

VA Office of Inspector General

OFFICE OF AUDITS AND EVALUATIONS



Veterans Benefits Administration

*Inspection of
the VA Regional Office
San Juan, Puerto Rico*

September 11, 2017
17-02079-328

ACRONYMS

DRO	Decision Review Officer
EP	End Product
FY	Fiscal Year
IPC	Intake Processing Center
NWQ	National Work Queue
OIG	Office of Inspector General
RVSR	Rating Veterans Service Representative
SAH	Specially Adapted Housing
SHA	Special Home Adaptation
SMC	Special Monthly Compensation
TBI	Traumatic Brain Injury
VARO	Veterans Affairs Regional Office
VBA	Veterans Benefits Administration
VSC	Veterans Service Center
VSCM	Veterans Service Center Manager

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Highlights: Inspection of the VARO San Juan, Puerto Rico

Why We Did This Review

In April 2017, we evaluated the San Juan VA Regional Office (VARO) to see how well staff processed disability claims, timely and accurately processed proposed rating reductions, input claims information, and responded to specially controlled correspondence.

What We Found

Claims Processing—San Juan VSC staff did not consistently process one of the two types of disability claims we reviewed. We reviewed 30 of 279 veterans' traumatic brain injury (TBI) claims (11 percent) and found that all 30 claims were accurately processed. Significant improvement was shown compared to our 2013 inspection, when five of the 14 TBI claims contained errors.

We reviewed 23 special monthly compensation (SMC) claims and found that Rating Veterans Service Representatives (RVSR) inaccurately processed four cases (17 percent). The errors occurred because second signature reviews were ineffective. The four cases with errors had the required secondary reviews; however, the reviewers did not identify the errors. Overall, VSC staff accurately processed 49 of the 53 veterans' disability cases (92 percent). The four cases with errors resulted in five improper monthly payments totaling approximately \$4,900.

Proposed Rating Reductions—VSC staff generally processed proposed rating reductions accurately but needed better oversight to ensure claims were completed

at the expiration of the due process period. We reviewed all 16 benefits reduction cases and found that RVSRs delayed completion of four cases (25 percent). These delays resulted in 13 improper monthly payments to two veterans, totaling approximately \$12,300.

Systems Compliance—VSC staff needed to improve the accuracy of information entered into the electronic systems when establishing claims. We reviewed 30 of 541 newly established claims (6 percent) and found that VSC staff entered inaccurate or incomplete claim and claimant information into the electronic systems in 19 cases (63 percent). In general, these errors occurred because VSC staff responsible for establishing claims were inexperienced and lacked training on the proper procedures needed for establishing claims while adhering to systems compliance requirements.

Special Controlled Correspondence—Between December 1, 2016 and February 28, 2017, the VARO responded to only one inquiry requiring special controlled correspondence. We determined that VSC staff accurately and thoroughly responded to the inquiry. However, staff did not establish the correct date of claim or maintain adequate control in the electronic system for the inquiry reviewed. It took VSC staff 59 days to provide the final response.

What We Recommended

We recommended the VARO Director develop and implement a plan to ensure secondary reviewers accurately evaluate

higher-level SMC and ancillary benefits claims, implement a plan to ensure all claims processing staff receive additional training on claims establishment procedures, and monitor the effectiveness of that training.

Agency Comments

The VARO Director concurred with our recommendations. Management's planned actions are responsive and we will follow up as required.

A handwritten signature in blue ink that reads "Larry M. Reinkemeyer". The signature is written in a cursive style with a large initial "L".

LARRY M. REINKEMEYER
Assistant Inspector General
for Audits and Evaluations

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INTRODUCTION

Objectives

The Benefits Inspection Program is part of the VA Office of Inspector General's efforts to ensure our nation's veterans receive timely and accurate benefits and services. We conduct onsite inspections at randomly selected VA Regional Offices (VARO) to assess their effectiveness. In FY 2017, we looked at four mission-critical operations—Disability Claims Processing, Management Controls, Data Integrity, and Public Contact. We identify key objectives and risks within each operation or VARO program responsibility. In FY 2017, our objectives are to assess the VARO's effectiveness in:

- Disability claims processing by determining whether Veterans Service Center (VSC) staff accurately processed traumatic brain injury (TBI) claims and claims related to special monthly compensation (SMC) and ancillary benefits
- Management controls by determining whether VSC staff timely and accurately processed proposed rating reductions
- Data integrity by determining whether VSC staff accurately input claim and claimant information into the electronic systems at the time of claims establishment
- Public contact by determining whether VSC staff timely and accurately processed special controlled correspondence

When we identify potential procedural inaccuracies, we provide this information to help the VARO understand the procedural improvements it can make for enhanced stewardship of financial benefits. Errors that affect benefits have a measurable monetary impact on veterans' benefits. Errors that have the potential to affect benefits are those that either had no immediate effect on benefits or had insufficient evidence to determine the effect to benefits.

San Juan VA Regional Office

As of March 2017, the San Juan VARO reported a staffing level of 200 full-time employees, one more than the authorized amount of 199 employees. Of this total, the VSC had 129 employees assigned, 11 more than the authorized amount of 118 employees. In FY 2016, VBA reported the San Juan VARO completed 11,299 compensation claims, averaging 4.8 issues¹ per claim.

¹ Under M21-1 Adjudication Procedures Manual, Part III, Subpart iv, Chapter 6, Section B, *Determining the Issues*, "issues" are disabilities and benefits.

RESULTS AND RECOMMENDATIONS

I. Disability Claims Processing

Finding 1 **San Juan VSC Staff Generally Processed TBI Claims Correctly But Needed To Improve Accuracy of Claims Related to SMC and Ancillary Benefits**

San Juan VSC staff processed TBI-related claims correctly. However, VSC staff did not always accurately process entitlement to SMC and ancillary benefits. Overall, VSC staff correctly processed 49 of 53 veterans' disability cases we reviewed (92 percent). Generally, errors occurred because second signature reviews were ineffective. While all four SMC cases with errors had secondary reviews, none of the reviewers were able to identify the errors resulting in five improper monthly payments to two veterans, totaling approximately \$4,900² as of March 2017.

Table 1 reflects the errors affecting, or with the potential to affect, veterans' benefits processed at the San Juan VARO. We sampled claims related only to specific conditions we considered at higher risk of processing errors. As a result, the errors identified do not represent the complete universe of claims or the overall accuracy rate at this VARO.

Table 1. San Juan VARO Disability Claims Processing Accuracy

		Veterans' Claims Inaccurately Processed		
Type of Claim	Reviewed	Affecting Veterans' Benefits	Potential To Affect Veterans' Benefits	Total
TBI	30	0	0	0
SMC and Ancillary Benefits	23	2	2	4
Total	53	2	2	4

Source: VA OIG analysis of VBA's TBI disability claims completed from September 2016 through February 2017; and SMC and ancillary benefits claims completed from March 2016 through February 2017 obtained from VBA's corporate database.

VBA Policy Related to TBI Claims

VBA defines 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

² All calculations in this report have been rounded when applicable.

residual disabilities. Decision Review Officers (DRO) and Rating Veterans Service Representatives (RVSR) who have completed the required TBI training must process all decisions in which TBI is an issue. Rating decisions for TBI require two signatures until the decision-maker achieves an accuracy rate of 90 percent or greater based on the VARO's review of at least 10 TBI decisions.³

VBA policy requires that one of the following specialists make the initial diagnosis of TBI: physiatrist, psychiatrist, neurosurgeon, or neurologist. A generalist who has successfully completed the required TBI training may conduct a TBI examination if the diagnosis is of record and was established by one of the aforementioned specialists.⁴

Review of TBI Claims

We randomly selected and reviewed 30 of 279 veterans' TBI claims (11 percent) completed from September 1, 2016 through February 28, 2017 to determine if VSC staff processed them according to VBA policy. For example, we reviewed the qualifications of the medical examiners to ensure compliance with VBA policy. We determined that RVSRs correctly processed the 30 TBI claims we reviewed. Our review of initial TBI examinations also found no improper diagnoses of TBI.

Previous OIG Inspection Results

In our previous report, *Inspection of VA Regional Office, San Juan, Puerto Rico* (Report No. 13-00586-228, July 12, 2013), we determined that VSC staff incorrectly processed five of 14 TBI claims. The majority of errors were due to inadequate oversight of quality review procedures by VARO management. We did not identify similar errors during this inspection. Given the significant improvement demonstrated by RVSRs when processing TBI claims, we concluded the VARO's actions in response to our prior recommendations were effective.

VBA Policy Related to SMC and Ancillary Benefits

VBA assigns SMC to recognize the severity of certain disabilities or combinations of disabilities by adding an additional compensation to the basic rate of payment when the basic rate is not sufficient for the level of disability present. 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.

Ancillary benefits are benefits considered when evaluating claims for compensation and include eligibility for educational, automobile, and housing benefits.⁵ Specially Adapted Housing (SAH) and Special Home Adaptation (SHA) are two grants administered by VA to assist seriously disabled veterans in adapting housing to their needs. An eligible veteran may receive an SAH grant of not more than 50 percent of the purchase price

³ M21-1 Adjudication Procedures Manual, Part III, Subpart iv, Chapter 4, Section G, Topic 2, *TBI*.

⁴ *Ibid.*, Chapter 3, Section D, Topic 2, *Examination Report Requirements*.

⁵ 38 CFR, Part 3 – Adjudication, (§3.807, §3.808, §3.809).

of a specially adapted house, up to the maximum allowable by law.⁶ VBA policy requires staff to address the issues of SMC and ancillary benefits whenever they can grant entitlement.⁷ VBA policy also states that all rating decisions involving SMC above a specified level require a second signature.⁸

In our report, *Review of Special Monthly Compensation Housebound Benefits* (Report No. 15-02707-277, September 29, 2016), we reviewed SMC housebound benefits. Our current benefits inspection reports reviewed a higher level of SMC that included those payment rates related to disabilities such as loss of limbs, loss of eyesight, and paralysis. These two reviews do not overlap because this review involved different types of SMC that cannot be granted simultaneously with SMC housebound benefits.

**Review of
SMC and
Ancillary
Benefit Claims**

We reviewed all 23 veterans' claims involving entitlement to SMC and related ancillary benefits completed by VSC staff from March 1, 2016 through February 28, 2017. We examined whether VSC staff accurately processed entitlement to SMC and ancillary benefits associated with amputations, the loss of use of two or more extremities, or bilateral blindness with visual acuity of 5/200 or worse.⁹ In addition, we reviewed the claims to determine the effectiveness of the secondary reviews. VSC management designated a DRO to conduct secondary reviews of claims involving higher levels of SMC. We determined that four of 23 veterans' claims (17 percent) contained errors—two of the errors affected veterans' benefits and resulted in improper payments totaling approximately \$4,900. These errors represented five monthly improper payments from February through July 2016. The remaining two errors had the potential to affect payments.

We provided details on the following errors to the VSC management for appropriate action.

- In two cases, RVSRs used incorrect dates to establish SMC benefits for payment. According to VA regulation, the effective date of an evaluation will be the date a VA facility receives the claim or the date entitlement arose, whichever is the later.¹⁰ In addition, the DROs' second signature reviews did not identify these errors. As a result, VA underpaid one

⁶ Specially Adapted Housing Grants under 38 CFR §3.809 and Special Home Adaptation Grants under 38 CFR §3.809a, provide eligible veterans funds for the purchase or construction of barrier-free homes or the costs associated with the remodeling of an existing home to accommodate disabilities in accordance with Title 38 United States Code Section 2101. The maximum dollar amount allowable for SAH grants in 2017 was \$77,307. The maximum dollar amount allowable for SHA grants in 2017 was \$15,462.

⁷ M21-1 Adjudication Procedures Manual, Part III, Subpart iv, Chapter 6, Section B, Topic 2 *When to Address Subordinate Issues and Ancillary Benefits*.

⁸ *Ibid.*, Section D, Topic 7, *Two-Signature Ratings*.

⁹ 38 CFR 3.350(b): For VA purposes, blindness is conceded when visual acuity is 5/200 or worse.

¹⁰ 38 CFR §3.400 *Effective dates*.

veteran approximately \$4,000 over a period of four months, and another veteran approximately \$900 for one month.

The remaining two errors had the potential to affect veterans' benefits. In both cases, RVSRs did not establish entitlement to the ancillary benefit of SAH, as required.¹¹ In addition, the DROs' second signature reviews did not identify these errors.

Although RVSRs complied with VBA and local policy to have higher-level SMC claims reviewed by designated second signers, we found the secondary review process to be ineffective in ensuring SMC claims were accurately processed. The four cases containing errors had been reviewed by DROs who had failed to identify these errors. As a result, veterans did not always receive accurate benefit payments.

VARO management agreed with our assessments in the four cases but did not agree that the second signature review process was ineffective based on the number of errors identified. VSC management and staff stated that the designated second signature reviewer was a very knowledgeable subject matter expert and noted that errors may occur due to the heavy workload. The VSC management stated that when the designated second signature reviewer is unavailable, these secondary reviews were assigned to qualified reviewers in either the Quality Review and Training team or the Appeals Coach.

Recommendation

1. We recommended that the San Juan VA Regional Office Director develop and implement a plan to ensure secondary reviewers accurately evaluate higher-level special monthly compensation and ancillary benefits claims.

Management Comments

The VARO Director concurred with our finding and recommendation. The Director stated that the VSC will provide training on SMC effective dates to all second signature reviewers on August 10, 2017 and will conduct additional training on ancillary benefits to all second signature reviewers on August 24, 2017.

OIG Response

The VARO Director's comments and actions are responsive to our recommendation. We will follow up for training documentation as required.

¹¹ M21-1 Adjudication Procedures Manual, Part III, Subpart iv, Chapter 6, Section B, Topic 2 *When to Address Subordinate Issues and Ancillary Benefits*.

II. Management Controls

Finding 2

San Juan VSC Staff Generally Processed Proposed Rating Reductions Accurately but Needed To Improve Timeliness

We reviewed all 16 proposed benefits reduction cases requiring rating decisions to determine whether VSC staff accurately and timely processed the claims. VSC staff accurately processed all 16 cases. However, four of 16 cases (25 percent) contained processing delays. Two of these cases affected veterans' benefits and two had the potential to affect benefits. Generally, processing delays occurred because the VSC management did not view this work as a priority, instead prioritizing the processing of rating-related claims to meet national goals. These delays resulted in 13 improper payments to two veterans that totaled approximately \$12,300, occurring from May 2016 to March 2017. In accordance with Federal regulation and VA policy, VBA does not recover these overpayments because the delays were due to VA administrative errors.^{12, 13}

Federal Regulation Related to Proposed Rating Reductions

Federal regulation provides for compensation to veterans for conditions they incurred or aggravated during military service.¹⁴ The amount of monthly compensation to which a veteran is entitled may change because his or her service-connected disability may improve or worsen. Improper payments associated with benefit reductions generally occur when beneficiaries receive payments to which they are not entitled. Such instances are attributable to VSC staff not taking the actions required to ensure veterans receive correct payments for their current levels of disability.

When the VARO obtains evidence demonstrating sustained improvement in a service-connected disability with the potential to reduce or discontinue payments, VSC staff must inform the beneficiary and propose reduction in benefits.¹⁵ 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.¹⁶ If the veteran does not provide additional evidence within that period, VSC staff must make a final determination to reduce or discontinue the benefit beginning on the 65th day following notice of the proposed action.¹⁷

¹² 38 CFR §3.500, *Reductions and Discontinuances*.

¹³ M21-1 Adjudications Procedures Manual, Part III, Subpart v, Chapter 1, Section 1, Topic 3, *Handling Cases Involving Administrative Errors*.

¹⁴ 38 CFR §3.303, *Principles relating to service connection*.

¹⁵ *Ibid.*, §3.103, *Procedural due process and appellate rights*.

¹⁶ *Ibid.*, §3.105, *Revision of decisions*.

¹⁷ M21-1 Adjudications Procedures Manual, Part I, Chapter 2, Section C, Topic 1, *General Information on the Adverse Action Proposal Period*.

**Review of
Claims
To Assess
Accuracy**

We reviewed all 16 completed claims proposing benefits reductions from December 1, 2016 through February 28, 2017. We did not identify any errors in the 16 cases we sampled, such as evaluation errors or premature reductions in benefits.

**Review of
Claims
To Assess
Processing
Timeliness**

Processing delays for cases in which benefits reductions were proposed occurred in four of 16 claims (25 percent). As of March 1, 2017, the delays resulted in an average of three months of improper payments. We considered cases to be delayed whenever VSC staff did not process them by the 65th day following notice of the proposed action and when the resulting effective date of reduction was postponed by at least one month.

The most significant example of processing delays causing an overpayment was a case in which discontinuance of the veteran's individual unemployability benefits was proposed for March 11, 2016. Final action on this reduction did not occur until February 15, 2017—resulting in VA overpaying the veteran approximately \$11,600 over the course of the 10-month delay. Had VSC staff followed VA timeliness guidelines, the reduction would have been effective May 1, 2016.

We provided the details of the four cases with delays, two affecting veterans' benefits and two having the potential to affect benefits, to the VSCM for appropriate action.

Generally, these processing delays occurred because local VSC management did not view this work as a priority. Interviews with management confirmed that rating reduction cases were considered a lower priority compared with processing rating-related claims as directed by VBA's Central Office. The VSCM indicated this affected the VSC's ability to dedicate the appropriate number of resources to address benefits reduction cases. Without ensuring this work is processed timely, delays in processing proposed rating reduction cases could result in unsound financial stewardship of veterans' monetary benefits and failure to minimize improper payments.

We are concerned VBA modified its policy and removed a control that could minimize overpayments. On April 3, 2014¹⁸ and again on July 5, 2015,¹⁹ VBA leadership modified its policy regarding the processing of claims requiring benefits reductions. The current policy only outlines the processing steps and no longer includes the requirement for VSC staff to take "immediate action," nor does VBA have any timeliness standard 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.

¹⁸ *Ibid.*, Section B, Topic 7, *Establishing and Monitoring Controls*.

¹⁹ *Ibid.*, Section C, Topic 2, *Responding to the Beneficiary*.

We made no recommendations for improvement in the area of proposed rating reduction timeliness because the VSC no longer manages this workload. Effective April 2017, VBA incorporated rating reductions into the National Work Queue (NWQ), which centrally manages the national workload by prioritizing and distributing claims across the network of VAROs.

III. Data Integrity

Finding 3

San Juan VSC Staff Needed To Improve the Accuracy of Information Input Into The Electronic Systems at the Time of Claims Establishment

We reviewed 30 pending rating claims to determine whether VSC staff accurately input claim and claimant information into the electronic systems at the time of claim establishment. In 19 of the 30 records reviewed (63 percent), VSC staff established claims in the electronic record using inaccurate or incomplete claim and claimant information. Generally, these errors occurred because VSC staff lacked experience and training related to establishing claims while adhering to systems compliance requirements. As a result, claims established using erroneous or incomplete data might be misrouted in the NWQ and result in delayed claims processing.²⁰

VBA Policy Related to Data Integrity

VBA relies on the accuracy and completeness of data entered into its electronic system of records to manage and report on workload to stakeholders, and to properly route claims within its electronic workload management tool, the NWQ. The NWQ centrally manages the national claims workload by prioritizing and distributing claims across VBA's network of VAROs using rules that assign workload based on certain claimant and claim information within the electronic systems, which include corporate flashes, claim labels, and special issues.²¹

The Veterans Benefits Management System (VBMS) is an electronic processing system the NWQ uses to distribute work.²² Because the NWQ relies on the accuracy of data, claims misidentified or mislabeled at the time of claims establishment can result in improper routing and lead to untimely processing of claims and delays in veterans' benefits. Initial claim routing begins at the time of claims establishment. VSC staff must input claim and claimant information into the electronic system to ensure system compliance.

²⁰ Department of Veterans Affairs, Veterans Benefits Administration, National Work Queue, Phase 1 Playbook.

²¹ *Ibid.*

²² *Ibid.*

Table 2 reflects nine claims establishment terms used by VSC staff when they establish a claim in the electronic record.

Table 2. Claims Establishment Terms

Term	Definition
Date of Claim	Earliest date the claim or information is received in any VA facility
End Product	The end product system is the primary workload monitoring and management tool for the VSC
Claim Label	A more specific description of the claim type that a corresponding end product represents
Claimant Address	Mailing address provided by the claimant
Claimant Direct Deposit	Payment routing information provided by the claimant
Power of Attorney	An accredited representative of a service organization, agent, non-licensed individual, or attorney representative chosen by the claimant to represent him or her
Corporate Flash Indicator	Claimant-specific indicators which can represent an attribute, fact, or status that is unlikely to change
Special Issue Indicator	Claim-specific indicators and can represent a certain claim type, disability or disease, or other special notation that is only relevant to a particular claim
Claimed Issue with Classification	Specifies the claimed issue and its medical classification

Source: VA OIG presentation of definitions from VBA's M21-1 and M21-4

Systems Compliance

We randomly sampled 30 of 541 claims (6 percent) established in February 2017 and pending as of March 1, 2017. In 19 of the claims we reviewed (63 percent), VSC staff did not enter accurate and complete information in the electronic systems. The 19 records accounted for 30 errors because almost half contained multiple inaccuracies—none of the errors affected benefits. VARO management agreed with our assessment in all of the cases.

We provided the details of the 19 records with errors to VSC management for appropriate action. Summaries of the most frequent errors requiring corrective actions follow.

- In 12 records, VSC staff did not select the correct special issue and/or claimant flash indicators when establishing the claims in the electronic records. VBA policy states that VSC staff must select the accurate

special issue when establishing claims.²³ In addition, regional offices are responsible for identifying claimants' records that require flashes, inputting the flashes when required, and promptly removing the flash when it no longer applies.²⁴ Incorrect special issue and/or corporate flash indicators may result in misrouting the claims and/or delaying processing actions.

- In eight records, VSC staff did not enter the correct issue classification and/or claim type in the electronic systems. VBA policy requires staff to enter the correct classification when entering a claimed issue, which must have the correct claim type associated with it.²⁵ Failure to enter the claimed issues, correct claim types, and/or issue classifications may lead to additional corrective action later in the claim development process and could lead to an incorrect VA examination request.
- In six records, VSC staff did not input the correct claim labels in the electronic systems. VBA policy states that VSC staff must select the accurate claim label when establishing a claim.²⁶ Using an incorrect claim label may result in claims being delayed in the routing to appropriate staff.
- In three records, VSC staff did not input the correct date of claim in the electronic records. According to VBA claims establishment training, date of claim is a required entry when establishing a claim and serves as the basis for determining processing timeliness. As a result, these claims could affect data integrity and misrepresent VARO performance for pending workload(s).

VSC staff need to improve the accuracy of information input into electronic systems at the time of claim establishment. Generally, the processing errors occurred due to inexperience and lack of systems compliance related to the training of the VSC claims processing staff. Fourteen of the 30 sample claims we reviewed (47 percent) were established by VSC staff with less than six months experience at the time the claims were processed, with only two of those 14 being correct. In addition, of the 19 cases with errors, 12 cases (63 percent) were processed by VSC staff with less than six months of experience in the position at the time the claims were processed. The VSCM acknowledged the general lack of experience of the Intake Processing Center (IPC), which was responsible for establishing 90 percent of our sample, and noted that a former claims assistant retired after 35 years. He further indicated there were four new Claims Assistants in the IPC going through the training process with less than six months of experience.

²³ M21-1 Adjudications Procedures Manual, Part III, Subpart iii, Chapter 1, Section D, Topic 2 *Utilizing Contentions and Special Issue Indicators Associated with Claimed Issues*.

²⁴ *Ibid.*, Topic 1.b *Claimant Flashes*.

²⁵ *Ibid.*, Topic 2, *Utilizing Contentions and Special Issue Indicators Associated with Claimed Issues*.

²⁶ M21-4, Appendix C. Index of Claim Attributes, Section 1.a, *Purpose of Claim Labels*.

Training records provided by VARO staff showed that five systems compliance-related courses were assigned during FYs 2016 and 2017 to the VSC staff responsible for claims establishment. However, at the time of our review, only two of the VSC employees who established claims from our sample had completed any of the courses. These two employees only accounted for three claims (10 percent) from our sample of 30 claims. The other 27 claims (90 percent) were completed by VSC staff who had not taken any of the assigned systems compliance training at the time of our review.

We spoke with VSC staff and management about the adequacy of training for VSC claims processing staff. The consensus from the staff we spoke with was that additional training was needed, with a preference for structured, classroom-style instruction. We were also told there was no established mentorship program for staff from the IPC. One VSC coach we spoke with stated that IPC staff could perform adequately in their position based on their current training depending on the workload. He indicated that formal training was a must, with theory to be followed by on-the-job training. He opined that new employees have to be shown why they must do something rather than just being told to do it. Another VSC coach said the training was good and thought they needed more of it.

The VSCM stated that the VSC was planning to offer a lot more training based on the errors found during our review of systems compliance. In addition, we asked the VSCM for his opinion on the adequacy of training for IPC staff. He replied that training was “poor, very poor” for Claims Assistants at the national level; he further stated that he intended to enhance local training. When asked for additional detail regarding training for IPC staff specific to systems compliance, the VSCM stated that he planned to develop a training curriculum that would include the findings from our review, designate a subject matter expert for guidance, and provide specific references in the manuals regarding their work. Also, the VSCM stated that he would consider starting a mentor program for Claims Assistants from the IPC and that he would bring this up with his fellow VSCMs at an upcoming meeting. He added that he might implement a review of the claims establishment process by the first Veterans Service Representative who touches a claim, then take the feedback from those reviews to help train the IPC staff; he would also consider doing in-process reviews at the claim establishment phase.

Recommendation

2. We recommended that the San Juan VA Regional Office Director implement a plan to ensure Veterans Service Center claims processing staff receive additional training on systems compliance and claims establishment procedures.

**Management
Comments**

The VARO Director concurred with our finding and recommendation. The Director stated training on claims establishment procedures will be provided to all Veterans Service Representatives and Claims Assistants on August 8, 2017. In addition, the VSC will conduct training that emphasizes systems compliance, date of claim policies, and accurate contention classifications for all Claims Assistants and Veterans Service Representatives on August 22, 2017.

OIG Response

The VARO Director's comments and actions are responsive to our recommendation. We will follow up for training documentation as required.

IV. Public Contact

Finding 4 San Juan VSC Staff Generally Processed Special Controlled Correspondence Accurately

VSC staff generally processed special controlled correspondence accurately. We examined the one response to correspondence available for review to determine whether the VSC staff timely and accurately processed the inquiry.²⁷

VBA Policy Related to Special Controlled Correspondence

Special controlled correspondence are primarily inquiries requiring expedited processing, control, and response. Examples include special handling of inquiries from the White House, members of Congress, national headquarters of service organizations, and private attorneys.²⁸ VBA policy designated responsibility for managing this correspondence to VARO directors or the VSCM. VBA uses a three-digit end product (EP) code to monitor and manage its workload. EPs may be modified to identify specific issues, type of claim, or incremental multiple non-rating claims of the same EP category. The specific EP used to manage this workload is an EP 500.²⁹

If VSC staff cannot provide a complete response within five business days of receiving the inquiry, an interim response acknowledging receipt is required.³⁰ Responses to correspondence must provide complete, accurate, and understandable information.³¹ In addition, VSC staff are required to maintain all correspondence related to the inquiry in the electronic claims file.³²

Review of VARO Processing of Special Controlled Correspondence

From December 1, 2016 through February 28, 2017, VSC staff responded to one inquiry from a Florida congressman that required special control. We reviewed this response to determine if VSC staff expedited processing of, controlled, and accurately responded to the inquiry. We determined VSC staff accurately and thoroughly responded to the inquiry. However, staff did not establish the correct date of claim or maintain adequate control in the electronic system for the inquiry reviewed. It took VSC staff 59 days to provide the final response. Details on the case with two processing errors follow.

²⁷ The majority of special controlled correspondence received and worked at the San Juan VARO was outside the scope of review because they were not from the White House, members of Congress, national headquarters of service organizations, or private attorneys.

²⁸ M27-1, Benefits Assistance Service Procedures, Part I, Chapter 5, Topic 3, *Acknowledging Correspondence and Topic 5, Handling Various Types of Correspondence*.

²⁹ M21-4, Appendix B, Section I and II, *End Products – General Principles and End Products – Compensation, Pension, and Fiduciary Operations*.

³⁰ M27-1, Benefits Assistance Service Procedures, Part I, Chapter 5, Topic 3, *Acknowledging Correspondence*.

³¹ *Ibid.*, Topic 1, *General Guidance for Processing Correspondence*.

³² *Ibid.*, Part I, Chapter 5, Topic 5, *Handling Various Types of Correspondence*.

- Staff did not use the correct date of claim to establish workload controls within the electronic record for an inquiry requiring special control. Staff used the date of an internal email rather than the date the VARO facility received the inquiry, as required. There was a 14-day difference between these dates. Federal regulations state that the "date of receipt" means the date on which a claim, information, or evidence was received in the VA.³³ As a result, the error may affect the VSC's data integrity, creating the appearance of faster responses.
- Staff simultaneously established and cleared an EP 500 series on the same date. Even though VBA policy requires VBA staff to establish and maintain an EP 500 for the control of special controlled correspondence until the release of the final response,³⁴ in this case, appropriate controls were not in place for the VSC's special controlled correspondence workload and the error may affect pending workload.

Although we identified two errors within the one case available for review, we were unable to determine if a systemic trend existed. Furthermore, the errors did not affect the veteran's benefits. Therefore, we did not make a recommendation for improvement in this area.

³³ CFR §3.1, *Definitions*.

³⁴ M21-1, Handling Various Types of Correspondence, Part 1, Chapter 5, Section B, Topic 5, *Identifying Special Control Correspondence*.

Appendix A Scope and Methodology

Scope and Methodology

In April 2017, we evaluated the San Juan VARO to see how well it provides services to veterans and processes disability claims.

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' electronic claims files. Before 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.

We randomly selected and reviewed 30 of the 279 veterans' disability claims related to TBI (11 percent) that VSC staff completed from September 2016 through February 2017, and all 23 veterans' claims involving entitlement to SMC and related ancillary benefits that VSC staff completed from March 2016 through February 2017. In addition, we reviewed all 16 completed claims that proposed reductions in benefits from December 2016 through February 2017. Furthermore, for systems compliance, we randomly selected and reviewed 30 of 541 claims (6 percent) established in the electronic records by VSC staff in February 2017 and pending as of March 1, 2017. Finally, we reviewed the one response to an inquiry requiring special control and completed by VSC staff from December 2016 through February 2017.³⁵

Data Reliability

We used computer-processed data from VBA's corporate database obtained by the Austin Data Analysis division. 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 period 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. Moreover, 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 100 claims folders we reviewed. The 100 claims folders were related to TBI claims, SMC and ancillary benefits, completed claims specific to benefits reductions, pending claims for systems compliance, and special controlled correspondence.

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' electronic claims files reviewed in conjunction

³⁵ During the inspection, while determining our sample size of 30 cases, we determined some claims were outside of the scope of our review; therefore we removed them from the universe of claims.

with our inspection of the VARO did not disclose any problems with data reliability.

***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 Management Comments

Department of Veterans Affairs Memorandum

Date: August 1, 2017

From: Director, San Juan Regional Office (355/00)

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

Subj: OIG Draft Report - Inspection of the VA Regional Office, San Juan, Puerto Rico
Revised Response

The San Juan Regional Office (RO) submits this response to the OIG findings and recommendations from the April 2017 site visit.

Finding 1. San Juan VSC Staff Generally Processed TBI Claims Correctly But Needs to Improve Accuracy of Claims Related to Special Monthly Compensation and Ancillary Benefits

Recommendation 1. We recommended that the San Juan VA Regional Office Director develop and implement a plan to ensure secondary reviewers accurately evaluate higher-level special monthly compensation and ancillary benefits claims.

We concur with recommendation. On August 10, 2017, the VSC will provide training on SMC Effective Dates to all second signature reviewers. On August 24, 2017, the VSC will conduct additional training on ancillary benefits to all second signature reviewers

Finding 3. San Juan VSC staff needs to improve the accuracy of information input into the electronic systems at the time of claims establishment

Recommendation 2. We recommended that the San Juan VA Regional Office Director implement a plan to ensure Veterans Service Center claims processing staff receive additional training on systems compliance and claims establishment procedures.

We concur with recommendation. On August 8, 2017, the VSC will provide training on claims establishment procedures to all VSRs and CAs. On August 22, 2017 the VSC will conduct additional training that emphasizes systems compliance, date of claim policies, and accurate contention classifications to all CAs and VSRs.

/S/

BERNARD JOHNSON

For accessibility, the format of the original memo has been modified to fit in this document.

Appendix C **OIG Contact and Staff Acknowledgments**

Contact	For more information about this report, please contact the Office of Inspector General at (202) 461-4720.
Acknowledgments	Nora Stokes, Director Tyler Hargreaves Kerri Leggiero-Yglesias Mary Shapiro Mark Ward Andrew Wilson

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