



Department of Veterans Affairs Office of Inspector General

Combined Assessment Program Review of the VA Regional Office Nashville, Tennessee

Office of Inspector General

Combined Assessment Program Reviews

Combined Assessment Program (CAP) reviews are part of the Office of Inspector General's (OIG's) efforts to ensure that high quality health care and benefits services are provided to our Nation's veterans. CAP reviews combine the knowledge and skills of the OIG's Offices of Healthcare Inspections, Audit, and Investigations to provide collaborative assessments of VA medical facilities and regional offices on a cyclical basis. The purposes of CAP reviews are to:

- Evaluate how well VA facilities are accomplishing their missions of providing veterans convenient access to high quality medical and benefits services.
- Determine if management controls ensure compliance with regulations and VA policies, assist management in achieving program goals, and minimize vulnerability to fraud, waste, and abuse.
- Conduct fraud and integrity awareness training for facility staff.

In addition to this typical coverage, CAP reviews may examine issues or allegations referred by VA employees, patients, Members of Congress, or others.

To Report Suspected Wrongdoing in VA Programs and Operations
Call the OIG Hotline – (800) 488-8244

Contents

	Page
Executive Summary	i
Introduction	1
Regional Office Profile	1
Objectives and Scope of CAP Review	1
Results of Review	3
Organizational Strengths.....	3
Opportunities for Improvement	4
Fiduciary and Field Examination Activities	4
Compensation and Pension Claims Processing	6
Compensation and Pension One-Time Payments Under \$25,000	7
Compensation and Pension System Error Messages	8
Automated Information Systems Security	8
Agent Cashier.....	9
Vocational Rehabilitation and Employment Claims Processing	10
Appendixes	
A. VARO Nashville Director Comments	11
B. Report Distribution	14

Executive Summary

Introduction

The Office of Inspector General (OIG) conducted a Combined Assessment Program (CAP) review of the VA Regional Office (VARO) Nashville, Tennessee from June 17–21, 2002. The purpose of the review was to evaluate benefits claims processing, Benefits Delivery Network (BDN) security, and selected financial and administrative activities.

Results of Review

Financial and administrative activities were generally operating satisfactorily, and management controls were generally effective. We found that the management control used to ensure payment accuracy by requiring third-signatures for one-time benefit payments over \$25,000 was effective, Vocational Rehabilitation and Employment (VR&E) Division provided quality service and payment transactions were appropriate, and controls over the assignment of BDN passwords and authorizations reduced the risk of fraudulent or improper use of the system. However, VARO Nashville needed to improve:

- Monitoring of Fiduciary and Field Examination (F&FE) activities.
- Timeliness of compensation and pension (C&P) claims processing.
- Oversight of third-signature authorizations for C&P awards made by one-time payments under \$25,000 and also retroactive for more than 2 years.
- Timeliness and accuracy of actions on C&P system error messages.
- Automated information systems (AIS) contingency plan.
- Documentation of justification for Loan Guaranty convenience checks issued by the Agent Cashier.
- Timeliness of VR&E claims processing.

Regional Office Director Comments

The Regional Office Director agreed with the findings and recommendations and provided acceptable improvement plans. We may follow up on the implementation of planned improvement actions until they are completed.



RICHARD J. GRIFFIN
Inspector General

Introduction

Regional Office Profile

Organization. VARO Nashville provides C&P and VR&E services to eligible veterans, dependents, and beneficiaries residing in Tennessee. The VARO has itinerant Veterans Benefits Counselors who provide claims assistance services to veterans at VA Medical Centers (VAMCs) Memphis, Mountain Home, Murfreesboro, and Nashville. In addition, a C&P Pre-Discharge Program claims processing team is located at the U.S. Army Base, Fort Campbell, Kentucky. VR&E has out-based counselors at offices in Murfreesboro, Knoxville, Memphis, and Clarksville, Tennessee; and Fort Campbell, Kentucky.

Most Loan Guaranty (LGY) program activities were consolidated at the VARO Atlanta, Georgia Regional Loan Center. VARO Nashville underwrites and approves the loans. VARO Atlanta processes, guarantees, and services loans; and, provides property management services for veterans in Tennessee. In addition, VARO Atlanta provides education benefits for veterans residing in Tennessee.

Resources. The VARO's general operating expenses for Fiscal Year (FY) 2001 totaled about \$13.9 million, and the staffing level was 248 full-time equivalent employees.

Workload. VARO Nashville serves a veteran population of about 543,000. During FY 2001, almost \$504 million in C&P benefits were paid to approximately 74,000 beneficiaries. VR&E services were provided to about 1,830 beneficiaries, with estimated benefits totaling over \$33 million.

Objectives and Scope of CAP Review

Objectives. The objectives of the CAP review were to evaluate selected claims processing and administrative operations.

Scope. We reviewed selected VARO operations, focusing on the efficiency, effectiveness, quality, and timeliness of the VARO's delivery of benefits and the associated management controls. Management controls are the policies, procedures, and information systems used to safeguard assets, prevent errors and fraud, and ensure that organizational goals are met.

In performing the review, we interviewed managers and employees, inspected work areas, and reviewed benefits, and financial and administrative records. The review covered the following activities:

C&P Claims Processing	VR&E Services
C&P One-Time Payments	Agent Cashier
C&P System Error Messages	AIS Security
Fiduciary & Field Examinations	BDN Security

We did not provide fraud and integrity awareness training to VARO employees during this CAP review because we had provided this training in October 2001 when we visited the VARO to perform work on the OIG's Special Review of One-Time Compensation and Pension Payments and Related Security Controls. About 250 employees attended the 2 training sessions given in October 2001.

The CAP review covered VARO operations from April 1, 2000 through June 30, 2002, and was conducted in accordance with the OIG's Standard Operating Procedures for CAP reviews. To evaluate the timeliness of C&P claims processing at the VARO, we randomly sampled 100 of the 5,177 (2 percent) original and reopened claims that had processing actions completed during the period January 1 through March 31, 2002.

In this report we make recommendations and suggestions for improvement. Recommendations pertain to issues that are significant enough to be monitored by the OIG until corrective actions are implemented. Suggestions pertain to issues that should be monitored by VARO management until corrective actions are completed.

Results of Review

Organizational Strengths

The administrative, VR&E, and BDN security activities reviewed were generally operating satisfactorily, and management controls were generally effective.

The Director's C&P One-time Payment Reviews Were Effective. Veterans Benefits Administration (VBA) policy requires the Director or Assistant Director to review all one-time C&P payments of \$25,000 or more. The purpose of this review is to ensure that these payments are appropriate and that the internal control requirements relating to these payments have been met. The most important control is that each payment must undergo a three-signature approval process (approval by three claims processing staff, one of whom must be a supervisor or team leader). If the Director-level review finds that a payment was released without undergoing the three-signature approval process, the Veterans Service Center (VSC) Manager is required to personally review the payment and document the reason why the three-signature approval process was not done.

We verified that the Director or Assistant Director had correctly reviewed the 196 payments of \$25,000 or more issued by the VARO from October 2001 through May 2002. For the eight cases identified as not having the required three-signatures, the VSC Manager's explanation was documented, and the VSC employees who should have ensured the third-signatures for these awards, provided letters of explanation as to why there were no third signatures. The VSC Manager reviewed the eight awards and found that all of them were appropriate.

VR&E Provided Quality Service and Payment Transactions Were Appropriate. VR&E management had established effective controls to ensure that eligible veterans were placed in VR&E programs and that payment transactions were appropriate. We found documentation in each of the 15 cases we reviewed to justify placement under Chapter 31 benefits. Six of the veterans were female and we noted that, when applicable, counselors discussed and resolved special issues such as childcare.

Case file notes were complete with actions appropriately documented for veteran rehabilitation and employment. Specifically, we found the cases showed documentation by counseling psychologists and specialists that veterans' impairments were identified, and that goals and objectives were achievable. Interruptions in training were documented to show that they were logical and unavoidable. Counselors referred veterans with medical care needs to the VAMC where they received needed services.

Effective controls were in place to ensure that payment transactions were appropriate. The justifications and authorizations of transactions involving payments to training facilities, vendors, and contracts for services were well documented. VR&E Government purchase card transactions and convenience check payments were approved in accordance with VA regulations. Annual Systematic Analysis of Operations reviews documented VR&E's effectiveness in the areas of debt avoidance and fiscal control.

BDN Security Controls Were Appropriate. Information Resource Management (IRM) officials had established appropriate controls over the assignment of BDN passwords and claims authorization commands to reduce the risk of fraudulent or improper use of the BDN system. The VARO's BDN system required a strong password, as defined by VBA policy, and the authorization command was limited to VSC employees at the GS-11 level or above, in accordance with applicable directives.

Opportunities for Improvement

Fiduciary and Field Examination Activities – Field Examination and Estate Accounting Activities Need Monitoring

Condition Needing Improvement. Regional office management needs to improve the oversight of field examinations and analyses of fiduciary estate accountings to ensure that beneficiary assets are protected. We reviewed 42 incompetent veterans' files and found that, in 21 cases (50 percent) a Field Examiner (FE) did not perform follow-up field examinations and falsified the reports, and in 8 cases (19 percent) FEs and Legal Instrument Examiners (LIEs) did not recognize trends and patterns concerning unusual transactions for multiple veterans in a Residential Care Home (RCH). This occurred because F&FE management did not review field examination reports or analyses of estate accountings for accuracy or questionable items, and did not coordinate services to incompetent veterans in RCHs with the Veterans Health Administration's (VHA's) Tennessee Valley Healthcare System Social Work Service. As of June 12, 2002, VARO Nashville had approximately 3,000 active fiduciary cases with a total estate value exceeding \$85 million.

The F&FE unit is responsible for ensuring that the interests of incompetent beneficiaries are protected through appointing fiduciaries and analyzing their estate accountings to prevent the loss or diversion of incompetent veterans' funds. F&FE staff conduct field examinations (visits to beneficiaries at their residences) to address the physical, mental, and environmental conditions of the beneficiaries. Field examination reports contain the results of their visits with recommended actions for adverse conditions and follow-up plans. LIEs are required to request documentation to verify unusual or questionable expenditures.

VA policy states that for veterans residing in RCHs, annual coordination between F&FE and the local VAMC Social Work Service is required to provide the best possible service to beneficiaries and to prevent duplication of effort. It is important that there be discussions between both parties concerning any planned revision in rates charged for the care of the veterans, and in the amount of funds allocated by the RCH for the veterans' personal use.

A Field Examiner Did Not Visit Incompetent Veterans and Falsified Follow-up Field Examination Reports. Our review of 15 cases showed that, in 1 case, a FE documented adverse conditions concerning an incompetent veteran in a follow-up field examination report, but did not make recommendations for follow-up action. We discussed this case with F&FE management, who told us that this particular FE did not always visit the incompetent veterans assigned to him. He resigned prior to the CAP review after admitting that he had falsified field examination reports. A review of 20 additional case files for this FE found similar problems.

We obtained a VARO report of completed field examinations for this FE and identified 166 follow-up field examinations that were allegedly completed by this examiner during his last 14 months of employment. However, no action was taken by management to identify and schedule visits for those veterans who may not have received the follow-up field examinations. Some of these veterans may not have been seen or evaluated since 1997. In our opinion, these 166 veterans should have been given top priority for follow-up field examinations once the VARO was aware of the falsified reports.

FEs and LIEs Did Not Recognize Trends and Patterns Concerning Unusual Transactions for Multiple Veterans in a RCH. Our review of the initial 15 cases also showed that, in 1 case, FEs and LIEs did not question unusual expenditures for items, such as trips and furniture, documented in the guardianship file of the incompetent veteran in a RCH. We reviewed the guardianship files of seven additional incompetent veterans in the RCH and identified similar questionable expenditures. This occurred because the FEs did not review veterans' files prior to visiting them, and the LIEs performing the analyses of the estate accountings did not question the unusual expenditures. We also found that, even though a VHA Tennessee Valley Healthcare System social worker is required to visit incompetent veterans in RCHs once a month, F&FE management did not coordinate services to these veterans with the social worker. While the OIG's Office of Investigations subsequently reviewed these cases and found the expenditures appropriate, the issues should have been identified by the LIEs and resolved during FE visits, or through meetings with the social worker.

The primary function of F&FE is to protect the rights and assets of incompetent veterans and beneficiaries. We concluded the F&FE supervisor was not reviewing field examination reports or the analyses of estate accountings to ensure the veterans' rights and assets were protected, and that FEs and LIEs failed to recognize that the interests of the incompetent veterans might have been compromised. We also concluded that coordination between VHA's Tennessee Valley Healthcare System Social Work Service and F&FE would have better protected veterans from any potential fraudulent activity.

Recommended Improvement Action 1. We recommended that the VARO Director ensure that:

- a. Follow-up field examinations are conducted for all veterans that were assigned to the former FE who resigned as a result of not conducting the examinations.
- b. FEs and LIEs receive refresher training regarding identification of potential problems with treatment issues and asset distribution.
- c. FEs review the veterans' guardianship files prior to home visits, so that all pertinent issues can be addressed with appropriate recommendations or referrals.
- d. F&FE supervisors review field examination reports and analyses of estate accountings for accuracy.
- e. F&FE management meets annually with VHA Tennessee Valley Healthcare System Social Work Service officials to coordinate services for incompetent veterans enrolled in RCHs.

The Director agreed with the findings and recommendations and provided acceptable implementation plans. We may follow up on the planned actions until they are completed.

Compensation and Pension Claims Processing – Better Monitoring of Claims will Improve Timeliness

Condition Needing Improvement. VARO management should improve the timeliness of C&P claims processing. Timely processing of claims is one of a regional office's most important responsibilities. In May 2002, VARO Nashville ranked 20th among the 57 VAROs for timeliness of completed C&P claims with rating-related actions and 15th for C&P claims without rating-related actions. In May 2002, pending C&P issues (claims by veterans that are electronically tracked in the BDN¹ system) totaled 12,843.

To evaluate claims processing procedures, we interviewed VSC managers and staff and reviewed 100 randomly selected C&P claims. The claims consisted of original and reopened C&P claims selected from the BDN Work In Process (WIPP) system. The BDN WIPP system is a workload management tool that allows management to both follow progress on claims and provide feedback to VSC staff when management identifies problems that cause claims processing delays. Processing actions for these claims were completed during the first quarter of FY 2002. Our review identified 58 claims with avoidable processing delays averaging 123 days. Significant delays were found in the development and rating phases of the claims processing cycle as illustrated below.

Processing Phase	No. of Claims With Avoidable Delays²	Range of Avoidable Delays	No. of Claims With Delays Over 200 Days
Claims Establishment	10	4 to 69 days	0
Claims Development	42	13 to 309 days	6
Claims Rating	41	6 to 282 days	2
Claims Authorization	5	1 to 185 days	0

Our review of claims processing procedures showed that VSC managers and staff did not effectively utilize the BDN WIPP system to track and manage claims. We found that most of the claims we reviewed were not annotated to indicate a BDN WIPP system review was completed. In addition, VSC management stated that a backlog of claims occurred after VARO Nashville was selected as the national site for processing Gulf War claims. Staffing fluctuations of rating specialists also contributed to the increased delay in claims processing. The following examples illustrate these problems.

- On September 13, 2000, the regional office received a veteran's claim for increased compensation benefits. VSC staff requested and received VA medical evidence on December 29, 2000. However, no further development on this claim was taken until VSC

¹ BDN is the VBA automated processing system used to process veterans' benefits payments and to maintain entitlement information.

² Total is greater than 58, as some claims had delays in multiple processing phases.

staff requested a VA medical examination on May 17, 2001, 138 days after the last evidence was received. An additional delay occurred when outpatient treatment records were requested and received on February 14, 2002, 171 days after the results of the VA medical examination were received on August 23, 2001. The veteran was awarded benefits on February 14, 2002, 523 days after the regional office received the claim. Avoidable delays totaled 309 days [523 days total processing time – 214 allowable days for processing per VBA criteria and for delays not attributable to the VARO = 309 avoidable days (all for claim development)].

- On February 20, 2001, the regional office received a veteran's claim for increased compensation benefits. VSC staff requested a VA medical examination on March 27, 2001, and received the results of the examination on April 17, 2001. The claim was ready to rate on that date, but was not rated until February 23, 2002, resulting in a 282-day delay. On March 8, 2002, the regional office authorized increased benefits, 381 days after the regional office received the claim. Avoidable delays totaled 282 days [381 days total processing time – 99 allowable days for processing per VBA criteria and for delays not attributable to the VARO = 282 avoidable days (all for claim rating)].
- On July 13, 2000, a veteran's claim folder with a pending claim for benefits was transferred to VARO Nashville as the office of jurisdiction. VSC staff received the results of VA's medical examination on August 18, 2000. Although a second VA medical examination was necessary, it was not requested until May 18, 2001, approximately 270 days after the results of the first medical examination were received. The veteran's claim was considered ready to rate on August 20, 2001, but was not rated until September 28, 2001, an additional delay of 8 days. The veteran was awarded benefits on October 4, 2001, 444 days after the regional office received the claim. Avoidable delays totaled 278 days [444 days total processing time – 166 allowable days for processing per VBA criteria and for delays not attributable to the VARO = 278 avoidable days (270 days for claim development and 8 days for claim rating)].

Improved monitoring of pending workload could have detected errors and prevented lengthy delays in processing.

Recommended Improvement Action 2. We recommended that the VARO Director ensure that the VSC improves monitoring of claims processing timeliness and aggressively follows up on processing delays.

The Director agreed with the finding and recommendation and provided acceptable implementation plans. We may follow up on the planned actions until they are completed.

Compensation and Pension One-Time Payments Under \$25,000 – Controls Over Third-Signature Authorizations Need Improvement

Condition Needing Improvement. VARO management needed to comply with VBA policy that requires a supervisory review of awards when the benefit is less than \$25,000, and the one-time payment is retroactive for more than 2 years. The supervisory review is evidenced by a third-signature on the award by the supervisor. We reviewed 31 one-time payments of less than

\$25,000 that were retroactive for more than 2 years and were processed during FY 2001, and found that all of the awards were appropriate. Eleven of the 31 payments required third signatures because they were for retroactive periods of more than 2 years. However, 4 of the 11 (36 percent) payments did not have the required third signature authorizations.

According to the VSC Manager, staff were so focused on ensuring third signatures on one-time payments over \$25,000, that they were not paying proper attention to whether a third signature was required for one-time payments under \$25,000 retroactive for more than 2 years. He agreed that VSC management should bring this issue to the attention of claims processing staff.

Suggested Improvement Action. We suggest that the VARO Director provide refresher training to all VSC staff requiring third-signature authorizations on one-time payments under \$25,000 retroactive for more than 2 years.

Compensation and Pension System Error Messages – Timeliness and Accuracy of Actions Needs Improvement

Condition Needing Improvement. The VARO needed to improve the timeliness and accuracy of processing C&P system error messages. VAROs receive computer-generated hard copy error messages or “write outs” from the BDN system for various reasons. Two common reasons are benefit payment checks being returned because beneficiaries have died, and notifications that particular BDN processing actions must be taken by certain dates. VBA policy requires VAROs to take initial action on system error messages within 7 calendar days of receipt.

We reviewed 45 C&P system error messages for timeliness and accuracy of processing. We found that claims processing actions were not timely for 3 of the 45 (7 percent) messages, with delays of 30, 83, and 85 days. Five of the 45 (11 percent) messages were either missing from the claims folders, or appropriate actions were not taken. The VSC manager attributed these errors to inexperienced staff. He agreed to place increased emphasis on processing C&P system error messages promptly and accurately.

Suggested Improvement Action. We suggest that the VARO Director provide refresher training to all VSC staff for the proper and timely processing of C&P system error messages.

Automated Information Systems Security – The AIS Contingency Plan Should Be Improved

Condition Needing Improvement. The VARO needed to improve the AIS contingency plan. AIS contingency plans are the responsibility of end users, where applications computing is performed by the users. Contingency plans are an integral part of the facility continuity of operations plan, which is the facility’s plan to resume business or services after a catastrophic event. VBA policy requires an alternative processing facility be identified to provide backup to AIS services in an emergency, and an off-site storage location for critical back-up files.

VARO Nashville had designated Fort Campbell, Kentucky as its primary back-up site. However, in the case of a national emergency, this site may not be accessible to VARO staff.

This was demonstrated on September 11-12, 2001, when VARO emergency teams were denied access to their alternative back-up site at Fort Campbell. To ensure continued access to their back-up site, the VARO should make arrangements with a VAMC in the Tennessee Valley Healthcare System to be the primary emergency site. This would provide a safe and secure storage location at no cost to VA.

VBA policy requires that back-up tapes be stored offsite. However, at VARO Nashville, a set of back-up tapes was updated daily and stored in a file cabinet in the computer room. An IRM computer specialist takes a full set of back-up tapes home each weekend. In our opinion, neither of these conditions meets the standard for secure storage. To ensure that critical back-up tapes are secure and readily available in the case of an emergency, the VARO should arrange an exchange of back-up tapes with a VAMC in the Tennessee Valley Healthcare System.

Recommended Improvement Action 3. We recommended that the VARO Director make arrangements with a VAMC in the Tennessee Valley Healthcare System as the alternative processing facility and storage site for daily back-up tapes.

The Director agreed with the finding and recommendation and provided acceptable implementation plans. We may follow up on the planned actions until they are completed.

Agent Cashier – Controls Over Loan Guaranty Convenience Check Payments Should Be Strengthened

Condition Needing Improvement. The VARO needed to improve the documentation of the justification and approval process for convenience check payments. The Agent Cashier was assigned to VR&E, and most convenience checks were used for emergency advances to veterans in that program. The justifications for those payments were well documented and approved by management prior to the Agent Cashier issuing the convenience checks. However, we found that the Agent Cashier issued convenience checks for LGY³ activities that did not have supporting invoices, documented justifications, or second-signature approvals authorizing the payments. Subsequent review of LGY records at both VARO Nashville and the VARO Atlanta Regional Loan Center found these payments to be appropriate.

Although quarterly Agent Cashier audits were being routinely conducted, the review of convenience check payments was mostly limited to ensuring that all convenience checks were accounted for and that none were missing. The risk for fraud increases when convenience check payment requests do not have adequate documentation of the justification for the payment, and management approval before a convenience check is issued. VARO management agreed to take corrective action to ensure all convenience check payments are justified and appropriate.

Suggested Improvement Action. We suggest that the VARO Director ensure that all requests for convenience check payments have supporting documentation of the justification and second-signature approval before a convenience check is issued.

³ VARO Nashville has limited LGY activities, as most of this program has been centralized to the VARO Atlanta Regional Loan Center.

Vocational Rehabilitation and Employment Claims Processing – Timeliness of Claims Processing Should Be Improved

Condition Needing Improvement. VR&E needs to improve the timeliness of claims processing. VR&E performance goals include notifying veterans of their eligibility for benefits within 60 days of the date of claim. As of May 2002, VR&E was taking an average of 84 days for entitlement notifications. However, as of May 2001, VR&E was averaging 64 days to process claims. According to the VR&E Officer, the timeliness issue was mainly a result of hiring four new counselors in May 2001. Since VR&E assigns a mentor to each new counselor for at least 1 year, this affects the workload of the mentors because they cannot work as many cases.

To determine whether VR&E services were provided to eligible veterans timely, we reviewed 13 of 2,349 cases selected from the Inventory of Chapter 31 Veterans in Open Case Status (COIN TAR 6013 Report), dated May 2, 2002. Our review identified the following areas that need management attention.

- Veterans' applications for VR&E benefits were not processed timely in 5 cases (38 percent).
- Appropriate dates were not established in BDN to properly calculate timeliness in 5 cases (38 percent).
- The veterans' status as recorded in the Corporate WINRS⁴ system was not consistent with data recorded in BDN or the Counseling, Evaluation and Rehabilitation Folder in 2 cases (15 percent).
- Data in the COIN TAR 6013 Report was not accurate in 2 cases (15 percent).
- Veterans were denied VR&E benefits or were placed in Discontinued Status prior to receiving due process in 2 cases (15 percent).
- Documentation relating to eligibility was not accurate in 1 case (8 percent).

The VR&E Officer agreed with our conclusions and stated that appropriate actions would be taken to correct the deficiencies.

Suggested Improvement Action. We suggest that the VARO Director establish procedures to ensure that notifications to veterans concerning VR&E benefits are timely.

⁴ Corporate WINRS is a VR&E electronic case management system. The acronym was derived from the five VARO pilot test stations for the original program: Winston-Salem, Indianapolis, Newark, Roanoke, and Seattle.

Appendix A

VARO Nashville Director Comments

DEPARTMENT OF VETERANS AFFAIRS
Regional Office
110 9th Avenue South
Nashville, TN 37203

October 18, 2002

In Reply Refer To: 320/00

Mr. James R. Hudson
Director (52AT)
Office of Inspector General
Atlanta Audit Operations Division
1700 Clairmont Road
Decatur, GA 30033

SUBJ: Draft Report: Combined Assessment Program Review – VA Regional Office,
Nashville, TN (Project No. 2002-02248-R3-0123)

In response to the findings and recommendations of the above referenced Combined Assessment Program (CAP) Review, the Nashville VA Regional Office is furnishing the following comments:

Recommended Improvement Action 1

A) Fiduciary & Field Examination Activities—Field Examination and Estate Accounting Activities Need Monitoring.

Follow-up field examinations should be conducted for all veterans that were assigned to the former FE.

We concur with this recommendation. We have developed a strategy to determine the claimants still receiving VA payments who have not been visited since the former FE's alleged visit. Using this strategy in conjunction with already-scheduled exams, we anticipate visiting all affected claimants within 6 months.

B) FEs and LIEs should receive refresher training regarding identification of potential problems with treatment issues and asset distribution.

We concur with this recommendation. Training was held with all Field Examiners and LIEs on August 7-9, 2002. The training included a representative of the Office of Regional Counsel, the Office of Inspector General and representatives from the Murfreesboro VAMC Social Work Service and the Nashville VAMC.

Appendix A

Page 2.

Draft Report: Combined Assessment Program Review – VA Regional Office, Nashville, TN (Project No. 2002-02248-R3-0123)

C) FEs should review the veterans' files prior to home visits, so that all pertinent issues can be addressed with appropriate recommendations or referrals.

We concur to this recommendation. We agree our LIEs will review the Guardianship files and furnish copies to our Field Examiners of the previous field exam as well as any notes or information received from the Social Work Service or any other pertinent information since the date of our last field exam. Due to security issues, shipment of files to out based field examiners would not be feasible. However, information can be faxed or electronically sent when possible, or review completed by the Field Examiner's supervisor.

D) F&FE supervisors should review field examination reports and analyses of estate accountings for accuracy.

We concur with this recommendation. We have established a schedule for quality reviews of both field exams and completed accountings. The F&FE supervisory will review five completed field exams each month per Field Examiner and five completed accountings each month per LIE.

E) F&FE management should meet annually with Tennessee Valley Healthcare System Social Service officials to coordinate services for incompetent veterans enrolled in RCHs.

We concur with this recommendation. F&FE management has already met with two of three Social Work Service officials this year. An additional meeting is scheduled to complete the initial cycle of visits. In addition, we are now including SWS personnel in our F&FE training programs.

Appendix A

Page 3.

Draft Report: Combined Assessment Program Review – VA Regional Office, Nashville, TN (Project No. 2002-02248-R3-0123)

Recommended Improvement Action 2

VSC should improve monitoring of claims processing timeliness and aggressively follow up on processing delays.

We concur with this recommendation. The Service Center has implemented the VACO prescribed Claims Processing Improvement (CPI) model, designed to provide improved timeliness and more effective monitoring and follow-up procedures.

A review of end-of-year data shows this process has been effective. Rating actions pending in excess of six months were reduced from a recorded high of 36.6% in March, to 23.5% by EOM September. This betters the national end-of-year average of 35.2% by 11.7%, and betters the fiscal year goal for Nashville by 7%. Overall pending rating inventory was reduced from 11,036 cases in December to 6,720 cases by EOM September. This bettered the targeted FY reduction goal established for Nashville by 1,496 cases. The average rating pending time of 131.1 days also bettered the FY goal of 144 days for Nashville and reflects an improvement of 62.3 days since January.

Recommended Improvement Action 3

We recommend the VARO Director make arrangements with a VAMC in the Tennessee Valley Healthcare System as the alternative processing facility and storage site for daily back-up tapes.

We concur with this recommendation. OIG Project No. 2001-02719-D2-01-49, Action Plan for the Review of Information Security Vulnerabilities at the Nashville Regional Office, also identified related action items. We have made arrangements to use the Compensation and Pension Service Quality Review office located in Nashville as the alternate operations site. This site is preferable to the suggested Tennessee Valley Healthcare System as it has a T1 line connection with VBA Central Office and the hardware/software platform is VBA standard. Since the alternate site is within 5 miles of the regional office, we have also designated the Fort Campbell Military Installation as a secondary processing facility. With these two designations, the regional office has an alternate facility in case of natural disaster or a security incident.

In addition, we have negotiated a contract with an offsite storage facility to provide pickup, delivery, and storage of backup tapes on a weekly basis.

If you have any questions or comments on our responses, please contact me at (615) 695-6000.

/s/
Brian Corley
Director

Appendix B

Report Distribution

VA Distribution

Secretary (00)
Deputy Secretary (001)
Chief of Staff (00A)
Executive Secretariat (001B)
Under Secretary for Benefits (20A11)
General Counsel (02)
Assistant Secretary for Public and Intergovernmental Affairs (002)
Assistant Secretary for Management (004)
Assistant Secretary for Information and Technology (005)
Assistant Secretary for Policy and Planning (008)
Deputy Assistant Secretary for Congressional Affairs (009C)
Deputy Assistant Secretary for Public Affairs (80)
Director, Management and Financial Reports Service (047GB2)
Associate Deputy Under Secretary for Field Operations (201)
VBA Chief Information Officer (20S)
Director, VBA Southern Area Office (20F2)
Director, VARO Nashville, Tennessee (320/00)
Veterans Integrated Service Network 9 Director (10N9/00)
Director, Tennessee Valley Healthcare System, VAMC Nashville, Tennessee (626/00)

Non-VA Distribution

Office of Management and Budget
General Accounting Office
Senator William Frist
Senator Fred Thompson
Congressman Ed Bryant
Congressman Bob Clement
Congressman John J. Duncan, Jr.
Congressman Harold Ford
Congressman Bart Gordon
Congressman Van Hilleary
Congressman William L. Jenkins
Congressman John Tanner
Congressman Zach Wamp
Congressional Committees (Chairmen and Ranking Members):
 Committee on Governmental Affairs, U.S. Senate
 Committee on Veterans' Affairs, U.S. Senate
 Subcommittee on VA, HUD, and Independent Agencies, Committee on Appropriations,
 U.S. Senate
 Committee on Veterans' Affairs, U.S. House of Representatives

Appendix B

Subcommittee on Oversight and Investigations, Committee on Veterans' Affairs,
U.S. House of Representatives
Subcommittee on Benefits, Committee on Veterans' Affairs, U.S. House of Representatives
Subcommittee on VA, HUD, and Independent Agencies, U.S. Committee on Appropriations,
U.S. House of Representatives
Staff Director, Committee of Veterans' Affairs, U.S. House of Representatives
Staff Director, Subcommittee on Oversight and Investigations, Committee on Veterans'
Affairs, U.S. House of Representatives

This report will be available in the near future on the VA Office of Audit Web site at <http://www.va.gov/oig/52/reports/mainlist.htm>, *List of Available Reports*. This report will remain on the OIG Web site for 2 fiscal years after it is issued.