



# **Department of Veterans Affairs Office of Inspector General**

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## **Combined Assessment Program Review of the VA Regional Office St. Paul, Minnesota**

## **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.

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## **Executive Summary**

### **Introduction**

During the week of March 17–21, 2003, the Office of Inspector General (OIG) conducted a Combined Assessment Program (CAP) review of the VA Regional Office (VARO) St. Paul, MN. The purpose of the review was to evaluate selected regional office operations, focusing on benefits claims processing, loan guaranty operations, and financial and administrative controls.

### **Results of Review**

VARO financial and administrative activities were generally operating effectively, and management controls were generally effective. To improve operations, the VARO needed to:

- Ensure that Compensation and Pension (C&P) benefits payments are properly reduced for veterans hospitalized at VA expense.
- Reestablish debts that applicants owe VA before processing retroactive C&P payments.
- Improve certain information technology (IT) security controls.
- Ensure that Government purchase cardholders are warranted before they make purchases above \$2,500.
- Improve Vocational Rehabilitation and Employment (VR&E) application processing and case monitoring.

### **VARO Director Comments**

The Regional Office Director agreed with the CAP findings and provided acceptable implementation plans. (See Appendix B, pages 11-16, for the full text of the Director's comments.) We will follow up on the implementation of recommended improvement actions.

*(original signed by:)*  
RICHARD J. GRIFFIN  
Inspector General

## Introduction

### Regional Office Profile

**Organization.** VARO St. Paul provides C&P, VR&E, and burial benefits to eligible veterans, dependents, and survivors residing in Minnesota. The VARO also has outbased offices at VA medical centers (VAMCs) in Minneapolis and St. Cloud, MN.

The VARO operates one of nine Regional Loan Centers (RLCs) that administer VA's Loan Guaranty program. The RLC has loan approval and management responsibilities for nine states: Illinois, Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota, and Wisconsin. Education benefits for Minnesota veterans are provided by the Regional Education Processing Center located at VARO St Louis, MO. Human Resources Management (HRM) support is provided by staff at the Central Area Human Resources Center at VARO Detroit, MI.

The VARO is collocated with one of the Veterans Benefits Administration's (VBA's) three Network Support Centers (NSCs). The NSC provides information technology support to 21 regional offices including VARO St. Paul. Because it is collocated with VARO St. Paul, the NSC also provides a variety of related services not provided to other regional offices. For example, it performs IT risk analyses and develops and implements IT security and contingency plans for the VARO.

**Resources.** The VARO's general operating budget for Fiscal Year (FY) 2002 totaled about \$18 million, and the staffing level was 312 full-time equivalent employees.

**Workload.** Minnesota has a veteran population of about 465,000. During FY 2002, about \$361 million in C&P benefits was paid to about 51,000 beneficiaries. VR&E services were provided to 1,675 beneficiaries, with estimated benefits totaling over \$23 million in FY 2001. During FY 2002, the RLC successfully intervened with mortgage lenders on behalf of 1,479 veterans who had defaulted on their home loans. At the end of the fiscal year, the RLC was servicing 7,474 defaulted loans and had issued guaranties for 31,232 new loans.

### Objectives and Scope of CAP Review

**Objectives.** CAP reviews are one element of the OIG's efforts to ensure that our Nation's veterans receive high quality VA health care and benefit services. The objectives of the CAP review program are to:

- Conduct recurring evaluations of selected medical center and regional office operations, focusing on patient care, quality management, benefits delivery, and financial and administrative controls.
- Provide fraud and integrity awareness training to increase employee understanding of the potential for program fraud and of the need to refer suspected fraud to the OIG.

**Scope.** We reviewed selected benefits claims processing, loan guaranty, and financial and administrative activities to evaluate the effectiveness of benefits delivery and general management controls. Benefits delivery is the process of ensuring that veterans' claims and requests for benefits or services are processed promptly and accurately. Management controls are the policies, procedures, and information systems used to safeguard assets, prevent errors and fraud, and ensure that organizational goals are met. The review covered VARO operations for FY 2002 and the first two quarters of FY 2003 and was conducted in accordance with OIG standard operating procedures for CAP reviews.

In performing the review, we inspected work areas; interviewed managers and employees; and reviewed benefits, financial, and administrative records. The review covered the following 12 activities:

Benefits Delivery Network Security	Information Technology Security
Claims File Security	Loan Administration
Construction and Valuation	Loan Production
Fiduciary and Field Examinations	Management Controls
Government Purchase Cards	Retroactive Payments
Hospital Adjustments	Vocational Rehabilitation and Employment

Activities that were particularly effective or otherwise noteworthy are recognized in the Organizational Strengths section of the report (page 3). Activities needing improvement are discussed in the Opportunities for Improvement section (pages 4–9). For these activities, we make recommendations or suggestions. 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. For the activities not discussed in the Organizational Strengths or Opportunities for Improvement sections, there were no reportable deficiencies.

During the review, we also presented 4 fraud and integrity awareness briefings that were attended by about 100 VARO employees. The briefings covered procedures for reporting suspected criminal activity to the OIG and included case-specific examples illustrating procurement fraud, false claims, conflicts of interest, and bribery.

## Results of Review

### Organizational Strengths

**Benefits Delivery Network Security Controls Were Appropriate.** NSC staff had implemented password protection for the Benefits Delivery Network. Only employees at or above GS-11 could authorize C&P awards. NSC staff implemented controls to ensure electronic locking of employee records.

**VARO Management Had Taken Action To Meet Performance Standards.** From October 1, 2002, through January 31, 2003, the VARO met 7 of 17 performance goals for timeliness and accuracy of claims processing. Management had implemented plans to meet the other 10 goals by the end of FY 2003.

**Deficiencies in Fiduciary and Field Examination Activities Were Addressed.** In April 2002, the VARO performed an assessment of Fiduciary and Field Examination activities that identified a lack of workload control and a failure to follow program guidelines. As a result, management took action to reassign Legal Instrument Examiners (LIEs), hire and train new LIEs, prioritize the oldest accounting cases, more closely monitor accountings, and follow program guidelines.

**Loan Administration Activities Were Effective.** Loan Administration staff effectively administered program activities. Loan Service Representatives provided borrowers with guidance to avoid foreclosures, effectively used the compromise sales alternative to foreclosure to reduce VA losses, and made prudent refunded loans decisions.

**Construction and Valuation Activities Were Well Managed.** Construction and Valuation (C&V) supervisors had successfully merged six other C&V regional office operations into one RLC. Controls were appropriate for verifying fee appraiser qualifications, the quality of appraisal reports, and the performance of field reviews.

**The Loan Production Unit Was Effective.** The Loan Production Unit was operating satisfactorily, and management controls were effective. Loan Production staff properly monitored Interest Rate Reduction Refinance loans, prior approval loans, automatic loans, and loans that had gone into default within the first 6 months. VBA goals for accuracy and timeliness of Loans Processed and Early Default Reviews were met.

**Employee Claims Files Security Was Adequate.** Access to cabinets containing claims folders of employees from another regional office was appropriately controlled. There were no VARO St. Paul employee claim records held at VARO St. Paul. Director's office staff performed required reviews of locked records and the physical security of employee files.

## Opportunities for Improvement

### Hospital Adjustments – The Processing of Benefit Adjustments for Hospitalized Veterans Should Be Improved

**Condition Needing Improvement.** C&P benefits were not properly reduced for some hospitalized veterans. Federal law requires the reduction of C&P benefits to veterans who are hospitalized at VA expense when they are receiving certain additional allowances. To determine if Veterans Service Center (VSC) staff were properly processing hospital adjustments, we reviewed a judgmental sample of 25 cases in which veterans were hospitalized at VA expense during October 2002. Twenty-two of these veterans were receiving benefit payments at the time. VSC staff did not reduce benefits payments in 10 of the 22 cases (45 percent). This resulted in overpayments totaling \$39,749. In all 10 cases, VARO claims records contained information that should have allowed VSC staff to make the required adjustments. The following examples illustrate this problem.

- In May 2002, a veteran started receiving VA compensation benefits that included special monthly compensation. However, from January 1991 through the time of our review in March 2003, he was hospitalized at VA expense and therefore was not entitled to the special monthly compensation portion of the benefit. The veteran was overpaid an estimated \$16,276.
- In August 2000, a veteran was hospitalized at a VAMC. He was discharged from the VAMC to a VA nursing home in the same month and remained there through March 2003. Because VSC staff did not reduce his special monthly compensation payments, he was overpaid \$6,878.

The hospital adjustment problem occurred because VSC staff did not always react properly to admission and discharge information provided by VAMCs. The Systematic Analysis of Operations performed by VSC management in August 2002 did not analyze hospital adjustments. Consequently, this problem was not detected. If adjustments are not made promptly, large overpayments can result. Because veterans are responsible for repaying overpayments, untimely adjustments can create inconvenience for them and cause processing burdens for VSC staff.

**Recommended Improvement Action 1.** We recommended that the VARO Director ensure that VSC managers (a) make the necessary award adjustments to the 10 cases identified by our review and collect resulting overpayments, (b) identify veterans receiving C&P benefits who are currently hospitalized and determine if their awards require adjustment, and (c) include hospital adjustments in future Systematic Analyses of Operations. The Director agreed and reported that necessary adjudicative actions had been completed on the cases identified during our review. He stated that VSC staff had begun reviewing remaining hospitalized veteran cases, which should be completed by September 2003. He also reported that the next Systematic Analysis of Operations scheduled for August 2003, would include hospital adjustments. The implementation actions are acceptable, and we will follow up on the completion of planned actions.



## **Retroactive Payments – Written-off Debts Should Be Reestablished before New Payments Are Awarded**

**Condition Needing Improvement.** The VARO had effectively implemented controls designed to ensure that large retroactive C&P awards were correct. However, VSC staff did not reestablish written-off debts before issuing the payments associated with these awards.

Debts that veterans owe VA, such as for educational overpayments and home loan defaults, are often written off because there is little prospect of repayment. However, a write-off is not a discharge of a debt, and if entitlement to other benefits is later established, VA policy requires that the debt be reestablished and recovered. VA policy also requires that recovery be accomplished, whenever possible, through offset of any retroactive payment that the veteran may be due. This mitigates inconvenience to the veteran who, once regular monthly payments begin, may come to rely on them to meet ordinary expenses.

Notification of a write-off in a veteran's claims record should alert VSC staff that there is a debt that could be recovered if the veteran begins receiving new benefits. Before issuing a retroactive payment to a veteran, VARO staff should contact the VA Debt Management Center (DMC) to determine if the debt should be reestablished. If DMC staff advise that the debt should be reestablished, VSC staff must apply the retroactive payment against the debt. We reviewed a judgmental sample of 25 large retroactive payments issued from October 1, 2001, through December 5, 2002, and found that in 2 cases VSC staff had not researched written-off debts before issuing the payments.

- In the first case, VSC staff released an \$11,103 retroactive compensation payment even though there was a written-off debt of \$15,831 for a home loan default. Three months later, DMC staff implemented withholding of the veteran's regular monthly payments, which recouped the debt in about 7 months.
- In the second case, there was a written-off debt of \$27,500, also for a home loan default, when VSC staff awarded compensation benefits to a veteran. VSC staff did not attempt to determine whether the debt should be reestablished before issuing two retroactive payments totaling \$35,222. Although no recovery was possible in this case because the debt had been discharged through bankruptcy, VSC staff could not have known that without contacting the DMC.

**Suggested Improvement Action.** We suggested that the VARO Director ensure that VSC staff receive refresher training on reviewing claims records for evidence of written-off debts and on procedures for reestablishing debts. The Director agreed and reported that training for VSC staff on establishing, reestablishing, and collecting previously written-off debts would be conducted by June 30, 2003. The implementation action is acceptable.

## **Information Technology Security – Security Controls Should Be Improved**

**Conditions Needing Improvement.** Controls for IT security were adequate in the areas of security awareness training, virus protection, password controls, computer room security, and backup of essential data. However, the following five IT security deficiencies needed corrective action.

Security Clearances and Background Investigations. VA and VBA policies require appropriate security clearances for specific VARO and NSC positions based on the sensitivity and importance of information used by staff in those positions. Security clearances require background investigations, and the type of investigation must match the sensitivity designation assigned to the position. For high-risk positions, a full background investigation covering a 10-year period is required and must be renewed every 5 years.

There were a total of 20 employees (13 NSC and 7 VARO employees) who held high-risk positions. Personnel records for these employees showed that the correct background investigations had not been requested for 15 of them (12 NSC and 3 VARO employees). In addition, background investigations had expired for two other VARO employees. This occurred because the HRM liaison had not completed Position Sensitivity Level Designation forms for some of the employees and had not correctly identified the risk level for others.

Position Description Security Clause. Position descriptions for high-risk positions in the NSC and the VARO did not contain a required information security clause. Because high-risk positions involve duties that are critical to VA programs, VA and VBA policies require that position descriptions include an information security clause. The clause describes the security responsibilities associated with the position. Position descriptions for 13 NSC staff and the VARO's Director, Assistant Director, Support Services Division Chief, Loan Guaranty Officer, VR&E Officer, VSC Manager, and HRM Liaison did not contain the required clause.

Security and Contingency Plans. Security and contingency plans did not comply with VA and VBA policies, which require detailed plans to help ensure the protection of essential automated data. The security plan did not provide an overview of security controls and did not delineate user responsibilities for IT security. The contingency plan had not been updated since November 2000 and did not have required information on an alternate processing site, system testing and data validation, and backup, retention and restoration of data and software.

Certification and Accreditation. None of the automated information systems that supported VARO operations and assets were accredited. VA and VBA policies require that all automated information systems comply with VA's Information Technology Security Certification and Accreditation Program. Certification is based on a technical evaluation of a system's ability to meet Federal and VA security requirements. Test results must demonstrate that security safeguards are adequate and appropriate before authorization is given to activate the system.

Risk Analysis. Risk analyses had not been performed on automated systems that supported VARO operations and assets. VA and VBA policies require that VBA facilities perform risk

analyses on automated information systems to identify potential vulnerabilities and to ensure that appropriate safeguards exist. A risk analysis must be performed before approval of design specifications for new systems, whenever a significant change occurs to a system, or every 3 years.

**Suggested Improvement Actions.** We suggested that the VARO Director ensure that HRM staff: (a) request the appropriate background investigation for high-risk positions, (b) include the appropriate information security clause in position descriptions for positions designated high risk, (c) annotate the correct sensitivity level on position descriptions for positions designated high risk, and (d) work with the NSC Director to coordinate implementation of revised contingency and security plans, obtain accreditation and certification of essential automated systems, and perform risk analyses on essential automated systems. The Director agreed and reported that he would follow up with HRM staff at the Central Area Human Resources Center to ensure that appropriate background investigations are completed for high-risk positions, that the appropriate security clause is included in position descriptions for high-risk positions, and that the appropriate sensitivity level is annotated on position descriptions for high-risk positions. He also agreed to work with the NSC Director to establish revised contingency and security plans and to research the steps necessary for completing certification and risk analyses of essential automated systems. The implementation actions are acceptable.

## **Government Purchase Cards – Purchases by VR&E Employees Should Be Limited Until Warrants Are Granted**

**Condition Needing Improvement.** VR&E employees use Government purchase cards to buy training materials for veterans enrolled in vocational rehabilitation programs. However, VR&E employees made purchases in excess of \$2,500 without the proper authority.

In October 2002, VBA raised the single purchase limit on Government purchase cards held by certain VR&E employees from \$2,500 to \$25,000. However, under Federal and VA acquisition regulations, cardholders must have special authority under VA's acquisition warrant program to make purchases over \$2,500. A warrant is an official document that grants an employee the authority to obligate funds on behalf of the Federal Government.

We reviewed a judgmental sample of 10 purchase card transactions made by VR&E employees from October through December 2002. Four transactions exceeded the \$2,500 limit and were made without the proper authority because the cardholders had not been granted warrants. These purchases ranged from \$2,780 to \$7,466. This occurred because the VR&E Chief was not aware that warrants were required. In addition, the VARO Director was unaware that VBA had delegated authority to Directors to grant warrants. VBA officials acknowledged that there was confusion about the warranting program and stated that they planned to draft clarifying policies.

**Suggested Improvement Actions.** We suggested that the VARO Director ensure that Government purchase cardholders are warranted before they make purchases above \$2,500. The Director agreed and stated that all affected staff had received the 40-hour Simplified

Acquisitions Procedures training in January 2003 and that contracting officer certificates were issued in April 2003. The implementation actions are acceptable.

## **Vocational Rehabilitation and Employment – Application Processing and Case Monitoring Needed Improvement**

**Conditions Needing Improvement.** VR&E staff needed to improve the timeliness of processing applications for benefits and monitoring the status of cases. To evaluate claims processing and case management, we reviewed a judgmental sample of 15 rehabilitation records that were active as of January 2003. There were deficiencies in the following three areas.

Timeliness of Application Processing. As a result of a backlog of cases, new VR&E applicants were delayed in beginning their rehabilitation programs. VBA's national target for completing an entitlement determination after receipt of a vocational rehabilitation application is 60 days. Eight of the 15 cases reviewed (53 percent) exceeded the target, ranging from 66 to 146 days. For two of the eight cases, VR&E records contained no evidence of any contact with the veterans, including contacts to acknowledge receipt of their applications or to explain reasons for the delays. The VR&E Chief acknowledged that application processing was backlogged and ascribed it to staff shortages and turnover. In the past 2 years, VR&E had lost and hired several staff, and at the time of our review was recruiting for one more employee.

Accuracy of Benefits Delivery Network Input. VR&E staff entered incorrect application dates into automated information systems used to track and manage workload. This caused automated data to understate the amount of time required to process new applications. In 11 of the 15 cases reviewed (73 percent), VR&E staff had entered the date they input the information instead of the date of the veteran's application. The erroneous dates ranged from 2 to 139 days from the actual dates of application. Although refresher training provided to VR&E staff addressed this problem, incorrect application date information, particularly on older cases, remained in the Benefits Delivery Network (BDN) and skewed overall processing timeliness data. This data should be reviewed for accuracy and corrected where required.

Monitoring Program Participation. VR&E staff did not properly monitor veterans' progression through their vocational rehabilitation programs. VBA policy requires that VR&E staff contact each veteran at least once a year. For 3 of the 15 cases reviewed (20 percent), records showed that VR&E staff had not contacted participants nor updated their status in automated records for extended periods of time. For example, VR&E staff scheduled a veteran for an evaluation appointment for March 19, 2001. Although he missed the appointment, VR&E staff did not contact him again for nearly 2 years and did not update his training status in automated records. The VR&E Officer was aware of this and other similar cases and had begun action to bring them up to date. She attributed the problem to staff shortages and turnover.

**Suggested Improvement Actions.** We suggested that the VARO Director take action to ensure that (a) VR&E applications are processed timely, (b) program data in automated systems is reviewed for accuracy and corrected where necessary, and (c) VR&E staff maintain contact with program participants and keep automated records up to date. The Director agreed and stated that

the VR&E Officer has provided training to staff and that all applications now use the mailroom receipt stamp as the date of application. In addition, all applicants have initial appointments within 15 days of applications. The Director also reported that automated data is being checked for accuracy during quality assurance and VR&E counselors were provided refresher training on how to assure that case status is correct in automated systems. The Director stated that VR&E staff have been provided training on maintaining contact with program participants and on monitoring their progress. He also reported that, by August 25, 2003, the VR&E Officer would complete a 15 percent review of each counselor's cases to assure that data is being entered into automated systems timely. The implementation actions are acceptable.

## Monetary Benefits in Accordance with IG Act Amendments

<u>Recommendation</u>	<u>Explanation of Benefit</u>	<u>Better Use of Funds</u>
1	Establishing overpayments in identified hospital adjustment cases would recover funds owed VA.	\$39,749

## VARO St. Paul Director Comments

### Department of Veterans Affairs

### Memorandum

Date: June 20, 2003

From: Director, St. Paul VARO (335/00)

Subj: Response/Action Plan to IG CAP Report (Project No. 2003-0759-R4-052)

To: Assistant Inspector General for Auditing (52)

1. I have thoroughly reviewed the draft report of the Inspector General Combined Assessment Program (CAP) of the St. Paul VA Regional Office. I concur with the findings and include action plans for resolution of each finding.
2. I appreciate the opportunity for this review as a continuing process to improve our work processes and procedures and ultimate quality service to our veterans. I want to thank the team for their diligence and professionalism while conducting this CAP Review. Their courteous manner in executing their duties facilitated our efforts for improvement. I appreciate the opportunity to meet data integrity guidelines and improve our operations.
3. Questions may be directed to me at (612) 970-5200.

*/s/ Vincent Crawford*  
VINCENT CRAWFORD

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## A) HOSPITAL ADJUSTMENTS

Subject	Corrective Actions	Target Completion Date
<b><u>(1) The VARO Director ensure that VSC managers make the necessary award adjustments to the 10 cases identified by our review and collect resulting overpayments.</u></b>	The claims folders were reviewed and necessary adjudicative action was taken. The due process period is still pending in five of the ten cases.	August 29, 2003
<b><u>(2) The VARO Director ensure that VSC managers identify veterans receiving C&amp;P benefits who are currently hospitalized and determine if their awards require adjustment.</u></b>	Veteran Service Center personnel whom identify adjustments and make hospital adjustments have received training. A review of the "Veterans Hospitalized at VA Expense at VAMC St. Cloud as of Oct 2002" list is being reviewed for adjustments as needed.	Sept. 2003
<b><u>(3) The VARO Director ensure that VSC managers include hospital adjustments in future Systematic Analyses of Operations.</u></b>	The next Systematic Analyses of Operations (SAO) will include an analysis of hospital adjustments. The VSC supervisor who prepared and signed the SAO was not aware of this requirement.	August 29, 2003



Appendix B

B) RETROACTIVE PAYMENTS		
Subject	Corrective Actions	Target Completion Date
<p><b><u>(1) The VARO Director ensure that VSC staff receive refresher training on reviewing claims records for evidence of written-off debts and on procedures for reestablishing debts.</u></b></p>	<p>Training on establishing, reestablishing, and collecting debts will be conducted.</p>	<p>June 30, 2003</p>

**C) INFORMATION TECHNOLOGY  
SECURITY**

Subject	Corrective Actions	Target Completion Date
<p><b><u>(1) The VARO Director ensure that HRM staff:</u></b>  <b><u>(a) request the appropriate background investigation for high risk positions,</u></b></p> <p><b><u>(2) include the appropriate information security clause in position descriptions for positions designated high risk,</u></b></p> <p><b><u>(3) annotate the correct sensitivity level on position descriptions for positions designated high risk, and</u></b></p> <p><b><u>(4) work with the NSC Director to coordinate implementation of revised contingency and security plans, obtain accreditation and certification of essential automated systems, and perform risk analyses on essential automated systems.</u></b></p>	<p><i>HRC Detroit is responsible for (1), (2) and (3).</i></p> <p>1) The Director's Office will follow up with Human Resources Center (HRC)-Detroit to assure that the appropriate background investigations for high risk positions at the NSC and St. Paul VARO have been completed.</p> <p>2) Positions designated as high risk are being reviewed by HRC-Detroit and the appropriate information security clause will be included. The Director's Office will follow up to verify.</p> <p>3) Positions designated as high risk are being reviewed and the appropriate sensitive level will be included. The Director's Office will follow up to verify.</p> <p>4) New contingency and security plans have already been established and documented. Will research the necessary steps for completing certification and risk analyses on essential automated systems.</p>	<p>July 11, 2003 (This will also be an on-going action.)</p> <p>July 11, 2003</p> <p>July 11, 2003</p> <p>Sept. 30, 2003</p>

## Appendix B

## D) GOVERNMENT PURCHASE CARDS

Subject	Corrective Actions	Target Completion Date
<b><u>(1) The VARO Director ensure that Government purchase cardholders are warranted before they make purchases above \$2,500.</u></b>	A 40-hour Simplified Acquisitions Procedures course was completed the week of Jan. 27, 2003. Contracting Officer Certificates were processed by the Mpls. VAMC Acquisition and Materiel Management (A&MMS) Office in April 2003. All VRE Staff now have these Certificates framed and displayed in their work areas.	COMPLETED April 2003

E) VOCATIONAL REHABILITATION AND EMPLOYMENT		
Subject	Corrective Actions	Target Completion Date
<p><b><u>(1) The VARO Director take action to ensure that (a) VR&amp;E applications are processed timely,</u></b></p> <p><b><u>(b) The VARO Director take action to ensure that program data in automated systems is reviewed for accuracy and corrected where necessary, and</u></b></p> <p><b><u>(c) The VARO Director take action to ensure that VR&amp;E staff maintain contact with program participants and keep automated records up to date.</u></b></p>	The VRE Officer and VSC Manager met with staff to verify system problems and provide training on correct dates for claims establishment and entitlement processing procedures. All applications use the mail room stamp date as the official date of claim per manual references. Veterans have appointments in 15 days of application.	COMPLETED March 23, 2003
	M35 screens are being checked and placed in the counseling, evaluation, and employment (CER) file during QA review process and Closure approval process. Corrections are made when appropriate.	On-going. Mandated under QA and Closure processes.
	Counselors were provided refresher training on appropriate steps to take to assure case status movement in BDN is correct. Federal Regulations, Circulars, and Manual requirements on data integrity were reviewed.	COMPLETED May 1, 2003
	FY 03 Performance Standards include these items. Mid-term review of standards completed.	COMPLETED April 2003
	Staff reviewed M-28 which outlines the minimum contact and documentation procedures to assure proper monitoring of veterans through their programs.	COMPLETED May 2, 2003
	The VRE Officer will complete random 15% review of each counselor's Rehabilitation to Employment cases in the VRE automated database and a manual check of the CER file to assure data is being entered into automated systems and veterans are being seen timely	August 25, 2003

## Report Distribution

### **VA Distribution**

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Director, VARO St. Paul, MN (335/00)

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**Appendix C**

Staff Director, Committee on 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.