

# VA Office of Inspector General

## OFFICE OF AUDITS & EVALUATIONS



## Inspection of the VA Regional Office Muskogee, OK

May 21, 2010  
10-00936-158

## ACRONYMS AND ABBREVIATIONS

NOD	Notice of Disagreement
OIG	Office of Inspector General
PTSD	Post-Traumatic Stress Disorder
RVSR	Rating Veterans Service Representative
SHARE	SHARE is a computer application used to establish and manage claim data
STAR	Systematic Technical Accuracy Review
SAO	Systematic Analyses of Operations
TBI	Traumatic Brain Injury
VACOLS	Veterans Appeals Control and Locator System
VARO	VA Regional Office
VBA	Veterans Benefits Administration
VETSNET	Veterans Service Network
VSC	Veterans Service Center

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# Report Highlights: Inspection of VA Regional Office, Muskogee, OK

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## Why We Did This Review

The Benefits Inspection Division conducts onsite inspections at VA Regional Offices (VAROs) to review disability compensation claims processing and Veterans Service Center (VSC) operations.

## What We Found

The Muskogee VARO properly established the correct dates of claim in the electronic record and accurately and timely completed all Systematic Analysis of Operations (SAOs). Further, management developed a best practice process to ensure staff promptly corrected errors identified by the Veterans Benefits Administration's (VBAs) Systematic Technical Accuracy Review (STAR) staff and an extensive training program that improved Triage Team routing of incoming mail.

As of December 2009, the VARO took an average of 115.4 days to complete compensation-rating claims—approximately 42.7 days better than the national target of 158.1 days.

VARO management needs to improve the control and accuracy of disability claims processing for temporary 100 percent disability evaluations and improve accuracy for processing claims involving traumatic brain injury (TBI). VARO staff did not accurately process disability claims for 27 (23 percent) of 120 claims reviewed.

Management also needs to strengthen controls over the following areas:

- Establishing Notices of Disagreement (NODs) for appealed claims.
- Processing incompetency determinations.

## What We Recommended

We recommended VARO management ensure staff correctly establishes future medical examination dates for temporary 100 percent evaluations and provide training on the proper procedures for processing TBI claims.

We also recommended management improve oversight to ensure the timely establishment of NODs in the electronic system and the timely processing of fiduciary adjustments.

## Agency Comments

The Director of the Muskogee VARO concurred with all recommendations. Management's planned actions are responsive and we will follow-up as required on all actions.

*(original signed by:)*

**BELINDA J. FINN**

Assistant Inspector General  
for Audits and Evaluations

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## INTRODUCTION

### **Objective**

The Benefits Inspection Program is part of the Office of Inspector General's (OIG's) efforts to ensure our Nation's veterans receive timely and accurate benefits and services. The Benefits Inspection Division contributes to the improvement and management of benefits processing activities and veterans' services by conducting onsite inspections at VAROs. The purpose of these independent inspections is to provide recurring oversight of VAROs by focusing on disability compensation claims processing and performance of VSC operations. The objectives of the inspections are to:

- Evaluate how well VAROs are accomplishing their mission of providing veterans with convenient access to high quality benefits services.
- Determine if management controls ensure compliance with VA regulations and policies; assist management in achieving program goals; and minimize the risk of fraud, waste, and other abuses.
- Identify and report systemic trends in VARO operations.

In addition to this standard coverage, inspections may examine issues or allegations referred by VA employees, members of Congress, or other stakeholders.

### **Scope of Inspection**

During February 2010, the OIG conducted an inspection of the Muskogee VARO. The inspection focused on 5 protocol areas examining 10 operational activities. The five protocol areas included disability claims processing, data integrity, management controls, information security and public contact.

We reviewed 30 (26 percent) of 117 claims where VARO staff granted a temporary 100 percent evaluation that was paid for at least 18 months, the longest period a temporary 100 percent evaluation may be assigned without review under VA policy. In addition, we reviewed 90 (9 percent) of 952 total claims related to Post-Traumatic Stress Disorder (PTSD), TBI, and disabilities related to herbicide exposure that the VARO completed during October–December 2009.

Appendix A provides additional details on the scope of the inspection. The VARO Director's comments are located in Appendix B. Appendix C provides a summary of the inspection results and includes the criteria used to evaluate each operational activity.

## RESULTS AND RECOMMENDATIONS

VARO management needs to improve control and accuracy of disability claims processing for temporary 100 percent disability evaluations and improve accuracy for TBI claims. VARO staff did not accurately process disability claims for 27 (23 percent) of 120 claims reviewed. Management also needs to strengthen controls over establishing NODs for appealed claims and processing incompetency determinations. Detailed inspection results for the 5 protocol areas and 10 operational activities follow.

### 1. Disability Claims Processing

#### Finding **VARO Personnel Need to Improve Disability Determination Accuracy**

The Muskogee VARO needs to improve the accuracy of disability claims processing. VARO staff incorrectly processed rating decisions for 27 (23 percent) of 120 claims reviewed. VARO management concurred and initiated action to correct the inaccuracies.

Table 1 reflects the errors affecting veterans' benefits and those potentially affecting veterans' benefits:

**Table 1. Disability Claims Processing Results**

Type	Reviewed	Claims Incorrectly Processed		
		Total	Affecting Veterans' Benefits	Potential To Affect Veteran's Benefits
<b>Temporary 100 Percent Evaluations</b>	30	16	1	15
<b>PTSD</b>	30	2	2	0
<b>TBI</b>	30	8	5	3
<b>Disabilities Related To Herbicide Exposure</b>	30	1	1	0
<b>Total</b>	<b>120</b>	<b>27</b>	<b>9</b>	<b>18</b>

#### **Temporary 100 Percent Evaluations**

VARO staff incorrectly processed 16 (53 percent) of 30 temporary 100 percent disability evaluations. VBA policies provide a temporary 100 percent evaluation for service-connected disabilities requiring surgery or specific treatment. At the end of a mandated period of convalescence or cessation of treatment, VARO staff must review the veteran's medical condition to determine if they should continue the temporary evaluation. Based on analysis of available medical evidence, one of the processing inaccuracies affected a veteran's benefits.

A Rating Veterans Service Representative (RVSR) did not grant special monthly compensation even though the veteran met specific statutory criteria for the benefit. As a result, the veteran was underpaid a total of \$9,874 over a period of 2 years and 8 months.

The remaining 15 inaccuracies had the potential to affect veterans' benefits because VARO staff did not schedule medical examinations needed to determine whether the temporary 100 percent evaluation should continue. From July 2004–October 2009, an average of 1,018 days elapsed from the time staff should have scheduled medical examinations through the date of our inspection. We could not determine if the temporary evaluations would have continued without the results of medical examinations or other medical evidence, as this information was not in the veterans' claims folder at the time of our inspection. VARO staff initiated action during our inspection to obtain the needed information. Following is a summary of these claims.

- For 12 claims, VARO personnel did not input a required date for the veteran to obtain a medical examination into SHARE, a computer application used to establish and manage claim data. SHARE would have generated an automatic notification to schedule a medical examination and alert staff to reevaluate whether the 100 percent evaluation should continue.
- For three claims, VARO personnel did not schedule examinations to reevaluate the veterans' disabilities even though the SHARE application generated an electronic notification indicating a medical examination was required.

VARO management stated staff did not record required dates for future examinations in the electronic award system because neither management nor employees had an understanding of the computer system's capabilities. VARO management assumed VBA's Veterans Service Network (VETSNET) Awards system eliminated the need for staff to input these dates and did not provide oversight of this process. Because of this lack of oversight, veterans provided a temporary 100 percent evaluation did not always receive accurate benefits.

#### **PTSD Claims**

VARO staff incorrectly processed 2 (7 percent) of 30 PTSD claims. The frequency of errors was not considered significant; however, the errors affected veterans' benefits. One involved an overpayment of \$13,218 and one involved an underpayment of \$13,265. Details on the overpayment and underpayment follow.

- For a PTSD claim VARO staff received on August 20, 2009, an RVSR assigned an incorrect effective date for a grant of service connection of July 26, 2008, instead of August 20, 2009, the correct effective date. As

a result, VA overpaid the veteran a total of \$13,218 over a period of 13 months.

- An RVSR incorrectly assigned an effective date for entitlement to service connection for PTSD of June 19, 2009, 14 months after the actual date the veteran opened the claim. As a result, VA underpaid the veteran a total of \$13,265 over a period of 14 months.

Because we found only two inaccuracies, we determined the VARO is generally following VBA policy in this area and make no recommendations for improvement.

### ***TBI Claims***

The Department of Defense and VBA commonly define a TBI as a traumatically induced structural injury or physiological disruption of brain function because of an external force. The major residual disabilities of a TBI fall into three main categories: (1) physical, (2) cognitive, and (3) behavioral. VBA policies require staff to evaluate these residual disabilities.

VARO staff incorrectly processed 8 (27 percent) of 30 TBI claims. Staff did not properly evaluate all residual disabilities related to the in-service TBIs. Five of these inaccuracies affected veterans' benefits—two involved overpayments totaling \$13,957 and three involved underpayments totaling \$12,039. The following examples are the most significant overpayment and underpayment found:

- An RVSR incorrectly granted a separate evaluation for subjective symptoms of headaches associated with TBI without a distinct diagnosis of migraine headaches. As a result, the veteran was overpaid a total of \$9,621 for a period of 9 months.
- An RVSR incorrectly granted a 10 percent evaluation instead of the appropriate 40 percent evaluation for residuals of an in-service TBI. As a result, the veteran was underpaid a total of \$8,957 over a period of 14 months.

Three of the inaccuracies could potentially affect the veterans' benefits. Two occurred because the medical examinations required to evaluate residuals of an in-service TBI were inadequate. The last inaccuracy occurred because an RVSR did not grant a separate, non-compensable evaluation for a residual disability associated with a TBI. Neither VARO staff nor we can correctly ascertain all of the residuals of the TBI without adequate or complete medical examinations.

A review of the VARO's training plan revealed RVSRs have not received TBI training since November 2008, despite VBA issuing new training materials and guidance in January 2009. Because current training was not



provided, VARO staff did not always ensure veterans received accurate benefit payments.

**Disabilities  
Related to  
Herbicide  
Exposure Claims**

VARO staff incorrectly processed 1 (3 percent) of 30 herbicide-related claims. The frequency of errors was not considered significant; however, the error affected a veteran's benefits. An RVSR incorrectly granted service connection for a disability not shown to have an established association to herbicide exposure. VA overpaid the veteran \$5,295 over a period of 3 months. Because we found only one inaccuracy, we determined the VARO is generally following VBA policy in this area and make no recommendation for improvement.

- Recommendations**
1. *We recommend the Muskogee VA Regional Office Director conduct a review of all temporary 100 percent evaluations under the regional office's jurisdiction to determine if reevaluations are required and take appropriate action.*
  2. *We recommend the Muskogee VA Regional Office Director strengthen controls for correctly establishing future examination dates and establish a mechanism for monitoring future examinations for temporary 100 percent evaluations.*
  3. *We recommend the Muskogee VA Regional Office Director provide training to enhance rating skills for claims related to residual disabilities from traumatic brain injury.*

**Management  
Comments**

The VARO Director concurred with our recommendations for improving disability determination accuracy. The VSC took corrective action on all cases identified during the OIG inspection. The OIG provided the VARO with an additional list containing temporary 100 percent evaluations not reviewed during the inspection. The Director informed us VSC management established medical examinations for cases that required further action. Because the VARO lacks the capability in local systems to identify cases involving temporary 100 percent evaluations, the Director requested assistance from the Central Area Director and Office of Field Operations to secure data for future reviews of these evaluations.

In addition, the Director indicated VSC management implemented a plan requiring VSC staff to print and sign documents to confirm dates in the electronic system are correct. Further, on March 9, 2010, VSC staff received training on properly and accurately processing TBI claims.

**OIG Response** Management comments and actions are responsive to the recommendations.

## 2. Data Integrity

### ***Date of Claim***

VARO staff properly established the correct dates of claim in the electronic record for 30 files reviewed. The date of claim designates when a document is received at a specific VA facility. Generally, VAROs use the date of claim as the effective date for awarding benefits. Further, VBA relies on an accurate date of claim to establish and track a key performance measure that determines the average days to complete a claim.

### ***Notices of Disagreement***

The VARO's Appeals Team did not always process NODs within VBA's 7-day standard. An NOD is a written communication from a claimant expressing dissatisfaction or disagreement with a decision and a desire to contest the decision. The Appeals Team is responsible for timely entering NODs into the Veterans Appeals Control and Locator System (VACOLS). VACOLS is an application that allows VARO staff to control and track a veteran's appeal and manage their pending appeals workload. VBA policy states VARO staff must create a VACOLS record within 7 days of receiving an NOD.

## **Finding      Controls over Notices of Disagreement Need Strengthening**

### ***Notices of Disagreement***

VARO staff exceeded VBA's 7-day standard for 18 (60 percent) of 30 NODs we reviewed. It took staff an average of 19 days to record these 18 NODs into VACOLS. The most untimely action occurred when VARO staff did not create a VACOLS record for 55 days. An NOD is the first step in the appeals process and accurate and timely updating of VACOLS is required to ensure the appeal moves through the appellate process expeditiously.

Management indicated staff were not timely inputting NODs into VACOLS because of a 4-day delay in receiving claim folders from their off-site storage facility and from other teams within the VARO. We determined VARO staff did not utilize all resources available to record NODs in VACOLS within 7 days. Staff could have used Virtual VA to verify previous disability determinations to ensure NODs were accurate and timely recorded in VACOLS. Virtual VA is an electronic claims folder that contains veterans' information and is part of VA's paperless initiative. Using Virtual VA can potentially reduce the 4-day delay.

Although staff can improve NOD timeliness, the station's NODs have been pending completion for approximately 112 days, 91 days better than the national average of 203 days for the period of October 2009–January 2010. Management stated their emphasis was on the overall timeliness of finalizing appeals rather than establishing NODs into VACOLS within VBA's 7-day standard.

Untimely VARO recording of NODs in VACOLS affects data integrity and misrepresents VARO performance. Data integrity issues make it difficult for VARO and senior VBA leadership to accurately measure and monitor regional office performance. A delay in recording NODs into VACOLS understates the total inventory of pending NODs, thus misrepresenting national performance measures.

**Recommendation** 4. *We recommend the Muskogee VA Regional Office Director develop and implement a plan to establish Notices of Disagreement in the Veterans Appeals Control and Locator System within the Veterans Benefits Administration's 7-day standard.*

**Management Comments** The VARO Director concurred with our recommendation and VSC employees are now required to enter NODs into VACOLS on a daily basis. The Director also indicated VSC staff was not aware of any recurring instances where it takes 4 days to receive claim folder from off-site storage.

**OIG Response** Management comments and actions are responsive to the recommendation. A supervisor in the Appeals Team informed us it takes approximately 4 days from the time the NOD is date stamped until the Appeals Team receives the claims folder and NOD.

### 3. Management Controls

**Systematic Analysis of Operations** Muskogee VARO management followed VBA policies by timely and accurately completing all 12 required Systematic Analysis of Operations (SAOs). Further, all SAOs that identified existing or potential problems also made appropriate recommendations for improvement.

**Systematic Technical Accuracy Review** Staff adhered to VBA policies to address errors identified by VBA's STAR program staff by taking corrective actions on all 12 errors identified. VARO management developed a best practice process to ensure staff correct STAR errors. Each error is controlled by an end product and a special electronic identifier, also known as a special issue flash, in the Veterans Operations Report system. This electronic tracking method allows management to monitor each error and contributes to the station's ability to ensure staff promptly corrects these errors.

### 4. Information Security

**Mail Handling Procedures** Muskogee VARO management followed VBA policies by ensuring the accurate and timely processing of mail. VARO mailroom staff followed VBA policy regarding the processing of mail to other divisions within the VARO. In addition, the Triage Team followed policy as mail was controlled, processed, and routed to the appropriate locations within the VARO timely and accurately.

Effective mail management is crucial to the success and control of workflow within the VSC. The VARO has created an extensive training program for Triage employees who process mail. This includes a 100 percent review of all completed work until each employee exceeds local performance standards for quality. This training has had a positive impact on their overall mail handling performance.

## **5. Public Contact**

The OIG inspection team reviewed incompetency determinations to ensure the VARO accurately and timely completed decisions involving a beneficiary's ability to manage their affairs, including VA benefits. VA must consider the competency of beneficiaries in every case involving a mental health condition that is totally disabling or when evidence raises question as to a beneficiary's mental capacity to manage their affairs.

### **Finding      Controls over Incompetency Determinations Need Strengthening**

#### ***Incompetency Determinations***

The VARO completed action on 56 incompetency determinations during October–December 2009. Of the 30 reviewed, staff unnecessarily delayed making final decisions in 7 (23 percent) of the cases. These delays ranged from approximately 1 to 4 months. All seven resulted in an increased risk because incompetent beneficiaries continued to receive benefits payments without a fiduciary to manage their benefits and ensure the welfare of the beneficiary.

VBA policy requires staff to prepare a decision proposing a finding of incompetency after receiving clear and convincing medical evidence the beneficiary is incapable of managing their affairs. Prior to making a final decision, policy allows a 65-day due process period for the beneficiary to submit evidence showing they are capable of handling funds and managing their affairs. At the end of the due process period, VARO staff must take immediate action to determine if the beneficiary is incompetent.

In the absence of a definition of “immediate,” we allowed 14 calendar days after the due process period in determining if staff were timely in completing the competency decision. We considered this period is reasonable if staff use available computer applications to control and prioritize these types of cases to complete the final decision. Any delays in completing competency decisions increase the risk that incompetent beneficiaries mishandle VA benefits.

In the most significant case, VARO staff unnecessarily delayed making a final incompetency decision for a veteran for approximately 4 months. During this period, the veteran received disability payments of

\$12,822. While the veteran was entitled to these payments, fiduciary stewardship was not in place to provide effective management of funds nor to ensure the welfare of the veteran.

VARO management understood VBA's policy to immediately process final incompetency determinations. Despite management's understanding, the station's workload management plan did not include procedures to ensure the immediate completion of these decisions. Instead, supervisors would send e-mails to RVSRs approximately 80 days after the due process period reminding them to complete the determinations. As a result, incompetent beneficiaries received benefits payments for an extended period in spite of being incapable of managing these funds effectively.

**Recommendation** 5. *We recommend the Muskogee VA Regional Office Director develop and implement a plan to ensure timely completion of cases requiring a final competency decision.*

**Management Comments** The VARO Director concurred with our recommendation and implemented procedures that require a supervisor to review weekly reports and identify incompetency determinations ready for a final decision. The Director also established a goal for completing competency determinations within two weeks of the expiration of the due process period.

**OIG Response** Management comments and actions are responsive to our recommendation. We agree with the Director that VBA policy does not provide a 14-day standard to complete cases requiring a final competency decision. However, we informed management of the 14-day standard we applied during our review. VARO management stated the IG was being more than fair by using this timeframe as the fiduciary program as a whole is a sensitive and high profile area and "immediate" would be unrealistic.

## Appendix A VARO Profile and Scope of Inspection

### Organization

The Muskogee VARO is responsible for delivering non-medical VA benefits and services to veterans and their families. They fulfill these responsibilities through the administration of compensation benefits, Vocational Rehabilitation and Employment Assistance, Guaranty and Indemnity Home Loans, and Outreach activities. The Muskogee VARO also has a National Direct Deposit Call Center, a National Education Call Center, and a National Call Center.

### Resources

As of September 26, 2009, the Muskogee VARO had a staffing level of 1,134 Full-Time Employees. Of the 1,134 Full-Time Employees, 258 (23 percent) were assigned to the Veterans Service Center.

### Workload

As of December 2009, the VARO reported 7,594 pending compensation claims took an average of 115.4 days to complete—approximately 42.7 days better than the national target of 158.1 days. Accuracy for compensation rating-related issues, as reported by STAR, was 88.5 percent or 1.5 percent below the VBA target of 90 percent. Accuracy for compensation authorization-related issues, as reported by STAR, was 100 percent or 4 percent above the VBA target of 96 percent.

### Scope

We reviewed selected management controls, benefits claims processing, and administrative activities to evaluate compliance with VBA policies as they related to benefits delivery and non-medical services provided to veterans and other beneficiaries. We interviewed managers and employees, and reviewed veterans' claims folders.

The review of fiduciary adjustments and disability claims processing for PTSD, TBI, disabilities related to herbicide exposure, and errors identified by VBA's STAR covered the period October–December 2009.

For temporary 100 percent disability evaluations, we selected all 117 existing claims from VBA's Corporate Database. These temporary evaluations were not specific to the period October–December 2009 because VARO staff would have processed too few claims for us to provide an objective summary of this work. The 117 claims represent all instances in which VARO staff paid a temporary 100 percent evaluation for 18 months or longer. From these 117, we selected a random sample of 30 claims for our review. We provided the VARO with the remaining 88 claims to assist with implementing recommendation number one.

For our review of claim dates and NODs, we selected claims and NODs pending within the VARO at the time of our inspection. We completed our review in accordance with the President's Council for Integrity and Efficiency's *Quality Standards for Inspections*.

## **Appendix B   VARO Director's Comments**

**Department of  
Veterans Affairs**

# **MEMORANDUM**

**Date:**    April 14, 2010

**From:**    Director, VA Regional Office Muskogee

**Subject:**   Inspection of VARO Muskogee, OK

**To:**        Assistant Inspector General for Audits and Evaluations (52)

1. Attached are Muskogee VARO's comments on the OIG Draft Report: Inspection of VARO Muskogee.
2. Questions may be referred to Linda LoPinto, 918 781 7500.

*(original signed by:)*  
SAMUEL D. JARVIS  
Director

Attachment

## **IG Recommendations:**

**Recommendation 1: We recommend the Muskogee VA Regional Office Director conduct a review of all temporary 100 percent evaluations under the regional office's jurisdiction to determine if reevaluations are required and take appropriate action.**

RO Comments: Concur, in part.

Based on the OIG's audits of temporary 100% evaluations in several ROs nationwide, a problem was identified with future exam controls. C&P Service issued guidance in C&P Bulletin dated November 2009, which advised stations of proper system input for these types of cases.

The VSC is taking action on all cases identified during the OIG visit of February 2010. During the exit briefing, we requested that the OIG provide us with a listing of the remaining universe of temporary 100% evaluation claims where action may be necessary. The OIG provided the VSC with the list on March 8, 2010. As appropriate, end products (EPs) have been established and exams requested on all files where our review has disclosed that further action is required. We completed our review on March 23, 2010, with the exception of 4 cases, which have been requested from other locations.

Lastly, since the VSC currently does not have the capability in local systems to specifically identify cases with temporary 100% evaluations and no Chapter 35 entitlement established, the RO Director has requested the assistance of the Central Area Director and OFO to secure data runs for all ROs to review annually.

**Recommendation 2: We recommend the Muskogee VA Regional Office Director strengthen controls for correctly establishing future examination dates and establish a mechanism for monitoring future examinations for temporary 100 percent evaluations.**

RO Comments: Concur.

The Regional Office took steps while VAOIG was on station to strengthen this area. The 12 claims identified in the report were cases where a future exam was noted on the rating, however because no award action was required, we did not input the future exam date. Consequently, VSRs are now required to make a print of the system screen documenting the future exam has been input into the system. The screen print is signed by the VSR and SVSR as confirmation the system is correct.



The Muskogee RO has a history of being proactive in this area. Over the years, the office has initiated requests from PA&I of cases where the rating had a routine future noted, but no future examination was pending in the system. Muskogee operated in this manner until such time as the office determined the issue had been resolved.

**Recommendation 3: We recommend the Muskogee VA Regional Office Director provide training to enhance rating skills for claims related to residual disabilities from traumatic brain injury.**

RO Comments: Concur.

The Muskogee RO completed TBI training on November 3, 2008, three months prior to the issuance of TBI Training Letter 09-01 on January 21, 2009.

The Veterans Service Center (VSC) SharePoint site stores all VARO training information in a centralized, paperless location/environment for its employees. Within this venue, VSC employees can access a wide variety of TBI information, including both historical and current references and resources.

Although, VSC employees have a myriad of training materials available to properly and accurately process TBI claims, the Muskogee RO concurs that formalized and detailed training should have been presented to VSC employees subsequent to TL 09-01. Training was completed March 9, 2010.

**Recommendation 4: We recommend the Muskogee VA Regional Office Director develop and implement a plan to establish Notices of Disagreement in the Veterans Appeals Control and Locator System within the Veterans Benefits Administration's 7-day standard.**

RO Comments: Concur.

Muskogee VSC employees have been instructed to enter NOD's into the VACOLS Tracking System on a daily basis. While the data reflects a portion of these were input into the system outside of the 7 days, this should not be viewed as though a plan did not exist or as an intent to misrepresent performance. When NODs are identified, the VSC will ensure action is taken immediately regardless of the age of the NOD. Our intent is to accurately document our performance.

The Muskogee VSC has been proactive in our attempts to document NODs in VACOLS. VSC employees already enter NODs into VACOLS using Virtual VA when the file is routed to the Pre-Determination Team for a new issue and will continue to do so. At the VAOIG exit briefing, the inspection

team cited a best practice in which the Claims Assistants on the Triage Team also make copies of the NODs and Form 9s and submit them to the Appeals team when new issues are claimed and the file goes to the Pre-Determination Team. This practice was undertaken as another attempt to timely control this work.

Also, the IG Report states the Muskogee RO staff indicated there was a 4-day delay in receiving claims folders from their off-site storage. The IG concluded this delay was a reason for the untimely input of NODs into VACOLS. The Muskogee VSC is not aware of any recurring instances where it takes 4 days to receive claim folders from off-site storage. There are multiple daily file runs between the two buildings and claim folders are generally received in the Appeals Team within 2 days.

**Recommendation 5: We recommend the Muskogee VA Regional Office Director develop and implement a plan to ensure timely completion of cases requiring a final competency decision.**

RO Comments: Concur, in part.

With few exceptions, the Muskogee VARO believes competency decisions are accurate and completed in accordance with the manual guidelines. In addition, the station's workload management plan does include procedures to ensure the immediate completion of decisions on all cases, including those involving incompetency.

The coach of the Post-determination team now runs a VETSNET operation report using the claim label of competency. This report is reviewed on a weekly basis. Identified files are sent to the Rating team on the 65th day, once the due process period has expired. A follow-up e-mail is sent to the RVSR or VSR if the file becomes 75 days old. We are not amending the VSC workload management plan. The goal is for all competency cases to be completed within two weeks of the expiration of the due process period.

Guidance for procedures regarding the compensation workload is established and defined by the Compensation and Pension Service. The VAOIG has interpreted "immediate" as 14 days. This timeline is not found in any official VA procedural guidance.

While the OIG survey team did identify seven cases that exceeded their desired "14-Day Standard," the Muskogee VSC has demonstrated an outstanding history in the management of fiduciary cases, as a whole, and will continue to do so.

## Appendix C Inspection Summary

10 Operational Activities Inspected	Criteria	Reasonable Assurance of Compliance	
		Yes	No
Claims Processing			
1. 100 Percent Disability Evaluations	Determine if VARO staff properly reviewed temporary 100 percent disability evaluations. (38 CFR 3.103(b)) (38 CFR 3.105(e)) (38 CFR 3.327) (M21-1MR Part IV, Subpart ii, Chapter 2, Section J) (M21-1MR Part III, Subpart iv, Chapter 3, Section C.17.e)		X
2. Post-Traumatic Stress Disorder	Determine whether VARO staff properly processed claims for PTSD. (38 CFR 3.304(f))	X	
3. Traumatic Brain Injury	Determine whether service connection for all residual disabilities related to an in-service TBI were properly processed. (Fast Letters 08-34 and 08-36, Training Letter 09-01)		X
4. Disabilities Related to Herbicide Exposure	Determine whether VARO staff properly processed claims for service connection for disabilities related to herbicide exposure (Agent Orange). (38 CFR 3.309) (Fast letter 02-33) (M21-1MR Part IV, Subpart ii, Chapter 2, Section C.10)	X	
Data Integrity			
5. Date of Claim	Determine if VARO staff properly recorded the correct date of claim in the electronic records. (M21-1MR, Part III, Subpart ii, Chapter 1, Section C)	X	
6. Notices of Disagreement	Determine if VARO staff properly entered NODs into VACOLS. (M21-1MR Part I, Chapter 5)		X
Management Controls			
7. Systematic Analysis of Operations	Determine if VARO staff properly performed a formal analysis of their operations through completion of SAOs. (M21-4, Chapter 5)	X	
8. Systematic Technical Accuracy Review	Determine if VARO staff properly corrected STAR errors in accordance with VBA policy. (M21-4, Chapter 3, Subchapter II, 3.03)	X	
Information Security			
9. Mail Handling Procedures	Determine if VARO staff properly followed VBA mail handling procedures. (M23-1) (M21-4, Chapter 4) (M21-1MR Part III, Subpart ii, Chapters 1 and 4)	X	
Public Contact			
10. Incompetency Determinations	Determine if VAROs properly assessed beneficiaries’ mental capacity to handle VA benefit payments. (M21-1MR Part III, Subpart v, Chapter 9, Section A) (M21-1MR Part III, Subpart v, Chapter 9, Section B) (Fast Letter 09-08)		X

## **Appendix D    OIG Contact and Staff Acknowledgments**

OIG Contact	Brent Arronte (727) 395-2425
Acknowledgments	Danny Clay Kristine Abramo Brett Byrd Kelly Crawford Kerri Leggiero-Yglesias Lisa Van Haeren

## **Appendix E    Report Distribution**

### **VA Distribution**

Office of the Secretary  
Veterans Benefits Administration  
Assistant Secretaries  
Office of General Counsel  
VBA Central Area Director  
VARO Muskogee Director

### **Non-VA Distribution**

House Committee on Veterans' Affairs  
House Appropriations Subcommittee on Military Construction, Veterans  
Affairs, and Related Agencies  
House Committee on Oversight and Government Reform  
Senate Committee on Veterans' Affairs  
Senate Appropriations Subcommittee on Military Construction, Veterans  
Affairs, and Related Agencies  
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Government Accountability Office  
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U.S. Senate: Tom Coburn, James M. Inhofe  
U.S. House of Representatives: Dan Boren, Tom Cole, Mary Fallin, Frank  
Lucas, John Sullivan

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