

VA Office of Inspector General

OFFICE OF AUDITS AND EVALUATIONS



Veterans Benefits Administration

*Inspection of
VA Regional Office
Wichita, Kansas*

August 26, 2015
15-01290-435

ACRONYMS

OIG	Office of Inspector General
RVSR	Rating Veterans Service Representative
SMC	Special Monthly Compensation
TBI	Traumatic Brain Injury
VARO	Veterans Affairs Regional Office
VBA	Veterans Benefits Administration
VSC	Veterans Service Center

To Report Suspected Wrongdoing in VA Programs and Operations:

Telephone: 1-800-488-8244

Email: vaoighotline@va.gov

(Hotline Information: www.va.gov/oig/hotline)



Report Highlights: Inspection of the VA Regional Office, Wichita, KS

Why We Did This Review

The Veterans Benefits Administration has 56 VA Regional Offices (VAROs) and a Veterans Service Center in Wyoming, that process disability claims and provide services to veterans. In February 2015, we evaluated the Wichita VARO to see how well it accomplishes this mission. We sampled claims we considered at increased risk of processing errors. These results do not represent the overall accuracy of all disability claims processing at this VARO.

What We Found

The Wichita VARO did not accurately process two of the three types of disability claims we reviewed. Overall, 12 of the 72 (17 percent) claims reviewed contained processing inaccuracies that resulted in approximately \$73,700 in improper payments paid from February 2011 until December 2014. During this benefits inspection, VARO staff incorrectly processed 8 of 30 temporary 100 percent disability evaluations we sampled.

These results show improvement from our previous inspection in 2012 where 16 of the 30 cases sampled contained processing inaccuracies. Results from our current inspection also showed claims processing staff accurately processed 29 of the 30 traumatic brain injury (TBI) claims we sampled—a significant improvement from our 2012 inspection, where half of the samples cases contained errors. As such, determined the VARO's actions in response

to our previous recommendations were effective. However, VARO staff did not accurately process 3 of the 12 claims for Special Monthly Compensation (SMC) and ancillary benefits that VARO staff completed during Fiscal Year 2014.

Further, VARO staff accurately established claims in the electronic record the 30 claims we reviewed. However, VARO staff did not timely or accurately complete 17 of the 30 proposed benefits reduction cases.

What We Recommended

We recommended the Wichita VARO Director conduct a review the 130 temporary 100 percent disability evaluations remaining from our inspection universe, and strengthen the station's second-signature review for SMC claims. The Director should also ensure staff prioritize benefits reduction cases to minimize improper benefits payments to veterans.

Agency Comments

The Director of the Wichita VARO concurred with all recommendations. The Director's planned corrective actions are responsive. We will follow up as required.

A handwritten signature in black ink that reads "Brent E. Arronte".

Brent E. Arronte
Deputy Assistant Inspector General for
Audits and Evaluations

TABLE OF CONTENTS

Introduction.....	1
Results and Recommendations	2
I. Disability Claims Processing	2
Finding 1 Wichita VARO Needs to Improve the Processing of Two Types of Disability Claims	2
Recommendations	9
II. Data Integrity.....	11
III. Management Controls	12
Finding 2 Wichita VARO Lacked Oversight To Ensure Timely Action on Benefits Reductions	12
Recommendation.....	13
Appendix A VARO Profile and Scope of Inspection.....	15
Appendix B Inspection Summary.....	17
Appendix C VARO Director’s Comments.....	18
Appendix D OIG Contact and Staff Acknowledgments.....	20
Appendix E Report Distribution	21

INTRODUCTION

Objective

The Benefits Inspection Program is part of the Office of Inspector General's (OIG) efforts to ensure our nation's veterans receive timely and accurate benefits and services. The Benefits Inspection Divisions contribute to improved management of benefits processing activities and veterans' services by conducting onsite inspections at VA Regional Offices (VAROs). These independent inspections provide recurring oversight focused on disability compensation claims processing and the performance of Veterans Service Center (VSC) operations. The objectives of the inspections are to:

- Evaluate how well VAROs are accomplishing their mission of providing veterans with access to high-quality benefits and services.
- Determine whether 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.

We provide this information to help the VARO make procedural improvements to ensure enhanced stewardship of financial benefits. We do not provide this information to require the VARO to adjust specific veterans' benefits. Processing any adjustments per this review is clearly a Veterans Benefits Administration (VBA) program management decision.

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

Other Information

- Appendix A includes details on the Wichita VARO and the scope of our inspection.
- Appendix B outlines criteria we used to evaluate each operational activity and a summary of our inspection results.
- Appendix C provides the Wichita VARO Director's comments on a draft of this report.

RESULTS AND RECOMMENDATIONS

I. Disability Claims Processing

Claims Processing Accuracy

The OIG Benefits Inspection team focused on evaluating the accuracy in processing the following three types of disability claims and determined their effect on veterans’ benefits:

- Temporary 100 percent disability evaluations,
- Traumatic brain injury (TBI) claims,
- Special monthly compensation (SMC) and ancillary benefits.

We sampled claims related only to specific medical conditions that we considered at higher risk of processing errors. As a result, the errors identified do not represent the universe of disability claims or the overall accuracy rate at this VARO.

Finding 1

Wichita VARO Needs To Improve the Processing of Two Types of Disability Claims

The Wichita VARO did not consistently process temporary 100 percent disability evaluations or entitlement to SMC and ancillary benefits accurately. At the time of our inspection in December 2014, VARO staff incorrectly processed 12 of the total 72 disability claims we sampled. As a result, 6 veterans received 75 improper monthly payments totaling approximately \$73,703.

Table 1. Wichita VARO Disability Claims Processing Accuracy for Three High-Risk Claims Processing Areas

Type of Claim	Claims Reviewed	Claims Inaccurately Processed: Affecting Veterans’ Benefits	Claims Inaccurately Processed: Potential To Affect Veterans’ Benefits	Claims Inaccurately Processed: Total
Temporary 100 Percent Disability Evaluations	30	5	3	8
TBI Claims	30	1	0	1
SMC and Ancillary Benefits	12	0	3	3
Total	72	6	6	12

Source: VA OIG analysis of VBA’s temporary 100 percent disability evaluations paid at least 18 months, TBI disability claims completed from April 1, 2014, through September 30, 2014, and SMC and ancillary benefits claims completed from October 1, 2013, through September 30, 2014.

**Temporary
100 Percent
Disability
Evaluations**

VARO staff incorrectly processed 8 of 30 temporary 100 percent disability evaluations we reviewed. VBA policy requires a temporary 100 percent disability evaluation for a veteran's service-connected disability following a surgery or when specific treatment is needed. At the end of a mandated period of convalescence or treatment, VARO staff must request a follow-up medical examination to help determine whether to continue the veteran's 100 percent disability evaluation.

For temporary 100 percent disability evaluations, VSC staff must input suspense diaries in VBA's electronic system. A suspense diary is a processing command that establishes a date when VSC staff must schedule a reexamination. As a suspense diary matures, the electronic system generates a reminder notification to alert VSC staff to schedule the medical reexamination. VSC staff then have 30 days to process the reminder notification by establishing the appropriate control to initiate action.

When the VARO obtains evidence that a lower disability evaluation would result in a reduction or discontinuance of current compensation payments, VSC staff must inform the beneficiary of the proposed reduction in benefits. In order to provide beneficiaries due process, VBA allows 60 days for the veteran to submit additional evidence to show that compensation payments should continue at their present level. On the 65th day following due process notification, action is required to reduce the evaluation and thereby minimize overpayments.

Without effective management of these temporary 100 percent disability ratings, VBA is at an increased risk of paying inaccurate financial benefits. Available medical evidence showed 5 of the 8 processing errors we identified affected veterans' benefits and resulted in 70 improper monthly payments to 5 veterans. Improper payments totaled approximately \$67,984 and occurred from February 2011 to December 2014. Details on the five errors affecting benefits follow.

- A Rating Veterans Service Representative (RVSR) used an incorrect date for re-establishing benefits for a temporary 100 percent disability evaluation. As a result, the veteran was overpaid approximately \$27,879 over a period of 11 months. This was the most significant overpayment we identified.

- VARO staff did not establish or maintain a suspense diary in the electronic record as required; thus, the system did not generate a reminder notification to schedule the medical reexamination. As a result, the veteran was overpaid approximately \$15,296 over a period of 3 years and 10 months.
- Three errors occurred when VARO staff did not timely reduce benefits after receiving medical evidence that showed the veterans' conditions no longer supported the temporary 100 percent disability evaluations. As a result, the following improper payments were made:
 - One veteran was overpaid approximately \$13,684 over a period of 6 months.
 - Another veteran was overpaid approximately \$9,008 over a period of 6 months.
 - In the final case, a veteran was overpaid approximately \$2,116 over a period of 1 month.

The errors in the remaining three cases did not affect the veterans' overall disability evaluations at the time of our file review in December 2014. However, if left uncorrected the errors have the potential to affect future benefits payments. Following are details on the three errors.

- VARO staff did not timely reduce benefits after receiving medical evidence that showed the veteran's condition no longer supported the temporary 100 percent disability evaluation. The expiration of the due process period occurred after our file review.
- VARO staff delayed scheduling a required VA medical reexamination despite receiving a reminder notification that the reexamination was due. We could not determine whether the temporary 100 percent disability evaluation should continue because the veteran's claims folder did not contain the medical reexamination report needed to reevaluate the case. As of December 2014, approximately 2 months had elapsed from the time the reminder notification generated to schedule the reexamination.
- An RVSR incorrectly continued a temporary 100 percent disability evaluation for chronic lymphocytic leukemia; however, this condition warranted a permanent 100 percent disability evaluation. In this case, the RVSR did not establish entitlement to the additional benefit of Dependents' Educational Assistance as required by VBA policy.

The majority of the processing inaccuracies occurred when VARO staff delayed finalizing benefits reductions after receiving evidence that veterans' conditions had improved. Delays averaged 3 months from the time staff should have reduced the benefits and were the result of VARO management not prioritizing this workload. VARO management agreed with our assessments in all eight cases.

Interviews with VARO management revealed that the delays reducing benefits for temporary 100 percent disability evaluations occurred because other claims processing activities had higher priority. VARO management stated it focused on reducing the inventory of rating compensation claims to meet the national goal of processing these types of claims within 125 days. We provided VARO management with 130 claims remaining from our universe of 160 after completing our sample review of 30 claims for its review to determine whether similar action is required.

*Follow-Up to
Prior VA OIG
Inspection*

In our previous report, *Inspection of the VA Regional Office, Wichita, Kansas* (Report No. 12-00249-266, September 5, 2012), VARO staff incorrectly processed 16 of 30 temporary 100 percent disability evaluations we reviewed. The majority of errors occurred because VARO staff did not establish suspense diaries for future VA medical reexaminations of temporary 100 percent disability evaluations. In response to a recommendation in our report, *Audit of 100 Percent Disability Evaluations* (Report No. 09-03359-71, January 24, 2011), the Acting Under Secretary for Benefits agreed to review all temporary 100 percent disability evaluations and ensure each had a future examination date entered in the electronic record. To assist in implementing the agreed-upon review, we provided the VARO with 122 claims remaining from our universe of 152 temporary 100 percent disability evaluations. As of May 2012, the VARO reported the review of these cases had been completed. As such, we made no specific recommendation for this VARO.

During our February 2015 inspection, we identified one error similar to those reported in September 2012. In fact, the case we identified as missing a suspense diary for a required future examination was included in the 122 cases we provided the VARO for its review. In such cases, temporary 100 percent disability evaluations may continue uninterrupted until VARO staff obtain the medical evidence needed to reevaluate the temporary disabilities. Given this case did not receive the robust review expected, more than \$15,000 in improper benefits payments had been made from February 2011 to December 2014. Additionally, VBA did not identify this case as part of its review of all temporary 100 percent disability evaluations despite a required future examination date had been missing from the electronic record for more than 4 years.

In June 2014, in a follow-up report, we concluded VBA did not take sufficient action to ensure each temporary 100 percent disability evaluation had a future exam date. We estimated that VBA paid over 3,100 veterans almost \$85 million in benefit payments without adequate medical evidence since January 2012.¹ VBA reviewed our findings and reported coding errors prevented its TRAP report from identifying these veterans.² We could not determine why this case was not identified on VBA's TRAP report. We will continue to follow up on future inspections to ensure cases missing required future reexaminations are identified by VBA's TRAP report.

TBI Claims

The Department of Defense and VBA commonly define a TBI as a traumatically induced structural injury or a physiological disruption of brain function caused by an external force. The major residual disabilities of TBI fall into three main categories—physical, cognitive, and behavioral. VBA policy requires staff to evaluate these residual disabilities. Additionally, VBA policy requires that employees assigned to the appeals team, the special operations team, and the quality review team to complete training on TBI claims processing.

In response to a recommendation in our annual report, *Systemic Issues Reported During Inspections at VA Regional Offices* (Report No. 11-00510-167, May 18, 2011), VBA agreed to develop and implement a strategy for ensuring the accuracy of TBI claims decisions. In May 2011, VBA provided guidance to VARO Directors to implement a policy requiring a second signature on each TBI case an RVSR evaluates until the RVSR demonstrates 90 percent accuracy in TBI claims processing. The policy indicates second-signature reviewers come from the same pool of staff as those used to conduct local station quality reviews.

VARO staff generally processed TBI claims correctly; however, 1 of the 30 cases reviewed was processed incorrectly. In this case, the RVSR erroneously assigned separate evaluations for a TBI and a coexisting mental disorder, even though the medical examiners indicated the symptoms for the two conditions could not be separated. Because the RVSR did not follow VBA's policy to use the symptoms to establish a single disability evaluation, the veteran was overpaid approximately \$5,719 over a period of 5 months. Given the VARO correctly processed 29 of the 30 cases, we determined the VARO staff

¹ *Follow-up Audit of VBA's 100 Percent Disability Evaluations* (Report No.14-01686-185 June 6, 2014).

² The TRAP report identifies temporary 100 percent disability evaluations that do not include a future exam date in VBA's electronic records.

generally followed VBA policy when processing these claims. Therefore, we made no recommendation for improvement in this area.

*Follow-Up to
Prior VA OIG
Inspection*

In our previous report, *Inspection of the VA Regional Office, Wichita, Kansas* (Report No. 12-00249-266, September 5, 2012), we determined 5 of the 10 cases completed by VARO staff contained processing errors. Generally, errors occurred because VSC staff received inadequate training on proper processing of TBI claims. In addition, second-level reviews conducted by VARO staff to ensure accuracy of TBI claims were ineffective. We recommended the Wichita VARO Director provide refresher training and implement a plan to improve effectiveness of second-level reviews in processing TBI. On April 2013, OIG closed all recommendations.

We did not identify any of these errors during this inspection. Given the significant improvement demonstrated by VARO staff when processing TBI claims, we concluded the VARO's actions in response to our prior recommendations were effective.

*Special Monthly
Compensation
and Ancillary
Benefits*

As the concept of rating disabilities evolved, it was realized that for certain types of disabilities, the basic rate of compensation was not sufficient for the level of disability present. Therefore, SMC was established to recognize the severity of certain disabilities or combinations of disabilities by adding an additional compensation to the basic rate of payment. SMC represents payments for "quality of life" issues such as the loss of an eye or limb, or the need to rely on others for daily life activities, like bathing or eating. Generally, VBA grants entitlement to SMC when the following conditions exist:

- Anatomical loss or loss of use of specific organs, sensory functions, or extremities
- Disabilities that render the veteran permanently bedridden or in need of aid and attendance
- Combinations of severe disabilities that significantly affect locomotion
- Existence of multiple, independent disabilities evaluated as 50 to 100 percent disabling

- Existence of multiple disabilities that render the veteran in need of such a degree of special skilled assistance that, without it, the veteran would be permanently confined to a skilled-care nursing home

Ancillary benefits are secondary benefits that VBA staff must consider when evaluating claims for SMC. Examples of ancillary benefits are:

- Dependents' Educational Assistance under title 38 United States Code, chapter 35
- Specially Adapted Housing Grants that allow veterans with certain disabilities, such as amputations or paralysis, to purchase a barrier-free home or to renovate an existing home
- Special Home Adaptation Grants that help blinded veterans or those with upper-extremity handicaps renovate a home
- Automobile and Other Conveyance and Adaptive Equipment Allowance

VBA policy requires staff to address the issues of SMC and ancillary benefits whenever they can grant entitlement. We examined whether VARO staff accurately processed entitlement to SMC and ancillary benefits associated with anatomical loss, loss of use of two or more extremities, or bilateral blindness with visual acuity of 5/200 or worse.

VARO staff incorrectly processed 3 of 12 veterans' claims involving SMC and ancillary benefits completed from October 1, 2013, to September 30, 2014. VARO management concurred with all errors we identified. Summaries of the three errors that had the potential to affect veterans' benefits follow.

- Two errors occurred when RVSRs incorrectly evaluated conditions relating to hospitalization. Although these errors do not affect current benefits payments, inaccurate payments could result if hospitalized at a VA medical facility.
- The remaining case involved an SMC-related ancillary benefit that staff overlooked in a prior rating decision. In that decision, an RVSR failed to grant a blinded veteran entitlement to a Special Housing Adaptation Grant—in FY 2015, this benefit was valued at \$14,093.

Generally, these errors occurred due to a lack of accountability in the VARO's second-signature process. The three cases we identified as having errors contained the required secondary reviews; however, the reviewers also missed the errors. Based on our review and interviews with VARO managers and staff, we concluded the accuracy of the secondary reviews lacked accountability and resulted in less than a

robust review by the secondary reviewers. VARO staff also told us that the annual SMC training program does not assess the trainees' comprehension of the training material and that it offered few hands-on scenarios to practice applying the lessons. As such, the VARO is at risks of making inaccurate payments.

VARO's management directed that all claims for higher-level SMC receive a secondary review from another RVSR for the purpose of indicating review and approval of the decision. However, VARO staff and managers told us RVSRs did not get work credit for conducting the secondary reviews and only received 15 minutes of excluded time to conduct reviews of these complex decisions—providing little incentive to perform thorough reviews.

We determined the local second-signature policy for SMC cases in effect at the time of our review in December 2014 was ineffective because there was no accountability for the accuracy of the reviews. In February 2015, after we concluded our review of SMC claims, Compensation Service notified claims processing staff to follow national guidance when processing claims and individual VAROs should not use local guidance. In April 2015, VBA implemented a national policy that required two signatures on all cases of higher-level SMC.³ Given VBA's national secondary review policy essentially mirrored the local VARO policy; we do not expect improvement in this area will occur without additional management oversight.

Recommendations

1. We recommended the Wichita VA Regional Office Director conduct a review of the 130 temporary 100 percent disability evaluations remaining from our inspection universe as of December 10, 2014, and take appropriate actions.
2. We recommended the Wichita VA Regional Office Director implement a plan to assess the accuracy of secondary reviews involving higher-level Special Monthly Compensation and ancillary benefits.

Management Comments

The VARO Director concurred with our recommendations. The Director reported VARO staff completed its review of the temporary 100 percent disability evaluations OIG provided. The Director also

³ This policy applies to SMC at a rate greater than "L." The rate would include conditions evaluated as more severe than those requiring daily aid and attendance, such as bilateral amputations above the knee.

indicated secondary reviews for higher-level SMC cases had been elevated from RVSR's to Decision Review Officers.

OIG Response

The Director's planned actions are responsive to the recommendations. We will follow up as required.

II. Data Integrity

Dates of Claim

To ensure all claims receive proper attention and timely processing, VBA policy directs staff use the earliest date stamp shown on the claim document as the date of claim. VBA relies on accurate dates of claim to establish and track key performance measures, including the average days to complete a claim. We focused our review on whether VSC staff followed VBA policy for establishing dates of claim in the electronic record.

VARO staff established claims in the electronic records for all 30 veterans' claims we reviewed using correct dates of claims. As such, we determined VARO staff is following VBA policy when establishing claims in the electronic record and made no recommendation for improvement in this area.

III. Management Controls

Benefits Reductions

VBA policy provides for the payment of compensation to veterans for conditions they incurred or aggravated during military service. The amount of monthly compensation to which a veteran is entitled may change because his or her service-connected disability may improve. Improper payments associated with benefits reductions generally occur when beneficiaries receive payments to which they are not entitled because VAROs do not take the actions required to ensure correct payments for the veterans' levels of disability.

When the VARO obtains evidence that a lower disability evaluation would result in a reduction or discontinuance of current compensation payments, VSC staff must inform the beneficiary of the proposed reduction in benefits. In order to provide beneficiaries due process, VBA allows 60 days for the veteran to submit additional evidence to show that compensation payments should continue at their present level. If the VARO does not receive additional evidence within that period, RVSRs will make a final determination to reduce or discontinue the benefit. On the 65th day following due process notification, action is required to reduce the evaluation and thereby minimize overpayments.

On April 3, 2014, VBA leadership modified its policy regarding the processing of claims requiring benefits reductions. The new policy no longer includes the requirement for VARO staff to take "immediate action" to process these reductions. In lieu of merely removing the vague standard, VBA should have provided clearer guidance on prioritizing this work to ensure sound financial stewardship of these monetary benefits.

Finding 2

Wichita VARO Lacked Oversight To Ensure Timely Action on Benefits Reductions

VARO staff delayed processing 15 of 30 cases involving benefits reductions—all affected veterans' benefits. These delays occurred due to a lack of emphasis on timely processing benefits reductions. As a result, VA made 47 improper payments to 15 veterans from March 2014 to December 2014, totaling approximately \$33,500.

Delayed Processing Actions

For the 15 cases with processing delays, an average of 3 months elapsed before staff took the required actions to reduce benefits. The most significant improper payment involved VSC staff proposing to reduce a veteran's benefits in February 2014; however, the final rating decision to discontinue benefits did not occur until August 2014, over 3 months beyond the date when the reduction action

should have occurred. As a result, the veteran received approximately \$7,525 in improper payments.

The VSC manager agreed with the 15 processing delays we identified. Generally, these delays occurred because VARO management did not consider benefits reduction cases a priority. Management stated the priority is to reduce the rating compensation inventory pending over 125 days in an effort to meet VBA's national goal. Because of the processing delays, veterans received erroneous benefits payments.

It is a VBA management responsibility to address this workload management issue, because lack of timely processing has the potential to result in millions of dollars in improper payments. Where VBA lacks sufficient staff to address properly its management responsibilities, it should make its case for an increase in full-time equivalents through the normal budget process. We concluded that providing oversight of benefits reductions is necessary to ensure sound financial stewardship and minimize improper benefits payments.

Accuracy

VARO staff incorrectly processed 2 of 30 cases involving proposed benefits reductions. As a result, VA made three improper payments to two veterans from October 2014 to December 2014, totaling approximately \$1,955. Details on the errors follow.

- In September 2014, VARO staff notified a veteran of a proposed action to discontinue entitlement to individual unemployability and eligibility for Dependents' Educational Assistance. However, at the time of our review, staff had not completed the final decision to discontinue these benefits. Rather, they cleared the electronic control used to track the reduction in the electronic system. As a result, the veteran received approximately \$1,546 in improper payments for 1 month.
- VARO staff prematurely reduced a veteran's benefits 2 months earlier than allowable by VBA policy. As a result, the veteran was underpaid approximately \$409 over a period of 2 months.

Recommendation

3. We recommended the Wichita VA Regional Office Director implement a plan to ensure claims processing staff prioritize actions related to benefits reductions to minimize improper payments to veterans.

Management Comments

The VARO Director concurred with our recommendation. The Director reported developing a plan to ensure staff prioritize the processing of benefit reductions cases after the due process period

expired. The Director also assigned responsibility for benefits reduction cases to the Non-Rating Team.

OIG Response

The Director's planned actions are responsive to the recommendation. We will follow up as required.

Appendix A VARO Profile and Scope of Inspection

Organization	The Wichita VARO administers a variety of services and benefits, including compensation benefits; vocational rehabilitation and employment assistance; fiduciary and guardianship services; and outreach to homeless, elderly, minority, and women veterans.
Resources	As of December 2014, the Wichita VARO reported a staffing level of 105 full-time employees. Of this total, the VSC had 79 employees assigned.
Workload	As of December 2014, VBA reported the Wichita VARO had 3,459 pending compensation claims with 1,537 (44 percent) pending greater than 125 days. ⁴
Scope and Methodology	VBA has 56 VAROs and a VSC in Cheyenne, WY, that process disability claims and provide a range of services to veterans. In February 2015, we evaluated the Wichita VARO to see how well it accomplishes this mission.

We reviewed selected management, claims processing, and administrative activities to evaluate compliance with VBA policies regarding benefits delivery and nonmedical services provided to veterans and other beneficiaries. We interviewed managers and employees and reviewed veterans' claims folders. Prior to conducting our onsite inspection, we coordinated with VA OIG criminal investigators to provide a briefing designed to alert VARO staff to the indicators of fraud in claims processing.

Our review included 30 of 160 temporary 100 percent disability evaluations (19 percent) selected from VBA's Corporate Database. These claims represented all instances in which VARO staff had granted temporary 100 percent disability evaluations for at least 18 months as of December 10, 2014. This is generally the longest period a temporary 100 percent disability evaluation may be assigned without review, according to VBA policy. We provided VARO management with 130 claims remaining from its universe of 160 claims as of December 10, 2014, for review. We reviewed 30 of 98 disability claims related to TBI (31 percent) that the VARO completed from April 1, 2014, through September 30, 2014. We examined 12 of 16 veterans' claims involving entitlement to SMC and related ancillary benefits (75 percent) completed by VARO staff from October 1, 2013, through September 30, 2014.

⁴ All calculated percentages in this report have been rounded where applicable.

We reviewed 30 of 1,397 dates of claims (2 percent) pending at the VARO during the period from July 1, 2014, through September 30, 2014. Additionally, we looked at the 30 of 309 completed claims involving proposed benefits reductions (10 percent) from July 1, 2014, through September 30, 2014.

Data Reliability

We used computer-processed data from the Veterans Service Network's Operations Reports and Awards. To test for reliability, we reviewed the data to determine whether any data were missing from key fields, included any calculation errors, or were outside the time frame requested. We also assessed whether the data contained obvious duplication of records, alphabetic or numeric characters in incorrect fields, or illogical relationships among data elements. Further, we compared veterans' names, file numbers, Social Security numbers, VARO numbers, dates of claim, and decision dates as provided in the data received with information contained in the 132 claims folders we reviewed related to temporary 100 percent disability evaluations, TBI claims, SMC and ancillary benefits, completed claims related to benefits reductions, and dates of claims.

Our testing of the data disclosed that they were sufficiently reliable for our inspection objectives. Our comparison of the data with information contained in the veterans' claims folders reviewed in conjunction with our inspection of the VARO did not disclose any problems with the data.

Inspection Standards

We conducted this inspection in accordance with the Council of the Inspectors General on Integrity and Efficiency's *Quality Standards for Inspection and Evaluation*.

Appendix B Inspection Summary

Table 2 reflects the operational activities inspected, applicable criteria, and whether or not we had reasonable assurance of VARO compliance.

Table 2. Wichita VARO Inspection Summary

Operational Activities Inspected	Criteria	Reasonable Assurance of Compliance
Disability Claims Processing		
Temporary 100 Percent Disability Evaluations	Determine whether VARO staff properly reviewed temporary 100 percent disability evaluations. (38 CFR 3.103(b)), (38 CFR 3.105(e)), (38 CFR 3.327), (M21-1 MR Part IV, Subpart ii, Chapter 2, Section J), (M21-1MR Part III, Subpart iv, Chapter 3, Section C.17.e)	No
Traumatic Brain Injury Claims	Determine whether VARO staff properly processed claims for service connection for all disabilities related to in-service TBI. (FL 08-34 and 08-36), (Training Letter 09-01)	Yes
Special Monthly Compensation and Ancillary Benefits	Determine whether VARO staff properly processed SMC and correctly granted entitlement to ancillary benefits. (38 CFR 3.350, 3.352, 3.807, 3.808, 3.809, 3.809a, 4.63, and 4.64), (M21-1MR IV.ii.2.H and I)	No
Data Integrity		
Dates of Claim	Determine whether VARO staff accurately established dates of claim in the electronic records. (38 CFR 3.1 (p) and (r)), (M21-4, Appendix A and B), (M21-1MR, III.ii.1.C.10.a), (M21-1MR, III.ii.1.B.6 and 7), (M21-1MR, III.ii.2.B.8.f), (M21-1MR, III.i.2.A.2.c), (VBMS User Guide), (M21-4, Chapter 4.07), (M23-1, Part 1, 1.06)	Yes
Management Controls		
Benefits Reductions	Determine whether VARO staff timely and accurately processed disability evaluation reductions or terminations. (38 CFR 3.103(b)(2)), (38 CFR 3.105(e)), (38 CFR 3.501), (M21-1MR.IV.ii.3.A.3.e), (M21-1MR.I.2.B.7.a), (M21-1MR.I.2.C), (M21-1MR.I.ii.2.f), (M21-4, Chapter 2.05(f)(4)), (<i>Compensation & Pension Service Bulletin</i> , October 2010)	No

Source: VA OIG

CFR=Code of Federal Regulations, FL=Fast Letter, M=Manual, MR=Manual Rewrite

Appendix C VARO Director's Comments

Department of Veterans Affairs

Memorandum

Date: July 9, 2015

From: Director, VA Regional Office Wichita, Kansas

Subj: Inspection of the VA Regional Office, Wichita, Kansas

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

1. The Wichita VARO's comments are attached on the OIG Draft Report: Inspection of the VA Regional Office, Wichita, Kansas
2. Please refer questions to Ms. Stacey Bonnett, VSCM, 316-688-6838

(original signed by:)

Karen Townsend

Attachment

WICHITA VA REGIONAL OFFICE (452)
COMMENTS ON OIG DRAFT REPORT

OIG Recommendations:

Recommendation 1: We recommend the Wichita VA Regional Office Director conduct a review of the 130 temporary 100 percent disability evaluations remaining from our inspection universe as of December 10, 2014, and take appropriate action.

Wichita RO Response: Concur

The Wichita Regional Office has completed the review of the remaining 131 temporary 100 percent disability evaluations identified and any necessary actions have been completed.

Recommendation 2: We recommend the Wichita VA Regional Office Director implement a plan to assess the accuracy of secondary reviews involving higher-level Special Monthly Compensation and ancillary benefits.

Wichita RO Response: Concur

The Wichita Regional Office has designated the Decision Review Officers to perform all second level reviews on higher-level Special Monthly Compensation decisions. The Decision Review Officers will be entitled to management referral credit. This will help ensure that the second level review is performed by a subject matter expert and subject to quality review.

Target Completion Date: August 1, 2015.

Recommendation 3: We recommend the Wichita VA Regional Office Director implement a plan to ensure claims processing staff prioritize actions related to benefits reductions to minimize improper payments to veterans.

Wichita RO Response: Concur

The Wichita Regional Office has developed a plan to ensure staff prioritize processing of benefits reductions at the expiration of due process as required. The Workload Management Plan places the responsibility for processing all 600 End Products (EP) on the Non-Rating Team. The EP 600s which require a rating decision are routed to the respective team; Express, Core, or Special Operations, based on the number and type of issues.

Appendix D **OIG Contact and Staff Acknowledgments**

OIG Contact	For more information about this report, please contact the Office of Inspector General at (202) 461-4720.
-------------	---

Acknowledgments	Nora Stokes, Director Kelly Crawford Kyle Flannery Suzanne Love Michelle Santos-Rodriguez Lisa Van Haeren Nelvy Viguera Butler
-----------------	--

Appendix E Report Distribution

VA Distribution

Office of the Secretary
Veterans Benefits Administration
Assistant Secretaries
Office of General Counsel
Veterans Benefits Administration Central Area Director
VA Regional Office Wichita 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
Senate Committee on Homeland Security and Governmental Affairs
National Veterans Service Organizations
Government Accountability Office
Office of Management and Budget
U.S. Senate: Jerry Moran, Pat Roberts
U.S. House of Representatives: Tim Huelskamp, Lynn Jenkins,
Mike Pompeo, Kevin Yoder

This report is available on our Web site at www.va.gov/oig.