



DEPARTMENT OF VETERANS AFFAIRS
OFFICE OF INSPECTOR GENERAL

Office of Management and Administration

Budget Request for Fiscal Year 2025



Office of Inspector General

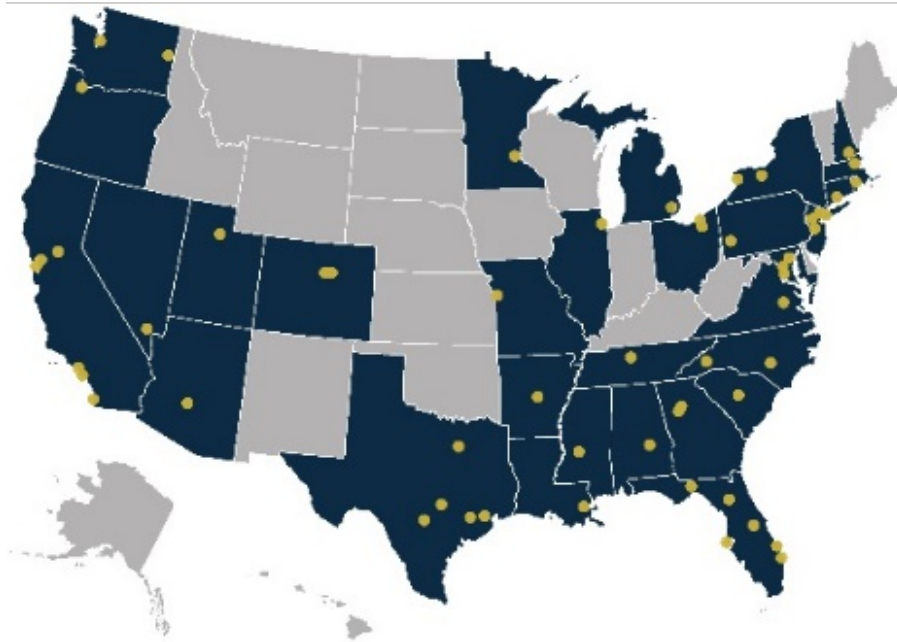
Mission

As provided in the *Inspector General Act of 1978*, as amended, and other laws, the OIG is authorized to conduct and supervise audits, inspections, evaluations, reviews, and investigations, and make recommendations to promote the economy, efficiency, and effectiveness of VA operations. The OIG is also authorized to inquire into all VA programs and activities, including healthcare and benefits delivery and cemetery services as well as the offices and personnel that support them. As VA is the second largest federal agency and operates the nation's largest integrated public healthcare system, the OIG is committed to objective and meaningful oversight. The OIG is required to report to Congress on activities and outcomes every six months. These semiannual reports (SARs) keep stakeholders informed about the challenges facing VA and promote transparency of the OIG's oversight work and recommended corrective actions. Under the leadership of the Inspector General (IG) and Deputy IG, the OIG's work focuses on higher-risk, impactful programs and issues throughout VA that affect Veterans, their families, and caregivers, while making the most efficient and effectual use of taxpayer dollars. For additional information, see the OIG's [*Mission, Vision, and Values*](#).

OIG Offices

The OIG is headquartered in Washington, DC, and as of 2023 has 1,131 staff positions in more than 60 locations throughout the country who conduct oversight of VA's programs and operations and the activities of its more than 430,000 personnel.¹ The OIG is organized into the seven offices described below.

¹ See the U.S. Department of Veterans Affairs FY 2024 Budget In Brief at [Budget - U.S. Department of Veterans Affairs \(va.gov\)](#).



Immediate Office of the Inspector General. The IG and Deputy IG provide leadership and set the OIG’s strategic direction. The office includes congressional relations and public affairs staff who ensure that accurate information is promptly released and that requests from legislators and reporters are appropriately addressed. This office also includes staff responsible for electronic report distribution and follow-up on recommendations made to VA. Its Office of Data Analytics specializes in advanced analytics, information integration, and data visualization to inform enterprise-wide oversight on emerging issues.

Office of Counselor to the Inspector General. The counselor’s office provides legal support for investigations, audits, reviews, and inspections; works with in-house investigators in developing qui tam and False Claims Act matters; provides counsel to managers on legal and administrative matters, including contracting actions; represents the OIG in employment litigation and personnel matters; performs OIG employee relations and reasonable accommodation functions; and informs legislative proposals and congressional briefings. This office also reviews the release of information outside the agency to ensure compliance with privacy laws and other mandates.

Office of Audits and Evaluations. Personnel assess VA’s compliance with laws, regulations, and other governing requirements for diverse areas such as healthcare delivery, financial efficiencies, the administration of benefits, cemetery services, resource use, acquisitions, contracting, construction, and information technology deployment and security. Additionally, this office oversees 11 congressionally mandated reports due in 2024 (and some annually thereafter) that include a focus on the Cost of War Toxic Exposure Fund, several topics related to Veterans Health

Administration (VHA) healthcare services, information technology, disability medical questionnaires, and VA's consolidated financial statement.

Office of Healthcare Inspections. Staff from this office focus on VA's efforts to achieve high-quality health care for its patients. They conduct inspections prompted by OIG complaints to its hotline, congressional requests, and other leads, as well as proactive recurring inspections of VA facilities, healthcare systems, regional networks, and vet centers; and national reviews of critical issues. Staff also provide consultations to criminal investigators and audit personnel and conduct an annual determination of occupational staffing shortages across VHA, as required by the Veterans Access, Choice, and Accountability Act of 2014.

Office of Investigations. This office is staffed by special agents with full law enforcement authority, forensic auditors, and other professionals. Staff use data analytics, cyber tools, covert operations, and other strategies to detect and address conduct that poses a threat to or has harmed Veterans or other beneficiaries and VA personnel, operations, and property. It investigates possible crimes and civil violations of law involving VA programs and operations. Staff focus on a wide range of matters including healthcare, procurement, benefits, construction, and other fraud; cybercrime and identity theft; bribery and embezzlement; drug offenses; violent crimes; and threats against VA employees, patients, facilities, and computer systems.

Office of Management and Administration. Skilled personnel with diverse experience provide comprehensive support to the OIG, including financial, personnel, budget, information technology, space and facilities, and procurement. The office also oversees the OIG hotline, which receives about 30,000 complaints annually, screens them, and refers allegations and complaints for additional action as appropriate.

Office of Special Reviews. Staff from this office conduct administrative investigations of VA personnel, contractors, and grantees. They also increase the OIG's flexibility and capacity to conduct prompt reviews of significant events and emergent issues not squarely within the focus of other OIG offices. This office undertakes projects in response to referrals from VA employees, the OIG hotline, Congress, the Office of Special Counsel, Veterans and their service organizations, and other sources. Staff work collaboratively with other OIG directorates to review topics of interest that span multiple disciplines.

Strategic Plan and Goals

The OIG's [*Strategic Plan for 2022–2026*](#) outlines the goals and objectives in promoting the efficiency, effectiveness, and integrity of VA's programs and operations to serve the needs of Veterans, their families, and caregivers better. It also frames OIG strategies for deterring and addressing criminal activity, waste, fraud, and abuse while promoting innovation throughout VA. It builds on observed and ongoing major management challenges. Funding for 2025 would be used to advance new work related to these goals while having the resources to pivot as needed to respond to Veterans' and VA employees' allegations of emerging problems or wrongdoing, congressional concerns, other stakeholder feedback (discussed more fully below), and data analytics.

GOAL 1

Help ensure veterans receive prompt access to exemplary health care by identifying opportunities to improve the quality, management, efficiency, and delivery of patient-centered care in VA facilities and in the community.

GOAL 2

Make recommendations to facilitate the swift delivery of benefits and superior services to eligible veterans, their families, and caregivers by addressing barriers to expeditious and accurate VA decision-making and processes.

GOAL 3

Identify and implement procedures and strategies for making the most responsible use of VA's appropriated funds, including sound procurement policies, closely monitored spending, and financial practices that reduce the risk of fraud, waste, and misuse of resources.

GOAL 4

Address failures in governance and leadership—including lack of accountability, splintered and ineffective management, staffing deficits, and misconduct by individuals in positions of trust—that contribute to emergent, pervasive, and persistent problems within VA.

GOAL 5

Encourage innovation and recommend enhancements to VA's infrastructure and systems through findings and report recommendations that address information technology, data security, predictive tools, and financial management systems.

Stakeholders and Partners

The OIG’s oversight work encompasses all VA programs and operations, services, functions, and funding. Consequently, its stakeholders include the VA Secretary and senior leaders, managers and other personnel, members of Congress and their staff, veterans service organizations (VSOs), beneficiaries, taxpayers, affiliated healthcare and educational institutions, contractors, other federal agencies, law enforcement organizations, and other OIGs. Much of the VA OIG’s work depends on the cooperation of and coordination with these stakeholders who are critical to improvement and oversight efforts. Therefore, the IG and Deputy IG engage OIG senior leaders when convening recurring meetings with stakeholders, particularly VSOs, senior VA executives and program managers, and members of Congress and their staff.

Appropriation Language

For necessary expenses of the Office of Inspector General, to include information technology, in carrying out the provisions of the Inspector General Act of 1978, as amended (5 U.S.C. § 401, et seq.), \$296,000,000 of which not to exceed 10 percent shall remain available until September 30, 2026.

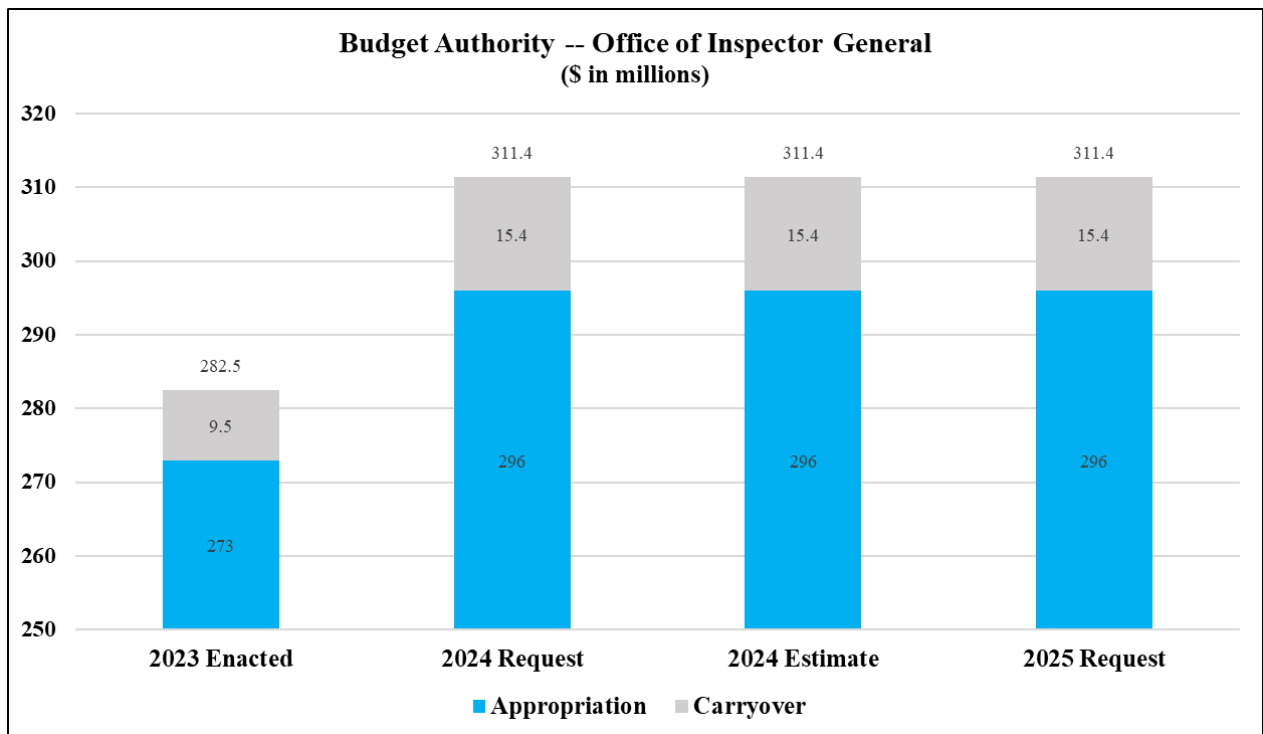
Summary of Budget Request²

A \$296 million budget and carefully preserved carryover funding will allow the VA OIG to continue addressing potential crimes, deficiencies, and serious challenges related to VA programs and operations affecting patient safety and the quality of their health care, critical services, and benefits due eligible Veterans and survivors, their families, and caregivers.

	2024 Estimate	2025 Request	Delta
Office of Inspector General			
Annual Appropriation	\$296.0	\$296.0	\$0.0
Net Carryover	15.4	15.4	0.0
Reimbursements	0.3	0.3	0.0
Total Budgetary Resources	311.7	311.7	0.0
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Total FTE	1,155	1,155	0

A full year 2024 appropriation for this account was not enacted at the time the budget was prepared; therefore, the 2024 estimate reflects the 2024 President’s Budget request for discretionary appropriations.

² Per the IG Act, please see page 8 for VA OIG’s statement on the 2025 President’s Budget.



A full year 2024 appropriation for this account was not enacted at the time the budget was prepared; therefore, the 2024 estimate reflects the 2024 President's Budget request for discretionary appropriations.

Budget Context

The 2024 President's Budget request of \$296 million allows the VA OIG to pay for all mandatory pay and benefits increases as well as hire staff at the authorized level without using its carryover funding. However, the same budget level of \$296 million in 2025, coupled with another mandatory payroll and benefits increase of 2% would require the use of carryover funding. Approximately \$4 million is estimated for the pay raise in 2025. Significant carryover is required given the uncertainty of appropriations and possible government shutdowns.

For additional context, the table below shows Inspectors General and their associated Departments, highlighting the VA OIG’s weighty task of providing oversight with a ratio of just one OIG staff person for 383 VA personnel.

2023 Resource and Staff Comparison						
	Funding (millions)			FTE		
	Department	OIG	OIG Ratio	Department	OIG	OIG Ratio
Housing and Urban Development	\$ 72,100	\$ 146	0.20%	7,884	520	1:15
Health and Human Services	\$ 1,772,315	\$ 433	0.02%	84,000	1,573	1:53
Treasury ³	\$ 16,414	\$ 304	1.85%	99,445	1,096	1:91
Transportation	\$ 144,159	\$ 112	0.08%	54,000	410	1:132
Justice	\$ 37,485	\$ 149	0.40%	118,900	560	1:212
Commerce	\$ 16,141	\$ 54	0.33%	44,088	202	1:218
Agriculture	\$ 242,000	\$ 112	0.05%	98,707	430	1:230
Interior	\$ 29,958	\$ 70	0.23%	64,320	280	1:230
Homeland Security	\$ 60,684	\$ 215	0.35%	252,000	778	1:324
Veterans Affairs	\$ 308,227	\$ 273	0.09%	432,771	1,131	1:383
Defense	\$ 851,800	\$ 492	0.06%	791,505	1,838	1:431

With funding held at the 2024 level, the use of carryover funds would allow VA OIG to conduct (but not expand further) vital healthcare inspections that identify threats to patient safety and remedial actions for poor quality care. This work literally saves lives. The OIG’s planned audits and oversight of VA systems also help ensure that Veterans, their families, and caregivers are getting the benefits, care, and services they are eligible to receive while making the best use of taxpayer dollars. There is even greater demand for the VA OIG to conduct meaningful monitoring of massive VA initiatives such as the PACT Act (expanding care and benefits for toxic exposure during military service), community healthcare expansion, modernization of electronic health records and other critical systems, and improved mental health services for Veterans. VA OIG core functions and any attempts to address these emergent issues will be scaled based on available resources and personnel.

VA OIG’s recent cases have included a nursing assistant’s serial murders in a VA medical center, fraud detection with billions of taxpayer dollars at stake, and theft by fiduciaries and family members of benefits from vulnerable Veterans. They also have stopped identity theft, bribery, drug trafficking, and violent crimes, as well as threats to VA personnel. Simply stated, VA OIG’s oversight identifies and addresses risks to Veterans and their families.

³ Data for the U.S. Department of the Treasury includes all Treasury Inspectors General: The Office of Inspector General, Special Inspector General for the Troubled Asset Relief Program, Treasury Inspector General for Tax Administration, and the Special Treasury Inspector General for Pandemic Recovery.

Budget Submission Requirements of the *Inspector General Act*

This budget request is prepared in accordance with section 406(g) of the *Inspector General Act of 1978*, as amended.⁴ The President’s proposal for OIG’s 2025 aggregate budget is \$296 million. This includes the amounts that the Inspector General certifies to fulfill known requirements to support the Council of the Inspectors General on Integrity and Efficiency for \$1.1 million and OIG employee training expected to cost approximately \$3.3 million (including for continuing education requirements and mandatory law enforcement training). In addition, the OIG requests that \$3.3 million be set aside in the 2025 VA Minor Construction appropriation request to support necessary OIG-specific renovation projects.

OIG leaders continue to identify efficiencies and opportunities to reduce and control costs for employee travel, conferences, training, government vehicles, technology, and other areas as required by Executive Order No. 13589, *Promoting Efficient Spending*. Consistent with the executive order’s recognition that certain government activities can be performed only by traveling to a different location, however, OIG employees must travel extensively to VA facilities across the country to perform statutory oversight.

OIG Statement on the 2025 President’s Budget

Section 406(g)(2)(D) of the *Inspector General Act of 1978*, as amended, directs Inspectors General to include “any comments of the affected Inspector General with respect to the proposal.” While the OIG appreciates recent funding increases to continue proportioning staff, resources are insufficient to maintain core priorities such as overseeing routine VA benefit processes and patient care and safety practices while addressing new and growing VA programs, services, and special initiatives. The OIG notes that its original budget request to OMB was for \$326 million. The current budget request of \$296 million that is held flat from 2024 would significantly limit the OIG’s ability to keep pace with alleged crimes related to growing benefit, community care, and other VA programs. It also constrains staff’s ability to expand oversight to identify the serious challenges to new and significantly enlarged VA programs and operations that pose a threat to the safety, health, and welfare of Veterans, their families, and caregivers. This is particularly true of modernization efforts such as the patient electronic health record system that is tremendously complex, costing billions of dollars, and has been shown to have contributed harm to Veterans. VA has hired a record number of people in recent years—approximately 62,000 in 2023 for VHA alone. As VA continues to experience record-breaking growth, it is imperative that the VA OIG have adequate resources and personnel to provide effective oversight.

⁴ 5 U.S.C. § 406(g).

Budgetary Tables

Summary of Employment & Obligations - Total Budgetary Resources (dollars in thousands)						
Budgetary Resources	2023 Actual	2024 Request	2024 Estimate	2025 Request	2025 Request vs. 2024 Estimate	
					\$	%
Average Employment:						
Washington, D.C. Offices	253	265	258	265	7	2.7%
Rest of U.S. Offices	849	890	867	890	23	2.7%
Total Employment	1,102	1,155	1,125	1,155	30	2.7%
Obligations						
Personnel Compensation	\$156,179	\$171,701	\$167,220	\$177,275	\$10,055	6.0%
Personnel Benefits	67,592	74,310	72,370	76,722	4,352	6.0%
Travel	6,825	7,946	8,573	8,744	171	2.0%
Transportation of Things	60	65	65	66	1	2.0%
Rents, Comm. & Utilities	12,183	15,869	9,341	9,541	187	2.0%
Printing	35	38	35	36	1	2.0%
Other Services	24,018	26,548	31,280	31,906	626	2.0%
Supplies & Materials	852	737	799	815	16	2.0%
Equipment	1,476	3,074	6,317	6,443	126	2.0%
Grants, Subsidies, & Contributions	348	5	100	102	2	2.0%
Total obligations	\$269,568	\$300,293	\$296,100	\$311,650	\$15,537	5.3%
Budgetary resources						
Unobligated balance:						
Unobligated balance brought forward, Oct 1	\$5,805	\$0	\$11,000	\$15,400	\$0	0%
Unobligated balance transfers between expired and unexpired accounts	4,400	4,543	4,400	0	-	0.0%
Subtotal, Unobligated Balance	\$10,205	\$4,543	\$15,400	\$15,400	\$0	0.0%
Budget authority:						
Appropriation, discretionary	\$273,000	\$296,000	\$296,000	\$296,000	-	0.0%
Subtotal, appropriations	\$273,000	\$296,000	\$296,000	\$296,000	-	0.0%
Offsetting collections	31	250	100	250	150	150.0%
Subtotal, budget authority	\$273,031	\$296,250	\$296,100	\$296,250	\$150	0.1%
Total budgetary resources	\$283,236	\$300,793	\$311,500	\$311,650	\$150	0.1%
Unobligated balance expiring	\$(13,668)	\$(500)	\$(15,400)	\$0	\$15,387	-99.9%

A full year 2024 appropriation for this account was not enacted at the time the budget was prepared; therefore, the 2024 estimate reflects the 2024 President's Budget request for discretionary appropriations.

Note: Values presented are rounded.

The following table summarizes the changes in resource requirements between the 2024 and 2025 President's Budget requests.

<i>Net Change</i> <i>Office of Inspector General</i> <i>2025 Summary of Resource Requirements</i> <i>(dollars in thousands)</i>		
	<u>BA</u>	<u>FTE</u>
2024 President's Budget	\$296,000	1,155
2024 Obligations Baseline	\$296,000	1,155
2025 Current Services Increases:		
Pay raise (2%)	\$7,986	
Nonpay Inflation (2%)	\$1,130	
Net nonpay baseline adjustments	\$6,284	
Subtotal (Increases)	\$15,400	-
Subtotal (2025 Obligations Baseline)	\$311,400	1,155
% Change over 2024 Obligations Base	5%	0%
Net Carryover Executed (eoy-soy)	-\$15,400	
Net Budget Authority	\$296,000	1,155
2025 Total Budget Request:	\$296,000	1,155
% Change over 2024 obligations baseline	0%	0%
% Change over 2024 Request	0%	0%
* The current services analysis includes baseline offsets and adjustments.		

The following tables present analyses of OIG employment levels and projected staffing reductions by grade and geographical location.

Office of Inspector General Employment Summary FTE by Grade				
Grade	2023 Actual	2024 Estimate	2025 Request	Increase (+) Decrease (-)
IG/SES	25	25	26	1
Senior-Level (SL)	20	20	20	0
GS-15	129	132	135	3
GS-14	294	300	308	8
GS-13	553	566	581	15
GS-12	61	62	65	3
GS-11	11	11	11	0
GS-9	6	6	6	0
GS-8	1	1	1	0
GS-7	2	2	2	0
Total FTE	1,102	1,125	1,155	30

Office of Inspector General 2023 FTE Distribution		
Grade	Washington D.C.	Rest of U.S.
IG/SES	19	6
Senior-Level (SL)	9	11
GS-15	56	73
GS-14	62	232
GS-13	88	465
GS-12	15	46
GS-11	3	8
GS-9	0	6
GS-8	0	1
GS-7	1	1
Total FTE	253	849

Performance Measures

OIG oversight activities have yielded numerous findings and recommendations that translate into direct savings to the taxpayer. Under the sustained leadership of Inspector General Michael J. Missal since 2016, the OIG has made a significant impact on VA and the Veterans it serves. The office identified \$37.6 billion in monetary benefits in the form of better use of funds; dollar recoveries; fines, penalties, and restitution; savings and cost avoidance; and questioned costs. The OIG averaged a return on investment (ROI) of more than \$28:1 during that time.⁵ The office also issued 2,498 reports, alternative work products, and other publications that addressed conditions and identified common themes that undermine the efficacy of VA programs and services. These include administrative and leadership deficiencies that present significant barriers to the timeliness and quality of the health care that Veterans receive, excessive payments for contracted services and poor acquisition practices, lack of proper internal controls for fiduciary activities, security risks in information technology and financial systems, and inconsistent payments for benefits and allowances to Veterans. For detailed examples of investigative cases and OIG accomplishments, see the [OIG SAR archive](#) and [monthly highlights](#).

Monetary Benefits

In 2023, the OIG's oversight and enforcement work resulted in **\$1.5 billion** of monetary impact. A total of 272 reports were published with 929 recommendations to VA. The table below summarizes additional information about the monetary benefits of the OIG's work.

2023 Monetary Impact (millions)	2023 Total
High-Level Impact Areas	
Better use of funds	\$371.4
Fines, penalties, restitutions, and judgments	\$562.7
Fugitive felon program	\$102.5
Savings and costs avoidances	\$136.1
Questioned costs	\$359.3
Recoveries	\$7.4
Total	\$1,539.4
Cost of Operations⁶	\$217.5
ROI	\$7:1

⁵ The return on investment is calculated by dividing total dollar impact by cost of OIG operations. Notably, it cannot capture other more important returns on investment such as lives being saved or markedly improved.

⁶ The 12-month operating cost for the Office of Healthcare Inspections is approximately \$55.5 million. Their oversight mission results in improving the health care provided to Veterans rather than saving dollars. Therefore, it is not included in the return on investment calculation.

Investigative Actions

In 2023, the OIG’s criminal, civil, and administrative investigations led to 187 indictments, 195 convictions, and 222 administrative sanctions. The OIG’s work, alone and in collaboration with other law enforcement agencies, led to significant judicial actions. The table below summarizes the OIG’s investigative actions.

Investigative Actions	2023 Total
Arrests	217
Fugitive felon arrests (OIG assisted)	41
Indictments	187
Criminal complaints	70
Convictions	195
Pretrial diversions and deferred prosecutions	13
Case referrals to the Department of Justice	261
Administrative sanctions and corrective actions (excluding Hotline actions)	222

Hotline Actions

The OIG’s Hotline Division continued to serve as the primary conduit for allegations of fraud, waste, abuse, and mismanagement, prioritizing those having the most potential risk to Veterans, VA programs and operations, or for which the OIG may be the only avenue for redress. In 2023, hotline staff received and triaged 33,557 contacts—phone calls, web submissions, letters, and faxes—to help identify wrongdoing and concerns with VA programs and services. The table below summarizes OIG hotline activities.

Hotline Actions	2023 Total
Contacts	33,557
Cases opened	1,284
Cases closed	1,092
Substantiation of allegations rate	40%
Administrative sanctions and corrective actions	954
Individuals claiming retaliation and seeking whistleblower protection	53

Physician's Comparability Allowance (PCA)

The Office of Management and Budget directed that the following information on the OIG's use of PCA be included in this budget submission.

- 1) Department and component:

VA Office of Inspector General

- 2) Explain the recruitment and retention problem(s) justifying the need for the PCA pay authority.

(Please include any staffing data to support your explanation, such as number and duration of unfilled positions and number of accessions and separations per fiscal year.)

The OIG uses PCA because its physician-employees are covered by Title 5, U.S. Code. This is different from the rest of VA, which employs physicians under Title 38. The difference in pay rates between Title 5 and Title 38 physicians can be substantial and Title 38 physicians receive significantly higher salaries than Title 5 physicians, even when PCA and performance bonuses are considered.

- 3-4) Please complete the table below with details of the PCA agreement for the following years:

	2023 (Actual)	2024 (Estimates)	2025* (Estimates)
3a) Number of Physicians Receiving PCAs	19	19	19
3b) Number of Physicians with One-Year PCA Agreements			
3c) Number of Physicians with Multi-Year PCA Agreements	19	19	19
4a) Average Annual PCA Physician Pay (without PCA payment)	\$133,000	\$140,000	\$160,000
4b) Average Annual PCA Payment	\$25,500	\$29,600	\$30,000

*2025 data will be approved during the 2025 Budget cycle. Please ensure each column is completed.

- 5) Explain the degree to which recruitment and retention problems were alleviated in your agency through the use of PCAs in the prior fiscal year.

PCA has proven to be a valuable incentive mechanism for recruiting and retaining board-certified physicians, who often incur a significant reduction in pay when entering government service or transferring from a Title 38 position at VA to a Title 5 position at the OIG. However, the OIG continues to face challenges in recruiting and retaining physicians. In 2022, OIG recruited two new medical officers. The OIG currently has a cadre of 20 medical officers and is working to hire one more. The OIG has increased retention of its medical officers, with just one resignation in 2020, none in 2021, and one in 2022.

- 6) Provide any additional information that may be useful in planning PCA staffing levels and amounts in your agency.

One of OIG's major, statutorily-required functions is providing oversight of the VA's healthcare system to ensure high-quality patient care and safety. This function requires physicians to review hotline complaints, conduct inspections of VA healthcare facilities, and evaluate the quality of care provided to Veterans. In 2021, OIG published 41 comprehensive healthcare inspections, 44 hotline healthcare inspections, and 14 national healthcare reviews, in addition to reviewing 4,455 clinically focused hotline referrals. This work illustrates a need to retain medical officers, as OIG has a need for their specific skill set in evaluating VA's provision of healthcare and reviewing the work of our inspectors.