



DEPARTMENT OF VETERANS AFFAIRS OFFICE OF INSPECTOR GENERAL

PODCAST TRANSCRIPT OCTOBER 2020 HIGHLIGHTS

This is Dawn Woltemath, a nurse consultant with the VA Office of Inspector General in Denver. You're listening to the OIG's highlights for October 2020. Let's start with the IG's Office of Investigations and several cases impacting the VA, our veterans, and your taxpayer dollars.

We first travel to New Jersey where a defendant was arrested and charged with conspiracy to commit theft of government property. The defendant conspired with a former pharmacy procurement technician at the East Orange VA Medical Center to steal prescription HIV medication over several years. The investigation was conducted by the VA OIG, FBI, and VA Police Service. Reported loss to the VA is approximately \$7.8 million.

Also, in New Jersey, three defendants pleaded guilty to conspiracy to violate the anti-kickback statute and conspiracy to commit healthcare fraud. An investigation by the VA OIG, Defense Criminal Investigative Service, Internal Revenue Service Criminal Investigation, Department of Health and Human Services OIG, and FBI resulted in charges alleging the defendants participated in a telemarketing scheme to solicit everyday use medical equipment and supplies and cancer genetic screening tests to prospective patients and then used online doctors, who had no relationship with the patients, to generate prescriptions for these patients regardless of medical necessity. The telemarketers then sold the completed orders to a testing laboratory. To date, overall loss to the government exceeds \$1 billion and investigative efforts have led to nine arrests and six convictions.

Now in Florida, a suspended warehouse employee of the West Palm Beach VA Medical Center pleaded guilty to entering a false record. The OIG investigation resulted in charges alleging that this employee and 16 other individuals engaged in a bribery and kickback scheme involving multiple vendors and employees of VA medical centers in West Palm and Miami and in Philadelphia, Pennsylvania. Supply orders were placed in exchange for cash bribes and kickbacks from the vendors. In many instances, the prices of supplies were grossly inflated, or the orders were partially fulfilled or not fulfilled at all. Beginning in 2009, this defendant falsely entered purchase orders valued at over \$1.4 million in exchange for cash.

Over in Texas, a defendant was sentenced to 12 months' imprisonment, two years' supervised release, and restitution of approximately \$190,000, of which the VA will receive about \$72,000 for selling personally identifiable information of government employees to other conspirators, who then used the information to fraudulently bill the Department of Labor's Office of Workers' Compensation Program. Several OIGs including VA, Department of Labor, U.S. Postal Service, and Department of Homeland Security participated in the investigation. Loss to the federal government is estimated at \$6.5 million. Of this amount, the loss to VA is approximately \$2.5 million.

Elsewhere in Texas, a former VA vendor was sentenced to five years' probation and restitution of \$714,000 for stealing funds. The VA OIG investigation revealed a former VA supervisor for the Central Texas Veterans Health Care System in Temple and his wife provided the vendor fraudulent invoices

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from the wife's company for nonexistent services. The vendor then paid the former supervisor and fabricated his own set of invoices used to bill the VA for goods and services that were never provided. The loss to VA is approximately \$1 million.

Finally, in California, two Navy veterans were sentenced for their involvement in a Traumatic Servicemembers Group Life Insurance fraud scheme. One defendant received four months' imprisonment, four months' home confinement, and three years' supervised release while the other was sentenced to four months' home confinement to be served as part of three years' probation. The investigation by the VA OIG, Navy Criminal Investigative Service, and FBI led to charges alleging these two veterans and at least 16 others submitted numerous insurance claims that reflected fraudulent narratives of catastrophic injuries and exaggerated the loss of activities of daily living to generate payouts between \$25,000 to \$100,000 per claim. To date, 11 individuals have been charged in the connection with this scheme. The loss to the VA administered program is approximately \$2 million.

Now to new publications.

The OIG's Office of Healthcare Inspections published a review titled: *Veterans Crisis Line Challenges, Contingency Plans, and Successes During the COVID-19 Pandemic*. Due to the risks associated with employees working on-site in a call center, approximately 800 employees transitioned to telework over the course of six weeks. Employees were issued technology and access to required systems. Veterans Crisis Line leaders reported that staff continued to meet performance targets for key indicators and acknowledged that crisis line operations would benefit from a broader technology and equipment plan, dedicated information technology staff, ownership of relevant service contracts, better succession planning, and maintaining an inventory of headsets, keyboards, and cell phones. The OIG made no recommendations.

Thank you for listening to the VA OIG's monthly highlights for October 2020.

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