



US DEPARTMENT OF VETERANS AFFAIRS OFFICE OF INSPECTOR GENERAL

Office of Audits and Evaluations

VETERANS BENEFITS ADMINISTRATION

Veteran Readiness and Employment Staff Improperly Sent Participants to Veteran Employment Through Technology Education Courses

Review

23-00967-64

March 28, 2024

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Executive Summary

The Veteran Readiness and Employment (VR&E) Service is a Veterans Benefits Administration (VBA) entitlement program providing job training and employment services to help veterans with service-connected disabilities achieve maximum independence in their daily lives. This program focuses on disabilities that cause an “employment handicap,” which substantially reduces a veteran’s ability to prepare for, find, or maintain suitable employment.¹

A vocational rehabilitation counselor helps veterans identify a suitable employment goal and determine what services are necessary to achieve it; often, this includes college, non-college-degree training, on-the-job training, or an apprenticeship program. VR&E funds the cost of all tuition, books, fees, and necessary supplies, as well as a monthly subsistence allowance during schooling or training.

When VR&E participants need job training, they must attend schools and training programs approved under the Montgomery and Post-9/11 GI Bills—referred to collectively as the GI Bill.² Nearly all VR&E participants attend GI Bill-approved programs, which are administered by VBA’s Education Service. These GI Bill-approved programs must meet specific standards and undergo annual monitoring to ensure compliance with requirements.³ This process helps ensure these programs provide quality education or training and that veterans and the taxpayer dollars that fund these benefits are protected from unscrupulous actors.

Congress created the Veteran Employment Through Technology Education Courses (VET TEC) in 2017.⁴ VET TEC is a five-year pilot education program with an annual budget of \$45 million. The program is scheduled to end in April 2024.⁵ It is also administered by VBA’s Education Service but is separate from the GI Bill. The goal of VET TEC is to provide veterans with the opportunity to pursue high-technology training, such as computer programming. VA incentivizes these training providers with a “pay-for-performance” model that pays the providers incrementally based on the progress and success of their students. VET TEC training programs must meet less stringent approval requirements, are not approved for use under the GI Bill, and require a waiver from the executive director for VR&E participants to use them before VR&E

¹ VA Manual 28C, “Evaluation Process,” chap. IV.B.1 in *Veteran Readiness and Employment Manual*, para. 1.04, updated August 15, 2013.

² 38 U.S.C. § Chapter 30: All-Volunteer Force Educational Assistance Program and 38 U.S.C. § Chapter 33: Post-9/11 Educational Assistance.

³ 38 U.S.C. § 3675 and U.S.C. § 3693.

⁴ Harry W. Colmery Veterans Educational Assistance Act of 2017, Pub. L. No. 115-48 131 Stat. 973 (2017) § 116.

⁵ The VET TEC program was initially funded with a budget of \$15 million per year that was increased to \$45 million by the Johnny Isakson and David P. Roe, M.D. Veterans Health Care and Benefits Improvement Act of 2020 Pub. L. No. 116-315 (2021).

staff can authorize payment or enrollment.⁶ VET TEC training providers are only paid the full cost of tuition if a veteran finds meaningful employment within 180 days of completing the program.⁷

In September 2022, the VA Office of Inspector General (OIG) received an allegation that a VET TEC training provider was knowingly enrolling VR&E participants with improper authorizations. The allegation also stated that some VR&E counselors have worked with the training provider while others have refused to authorize payment for requested courses. According to the complainant, as of September 23, 2022, the VET TEC training provider had over 30 VR&E students enrolled without a required waiver.⁸ The VA OIG conducted this review to assess the merits of the allegation.

What the Review Found

The OIG reviewed and substantiated the allegation that VR&E staff improperly authorized 31 participants to attend the courses offered by the VET TEC training provider mentioned by the complainant. The team also identified 11 additional VR&E participants attending courses at eight other VET TEC training providers that VR&E staff improperly authorized. According to law, VR&E participants must attend GI Bill-approved programs to the maximum extent possible or obtain a waiver from the executive director of VR&E.⁹ The VET TEC courses authorized for these 42 participants were neither approved for the GI Bill nor were waivers obtained to allow participation.

The team found that 22 of the 31 VR&E participants improperly authorized to attend the VET TEC providers' courses mentioned in the complaint were enrolled. The remaining nine were not enrolled for various reasons, such as deciding to attend a GI Bill-approved program instead or to leave the VR&E program. In addition, all 11 participants improperly authorized for the other eight VET TEC providers' courses were enrolled. Because 33 of 42 VR&E participants were improperly enrolled to attend VET TEC courses, the OIG considers the \$387,000 spent on those courses between April 1, 2019, and December 31, 2022, as improper payments.¹⁰

The improper authorizations occurred because VR&E staff were not adequately informed about the VET TEC pilot program and were generally unaware the program could not be used by

⁶ 38 U.S.C. § 3104(b).

⁷ U.S. Department of Veterans Affairs, VET TEC Certifying Officials Handbook, Volume 1.0, May 2019. Meaningful employment is defined as employment in a career the program of study was in or promotion in an existing career that is supported by the program of study.

⁸ 38 U.S.C. § 3104(b).

⁹ 38 U.S.C. § 3104(b).

¹⁰ This number is rounded to the nearest \$1,000. Office of Management and Budget Circular A-123, March 5, 2021. An improper payment is any payment made to an ineligible recipient for an ineligible good or service.

VR&E participants. These staff did not receive any training specific to the VET TEC program, which led to confusion about the program.

VR&E controls also did not prevent participants from being authorized and enrolled in unapproved courses and were therefore ineffective. The team determined that this occurred in two ways: First, VR&E counselors were unaware that school certifying officials were required to use the enrollment system, VA Online Certification of Enrollment (VA-ONCE), at the time of the review and allowed the training providers' school certifying official to bypass the control.¹¹ Instead of using VA-ONCE as required, the school certifying official was allowed to email an enrollment form to the counselors. Second, VR&E counselors did not verify that the facility code used on the authorization form in the Invoice Payment Processing System was the same code used by the school certifying officials on the enrollments. Because the controls were ineffective, counselors missed opportunities to determine if the courses offered by VET TEC training providers were approved before participants started the courses.

What the OIG Recommended

The OIG made two recommendations to the under secretary for benefits. First, develop and implement policies and system controls to ensure all programs approved for use by counselors meet the requirements of applicable laws and regulations. Second, train all appropriate VR&E regional office staff on manual requirements to verify the programs are approved for use before selecting participants and to confirm facility codes match from authorization through enrollment.

VA Management Comments and OIG Response

The under secretary for benefits concurred with all recommendations and provided acceptable action plans for implementation. The comments are provided in full in appendix D. The OIG will monitor VBA's progress and follow up on the implementation of the recommendations until all proposed actions are completed.



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¹¹ U.S. Department of Veterans Affairs VR&E School Certifying Official Handbook, updated December 4, 2019. School certifying officials are employed by schools and training facilities to certify VA student enrollment to VBA.

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Abbreviations

CWINRS	Corporate Waco-Indianapolis-Newark-Roanoke-Seattle
IPPS	Invoice Payment Processing System
OIG	Office of Inspector General
VA-ONCE	VA Online Certification of Enrollment
VBA	Veterans Benefits Administration
VET TEC	Veteran Employment Through Technology Education Courses
VR&E	Veteran Readiness and Employment Service
WEAMS	Web-Enabled Approval Management System



Introduction

The Veteran Readiness and Employment (VR&E) Service is a Veterans Benefits Administration (VBA) entitlement program that provides job training and other employment services to veterans whose service-connected disabilities result in an “employment handicap,” or an impairment that substantially reduces a veteran’s ability to find employment consistent with the person’s abilities, strengths, and interests.¹²

A vocational rehabilitation counselor helps the entitled veteran identify a suitable employment goal and determine what services are necessary to achieve it. Almost all participating veterans receive education or training to attain employment goals. This instruction typically includes college, non-college-degree training, on-the-job training, or an apprenticeship program. VR&E funds the cost of all tuition, books, fees, and necessary supplies, as well as a monthly subsistence allowance during schooling or training.

The Montgomery GI Bill and the Post-9/11 GI Bill—referred to collectively as the GI Bill—provide educational assistance benefits to eligible individuals enrolled in approved education and training programs.¹³ VBA’s Education Service administers these programs, which nearly all VR&E participants attend. The programs must meet specific standards and undergo annual monitoring to ensure compliance with requirements.¹⁴ This process helps ensure these programs provide quality education or training and that veterans and the taxpayer dollars that fund these benefits are protected from unscrupulous actors.

In 2017, Congress created the Veteran Employment Through Technology Education Courses (VET TEC).¹⁵ VET TEC is a pilot education program that is also administered by VBA’s Education Service but is separate from the GI Bill. The goal of the VET TEC program is to provide veterans with the opportunity to pursue high-technology training, such as computer programming. VET TEC training programs must meet less stringent approval requirements and are not approved for use under the GI Bill, nor are they approved for use by VR&E participants without a waiver from the executive director of VR&E.¹⁶ This means that VR&E should not pay for or enroll veterans in these programs without a waiver. VET TEC training providers are only

¹² VA Manual 28C, “Evaluation Process,” chap. IV.B.1 in *Veteran Readiness and Employment Manual*, para. 1.04, updated August 15, 2013.

¹³ 38 U.S.C. § Chapter 30: All-Volunteer Force Educational Assistance Program and 38 U.S.C. § Chapter 33: Post-9/11 Educational Assistance.

¹⁴ 38 U.S.C. § 3675. U.S.C. § 3693.

¹⁵ Harry W. Colmery Veterans Educational Assistance Act of 2017, Pub. L. No. 115-48 131 Stat. 973 (2017) § 116.

¹⁶ 38 U.S.C. § 3104(b).

paid the full cost of tuition if a veteran finds meaningful employment within 180 days of completing the program.¹⁷

Hotline Allegation

In September 2022, the VA Office of Inspector General (OIG) received an allegation that a VET TEC training provider was knowingly enrolling VR&E participants with improper authorizations. The allegation also stated that some VR&E counselors have worked with the training provider, while others have refused to authorize payment for requested courses. According to the complainant, as of September 23, 2022, the VET TEC training provider had over 30 VR&E students enrolled without a required waiver. The OIG conducted this review to assess the merits of the allegation.

Veteran Readiness and Employment Program

There are two scenarios under which a veteran is eligible to receive benefits through the VR&E program: In the first scenario, the veteran must have an employment handicap and a service-connected disability evaluated as 20 percent disabling or greater. For the second scenario, the veteran must have a service-connected disability evaluated at 10 percent with a “serious” employment handicap.¹⁸ To determine whether a veteran has a serious employment handicap, a vocational rehabilitation counselor considers factors such as the severity of disabling conditions, a pattern of reliance on government support programs, and the existence of neuropsychiatric conditions.¹⁹ After determining a veteran’s entitlement to the program, a counselor helps the veteran identify a suitable employment goal and determine what services are necessary to achieve it. Almost all participating veterans receive education or training to attain employment goals.

When a counselor and veteran agree on a school or training facility that meets VR&E’s regulations for instruction, the counselor will use Web-Enabled Approval Management System (WEAMS) to confirm that the training facility is approved for use under VR&E and has been assigned a facility code, as required by the VR&E manual. The counselor will then approve the veteran’s attendance by submitting an authorization in the Invoice Payment Processing System (IPPS) to the school or training facility.²⁰ The authorization notifies the school certifying official for the selected school or training facility that the training hours must be certified in the

¹⁷ U.S. Department of Veterans Affairs VET TEC Certifying Officials Handbook, Volume 1.0, May 2019. Meaningful employment is defined as employment in a career the program of study was in or promotion in an existing career that is supported by the program of study.

¹⁸ 38 U.S.C. § 3102(a) Basic Entitlement.

¹⁹ VA Manual 28C, “Evaluation Process,” chap. IV.B.1 in *Veteran Readiness and Employment Manual*, para. 1.05, updated April 7, 2023.

²⁰ VA Manual 28C, “Chapter 1 Fiscal Responsibilities,” chap.V.B.1 in *Veteran Readiness and Employment Manual*, para. 1.07a.1., updated November 22, 2022.

enrollment system. School certifying officials are employed by schools and training facilities to certify VA student enrollment to VBA. At the time of the review, this system was the VA Online Certification of Enrollment (VA-ONCE).²¹ This system was used by schools and training facilities to enroll veterans, submit documentation of attendance, and initiate payment. The use of VA-ONCE was mandatory at the time of the review.²² Counselors were required to ensure the facility code used to enroll the participant in VA-ONCE matches the facility code identified in the IPPS authorization. If the facility codes did not match, the counselor was required to request that the certifying official update VA-ONCE with the correct facility code identified in the IPPS authorization. The counselor then completed the process once the facility codes match. At this point, the participant could attend the training program and the training provider could be paid. Figure 1 illustrates the process of authorizing and enrolling participants in training programs at the time of the review.

²¹ As of March 6, 2023, following the allegation and after the review period, VBA started using Enrollment Manager instead of VA-ONCE, but the authorization and enrollment process remained the same under the new system. Procedural Advisory: School Certification during Enrollment Manager Roll-out, updated March 1, 2023.

²² U.S. Department of Veterans Affairs VR&E School Certifying Official Handbook, updated December 4, 2019.

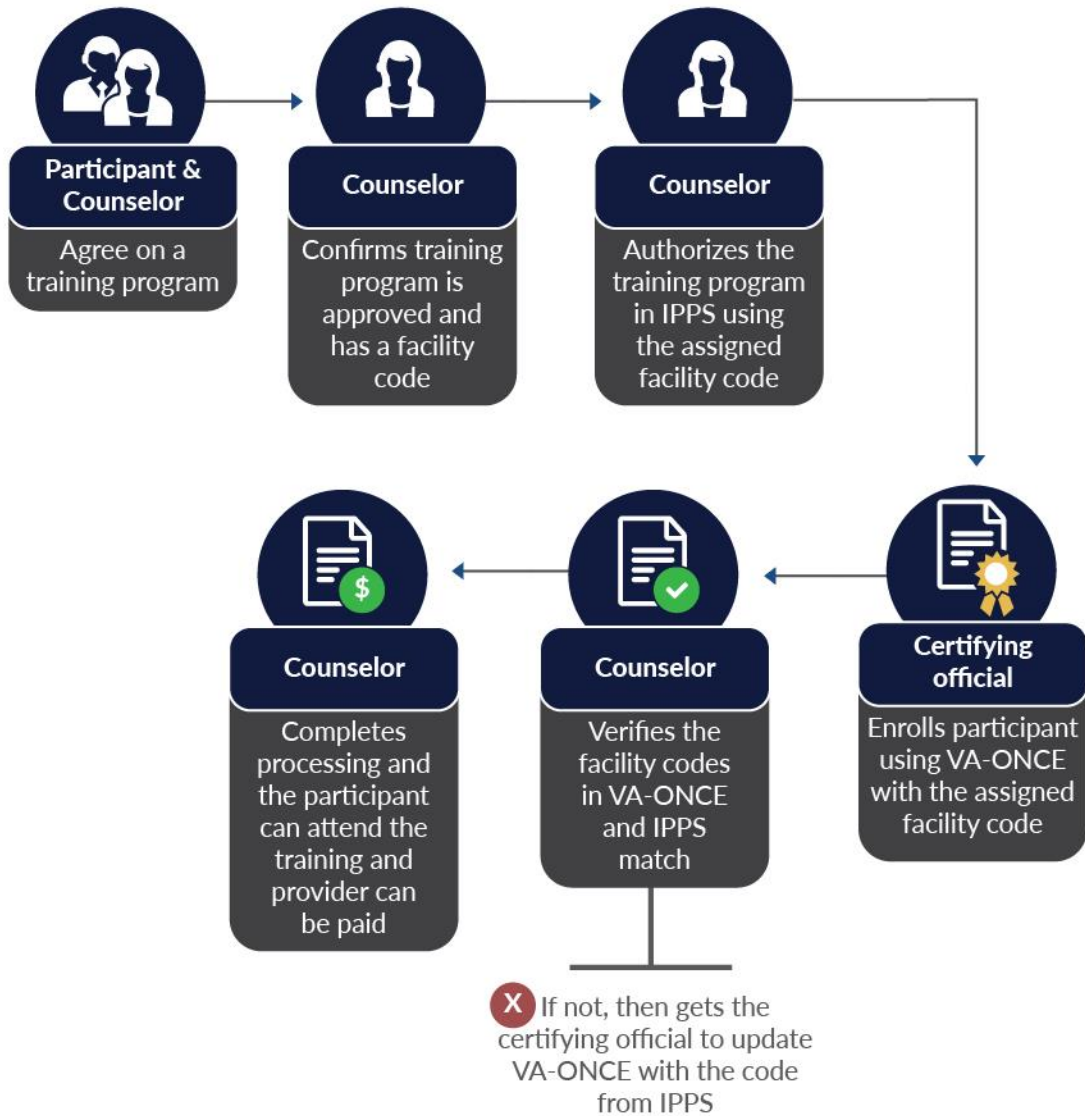


Figure 1. Authorization and enrollment process.

Source: VA OIG analysis

Training facilities electing not to use the system must provide the appropriate VR&E official, such as a VR&E officer, written documentation that outlines the reasons why VA-ONCE is not an option for the school or training facility, and how the school certifying official will communicate required enrollment information to the counselor.²³ The VR&E officer manages

²³ School Certifying Official Handbook, Revision 5.6, March 15, 2019; VR&E School Certifying Official Handbook, updated December 4, 2019; U.S. Department of Veterans Affairs VR&E School Certifying Official Handbook, updated November 2021.

the VR&E program division and its staff of mostly counselors within a VBA regional office, which is overseen by the director of the regional office.²⁴

The VR&E Service executive director does not have direct authority over VR&E officers or counselors at the regional offices; however, the executive director supports the success of the VR&E divisions by serving as the chief point of contact for Congress and all federal agencies on anything concerning the VR&E program. In addition, the executive director is responsible for developing policy, procedures, and workload systems; supporting regional office VR&E staff development with training programs; and providing oversight of VR&E divisions with quality assurance reviews and site surveys. See appendix A for a simplified VBA organization chart to illustrate the relationship between VR&E Service and program divisions.

VET TEC Program

The VET TEC program is a five-year pilot under the administration of VBA's Education Service, which started in April 2019 and is scheduled to end in April 2024.²⁵ It pairs participating veterans and eligible service members with industry-leading and high-technology training providers to help participants enhance their skills or acquire new skills to enter the job market. Examples of high technology include computer programming and data processing. The VET TEC program has an annual budget of \$45 million.²⁶ VA incentivizes training providers with a "pay-for-performance" model that pays them incrementally based on the progress and success of their students. This is different from GI Bill-approved programs, which are not evaluated based on the results they produce but must meet more stringent approval requirements. School certifying officials for VET TEC training providers were required to use VA-ONCE to certify participant enrollment.²⁷ Training providers receive an initial payment of 25 percent of tuition and fees when the veteran enrolls in VET TEC and attends at least one day of class. VA pays training providers another 25 percent when a veteran completes their VET TEC course. VA provides the remaining 50 percent in tuition and fees once VA receives the veteran's employment certification form attesting that they found meaningful employment within 180 days of completing the VET TEC course.

²⁴ There are 58 VBA regional offices with VR&E program divisions.

²⁵ The US House of Representatives and Senate have pending legislation to make VET TEC a permanent VA education program under Title 38. H. 1669, VET TEC Authorization Act 2023 and S. 1877, Continue VET TEC Authorization Act of 2023.

²⁶ The VET TEC program was initially funded with a budget of \$15 million per year that was increased to \$45 million by the Isakson and Roe Act of 2020.

²⁷ U.S. Department of Veterans Affairs VR&E School Certifying Official Handbook, updated December 4, 2019.

Results and Recommendations

Finding: VR&E Counselors Incorrectly Sent Veterans to VET TEC-Only Training Providers and Controls Did Not Prevent Improper Payments

The OIG substantiated the allegation that VR&E counselors improperly authorized 31 participants to attend courses at the VET TEC training provider mentioned by the complainant.²⁸ While conducting the review, the team identified 11 additional VR&E participants attending courses at eight other VET TEC training providers that VR&E counselors also improperly authorized. In total, counselors from 21 VBA regional offices authorized and enrolled participants in unapproved courses. According to law, VR&E participants must attend GI Bill-approved programs to the maximum extent possible or obtain a waiver from the executive director of VR&E to attend a VET TEC program.²⁹ The VET TEC courses authorized for these 42 participants were not approved for GI Bill programs and waivers were not obtained to allow participation.

The improper authorizations occurred because VR&E officers and counselors were not properly informed about the VET TEC pilot program and were generally unaware the program could not be used by VR&E participants. Furthermore, controls that were in place to prevent training providers from enrolling participants in unapproved programs or courses were ineffective because counselors allowed them to be bypassed. Because the controls were ineffective, counselors missed the opportunity to determine the programs were unapproved prior to the participant starting the course.

As a result, between April 1, 2019, and December 31, 2022, VR&E counselors authorized about \$387,000 in improper payments to VET TEC training providers that likely would not have received those funds if VR&E counselors had followed the law.³⁰

The following elements support this finding:

- Counselors did not ensure VR&E participants used courses approved for VR&E.
- VR&E officers and counselors were generally unaware of the VET TEC program and did not receive training.

²⁸ Of the 31 participants improperly authorized, only 22 were enrolled and attended the VET TEC training provider courses. Nine participants were not enrolled for various reasons, such as deciding to attend a GI Bill-approved program instead or leaving the VR&E program.

²⁹ 38 U.S.C. § 3104(b).

³⁰ 38 U.S.C. § 3104(b); Office of Management and Budget Circular A-123, March 5, 2021. An improper payment is any payment made to an ineligible recipient for an ineligible good or service; Inspector General (IG) Act of 1978, 5a U.S.C. § 405. The IG Act defines questioned costs as a finding that, at the time of the review, the cost is not supported by adequate documentation.

- Controls were ineffective at preventing VR&E participants from attending unapproved programs.
- VR&E's failure to correctly implement controls resulted in improper payments.

What the OIG Did

The review team identified all the veterans authorized to attend VET TEC training providers' courses between April 1, 2019, and December 31, 2022. This included 31 participants authorized to attend programs of the VET TEC training provider mentioned in the allegation and 11 additional participants identified by the OIG who were authorized to attend eight other VET TEC training providers' programs. The team reviewed these participants' files and records to determine enrollments and payments. The team also interviewed four VR&E officers and six counselors who authorized the use of VET TEC courses and various other VR&E Service staff and leaders. In addition, the team interviewed staff from VBA's Education Service and Financial Services Center. See appendix B for more details about scope and methodology.

Counselors Did Not Ensure VR&E Participants Used Courses That Were Approved for VR&E

Counselors at 21 VBA regional offices improperly authorized 31 VR&E participants to attend courses at the VET TEC training provider mentioned in the complaint, along with 11 additional participants who attended eight other VET TEC training providers' courses. Some VET TEC training providers offer courses that are approved for all VBA educational programs, which would include VR&E. However, the courses attended by the 42 participants were specifically categorized as "VET TEC only" programs and were therefore not approved for use by VR&E participants without obtaining a waiver from the executive director of VR&E. The team confirmed with the VR&E Service that waivers were not obtained for these 42 participants.

According to law, VR&E participants must attend GI Bill-approved courses to the maximum extent possible or obtain a waiver from the executive director of VR&E for an unapproved course.³¹ As previously noted, in order to attend a course, the counselor must first use the WEAMS to confirm that the training facility is approved and has been assigned a facility code.³² WEAMS identifies training facilities that can receive VA education or training payments through VA education benefits, including VR&E, GI Bill, and VET TEC. VBA gives training providers a facility code for each VA program they are approved to participate in, which gives them multiple

³¹ 38 U.S.C. § 3104(b).

³² VA Manual 28C, "Chapter 31 Only Facilities and Training Programs or Courses." chap. IV.C.1 in *Veteran Readiness and Employment Manual* para 1.03d. A facility code is a unique code that identifies facilities approved for payment of education or training under all VA education benefits, including VR&E.

facility codes in WEAMS.³³ Additionally, according to the Education Service’s chief of federal and state approval, the enrollment system at the time of the review—VA-ONCE—was designed to allow these providers to submit enrollments for each VA program they are approved to participate in.³⁴

Counselors must use WEAMS to confirm that a facility code has been assigned to the training facility and that an educational or training course has been approved. The counselors use WEAMS to search a training facility by name or code. Once a counselor locates the facility, he or she can determine which of the training facilities’ courses are approved. A training facility can be approved for the use of VR&E, VET TEC, or all VA education programs. Once determined, the counselor will approve it by submitting an authorization in IPPS. The authorization is sent to the school certifying official at the training provider, starting the enrollment process.

The team’s review of the participants’ VR&E rehabilitation plans, counselors’ notes, and payment invoices confirmed that all 42 participants were improperly authorized to attend courses from VET TEC training providers that were not approved for use by VR&E participants.

VR&E Officers and Counselors Were Generally Unaware of the VET TEC Program and Were Not Provided Training

Because VET TEC is a pilot education program, VR&E officers and counselors should have been made aware that VET TEC training providers could not be used for VR&E participants. Unlike most educational programs used by VR&E counselors, courses approved for the VET TEC program are not approved for GI Bill benefits and cannot be used by VR&E participants without a waiver from the executive director.³⁵ Despite this, five of the six VR&E counselors interviewed by the review team reported they were not aware that VET TEC training providers could not be used by VR&E participants.³⁶

All the counselors reported that when selecting a course for a VR&E participant, they were trained to verify that the school or training provider was approved in WEAMS. In WEAMS, these training providers were designated as approved for “VET TEC only” and assigned facility codes that contained a “V” to further identify them as “VET TEC only” programs. Counselors should have identified the VET TEC designations in WEAMS, but the VR&E Service should

³³ For instance, one provider had multiple facility codes assigned because their facilities were approved to provide different types of training. This training provider was given facility codes as a noncollege degree school, a VET TEC-only program, and on-the-job training.

³⁴ As of March 6, 2023, following the allegation and after the review period, VBA started using Enrollment Manager instead of VA-ONCE, but the authorization and enrollment process remained the same under the new system.

³⁵ 38 U.S.C. § 3104(b).

³⁶ The review team conducted interviews with VR&E counselors at four VBA regional offices. Counselors were interviewed from the following VBA regional offices: two each from Columbia, South Carolina and Denver, Colorado; one each from Newark, New Jersey and Washington, DC.

have provided training to counselors to clearly explain that VET TEC training providers could not be used.³⁷ As confirmed with VR&E Service leaders, no training specific to the VET TEC program was provided to VR&E officers and counselors. As a result, counselors used “VET TEC only” facility codes to improperly authorize all 42 participants.

During the OIG’s review and following discussions with VR&E Service leaders, the manual was updated in May 2023 to include a note that “VET TEC only facilities are identified in WEAMS by the facility code that contains the letter ‘V’. VET TEC-only approved programs cannot be authorized for training under the VR&E program.”³⁸ This note was not in place during the time that the 42 participants were authorized to attend a “VET TEC only” training program.

Controls Were Ineffective at Preventing VR&E Participants from Attending Unapproved Programs

As mentioned, use of the VA-ONCE enrollment system was mandatory at the time of the review.³⁹ This system was used by training providers to enroll veterans, submit documentation of attendance, and initiate payment. According to the Education Service’s chief of federal and state approval, the system would have prevented VET TEC training providers from submitting the enrollment of VR&E participants. The team determined that the improper authorizations and enrollments occurred in two ways: (1) counselors allowed the training provider’s school certifying official to bypass the system control by not using VA-ONCE and emailing enrollment forms to the counselors, and (2) counselors did not verify that the facility code used on the authorization was the same code used by the school certifying officials on the enrollments.

VR&E Counselors Allowed the School Certifying Official to Bypass the Mandatory Enrollment System and Submit Enrollment Using Email

According to the VR&E School Certifying Official Handbook, training providers can request not to use the enrollment system, but must provide the appropriate VR&E official, such as the VR&E officer, with written documentation that outlines the reasons why the system is not an option for use by the school or training facility.⁴⁰ According to emails reviewed by the team, the

³⁷ For example, facility codes for GI Bill and VR&E-approved programs are numerical and do not contain letters.

³⁸ VA Manual 28C, “Rehabilitation Plan Development and Redevelopment,” chap. IV.C.2 in *Veteran Readiness and Employment Manual*, para. 2.03d, updated May 17, 2023.

³⁹ School Certifying Official Handbook, Revision 5.6, March 15, 2019; VR&E School Certifying Official Handbook, updated December 4, 2019; VR&E School Certifying Official Handbook, updated November 2021.

⁴⁰ The VR&E School Certifying Official Handbook, updated December 4, 2019, required that “training facilities electing not to use the enrollment system must provide documentation to the local VR&E Supervisor.” A further update, dated November 21, 2021, clarified that training providers electing not to use the enrollment system must provide the VR&E officer with written documentation that outlines the reason use of the enrollment system is not an option, and how the school certifying official will communicate required information to the counselor.

school certifying officials employed by the VET TEC training provider named in the complaint told counselors they were unable to certify enrollment of students using the enrollment system, but did not give a reason explaining why. During interviews with these counselors, five of six stated they allowed the VET TEC provider to email the enrollment form, which circumvented the enrollment system. Neither the OIG team nor VR&E Service staff were able to identify documentation that the appropriate officials reviewed the requests to ascertain why the training provider could not use the enrollment system. This resulted in the enrollment of 22 of 31 VR&E participants who were improperly authorized to attend courses offered by the VET TEC provider mentioned in the complaint. The remaining nine participants were not enrolled for various reasons, such as a veteran deciding to attend a GI Bill-approved program instead or to leave the VR&E program.

The counselors allowed the enrollment system to be bypassed because they were generally unaware of those requirements concerning enrollment. Five of the six counselors interviewed by the team reported that they were unaware that use of the enrollment system was mandatory. When the VET TEC training provider communicated it was not capable of using the enrollment system to certify enrollment, the counselors allowed the VET TEC provider to submit enrollment forms by email, bypassing the system control. Had counselors been more aware of this requirement or had appropriate officials reviewed the request, it is possible that they would have determined that the VET TEC training provider was not eligible for use by VR&E and the participants would not have been enrolled.

VR&E Staff Did Not Identify that School Certifying Officials Used Incorrect Facility Codes to Enroll Participants

As stated earlier, the VR&E manual requires that when authorizing training facilities, the counselor must create an authorization for the VR&E participant in IPPS. Counselors are responsible for ensuring the facility code on the IPPS authorization is the same facility code the school certifying official used when enrolling the participant. If the facility codes do not match, the counselor must request that the school certifying official update the enrollment system with the facility code identified in the IPPS authorization.⁴¹

The team was able to confirm with VR&E that the 11 participants were authorized at eight different VET TEC training providers using the providers' VET TEC facility codes, but were enrolled by the school certifying official using different facility codes. Because these training providers had access to multiple facility codes, they were able to change the code in the enrollment system and enroll the participants using one of the other VA programs in which they

⁴¹ The requirements can be found in VA Manual 28C, "Chapter 1 Fiscal Responsibilities," chap.V.B.1 in *Veteran Readiness and Employment Manual*, para. 1.07a.1, updated November 22, 2022.

were approved to participate in the system. This allowed them to circumvent the controls built into the enrollment system. These 11 participants were not identified in the complaint.

This circumvention occurred because counselors failed to check the facility code used on the authorization against the code used in the enrollment system. All three VR&E counselors interviewed by the team reported they were unaware of the requirement to check the facility codes.⁴² System controls, such as those outlined in the VR&E manual, should have prevented these training providers from certifying enrollment for these participants. As a result, these VET TEC training providers were enrolling VR&E participants in unapproved courses.

VR&E’s Failure to Correctly Implement Controls Resulted in Improper Payments

VR&E participants must attend GI Bill-approved courses to the maximum extent possible or obtain a waiver from the executive director of VR&E.⁴³ The review team determined that from April 1, 2019, through December 31, 2022, VR&E authorized 42 veterans to attend courses approved for the VET TEC program. The courses authorized for these 42 participants were not approved for the GI Bill program and waivers were not obtained. VR&E counselors were not properly trained on the VET TEC program or manual requirements to confirm facility codes matched from authorization through enrollment. As a result, between April 1, 2019, and December 31, 2022, VET TEC training providers were allowed to enroll 33 of 42 VR&E participants in their unapproved courses, which resulted in about \$387,000 in improper payments.⁴⁴ These providers likely would not have received those funds if VR&E had followed the law because some of these courses could have been provided by GI Bill-approved programs had the counselors been properly informed about VET TEC.

Conclusion

VR&E counselors should verify the programs selected for VR&E participants before approving their use to help ensure participants are sent to courses allowed by existing laws and regulations. This verification will also help ensure that the designated training providers are being properly paid. In addition, VR&E should improve its staff’s awareness of the requirements to use VBA’s education enrollment system and update its manual.

⁴² The requirements can be found in VA Manual 28C, “Chapter 1 Fiscal Responsibilities,” chap.V.B.1 in *Veteran Readiness and Employment Manual*, para. 1.07a.1, updated November 22, 2022.

⁴³ 38 U.S.C. § 3104(b).

⁴⁴ Office of Management and Budget Circular A-123, March 5, 2021. An improper payment is any payment made to an ineligible recipient for an ineligible good or service.

Recommendations 1 and 2

The OIG made the following recommendations to the under secretary for benefits:

1. Develop and implement policies and system controls to ensure all programs approved for use by vocational rehabilitation counselors for Veteran Readiness and Employment participants meet the requirements of applicable laws and regulations.
2. Train all appropriate Veteran Readiness and Employment regional office staff on manual requirement to verify the programs are approved for use before selecting participants and to verify facility codes match from authorization through enrollment.

VA Management Comments

The under secretary for benefits concurred with and provided action plans for both recommendations. See appendix D for the full text of the under secretary's comments.

For recommendation 1, VR&E developed and implemented policies and system controls that included updates to manuals and revised quality assurance reviews. Also, VR&E will develop an update to the Corporate Waco-Indianapolis-Newark-Roanoke-Seattle (CWINRS) system intended to ensure only appropriate facilities are accessible during plan development. The target completion for this planned action is December 31, 2025.

For recommendation 2, VR&E provided training to staff on how to verify approved courses in WEAMS. Also, VR&E will develop a training on the manual requirements to verify approved programs before selection and verify facility codes match from authorization through enrollment. The target completion for this planned action is July 31, 2024.

OIG Response

The under secretary for benefits provided acceptable action plans for all the recommendations. Given the system development required to update the CWINRS, the OIG believes the December 31, 2025, implementation date is reasonable for recommendation 1. The OIG will monitor VBA's progress and follow up on recommendation implementation until all proposed actions are completed.

Appendix A: VBA Organization Chart

The Veterans Readiness and Employment Service (VR&E) and Veteran Employment Through Technology Education Courses (VET TEC) are separate programs within the Veterans Benefits Administration (VBA) with separate purposes, funding, and lines of control. Figure A.1 is a simplified organization chart that illustrates how both programs fit into VBA's structure.

VR&E program division staff mostly include vocational rehabilitation counselors who are managed by a VR&E officer at each of VBA's 58 regional offices. Each regional office has a director and each office comes under VBA's Office of Field Operations.⁴⁵ The VR&E Service executive director does not have direct authority over VR&E officers or counselors at the regional offices. Education Service administers the VET TEC program. VET TEC is not eligible for use by VR&E participants unless a waiver from the executive director has been obtained.

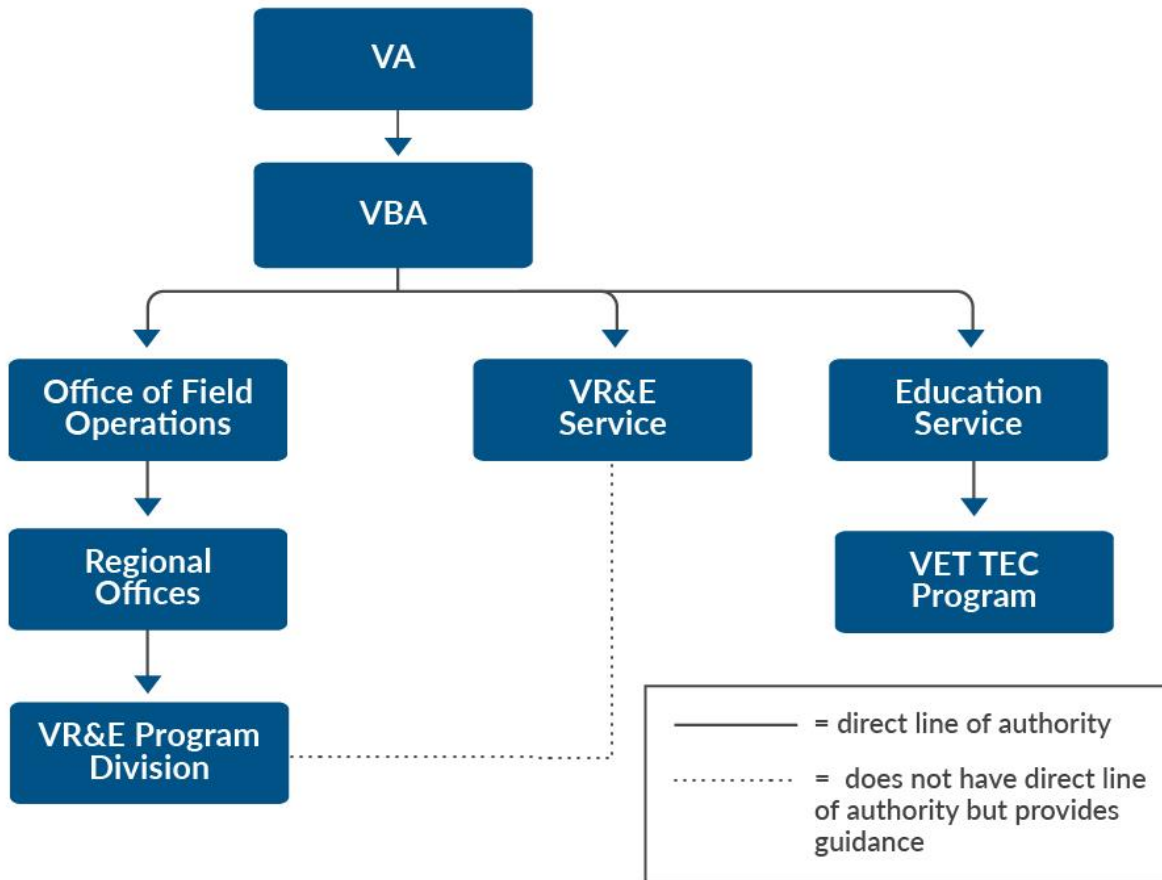


Figure A.1. VBA organization chart.
Source: OIG analysis

⁴⁵ Office of Field Operations staff oversee operations at VBA district, regional, and field offices to ensure that VBA delivers benefits and services effectively and efficiently to include VR&E benefits.

Appendix B: Scope and Methodology

Scope

The review team conducted its work from February 2023 through January 2024. It covered all nine Veteran Employment Through Technology Education Courses (VET TEC)-only training providers receiving tuition payments processed by the Veteran Readiness and Employment Service (VR&E) from April 1, 2019, through December 31, 2022, and included 42 VR&E participants authorized to attend VET TEC courses. Of those 42 participants, 22 participants were enrolled in courses offered by the VET TEC training provider that was the OIG hotline allegation subject, and 11 participants were enrolled in courses at eight other VET TEC training providers.

Methodology

To accomplish the review's objective, the team identified and reviewed applicable laws, regulations, Veterans Benefits Administration (VBA) policies, operating procedures, and guidelines related to VR&E and VET TEC programs.

To discover the population, the review team asked the VA Office of Inspector General (OIG) Office of Data and Analytics to identify veterans attending VET TEC programs with tuition being paid to the training providers by VR&E. The Office of Data and Analytics staff identified 42 such veterans, so no statistical sample was necessary. However, the review team and VR&E confirmed that nine of these 42 never attended a VET TEC course.

The team used the following VBA electronic systems:

- **Corporate Waco-Indianapolis-Newark-Roanoke-Seattle (CWINRS)**, the VR&E case management system, for the purpose of reviewing case notes and finding documentation of enrollments in VET TEC facilities.⁴⁶
- **Invoice Payment Processing System (IPPS)** to verify tuition payments to VET TEC providers.
- **Web Enabled Approval Management System (WEAMS)** to identify approved training programs at VET TEC provider facilities.
- **Veterans Benefits Management System** to verify that students were entitled to VR&E benefits and assigned to VET TEC provider programs, the team reviewed rehabilitation plans and counseling records.

⁴⁶ The name CWINRS is derived from the first letter of the names of the five pilot test stations that tested the original program (Winston-Salem, Indianapolis, Newark, Roanoke, and Seattle).

The review team conducted interviews with the complainant and with responsible officials for the training provider that was the subject of the complaint. To gain information on the role of Education Service in approval and monitoring of VET TEC programs, the team interviewed the supervisory education liaison representative, the chief of approvals compliance and liaison, the chief of the federal and state approvals team, and an education compliance survey specialist.

To obtain a better understanding of the controls preventing unauthorized vendor access to IPPS, the team interviewed the VA Financial Services Center supervisory financial management specialist.⁴⁷ The team interviewed Education Service's chief of federal and state approvals and a management and program analyst to obtain a better understanding of VBA's electronic certification of enrollment system. The team also interviewed four VR&E officers and six counselors regarding sending participants to VET TEC training providers, processing payments and enrollments, and system controls.

Internal Controls

The review team assessed the internal controls of the VR&E program significant to the review objective. This included an assessment of the five internal control components to include control environment, risk assessment, control activities, information and communication, and monitoring.⁴⁸ In addition, the team reviewed the principles of internal controls as associated with the objective. The team identified the following three components and their associated four principles as significant to the objective and identified internal control weaknesses and proposed recommendations to address the causes of the findings.⁴⁹

Component: Control Environment

- Principle 2 – The oversight body should oversee the entity's internal control system.
- Principle 3 – Management should establish an organizational structure, assign responsibility, and delegate authority to achieve the entity's objective.

Component: Control Activities

- Principle 11 – Management should design the entity's information system and related control activities to achieve objectives and respond to risks.

⁴⁷ The VA Financial Services Center provides a full range of financial operations, including electronic vendor payment services, customer relationship management, vendor file maintenance, and payment resolution services.

⁴⁸ Government Accountability Office, *Standards for Internal Control in the Federal Government*, GAO-14-704G, September 2014.

⁴⁹ Since the review was limited to the internal control components and underlying principles identified, it may not have disclosed all internal control deficiencies that may have existed at the time of this review.

Component: Monitoring

- Principle 16 – Management should establish and operate monitoring activities to monitor the internal control system and evaluate the results.

Fraud Assessment

The review team assessed the risk that fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements, significant within the context of the review objective, could occur during this review. The team exercised due diligence in staying alert to any fraud indicators by soliciting the OIG’s Office of Investigations for indicators.

The OIG did not identify any instances of fraud or potential fraud during this review.

Data Reliability

The OIG used computer-processed data from VBA’s Corporate Database. To test for reliability, the team determined whether any data were missing from key fields, included any calculation errors, or were outside the time frame requested. The team also assessed whether the data contained obvious duplication of records, alphabetic or numeric characters in incorrect fields, or illogical relationships among data elements. Furthermore, the team compared veterans’ names, file numbers, and payment amounts as provided in the data with the 42 Veterans Benefits Management System and training provider IPPS records reviewed. Testing of the data showed sufficient reliability for the review objective. Comparison of the data with information contained in the reviewed veterans’ Veterans Benefits Management System and training providers’ IPPS records did not disclose any problems with data reliability.

Government Standards

The OIG conducted this review in accordance with the Council of the Inspectors General on Integrity and Efficiency’s *Quality Standards for Inspection and Evaluation*.

Appendix C: Monetary Benefits in Accordance with Inspector General Act Amendments

Recommendations	Explanation of Benefits	Better Use of Funds	Questioned Costs ⁵⁰
1 and 2	Payments made to VET TEC-only providers without waivers or documentation over three years (April 1, 2019, through December 31, 2022) this will continue, if action is not taken to ensure VR&E is not using these training providers.	\$0	\$387,000 ⁵¹
	Total	\$0	\$387,000

⁵⁰ The OIG questions costs when VA action or inaction (such as spending or failure to fully compensate eligible beneficiaries) is determined by the OIG to violate a provision of law, regulation, contract, grant, cooperative agreement, or other agreement; or when costs are not supported by adequate documentation or are expended for purposes that are unnecessary or unreasonable under governing authorities. Within questioned costs, the OIG must, as required by section 405 of the IG Act, report unsupported costs. Unsupported costs are those determined by the OIG to lack adequate documentation at the time of the review. Of the \$387,000 in questioned costs, the entire amount reflects unsupported costs.

⁵¹ This number is rounded to the nearest \$1,000. The \$387,000 would be considered improper payments because the amounts were paid to VET TEC-only programs. Improper payments are any payments made to an ineligible recipient for an ineligible good or service. Because the VET TEC courses authorized for these 42 participants were not approved for the GI Bill and waivers were not obtained to allow participation, the payments made to these training providers were considered improper payments.

Appendix D: VA Management Comments

Department of Veterans Affairs Memorandum

Date: February 23, 2024

From: Under Secretary for Benefits (20)

Subj: Office of Inspector General (OIG) Draft Report – Veterans Readiness and Employment Staff
Improperly Sent Participants to Veterans Employment Through Technology Education Courses
[Project No. 2023-00967-AE-0034] — [VIEWS 11318285]

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

1. Thank you for the opportunity to review and comment on the OIG draft report: Veterans Readiness and Employment Staff Improperly Sent Participants to Veterans Employment Through Technology Education Courses. The Veterans Benefits Administration (VBA) provides the attached response to the draft report.

The OIG removed point of contact information prior to publication.

/S/

Joshua Jacobs

Attachments

**Veterans Benefits Administration (VBA)
Comments on OIG Draft Report**

**Veterans Readiness and Employment Staff Improperly Sent Participants to Veterans Employment
Through Technology Education Courses**

The Veterans Benefits Administration concurs with OIG's findings and provides the following comments in response to the recommendations in the OIG draft report.

Recommendation 1: Develop and implement policies and system controls to ensure all programs approved for use by vocational rehabilitation counselors for Veteran Readiness and Employment participants meet the requirements of applicable laws and regulations.

VBA Response: Concur. Veteran Readiness & Employment (VR&E) updated manual guidance M28C.IV.C.2.03.d on December 21, 2022, providing information about the VET TEC program and clarifying that VET TEC-only courses must not be included as an objective in a rehabilitation plan. The update also provided information on how to identify a VET TEC-only program in the Web Enabled Approval Management System (WEAMS). VR&E also updated M28C.IV.C.1.04.j to refine the procedures for requesting a facility code for Chapter 31-only courses of education or training. These new procedures only allow for designated staff in VR&E to request facility codes for Chapter 31-only programs. This prevents individual regional office staff from going directly to the Education Liaison Representative (ELR) to request facility codes and allows VR&E staff to ensure only those courses that have been approved for an individual waiver are listed in WEAMS.

As an additional internal control, VR&E revised three Quality Assurance Review Instruments (Attachments A, B and C) to ensure VET TEC-only approved courses were not authorized under Chapter 31. In developing internal controls for this finding, VR&E has decided to prioritize the development of fail-safe measures for the Corporate Winston-Salem, Indianapolis, Newark, Roanoke, and Seattle (CWINRS) system in lieu of pursuing additional facility removal work from the Invoice Payment Processing System (IPPS). This strategic shift aims to mitigate the adverse effects of enrolling Veterans in service plans that include unauthorized facilities. VR&E is utilizing a more proactive approach in curating personalized service plans for Veterans.

VR&E collaborated with the CWINRS technical team to implement additional fail-safe measures. These measures are intended to ensure that only appropriate Chapter 31-only facilities are accessible in CWINRS during plan creation. This initiative has been recognized as a feasible solution and is currently being defined in collaboration with the CWINRS technical team. The anticipated release for this system enhancement is first quarter of Fiscal Year (FY) 2025.

Target Completion Date: December 31, 2025

Recommendation 2: Train all appropriate Veteran Readiness and Employment regional office staff on manual requirement to verify the programs are approved for use before selecting participants and to verify facility codes match from authorization through enrollment.

VBA Response: Concur. VR&E conducted training on the monthly VR&E Officer call on July 6, 2023, as well as the monthly Vocational Rehabilitation Counselor (VRC) call on July 10, 2023 (Attachments D, E, and F) on how to verify approved courses of education and training in WEAMS. VR&E is in the process of developing a training on the manual requirement to verify the programs are approved for use before

selecting participants and to verify facility codes match from authorization through enrollment. The training is expected to be released to staff by April 30, 2024, with a required completion date of July 31, 2024.

Target Completion Date: July 31, 2024

*The original format of this appendix has been modified
to comply with Section 508 of the Rehabilitation Act of 1973, as amended.*

OIG Contact and Staff Acknowledgments

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