



DEPARTMENT OF VETERANS AFFAIRS
OFFICE OF INSPECTOR GENERAL

Office of Management and Administration

Budget Request for Fiscal Year 2027



Office of Inspector General

Mission

The mission of the VA Office of Inspector General (OIG) is to conduct independent oversight that combats fraud, waste, and abuse and improves the effectiveness and efficiency of programs and operations that provide for the health and welfare of veterans, their families, caregivers, and survivors. As the second-largest federal department, VA operates a vast and costly portfolio, including the nation's largest integrated public healthcare system. Independent oversight by the OIG is critical to ensure accountability, protect taxpayer resources, and maintain the quality, safety, and integrity of services for the veteran community. The OIG safeguards taxpayer resources by rooting out fraud, waste, abuse, and mismanagement, while ensuring veterans receive the care and services they have earned and deserve. In many instances, the OIG's work literally saves lives or prevents further harm. Through its oversight, the office is dedicated to protecting veterans' health and safety, ensuring access to benefits for veterans and their families, and guaranteeing dignified, respectful burial and memorial services, along with support for their caregivers and survivors. For additional information, see the OIG's [Mission, Vision, and Values](#).

Statutory Duties and Authority

The *Inspector General Act of 1978* (as amended) requires the OIG to fight fraud, waste, and abuse against veterans and the VA by conducting investigations, audits, and other reviews, and to make recommendations that promote the economy, efficiency, and effectiveness of VA operations. The *Veterans Benefits and Services Act of 1988* also charged the OIG with overseeing the quality of VA health care. The OIG is authorized to inquire into all VA programs, services, and activities. This includes VA's provision of health care, benefits, and cemetery services—and the many offices and personnel that support them. The OIG is required to keep the Secretary and the Congress fully informed about the challenges facing VA and the resulting recommended corrective actions. Over the past five years, the OIG has published over 300 reports per year with an average 5-year return on investment of \$21 for every taxpayer dollar invested in OIG oversight.¹⁵

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.), \$284,000,000 of which not to exceed 10 percent shall remain available until September 30, 2027.

¹⁵ This return on investment figure represents a cumulative calculation based on data reported in the OIG's Semiannual Reports to Congress for fiscal years (FYs) 2020–2024.

Current Staffing Resources and Organization

Onboard staff at the start of FY 2026 was 999. The FY 2026 budget sustains 1,070 FTE employees by the end of FY 2026, positioning the organization to meet critical oversight responsibilities. In FY 2027, the OIG will strategically reduce FTE to 992 by the start of FY 2027.

Although the OIG is headquartered in Washington, DC, approximately 80 percent of staff are strategically dispersed throughout the country in VA field offices or other facilities at the start of FY 2026. This aligns with the President's interest in seeing more federal agency personnel in communities across the nation. Having staff collocated in VA facilities also promotes the reporting of fraud and other wrongdoing by VA staff and visitors, and supports OIG monitoring efforts. OIG personnel oversaw the work of approximately 455,000 VA personnel at the close of FY 2025.¹⁶ The OIG conducted a streamlined reorganization, and is continuing to assess the efficiency of operations. OIG is now structured into six offices and continues to consolidate support operations (such as budget, space management, and human resources functions) to maximize efficiency and effectiveness. To further support staff within this new structure and gain even greater productivity, the OIG is implementing technology-driven tools and centralized solutions. These efforts underscore the growing need for expanded information technology capabilities to meet both current operations and future demands.

Immediate Office of the Inspector General. The Inspector General (IG) and deputy provide leadership and set the OIG's strategic direction. This office comprises congressional relations and public affairs staff who ensure that accurate information is promptly released and that requests from legislators and reporters are appropriately addressed. Staff responsible for conducting electronic report distribution and follow-up on OIG recommendations made to VA also report to the immediate office of the IG. In addition, its Office of Data and Analytics (ODA) specializes in information integration, advanced data analytics, and software engineering solutions utilizing innovation and exploration to enhance the interpretation and availability of data. The ODA staff also facilitate proper systems access to inform enterprise-wide oversight on emerging issues and to help detect and root out fraud, waste, and abuse.

Office of Counselor to the Inspector General. The counselor's office provides legal support for investigations, audits, reviews, and inspections; advises OIG management officials on contracting and administrative law matters; represents the office in employment litigation and personnel matters; informs legislative proposals and congressional briefings; and serves as a liaison to other federal agencies. Investigative attorneys within the office also review allegations of whistleblower reprisal made by employees of VA contractors or grantees pursuant to 41 U.S.C. § 4712. The counselor's office also oversees staff responsible for handling reasonable accommodation requests and reviews the release of information outside the agency to ensure compliance with privacy laws and other mandates.

¹⁶ VA, FY 2026 VA Budget Submission: Budget in Brief, May 2025, <https://department.va.gov/wp-content/uploads/2025/06/2026-Budget-in-Brief.pdf>.

Office of Audits and Evaluations. This office provides independent audits, inspections, and reviews of VA's activities to improve the integrity of its programs and operations. Personnel assess VA's compliance with laws, regulations, and other governing requirements for areas of concern to the veteran community and taxpayers such as healthcare delivery, financial efficiencies, the administration of benefits, cemetery services, resource utilization, acquisitions, construction, physical security, staffing, and information technology modernization and security. This includes oversight of the electronic health record management (EHRM) system and oversight of information technology (IT) at VA. The office also reviews VA's contracts with outside entities, providing pre-award and post-award reviews of Federal Supply Schedule, construction, and healthcare provider contracts. Pre-award reviews assist VA contracting officers with negotiating fair and reasonable prices, while post-award reviews assess compliance with contract terms and conditions and help identify overcharges for recovery. Lack of strong controls and guidelines can open the door to fraud and misconduct and the OAE team works closely with the Office of Investigations in these situations.

Office of Healthcare Inspections. The healthcare inspections office focuses on VA's efforts to ensure veterans have access to timely and high-quality health care that meets their unique needs and experiences. Leveraging broad clinical expertise, staff conduct for-cause inspections prompted by complaints to the OIG hotline, congressional requests, and other leads. The office also performs proactive cyclical evaluations of vet centers, inpatient mental health units, individual medical centers, healthcare systems, regional networks, and community providers, as well as performance reviews of nationwide clinical programs. Collectively, these efforts advance comprehensive oversight of the nation's largest integrated public healthcare system and help VA improve patient outcomes, mitigate risk, and deliver veteran-centered service. Staff also provide clinical consultations to OIG criminal investigators and audit staff and other federal entities as needed.

Office of Investigations. This office is staffed by special agents with full law enforcement authority, forensic accountants, attorneys, and other professionals. Investigations primarily focus on a wide range of fraud matters specifically in the areas of healthcare, procurement, benefits, construction, and veteran-targeted scams. They also investigate cybercrime and identity theft; bribery and embezzlement; drug offenses; violent crimes; and threats against VA employees, patients, facilities, and computer systems. Staff use data analytics, cybertools, covert operations, and other strategies to detect and address fraud as well as conduct that poses a threat to or has harmed veterans, beneficiaries, or VA personnel, as well as to operations and property. It investigates potential crimes and other violations of law and policy involving VA programs and operations. The office also conducts administrative investigations and other reviews involving allegations of misconduct or gross mismanagement that implicate senior VA officials or significantly affect VA programs and offices. The office's investigations promote integrity, patient safety, efficiency, and accountability within VA.

Office of Management and Administration. Skilled and experienced personnel provide comprehensive and critical support services across the OIG, these services are essential for the continued operation of the agency. These include operations, human resources, finance and budgeting, information technology and related security, space and facilities management, and training. The office also oversees the OIG hotline staff, who receive about 40,000 complaints

annually, screen them, and refer allegations and complaints to OIG directorates and other entities for additional action as appropriate.

Strategic Framework

Oversight work is guided by the objectives set out in the IG Act of 1978, as amended and codified at 5 USC Section 401 et. Seq. Our goals reflect opportunities for the OIG to further promote efficiency, effectiveness, accountability, and integrity in VA's programs and operations to better serve the needs of veterans, their families, caregivers, and survivors.

Among the projected criminal and civil investigative activities are continued scrutiny across VA campuses including at the West LA VA Medical Center campus in California, False Claims Act violations by veterans' substance abuse treatment facilities, fraud risks related to the Veteran Employment Through Technology Education Courses (VET TEC), and ensuring that advantages set aside for service-disabled veteran-owned small businesses are not diverted to ineligible or unscrupulous subcontractors. Many of these high-priority initiatives are discussed in greater detail below. These and other initiatives will be supported and driven by enhancements to OIG data analytics capabilities including developing a series of patient quality-of-care metrics and monitoring VA's AI use, care coordination, and staffing changes.

Notably, given the dynamic nature of the challenges faced by veterans and OIG's unique oversight role, the strategic framework also underscores the importance of remaining agile and responsive. This adaptability ensures that the OIG can swiftly turn its focus toward emergent issues such as sudden legislative or policy changes, unforeseen healthcare crises, or emerging fraud schemes that may pose immediate risks to veterans' health, safety, or access to benefits. By maintaining this flexibility, the OIG upholds its commitment to protecting veterans and ensuring they receive the care and services they deserve.

Funding for 2027 will be used to advance other work related to these goals, while also having the resources to pivot as needed to respond to veterans' and VA employees' allegations of wrongdoing or developing problems, congressional concerns, other stakeholder feedback (discussed more fully below), as well as red flags raised by data analytics.

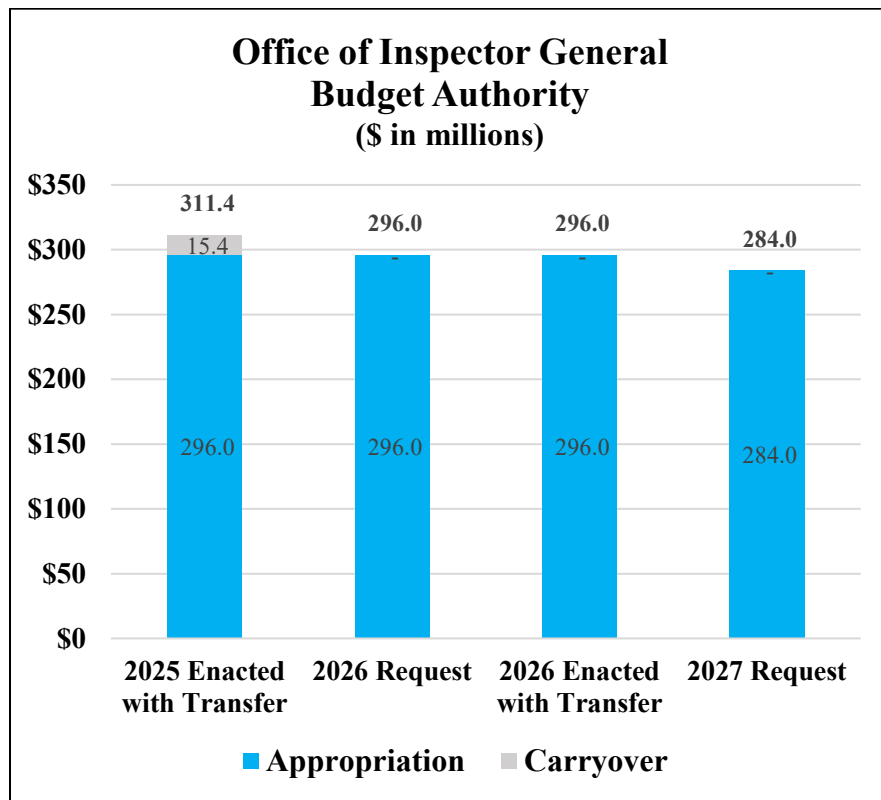
Stakeholders and Partners

The OIG's oversight work encompasses all VA programs, operations, and funding. Consequently, its stakeholders include veterans and their families, the VA Secretary and senior leaders, VA 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 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.

Summary of Budget Request

The OIG FY 2027 request is \$284 million. This level of funding will support an FTE of 992. OIG will continue to meet its mission of serving veterans and conducting independent oversight of the Department, although some activities may need to be reduced.

| | 2025 Enacted with Transfer | 2026 Request | 2026 Enacted with Transfers | 2027 Request |
|----------------------|-------------------------------------|-----------------|--------------------------------------|-----------------|
| Appropriation | 296.0 | 296.0 | 296.0 | 284.0 |
| Carryover | 15.4 | - | - | - |
| Total | 311.4 | 296.0 | 296.0 | 284.0 |
| Total FTE | 1135 | 1070 | 1038 | 992 |



Budget Justification

The FY 2027 Budget request comes at a time of historic transformation within VA. The OIG will attain efficiencies while facing steadily growing demands to provide oversight of VA systems,

ensure the effective use of taxpayer dollars, and monitor the delivery of health care, benefits, and other services to veterans and their families. Maintaining a highly specialized workforce is necessary to ensure the OIG can carry out its unique mission. Equally important is the need to maintain a sufficient level of qualified staff to support mission-driven work in areas like legal services, human resources, information technology system development and security, and administration, as well as to conduct outreach to key stakeholders through public and congressional affairs offices. The FY 2027 Budget level will ensure the OIG has the necessary resources to identify and address deficiencies in and serious challenges to VA programs and operations—outlined in more detail below—without compromising the quality of its oversight during this critical period.

A significant portion of the OIG’s oversight activity begins with complaints and allegations submitted through the OIG hotline, which serves as a key channel for identifying potential issues. Hotline staff routinely receive and screen these contacts, consulting with subject matter experts across the OIG to determine how best to address concerns involving unlawful activity, regulatory violations, substandard medical care, waste, abuse of authority, inefficiencies, and gross mismanagement related to VA programs and operations.

The FY 2027 Budget level will ensure the hotline can triage and refer in a timely manner, the historic average of 35,000 contacts received annually.¹⁷ From January through August 2025, contacts to the OIG hotline increased by more than 6,200 as compared to the same period in 2024 (a 27 percent increase), reaching a record 40,000 contacts as of the beginning of September 2025. This upward trend has accelerated during the last months of FY 2025, with a backlog of just over 10,000 contacts waiting to be triaged as of early September 2025.

Similarly, as hotline contacts increase, so does the volume of work flowing to the investigative, audit, and healthcare inspection directorates. Referrals from the hotline to these directorates are up more than 18 percent, translating to additional projects and cases that will be accomplished in FY 2027. In addition to the portfolio driven by complaints and allegations of wrongdoing, the OIG conducts planned oversight that produces great impact for veterans and taxpayers. The following examples represent key areas of focus the OIG anticipates prioritizing in FY 2027.

- VA has been implementing a new Electronic Health Record (EHR) system to create a single lifetime health record for veterans—integrating data from military records and participating community care providers. The system is meant to standardize clinical workflows and enable clinicians to access a veteran’s full medical history in one location to enhance care coordination, patient safety, and the overall experience for veterans and VA staff. In calendar year 2026, VA plans to deploy the new EHR at 13 additional medical centers.¹⁸ VA’s EHR undertaking will require the OIG to expand its capabilities for oversight to these 13 medical centers, and those planned for 2027. This oversight will likely examine issues related to project and change management, information technology development, cost expansion, potential impacts on clinical care, and discrepancies in data outputs between VA’s new and EHRs.

¹⁷ This figure represents a cumulative average based on data reported in the OIG’s Semiannual Reports to Congress for FYs 2022–2024.

¹⁸ See <https://digital.va.gov/ehr-modernization/ehr-deployment-schedule/>.

- Based on several healthcare inspections published in the past few fiscal years—prompted by contacts to the hotline—the OIG is concerned about the quality of care provided to veterans in community living centers. These facilities serve thousands of veterans, mainly of geriatric age, but also those with chronic mental health conditions for which other placement options are not available within VA or the community. Accordingly, the OIG is developing a review program to proactively examine the environment and quality of care delivered across the more than 100 community living centers nationwide. Under this initiative, as funding permits, the OIG would launch several of these reviews in FY 2027, utilizing nurse consultants and health systems specialists.

In addition, VA faces a range of criminal threats that jeopardize the integrity of its programs and services, and the OIG plays a role in identifying and addressing these crimes to protect veterans and taxpayer resources. Some examples include the following:

- In recent years, the OIG has identified substance use treatment as a high-risk area for fraudulent activities. The OIG released a fraud alert on this topic in December 2024 and continues to investigate allegations that some inpatient residential substance use treatment facilities are recruiting veterans to use these facilities, often offering incentives and misrepresenting the services available.¹⁹ The facilities then excessively bill VA for unnecessary or unrendered treatment, despite providing little or no care to these vulnerable individuals. Additional allegations are that some facilities are unsafe, understaffed, and pose patient safety risks.
- The OIG is also investigating several benefits fraud cases centered on VA’s non-college-degree training programs. One example is the VET TEC Program. This program was designed by Congress to provide technology training for veterans to help them develop skills to start or advance their careers in high-tech industries. However, OIG investigations in recent years have revealed fraud against VA and certain program vulnerabilities that risk further loss to veterans hoping to participate in VET TEC in the future.
- The OIG also initiates fraud charges related to VA’s service-disabled veteran-owned small business program. This type of fraud is committed by ineligible individuals or entities to obtain, perform, or improperly profit from VA contracts set aside for small businesses owned and controlled by veterans with military service-connected disabilities. The OIG has and will continue to work to ensure only eligible recipients benefit from these contracts. To date, investigative efforts in this area have resulted in 150 arrests, 152 indictments, 133 convictions, 270 suspensions and debarments, and \$313 million in court-ordered payments of fines, restitution, penalties, and civil judgments.

To sustain and expand these and other critical efforts, the OIG will require focused criminal investigation resources to address both ongoing investigations and the growing complexity of rising criminal threats within the VA system.

¹⁹ All fraud alerts are available at <https://www.vaogig.gov/crime-alerts-and-fraud-resources>.

Budget Submission Requirements of the *Inspector General Act*

Section 406(g)(1) of the *Inspector General Act of 1978*, as amended, requires that OIG budget requests specify:

- (1) the aggregate amount of funds requested;
- (2) the amount requested for all training needs, including a certification that the amount requested satisfies all OIG training requirements for that fiscal year; and
- (3) any resources necessary to support the Council of the Inspectors General on Integrity and Efficiency (CIGIE).

The OIG's FY 2027 Budget level is \$284 million to support 992 FTE employees. This includes up to \$1.8 million for OIG employee training, some of which is required to maintain professional certifications (and distinct from the allocation to CIGIE training and support). The IG certifies that the requested amount will meet OIG's known 2027 requirements for employee training. This FY 2027 Budget level includes \$1,204,000 as OIG's estimated allocation to support CIGIE, as required by law, to support government-wide training of OIG employees, Integrity Committee functions, and any other authorized purpose determined by CIGIE.

Conclusion

The OIG's independent oversight remains essential to upholding accountability within VA, protecting taxpayer resources, and ensuring that veterans and their families receive the high-quality care and services they have earned. By identifying and addressing fraud, waste, abuse, and mismanagement, the OIG not only safeguards public funds but also helps prevent harm to veterans and their families—saving lives and taxpayer dollars. The FY 2027 Budget level will be used to continue this critical work to protect veterans' health and safety, support access to earned benefits, and ensure dignified treatment for veterans and their survivors.

Office of the Inspector General
 Summary of Employment & Obligations - Total Budgetary Resources
 (FTE, \$\$ in thousands)

| Budgetary Resources | 2025 Enacted with Transfers | 2026 Request | 2026 Enacted with Transfers | 2027 Request | 2027 Request vs 2026 Enacted with Transfers | |
|--|--------------------------------------|-----------------|--------------------------------------|-----------------|---|---------------|
| | | | | | \$ | % |
| Average Employment: | | | | | | |
| Headquarters Functions | 272 | 256 | 248 | 237 | -11 | -4.3% |
| Operations Functions | 863 | 814 | 790 | 755 | -35 | -4.5% |
| Total Employment | 1,135 | 1,070 | 1,038 | 992 | -46 | -4.5% |
| Obligations | | | | | | |
| Personnel Compensation | 184,478 | 169,863 | 168,544 | 165,321 | -3,224 | -1.9% |
| Personnel Benefits | 72,138 | 73,137 | 68,203 | 66,858 | -1,345 | -2.0% |
| Travel | 6,579 | 6,216 | 8,510 | 6,090 | -2,420 | -28.4% |
| Transportation Of Things | 8 | 67 | - | 0 | 0 | 0.0% |
| Rents, Comm. & Utilities | 11,447 | 9,117 | 12,928 | 9,049 | -3,879 | -30.0% |
| Printing | 15 | 16 | 15 | 16 | 1 | 8.8% |
| Other Services | 25,466 | 32,429 | 30,988 | 31,571 | 583 | 1.9% |
| Supplies & Materials | 802 | 499 | 628 | 509 | -119 | -19.0% |
| Equipment | 6,292 | 4,844 | 6,372 | 4,622 | -1,750 | -27.5% |
| Grants, subsidies, & contributions | - | 62 | 62 | 63 | 1 | 2.0% |
| Total obligations | 307,225 | 296,250 | 296,250 | 284,100 | -12,150 | -4.1% |
| Budgetary resources | | | | | | |
| Unobligated balance: | | | | | | |
| Unobligated balance brought forward, Oct 1 | 15,400 | - | - | - | - | |
| Unobligated balance transfers between expired and unexpired accounts | | - | - | - | - | |
| Subtotal, unobligated balance | 15,400 | 0 | 0 | 0 | 0 | 0.0% |
| Budget authority: | | | | | | |
| Appropriations, discretionary | | | | | | |
| Appropriation | 296,000 | 296,000 | 296,000 | 284,000 | -12,000 | -4.05% |
| Subtotal, appropriations | 296,000 | 296,000 | 296,000 | 284,000 | -12,000 | -4.05% |
| Offsetting collections | - | 250 | 250 | 100 | -150 | -60.0% |
| Subtotal, budget authority | 296,000 | 296,250 | 296,250 | 284,100 | -12,150 | -4.1% |
| Total budgetary resources | 311,400 | 296,250 | 296,250 | 284,100 | -12,150 | -4.1% |
| Unobligated balance expiring | (4,175) | 0 | 0 | 0 | 0 | |