



Department of Veterans Affairs Office of Inspector General

Review of VA Regional Office Compensation and Pension Benefit Claim Receipt Dates

To Report Suspected Wrongdoing in VA Programs and Operations

**Telephone: 1-800-488-8244 between 8:30AM and 4PM Eastern Time,
Monday through Friday, excluding Federal holidays**

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Executive Summary

Results in Brief

The Office of Inspector General (OIG) conducted a review to evaluate the accuracy of VA Regional Office (VARO) compensation and pension (C&P) benefit claim receipt dates. We initiated the review after an investigation by Veterans Benefits Administration's (VBA) Administrative Investigation Board (AIB) concluded that VARO New York had intentionally reported inaccurate claim receipt dates for 220 (56 percent) of 390 claims reviewed. The objectives of our review were to determine if: (1) other VAROs reported inaccurate claim receipt dates; (2) inaccurate claim receipt dates caused veterans or their beneficiaries to receive incorrect benefit payments; and (3) inaccurate claim receipt dates caused VBA to report incorrect claim-processing times to stakeholders, such as veterans or members of Congress.

We selected VAROs Albuquerque, Boston, San Diego, and Winston-Salem to assess whether the conditions VBA identified at VARO New York were occurring at other VAROs. Of the 94,920 claims the four VAROs completed during fiscal year (FY) 2008, we projected that 88,639 (93.4 percent) claim receipt dates were accurate and 4,520 (4.7 percent) were inaccurate. We also projected that the 4 VAROs did not document the remaining 1,761 (1.9 percent) receipt dates in claim folders. Without this documentation, we could not assess the accuracy of the 1,761 dates. Therefore, the following inaccuracy rates could be understated. While all four VAROs reported inaccurate claim receipt dates, none of the VAROs' inaccuracy rates were near the 56 percent rate VBA reported for VARO New York. Inaccuracy rates were 5 percent for VARO Albuquerque, 4 percent for VARO Winston-Salem, and 3 percent for VARO San Diego. VARO Boston had an inaccuracy rate of 10 percent, which was significantly higher than the other three VAROs' rates.

Except for one intentional inaccuracy, VARO staff stated that the inaccurate dates were unintentional errors and our claim folder reviews found no evidence that the inaccurate dates were intentional. The inaccurate dates did not cause any veterans to receive incorrect or delayed benefit payments because the VAROs used the correct claim receipt dates documented in claim folders when establishing the effective dates of benefit awards instead of relying on the dates recorded in VBA's computer system. In addition, because the inaccurate dates were both before and after the correct dates, the inaccuracies did not significantly affect most of the four VAROs' reported FY 2008 average claim-processing times. The only exception was VARO Boston's average processing time for the sampled rating claims, which when projected resulted in an understatement of 4 days (176 days using recorded dates and 180 days using actual dates).

Background

VBA policy requires VARO staff to document claim receipt dates in claim folders and in an automated computer system named SHARE. When VAROs use inaccurate claim

receipt dates as the effective dates of awards, potentially beneficiaries may begin receiving benefit payments on the incorrect date or payments may be increased or decreased on the incorrect date. In addition, because VBA uses claim receipt and completion dates to measure timeliness, inaccurate receipt dates may cause reported claim-processing times to be incorrect.

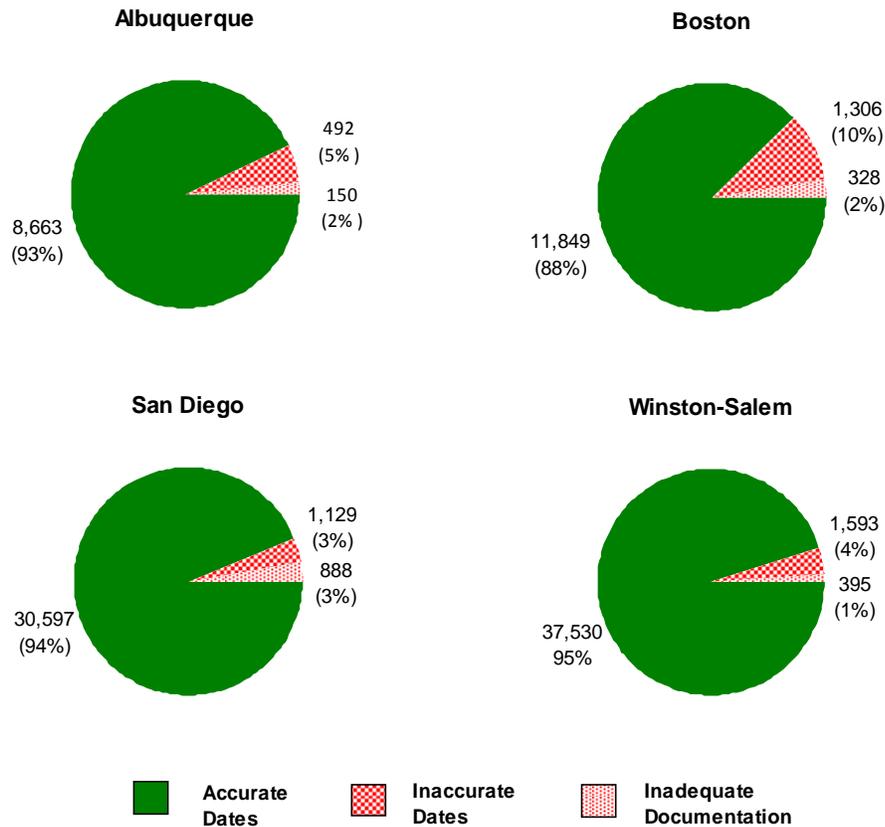
In July 2008, VBA's C&P Service conducted a regularly scheduled review of operations at VARO New York. During VBA's review, C&P Service found that the VARO reported inaccurate claim receipt dates for 16 (80 percent) of 20 claims reviewed. In August 2008, VBA convened an AIB investigation at VARO New York to determine the facts and circumstances surrounding the inaccurate dates. The investigation concluded that VARO management instructed staff to establish erroneous claim receipt dates, staff intentionally established erroneous receipt dates for 220 (56 percent) of 390 claims reviewed, and staff established erroneous dates for a number of years. VBA held several VARO New York managers accountable for the practice of intentionally establishing erroneous claim receipt dates.

To determine the inaccuracy rate of claim receipt dates at other VAROs, on December 2, 2008, VBA instructed each VARO to review claim receipt dates for a random sample of 385 completed claims. (VAROs Baltimore, Roanoke, St. Louis and Seattle were exempt from this review because VBA's C&P Service conducted the same review for these VAROs in November 2008.) On February 13, 2009, VBA provided us the unvalidated results of these reviews. The reported inaccuracy rate for all 57 VAROs combined was 7 percent and ranged from 1 percent at four VAROs (Huntington, New Orleans, Muskogee, and Phoenix) to 20 percent at VARO New York. For the four VAROs we reviewed, two VAROs (Boston and San Diego) reported the same inaccuracy rates that we found and the other two reported slightly higher rates (VARO Albuquerque reported 9 percent and we found 5 percent and VARO Winston-Salem reported 6 percent while we found 4 percent).

Improved Monitoring of Claim Receipt Date Accuracy and Documentation Will Provide Greater Assurance of Reliable Claim-Processing Times

VAROs Albuquerque, Boston, San Diego, and Winston-Salem generally reported accurate claim receipt dates when compared to VARO New York. Inaccuracy rates were 5 percent for VARO Albuquerque, 4 percent for VARO Winston-Salem, and 3 percent for VARO San Diego. VARO Boston had an inaccuracy rate of 10 percent, which was significantly higher than the other three VAROs' rates. Although the four VAROs' inaccuracy rates were significantly lower than VARO New York's, establishing goals for receipt date accuracy and strengthening controls will improve accuracy and documentation and provide greater assurance of reliable claim-processing times. In addition, because VARO Boston had a higher inaccuracy rate, the reliability of its receipt date data needs additional management attention. Figure 1, shown on the next page, highlights the number and percent of accurate, inaccurate, and undocumented claim receipt dates for each of the four VAROs.

**Figure 1. Claim Receipt Date Accuracy and Documentation for Four VAROs
FY 2008 Completed Claims – Projected Results**



VARO Staff Stated That Inaccurate Dates Were Unintentional Errors. Our review indicated that the majority of the inaccurate claim receipt dates were unintentional errors. For 109 (99.1 percent) of the 110 inaccurate claim receipt dates, the timing of the dates indicated that VARO staff unintentionally entered the inaccurate dates in SHARE. In addition, VARO staff stated that the inaccuracies were unintentional errors and our claim folder reviews found no evidence that the inaccuracies were intentional.

For the one inaccurate claim receipt date identified, a Senior Veterans Service Representative (SVSR) on the VARO Boston Triage Team intentionally entered the inaccurate date in SHARE. The SVSR told us that he entered inaccurate receipt dates in SHARE because he had a “general impression” of responsibility to help the Veterans Service Center (VSC) achieve the “goal to make numbers meet.” When we informed the VARO Director of the improper practice, he agreed to take appropriate action.

Inaccurate Dates Did Not Affect Veterans Benefits or Significantly Affect Reported Claim-Processing Times. For the claim information we reviewed, the inaccurate dates did not cause any veterans or their beneficiaries to receive incorrect or delayed benefit payments because the VAROs used the correct claim receipt dates documented in claim folders instead of the inaccurate SHARE dates when establishing the effective dates of benefit awards. In addition, because the inaccurate receipt dates were both before and

after the correct dates, the inaccuracies did not significantly affect most of the four VAROs' reported FY 2008 average claim-processing times.

Documentation of Claim Receipt Dates Needs Improvement. We projected that for 1,761 (1.9 percent) of the 94,920 claims the 4 VAROs completed during FY 2008, claim folders did not include sufficient documentation to determine if SHARE claim receipt dates were accurate. VARO managers could not explain why staff had not documented SHARE receipt dates in the sampled claim folders. Because we could not confirm the accuracy of the receipt dates for these claims, we could not determine if veterans or their beneficiaries received correct benefit payments or if there was any effect on reported claim-processing times.

Better Monitoring Will Provide Greater Assurance of VBA Performance Reporting Reliability. VBA needs to better monitor claim receipt dates and documentation to help ensure the accuracy of reported claim-processing times, which VBA managers and stakeholders use to measure and monitor VARO performance. According to VBA managers, VBA's Quality Assurance Systematic Technical Accuracy Review (STAR) staff began evaluating the accuracy of receipt dates during their regular monthly VARO reviews in November 2008. However, VBA may also improve claim-processing time reporting reliability by implementing the following two actions.

- Establishing claim receipt date accuracy goals will improve VARO performance, transparency, and accountability.
- Requiring VAROs to perform Systematic Analysis of Operations' (SAOs) of claim receipt date accuracy and documentation will help ensure VARO and VBA managers have accurate and reliable claim-processing time data for their decision making purposes. VAROs routinely use SAOs as a self-audit technique to improve various aspects of operations.

Conclusion

While all four VAROs reported inaccurate claim receipt dates, none of the VAROs' inaccuracy rates were near the 56 percent rate VBA reported for VARO New York. VARO Boston's inaccuracy rate was significantly higher than the other three VAROs' rates but also considerably lower than VARO New York's rate.

Except for one intentional inaccuracy, VARO staff stated that the inaccurate dates were unintentional errors and our claim folder reviews found no evidence that the inaccurate dates were intentional. For the claims we reviewed, the inaccurate dates did not cause any veterans or their beneficiaries to receive incorrect or delayed benefit payments because the VAROs used the correct claim receipt dates documented in claim folders when establishing the effective dates of benefit awards instead of relying on the inaccurate SHARE dates. In addition, because the inaccurate dates were both before and after the correct dates, the inaccuracies did not significantly affect most of the 4 VAROs' reported FY 2008 average claim-processing times.

Although the four VAROs' inaccuracy rates were significantly lower than VARO New York's, establishing goals for receipt date accuracy and strengthening controls will improve accuracy and documentation and provide greater assurance of reliable claim-processing times. In addition, because VARO Boston had a higher inaccuracy rate, the reliability of its receipt date data needs additional management attention.

Recommendations

1. We recommended the Under Secretary for Benefits establish goals for VARO claim receipt date accuracy and use the goals to measure and monitor SHARE claim receipt date reliability.
2. We recommended the Under Secretary for Benefits require VAROs to perform SAOs to validate the accuracy of SHARE claim receipt dates and the adequacy of claim receipt date documentation in claim folders.
3. We recommended the Under Secretary for Benefits require the VARO Boston Director to identify any other claims where the SVSR intentionally entered inaccurate receipt dates in SHARE, ensure benefit payments related to these claims are correct, and take appropriate administrative action against the SVSR.

Comments

The Under Secretary agreed with our findings and recommendations and provided acceptable implementation plans. (See Appendix B) We will follow up on the implementation of the planned improvement actions.

(original signed by:)

BELINDA J. FINN
Assistant Inspector General
for Auditing

Introduction

Purpose

The OIG conducted a review to evaluate the accuracy of VARO C&P benefit claim receipt dates. We initiated the review after an investigation by VBA's AIB concluded that VARO New York had intentionally reported inaccurate claim receipt dates for 220 (56 percent) of 390 claims reviewed. The objectives of our review were to determine if: (1) other VAROs reported inaccurate claim receipt dates; (2) inaccurate claim receipt dates caused veterans or their beneficiaries to receive incorrect benefit payments; and (3) inaccurate claim receipt dates caused VBA to report incorrect claim-processing times to stakeholders, such as veterans or members of Congress.

Background

VARO New York Inaccurate Claim Receipt Dates. In July 2008, VBA's C&P Service conducted a regularly scheduled review of operations at VARO New York. During VBA's review, C&P Service found that the VARO reported inaccurate claim receipt dates for 16 (80 percent) of 20 claims reviewed. In August 2008, VBA convened an AIB investigation at VARO New York to determine the facts and circumstances surrounding the inaccurate receipt dates. During the investigation, AIB staff obtained sworn testimony from 34 employees, and C&P Service staff reviewed receipt dates for 390 claims. The investigation concluded that VARO management instructed staff to establish erroneous claim receipt dates, staff intentionally established erroneous receipt dates for 220 (56 percent) of 390 claims reviewed, and staff established erroneous dates for a number of years. VBA held several VARO New York managers accountable for the practice of intentionally establishing erroneous claim receipt dates.

VARO Review of Claim Receipt Dates. To determine the inaccuracy rate of claim receipt dates at other VAROs, on December 2, 2008, VBA instructed each VARO to review claim receipt dates for a random sample of 385 completed claims. (VAROs Baltimore, Roanoke, St. Louis and Seattle were exempt from this review because VBA's C&P Service conducted the same review for these VAROs in November 2008.) On February 13, 2009, VBA provided us the unvalidated results of these reviews. The reported inaccuracy rate for all 57 VAROs combined was 7 percent and ranged from 1 percent at four VAROs (Huntington, New Orleans, Muskogee, and Phoenix) to 20 percent at VARO New York. For the four VAROs we reviewed, two VAROs (Boston and San Diego) reported the same inaccuracy rates that we found and the other two reported slightly higher rates (VARO Albuquerque reported 9 percent while we found 5 percent and VARO Winston-Salem reported 6 percent while we found 4 percent).

Inaccurate Claim Receipt Dates May Cause Incorrect Benefit Payments. Generally, VAROs use claim receipt dates as the effective dates for awarding benefits. Therefore, when VAROs use inaccurate receipt dates as the effective dates of awards, beneficiaries

may potentially begin receiving benefit payments on the incorrect date or benefit payments may be increased or decreased on the incorrect date. In addition, if VAROs use inaccurate receipt dates as effective dates when calculating retroactive benefit payment amounts, veterans or their beneficiaries could receive an incorrect retroactive payment.

Inaccurate Claim Receipt Dates Cause Incorrect Claim-Processing Times. VARO staff record claim receipt dates in an automated computer system named SHARE. The receipt dates recorded in SHARE are included in other VBA automated systems such as the Corporate Database. VARO and VBA management use the Corporate Database to monitor and manage claim processing, develop data on performance measurements such as claim processing times, and report results to stakeholders. Since VBA uses SHARE claim receipt and completion dates to measure timeliness, inaccurate receipt dates cause claim-processing times to be incorrect.

VBA Policy on Documenting Claim Receipt Dates in Claim Folders. VBA policy requires VARO staff to document in claim folders the date veterans, their beneficiaries, or their representatives, such as Veteran Service Organizations, submit benefit claims. Claimants may use several methods to submit claims to VAROs. If a claimant submits a claim by mail, the claim receipt date must be documented by mailroom staff who use a date stamp to show the receipt date. If a claimant submits a claim using VBA's Web site, staff are required to include a copy of the electronic claim in the claims folder, which shows the claim receipt date. A telephone call or personal contact between staff and veterans, their beneficiaries, or their representatives may also result in a claim. In this case, staff are required to document the claim receipt date on a report of contact in the claims folder.

VBA Policy on Recording Claim Receipt Dates in SHARE. VBA policy requires VARO mailroom or other staff to provide all benefit claims whether received through the mail, VBA's Web site, reports of contacts, or any other method, to the VSC Triage Team. VSRs assigned to the Triage Team are required to record all receipt dates in SHARE.

VARO Quality Reviews of SHARE Data. As part of their workload management responsibilities, VBA policy requires VARO management to ensure the accuracy of SHARE data. Managers are required to perform quality reviews to make sure staff follow prescribed procedures when recording data in SHARE. During these reviews, managers must assess the quality of SHARE data such as suspense dates, and dates the VARO requests and receive claim evidence.

SAO Reviews. VSC managers are responsible for ensuring SAOs are performed as part of an ongoing analysis of VSC operations. SAOs must be performed at least annually and cover all aspects of claims processing, including quality, timeliness, and related factors. SAOs include verifying that records and reports accurately reflect actual operations and results and evaluating compliance with manuals, regulations, and directives. When SAO reports identify problems or significant opportunities for improvements, the reports should include recommended improvement actions.

Scope and Methodology

We reviewed claim receipt dates for a statistical sample of 1,515 C&P benefit claims that VAROs Albuquerque, Boston, San Diego, and Winston-Salem completed during FY 2008. We selected these 4 VAROs by analyzing all 57 VAROs' reported changes in claim-processing times from FY 2007 to 2008 and monetary awards received for achieving FY 2008 VBA incremental incentive claim-processing timeliness goals. All four VAROs received monetary awards. These 4 VAROs completed 94,920 (5.6 percent) of the 1.7 million C&P claims completed by all 57 VAROs during FY 2008. Our results were only projected to these 4 VAROs and cannot be projected to all 57 VAROs. (See Appendix A for a detailed description of the sampling methodology.)

To determine if VAROs accurately reported claim receipt dates in SHARE, for each of the sampled claims, we compared claim receipt dates shown on available documentation in the associated claim folders with the SHARE claim receipt dates. To determine if inaccurate receipt dates caused veterans or their beneficiaries to receive incorrect benefit payments, we compared receipt dates reported in SHARE with effective award dates documented in claim folders. To determine if inaccurate receipt dates caused incorrect claim-processing times, we calculated and compared FY 2008 average claim-processing times using receipt dates in SHARE and receipt dates in claim folders. We also interviewed appropriate VBA and VARO management and staff and reviewed applicable policies, procedures, and guidelines.

To accomplish the review objectives, we used computer-generated SHARE data. To test the reliability of this data, we compared relevant SHARE data with documents in beneficiary claim folders. The data was sufficiently reliable for the review objectives. The review focused on controls related to the review objectives. The review was not intended to form an opinion on the adequacy of VBA's controls overall, and the report does not render such an opinion. We conducted the review in accordance with the President's Council on Integrity and Efficiency Quality Standards for Inspections.

Results and Conclusions

Improved Monitoring of Claim Receipt Date Accuracy and Documentation Will Provide Greater Assurance of Reliable Claim-Processing Times

Of 94,920 claims VAROs Albuquerque, Boston, San Diego, and Winston-Salem completed during FY 2008, we projected that 88,639 (93.4 percent) claim receipt dates were accurate and 4,520 (4.7 percent) were inaccurate. We also projected that the four VAROs did not document the remaining 1,761 (1.9 percent) receipt dates in claim folders. Without this documentation, we could not assess the accuracy of the 1,761 dates. Therefore, the following inaccuracy rates could be understated.

While all four VAROs reported inaccurate claim receipt dates, none of the VAROs' inaccuracy rates were near the 56 percent rate VBA reported for VARO New York. Inaccuracy rates were 5 percent for VARO Albuquerque, 4 percent for VARO Winston-Salem, and 3 percent for VARO San Diego. VARO Boston had an inaccuracy rate of 10 percent, which was significantly higher than the other three VAROs' rates.

Except for one intentional inaccuracy, VARO staff stated that the inaccurate dates were unintentional errors and our claim folder reviews found no evidence that the inaccurate dates were intentional. The inaccurate dates did not cause any veterans or their beneficiaries to receive incorrect or delayed benefit payments because the VAROs used the correct claim receipt dates documented in claim folders when establishing the effective dates of benefit awards instead of relying on the inaccurate SHARE dates. In addition, because the inaccurate dates were both before and after the correct dates, the inaccuracies did not significantly affect most of the four VAROs' reported FY 2008 average claim-processing times.

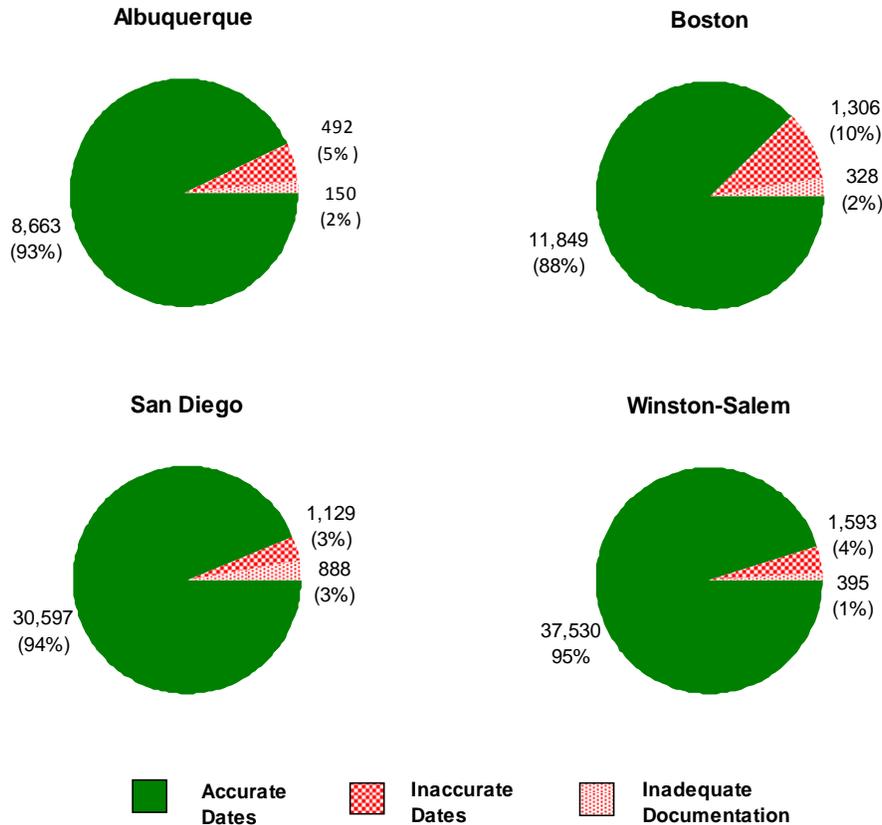
Although the four VAROs' inaccuracy rates were significantly lower than VARO New York's, establishing goals for receipt date accuracy and strengthening controls will improve accuracy and documentation and provide greater assurance of reliable claim-processing times. In addition, because VARO Boston had a higher inaccuracy rate, the reliability of its receipt date data needs additional management attention.

Controls Need Improvement to Ensure VAROs Report Accurate Claim Receipt Dates

VBA did not have adequate controls to ensure VAROs report accurate claim receipt dates in SHARE. VAROs Albuquerque, Boston, San Diego, and Winston-Salem reported 94,920 receipt dates in SHARE for claims completed during FY 2008. We projected that of the 94,920 dates, 88,639 (93.4 percent) were accurate, 4,520 (4.7 percent) were inaccurate, and 1,761 (1.9 percent) were not documented in claim folders.

Inaccuracy rates were 5 percent for VARO Albuquerque, 4 percent for VARO Winston-Salem, and 3 percent for VARO San Diego. VARO Boston had an inaccuracy rate of 10 percent, which was significantly higher than the other three VAROs' rates. Figure 1 shows the number and percent of accurate, inaccurate, and undocumented claim receipt dates for each of the four VAROs.

**Figure 1. Claim Receipt Date Accuracy and Documentation for Four VAROs
FY 2008 Completed Claims – Projected Results**



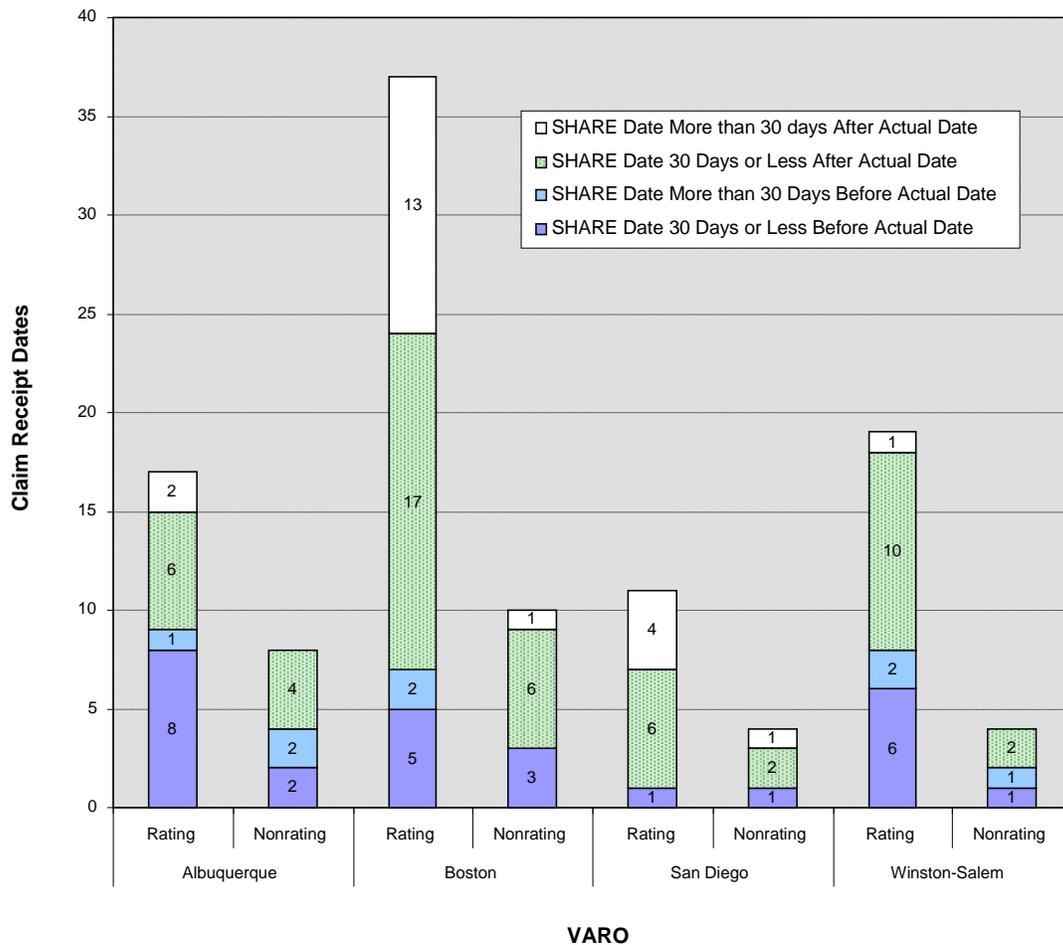
VARO Staff Stated That Inaccurate Dates Were Unintentional Errors. Our review indicated that the majority of the inaccurate claim receipt dates were unintentional errors. For 109 (99.1 percent) of the 110 inaccurate claim receipt dates, the timing of the dates indicated that VARO staff unintentionally entered the inaccurate dates in SHARE. In addition, VARO staff stated that the inaccuracies were unintentional errors and our claim folder reviews found no evidence that the inaccuracies were intentional.

VBA uses claim receipt and completion dates to calculate claim-processing times. Inaccurate receipt dates that are *after* actual receipt dates will result in lower claim-processing times and indicate better performance. Inaccurate receipt dates that are *before* actual receipt dates will result in higher claim-processing times and indicate poorer performance. Therefore, if VAROs were to intentionally manipulate claim-processing

times to indicate better performance, they would have consistently recorded SHARE receipt dates that were a significant number of days *after* actual receipt dates.

Of these 109 receipt dates, 27 (24.8 percent) were 30 days or less before the actual date, 8 (7.3 percent) were more than 30 days before the actual dates, 53 (48.6 percent) were 30 days or less after the actual dates, and 21 (19.3 percent) were more than 30 days after the actual date. Figure 2 shows the timing of inaccurate rating and non-rating claim receipt dates for each of the four VAROs.

**Figure 2. Timing of Inaccurate Claim Receipt Dates for VAROs
FY 2008 – Sample Results**



All four VAROs had more inaccurate receipt dates for rating claims than for non-rating claims. Of the four VAROs, Boston had the most inaccurate rating and non-rating receipt dates, San Diego had the lowest number of inaccurate rating claim dates, and San Diego and Winston-Salem had the lowest number of non-rating claim dates. VARO Boston also had the most inaccurate rating claim dates that were after actual dates (17 dates were 30 days or less after actual dates and 13 were 30 days or more after actual dates).

Unintentional Inaccurate Claim Receipt Date. Based on our claims reviews and interviews of VARO staff, we concluded that Veterans Service Representative (VSR) data input error was generally the cause of inaccurate SHARE claim receipt dates. The following two examples highlight the type of input errors identified:

Example 1. Inaccurate by 30 Days or Less. VARO Winston-Salem received a veteran's Statement in Support of Claim to increase a disability rating for a lower back condition. The claim receipt date documented in the claims folder was September 28, 2007, which was the receipt date the VARO stamped on the Statement in Support of Claims. However, the September 8, 2007, receipt date reported in SHARE was 20 days before the date documented in the claims folder. Our review of the claims folder and interviews of VARO staff found no evidence that the VARO intentionally reported the inaccurate date in SHARE. Therefore, we concluded that the inaccurate date was the result of the VSR erroneously entering an 8 instead of a 28 when entering the date in SHARE. The incorrect claim receipt date did not affect the veteran's benefits because the VARO denied the claim.

Example 2. Inaccurate by More Than 30 Days. VARO San Diego received a veteran's Application for Compensation and/or Pension claiming service-connection disability benefits for six disabilities while the veteran was still on active duty. The claim receipt date documented in the claims folder was March 20, 2008, the day after the veteran was discharged from active duty, which was in accordance with VBA policy. However, the SHARE date was June 7, 2008, 79 days after the actual receipt date. Our review of the claim folders could not determine why the VSR recorded June 7, 2008, in SHARE. In addition, VARO staff could not explain the reason for the inaccurate date and stated that it was most likely the result of a VSR accidentally entering the wrong date in SHARE. The incorrect receipt date did not affect the veteran's benefits because the VARO used the correct March 20, 2008, date to determine the effective date of the award.

Intentional Inaccurate Claim Receipt Date. As discussed in Example 3, for 1 of the 110 sampled inaccurate claim receipt dates, a SVSR on the VARO Boston Triage Team intentionally entered the inaccurate date in SHARE.

Example 3. VARO Boston received a letter from a veteran claiming service-connection disability benefits for sleep deprivation. The VARO Triage Team properly stamped September 24, 2007, as the receipt date on the back of the veteran's letter. On the last page of the letter, there was an annotation, with no initials, to establish the receipt date as January 22, 2008. The date in SHARE was the incorrect date of January 22, 2008, which was 124 days after the actual receipt date of

September 24, 2007. The incorrect claim receipt date did not affect the veteran's benefits because the VARO denied the claim.

The SVSR told us that he entered inaccurate claim receipt dates in SHARE because he had a "general impression" of responsibility to help the VSC achieve the "goal to make numbers meet." He stated that for claims over 1 year old, he entered receipt dates in SHARE that were within 30 days of the input date instead of the actual receipt date. For claims that were between 7 and 30 days old, he entered dates in SHARE that were within 7 days of the input date. However, he was unaware of any other supervisor that instructed staff to do this and VARO management did not direct him to instruct staff to enter inaccurate claim receipt dates in SHARE. When we informed the VARO Director of the improper practice, he stated that he would take appropriate action.

Inaccurate Dates Did Not Affect Veterans Benefits or Significantly Affect Reported Claim-Processing Times. The inaccurate dates did not cause any veterans or their beneficiaries to receive incorrect or delayed benefit payments because, when establishing the effective dates of benefit awards, the VAROs used the correct claim receipt dates documented in claim folders instead of the inaccurate SHARE dates. The VAROs used the correct dates because they followed VBA policies that require effective dates of awards to be based on claim receipt dates documented in claim folders and not the dates recorded in SHARE.

The inaccurate dates also did not significantly affect most of the four VAROs' reported FY 2008 average claim-processing times because, as previously shown in Figure 2, the inaccurate claim receipt dates were both before and after the correct dates. The only exception was VARO Boston's average processing time for the sampled rating claims, which when projected resulted in an understatement of 4 days (176 days using recorded dates and 180 days using actual dates).

Documentation of Claim Receipt Dates Needs Improvement. We projected that for 1,761 (1.9 percent) of the 94,920 claims, the claim folders did not include sufficient documentation to determine if SHARE claim receipt dates were accurate. Of these 1,761 claims, VARO Albuquerque had 150, VARO Boston had 328, VARO San Diego had 888, and VARO Winston-Salem had 395. VARO managers could not explain why staff had not documented SHARE receipt dates in the sampled claim folders. Because we could not confirm the accuracy of the SHARE receipt dates for these claims, we could not determine if veterans or their beneficiaries received correct benefit payments or if there was any effect on reported claim-processing times.

VBA policy requires VARO staff to document in claim folders the date veterans, their beneficiaries, or their representatives, such as a Veteran Service Organizations, submit benefit claims. For these 1,761 claims, claim folders did not include a date stamp showing the date the VARO received the claim, a copy of an electronic claim showing the claim date, or a report of contact showing the date the VARO accepted the claim over

the telephone or in person. Example 4 discusses a sampled claim where the claims folder documentation was inadequate.

Example 4. A VARO Boston claims folder included a veteran's Statement in Support of Claim requesting service-connection disability benefits for bilateral hearing loss and tinnitus. The statement included the veteran's signature but not a signature date. The VARO did not stamp a receipt date on the front or back of the claim. SHARE showed a claim date of August 1, 2007. Because the VARO did not stamp a receipt date on the claim, we could not determine if the SHARE claim receipt date was accurate. The Acting VSC manager agreed that the claim folder documentation did not support the inaccurate SHARE date.

Better Monitoring Will Provide Greater Assurance of VBA Performance Reporting Reliability. VBA needs to better monitor claim receipt dates and documentation to help ensure the accuracy of reported claim-processing times, which VBA managers and stakeholders use to measure and monitor VARO performance. According to VBA managers, STAR began evaluating the accuracy of receipt dates during their regular monthly VARO reviews in November 2008. However, VBA may also improve claim-processing time reporting reliability by implementing the following actions.

- Establishing claim receipt date accuracy goals will improve VARO performance, transparency, and accountability. VBA has used goals to help improve VARO performance in other areas such as accuracy rates for pension authorizations and burial claims processed.
- Requiring VAROs to perform SAOs of claim receipt date accuracy and documentation will help ensure VARO and VBA managers have accurate and reliable claim-processing time data for their decision-making purposes.

VBA policy requires VAROs to perform quality reviews to ensure staff follows prescribed procedures when recording data in SHARE. During these reviews, managers must assess the quality of SHARE data such as claim disposition codes, suspense dates, and the proper recording of dates and other information related to requested and received claim evidence. During FY 2008, all four VAROs reviewed the accuracy of SHARE claim receipt dates and the adequacy of claim folders documentation as part of their quality reviews. However, the results of our review show that controls need strengthening.

VBA policy requires VAROs to use SAOs as a self-audit technique to improve operations. SAOs include verifying that records and reports accurately reflect actual operations and results and evaluating compliance with manuals, regulations, and directives. To strengthen controls and improve quality reviews, VBA should require VAROs to perform an SAO of claim receipt date accuracy and documentation.

Conclusion

While all four VAROs reported inaccurate claim receipt dates, none of the VARO's inaccuracy rates were near the 56 percent rate VBA reported for VARO New York. VARO Boston's inaccuracy rate was significantly higher than the other three VAROs' rates but also considerably lower than VARO New York's rate.

Except for one intentional inaccuracy, VARO staff stated that the inaccurate dates were unintentional errors and our claim folder reviews found no evidence that the inaccurate dates were intentional. The inaccurate dates did not cause any veterans or their beneficiaries to receive incorrect or delayed benefit payments because the VAROs used the correct claim receipt dates documented in claim folders when establishing the effective dates of benefit awards instead of relying on the inaccurate SHARE dates. In addition, because the inaccurate dates were both before and after the correct dates, the inaccuracies did not significantly affect most of the four VAROs' reported FY 2008 average claim-processing times.

Although the four VAROs' inaccuracy rates were significantly lower than VARO New York's, establishing goals for receipt date accuracy and strengthening controls will improve accuracy and documentation and provide greater assurance of reliable claim-processing times. In addition, because VARO Boston had a higher inaccuracy rate, the reliability of its receipt date data needs additional management attention.

Recommendations

1. We recommended the Under Secretary for Benefits establish goals for VARO claim receipt date accuracy and use the goals to measure and monitor SHARE claim receipt date reliability.
2. We recommended the Under Secretary for Benefits require VAROs to perform SAOs to validate the accuracy of SHARE claim receipt dates and the adequacy of claim receipt date documentation in claim folders.
3. We recommended the Under Secretary for Benefits require the VARO Boston Director to identify any other claims where the SVSR intentionally entered inaccurate receipt dates in SHARE, ensure benefit payments related to these claims are correct, and take appropriate administrative action against the SVSR.

Under Secretary for Benefits Comments

The Under Secretary agreed with our findings and recommendations. Claim date accuracy reviews will be a permanent addition to the STAR program to ensure continued monitoring. VBA will collect and study accuracy data from these reviews through the first two quarters of FY 2009 and establish a sound goal by June 1, 2009. By April 1, 2009, C&P Service will revise M21-4, Chapter 5, to add the requirement for validating the accuracy of claims dates to the existing "Quality of Control Actions" SAO.

VARO Boston will examine claims established by the SVSR who intentionally entered the incorrect date of receipt identified by OIG and correct inaccurate dates to ensure benefit payments are accurate. In addition, the VARO Director will conduct a comprehensive investigation to assess the extent of this SVSR's actions and take appropriate administrative action. The target for completing these actions is May 1, 2009. (See Appendix B for the full text of the Under Secretary's comments.)

OIG Comments

The planned actions are acceptable and we will follow up on their implementation.

Sampling Methodology

Universe

The universe used to evaluate the accuracy of C&P benefit claim receipt dates came from VBA's SHARE automated computer system. The universe consisted of 94,920 receipt dates for claims VAROs Albuquerque, Boston, San Diego and Winston-Salem completed during FY 2008. We selected these 4 VAROs by analyzing all 57 VAROs reported changes in claim-processing times from FY 2007 to 2008 and claim processing performance monetary awards received during FY 2008.

Sample Design

We used three strata to select stratified random samples of claims from each of the four VAROs. The three strata were weekday rating claims, weekend rating claims, and non-rating claims. Rating claims include initial and reopened C&P claims. Non-rating claims include administrative type of claims such as a dependency change, notice of death, and for pension benefit recipients an income change. Table 1 below shows a summary of the universe and sampling strata for each of the four VAROs.

**Table 1. Universe and Sample Claim Receipt Dates
FY 2008 Completed Claims**

VARO/Strata	Universe		Sample	
	Claims	Percent	Claims	Weights
<u>Albuquerque</u>				
Rating Weekday	5,170	55.6%	200	25.9
Rating Weekend	60	0.6%	60	1.0
Non-rating	<u>4,075</u>	<u>43.8%</u>	<u>100</u>	40.8
Totals	9,305	100.0%	360	
<u>Boston</u>				
Rating Weekday	5,560	41.2%	200	27.8
Rating Weekend	63	0.5%	55	1.1
Non-rating	<u>7,860</u>	<u>58.3%</u>	<u>100</u>	78.6
Totals	13,483	100.0%	355	
<u>San Diego</u>				
Rating Weekday	19,269	59.1%	200	96.3
Rating Weekend	1,713	5.3%	100	17.1
Non-rating	<u>11,632</u>	<u>35.7%</u>	<u>100</u>	116.3
Totals	32,614	100.0%	400	

**Table 1. Universe and Sample Claim Receipt Dates – (continued)
FY 2008 Completed Claims**

VARO/Strata	Universe		Sample	
	Claims	Percent	Claims	Weights
<u>Winston-Salem</u>				
Rating Weekday	17,398	44.0%	200	87.0
Rating Weekend	169	0.4%	100	1.7
Non-rating	<u>21,951</u>	<u>55.5%</u>	<u>100</u>	219.5
Totals	39,518	100.0%	400	
Totals – All Four VAROs	94,920		1,515	

Sampling Results

We evaluated the accuracy of 1,515 random SHARE claim receipt dates. In total, 1,374 (90.7 percent) dates were accurate, 110 (7.3 percent) were inaccurate. For the remaining 31 (2.0 percent) dates, the VAROs did not document the dates in claim folders and as a result, we could not determine if the dates were accurate. Based on the weighting factors of our three strata statistical sample, we projected the result totals shown in Table 2.

Table 2. Projection of Sample Results – Totals for All Four VAROs

Description	Projection	Percent	Sample
Accurate Claim Receipt Date	88,639	93.4%	1,374
Inaccurate Claim Receipt Date	4,520	4.7%	110
Inadequate Documentation	<u>1,761</u>	<u>1.9%</u>	<u>31</u>
Totals	94,920	100.0%	1,515

We computed these projections from a sample of claim receipt dates. Sample projections are an estimate of the total claims for each of the four VAROs. We used a Jackknife replication method to compute the sampling errors for our estimates, which accounts for the differential weights, stratification, and self-representing strata in the sample design. The margins of error in this report are presented as \pm the number of claims at a 90 percent confidence interval for each projection as shown below. This means that 90 percent of the possible samples we could have selected of the same size and design would have resulted in an estimate within these bounds. Table 3 shows the sample results and the projections on receipt date accuracy and documentation for each of the four VAROs.

Table 3. Projection of Sample Results – Totals for Each of the Four VAROs

Description	Projection	Percent	± (90%)	Sample
<u>VARO Albuquerque</u>				
Accurate Claim Receipt Date	8,663	93.1%	239	329
Inaccurate Claim Receipt Date	492	5.3%	210	25
Inadequate Documentation	<u>150</u>	<u>1.6%</u>	123	<u>6</u>
Totals	9,305	100.0%		360
<u>VARO Boston</u>				
Accurate Claim Receipt Date	11,849	87.9%	474	296
Inaccurate Claim Receipt Date	1,306	9.7%	433	47
Inadequate Documentation	<u>328</u>	<u>2.4%</u>	214	<u>12</u>
Totals	13,483	100.0%		355
<u>VARO San Diego</u>				
Accurate Claim Receipt Date	30,597	93.8%	726	376
Inaccurate Claim Receipt Date	1,129	3.5%	542	15
Inadequate Documentation	<u>888</u>	<u>2.7%</u>	502	<u>9</u>
Totals	32,614	100.0%		400
<u>VARO Winston-Salem</u>				
Accurate Claim Receipt Date	37,530	95.0%	908	373
Inaccurate Claim Receipt Date	1,593	4.0%	817	23
Inadequate Documentation ¹	<u>395</u>	<u>1.0%</u>	415	<u>4</u>
Totals	39,518	100.0%		400

¹ The projection of VARO Winston-Salem claim receipt dates with inadequate documentation ranged from 4 (sample results) to 810 (395 + 415) claim receipt dates.

Under Secretary for Benefits' Comments

Department of Veterans Affairs

Memorandum

Date: January 27, 2009

From: Under Secretary for Benefits (20)

Subj: **Review of VA Regional Office Compensation and Pension Benefit Claim Receipt Dates (Project No. 2009-00189-R3-0018)**

To: Assistant Inspector General for Audit (52)

1. This is in response to your request for VBA's review of OIG Draft Report: Review of VA Regional Office Compensation and Pension Benefit Claim Receipt Dates. Attached are VBA's comments.
2. Questions may be referred to Dee Fielding, Program Analyst, at 461-9057.

(original signed by:)

P. W. Dunne

Attachment

Under Secretary for Benefits' Comments to Office of Inspector General's Report

The following Under Secretary for Benefits' comments are submitted in response to the recommendation(s) in the Office of Inspector General's Report:

Recommendation 1: We recommend the Under Secretary for Benefits establish goals for VARO claim date accuracy and use the goals to measure and monitor SHARE claim date reliability.

VBA Response: Concur. In November 2008, VBA's Compensation and Pension (C&P) Service began reviewing date of claim accuracy on all Systematic Technical Accuracy Reviews (STAR). The date-of-claim accuracy reviews will be a permanent addition to the STAR program to ensure continued monitoring. VBA will collect and study accuracy data from these reviews through the first two quarters of FY 2009 to establish a sound goal.

Target Completion Date: June 1, 2009

Recommendation 2: We recommend the Under Secretary for Benefits require VARO's to perform SAOs to validate the accuracy of SHARE claim dates and the adequacy of claim date documentation in claims folders.

VBA Response: Concur. VBA's C&P Service is revising M21-4, Chapter 5, to add the requirement for validating the accuracy of claims dates to the existing "Quality of Control Actions" Systematic Analysis of Operations (SAO). Completion of annually required SAOs will be confirmed by routine C&P site visits.

Target Completion Date: April 1, 2009

Recommendation 3: We recommend the Under Secretary for Benefits require the VARO Boston Director to identify any other claims where the SVSR intentionally entered inaccurate receipt dates in SHARE, ensure benefit payments related to these claims are correct, and take appropriate administrative action against the SVSR.

VBA Response: Concur. The Boston RO will examine claims established by the Senior Veterans Service Representative (SVSR) who intentionally entered the incorrect date of receipt identified by OIG. Inaccurate dates will be corrected to ensure benefit payments are accurate. The Boston RO has provided training on proper establishment of claims and receipt dates to all employees. The SVSR retired the end of January 2009.

Target Completion Date: May 1, 2009

OIG Contact and Staff Acknowledgments

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