VA Office of Inspector General

OFFICE OF AUDITS AND EVALUATIONS

Veterans Benefits Administration

Inspection of
the VA Regional Office
Anchorage, Alaska

September 29, 2017
17-02084-343

ACRONYMS

ASPEN	Automated Standardized Performance Elements Nationwide
FY	Fiscal Year
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
VA	Department of Veterans Affairs
VARO	Veterans Affairs Regional Office
VBA	Veterans Benefits Administration
VSC	Veterans Service Center
VSCM	Veterans Service Center Manager
VSR	Veterans Service Representative

Highlights: Inspection of the VARO Anchorage, AK

Why We Did This Review

In May 2017, we evaluated the Department of Veterans Affairs Regional Office (VARO) in Anchorage, AK, to see how well staff processed veterans' disability claims, timely and accurately processed proposed rating reductions, input claim information, and responded to special controlled correspondence.

What We Found

Claims Processing—Anchorage Veterans Service Center (VSC) consistently processed two types of disability claims we reviewed. We reviewed 30 of 124 veterans' traumatic brain injury (TBI) claims (24 percent) and found that Rating Veterans Service Representatives (RVSR) accurately processed 28 of 30 claims—a significant improvement from our 2013 inspection when staff incorrectly processed three of the eight claims we sampled (38 percent). We reviewed all four veterans' claims involving entitlement to special monthly compensation (SMC) and related ancillary benefits, and found that RVSRs incorrectly processed one claim. The single inaccuracy had the potential to affect a veteran's benefits.

Proposed Rating Reductions—VSC staff processed proposed rating reductions accurately. However, we reviewed all 11 benefits reductions and found that staff delayed six of them (55 percent). Delays occurred because the Veterans Service Center Manager (VSCM) and Supervisory Veterans Service Representatives did not view this work as a priority at the expiration of the due process period, even though the Workload Management Plan directed the Supervisory Veterans Service Representative to identify and prioritize the 10 oldest non-rating claims each month, to include proposed rating reductions. Moreover, management and staff stated that the national backlog of disability claims was prioritized higher than proposed rating reductions.

Systems Compliance—VSC staff needed to improve the accuracy of information input into the electronic systems at the time of claims establishment. We reviewed 30 of 243 newly established claims (12 percent) and found that staff did not correctly input claim and claimant information into the electronic systems in nine of the 30 claims (30 percent) due to ineffective oversight and training.

Special Controlled Correspondence—Anchorage congressional liaison staff responded to special controlled correspondence accurately. However, improvements were needed to ensure documentation of receipt of special controlled correspondence in the electronic systems. We reviewed all four special controlled correspondence and found that staff did not properly document the dates of receipt of the special controlled correspondence inquiries due to inadequate oversight by VSC management and lack of training.

What We Recommended

We recommended the VARO director implement a plan to ensure prioritization of proposed rating reductions; strengthen oversight for the claims establishment

review process; implement a plan to monitor the effectiveness of training related to claims establishment; provide training to congressional liaison staff; and strengthen oversight for special controlled correspondence.

Agency Comments

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

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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 Fiscal Year (FY) 2017, we looked at four mission operations—Disability Claims Processing, Management Controls, Data Integrity, and Public Contact. Our independent inspection identified and reviewed risks within each operation or VARO program responsibility. In FY 2017, we assessed 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
- 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.

Anchorage VA Regional Office

As of April 2017, the Anchorage VARO reported a staffing level of 53 full-time employees, which is two below the amount authorized. Of this total, the VSC had 39 employees assigned, which is one below the amount authorized. As of March 31, 2017, the Veterans Benefits Administration (VBA) reported the Anchorage VSC completed 1,398 compensation claims in FY 2017—averaging 5.1 issues[1] per claim.

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

RESULTS AND RECOMMENDATIONS

I. Disability Claims Processing

Finding 1 Anchorage VSC Staff Generally Processed TBI Claims and Claims Related to SMC and Ancillary Benefits Correctly

Anchorage Rating Veterans Service Representatives (RVSR) generally processed traumatic brain injury (TBI) claims correctly. Additionally, RVSRs generally processed claims related to special monthly compensation (SMC) and ancillary benefits correctly. As such, we made no recommendations for improvement in these areas. Overall, RVSRs incorrectly processed three of the total 34 disability claims we reviewed, resulting in 43 improper monthly payments to one veteran totaling approximately $5,700[2] at the time of our review in April 2017.

Table 1 reflects the errors affecting, and those with the potential to affect, veterans' benefits processed at the Anchorage VARO. We sampled claims related only to specific conditions that we considered at increased risk of claims processing errors. As a result, the errors identified in this report do not represent the universe of disability claims or the overall accuracy rate at this VARO.

Table 1. Anchorage VARO Disability Claims Processing Accuracy

		Veterans' Claims Inaccurately Processed		
Type of Claim	**Reviewed**	**Affecting Veterans' Benefits**	**Potential To Affect Veterans' Benefits**	**Total**
TBI	30	1	1	2
SMC and Ancillary Benefits	4	0	1	1
Total	**34**	**1**	**2**	**3**

Source: VA OIG analysis of the veterans' TBI disability claims completed from September 1, 2016 through February 28, 2017, and veterans' *SMC and ancillary benefits claims completed from March 1, 2016 through February 28, 2017*

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

VBA Policy Related to TBI Claims

VBA defines a TBI event as a traumatically induced structural injury or a physiological disruption of brain function resulting from 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. RVSRs or Decision Review Officers (DRO) who have completed the required TBI training must process all decisions that address TBI as an issue. Rating decisions for TBI require two signatures until the decision-maker has demonstrated 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 must make the initial diagnosis of TBI: physiatrists, psychiatrists, neurosurgeons, or neurologists. A generalist clinician who has successfully completed the required TBI training may conduct a TBI exam if the diagnosis is of record and was established by one of the aforementioned specialty providers.[4]

Review of TBI Claims

We randomly selected and reviewed 30 of 124 veterans' TBI claims (24 percent) completed from September 1, 2016 through February 28, 2017 to determine whether VSC staff processed them according to VBA policy. For example, we checked to see if VSC staff obtained an initial VA medical examination as required.

RVSRs correctly processed 28 of the 30 TBI claims—one error affected the veteran's benefits and the other error had the potential to affect the veteran's benefits. Of those claims, 20 required VA examinations. The required medical personnel completed 18 of these examinations—specialists completed 15 and generalist clinicians completed three. One examination was not completed because the veteran did not attend the scheduled examination; another examination was not completed, in error, and is discussed below as an inaccuracy. The remaining 10 cases did not require VA examinations because the evidence of record did not contain an event or injury in service, a link to service, a diagnosis, or associated symptoms of disability.[5] Summaries of the errors follow.

- In the first case, an RVSR incorrectly denied service connection for TBI when the evidence of record established that the veteran's head injury, which he incurred in service, resulted in a diagnosis of TBI. As a result, the veteran was underpaid approximately $5,700 over a period of 43 months.

[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] Title 38 Code of Federal Regulations Section (38 CFR) §3.159.

- In the second case, an RVSR prematurely denied a TBI claim without obtaining a VA medical examination. The veteran had been in combat and, in his service treatment records, had reported being involved in an explosion event during his deployment. In addition, VA treatment records noted his history of blast exposure with continued symptoms. VBA policy requires that staff obtain a medical examination when the evidence of record contains an event or injury in service and associated symptoms of disability, but does not contain sufficient medical evidence to decide the claim.[6] Moreover, the rating decision was not second signed, which was required because the RVSR had not demonstrated the required accuracy rate for TBI decisions.[7] We could not determine if the veteran would have been entitled to benefits without a VA medical examination.

We provided the Veterans Service Center Manager (VSCM) with the specifics of the claims and asked for reviews of the claims. Given that RVSRs correctly processed 28 of the 30 cases and that the inaccuracies did not constitute a common trend, pattern, or systemic issue, we determined that staff generally followed VBA policy when processing TBI claims. Therefore, we made no recommendations for improvement in this area.

Previous OIG Inspection Results

In our previous report, *Inspection of VA Regional Office, Anchorage, Alaska* (Report No. 12-02089-60, January 3, 2013), we found that VARO staff incorrectly processed three of the eight TBI claims we reviewed. Generally, those errors occurred because VSC staff misinterpreted VBA policy. Specifically, staff were unaware that medical examination reports were insufficient if those reports did not state whether veterans' symptoms were due to TBI or a co-morbid mental disorder. Furthermore, four of the eight TBI claims did not receive a required second level of review by more experienced decision-makers.

During our May 2017 inspection, we found one inaccuracy that involved the failure to obtain a required TBI examination, but there were no errors associated with insufficient VA examinations. Therefore, given that RVSRs continued to follow VBA policy in 29 of the 30 TBI claims we reviewed, which demonstrated significant improvement by VARO staff when processing TBI claims, we concluded that the VARO's action in response to our prior recommendations was effective.

We recommended the VARO Director develop and implement a plan to ensure staff return insufficient medical examination reports to health care facilities to obtain the required evidence needed to support TBI claims, and

[6] 38 CFR §3.159.
[7] M21-1 Adjudication Procedures Manual, Part III, Subpart iv, Chapter 4, Section G, Topic 2.m., *Training and Signature Requirements for TBI Decisions.*

assess the effectiveness of training for properly processing TBI claims. The VARO Director concurred with our recommendations and stated that the Workload Management Plan was revised to include the requirement for RVSRs to review all incoming examination results for sufficiency. All identified insufficient examinations would be returned to the healthcare facility providing the examination results. In addition, the director stated that RVSRs participated in a TBI training session in November 2012. The session included a review exercise to gauge participant knowledge and the instructor customized the training to address knowledge gaps.

During our May 2017 inspection, we also found one inaccuracy in which the rating decision was not second signed as required. However, we did not find that any of the TBI examinations were insufficient due to examiners not stating whether veterans' symptoms were due to a TBI or a co-morbid mental disorder. Given the improvement demonstrated by VARO staff when processing TBI claims, we further concluded that the VARO's action in response to our prior recommendations was 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 secondary benefits considered when evaluating claims for compensation, which include eligibility to educational,[8] automobile,[9] and housing[10] benefits. 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 special needs. An eligible veteran may receive an SAH grant of not more than 50 percent of the purchase price of a specially adapted house, up to the maximum allowable by law. An eligible veteran may receive an SHA grant toward the actual cost to adapt a house or toward the appraised market value of necessary adapted features already in a house when the veteran purchased it, up to the total maximum allowable by law.

[8] Dependents' Educational Assistance 38 CFR Section §3.807 provides education benefits for the spouse and children of eligible veterans.
[9] Automobiles or Other Conveyances and Adaptive Equipment under 38 CFR §3.808 provides eligible veterans funds toward the purchase of an automobile, or other special equipment or assistive devices such as power seats.
[10] Specially Adapted Housing (SAH) Grants under 38 CFR §3.809 and Special Home Adaptation (SHA) 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.

VBA policy requires staff to address the issues of SMC and ancillary benefits whenever they can grant entitlement.[11] VBA policy also states that all rating decisions involving SMC above a specified level require a second signature.[12]

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

Review of SMC and Ancillary Benefit Claims

We reviewed all four veterans' claims involving entitlement to SMC and related ancillary benefits completed by RVSRs from March 1, 2016 through February 28, 2017. We examined whether VSC staff accurately processed entitlement to SMC and ancillary benefits associated with anatomical loss or loss of use of two or more extremities, or bilateral blindness with visual acuity of 5/200 or worse. We found that an RVSR incorrectly processed one of four veterans' claims involving SMC and ancillary benefits—the single inaccuracy had the potential to affect a veteran's benefits. The VSCM concurred with the error we identified.

In the claim with an inaccuracy, an RVSR failed to assign a higher level of SMC based on loss of use of both feet and both hands due to Amyotrophic Lateral Sclerosis. Furthermore, the SMC calculator was not used to determine the appropriate level of SMC in this case as required[13] and the decision was not second signed. The inaccuracy did not affect the veteran's current benefits payments as a subsequent rating decision, completed by another VARO, granted the highest level of SMC for the veteran's Amyotrophic Lateral Sclerosis.

Since RVSRs accurately processed three of the four cases and the single inaccuracy did not constitute a common trend, pattern, or systemic issue, we determined staff generally followed VBA policy when processing SMC and related ancillary benefits. Therefore, we made no recommendations for improvement in this area.

[11] M21-1 Adjudication Procedures Manual, Part III, Subpart iv, Chapter 6, Section B, Topic 2, *Considering Subordinate Issues and Ancillary Benefits.*
[12] *Ibid.*, Part III, Subpart iv, Chapter 6, Section D, Topic 7, *Signature.*
[13] *Ibid.*, Part IV, Subpart ii, Chapter 2, Section H, Topic 1, *General Information on SMC.*

II. Management Controls

Finding 2

Anchorage VSC Staff Generally Processed Proposed Rating Reductions Accurately but Needed Better Oversight To Ensure Timely Action

We reviewed all 11 proposed benefits reduction cases to determine whether they were accurately and timely processed by VSC staff. VSC staff accurately processed all 11 cases involving benefits reductions. However, processing delays occurred in six of the 11 cases that required rating decisions to reduce benefits—all six cases affected veterans' benefits. Generally, processing delays occurred because the VSCM and Supervisory Veterans Service Representatives did not view this work as a priority at the expiration of the due process period, even though the Workload Management Plan directed the Supervisory Veterans Service Representative to identify and prioritize the 10 oldest non-rating claims, including proposed rating reductions. These delays resulted in approximately $16,800 in overpayments, representing 53 improper monthly payments from January 2016 to April 2017. In accordance with VA policy, VBA does not recover these overpayments because the delays were due to VA administrative errors.[14]

VBA Policy Related to Proposed Rating Reductions

VBA provides compensation to veterans for conditions they incurred or aggravated during military service.[15] 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 benefits reductions generally occur when beneficiaries receive payments to which they are not entitled.[16] Such instances are attributable to VSC staff not taking the actions to ensure veterans receive correct payments for their current levels of disability.

When the VARO obtains evidence that demonstrates a disability has improved, and the new evaluation would result in a reduction or discontinuance of current compensation payments, the Veterans Service Representatives (VSR) must inform the beneficiary of the proposed reduction in benefits.[17] 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.[18] If the veteran does not provide additional evidence within that period, an RVSR

[14] M21-1, Adjudications Procedures Manual, Part III, Subpart v, Chapter 1, Section 1, Topic 3, *Considerations of the Cause of Erroneous Benefits*, and 38 CFR §3.500.
[15] 38 CFR §3.303(a).
[16] Public Law 107-300.
[17] 38 CFR §3.103(b)(2).
[18] *Ibid.* §3.105(e).

may make a final determination to reduce or discontinue the benefit[19] beginning on the 65th day following notice of the proposed action.[20] However, due to policy modifications on April 3, 2014[21] and again on July 5, 2015,[22] VBA policy no longer requires 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.

Review of Cases To Assess Accuracy

We reviewed all 11 completed cases from December 1, 2016 through February 28, 2017 that proposed reductions in benefits. VSC staff accurately processed all 11 cases involving proposed benefits reductions. Because we did not identify any accuracy errors, we made no recommendations for improvement in this area.

Review of Cases To Assess Processing Timeliness

Processing delays that required rating decisions to reduce benefits occurred in six of 11 cases. These are the same cases used for the review of accuracy. We considered cases to have delays when VSC staff did not process them on the 65th day following notice of the proposed action and the resulting effective date of reduction was impacted by at least one month. For the six cases identified with processing delays, the delays resulted in an average of nine monthly overpayments at the time we began our review. In the most significant overpayment and delay, a VSR sent a letter to the veteran on September 17, 2015 proposing to reduce the disability evaluation for the veteran's migraines based on improvement. The due process period expired on November 23, 2015 without the veteran providing additional evidence to support the case. However, an RVSR did not take final action to reduce and discontinue the benefits until January 3, 2017. As a result, VA overpaid the veteran approximately $4,400 over a period of 14 months.

Generally, processing delays occurred because the VSCM and Supervisory Veterans Service Representatives did not view this work as a priority at the expiration of the due process time period, even though the Workload Management Plan directed the Supervisory Veterans Service Representative to identify and prioritize the 10 oldest non-rating claims each month, including proposed rating reductions.

Moreover, the Workload Management Plan directed the Supervisory Veterans Service Representative to evaluate actual performance against expected performance for completion of the 10 oldest claims and provide a

[19] 38 CFR §3.105(e).
[20] M21-4, Appendix B, Section II, *End Products - Compensation, Pension, and Fiduciary Operations.*
[21] M21-1MR Adjudications Procedures Manual, Part I, Chapter 2, Section B, Topic 7, *Establishing and Monitoring Controls.*
[22] *Ibid*., Section C, Topic 2, *Responding to the Beneficiary.*

brief to the VSCM at the end of the first week of each month. Interviews with the VSCM, Supervisory Veterans Service Representatives, and VSC staff confirmed that proposed rating reduction cases were considered a lower priority than the national priority of reducing the rating backlog as directed by VBA's Central Office. In addition, the VSCM stated that, at the time of our inspection, the Anchorage VARO did not have any pending proposed rating reduction cases because of the recent implementation of designated VBA non-rating resource centers. However, given that proposed rating reduction cases had become part of VBA's electronic workload management tool, the National Work Queue (NWQ), we concluded that it was possible these cases could still be distributed to the Anchorage VARO in the future. Delays in processing proposed rating reduction cases result in unsound financial stewardship of veterans' monetary benefits and fail to minimize improper payments.

Recommendation

1. We recommended the Anchorage VA Regional Office Director implement a plan to ensure prioritization of proposed rating reduction cases for completion at the expiration of the due process time period.

Management Comments

The VARO Director concurred with our finding and recommendation. The Director reported that as of April 9, 2017, all VAROs receive a daily distribution of due process work that is either priority or the oldest pending claims. Furthermore, VBA will continue to monitor the End Product 600 timeliness and make prioritization adjustments as necessary.

OIG Response

The VARO Director's comments and actions are responsive to the recommendation and the VARO has requested closure of this report recommendation. Based on the information provided, we consider Recommendation 1 closed at this time. We will follow up as required.

III. Data Integrity

Finding 3 Anchorage VSC Staff Needed To Improve the Accuracy of Information Input Into the Electronic Systems at the Time of Claims Establishment

We randomly selected and reviewed 30 pending rating claims from VBA's corporate database to determine whether VSC claims establishment staff accurately input claim and claimant information into the electronic systems at the time of claim establishment. In nine of the 30 claims reviewed (30 percent), VSRs and Claims Assistants did not enter accurate and complete information in the electronic systems. Generally, these errors occurred because of ineffective oversight and training. These errors affect data integrity and could impair the VARO's ability to manage its workload or delay claims decisions.

VBA Policy Related to Data Integrity

VBA relies on data input into electronic systems to accurately manage and report its workload to stakeholders and to properly route claims within 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 system.[23] The Veterans Benefits Management System (VBMS) is an electronic processing system the NWQ uses to distribute work.[24] 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, therefore, lead to the untimely processing of claims.

Initial claim routing begins at the time of claims establishment. VARO staff must input claim and claimant information into the electronic system to ensure system compliance.

[23] Department of Veterans Affairs, Veterans Benefits Administration, National Work Queue, Phase 1 Playbook.
[24] *Ibid*.

Table 2 reflects nine 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 selected and reviewed 30 of 243 pending rating claims (12 percent) from VBA's corporate database established from February 1 through February 28, 2017, as of March 13, 2017. In nine of the 30 claims we reviewed (30 percent), VSRs and Claims Assistants did not enter accurate and complete information in the electronic systems.

In five of the nine cases with errors, Claims Assistants did not apply the correct special issues and/or corporate flashes to the claim—this was the most common type of establishment error found. For example, in one case, a Claims Assistant did not input the special issue "PTSD" in the electronic systems for the claimed post-traumatic stress disorder. VBA policy requires staff to identify and input special issues into the electronic record when applicable.[25] Omission of a special issue could lead to incorrect and delayed routing in the NWQ, affect data integrity, and misrepresent VARO performance for pending workload.

[25] M21-4 Manual, Appendix C, Section III, *Special Issues.*

In another case, a Claims Assistant did not apply the corporate flash "Agent Orange - Vietnam" and "Vietnam In-Country Service Verified" to the claim. The evidence of record clearly showed the veteran had the appropriate service. VBA policy requires staff to identify and input corporate flashes into the electronic record when applicable.[26] Omission of the appropriate corporate flashes could lead to incorrect and delayed routing in the NWQ, affect data integrity, and misrepresent VARO performance for pending workload.

The VSCM concurred with the errors we identified. Generally, the processing errors occurred due to ineffective oversight at the time of claims establishment. During our interview, the VSCM stated that all Claims Assistant work was entered into the Automated Standardized Performance Elements Nationwide (ASPEN) system and used by the Supervisory Veterans Service Representative to conduct quality reviews of Claims Assistant work. At the time of our review, interviews with the Claims Assistants revealed that they had stopped putting work into ASPEN over a year ago. The Claims Assistants were generally not aware if their work was being reviewed for quality and they stated that they have not received much recent feedback. The Supervisory Veterans Service Representative who oversees the Intake Processing Center confirmed that ASPEN has not been used to track Claims Assistant work for some time. The Supervisory Veterans Service Representative did report looking at cases for quality, but this generally centered on specific types of claims on which they might be training.

Training records provided by the Management Analyst demonstrated that training had been completed on areas like special issues and corporate flashes. However, the Claims Assistants stated that they were unfamiliar with references such as M21-4, Appendix C, which provides a current list of special issues and corporate flashes.[27] The Claims Assistants also stated that training was informal, self-directed, and often geared toward VSRs. Due to ineffective oversight and no plan to monitor the effectiveness of training, there was the potential to misroute claims in the NWQ, delay claims processing, and misrepresent the VARO's workload and performance data.

Recommendations

2. We recommended the Anchorage VA Regional Office Director strengthen oversight to ensure data input at the time of claims establishment is reviewed for accuracy.

[26] M21-4 Manual, Appendix C, Section III, *Corporate Flashes*.
[27] *Ibid*.

3. We recommended the Anchorage VA Regional Office Director implement a plan to monitor the effectiveness of training related to claims establishment procedures.

Management Comments

The VARO Director concurred with our findings and recommendations. The Director stated that the VSC will complete quality reviews on claims processed by Claims Assistants, and training will be conducted if accuracy is less than 90 percent.

OIG Response

The VARO Director's comments and actions are responsive to the recommendations and the VARO has requested closure of Recommendation 3. Based on the information provided, we consider Recommendation 3 closed at this time. We will follow up as required.

IV. Public Contact

Finding 4 Anchorage VARO Needed To Improve the Documentation of Receipt of Special Controlled Correspondence

Anchorage VSC congressional liaison staff responded to special controlled correspondence accurately. However, improvements needed to be made to ensure documentation of receipt of special controlled correspondence in the electronic systems. We reviewed all four special controlled correspondence concerning compensation benefits to determine whether staff timely and accurately processed them. In all four, the Anchorage VSC congressional liaison staff did not properly document the dates of receipt of the special controlled correspondence. Therefore, we were unable to determine whether the dates of claim for the special controlled correspondence in the electronic systems were correct and whether responses were provided within five business days after receipt as required.[28]

Generally, the processing errors were due to inadequate oversight by the VSCM and the Management Analyst and lack of training. Based on the errors we found, combined with the VSC congressional liaison staff member who reported he had had no formal training, we concluded there was a lack of training. As a result of not properly documenting the date of receipt of the special controlled correspondence, the errors affected data integrity, misrepresented VARO workload performance, and provided inaccurate information to congressional staff.

VBA Policy Related to Special Controlled Correspondence

Special controlled correspondence is mail that requires expedited processing, control, and response. Examples of special controlled correspondence include mail received from the White House, members of Congress, national headquarters of service organizations, and private attorneys. VBA policy requires either the VARO Director or the VSCM to establish a specific tracking code for all special controlled correspondence.[29] Staff are required to send an acknowledgement letter within five business days after receipt in the VARO if they cannot provide a full response.[30]

Furthermore, according to VBA policy, all correspondence generated by VA must provide complete, accurate, and understandable information.[31] VARO

[28] M27-1, Benefits Assistance Service Procedures, Part I, Chapter 5, Topic 3, *Acknowledging Correspondence.*
[29] M21-4, Appendix B, Section II, *End Products - Compensation, Pension, and Fiduciary Operations.*
[30] M27-1, Benefits Assistance Service Procedures, Part I, Chapter 5, Topic 3, *Acknowledging Correspondence.*
[31] M27-1, Benefits Assistance Service Procedures, Part I, Chapter 5, Topic 1, *General Guidance for Processing Correspondence*.

staff must either file these documents in a claims folder or upload them into electronic folders.[32]

Review of VARO Processing of Special Controlled Correspondence To Assess Timeliness and Accuracy

We reviewed all four special controlled correspondence completed from December 1, 2016 through February 28, 2017 to determine whether VSC staff timely and accurately processed them. VSC congressional liaison staff accurately responded to all four special controlled correspondence. However, the special controlled correspondence uploaded to VBMS did not contain documentation identifying the date they were received. There were no date stamps on the special controlled correspondence and staff did not follow the procedures for handling documents without a date stamp.[33] As a result, we were unable to determine whether the dates of claim for the special controlled correspondence in the electronic systems were correct. In addition, we could not determine whether responses had been provided for special controlled correspondence within five business days after receipt. The VSCM concurred with the errors we identified and agreed that workload measurements for special controlled correspondence could be misrepresented.

Generally, the errors occurred due to inadequate oversight by the Management Analyst and the VSCM and lack of training. During our interviews, the congressional liaison staff stated that written responses for special controlled correspondence were forwarded to the VSCM for approval and signature. The VSCM stated that the VSC congressional liaison staff prepared the responses for special controlled correspondence and the Management Analyst reviewed the responses for accuracy and format before giving them to the VSCM for signature. The VSCM also stated that the electronic systems were not reviewed to ensure that dates of claim were properly documented and that the oversight process consisted primarily of looking at the special controlled correspondence responses for accuracy. The VSCM further stated that the Management Analyst did not have a claims processing background and, therefore, was not reviewing the electronic systems to ensure proper documentation of the date of receipt of special controlled correspondence.

Moreover, the congressional liaison staff stated that training consisted of being self-taught and referring to the manual to try and resolve any questions. A Supervisory Veterans Service Representative stated that the VARO had recently developed a new procedures manual for processing congressional, White House, and other special controlled correspondence, but that training on the new procedures had not been provided to the VSC congressional liaison staff at the time of our inspection.

[32] M27-1, Benefits Assistance Service Procedures, Part I, Chapter 5, Topic 5, *Handling Various Types of Correspondence.*
[33] M21-1, Adjudications Procedures Manual, Part III, Subpart ii, Chapter 1, Section C, Topic 1, *Recording the Date of Receipt of Incoming Documents.*

Recommendations

4. We recommended the Anchorage VA Regional Office Director provide training for designated congressional liaison staff who process special controlled correspondence and monitor the effectiveness of the training.

5. We recommended the Anchorage VA Regional Office Director implement a plan to ensure oversight is strengthened for special controlled correspondence.

Management Comments

The VARO Director concurred with our findings and recommendations. The Director stated that training will be provided to congressional staff and a Special Controlled Correspondence Standard Operating Procedure is to be created. The target date of completion is August 31, 2017.

OIG Response

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

Appendix A Scope and Methodology

Scope and Methodology

In May 2017, we evaluated the Anchorage 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' 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.

We randomly sampled 30 of 124 veterans' disability claims related to TBI (24 percent) that the VARO completed from September 1, 2016 through February 28, 2017. We sampled all four veterans' claims involving entitlement to SMC and related ancillary benefits completed by VARO staff from March 1, 2016 through February 28, 2017. In addition, we reviewed all 11 completed cases available that proposed reductions in benefits from December 1, 2016 through February 28, 2017. Furthermore, we randomly sampled 30 of 243 pending rating claims (12 percent) selected from VBA's corporate database established from February 1 through February 28, 2017, as of March 13, 2017. Finally, we reviewed all four special controlled correspondence completed from December 1, 2016 through February 28, 2017.[34]

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 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. 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 79 claims folders we reviewed related to TBI claims, SMC and ancillary benefits, completed claims related 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

[34] During the inspection, while determining our sample size of 30 claims, we determined some claims were outside of the scope of our review; therefore we removed these claims from the universe of claims.

contained in the veterans' claims folders reviewed in conjunction 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 8, 2017

From: Director, VA Regional Office, Anchorage, Alaska

Subj: OIG Draft Report- *Inspection of the VA Regional Office, Anchorage, Alaska*

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

1. The Anchorage VARO's comments are attached on the OIG Draft Report: Inspection of the VA Regional Office, Anchorage, Alaska.

2. Please refer questions to Michael Rohrbach, Acting Director.

(Original signed by:)

CAROL ROANE
Acting Director

Attachment

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

Attachment

Comments on Draft Report
OIG Office of Audits and Evaluations
Benefits Inspection of the Anchorage Regional Office

The following comments are submitted in response to the recommendations in the OIG report:

OIG Recommendations

Recommendation #1: We recommended the Anchorage VA Regional Office Director implement a plan to ensure prioritization of proposed rating reduction cases for completion at the expiration of the due process time period.

Anchorage RO Response: Concur.

VBA provides oversight and prioritization of proposed rating reduction cases at the national level. As of April 9, 2017, all Regional Offices receive a daily distribution of actionable due process work that is either priority - homeless, terminally ill, etc. - or our oldest pending claims. Nationally, Regional Offices are held to a standard that all work must be completed on a claim that is distributed to them within five days. Regional and District Office leadership, as well as the Office of Field Operations, routinely monitor stations performance related to the five day Time In Queue (TIQ) standard. Since NWQ began managing distribution of EP600s (due process EPs), timeliness of these claims improved by 30 days.

VBA will continue to monitor the improvements in EP600 timeliness and make prioritization adjustments as necessary. VBA requests closure of this recommendation.

Recommendation #2: We recommended the Anchorage VA Regional Office Director strengthen oversight to ensure data input at the time of claims establishment is reviewed for accuracy.

Anchorage RO Response: Concur

The VSC has established a Quality Review program to ensure that data input at the time of claims establishment is reviewed. Each month the VSC will complete quality reviews on 5 randomly-selected claims processed by CAs. The month's quality reviews will be completed by the 15th of the following month.

Target Completion Date: August 31, 2017

Recommendation #3: We recommended the Anchorage VA Regional Office Director implement a plan to monitor the effectiveness of training related to claims establishment procedures.

Anchorage RO Response: Concur

If the Quality Review, as suggested in Recommendation #2, reveals less than a 90 percent accuracy rate in claims establishment, training will be provided to the individual(s) responsible for the errors. The Anchorage RO would like to request Recommendation #3 be closed.

Recommendation #4: We recommended the Anchorage VA Regional Office Director provide training for designated Congressional Liaison staff that process special controlled correspondences and monitor the effectiveness of the training.

Anchorage RO Response: Concur

Training will be provided to the congressional staff on the following subjects: Handling Incoming Mail, M21-1, Part III, Subpart ii, Chapter 1, Section B, Topic 2; Recording the Date of Receipt of Incoming Documents, M21-1, Part III, Subpart ii, Chapter 1, Section C, Topic 1; and General Guidance for Processing Correspondence, M27-1, Part I, Chapter 5.

Target Completion Date: August 31, 2017

Recommendation #5: We recommended the Anchorage VA Regional Office Director implement a plan to ensure oversight is strengthened for special controlled correspondence.

Anchorage RO Response: Concur

A Special Controlled Correspondence Standard Operating Procedure is being created.

Target Completion Date: August 31, 2017

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	Dana Sullivan, Director Jason Boyd Orlan Braman Pilar Gamble Elyce Girouard Nelvy Viguera Butler Todd Wagnild Claudia Wellborn

Appendix D Report Distribution

VA Distribution

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Veterans Benefits Administration
Assistant Secretaries
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Veterans Benefits Administration Pacific District Director
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Non-VA Distribution

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Senate Committee on Homeland Security and Governmental Affairs
National Veterans Service Organizations
Government Accountability Office
Office of Management and Budget
U.S. Senate: Lisa Murkowski and Daniel Sullivan
U.S. House of Representatives: Don Young

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