



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

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## **Combined Assessment Program Review of Veterans Benefits Administration Activities at the Robert J. Dole VA Medical and Regional Office Center Wichita, Kansas**

## **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 October 6–10, 2003, the OIG conducted a CAP review of Veterans Benefits Administration (VBA) activities at the Robert J. Dole VA Medical and Regional Office Center (the regional office) Wichita, Kansas. The purpose of the review was to evaluate selected operations focusing on benefits payments and financial and administrative controls. During the review, we also provided fraud and integrity awareness training to 30 regional office employees.

### **Results of Review**

Services to beneficiaries with pending Compensation and Pension (C&P) disability rating claims were improved, information technology security was generally effective, and large retroactive C&P payments were properly awarded and reviewed. To improve operations, regional office management needed to:

- Improve the timeliness and accuracy of processing C&P hospital adjustments and system-generated messages.
- Ensure all fiduciary field examinations and accounting reports are completed timely.
- Improve the accuracy of Vocational Rehabilitation and Employment (VR&E) claims processing status in the Benefits Delivery Network (BDN) system.

### **VBA Central Area and Regional Office Center Directors' Comments**

The VBA Central Area and the Regional Office Center Directors agreed with the CAP review findings and provided acceptable improvement plans. (See pages 7–10 for the full text of the Directors' comments.) We will follow up on planned actions until they are completed. This report was prepared under the direction of William Withrow, Director, Kansas City Audit Operations Division and Robert C. Zabel, CAP Review Coordinator, Kansas City Audit Operations Division.

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

## Introduction

### Regional Office Profile

The regional office provides C&P and VR&E services to eligible veterans, service members, dependents, and survivors residing in Kansas. The regional office has out-based VR&E offices in Topeka and Emporia, Kansas and an out-based military services coordinator in Topeka, Kansas who provides VA benefits briefings to service members at Fort Riley and Fort Leavenworth, Kansas.

General operating expenses for Fiscal Year (FY) 2003 totaled about \$4.5 million, and the regional office had an authorized staffing level of 67 full-time equivalent employees.

In FY 2003, the regional office served a population of about 241,000 veterans. The number of C&P benefits claims processed totaled more than 20,000, and almost \$229 million in C&P benefits were paid to more than 30,000 beneficiaries. Also during FY 2003, VR&E services were provided to 853 beneficiaries, and VR&E Service reported 85 veterans rehabilitated at an average cost of \$12,450 per veteran.

### Objectives and Scope of the CAP Review

**Objectives.** CAP reviews are one element of the OIG's efforts to ensure that our Nation's veterans receive appropriate and timely benefits. The objectives of the CAP review program are to:

- Evaluate a range of claims processing, benefits payments, and administrative operations.
- Provide fraud and integrity awareness training to increase employee understanding of the potential for program fraud and the requirement to refer suspected criminal activity to the OIG.

**Scope.** We reviewed selected regional office activities, focusing on the efficiency, effectiveness, quality, and timeliness of benefits delivery and associated management controls. These controls are the policies, procedures, and information systems used to administer VBA benefits programs, safeguard assets, prevent and detect errors and fraud, and ensure that organizational goals and objectives are met. The review covered regional office activities for FYs 2002 and 2003, and was done in accordance with OIG standard operating procedures for CAP reviews.

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

Accounts Receivable and Employee Debts	Information Technology Security
Disability Rating Cases	Retroactive Benefits Payments
Fiduciary and Field Examinations	System-Generated Messages
Hospital Adjustments	Vocational Rehabilitation and Employment

Activities that were particularly effective or otherwise noteworthy are recognized in the Organizational Strengths section of this report (page 3). Activities needing improvement are discussed in the Opportunities for Improvement section (pages 4–6). For these activities, we make recommendations or a suggestion. Recommendations pertain to issues that are significant enough to be monitored by the OIG until corrective actions are implemented. A suggestion pertains to an issue that should be monitored by VBA and regional office management until corrective actions are completed. For the activities not discussed in the Organizational Strengths or Opportunities for Improvement sections, we did not identify reportable deficiencies.

During the review, we presented 3 fraud and integrity awareness briefings to 30 regional office employees. These 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.

A separate report on Veterans Health Administration activities at the Robert J. Dole VA Medical and Regional Office Center was also issued as a result of the CAP review (Report No. 03-02735-103, dated March 16, 2004).

## Results of Review

### Organizational Strengths

**Improved Services To Beneficiaries With Pending C&P Disability Rating Claims.** The regional office increased the number of C&P disability rating cases processed from 4,992 in FY 2002 to 6,189 in FY 2003. The number of C&P disability rating cases pending over 180 days decreased from 4,742 in FY 2002 to 2,801 in FY 2003.

**Information Technology Security Was Generally Effective.** The regional office had adequate information technology security to protect automated information system resources from unauthorized access, disclosure, modification, destruction, or misuse. Physical security for computer rooms and equipment was adequate, critical data was regularly backed up and properly stored off-site, contingency and security plans were current and complete, and annual computer awareness training was provided as required. BDN access levels were appropriately established.

**Large Retroactive C&P Payments Were Properly Awarded and Reviewed.** VBA policy requires the Regional Office 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 the payments are appropriate and that the related internal controls are operating effectively. We reviewed 46 C&P payments of \$25,000 or more issued during the 3-month period April 1 through June 30, 2003, and found that the Director or Assistant Director had reviewed all payments in a timely manner.

## Opportunities for Improvement

### Compensation and Pension Claims Processing – Award Adjustment Processing Should Be Improved

**Conditions Needing Improvement.** Regional office management needs to improve the timeliness and accuracy of processing C&P hospital adjustments and system-generated messages to prevent benefit payment errors.

Hospital Adjustments. Federal law requires that benefit payments be adjusted for certain veterans who receive C&P benefits and are hospitalized continuously for more than 90 days at Government expense. To determine if the regional office made the proper adjustments, we reviewed the records of all veterans who were receiving C&P benefits payments and were hospitalized at Government expense for more than 90 days at the time of our review. Overpayments totaling \$87,883 were made to 20 veterans.<sup>1</sup> VA medical center personnel reported the veterans' hospital admissions in the Automated Medical Information Exchange (AMIE) as required. However, Veterans Service Center (VSC) management told us that the regional office AMIE clerk needed to properly administer hospital adjustments.

System-Generated Messages. System-generated messages are generated by the BDN system to advise field stations of changes in beneficiary status that can affect benefits payments. These include changes in marital status, dependency status, and level of compensation. System-generated messages are printed on one of two forms. VA Form 20-6560 - Notice of Benefit Payment Transaction is used for processing future-date actions initiated by information stored within the system or transactions input by the VBA offices or data processing center (e.g., suspend payment or stop payment). All updated C&P master records are postaudited at the Hines Benefits Delivery Center to determine if these data support the benefits authorized. If an audit error is detected, a VA Form 20-8270 - C&P Master Record-Audit Writeout is generated. VSC staff should complete corrective action within 30 days of receipt of the system message.

We reviewed 16 files that had Audit Writeout messages (Forms 20-8270) issued in June 2003. There would have also been earlier Forms 20-8270 issued, but these forms had been discarded prior to our review. As a result, we could not determine the length of the processing delays. However, we found one overpayment of \$8,970 and seven underpayments totaling \$1,478.

**Recommended Improvement Action 1.** We recommended that the Central Area Director ensure that the Regional Office Director requires that VSC personnel: (a) receive refresher

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<sup>1</sup> The VA Pension Maintenance Center (PMC), St. Paul, MN had jurisdiction over 2 of the 20 cases with overpayments totaling \$7,892. We referred those cases to the PMC to adjust the benefits accordingly.



training on hospital adjustments to include how to access, run, and process the AMIE reports timely to prevent incorrect payments and (b) process system-generated messages within 30 days of receipt.

The Central Area and Regional Office Directors agreed with the findings and recommendations, and the Central Area Director agreed with the Regional Office Director's corrective action plans. The Regional Office Director provided acceptable improvement plans. We will follow up on the planned actions until they are completed.

## **Fiduciary and Field Examinations – Field Examinations and Reviews of Accountings Should Be Timely**

**Condition Needing Improvement.** The Fiduciary and Field Examination (F&FE) section is responsible for protecting the interests of incompetent or minor beneficiaries by appointing fiduciaries when necessary to manage the beneficiaries' funds and to monitor fiduciary activities. VBA policy requires that an initial appointment field examination be completed within 45 days of receipt of the "Request for Appointment of a Fiduciary, Custodian, or Guardian." The field examiner should complete the next field examination within 120 days of the 1-year anniversary of the initial field examination. Fiduciaries are to submit accounting documents within 90 days of scheduled accounting examinations, and accounting examinations should be completed within 14 days after the accounting data is received from fiduciaries.

We reviewed the records of 15 beneficiaries whose funds were managed by fiduciaries and found that some tasks were not completed timely.

- For three beneficiaries, subsequent field examinations were not completed within 120 days of the 1-year anniversary of the initial field examinations.
- For four beneficiaries, fiduciaries did not submit accounting data within 90 days of scheduled accounting examinations.
- For four beneficiaries, accounting examinations were not completed within 14 days after receipt of the accounting data from fiduciaries.

Field examiners stated that other duties and difficulty in scheduling times with beneficiaries caused them to be late in completing the field examinations. Staff also stated that time constraints had prevented them from timely monitoring receipt of the accountings and completing the accounting examinations.

**Recommended Improvement Action 2.** We recommended that the Central Area Director ensure that the Regional Office Director requires that: (a) the F&FE staff complete all field examinations and accountings within required timeframes, and (b) fiduciaries submit accounting data within 90 days of scheduled accounting examinations.

The Central Area and Regional Office Directors agreed with the findings and recommendations, and the Central Area Director agreed with the Regional Office Director's corrective action plans. The Regional Office Director provided acceptable improvement plans. We will follow up on the planned actions until they are completed.

## **Vocational Rehabilitation and Employment Program – Data Entry Should Be Monitored to Ensure Accuracy**

**Condition Needing Improvement.** Veterans' VR&E claims applications are date stamped when received by VA. However, the application dates in BDN did not always agree with the application dates shown in CWINRS<sup>2</sup> and the dates stamped on the applications in the veterans' Counseling, Evaluation, and Rehabilitation (CER) folders. We reviewed CER folders for 10 veterans and found that BDN and CWINRS data were not accurate for 6 of the veterans. The errors relating to dates occurred due to a flaw in the CWINRS system. If the application was not entered in CWINRS on the same day the application was stamped, CWINRS defaulted to the day the application was entered in the computer and did not allow a different date to be entered. The incorrect date was then transferred to BDN via CWINRS. We contacted VA Central Office officials and were advised that they were aware of this flaw in CWINRS and were considering corrective actions. Until this flaw can be corrected, facility staff should manually correct the application date shown in BDN.

**Suggested Improvement Action.** We suggested that the Central Area Director ensure that the Regional Office Director requires that VR&E staff monitor data entry in the automated systems and manually correct the data as appropriate.

The Central Area and Regional Office Directors agreed with the findings and suggestion, and the Central Area Director agreed with the Regional Office Director's corrective action plans. The Regional Office Director provided acceptable improvement plans and we consider the issues resolved.

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<sup>2</sup> Corporate (C) WINRS is VR&E's electronic case management system. The WINRS acronym was derived from the first letter of the names of the five pilot test stations that tested the original program: VA Regional Offices Winston-Salem, Indianapolis, Newark, Roanoke, and Seattle.

## VBA Central Area Director Comments

**Department of  
Veterans Affairs**

**Memorandum**

**Date:** January 7, 2004

**From:** Director, VBA Central Area (394)

**Subject:** Combined Assessment Program (CAP) Review of Veterans Benefits  
Administration Activities at the VA Robert J. Dole VA Medical and  
Regional Office Center Wichita, Kansas

**To:** Assistant Inspector General for Auditing (52)

This office concurs in the actions and countermeasures provided by the Wichita  
VAMROC, in their response to the Combined Assessment Program (CAP)  
review completed during the week of October 6-10, 2003.

/s/

William D. Fillman, Jr.

## VA Medical and Regional Office Center Director Comments

**Department of  
Veterans Affairs**

**Memorandum**

**Date:** December 31, 2003

**From:** Director, Robert J. Dole VAMROC, Wichita, Kansas (452)

**Subject:** Combined Assessment Program (CAP) Review of Veterans Benefits  
Administration Activities at the Robert J. Dole VA Medical and Regional  
Office Center, Wichita, Kansas

**To:** Director, Central Area (394)

1. The Wichita Regional Office agrees with the IG findings and appreciates the opportunity to improve our service to veterans and their dependents.
2. In response to the findings and recommendations of the Combined Assessment Program (CAP) the following actions were taken.
3. We want to thank all of the people involved in the CAP review and we do appreciate the courtesy and professionalism that was afforded us throughout the process.



THOMAS J. SANDERS, CHE

The following Director's comments are submitted in response to the recommendations and suggestion in the Office of Inspector General Report:

**OIG Recommendations**

**Compensation and Pension Claims Processing**

**Recommended Improvement Action 1.** We recommend that the Central Area Director ensure that the Regional Office Director requires that VSC personnel:

- (a) receive refresher training on hospital adjustments to include how to access, run, and process the AMIE reports timely to prevent incorrect payments, and
- (b) process system-generated messages within 30 days of receipt.

- (a) **Hospital Adjustments.** The information contained within the draft report is accurate.

**Countermeasures-**Training on processing hospital adjustment reports was provided to the Triage Team and their Coach on 10-28-03 by the Triage Senior Authorizer. Training was again provided to all VSRs and Senior VSRs on 12-11-03. One-on-one training was also provided to the AMIE clerk responsible for running the reports. Copies of manual references were handed out to all including the schedule for running reports so as to identify which reports were run, and when. Quick reference guides were also given to the VSRs to help with the hospitalization adjustment process. Reports are being run per M21-1, Part IV, Chapter 18, Addendum A, by the AMIE clerk. These reports are processed on a daily basis by the Triage Team VSRs to keep them current. This process of reviewing reports needing to be run and training appropriate personnel identified some problems with the receipt of certain service-connected reports from the VAMC. In December 2003, VSC Management, the Triage Senior Authorizer and the AMIE clerk met with Release of Information employees from the VAMC. The discussion involved the types of reports we must request and how they were to be disseminated back to us. The meeting brought out several communication issues, which will be resolved with a follow up meeting with VAMC supervisory personnel as well as those employees responsible for communicating information back to us. In the interim, the AMIE clerk will continue to request reports as indicated in the manual reference quoted above. We will discuss these requests at the next meeting to determine how the information is received in the VAMC and who will be responsible for communicating information needed back to us in a timely manner. The ROI clerk will bring the printed requests to show how information is received in their office to the next meeting. The AMIE clerk will communicate with other VAMCs in our area to determine how they receive and communicate the data and report these steps at the next meeting. With this type of information available, we will be able to resolve any communication issues at the upcoming meeting.

- (b) **System Generated Messages** The information contained within the draft report is accurate.

**Countermeasures-**Training was conducted on 11/25/03 to the VSRs on the Triage Team on how to process system generated messages. One of the Triage Team goals is to process system generated messages within 30 days from receipt. The earlier 20-8270's issued had been discarded in error as duplicate 20-8270's were issued. This action was not an intentional act to hide or manipulate processing delays and has been corrected, and as we move toward the 30-day goal for processing 20-8270's, the possibility of duplicate 20-8270's will be eliminated.

#### Fiduciary and Field Examinations

**Recommended Improvement Action 2.** We recommend that the Central Area Director ensure that the Regional Office Director requires that:

- (a) the F&FE staff complete all field examinations and accountings within required timeframes, and
- (b) fiduciaries submit accounting data within 90 days of scheduled accounting examinations.

The information contained within the draft report is accurate. One senior Field Examiner has spent over two months on military duty, while another senior Field Examiner was selected and promoted to a Senior VSR within the Veterans Service Center, both of which have created staffing challenges within this section.

**Countermeasures**-The VSC management has alleviated the additional duties of the LIE so as to allow timely monitoring of accountings. Specifically, the time keeper duties and purchasing of supplies have been reassigned to another area. The senior Field Examiner also serves as the Privacy Act/FOIA Coordinator, and we are working on a solution to reassign these duties and responsibilities elsewhere so as to successfully meet the required time frames to complete field exams. The Assistant Coach of the Public Contact Team is the first line supervisor for F&FE, and is monitoring the progress of the F&FE staff to insure that all field examinations and accountings are performed within the required timeframes, and to insure that fiduciaries submit accounting data within 90 days of scheduled accounting examinations.

#### **Vocational Rehabilitation and Employment Program**

**Suggested Improvement Action** We suggest that the Central Area Director ensure that the Regional Office Director requires that VR&E staff monitor data entry in the automated systems and manually correct the data as appropriate.

All incorrect Chapter 31 applicant status dates in the BDN system for the Wichita caseload have been corrected. CWINRS dates cannot be changed. CWINRS programming has not yet been re-written to avoid incorrect dates in that system in the future. However, now that the CWINRS programming error is known, VR&E staff adjusts the BDN system manually for each application received. The problem of incorrect BDN dates no longer exists and normal, national and local quality review systems are sufficient to insure continued accuracy.

## Monetary Benefits in Accordance with IG Act Amendments

<u>Recommendation</u>	<u>Explanation of Benefit(s)</u>	<u>Better Use of Funds</u>
1(a)	Benefits reductions for veterans hospitalized more than 90 days.	\$87,883
1(b)	Timely processing of BDN system-generated messages.	<u>8,970</u>
	Total	<u>\$96,853</u>

## OIG Contacts and Staff Acknowledgments

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### OIG Contacts

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### Acknowledgments

Joseph J. Duffey  
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