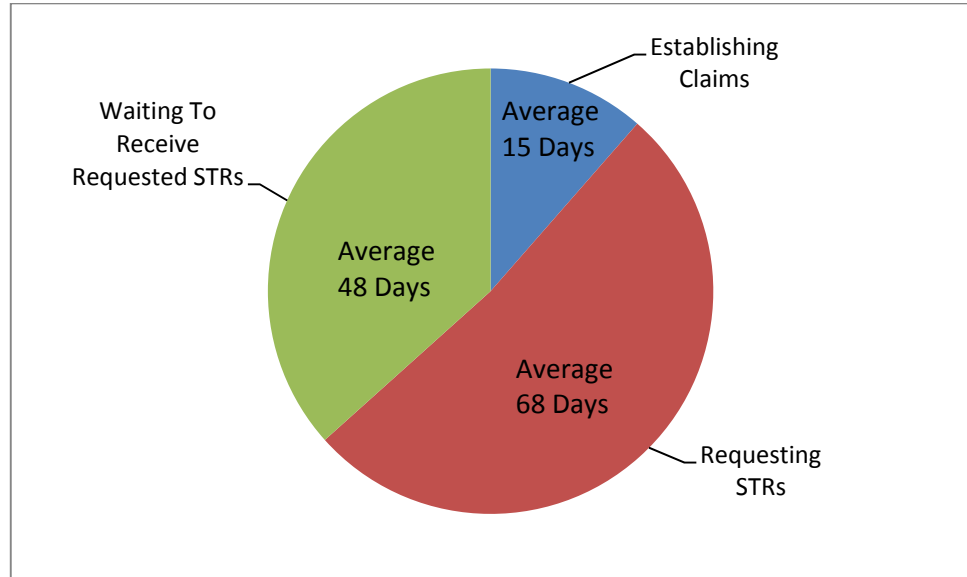
Note: Estimates are rounded.

Establishing Claims and Requesting and Receiving STRs Can Be Improved

Based on our review of 400 statistically selected original disability compensation claims completed during calendar year 2013, we identified delays within VBA's current processes. Delays occurred with VARO staff establishing claims, requesting STRs, and receiving requested STRs. Overall, we attributed a total of about 131 days to these actions, which precede VARO staff having all key evidence needed to process veterans' disability compensation claims. This period goes beyond the 125 days VBA set as the timeliness goal for processing claims. VBA reported the average days to complete original disability compensation claims in calendar year 2013 was about 387 days and nearly 34 percent of that time could be attributed to VARO staff establishing claims, requesting STRs, and waiting to receive requested STRs.

The following figure demonstrates average days for VARO staff establishing claims, requesting STRs, and waiting to receive requested STRs that make up the 131-day total for these actions, based on our claims review.

Figure. VBA's STR Process Time (Total 131 Days)



Source: VA OIG analysis of 400 statistically selected original disability compensation claims

Establishing Claims

When VBA receives a veteran's disability compensation claim, VARO staff are required to establish the claim in VBA's data systems within 7 days of receipt. We determined VARO staff were not achieving this result as it took an average of 15 days for VARO staff to complete this step. This is significant because without establishing a claim, the VARO does not track or assign it to staff to initiate development action. Additionally, VARO staff must establish claims in VBA's data systems before the claims are included in VBA's reported workload statistics. Table 5 summarizes time estimates for establishing claims within VBA's data systems, based on our claims review.

Table 5. Time To Establish Claims

Establishing Claims	Estimate for Universe
0 to 7 Days	72 percent
8 to 30 Days	17 percent
31 to 90 Days	6 percent
More Than 90 Days	5 percent

Source: VA OIG analysis of 400 statistically selected original disability compensation claims

Note: Estimates are rounded.

Requesting STRs

VARO staff request STRs from the RMC, NPRC, and in some instances from individual National Guard or Reserve units. We determined VARO staff did not request STRs in a timely manner. Specifically, it took an average of 68 days for VARO staff to request STRs when measured from the date the claims were established. Since STRs are a major source of evidence required for VARO staff to make decisions on veterans' disability compensation claims, it is vital to request the records in a timely manner to minimize processing delays. Table 6 summarizes time estimates for requesting STRs, based on our claims review.

Table 6. Time To Request STRs

Requesting STRs	Estimate for Universe
0 to 7 Days	31 percent
8 to 30 Days	18 percent
31 to 90 Days	23 percent
More Than 90 Days	28 percent

Source: VA OIG analysis of 400 statistically selected original disability compensation claims
 Note: Estimates are rounded.

Receiving STRs

We measured the time it took STRs to be available to the requesting VARO. The measurement was determined by the date paper STRs were received at the VARO or date electronic STRs were available in VBMS after scanning. We identified delays in this process. Specifically, it took an average of 48 days to receive STRs when measured from the STR request date. VBA reported that RMC staff prepares and sends most requested STRs to vendors for scanning into VBMS. We recognize that the preparation, shipping, and scanning process may negatively affect the overall timeliness of providing STRs to the requesting VARO. However, the scanning process has immediate and future benefits because it eliminates the need to send paper records to VAROs and provides VARO staff access to searchable, electronic STRs in VBMS.

The process of requesting records for National Guard and Reserve veterans also had a significant effect on receiving STRs, resulting in delays. Paper STRs for veterans who separated from National Guard or Reserve components are not always located at RMC or NPRC because sometimes DoD retained the records at the individual units. In these cases, VARO staff are responsible for identifying the appropriate sources and points of contact (POCs) for requesting and obtaining the STRs. VBA reported that there are at least 108 individual National Guard locations and more than 4,400 individual Reserve units where paper STRs could potentially be located. During interviews, VARO staff said that it was a challenge to identify the appropriate sources and POCs for making these requests, which

had a negative effect on the timeliness of the STR process. Table 7 summarizes time estimates for receiving requested STRs, based on our claims review.

Table 7. Time To Receive Requested STRs

Receiving Requested STRs	Estimate for Universe
0 to 7 Days	23 percent
8 to 30 Days	56 percent
31 to 90 Days	14 percent
More Than 90 Days	7 percent

Source: VA OIG analysis of 400 statistically selected original disability compensation claims

Note: Estimates are rounded.

Causes for STR Process Delays

Delays within VBA's processes occurred primarily because of VBA's focus on eliminating the disability claims backlog. This focus had a negative effect on timeliness in other areas. VBA did not effectively monitor its timeliness standard for establishing claims within 7 days of receipt. VBA also has not developed a timeliness standard for making initial requests for STRs.

The process of requesting and receiving records for National Guard and Reserve veterans also had a significant effect on receiving STRs, resulting in delays. For this group of veterans, VARO staff reported difficulties in identifying the appropriate sources and POCs for making STR requests when records were not located at RMC or NPRC. VBA was not maximizing the use of the Veterans Information Solution—a system VARO staff reported would be beneficial to identify information on National Guard and Reserve units. Access to the Veterans Information Solution was limited to only a few staff at each VARO; many of the staff we interviewed who requested STRs reported having limited or no access to the Veterans Information Solution.

VBA Pilot Program

VBA has recognized the issues and challenges with obtaining STRs for National Guard and Reserve veterans. Thus, VBA reported it is currently testing a pilot program that centralizes the STR request process and places the responsibility on DoD to validate veterans' National Guard and Reserve service and request records from the appropriate source.

Under the pilot program, VARO staff submits STR requests for National Guard and Reserve veterans through the VA Liaison Office (VALO), which is part of RMC. VALO staff contacts each military service's POC for assistance in obtaining STRs for National Guard and Reserve veterans. Each POC is responsible for validating the veteran's service, component, and unit. Once this information is validated, the POC requests the STRs from the appropriate source. When STRs are located, each military service scans and

uploads the records into HAIMS, and an automatic notification is sent to the requesting VARO that the STR is available.

A VBA Compensation Service official notified us that VBMS is not configured to accept electronic STRs from HAIMS for these National Guard and Reserve veterans. As a result, VBA Central Office staff needs to manually retrieve the electronic STRs from HAIMS and upload them into VBMS. The official further stated that VBA is waiting on system modifications within VBMS to support the receipt of electronic STRs for National Guard and Reserve veterans. VBA expects these modifications to eliminate the manual process currently in place. Once VBA confirms a release date for the system modifications, it plans to establish a timeline to roll out the pilot program nationally.

**Effects of STR
Process
Delays**

We attributed a total of about 131 days to VBA's STR processes, which precede VARO staff having all key evidence needed to process veterans' disability compensation claims. Though our audit did not focus on the overall disability claims process, VBA reported the average days to complete original disability compensation claims in calendar year 2013 was about 387 days. If we consider that result for claims in our sample, VBA could attribute nearly 34 percent of overall claims processing time to VARO staff establishing claims, requesting STRs, and waiting to receive requested STRs. Since VBA's current STR process is expected to continue for an indefinite period, VBA needs to make improvements in order to achieve its goal of processing all claims within 125 days.

Conclusion

We determined that DoD is not timely in providing VBA electronic STRs. Additionally, VBA needs to improve timeliness of its current processes for requesting and providing STRs to VARO staff. It is expected that veterans who separated from military service prior to January 1, 2014, will continue to make up a significant portion of VBA's claims workload in the foreseeable future. Therefore, the process of requesting paper STRs from RMC and NPRC remains important. Without addressing issues and making improvements, VBA may continue to face challenges in achieving its timeliness goal of processing all claims within 125 days. Therefore, DoD and VBA need to make improvements within their current STR processes.

Recommendations

1. We recommended the Under Secretary for Benefits improve monitoring to ensure Veterans Affairs Regional Office staff establish claims in the Veteran Benefits Administration's data systems within 7 days of receipt.
2. We recommended the Under Secretary for Benefits develop a timeliness standard for Veterans Affairs Regional Office staff making initial requests for service treatment records.
3. We recommended the Under Secretary for Benefits expand access to the Veterans Information Solution to all Veterans Affairs Regional Office staff who have the responsibility of requesting service treatment records for National Guard and Reserve veterans.
4. We recommended the Under Secretary for Benefits complete testing of the National Guard and Reserve pilot program and consider nationwide implementation based on results of the testing.

Management Comments and OIG Response

The Under Secretary for Benefits agreed with our findings and recommendations and plans to address our recommendations by December 31, 2015. To address timeliness of establishing claims, VBA is relying on technological advancements to automate processes. This includes implementing centralized mail processing to speed the intake of veterans' compensation claims information into VBMS, instead of relying on a manual process to establish claims within 7 days of receipt.

For servicemembers discharged on or after January 1, 2014, an automatic request for STRs is sent to HAIMS upon claim establishment. For servicemembers discharged prior to January 1, 2014, an automatic request is sent to RMC upon claim establishment. While these automatic requests may improve timeliness of making initial requests for STRs, we have continued concerns regarding requests for STRs located at NPRC. VARO staff manually request these STRs through the VA Liaison Office, and VBA should explore options for automating these initial requests as well.

VBA plans to work with the Office of Information and Technology to develop a more robust version of the Veterans Information Solution and update its guidance to reflect that all VBA claims processors should have access. VBA also plans to finalize the National Guard and Reserve pilot program and deploy the process for requesting these STRs centrally.

The Under Secretary provided a responsive action plan to address our recommendations. We will monitor VBA's progress and follow up on its implementation until all proposed actions are completed. Appendix D provides the full text of the Under Secretary's comments.

Appendix A Background

Interim Report

During this audit, we conducted a site visit at the VARO in St. Petersburg, FL. We identified file storage and mail processing issues requiring attention and action by the Under Secretary for Benefits. To allow VBA the opportunity to take timely corrective action, we issued an interim report, *Efforts to Effectively Obtain Service Treatment Records and Official Military Personnel Files* (Report No. 14-00657-144, May 15, 2014). The interim report included three recommendations to help ensure efficient file storage and mail processing at the VARO. The Under Secretary for Benefits concurred with our recommendations and provided suitable action plans.

NPRC and RMC

The NPRC, which is located in St. Louis, MO, houses veterans' STRs and personnel records. It maintains STRs for veterans who separated from military service prior to 1994. VALO, which is physically located at the NPRC, processes requests for STRs and personnel records from VARO staff.

VBA's RMC, which is also located in St. Louis, MO, was established on October 1, 1995, and is responsible for maintaining STRs for veterans who separated from military service after 1994. Requests for STRs located at RMC are made primarily through email correspondence or through an automatic request when VARO staff establish a claim.

Table 8 summarizes locations for paper STRs, which is based on the veteran's military service department and RAD date.

Table 8. Location of Paper STRs

Service Department	Located at NPRC	Located at RMC
Army	RAD date before October 16, 1992	RAD date on/after October 16, 1992
Air Force	RAD date before May 1, 1994	RAD date on/after May 1, 1994
Navy	RAD date before January 31, 1994	RAD date on/after January 31, 1994
Marine Corps	RAD date before May 1, 1994	RAD date on/after May 1, 1994

Source: VBA Records Management Center

VBA Scanning

VBA established the Veterans Claims Intake Program to streamline processes for receiving records and data into VBMS and other VBA systems. Scanning operations and the transfer of veteran data into VBMS are primary intake capabilities that are managed by the Veterans Claims Intake Program. VBA currently has contracts with two scanning vendors—CACI-ISS, Inc. and Systems Made Simple, Inc. According to Veterans Claims Intake Program staff, both scanning vendors scan about 2.4 million documents per day.

Appendix B Scope and Methodology

Scope

We conducted our review from November 2013 through July 2014. The scope of our audit focused on VBA's processes for requesting and providing STRs to VARO staff for initial disability compensation claims completed during calendar year 2013. We also reviewed VBA's summary data on completed and pending STR requests in DoD's HAIMS submitted from January 1, 2014, through June 3, 2014. We coordinated our audit with DoD OIG.

Methodology

To determine whether VBA was effectively receiving STRs to timely process veterans' disability compensation claims, we reviewed applicable Federal laws, regulations, and VBA policies. We interviewed management and staff from VBA Central Office, including Compensation Service, Performance Analysis and Integrity, Office of Field Operations, and the Veterans Claims Intake Program to obtain information on roles and responsibilities related to the STR process.

We conducted site visits to three randomly selected VAROs located in Waco, TX; Providence, RI; and St. Petersburg, FL. During the site visits, we conducted physical tours of the facilities and viewed demonstrations of the STR process. We also interviewed Veterans Service Center Managers, Rating Veterans Service Representatives, Veterans Service Representatives, Claims Assistants, and training staff.

We conducted site visits to RMC and NPRC in St. Louis, MO, to assess the process of providing requested STRs to VARO staff. We also conducted a site visit to one of VBA's contracted scan vendors, Systems Made Simple, Inc., to tour its facilities and interview management and staff regarding the scanning process.

To measure and assess VBA timeliness for requesting and providing STRs to VARO staff, we reviewed 400 statistically selected original disability compensation claims completed during calendar year 2013. Appendix C provides details on our statistical sampling methodology.

Fraud Assessment

The audit team assessed the risk that fraud, violations of legal and regulatory requirements, and abuse could occur during this audit. The audit team exercised due diligence in staying alert to any fraud indicators by taking actions such as:

- Soliciting the OIG's Office of Investigations for indicators
- Interviewing VARO staff concerning potential fraudulent activity

We did not identify any instances of fraud during this audit.

Data Reliability

VBA Compensation Service staff provided us summary data on completed and pending requests for electronic STRs since January 1, 2014 (as of June 3, 2014), for veterans who served in the Army, Air Force, Navy, and Marine Corps.

To support our audit findings and conclusions related to the process of obtaining electronic STRs, we interviewed staff from VBA Central Office regarding the security and validation of the data. Based on their responses, we determined the data provided were sufficiently reliable for the purpose of the audit.

To support our audit findings and conclusions related to the process of requesting paper STRs, we relied on hard-copy data from veterans' claims folders, as well as electronic data in VBA's Modern Award Processing-Development system, VBMS, Personnel Information Exchange System, and Share. We determined that the evidence was sufficiently reliable for the purposes of the audit.

Government Standards

Our assessment of internal controls focused on those controls relating to our audit objectives. We conducted this performance audit in accordance with generally accepted government auditing standards. These standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

Appendix C Statistical Sampling Methodology

We used statistical sampling to measure and assess VBA timeliness for requesting and providing STRs to VARO staff who need the records to make decisions on veterans' disability compensation claims. Specifically, we reviewed 400 statistically selected original disability compensation claims completed during calendar year 2013.

Population

The population consisted of 263,128 original disability compensation claims VBA completed during calendar year 2013.

Sampling Design

We segregated the population into two groups based on how VBA processed the claims. The first group, which contained 29,284 records, included claims marked with the VBMS special issue flash to represent claims VBA processed electronically. The second group, which contained 233,844 records, included claims not marked with the VBMS special issue flash to represent claims VBA processed in paper. We selected a statistical random sample within each group. All records had a known chance of selection, which allowed us to make estimates over the entire population. In order to facilitate the stratification selection of records, we used the survey select procedure in the Statistical Analysis Software. We generated random numbers for the selection of records within each stratum.

Weights

We calculated estimates in this report using weighted sample data. Sampling weights are computed by taking the product of the inverse of the probabilities of selection at each stage of sampling.

Estimates and Margins of Error

The margins of error and confidence intervals are indicators of the precision of the estimates. If we repeated this audit with multiple samples, the confidence intervals would differ for each sample, but would include the true population value 90 percent of the time. The following series of tables present estimates to the population including the estimate, margin of error, lower 90 percent value, and upper 90 percent value.

Table 9 summarizes estimates for the number of veterans by decade based on RAD dates.

Table 9. Statistical Estimates—Veterans' RAD Dates (Value)

RAD Date	Estimate (Count)	Margin of Error	Lower 90%	Upper 90%	Sample Size
1940s and 1950s	12,300	5,453	6,829	17,735	28
1960s and 1970s	83,200	12,796	70,382	95,974	128
1980s and 1990s	57,300	11,481	45,819	68,782	77
2000s	40,500	9,964	30,528	50,456	60
2010s	66,200	11,930	54,291	78,151	103

Source: VA OIG analysis of 400 statistically selected original disability compensation claims

Note: Estimates are rounded.

Table 10 summarizes estimates for the percent of veterans by decade based on RAD dates.

Table 10. Statistical Estimates—Veterans' RAD Dates (Percent)

RAD Date	Estimate (Percent)	Margin of Error	Lower 90%	Upper 90%	Sample Size
1940s and 1950s	5	2.1	2.6	6.8	28
1960s and 1970s	31	4.9	27.1	37.0	128
1980s and 1990s	22	4.4	17.7	26.5	77
2000s	16	3.8	11.8	19.4	60
2010s	26	4.6	20.9	30.1	103

Source: VA OIG analysis of 400 statistically selected original disability compensation claims

Note: Estimates are rounded.

Table 11 summarizes estimates for average times within VBA's STR processes.

Table 11. Statistical Estimates—STR Process Delays

Step in VBA Process	Estimate (Days)	Margin of Error	Lower 90%	Upper 90%	Sample Size
Establishing Claims	15	6	8	21	121
Requesting STRs	68	21	47	90	121
Receiving STRs	48	27	21	75	121
Total STR Process	131	35	96	167	121

Source: VA OIG analysis of 400 statistically selected original disability compensation claims

Note: Estimates are rounded.

Table 12 summarizes estimates for time to establish claims.

Table 12. Statistical Estimates—Establishing Claims

Establishing Claims	Estimate (Percent)	Margin of Error	Lower 90%	Upper 90%	Sample Size
0 to 7 Days	72	4.8	67.5	77.1	222
8 to 30 Days	17	4.1	13.0	21.2	71
31 to 90 Days	6	2.4	3.2	8.1	28
More Than 90 Days	5	2.1	2.9	7.0	37

Source: VA OIG analysis of 400 statistically selected original disability compensation claims

Note: Estimates are rounded.

Table 13 summarizes estimates for times to request STRs.

Table 13. Statistical Estimates—Requesting STRs

Requesting STRs	Estimate (Percent)	Margin of Error	Lower 90%	Upper 90%	Sample Size
0 to 7 Days	31	5.7	25.9	37.2	73
8 to 30 Days	18	4.6	12.9	22.2	47
31 to 90 Days	23	4.9	17.7	27.5	89
More Than 90 Days	28	5.5	22.8	33.8	70

Source: VA OIG analysis of 400 statistically selected original disability compensation claims

Note: Estimates are rounded.

Table 14 summarizes estimates for time to receive requested STRs.

Table 14. Statistical Estimates—Receiving Requested STRs

Receiving STRs	Estimate (Percent)	Margin of Error	Lower 90%	Upper 90%	Sample Size
0 to 7 Days	23	5.2	17.8	28.2	70
8 to 30 Days	56	6.2	50.1	62.5	133
31 to 90 Days	14	4.2	9.4	17.7	47
More Than 90 Days	7	3.3	3.9	10.5	15

Source: VA OIG analysis of 400 statistically selected original disability compensation claims

Note: Estimates are rounded.

Appendix D Under Secretary for Benefits Comments

Department of Veterans Affairs

Memorandum

Date: August 8, 2014
From: Under Secretary for Benefits (20)
Subj: OIG Draft Report—Audit of VBA's Efforts to Effectively Obtain Service Treatment Records
To: Assistant Inspector General for Audits and Evaluations (52)

1. Attached is VBA's response to the OIG draft report: Audit of VBA's Efforts to Effectively Obtain Service Treatment Records.
2. Questions may be referred to Christine Ras, Program Analyst, at 461-9057.



Allison A. Hickey

Attachment

**Veterans Benefits Administration (VBA)
Comments on OIG Draft Report
Audit of VBA's Efforts to Effectively Obtain Service Treatment Records**

VBA concurs with OIG's findings in the draft report and provides the following comments in response to the recommendations:

Recommendation 1: We recommended the Under Secretary for Benefits improve monitoring to ensure Veterans Affairs Regional Office staff establish claims in the Veteran Benefits Administration's data systems within 7 days of receipt.

VBA Response: Concur. To address the need to timely control claims establishment, VBA is relying on technological advancements to automate processes.

VBA currently receives mail from a variety of sources in various formats, templates, fonts, and methods. Incoming mail is handled multiple times before it is available to be processed. VBA is implementing centralized mail (CM) processing to speed the intake of Veterans' compensation claims information into the Veterans Benefits Management System (VBMS), instead of relying on a manual process to establish claims within seven days of receipt. By transforming from decentralized mail intake at the regional offices (ROs) to a more efficient CM operation, VBA will be able to reduce processing time, increase mail monitoring, and improve timeliness of claims establishment.

CM has deployed to 42 ROs and rollout will continue to the remaining ROs in the upcoming months. It is expected the CM process will auto-establish claims filed on VA Form 21-526, Veteran's Application For Compensation and/or Pension, by December 2014. The auto-establish feature will continue to be associated with additional VA forms throughout 2015.

Target Completion Date: December 31, 2015

Recommendation 2: We recommended the Under Secretary for Benefits develop a timeliness standard for Veterans Affairs Regional Office staff making initial requests for service treatment records.

VBA Response: Concur. VBA's transformation is ending the reliance on the outmoded paper-intensive processes that thwart timely and accurate claims processing. In June 2014, VA and the Department of Defense (DoD) transitioned to the electronic transmission of the certified complete service treatment records (STRs) from DoD's Healthcare Artifacts and Images Management Solution (HAIMS) system and VBA's VBMS. For Servicemembers discharged on or after January 1, 2014, an automatic request for STRs is sent to HAIMS upon claim establishment. For Servicemembers discharged prior to January 1, 2014, an automatic request for STRs is sent to the Records Management Center upon claim establishment. VBA continues to work with DoD to establish a streamlined process to request STRs for National Guard and Reserve members. All of these processes aim to reduce claims processing timeliness by having systems automatically request STRs upon claim establishment.

Target Completion Date: March 31, 2015

Recommendation 3: We recommended the Under Secretary for Benefits expand access to the Veterans Information Solution to all Veterans Affairs Regional Office staff who have the responsibility of requesting service treatment records for National Guard and Reserve veterans.

VBA Response: Concur. In November 2004, VBA nationally deployed the Veterans Information Solution (VIS) to verify military service. The manual reference M21-1 Manual Rewrite Part III, Subpart ii,

Chapter 6, Section 6, Topic c (Attachment A*) identifies VIS as an acceptable method of verifying service. However, VBA noticed a concern with Fast Letter 04-32, Regional Office and VA Medical Center Access to the Veterans Information Solution (VIS) for Electronic Service Member Discharge Data, (Attachment B*) limiting ROs to only two VIS users. Compensation Service plans to update guidance in this fast letter by September 1, 2014, to reflect that all claims processors should be granted access to VIS. VBA is also working with the Office of Information and Technology to develop and deploy a more robust version of VIS to all ROs. VBA expects to deploy a more robust version of VIS to all ROs by December 31, 2014.
Target Completion Date: December 31, 2014

***Note: Attachments A and B not included in this report.**

Recommendation 4: We recommended the Under Secretary for Benefits complete testing of the National Guard and Reserve pilot program and consider nationwide implementation based on results of the testing.

VBA Response: Concur. On January 6, 2014, VBA began a pilot program that will centralize requests for National Guard and Reserve records to DoD. The pilot program is still ongoing to establish processes for electronic requests and electronic receipt of National Guard and Reserve records. The pilot program consists of three phases:

- Phase 1 involved the proof-of-concept and testing that occurred between the ROs, VA Liaison Office (VALO), and DoD. During this phase, two system modifications were identified and initiated to accommodate electronic processing. Phase 1 ended on May 31, 2014.
- Phase 2 involved system modifications which allowed ROs to electronically submit requests for National Guard and Reserve records to VALO, and for VALO to consolidate the requests for electronic delivery to DoD. Phase 2 ended on May 31, 2014.
- Phase 3 involves major system enhancements that will allow VA to retrieve National Guard and Reserve electronic STRs that DoD uploads into HAIMS, and then ingest those images into the VBMS eFolder for claims adjudication. This functionality within VBMS is anticipated to be released March 2015. It will require approval and implementation of an additional 14 full-time employees at the VALO in St. Louis to process requests for STRs for all 56 VA Regional Offices.

The deployment will eliminate the need for ROs to mail letters to over 4,000 National Guard and Reserve units to request records. Instead, ROs will submit these requests electronically to the centralized location at VALO.

Target Completion Date: March 30, 2015

Appendix E Office of Inspector General Contact and Staff Acknowledgments

OIG Contact	For more information about this report, please contact the Office of Inspector General at (202) 461-4720.
-------------	---

Acknowledgments	Nick Dahl, Director Stephen Bracci Michael Cannata John Cintolo Ron Comtois Lee Giesbrecht Karen Hatch C. Russell Lewis Jason D. Schuenemann Joseph Vivolo
-----------------	---

Appendix F Report Distribution

VA Distribution

Office of the Secretary
Veterans Health Administration
Veterans Benefits Administration
National Cemetery Administration
Assistant Secretaries
Office of General Counsel

Non-VA Distribution

House Committee on Veterans' Affairs
House Appropriations Subcommittee on Military Construction, Veterans
Affairs, and Related Agencies
House Committee on Oversight and Government Reform
Senate Committee on Veterans' Affairs
Senate Appropriations Subcommittee on Military Construction, Veterans
Affairs, and Related Agencies
Senate Committee on Homeland Security and Governmental Affairs
National Veterans Service Organizations
Government Accountability Office
Office of Management and Budget

This report is available on our Web site at www.va.gov/oig.