



US DEPARTMENT OF VETERANS AFFAIRS OFFICE OF INSPECTOR GENERAL

INSPECTOR GENERAL'S FRAUD WATCH APRIL 2026

The VA OIG fights fraud through close collaboration with VA personnel, federal law enforcement partners, the Department of Justice, and multiple fraud task forces, including the Fraud Task Force established by the [President's March 2026 Executive Order](#). VA OIG staff investigate and deter fraudulent and criminal conduct and disrupt complex fraud schemes that impact veterans' healthcare, education, and benefits.

Recent enforcement actions and audit reports included below highlight this impact. You can find more information on the VA OIG's oversight work, along with full investigative updates and reports, by visiting the [VA OIG website](#).

Investigations – Recent Activity and Ongoing Cases

Compensation Benefits Fraud

Compensation benefits fraud involves individuals' submission of fraudulent claims for payment of VA disability benefits.

- A VA OIG investigation revealed that a veteran was receiving VA disability compensation benefits due to a 100 percent service-connected rating for legal blindness while maintaining a Florida driver's license. The veteran made false statements to VA regarding his true visual acuity and did not disclose that he maintained an active driver's license and worked as an armed guard at an elementary school. The loss to VA was approximately \$1.3 million. The veteran pleaded guilty in the Middle District of Florida to theft of government funds.
- A VA OIG investigation revealed that a veteran was receiving VA disability compensation benefits after falsely representing to VA that he was legally blind and that his vision conditions prevented him from driving, working, and performing various daily functions. The loss to VA was over \$244,000. The veteran pleaded guilty in the Middle District of Florida to theft of government funds.

- A VA OIG investigation resulted in charges alleging that a veteran fraudulently received VA Total Disability based on Individual Unemployability benefits during three different years (2022, 2023, and 2025) despite being employed and earning income over the poverty threshold. The loss to VA was almost \$141,000. The defendant was indicted in the District of Oregon for mail fraud.

Caregiver Support Program Fraud

VA's Program of Comprehensive Assistance for Family Caregivers is designed to support family members who provide care to veterans with serious injuries or illnesses incurred or aggravated during military service. The program offers enhanced clinical support, education, training, and financial assistance to caregivers while promoting the health and well-being of both veterans and their caregivers.

- A VA OIG and General Services Administration (GSA) OIG investigation resulted in charges alleging that a veteran and his wife provided false information to VA about the veteran's caregiver needs and his wife's caregiving functions. It is alleged that the veteran was employed at about the time that he applied to the VA Caregiver Support Program in August 2014. During the application and approval process, the defendants allegedly provided false information to VA, including statements that the veteran was unable to work and drive due to his impairments. It is further alleged that the veteran has been employed full-time by GSA as a GS-13 Project Manager since approximately May 2016. The wife pleaded guilty in the District of Kansas to conspiracy to defraud the United States. The veteran is scheduled for trial in May 2026. The total loss to VA was approximately \$172,000.
- A VA OIG, Homeland Security Investigations, and St. Charles County (Missouri) Police Department investigation resulted in charges alleging that a veteran and his wife defrauded the VA Caregiver Support Program by falsely claiming that he was unable to care for himself and needed help walking, bathing, using the restroom, and getting dressed. It is further alleged that the veteran has very few physical limitations. The veteran pleaded guilty in the Eastern District of Missouri to theft of government funds. The loss to VA was approximately \$83,000.

COVID-19 Program Fraud

COVID-19 fraud involves the submission of fraudulent applications for payments under the Small Business Administration's small business pandemic relief programs including the Payroll Protection Program and Economic Impact Disaster Loan Program. These programs were created

through the Coronavirus Aid, Relief, and Economic Security (CARES) Act, which was signed into law in March 2020 in response to the economic fallout from the COVID-19 pandemic.

- A VA OIG investigation resulted in charges alleging that a now former Jacksonville VA outpatient clinic health technician, with the assistance of her pastor, fraudulently obtained two Small Business Administration-backed Paycheck Protection Program loans totaling \$49,999. It is further alleged that the pastor and a church deacon fraudulently obtained two Economic Injury Disaster Loans totaling \$240,000. The pastor and deacon were arrested after being indicted in the Middle District of Florida for wire fraud. The former VA employee previously pleaded guilty to wire fraud.
- An investigation conducted by VA OIG, Department of Transportation OIG, and Internal Revenue Service Criminal Investigation resulted in charges alleging that a Lake City VA Medical Center employee defrauded the government by obtaining Small Business Administration-backed Paycheck Protection Program loans totaling \$151,648 for a business that did not exist and subsequently used the funds for his own personal expenses. The defendant was arrested after being indicted in the Middle District of Florida on charges of wire fraud and money laundering.
- A VA OIG and Michigan Attorney General's Office investigation resulted in charges alleging that a former Ann Arbor VA Medical Center employee applied for and received two fraudulent Small Business Administration-backed Paycheck Protection Program loans totaling \$41,664 by submitting fraudulent bank statements and making other false representations regarding his business operations. It is further alleged that the defendant received \$19,880 in COVID Emergency Rental Assistance (CERA) funds after submitting falsified and altered documentation to the Michigan State Housing Development Authority (MSHDA). The defendant was found guilty in the 3rd Circuit Court in Wayne County (Michigan) on charges related to false statements, computer fraud, and tax fraud.
- A VA OIG investigation resulted in charges alleging that a former Brockton VA Medical Center employee fraudulently obtained Small Business Administration-backed Paycheck Protection Program loans totaling \$41,666. The defendant was charged in the District of Massachusetts with wire fraud.
- A VA OIG investigation resulted in charges alleging that a West Roxbury VA Medical Center employee fraudulently obtained Small Business Administration-backed Paycheck

Protection Program loans totaling \$41,666. The defendant was charged in the District of Massachusetts with wire fraud.

Pension Benefits Fraud

VA pension benefits are available to wartime veterans or their survivors who meet certain age or disability requirements and have limited income and net worth. VA pension beneficiaries who need help with daily activities or are housebound may be eligible for an additional monetary payment. Veterans are targets of wide-ranging “pension poaching” schemes that attempt to steal their assets.

- A VA OIG investigation resulted in charges alleging that between April 2021 and May 2025, the ex-girlfriend of a veteran fraudulently redirected his VA pension benefits into her personal bank account. The total loss to the veteran was approximately \$86,000. The ex-girlfriend was indicted in the Eastern District of Missouri on charges of wire fraud and aggravated identity theft.

Fiduciary Fraud

VA's Fiduciary Program was established to protect veterans and other beneficiaries who are unable to manage their financial affairs due to injury, disease, or age-related issues. Fiduciary fraud involves the theft of benefits by a VA-appointed fiduciary who is supposed to manage VA beneficiaries' finances in their best interests.

- A VA OIG investigation revealed the daughter of a veteran who served as his VA-appointed fiduciary inappropriately spent VA benefits totaling over \$49,000 that were intended for the veteran. During an interview with VA OIG agents, the defendant admitted that she used the veteran's funds for her own personal use. The defendant is also a Topeka VA Medical Center Customer Service Representative who has been placed on indefinite suspension pending judicial actions related to this case. The defendant pleaded guilty in the District of Kansas to misappropriation by a fiduciary.

Education Benefits Fraud

VA education benefits fraud involves the theft of benefits meant to help veterans, service members, and their qualified family members pay for college tuition, find the right school or training program, and obtain career counseling.

- A VA OIG investigation revealed that the former owner of a scuba diving school defrauded VA's Post-9/11 GI Bill and Vocational Rehabilitation and Employment programs by falsely representing to VA that some of the school's VA-funded students had completed various scuba diving courses, although the students had either stopped attending the courses or never attended at all. The investigation also revealed that the

former owner directed staff to falsify student attendance records, grade sheets, and certificates of completion to make it appear as if the students had attended class with the knowledge that these records would be reviewed by the state approving agency and VBA employees during VA compliance surveys. The loss to VA was more than \$907,000. The former school owner was sentenced in the Middle District of Georgia to 12 months' home confinement, and 48 months' probation, and was ordered to pay restitution to VA of over \$626,000 after pleading guilty to presenting false claims.

Healthcare Fraud

Healthcare fraud by VA-paid healthcare providers and vendors in the community is the intentional misrepresentation of information to gain payment, inconsistent with the type, scope, or nature of the treatment, service, or product provided.

- A multiagency investigation revealed that on 14 different days, a former home healthcare company employee scheduled her boyfriend to provide skilled and unskilled home healthcare for a veteran who required 24-hour care from a registered nurse. The veteran died of natural causes while under the boyfriend's care. The boyfriend, who was not licensed to provide medical care, falsely used the identity of a former home healthcare company employee who was a licensed registered nurse in Florida. The former employee and her boyfriend were sentenced in the 4th Judicial Circuit Court of Florida after pleading guilty to neglect of an elderly person or disabled adult, unlicensed practice of a health care professional, and criminal use of personal identification information. The former employee was sentenced to 24 months' imprisonment and 96 months' supervised release and was ordered to pay a fine of \$1,000; the boyfriend was sentenced to 240 months' imprisonment and was ordered to pay a fine of \$1,000. The former employee was also ordered to perform 500 hours of community service and was prohibited from obtaining employment in the healthcare field. This investigation was conducted by VA OIG, the Clay County Sheriff's Office, and the Florida Agency for Health Care Administration.
- A multiagency investigation resulted in charges alleging that the former owner of a mail order pharmacy and others conspired to defraud federal healthcare benefit programs and commercial payers by submitting medically unnecessary insurance claims for exorbitantly priced compounded medications. The defendants also allegedly conspired to pay kickbacks to marketing companies in exchange for those companies obtaining prescriptions for highly expensive and medically unnecessary medications. The pharmacy received approximately \$33 million in reimbursements for compounded medications from healthcare programs. Of this amount, the Civilian Health and Medical Program of

the Department of Veterans Affairs (CHAMPVA)—a benefits program for the spouses, dependents, and survivors of veterans who meet certain service-connected disability requirements—paid approximately \$493,000. The former pharmacy owner was sentenced in the District of New Jersey to 24 months' imprisonment, 36 months' supervised release, and ordered to pay restitution of approximately \$33.6 million and forfeiture of more than \$27.3 million after pleading guilty to conspiracy to commit healthcare fraud, and conspiracy to violate the Anti-Kickback Statute. This investigation was conducted by VA OIG, the Federal Bureau of Investigation, the Defense Criminal Investigative Service, and the Department of Health and Human Services OIG.

- A multiagency investigation resolved allegations that an ophthalmology practice and an ophthalmologist entered into contractual agreements with a mobile diagnostics company through which they were paid to order medically unnecessary transcranial doppler tests whose claims were then submitted to VA and Medicare for payment. The defendants entered into a settlement agreement in the District of Massachusetts under which they agreed to pay \$415,000 to resolve these False Claims Act allegations.
- A multiagency investigation resulted in charges alleging that between February 2019 and March 2024, the owner of an unlicensed home health care business intentionally overbilled a paraplegic veteran for in-home health care services for which VA was already paying. In total, the defendant received approximately \$140,000 from the veteran and approximately \$89,000 from VA. The investigation found alleged violations of multiple California Unemployment Insurance Code provisions related to operating an unlicensed home health care facility, misclassifying employees as independent contractors, and overbilling additional elderly victims for home health care services. The defendant was arrested after being charged in the Superior Court of Santa Barbara with offenses that included financial elder abuse, grand theft, failure to file unemployment reports, failure to pay unemployment insurance, failure to pay disability insurance, and failure to file and collect personal income tax returns. This investigation was conducted by VA OIG, the Santa Barbara District Attorney's Office, and the California Employment Development Department.

Current number of ongoing investigations: 1,005

Audits – Recently Issued Reports and Ongoing Projects

[Review of VBA's Recurring Benefits for Beneficiaries Aged 100 Years or Older](#) (Published April 30, 2026)

- The OIG found that VBA generally processed reviews accurately for most domestic beneficiaries (those with an address in the United States); while deficiencies such as incomplete or inaccurate documentation were identified, these issues were not systemic. However, VBA staff did not consistently process reviews for foreign beneficiaries (those with a foreign address). Of the 195 foreign beneficiaries requiring routine review, 119 cases (about 61 percent) contained processing inaccuracies, and seven resulted in about \$612,000 in overpayments. Many of the issues stemmed from systemic weaknesses, including the omission of beneficiaries residing in the Philippines from the review process and uncertainty among staff about how to verify whether foreign beneficiaries were still alive. Staff also lacked clarity regarding which regional office had jurisdiction over compensation cases involving beneficiaries with a Philippines address. The OIG made six recommendations to strengthen oversight of benefit payments for beneficiaries aged 100 years or older and VBA has begun updating its procedures to improve the accuracy and consistency of these reviews.

[Review of Automated Decisions for Veterans' Service-Connected Death Claims](#) (Published April 30, 2026)

- The OIG found legal and procedural deficiencies in automated rating decisions and notification letters. At least 8,000 decisions or letters omitted favorable findings and had issues such as incomplete evidence summaries and incorrect formatting. At least 2 percent of decisions had legal errors, resulting in an estimated \$2.7 million in improper payments. A review of additional cases through November 2025 confirmed similar errors. The quality review process for automated claims was less rigorous than for traditional claims, and VA's modernization plan to Congress did not fully explain how some claims were completely processed from beginning to end by automation. Deficiencies stemmed from flaws in automation rules and processes that, if not addressed, will recur because the system applies predefined rules without human involvement. The OIG made three recommendations to improve legal compliance in automated decisions, enhance quality review standards, and ensure transparency in reporting automation practices to Congress.

Current number of ongoing audits and reviews: 61

VA Office of Inspector General
INSPECTOR GENERAL'S FRAUD WATCH

Fraud Awareness Training

DATE	TOPIC AND LOCATION
4/1/2026	Fraud Awareness – Tomball (Texas) CBOC
4/1/2026	Fraud Awareness – VA Finger Lakes Healthcare System
4/2/2026	Fraud Awareness – Conroe (Texas) CBOC
4/7/2026	Fraud Awareness – VISN 20
4/10/2026	IG Mason Visit – Richmond VAMC
4/13/2026	Fraud Awareness – Wilmington VAMC
4/16/2026	Fraud Awareness – New Jersey Health Care System (Lyons VAMC and East Orange VAMC)
4/15/2026	IG Mason Visit – West Los Angeles VAMC
4/16/2026	IG Mason Visit – Jennifer Moreno VAMC
4/17/2026	IG Mason Speaking Engagement – NOVA Conference, San Diego, CA
4/27/2026	IG Mason Visit – Michael E. DeBakey VAMC
4/28/2026	IG Mason Visit – Dallas VAMC