STATEMENT OF CHERYL L. MASON
INSPECTOR GENERAL FOR THE
US DEPARTMENT OF VETERANS AFFAIRS
BEFORE THE
COMMITTEE ON VETERANS' AFFAIRS
US SENATE
HEARING ON
"PUTTING VETERANS FIRST:
IS THE CURRENT VA DISABILITY SYSTEM KEEPING ITS PROMISE?"
OCTOBER 29, 2025

Chairman Moran, Ranking Member Blumenthal, and members of the Committee, thank you for the opportunity to discuss the role of the Office of Inspector General (OIG) in combating fraud in the compensation and pension programs administered by the Veterans Benefits Administration (VBA). As the Inspector General, I am proud of the OIG's work conducting independent oversight of VBA's programs and operations and investigating allegations of fraud within its programs.

As of June 30, 2025, more than 6.9 million veterans were receiving these benefits, as provided under the law pertaining to disability compensation.[1]

The OIG directorates provide information based on their work to ensure thorough oversight of VA's programs and operations.[2] This statement highlights the work of OIG staff across the Office of Investigations (OI) and the Office of Audit and Evaluations (OAE). Specifically, this statement discusses our investigative program, including information advising VA and the public of scams, and weaknesses identified in program operations.

OFFICE OF INVESTIGATIONS ACTIVITIES

OI is responsible for investigating potential criminal activity and civil violations of law including fraud related to VA benefits, construction, education, procurement, and health care, as well as drug offenses, crimes of violence, threats against VA employees or facilities, and cyberthreats to VA information systems. OI coordinates with other OIG directorates, external law enforcement partners, and the

[1] 38 U.S.C. § 1110; 38 U.S.C. § 1131; 38 C.F.R. § 3.303 (2024). VA, "VA Benefits & Health Care Utilization," https://www.va.gov/VETDATA/docs/pocketcards/pocketcard.pdf, accessed October 20, 2025.

[2] The OIG has five main directorates: Immediate Office of the Inspector General, Office of Investigations; Office of Audits and Evaluations; Office of Healthcare Inspections; and Office of Management and Administration.

Department of Justice on high-impact cases to ensure that veterans, VA employees, and VA assets are protected, and wrongdoers are held accountable. (See Appendix A for some examples of OIG cases.)

VBA implements a number of programs for eligible veterans and family members, including monetary benefits, education assistance, insurance, and VA-guaranteed home loans. Education investigations target fraudsters who do not deliver promised services to eligible veterans, service members, and their qualified family members. With respect to home loans, agents focus on loan origination fraud, equity skimming, and criminal conduct related to the management of foreclosed loans or properties. Personnel also investigate allegations of crimes committed by VA-appointed fiduciaries and caregivers.

In January 2022, the OIG began to publish fraud alerts regarding scams that are prevalent in OI's work. The most recent addresses–*Protect Veterans from Pension Poaching* (June 2025). (See Appendix B.)

In the last Congress, OIG staff assisted Congress in tightening VBA's public disability benefits questionnaires (DBQs) with the inclusion of a provision in *the Senator Elizabeth Dole 21st Century Veterans Healthcare and Benefits Improvement Act*, enacted on January 2, 2025, that requires the digitization of all disability benefits questionnaires (DBQs) submitted by non-VA healthcare providers.[3] The electronic capture of all future DBQ data will significantly enhance OI's anti-fraud oversight of this program.

OFFICE OF AUDITS AND EVALUATIONS REVIEWS OF VBA PROCESSES

The exchange of information between OIG directorates is critical to safeguarding VA's programs and operations. The OIG's OAE shares information with the Office of Investigations that found during the course of their work and OI reports information on gaps discovered through their investigations. This allows the OIG to provide oversight of VBA operations and made recommendations related to legal and procedural review deficiencies, unclear guidance, and inconsistent application of quality assessments, issues that can make the disability benefit system susceptible to fraud.

When veterans file claims for disability benefits, medical evidence is usually needed to demonstrate a condition. Often VBA will schedule a veteran for a medical examination. Most exams are performed by VBA contract medical examiners, but veterans have the option of having their medical provider complete a public-facing DBQs which would be submitted with their claim.

Public-Facing Disability Benefits Questionnaires Can Increase Fraud Risk

In October 2010, VBA implemented the use of DBQ forms to help speed the processing of veterans' claims for disability compensation and pension benefits. The questionnaires cover a full range of medical conditions and relate to a specific type of disability or part of the body. Publicly available questionnaires are completed by non-VA medical providers selected by the veteran. As a result of OIG concerns related to the potential for fraud and VBA's modernization efforts and form revisions, on April 2, 2020, VBA removed the questionnaires from its website. Subsequently, Congress mandated

[3] *Senator Elizabeth Dole 21st Century Veterans Healthcare and Benefits Improvement Act*, Pub. L. No. 118-210 (2025).

their return through *The Johnny Isakson and David P. Roe, M.D. Veterans Health Care and Benefits Improvement Act of 2020*, enacted on January 5, 2021.[4]

The OIG conducted two reviews as required by the law. In the March 2022 report, the OIG determined that VBA complied with the requirement to return DBQs to its public-facing website when it reinstated 69 questionnaires on its website on March 1, 2021.[5] However, the team found DBQ from non-VA medical providers that were incomplete, inaccurate, or of questionable authenticity were not always processed correctly by VBA when determining entitlement to benefits. Conversely, some questionnaires that were sufficient for determining benefits were not used.

The January 2024 report found VBA continues to publish updated questionnaires on its website and generally accepted and used them when submitted as part of a claim for benefits.[6] However, the OIG review team found that many submitted public questionnaires continue to present a significant risk of fraud. While VBA conducts validation reviews to detect and prevent fraud, these reviews are very limited in scope, lack robust methodology and follow-up, and do not safeguard against any physician-assisted fraud.

Improvements Needed In VBA Claims Processing

VBA's Medical Disability Examination Office administers VBA's contract medical exam program. VBA currently has 18 contracts with four vendors: OptumServe Health Services, Quality Timeliness and Customer Service Medical Services, Veterans Evaluations Services Inc., and Loyal Source Government Services, LLC. This office is responsible for overseeing vendor performance and contract medical disability exam quality as well as enforcing the technical terms of each contract. Over the last three years, OIG teams assessed this office on several occasions and found weaknesses in governance, accountability, and contractor accessibility compliance with Occupational Safety and Health Administration and Americans with Disabilities Act regulations, and safety and cleanliness issues.[7]

Compensation Claims Processing Deficiencies

The medical exam is just the first step in the process to determine a compensation rating. Claims processors are responsible for reviewing all available evidence when determining entitlement to benefits. OIG reports have identified scattered, unclear, and underdeveloped guidance—with little reliance on the law—as additional causes for incorrect payments to VBA beneficiaries.

The OIG substantiated a hotline allegation that a senior veterans service representative in Philadelphia approved hundreds of rating decisions for claims each day without conducting the required reviews. In

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[4] *Johnny Isakson and David P. Roe, M.D. Veterans Health Care and Benefits Improvement Act of 2020*, Pub. L. No. 116–315 (2021).

[5] VA OIG, *Public Disability Benefits Questionnaires Reinstated but Controls Could Be Strengthened*, March 9, 2022.

[6] VA OIG, *Without Effective Controls, Public Disability Benefits Questionnaires Continue to Pose a Significant Risk of Fraud to VA,* January 4, 2024.

[7] VA OIG, *Contract Medical Exam Program Limitations Put Veterans at Risk for Inaccurate Claims Decisions*, June 8, 2022; VA OIG, *Better Oversight Needed of Accessibility, Safety, and Cleanliness at Contract Facilities Offering VA Disability Exams*, May 8, 2024.

fiscal years 2022 through 2024, this employee authorized about 85,300 claims—19 times the national average—and contributed more than 35 percent each year toward the regional office's claims completion goal.[8] The team estimated that about 13,200 of the rating decisions (84 percent) authorized by this employee from January through June 2024 had at least one error. These errors resulted in an estimated $2.2 million in improper payments. VBA officials at the regional, district, and central offices knew about the employee's unusually high authorization rate. However, they did not effectively respond to the associated risks. VA concurred with the OIG's two recommendations to correct the errors and evaluate internal controls.[9]

Some recent reports related to PACT Act claims illustrate the importance of claims processors being trained properly and following procedures.[10]

In August 2022, the PACT Act was signed into law and significantly expanded access to VA health care and disability benefits for veterans exposed to burn pits and other toxic materials. It also expanded locations associated with radiation exposure, as well as presumptive conditions and locations associated with herbicide exposure. The day after the PACT Act was signed into law, veterans set a record for the number of online disability compensation claims filed.[11]

The OIG found that claims processors may not be assigning accurate effective dates for claims due to VBA not sufficiently preparing them for this undertaking.[12] The PACT Act complicated VBA's effective date determinations by adding locations, dates, and conditions presumed to be associated with certain types of exposures during military service, as well as lowering requirements for benefit eligibility for some veterans exposed to toxins.

In a September 2025 report, the OIG found VBA's oversight lagged in ensuring accurate processing of nonpresumptive conditions under the PACT Act.[13] While VBA took steps to improve PACT Act Claims processing, these efforts have not remedied the problem of various inaccuracies related to nonpresumptive conditions. The OIG found some errors showed that claims processors did not accurately identify toxic exposure claims, research and verify veterans' participation in a toxic exposure risk activity, request a medical exam and opinion regarding toxic exposure or appropriately include key information in decisions for nonpresumptive conditions. Furthermore, PACT Act guidance is difficult

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[8] VA OIG, *Inadequate Oversight Allowed a Senior Benefits Representative to Inaccurately Authorize Thousands of Decisions*, September 29, 2025.

[9] At quarterly intervals commencing 90 calendar days from the date of the report's issuance, the OIG sends a follow-up request to the VA office overseeing corrective action asking for an implementation status report. The OIG will begin follow up on this report on December 29, 2025. Nothing precludes VA from providing interim progress reports.

[10] The PACT Act refers to the *Sergeant First Class Heath Robinson Honoring Our Promise to Address Comprehensive Toxics Act of 2022*, Pub. L. No. 117-168, 136 Stat. 1759.

[11] VBA, "Fact Sheet: How the PACT Act Is Already Helping Veterans", accessed October 20, 2023, https://vbaw.vba.va.gov/bl/21/PACT%20Act%20General%20Fact%20Sheet.pdf.

[12] VA OIG, *The PACT Act Has Complicated Determining When Veterans' Benefits Payments Should Take Effect*, April 15, 2025.

[13] VA OIG, *Better Controls Needed to Accurately Determine Decisions for Veterans' Nonpresumptive Conditions Involving Toxic Exposure Under the PACT Act*, September 30, 2025.

for staff to navigate because it is frequently updated and spread among several different sources. VBA needs to improve its oversight to mitigate and prevent inconsistencies and errors. VBA concurred with the OIG's three recommendations to correct processing errors, consolidate guidance, and evaluate controls.[14]

CONCLUSION

The VA OIG staff are astutely aware that taxpayer dollars were appropriated to VA for the purpose of providing benefits and services to our veterans. We have an accomplished team working collaboratively across the organization to ensure that veterans who have earned their benefits receive them and people who defraud VA programs are held accountable. If OIG staff discover, during the course of audit or inspection work, evidence of fraud, they immediately share with OIG investigators. Conversely, when OIG investigators identify weaknesses in the system through their investigations, they provide that information to the audit staff for further review. We, at the OIG, are dedicated to reviewing the operations and programs that provide these critical benefits and services in a timely and accurate manner to those who have served our nation. As the Inspector General, I am committed to ensuring VA programs and operations are efficient and effective in delivering benefits to veterans, their families, caregivers, and survivors.

Mr. Chairman, Ranking Members, and committee Members, this concludes my statement, and I would be happy to answer any questions that you may have.

[14] At quarterly intervals commencing 90 calendar days from the date of the report's issuance, the OIG sends a follow-up request to the VA office overseeing corrective action asking for an implementation status report. The OIG will begin follow up on this report on December 30, 2025. Nothing precludes VA from providing interim progress reports.

APPENDIX A SELECTED CASES FROM THE OIG'S OFFICE OF INVESTIGATIONS

Veterans Benefits Administration Investigations

- **Former VA Social Worker Claiming to Be A Purple Heart and Bronze Star Recipient Sentenced for Stolen Valor Scheme That Included Stealing a Veteran's Identity to Gain Benefits** – A former social worker at the Providence VA Medical Center in Rhode Island fraudulently claimed to be a wounded US Marine Corps veteran who was the recipient of a Purple Heart and a Bronze Star. The defendant collected more than $250,000 in benefits from veteran-focused charities using the personally identifiable information of an actual Marine to falsely claim she served in the Marine Corps from 2009 to 2016, achieved the rank of corporal, was wounded in action, and was honorably discharged. The defendant also falsely claimed to have cancer due to her alleged military service after using her position to access the VA medical records of a veteran cancer patient. The former social worker was sentenced in the District of Rhode Island to 70 months' imprisonment, three years' supervised release, and full restitution of close to $285,000 to the charities and individual victims. This investigation was conducted by the VA OIG, Federal Bureau of Investigations (FBI), NCIS, Defense Criminal Investigative Service, Internal Revenue Service Criminal Investigation, US Postal Inspection Service, and VA Police Service.
- **School Owner Sentenced for Defrauding VA's Post-9/11 GI Bill Program** – A VA OIG investigation resulted in charges alleging the owner of a non-college-degree school and its certifying official conspired to submit fraudulent information to conceal the entity's noncompliance with the rules and regulations of the Post-9/11 GI Bill Program. In response to an inspector general subpoena, the owner and certifying official allegedly conspired to provide fraudulent information, including falsified contracts and rosters. Between September 2012 and August 2018, VA paid over $17.8 million to the school. The owner was sentenced in the District of New Hampshire to 12 months' home detention and 36 months' probation and ordered to pay restitution of approximately $200,000 after previously pleading guilty to conspiracy to make false statements. The certifying official was previously indicted on charges of conspiracy to submit false claims and conspiracy to make false statements.
- **Two Real Estate Agents Sentenced to Prison for Defrauding Clients in Short Sale Fraud Scheme** – According to a multiagency investigation, two real estate agents conspired with others to defraud VA, the US Department of Housing and Urban Development, banks, and mortgage servicers through multiple fraud schemes, including acting as brokers in the sale of distressed residential real estate (bank-owned properties listed for sale by a real estate firm, through an agreement with a given financial institution) while secretly using straw buyers to purchase those properties, which they subsequently "flipped." The scheme involved over 100 properties, of which at least 10 were covered by VA's loan guaranty program. One of the real estate agents was sentenced in the District of Massachusetts to 42 months in prison, 36 months of supervised release, over $2.5 million in restitution, and forfeiture of approximately $612,000. Of the restitution, VA will receive over $171,000. The other real estate agent had been previously sentenced to 12 months and one day in prison and 24 months of supervised release, and was

ordered to forfeit over $277,000 and pay restitution that will be determined on a later date. This investigation was conducted by the VA OIG, Internal Revenue Service Criminal Investigation, and FBI.

- **Four Individuals Connected to a House of Prayer Affiliate Indicted in Connection With Education Benefits Fraud Scheme** – A multiagency investigation resulted in charges alleging that from at least 2011 through 2022, four leaders of Georgia affiliates of the House of Prayer Christian Churches of America conspired to defraud VA and veterans of millions of dollars in education benefits. According to the indictment, these leaders fraudulently obtained a religious exemption from state regulators in Georgia to operate two of five locations in Georgia as the affiliate called the House of Prayer Bible Seminary (HOPBS). This exemption required that Georgia seminaries not receive federal funds. Yet the four defendants applied for and accepted VA education benefits, making the seminary ineligible for the exemption. The defendants recruited military personnel to the church, directed them to enroll in HOPBS, and then used VA benefits for personal gain. HOPBS received more than $3 million in education benefits for its two Georgia locations and more than $23.5 million for all five locations. From 2013 through 2021, the four leaders fraudulently submitted false certifications to Georgia regulators that claimed the seminary did not receive federal funds. The scheme channeled funding from VA education benefits to seminary accounts, which the defendants in turn siphoned off for their own use. The impact was that some veterans' benefits were exhausted, often without completing their programs. The four defendants were indicted in the Southern District of Georgia on multiple criminal charges. Two of the four defendants, along with two additional individuals, were also indicted in connection with a long-running mortgage fraud conspiracy that was partially tied to VA home loans. In total, eight defendants were indicted for both the education and mortgage fraud schemes. This investigation was conducted by the VA OIG, FBI, Internal Revenue Service Criminal Investigation, Federal Housing Finance Authority OIG, Army Criminal Investigation Division, U.S. Citizenship and Immigration Services, and U.S. Postal Inspection Service.
- **Nonveteran Sentenced for Stealing More Than $450,000 in VA Compensation Benefits from Disabled Veteran** - According to an investigation conducted by the VA OIG, Social Security Administration OIG, and US Postal Inspection Service, a nonveteran deposited into his personal bank account at least four stolen VA disability checks that were intended for a hospital-bound veteran who had been diagnosed with amyotrophic lateral sclerosis (ALS). After the bank refused to deposit the checks due to a name mismatch, the individual and a co-conspirator used stolen identity documents to open another bank account in the victim's name and then successfully made the deposits. Between 2015 and 2020, the individual and his coconspirator stole approximately $460,000 in VA disability benefits checks intended for the veteran. The individual was sentenced in the District of Massachusetts to 23 months' imprisonment, 24 months' probation, and ordered to pay restitution of approximately $460,000 after previously pleading guilty to theft of government benefits and conspiracy to steal government benefits.

Veterans Health Administration Investigations

OI conducts criminal investigations into allegations of patient abuse, drug diversion, theft of VA pharmaceuticals or medical equipment, false claims for healthcare benefits, and other fraud relating to the delivery of health care of millions of veterans. Here are some selected cases:

- **Four Defendants Plead Guilty to Roles in $110 Million Healthcare Kickback Scheme –** The former owner of a home health company, a physician, a pharmacy marketer, and a registered nurse pleaded guilty in the Southern District of Texas to conspiracy to pay and receive healthcare kickbacks. A multiagency investigation revealed the defendants conspired to fraudulently bill federal and private healthcare insurance programs over $110 million for expensive compounded medication in exchange for more than $6 million in kickbacks. The loss to VA is over $2.8 million. This investigation was conducted by the VA OIG, FBI, Defense Criminal Investigative Service, Department of Health and Human Services OIG, US Postal Service OIG, Department of Labor OIG, and Texas Health and Human Services Commission.
- **Former VA Inventory Management Specialist Admitted to Stealing Dental Equipment –** A VA OIG and VA Police Service investigation revealed that an inventory specialist at the Mountain Home VA Medical Center in Tennessee stole dental equipment from the facility and subsequently sold it online. The loss to VA for the stolen dental equipment, which was intended for a new clinic in Knoxville, is over $353,000. The former VA employee pleaded guilty in the Eastern District of Tennessee to theft of government property.
- **Former VA Physician Sentenced For Sexually Assaulting A Patient** – A VA OIG investigation resulted in charges alleging that between September 2019 and January 2020, a former physician at the Atlanta VA Medical Center sexually assaulted four female patients during medical examinations involving improper touching. The former physician was found guilty by a jury in the Northern District of Georgia of deprivation of rights under color of law and abusive sexual contact after a two-week trial. The jury found the physician guilty of charges related to one victim and acquitted him of charges pertaining to the other three victims. He was sentenced in the Northern District of Georgia to 24 months' imprisonment and 15 years' supervised release and prohibited from practicing medicine while on supervised release.

Protect Veterans from Pension Poaching

The VA Office of Inspector General (OIG) cautions veterans to be alert to a form of financial exploitation known as "pension poaching." VA pension benefits are available to wartime veterans or their surviving spouses who meet certain age or disability requirements and have limited income and net worth. Veterans are targets of a wide range of pension-poaching schemes, all of which attempt to steal their assets. Frequently, scammers promote suspect legal or financial products or services that are designed to qualify otherwise ineligible individuals for a VA pension, either by falsifying financial information or restructuring assets to meet criteria. Others may charge large fees to represent unsuspecting veterans in pursuing pension benefits for which they may not qualify. Some may also try to sell in-home care to eligible pension recipients that may be overpriced or is never provided. Scams often start with a dishonest lawyer, financial planner, or insurance agent soliciting veterans through cold calls, mail campaigns, or in-person encounters at a senior center or assisted living facility.

Steer clear of and report to the OIG individuals and organizations that

- claim to *guarantee* eligibility for a particular benefit;
- encourage false reporting of income and expense information, reallocating assets to trusts, or purchasing annuities to qualify for a VA pension;
- charge upfront fees or a percentage of any awarded benefit to file VA claims or applications (free help is available from VA-accredited individuals and entities);
- apply pressure to provide sensitive financial information like credit card numbers; or
- attempt to redirect VA deposits to a bank account controlled by a caregiver, power of attorney, claim representative, or anyone other than the rightful beneficiary.

- Find accredited representatives authorized to help veterans and their dependents and survivors with VA benefits claims. **Note:** If someone isn't recognized by VA, they can't legally help with a VA benefit claim.
- Veterans can also receive assistance from their state's veterans office or the Federal Trade Commission.
- VA fact sheet on pension poaching prevention