US DEPARTMENT OF VETERANS AFFAIRS
OFFICE OF INSPECTOR GENERAL

Office of Audits and Evaluations

VETERANS BENEFITS ADMINISTRATION

Inadequate Oversight Allowed a Senior Benefits Representative to Inaccurately Authorize Thousands of Decisions

Review | **24-03608-203** | **September 29, 2025**

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Executive Summary

In July 2024, the VA Office of Inspector General (OIG) received a hotline allegation that the Veterans Service Center manager at the Philadelphia VA Regional Benefit Office permitted a senior veterans service representative (VSR) to "blindly" approve hundreds of rating decisions for disability benefits claims each day without conducting the required reviews, "putting veterans' benefits at risk."[1] A rating decision is a document that states the decisions that VA made on one or more issues of benefit entitlement and provides an explanation supporting each decision.[2] The OIG conducted this review to assess the merits of the allegation and to determine whether the approval of rating decisions without the required reviews led, or could have led, to improper benefits payments to veterans or other beneficiaries.[3]

In Veterans Benefits Administration (VBA) regional offices, teams move claims for disability compensation benefits through several processing steps. VSRs are claims processors who explain benefit program and entitlement criteria, conduct interviews, identify issues, gather relevant evidence, and input data necessary to generate the award and notification letter explaining the rating decision to the veteran.[4] After the rating decision is made, claims move to the award step, where a VSR is assigned to conduct a cursory review of the rating decision, generate an award, and prepare a decision notice to inform the claimant. The award is then generally routed to a senior VSR to authorize the rating decision, the final step before benefits are awarded to claimants. At this step, the senior VSR's responsibilities include reviewing awards and decision notices for accuracy, confirming all the information in the claim is accurate, and ensuring VBA systems are updated correctly.[5] This generally involves opening and reviewing several

[1] At the Philadelphia VA Regional Office, staff in the Veterans Service Center process disability compensation claims. VA Manual 21-1, "Structure of the VSC," updated January 24, 2022, topic I.ii.1.A.1.a in *Adjudication Procedures Manual*. The Philadelphia office also has a Pension Management Center, but throughout this report, "claim" refers to a disability compensation claim processed in the Philadelphia Veterans Service Center.

[2] The rating decision comprises a rating narrative document explaining the determination on benefits entitlement and another document called a code sheet, which contains information about the claimant, the current decision, past decisions, and the current state of entitlement to benefits. VA Manual 21-1, "Basic Information on Rating Decisions," updated May 10, 2016, topic V.iv.1.A.1 in *Adjudication Procedures Manual*.

[3] Improper payments consist of both overpayments and underpayments of compensation benefits.

[4] "Veterans Service Representatives (VSR)," VA website, accessed June 1, 2025, https://benefits.va.gov/BENEFITS/jobs/index.asp. The processing of a decision is commonly referred to as an "award" action, regardless of whether the decision constitutes a grant or denial of benefits.

[5] Appendix A provides a checklist used during individual quality reviews of VSRs showing the tasks that, when applicable, senior VSRs are supposed to complete when authorizing a rating decision. VA Manual 21-4, 'VSR Task Based Quality Review Checklist," app. 6.A.a in chapter 6, "Quality Review Team (QRT)." According to a Compensation Service representative at VBA, tasks 6 through 11 on the checklist generally apply to senior VSRs, and task 1 is sometimes also applicable.

documents in the veteran's electronic claims file in the Veterans Benefits Management System.[6] After that review, the senior VSR authorizes the award and releases the decision notice, a copy of the rating decision, and any other information to be mailed to the claimant.[7] VBA considers the senior VSR to be the last line of defense to identify any possible quality errors and to verify that claimants receive the benefits they are entitled to.

What the Review Found

During the period of November 2024 through July 2025, the OIG team substantiated the allegation. From at least fiscal year (FY) 2022 through 2024, a senior VSR at the Philadelphia VA Regional Office authorized about 85,300 claims—about 19 times the national average for this type of position. The senior VSR spent an average of 4.7 minutes reviewing each claim authorized during this three-year period compared to a national average of about 21 minutes for all other senior VSRs at Veterans Service Centers. During the same period, the senior VSR contributed over 35 percent each year toward the Philadelphia VA Regional Office's claims completions goal, a metric that is part of regional office executive directors' performance standards. The OIG team found that the directors for VBA's four districts discussed the volume and pace of the Philadelphia senior VSR's authorizations in October 2023.[8] During this conversation, the Southeast District director said, "25 an hour is unrealistic unless you go by the old motto 'Y and fly' … this means the person doesn[']t review and just authorizes the award. Definitely a red flag."[9]

Representatives from the Northeast District reached out to leaders in the Philadelphia office in July and October 2023 to inquire about the senior VSR's unusually high authorization rates.[10] The Northeast District director told the regional office executive director in October 2023, "It is not physically possible to do that many authorizations and perform the real functions of the job."[11] The executive director supported the senior VSR, stating that this employee was assigned as a "quick hit" authorizer whose workload was mostly claims with one to three contentions and asserting that the employee's supervisor pre-screened claims for system compliance errors before

[6] The Veterans Benefits Management System is a web-based application designed to support end-to-end claims processing and transfer claims electronically for each stage of processing.

[7] Authorizing the award releases any benefits to the claimant. Senior VSRs are also referred to as "authorizers." Appendix B provides an example of a rating decision narrative.

[8] VBA has four districts: Northeast, Southeast, Continental, and Pacific. Each district is responsible for the effective management of the regional offices in its geographical area. Throughout this report, the position titles refer to the individuals who held these positions at the time of the review.

[9] Southeast District director, Microsoft Teams messages among four district directors, October 24, 2023.

[10] The Northeast District Office is responsible for oversight of the Philadelphia VA Regional Benefit Office.

[11] Northeast District director, Microsoft Teams message to Philadelphia VA Regional Office executive director, October 20, 2023.

sending them to the employee for authorization.[12] Even after the Northeast District director raised concerns over the risks of this high authorization rate, Philadelphia VA Regional Office leaders, including the Veterans Service Center manager, continued to support the senior VSR's authorization activity.

In six months, from January 1, 2024, through June 30, 2024, the Philadelphia senior VSR authorized about 15,600 rating decisions. The OIG team reviewed a statistical sample of 32 of these decisions and found that 27 had at least one error.[13] These consisted of monetary impact errors resulting in improper payments to veterans, potential impact errors that could affect veterans' benefits but did not result in improper payments, and procedural deficiency errors that did not directly affect veterans' benefits but could affect VBA's data integrity. Based on the results of the sample review, the team estimated that around 13,200 decisions (about 84 percent) authorized by the Philadelphia senior VSR had at least one error.[14] The team determined that some of the errors likely occurred because the senior VSR did not open and review the necessary documents. These monetary impact errors resulted in at least an estimated $2.2 million in improper payments during the review period.[15]

The OIG found that VBA leaders overlooked opportunities to strengthen control activities and effectively respond to risks associated with the senior VSR's unusually high authorization rates. The Philadelphia Veterans Service Center manager restricted the senior VSR to eight to 10 authorizations per hour beginning around October 2023. Although this restriction appeared to address the senior VSR's high authorization rate, it did not address whether the senior VSR reviewed the necessary documents before each authorization. Even with this limit, the senior VSR could spend only about six to eight minutes on each claim per hour. Furthermore, the senior VSR did not always stay within this hourly restriction.

In June 2024, VBA senior leaders—including the under secretary for benefits and deputy under secretary for field operations—were notified by the complainant about the senior VSR's unusually high authorization rate. At the request of the principal deputy under secretary for benefits, the Office of Field Operations analyzed the senior VSR's authorization activity. This

[12] Contentions, defined by VA as conditions or diagnoses that a veteran claims are the cause of a current disability, may qualify a veteran for benefits if directly related to the veteran's military service. "National Work Queue User Guide" (website), VBA, revised November 5, 2021, https://www.vbms.vba.va.gov/vbms-nwq/index.jsp#/nwq/dashboard, p. 156. (This website is not publicly accessible.) Screening for system compliance errors includes determining whether the electronic record lists the correct date that the claim was received and verifying and updating all periods of active military service. For a full list of system compliance requirements, please see appendix A, item 11.

[13] For more information about scope and methodology, see appendix C. Appendix D provides more details about statistical methodology.

[14] The percentage does not precisely calculate due to rounding of the estimated and total authorized decisions.

[15] For more information about the potential monetary benefits, see appendix E. In response to VBA's technical comment 1, the OIG team revised this sentence to clarify that $2.2 million is an estimate. The full text of VBA's comments is presented in appendix F.

analysis, completed in August 2024, showed that the senior VSR was a national outlier and authorized a rating decision every one to three minutes, on average. The Office of Field Operations did not make any recommendations.

The Pacific District director said he was asked in November 2024 by the under secretary for benefits to organize an integrated project team. This team analyzed the Philadelphia senior VSR's authorization activity and noted that the Philadelphia Veterans Service Center workflow and the senior VSR's actions "pose potential risk to the Agency." The integrated project team did not make any recommendations for how to address this risk. The OIG team noted that neither the Office of Field Operations nor the district integrated project team determined what documents the senior VSR opened while authorizing the reviewed claims.

The integrated project team reported that the senior VSR's high authorization volume would skew the sample size of individual quality reviews and concluded, "The Agency has no current method to validate that the volume of work being done by an individual producing an exceptional volume of work is worked accurately." VBA uses individual quality reviews, performed by quality review specialists in the regional offices, to identify errors in the claims process.[16] These reviews are used to assess the quality metric under the employee performance standard for each individual VSR. Although the senior VSR met this quality metric from FYs 2022 through 2024, the quality review assessed less than 1 percent of this employee's work. In interviews with the OIG team, the deputy under secretary for field operations agreed that three individual quality reviews per month may not be sufficient to reflect the accuracy of the Philadelphia senior VSR's work.

Strengthening control activities could help mitigate the risk associated with an employee authorizing a large volume of rating decisions without taking the time to thoroughly review and validate the information in the claims. Effective controls would also help avoid errors in authorizations and associated improper payments.

What the OIG Recommended

The OIG recommended the under secretary for benefits take the following actions:[17]

1. Review all processing errors on cases the OIG review team identified, correct those errors to the extent possible, and report back on the results of those actions.

[16] Individual quality reviews generally consist of a review of three randomly selected cases per month for senior VSRs. See appendix A for a checklist used to evaluate senior VSRs.

[17] The recommendations addressed to the under secretary for benefits are directed to anyone in an acting status or performing the delegable duties of the position.

2. Evaluate the effectiveness of control activities specifically for authorization rate outliers and determine whether new or stronger controls are needed.

VA Management Comments and OIG Response

The acting principal deputy under secretary for benefits, performing the delegable duties of the under secretary for benefits, concurred with both recommendations and submitted an action plan for each recommendation. The acting principal deputy under secretary also provided two technical comments.[18] Appendix F provides the full text of the management comments.

The OIG found the action plans acceptable and will close each recommendation once it receives adequate documentation demonstrating sufficient progress on implementation efforts.

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[18] The OIG added bracketed words to VBA's technical comments to clearly identify the two comments.

Contents

Abbreviations

FY	fiscal year
OIG	Office of Inspector General
VBA	Veterans Benefits Administration
VSR	veterans service representative

Introduction

The VA Office of Inspector General (OIG) received a confidential allegation in July 2024 that a senior veterans service representative (VSR) at the Philadelphia VA Regional Benefit Office was "blindly" approving hundreds of rating decisions each day without conducting the required reviews, "putting veterans' benefits and taxpayers' dollars at risk." A rating decision is the document that details VA's formal determination regarding one or more issues of benefits entitlement and lists the outcome for each issue addressed, such as a grant or denial of benefits.[19] According to the allegation, the regional office's Veterans Service Center manager permitted this activity.[20]

The OIG conducted this review from November 2024 through July 2025 to assess the merits of the allegation and to determine whether the approval of rating decisions without the required reviews led, or could have led, to improper benefit payments to veterans, their dependents, and survivors.

VA Disability Benefits Claims Process and Senior VSR Authorization Responsibilities

Disability benefits claims move through several different processing steps, including the development step to gather evidence to support the claim, the rating step to make a decision that determines benefits entitlement, and the award step.[21] During the award step, a VSR conducts a cursory review of the rating decision to identify any obvious errors, then generates an award, and finally prepares a decision notice for the claimant.[22] The award is then generally routed to a senior VSR for authorization.

[19] The rating decision comprises a rating narrative document explaining the determination on benefits entitlement and another document called a code sheet, which contains information about the claimant, the current decision, past decisions, and the current state of entitlement to benefits. VA Manual 21-1, "Basic Information on Rating Decisions," updated May 10, 2016, topic V.iv.1.A.1 in *Adjudication Procedures Manual*.

[20] Philadelphia Veterans Service Center staff are responsible for processing disability compensation claims. VA Manual 21-1, "Structure of the VSC," updated January 24, 2022, topic I.ii.1.A.1.a in *Adjudication Procedures Manual*.

[21] The development step includes actions such as requesting, gathering, and reviewing evidence for the claim. The rating step includes preparing the rating decision. The processing of a decision is commonly referred to as an "award" action, regardless of whether the decision constitutes a grant or denial of benefits.

[22] VSRs are claims processors who explain benefit program and entitlement criteria, conduct interviews, identify issues, gather relevant evidence, adjudicate claims, and input data necessary to generate the award and notification letter to the veteran describing the rating decision and the reason for it. "Veterans Service Representatives (VSR)," VA website, accessed June 1, 2025, https://benefits.va.gov/BENEFITS/jobs/index.asp. During this cursory review of the rating decision, the VSR attempts to identify any possible errors, such as not considering entitlement to other benefits.

The senior VSR is responsible for reviewing the award and decision notice for accuracy. Before authorizing a rating decision, the senior VSR must verify that claim information is correct, such as whether the claim application was signed by the correct party, all benefits were addressed in the decision, and the date of the claim is accurate, and also must ensure certain Veterans Benefits Administration (VBA) systems are updated accurately.[23] Senior VSRs typically need to review multiple documents in the veteran's electronic claims file in the Veterans Benefits Management System to verify some of this information.[24] After reviewing the claim, the senior VSR authorizes the award and releases the decision notice, a copy of the rating decision, and any other required information for mailing to the claimant.[25]

Although all claims processors share the responsibility for ensuring claim accuracy, the senior VSR is typically the last employee to take action on a claim since it is generally closed after the rating decision is authorized if all benefits have been addressed.[26]

VBA's Leadership Structure for Benefits Delivery and Claims Processing Oversight

VBA leaders at the central office, district office, and regional office levels oversee benefits delivery and claims processing as detailed in figure 1.

[23] Appendix A provides a checklist used during individual quality reviews of VSRs that shows the tasks that, when applicable, senior VSRs are supposed to complete when authorizing a rating decision. VA Manual 21-4, 'VSR Task Based Quality Review Checklist," app. 6.A.a in chapter 6, "Quality Review Team (QRT)." According to a Compensation Service representative, tasks 6 through 11 on the checklist generally apply to senior VSRs, and task 1 is sometimes also applicable. The OIG revised this sentence in response to VBA's technical comment 2 to clarify the scope of senior VSRs' work in verifying claim information. The full text of VBA's comments is presented in appendix F.

[24] The Veterans Benefits Management System is a web-based application designed to support end-to-end claims processing and electronically transfer claims throughout the claims process.

[25] Authorizing the award releases any benefits to the claimant. Senior VSRs are also referred to as "authorizers."

[26] The claim may remain in a pending status if other claimed benefits must be resolved.

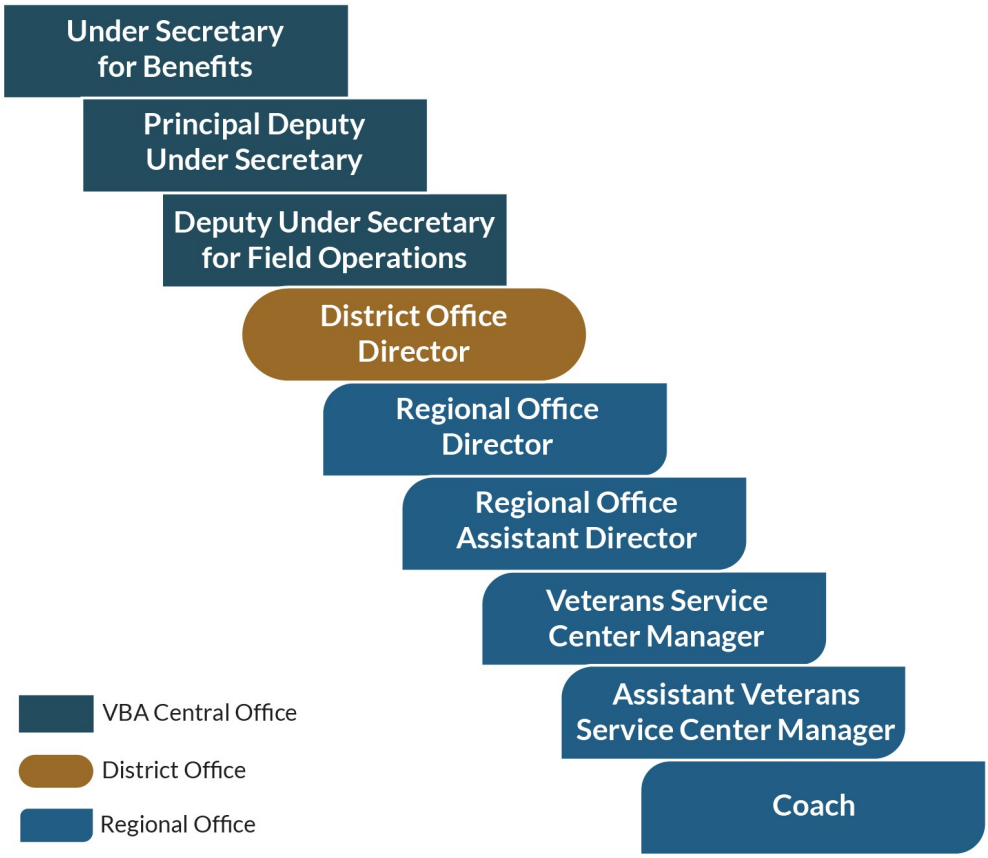

Figure 1. *Overview of VBA's leadership structure for benefits delivery and claims processing oversight. Source: VA OIG analysis of VBA's organizational chart and claims-processing hierarchy.*

At the central office, the under secretary for benefits directs the delivery of benefits, including compensation. The principal deputy under secretary for benefits oversees policy, VA benefits programs, and claims-processing efficiency to enhance benefits delivery. The principal deputy under secretary ensures the effective operation of claims-processing activities through the Office of Field Operations. The Office of Field Operations, led by a deputy under secretary, oversees operations and staff at district and regional offices, which include claims processors responsible for assisting service members, veterans, and their families with VA benefits and services.

District offices, led by a district director, are responsible for managing regional offices by monitoring workload and making sure operations conform to applicable laws, regulations, and established policies and procedures.[27] District offices also evaluate the performance of regional office directors.

The Philadelphia VA Regional Office is under the jurisdiction of VBA's Northeast District. The regional office is led by one executive director and two assistant directors. The executive

[27] VBA has four districts: Northeast, Southeast, Continental, and Pacific. Each district is responsible for the effective management of the regional offices in its geographical area.

director, one of the assistant directors, a manager, and four assistant managers are responsible for overseeing the operations of the Veterans Service Center, which processes disability compensation claims.[28] In the Philadelphia service center, claims processors are divided into adjudication teams; each team is managed by a coach who reports to the assigned assistant manager.

VBA Productivity and VSR Quality Metrics

According to VBA, improving productivity directly correlates to greater service delivery.[29] Regional office directors and executive directors have performance standards that include set metrics for end product completions for the Veterans Service Center.[30] These metrics emphasize a director's ability to improve the productivity of their office. VBA's Director's Performance Dashboard tracks these productivity metrics and includes goals for three of the five performance ratings.[31]

VSRs have a quality metric in their performance standards that specifies they "must consistently and conscientiously exercise sound, equitable judgment in applying stated laws, regulations, policies, and procedures to ensure accurate information is disseminated to Veterans and accurate decisions are provided on all benefit claims administered by the Department of Veterans Affairs."[32] Regional office quality review specialists conduct individual quality reviews, which generally consist of an assessment of three randomly selected cases per month for VSRs.[33] These reviews determine whether VSRs meet the minimum standard for accuracy.

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[28] The Philadelphia VA Regional Office also has a Pension Management Center that processes pension claims. For the purposes of this report, "claims" refers to disability compensation claims processed by the Philadelphia Veterans Service Center.

[29] "Fiscal Year 2024 Director's Performance Plan" (website), VBA Office of Field Operations, https://dvagov.sharepoint.com/sites/VACOOFOGeneral/Directors%20Performance%20Plan/Forms/AllItems.aspx?id=%2Fsites%2FVACOOFOGeneral%2FDirectors%20Performance%20Plan%2FFY%2024%20DPP%2FFY24%20Director%20Performance%20Plan%20v1%2E9%2Epdf&parent=%2Fsites%2FVACOOFOGeneral%2FDirectors%20Performance%20Plan%2FFY%2024%20DPP. (This website is not publicly accessible.)

[30] An end product is the primary workload monitoring and management tool for the Veterans Service Center. The end product completion metric is found in the "Results-Driven" element of the Director's Performance Plan and is one of the five critical elements in the plan. Only certain types of end products are counted toward this metric.

[31] The Director's Performance Dashboard provides VBA managers with a report on performance categories for each business line and station based on measures and performance targets determined by the Office of Field Operations. The three performance ratings are "fully successful," "exceeds fully successful," and "outstanding."

[32] "National Performance Plan Veterans Service Representative" (website), VBA Office of Field Operations, https://dvagov.sharepoint.com/:b:/r/sites/VACOOFOGeneral/OFO%20Performance%20Plans/Veterans%20Service%20Representative%20(VSR)%20Standards/National_Performance_Plan_VSR.pdf. (This website is not publicly accessible.)

[33] The individual quality reviews are completed using a task-based quality checklist. For an example of this checklist, please see appendix A. VA Manual 21-4, 6.5.a, "Purpose of IQRs [Individual Quality Reviews]" and 6.5.c, "Standard of Review for IQRs."

Results and Recommendations

Finding: VBA Leaders Did Not Ensure a Senior VSR Reviewed Necessary Documents Prior to Authorizing Rating Decisions

The OIG substantiated the hotline allegation that a senior VSR in the Philadelphia VA Regional Office was authorizing hundreds of rating decisions for disability compensation claims per day without conducting the required reviews. From at least fiscal year (FY) 2022 through 2024, the senior VSR authorized approximately 85,300 claims, which was about 19 times the national average for this type of position.

Leaders in the regional office, district office, and VBA central office were aware of the volume and speed of this employee's work and acknowledged a potential risk to the quality of the authorized rating decisions. Although VBA leaders identified concerns with the amount and speed at which the senior VSR was authorizing rating decisions, they did not take sufficient action to ensure the claims were reviewed with due diligence.

Among a sample of 32 rating decisions that were authorized by the senior VSR from January 1, 2024, through June 30, 2024, the OIG team found that 27 contained at least one authorization error.[34] In one of these decisions with errors, the senior VSR did not open any documents before authorizing the decision. The team identified errors that involved incorrect entitlement determinations, not identifying benefits claimed by the veteran, and procedural deficiencies. In some cases, these errors would have been caught had the senior VSR conducted a cursory review. For example, in two instances, VBA rating staff did not address a veteran's claimed disability in the rating decision. Had the senior VSR opened the required documents to ensure the claimed disability had been addressed, those errors of omission could have been easily identified. Based on the sample results, the team estimated that about 13,200 of the approximately 15,600 decisions (about 84 percent) authorized by the senior VSR during the review period had errors, resulting in at least an estimated $2.2 million in improper payments.[35] Appendix E presents questioned costs related to the improper payments.

By strengthening oversight mechanisms to monitor and respond to identified employees with unusual claims authorization rates, VBA could lessen the risk of potential errors.

[34] For this review, the errors identified pertain to authorization of rating decisions. For more information on the scope and methodology, see appendix C.

[35] The projections presented here use a lower-bound scenario, which assumes conservative estimates due to the highly variable sample data. Both underpayments and overpayments were found in the sample review. See appendix D for more details about the statistical methodology. The percentage does not precisely calculate due to rounding of the estimated and total authorized decisions. In response to VBA's technical comment 1, the OIG team revised this sentence and hereafter in the report to clarify that $2.2 million is an estimate. The full text of VBA's comments is presented in appendix F.

This finding is based on the following determinations:

- VBA leaders acknowledged the significantly high volume and speed of the senior VSR's authorizations but did not ensure claims were thoroughly reviewed.
- Many of the senior VSR's authorizations had processing errors.
- VBA lacked sufficient internal controls to mitigate the risks associated with the senior VSR's unusually high authorization rates.

What the OIG Did

The OIG team conducted site visits and interviewed leaders and staff at the Philadelphia VA Regional Office, Northeast District Office, and VBA's central office from November 2024 through January 2025. Additionally, the team reviewed Microsoft Teams conversations among VBA leaders and staff from May 2020 to September 2024 and from November 2024.

The team identified approximately 15,600 rating decisions authorized by the senior VSR from January 1, 2024, through June 30, 2024 (the review period).[36] From this population, the team reviewed a random sample of 32 decisions.[37] After considering applicable laws, regulations, policies, procedures, and guidelines, the team reviewed the sampled decisions to determine whether the senior VSR correctly authorized them. The team provided the sample review results to VBA's Compensation Service staff, who concurred with the team's findings.[38]

VBA Leaders Acknowledged the Significantly High Volume and Speed of the Senior VSR's Authorizations but Did Not Ensure Claims Were Thoroughly Reviewed

VBA data showed that the senior VSR completed an unusually high volume of authorizations at a rapid pace. Philadelphia VA Regional Office leaders were aware of the senior VSR's unusually high authorization rate, and the Northeast District director raised concerns about it multiple

[36] The review population may have included claims decisions that did not have a rating, but for the purposes of this report, "rating decision" refers to the Philadelphia senior VSR's authorization activity.

[37] These 32 authorized rating decisions were for 34 claims; a rating decision can address multiple claims submitted by one veteran.

[38] The Compensation Service's mission is to guide and support the work of VBA claims-processing offices in administering disability compensation benefits.

times.[39] But regional office leaders supported the senior VSR's authorization activity, asserting that the senior VSR received low-contention claims and reviewed several claims at a time.[40]

The Senior VSR Rarely Opened Necessary Documents to Verify Claim Information

To determine whether the senior VSR reviewed relevant documents before authorizing a rating decision, the OIG team obtained data pertaining to documents the senior VSR opened from veterans' electronic claims folders in the Veterans Benefits Management System during the OIG's review period. Before authorizing a rating decision, senior VSRs must verify that claim information is correct, such as military service and power of attorney information, and must ensure the claim application is signed by the correct party. This verification typically involves reviewing multiple documents that should include the veteran's military separation documentation, any applicable power of attorney forms, and the claim application. These three documents contain critical information such as periods of active-duty military service, power of attorney information, and information needed to determine whether all claimed benefits were addressed and decided. However, the OIG team found that of the approximately 17,700 documents the senior VSR opened, only six were military separation documents, four were power of attorney forms, and 28 were claim applications.[41] Furthermore, the data showed that the senior VSR did not open any documents before authorizing about 300 rating decisions. Opening no documents or just one likely accounted for the senior VSR's unusually high authorization rates.

About 91 percent of the 17,700 opened documents were rating decision narratives. Generally, using only a rating decision narrative, a senior VSR would not be able to verify all the information needed to accurately authorize a rating decision.[42] For example, the narrative is not a valid document for verifying certain information such as military service, power of attorney information, or whether the claim application was signed by the correct party.

VBA provided additional data to the OIG showing that the senior VSR spent an average of 4.2 minutes per authorization in FY 2024 compared to the national average of 20.8 minutes per authorization for other senior VSRs. It appeared VBA calculated this measurement from the time when an initial action was taken on the claim by the senior VSR to when the rating decision was

[39] Throughout this report, position titles refer to the individuals who held these positions at the time of the review.

[40] VA defines "contentions" as conditions or diagnoses that a veteran states are the cause of a current disability. Contentions may qualify a veteran for benefits if directly related to the veteran's military service. "National Work Queue User Guide" (website), VBA, revised November 5, 2021, https://www.vbms.vba.va.gov/vbms-nwq/index.jsp#/nwq/dashboard, p. 156. (This website is not publicly accessible.)

[41] This was across about 15,000 veterans. Some of these documents may have been opened for reasons other than to review a rating decision for authorization.

[42] Appendix B provides an example of a rating decision narrative.

authorized. Table 1 shows the average amount of time the senior VSR spent authorizing claims compared to other senior VSRs for FY 2022 through FY 2024.

Table 1. Comparison of Average Times to Authorize Claims (in Minutes) by the Philadelphia Senior VSR and All Other Senior VSRs at Veterans Service Centers

Fiscal year	Philadelphia senior VSR's average	Philadelphia average, excluding the Philadelphia senior VSR	National average, excluding the Philadelphia senior VSR
2022	6.3	22.9	21.7
2023	3.6	24.9	20.9
2024	4.2	23	20.8
Average	**4.7**	**23.6**	**21.1**

Source: VA OIG analysis of data provided by VBA's Office of Performance Analysis and Integrity.

The senior VSR authorized approximately 85,300 claims from FY 2022 through FY 2024, which was about 19 times more claims than the national average. The senior VSR sometimes authorized about 150 claims in an eight-hour workday and spent an average of 4.7 minutes reviewing each claim authorized during this three-year period versus the 21.1-minute national average for all other senior VSRs at Veterans Service Centers (table 1). Table 2 shows the total claims authorized by the Philadelphia senior VSR by fiscal year compared to other senior VSRs nationwide.

Table 2. Comparison of Total and Average Number of Claims Authorized by the Philadelphia Senior VSR and All Other Senior VSRs at Veterans Service Centers

Fiscal year	Total claims authorized by the Philadelphia senior VSR	Average number of claims authorized by *all other senior VSRs* nationwide
2022	17,448	1,222
2023	39,638	1,509
2024	28,225	1,801
Total	**85,311**	**4,532**

Source: VA OIG analysis of data provided by VBA's Office of Performance Analysis and Integrity.

Claims completions are an important element of VA performance standards for regional office executive directors, and they are sometimes tied to annual performance bonuses. The senior VSR's rating decision authorizations contributed from 36 percent to 56 percent of the regional office's claims completions goals from FY 2022 through FY 2024 (table 3, on the next page). The Philadelphia Veterans Service Center had an average of 331 other staff contributing to the claims completions goals, including 45, 42, and 41 other senior VSRs, respectively, during these three fiscal years.

For the Philadelphia VA Regional Office director to meet the claims completions metric in FY 2024 with a performance rating of "fully successful," Veterans Service Center staff had to complete about 62,000 claims. For an "exceeds fully successful" rating, the completion target was about 64,400 claims, and for an "outstanding" rating, the target was about 66,900 claims. Veterans Service Center managers have this same metric as part of their performance standards. Table 3 illustrates the senior VSR's contributions to these performance metrics by fiscal year.[43]

Table 3. Claims Counted Toward Philadelphia Regional Office's Disability Compensation Benefits Claims Completions

Fiscal year	Philadelphia Regional Office's claims completions "fully successful" goal	Philadelphia Regional Office's total claims completions	Philadelphia senior VSR's total claims completions	Percent of Philadelphia senior VSR's contribution to total claims completions goal*
2022	38,879	46,031	14,299	37
2023	54,420	56,122	30,694	56
2024	61,961	67,151	22,530	36

Source: VA OIG analysis of data provided by VBA's Office of Performance Analysis and Integrity.

** These percentages were calculated by the OIG team and are rounded to the nearest percent.*

Philadelphia Veterans Service Center leaders seemed aware of the significantly high contribution the senior VSR made to the center meeting its completion goals. In a Microsoft Teams message dated October 25, 2023, an assistant manager told other assistant managers, "I need 4 people to do the work of [the senior VSR]." In another conversation on November 30, 2023, the assistant manager told the senior VSR's coach, "But with [the senior VSR] shut down, we really need to give your team more people."[44] In January 2024, the Veterans Service Center manager discussed redistributing the service center's workload with an assistant manager and said one senior VSR should not account for over half of the regional office's completions.[45]

[43] Only certain types of claims count toward a regional office's claims completions. Therefore, the Philadelphia senior VSR's numbers between tables 2 and 3 do not match.

[44] The senior VSR had been "shut down" because the regional office imposed a limit of eight to 10 authorizations per hour.

[45] Philadelphia VA Regional Office Veterans Service Center manager, Microsoft Teams message to assistant Veterans Service Center manager, January 30, 2024.

The Northeast District Office Questioned the Senior VSR's Authorization Activity, but Philadelphia VA Regional Office Leaders Supported It

In July 2023, a Northeast District official asked an assistant director in the Philadelphia VA Regional Office why the senior VSR's authorization volume was high. In response to the district office's query, the senior VSR's coach told an assistant manager, "Don[']t be concerned, I can explain away … I was prepared for this."[46]

On October 20, 2023, the district director asked the executive director of the regional office how the senior VSR was authorizing hundreds of claims per day. He noted that the Northeast District saw the anomaly while reviewing VSR staffing and pointed out to the regional office executive director that "it is not physically possible to do that many authorizations and perform the real functions of the job." The executive director responded, "Agree! I am having it looked into right now. I will provide you with a response and a way forward."[47] The executive director passed the Northeast District's concern down to the Veterans Service Center's manager. On the same day, the assistant manager told the senior VSR's coach, "I think we have both [been] waiting 5 years to get this question." The supervisor replied, "I knew this was coming, just didn't know when."[48]

After reviewing the district's concerns, the regional office executive director reported to the district director in an October 24, 2023, email that the senior VSR was assigned as a "quick hit" authorizer, meaning the workload was mostly claims with one to three contentions. The executive director said all employees were working these types of claims, but the senior VSR generally authorized these claims due to working later hours than most of the team.[49] To confirm this explanation, the OIG team asked the senior VSR whether the workload consisted mainly of claims with one to three contentions or different types of claims; the senior VSR reported processing a variety of claims, which could include claims with as many as 50 contentions. VBA data showed that about 55 percent of the senior VSR's authorizations from January 1, 2024, through June 30, 2024, were for claims with three or fewer contentions.

The executive director also told the district director in the same email, and again a few days later, that the senior VSR could authorize claims quickly because the adjudication team coach

[46] Philadelphia VA Regional Office assistant Veterans Service Center manager, Microsoft Teams message to a Veterans Service Center coach, July 7, 2023.

[47] Northeast District director, Microsoft Teams message to Philadelphia VA Regional Office executive director, October 20, 2023.

[48] Philadelphia VA Regional Office assistant Veterans Service Center manager, Microsoft Teams message to a Veterans Service Center coach, October 20, 2023.

[49] Philadelphia VA Regional Office executive director, email to Northeast District director, October 24, 2023.

pre-screened claims for system compliance errors before assigning the workload.[50] However, during an interview with the OIG team, the coach said that not every claim was pre-screened and that everyone on the team received pre-screened claims, but not everyone accepted the screenings. In other words, other senior VSRs would still double-check the pre-screened work to avoid a possible individual quality review error. The coach said this was because if an employee received an error, they could not use the coach's pre-screening as the reason.

The Northeast District director also raised concerns about the Philadelphia senior VSR's unusually high authorization rates with the three other district directors on October 24, 2023 (figure 2).

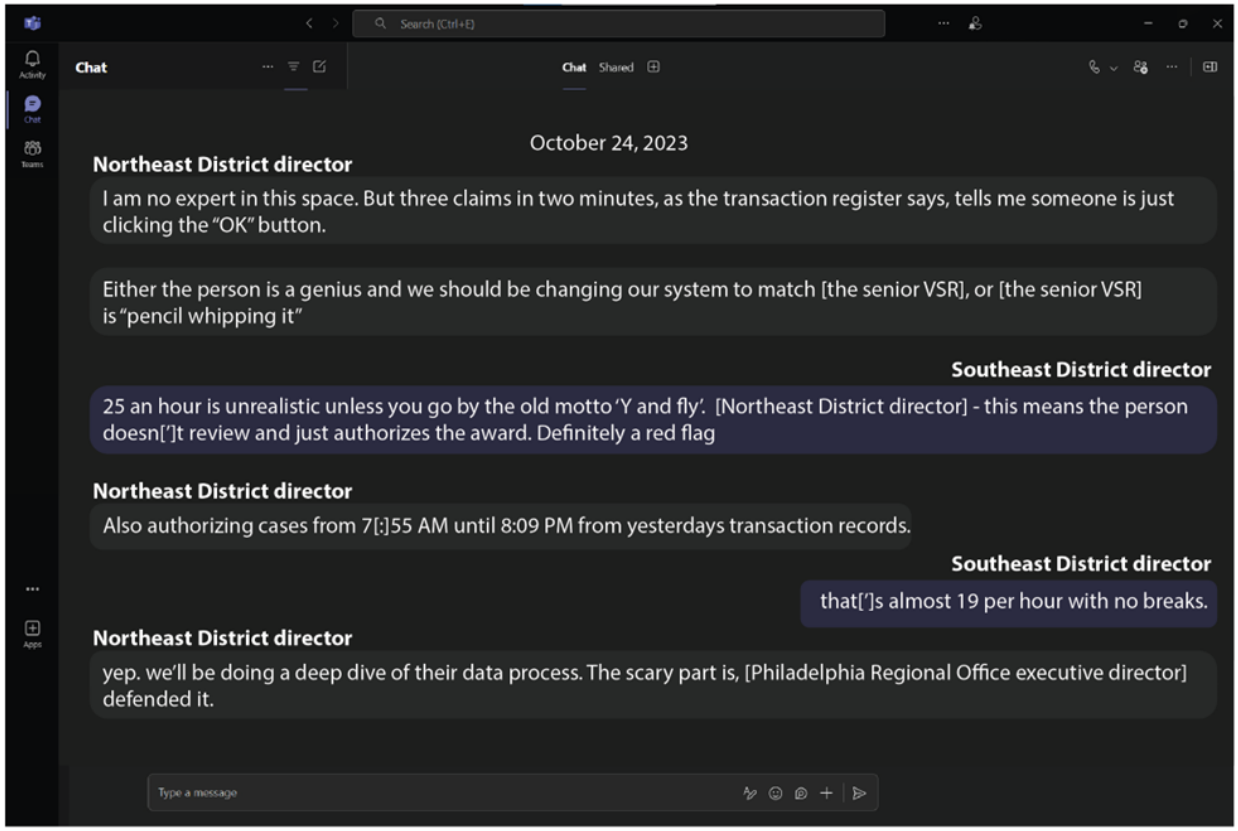

Figure 2. *OIG graphical representation of relevant quotations from a Microsoft Teams chat between four district directors.*
Source: October 24, 2023, Microsoft Teams message.
Note: Individuals' names are redacted and were replaced by position titles in the figure.

As shown in figure 2, the Northeast District director expressed skepticism about the unusually high authorization rates, suggesting that the senior VSR was "pencil whipping" the

[50] Philadelphia VA Regional Office executive director, emails to Northeast District director, October 24, 2023, and October 27, 2023. Screening for system compliance errors includes determining whether the electronic record lists the correct date that the claim was received and verifying and updating all periods of active military service. For a full list of system compliance requirements, please see appendix A, item 11.

authorizations—signing off without actually conducting a cursory review. The Southeast District director agreed that the employee did not seem to be reviewing the claims before approval.

In response to the October 24 email, the Northeast District director told the executive director there was "something very off here" and to do "some serious digging" on how the senior VSR could authorize decisions within seconds and minutes of each other. The district director provided an example to the executive director showing six claims authorized between 8:12 a.m. and 9:30 a.m. from the previous day (October 23), some within seconds of each other.[51] When the executive director was confronted with this data, she responded on October 27, further justifying the senior VSR's unusually high authorization rate. She asserted that the senior VSR reviewed two claims at a time, authorized the claims, and then looked at the next two claims for 30 minutes, repeating this process.

This appeared to be an effort to explain the six claims provided by the district director. However, the OIG team reviewed VBA's data and found that the senior VSR completed actions for 27 claims—not just the six claims identified by the Northeast District director.[52] Figure 3 illustrates the six claims identified by the Northeast District director compared to the 27 claims the OIG team discovered during its analysis.

[51] Northeast District director, email to Philadelphia VA Regional Office executive director, October 24, 2023.

[52] Most of these actions were authorizations.

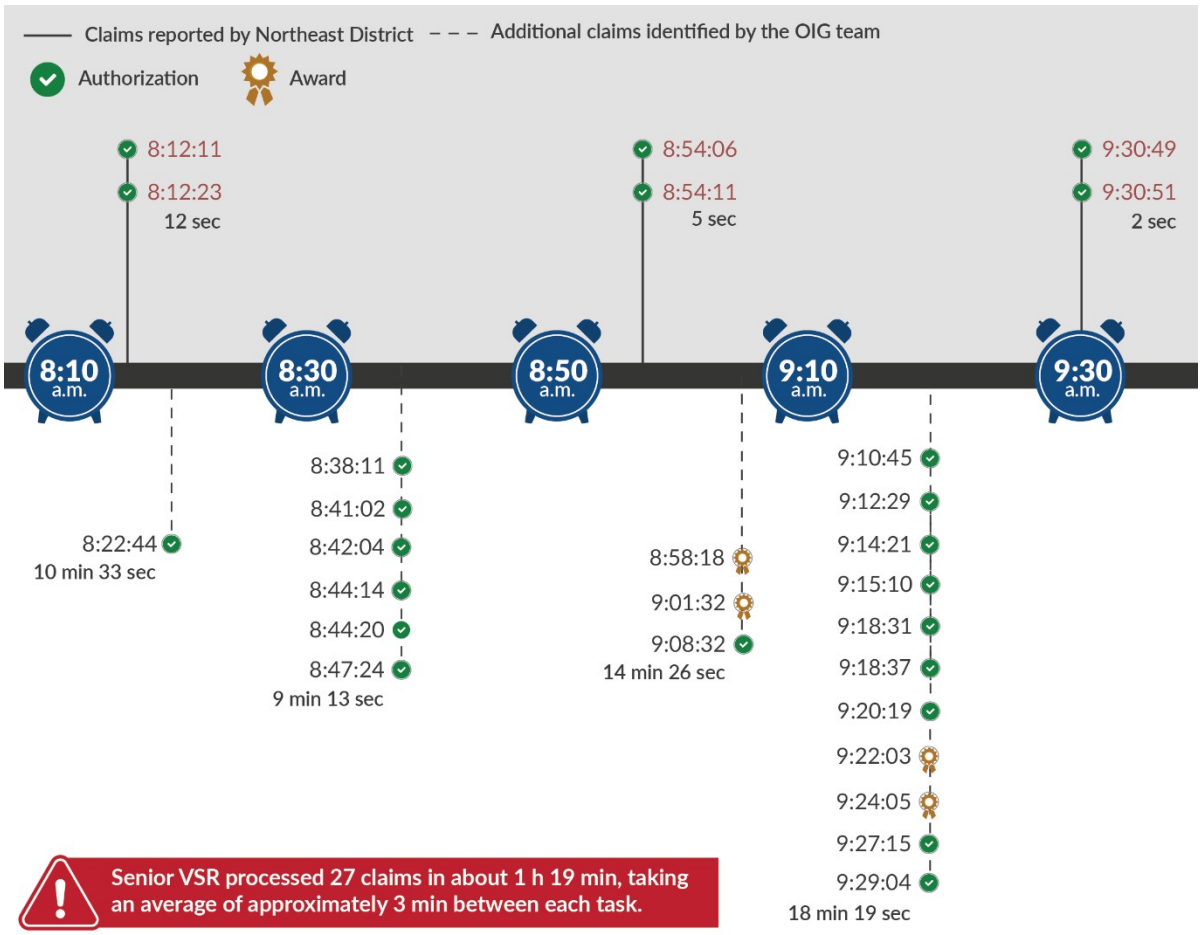

Figure 3. *Comparison of the six claims identified by the Northeast District and the VA OIG's analysis of the Philadelphia senior VSR's award and authorization transactions between 8:12 a.m. and 9:30 a.m. on October 23, 2023.*

Source: Northeast District director, email to Philadelphia Regional Office executive director, October 24, 2023; data from VBA's Office of Performance Analysis and Integrity's Tableau employee transaction report.

Philadelphia regional office leaders continued to support the senior VSR's authorization activity. On October 27, 2023, the Veterans Service Center manager told the regional office executive director, "Hopefully, we won't have to pivot from a part of our years long strategy again anytime soon, like with Prom this week."[53] When the executive director asked what the manager was talking about, the manager replied, "Having a fast pace[d] employee slow down for no real reason with an internal process that's historical[ly] been great for the division. No regulation or law is being broken by [the senior VSR] authorizing 1-2 contention cases primarily for [the

[53] In this instance, "Prom" appears to refer to the Veterans Service Center promulgation team of VSRs who generate or authorize award actions.

senior VSR's] team." The executive director agreed: "[The senior VSR] is not doing anything wrong and no regulation or law has been broken. It's the appearance and perception."[54]

According to *Standards for Internal Controls In the Federal Government*, leaders should demonstrate a commitment to integrity and ethical values, which includes tone at the top. [55] The Philadelphia leaders' support of the senior VSR's authorization activity appeared to show that their tone at the top prioritized completions even though risks had been identified and communicated to them by the Northeast District office. Tone at the top can be either a driver or a barrier to internal control. Without a strong tone at the top to support an internal control system, the organization's risk identification may be incomplete, risk responses may be inappropriate, control activities may not be appropriately designed or implemented, information and communication may falter, and results of monitoring may not be understood or acted upon to remediate deficiencies.

Many of the Senior VSR's Authorizations Had Processing Errors

The OIG team reviewed a statistical sample of 32 of the approximately 15,600 rating decisions authorized by the senior VSR from January 1, 2024, through June 30, 2024, to determine the quality of the authorizations. Of these authorizations, 27 contained at least one error.

In 31 of the sampled authorizations, the OIG team found that the senior VSR opened only the rating decision narrative document. Moreover, the senior VSR did not open any documents for the remaining authorized rating decision in the OIG sample. As discussed below, some of the errors identified by the OIG team may have been prevented if the senior VSR had opened and reviewed the necessary documents.

The team categorized the types of errors found in the sample of the senior VSR's authorized rating decisions:

- **Monetary impact errors.** These errors resulted in improper payments to the veteran.[56]
- **Potential impact errors.** These errors resulted from a violation of regulations or other directives and could affect veterans' benefits but did not result in an improper payment.

[54] Philadelphia VA Regional Office executive director, Microsoft Teams message to Veterans Service Center manager, October 27, 2023.

[55] Government Accountability Office (GAO), *Standards for Internal Control in the Federal Government*, GAO-14-704G, September 2014.

[56] Improper payments can consist of both overpayments and underpayments of compensation benefits. The team calculated all identified ongoing improper payments up to the December 1, 2024, payment.

- **Procedural deficiencies.** These errors occurred when the senior VSR did not follow policies or procedures, but the errors did not directly affect veterans' benefits.

Based on analysis of the statistical sample, the team estimated that about 13,200 of the approximately 15,600 rating decisions authorized by the senior VSR during this period contained at least one of these three types of errors. This represents an error rate of about 84 percent.[57]

Monetary Impact Errors

Using results from the sample analysis, the team estimated that claims-processing errors resulted in at least an estimated $2.2 million in improper payments during the review period.[58] Monetary impact errors, which resulted in questioned costs, occurred when the senior VSR did not identify incorrect effective dates, review the claim application for a valid signature, or identify all entitled benefits.[59]

Example 1 illustrates an error of a claim application without a valid signature that the senior VSR should have detected with a cursory review of the veteran's claims file. The OIG team found that the senior VSR opened only the rating decision narrative for this claim before authorizing it; the OIG could not find evidence that the senior VSR opened the claim application or the power of attorney appointment forms. Had these forms been reviewed, the senior VSR could have detected this error.

Example 1

A claim application was received on April 25, 2024, for an increase in a veteran's disability compensation benefits. The application was signed by a private attorney, and there was no additional signature from the veteran. However, on July 13, 2022, the veteran had appointed a new power of attorney who was not the private attorney. Without a valid appointment as the veteran's power of attorney, the private attorney had no authority to sign and submit the claim application on behalf of the veteran. Therefore, the claim application should not have been processed. Because the claim application was incorrectly processed,

[57] The percentage does not precisely calculate due to rounding of the estimated and total authorized decisions.

[58] The projections presented here use a lower-bound scenario, which assumes conservative estimates due to the highly variable sample data.

[59] Assigning an effective date is an integral part of the decision-making process as it establishes the date from which entitlement to benefits begins. Effective date determinations are made based on facts identified during review of the evidence. VA Manual 21-1, "Gathering Evidence for Effective Date Determinations," updated January 13, 2025, topic V.ii.4.A.1.a in *Adjudication Procedures Manual*. The OIG questions costs when VA action or inaction (such as overcompensating or not fully compensating eligible beneficiaries) is determined by the OIG to violate a provision of law or regulation.

the veteran received an increase in their disability compensation benefits, which resulted in an overpayment to the veteran of about $14,300.

Potential Impact Errors

Some of the authorized rating decisions in the review sample contained potential impact errors because the senior VSR did not verify that VBA addressed all benefits claimed by the veteran. Example 2 shows an authorization with a potential impact error. As in example 1, this type of error could have easily been detected had the senior VSR opened the claim application rather than opening only the rating decision narrative before authorizing the decision.

Example 2

On August 10, 2023, VBA received a veteran's claim application for disability compensation benefits. The veteran claimed service connection for sleep apnea on the application.[60] However, there was no rating decision that addressed the claimed sleep apnea at the time of authorization by the senior VSR. As of the date of the OIG's review, the claim for sleep apnea remained unresolved. An unresolved claim could potentially result in missed benefits, to include health care, for the veteran.

Procedural Deficiencies

Over half of the rating decisions authorized by the senior VSR in the review sample contained one or more procedural deficiencies, such as not updating information for the claim in the Veterans Benefits Management System. Although procedural deficiencies do not directly affect veterans' benefits, these errors could affect data integrity associated with some of VBA's reporting metrics.

Example 3 illustrates one of the senior VSR's authorizations that had a procedural deficiency. In the claim application, the veteran requested fully developed claim processing.[61] However, the OIG team could not find any evidence that the senior VSR reviewed the application and saw this request. VBA's data showed that the senior VSR opened only the rating decision narrative before authorizing this decision, likely resulting in this error.

[60] Service-connected disabilities are caused by diseases or injuries incurred or aggravated during active military service. 38 C.F.R. § 3.1(k) and (m) (2025).

[61] VA designed the fully developed claims program to reduce its backlog of pending claims and improve claims-processing timeliness. VA Manual 21-1, "Purpose of the FDC Program," updated September 12, 2017, topic X.i.2.A.1.a in *Adjudication Procedures Manual*.

Example 3

A veteran submitted a claim application for disability compensation benefits on February 7, 2024, and requested fully developed claim processing on the claim application. When a veteran requests fully developed claim processing, a special issue is used in the Veterans Benefits Management System for identification of the fully developed claim. [62] *However, the claim information in the Veterans Benefits Management System showed an incorrect special issue was applied to the February 7, 2024, claim. Specifically, the special issue used was for when fully developed claim processing is declined by a veteran. Since VBA publishes reports on how many days it takes to process fully developed claims, having the incorrect special issue for this claim could affect the accuracy of the reported metrics.*

Because senior VSRs are considered the last line of defense for identifying quality errors in the claims process, it is crucial that they thoroughly review the veteran's claims file and applicable VBA systems before authorizing a rating decision. If undetected, these errors could result in improper payments, veterans not receiving the benefits they are entitled to, or a lapse in VBA's data integrity. The OIG's first recommendation calls on VBA to review all processing errors for the cases identified by the OIG team, correct those errors to the extent possible, and report back on the results of those actions.

VBA Lacked Sufficient Internal Controls to Mitigate the Risks Associated with the Senior VSR's Unusually High Authorization Rates

VBA senior leaders, including the under secretary for benefits and the deputy under secretary for field operations, were also aware that the senior VSR had an unusually high authorization rate. The OIG acknowledges that VBA initiated some efforts to identify and analyze the senior VSR's authorization activity. However, VBA's response was insufficient and lacked internal controls for ensuring the senior VSR was conducting the proper reviews when authorizing rating decisions. Regional office leaders discussed the risks associated with the senior VSR's authorization rates, and they imposed a limit on the amount of claims the senior VSR could authorize per hour. VBA leaders at the central office and district level analyzed the senior VSR's authorization activity and noted the risks but did not offer any recommendations to prevent the activity from continuing. Furthermore, individual quality reviews covered less than 1 percent of the senior VSR's workload and therefore likely did not reflect the senior VSR's actual quality of work.

[62] Each regional office has a responsibility to identify any contention that may have a claim attribute—also known as a special issue—associated with it. These claim-specific indicators can represent a certain claim type, disability or disease, or other special notation that is relevant only to a particular claim.

Philadelphia VA Regional Office Leaders Attempted to Impose a Limit on How Many Rating Decisions the Senior VSR Could Authorize Per Hour

In response to the Northeast District director's inquiries, the Veterans Service Center manager restricted the senior VSR to eight to 10 authorizations per hour beginning around October 2023. During an interview with the OIG team, the manager said the senior VSR was feeling targeted, so he decided to cut the senior VSR's production numbers of 18 to 20 claims per hour in half. He believed this limit was an effective solution because the regional office had received less contact from the district regarding the senior VSR since FY 2024. But the senior VSR did not always stay within this hourly limit. Even after imposing this restriction, on March 15, 2024, the executive director told the manager that the senior VSR's authorization activity was still a problem (figure 4).

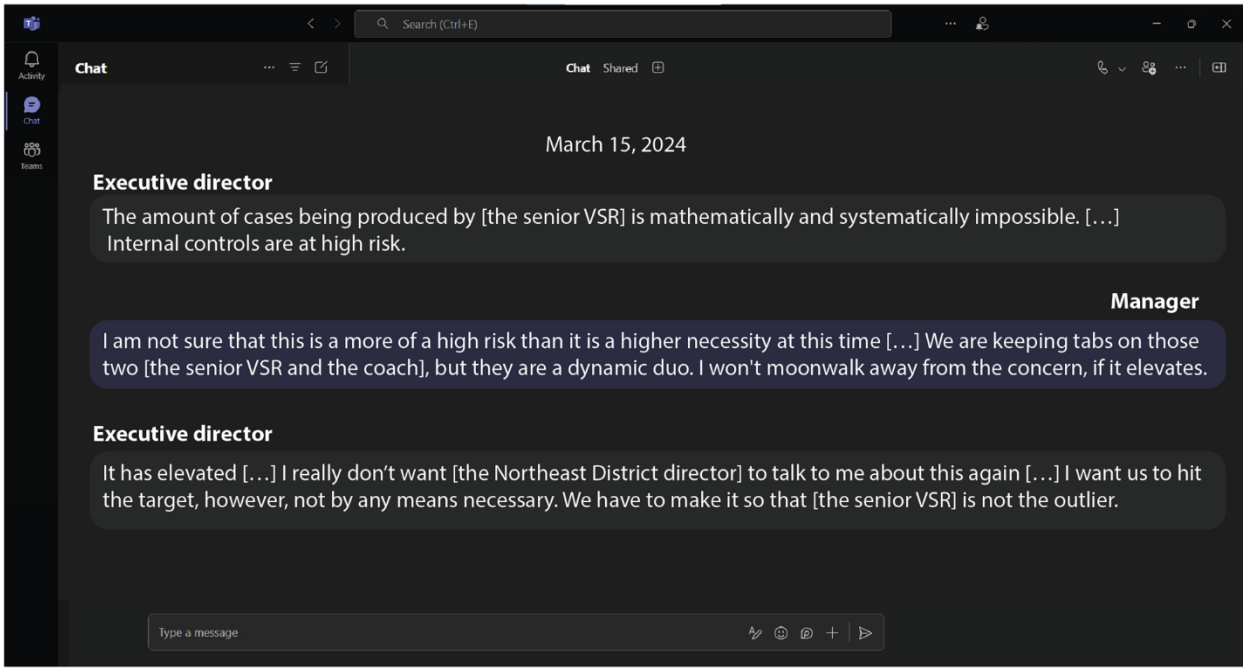

Figure 4. *OIG graphical representation of relevant quotations from a Microsoft Teams chat between the Philadelphia Regional Office executive director and the Veterans Service Center manager.*

Source: March 15, 2024, Microsoft Teams message.

Note: Individuals' names are redacted and were replaced by position titles in the figure.

As the executive director noted in the conversation, even with a limit of eight to 10 authorizations per hour, the senior VSR's authorization rate was still "mathematically and systematically impossible." This limit would still allow the senior VSR to spend only about six to eight minutes on each claim. Moreover, this restriction would not guarantee the senior VSR was opening and reviewing all necessary documents before authorizing a rating decision.

The executive director also raised concerns with the "high risk" to internal controls, which should be designed to provide oversight and reasonable assurance that the objectives of an organization will be achieved.[63] However, according to the manager, "necessity" outweighed the risk; given the director's response, "necessity" seems to refer to the pressure to meet the regional office claims completion goals for performance standards.

Despite these conversations about the implications of the senior VSR's unusually high authorization rate, the OIG team did not find any evidence that regional office leaders discussed these concerns with the senior VSR to determine whether this employee thoroughly reviewed claims before authorizing the rating decisions.

The Office of Field Operations Analyzed the Philadelphia Senior VSR's Authorization Activity in August 2024

The under secretary for benefits and the deputy under secretary for field operations were notified by the complainant about the senior VSR's high authorization rate in June 2024. The principal deputy under secretary asked the assistant deputy under secretary for operations management in the Office of Field Operations to analyze the senior VSR's authorization activity. The analysis showed that the senior VSR was a national outlier for authorization performance and was authorizing a rating decision every one to three minutes, on average. The analysis included a scatterplot graph similar to figure 5 for all authorization transactions for the Philadelphia VA Regional Office for FY 2024, underscoring the senior VSR as an outlier for the regional office.

[63] GAO, *Standards for Internal Control in the Federal Government*.

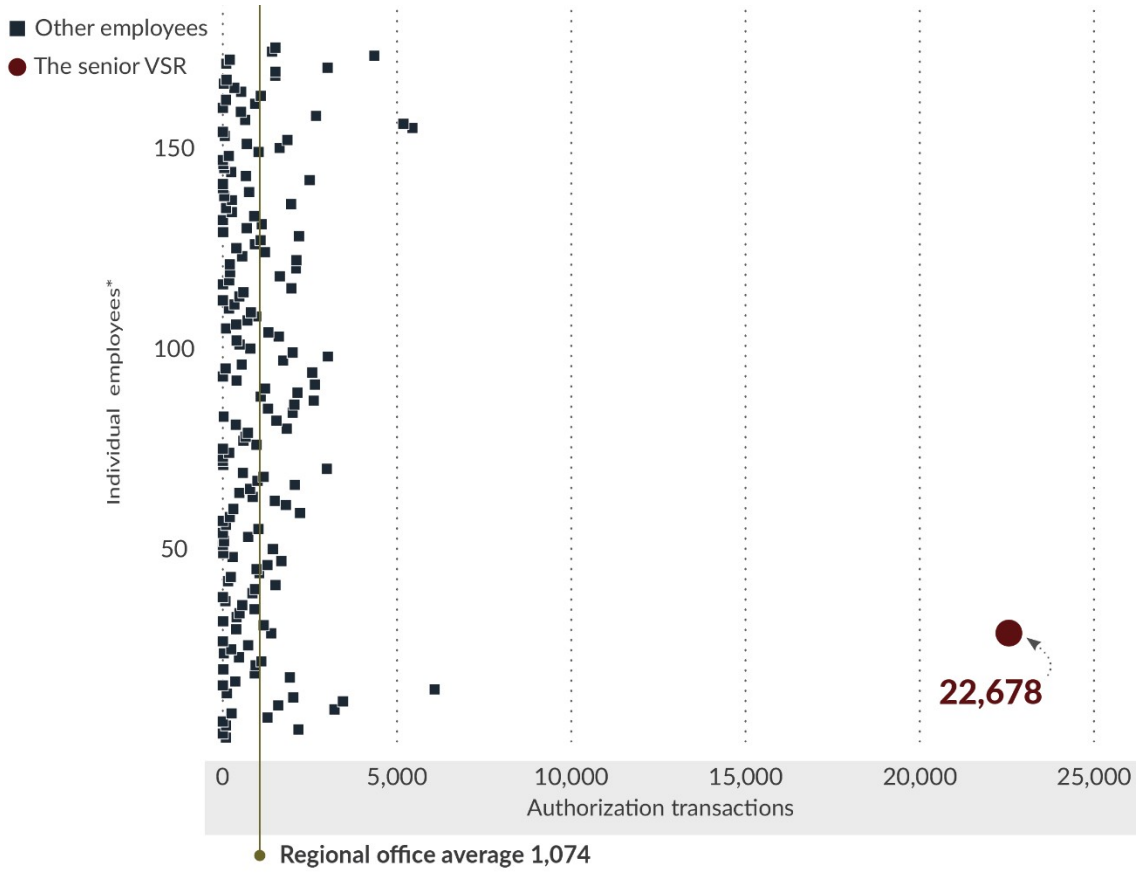

Figure 5. *All distinct authorizations for completed claims for the Philadelphia VA Regional Office for FY 2024.*

Source: OIG version of Office of Field Operations graphic using data from VBA's Office of Performance Analysis and Integrity's Tableau distinct authorization transaction report.

** Each block on the vertical axis represents one of 172 employees.*

The assistant deputy under secretary for operations management sent these findings in August 2024 to the Northeast District director. The findings included a set of questions, such as what management controls were exercised in this case and whether the senior VSR and managers were bypassing internal controls designed to ensure all required work of other VSRs is thoroughly reviewed for accurate authorization of claims. The Office of Field Operations did not make any direct recommendations to ensure the senior VSR conducted required reviews before authorizing claims.

On November 4, 2024, the principal deputy under secretary for benefits told the deputy under secretary for field operations,

> We want to make sure that aside from the fact finding that OFO [the Office of Field Operations] conducted, we (OFO) consider whether policies should be put in place to ensure adequate and appropriate distribution of work—as well as finding [ways] to determine whether a single anomalous person (doing tens of

> thousands of actions) is something we want to have. I mean that last part in terms of quality as well as distribution. I still find it hard to imagine someone doing so many actions could be spending so much time on those actions, no matter how easy they may be.[64]

The OIG team noted that the August 2024 analysis did not discuss what documents, and how many, the Philadelphia senior VSR was opening before authorizing a rating decision. This information could have helped the Office of Field Operations understand that the Philadelphia senior VSR was not properly reviewing the necessary documents before authorization.

An Integrated Project Team Reviewed Workload Management at the Philadelphia Regional Office in December 2024

According to the Pacific District director, the under secretary for benefits asked him in November 2024 to form an integrated project team to review the workload management practices at the Philadelphia VA Regional Office. The team included three Veterans Service Center managers from other regional offices. According to the Pacific District director, the team's objective was to determine best practices that could be shared based on the amount of work the Philadelphia senior VSR was doing. The team issued a report in December 2024 that identified risks and concluded there were no transferable best practices that could be exported to other VA regional offices:

> The individual in the Philadelphia VSC [Veterans Service Center] has defied limitations that seem to exist within the ranks of even the most gifted authorizers in the Agency, and create questions as to the validity/accuracy of the work completed. Without further study/observation, however, the IPT [integrated project team] can only conclude that the exceptional volume worked by the authorizer in question, employed in conjunction with the apparent exclusivity used in the Philadelphia VSC workflow to [the senior VSR], does pose potential risk to the Agency.[65]

The integrated project team reported that the extent of identified risks could not be determined and did not include any recommendations. Similar to the Office of Field Operations' August 2024 analysis, this report did not discuss what documents, or how many, the Philadelphia senior VSR was opening before authorizing a claim.

[64] VBA principal deputy under secretary, Microsoft Teams message to the deputy under secretary for field operations, November 4, 2024. The OIG added bracketed words for clarity.

[65] Veterans Service Center manager integrated project team, "Report to Consider Workload Best Practices and/or Vulnerabilities derived from Philadelphia Authorization Activities," memorandum to the Pacific District director, January 17, 2025.

Individual Quality Reviews Did Not Reflect the Accuracy of the Philadelphia Senior VSR's Work

To mitigate risks in the claims process, VBA quality review specialists conduct monthly individual quality reviews as a control activity. These reviews generally include three randomly selected cases per month for senior VSRs and are used to measure the senior VSR's quality metric in their performance standard. In FYs 2023 and 2024, the Philadelphia senior VSR's work had a quality rating of about 96.9 percent. Although the senior VSR was meeting the quality metric for this position, the analysis conducted by the Office of Field Operations in August 2024 showed that less than 1 percent of the senior VSR's work was being reviewed by VBA's quality review specialists for those fiscal years due to the massive volume of authorizations.

In an interview with the OIG team, the deputy under secretary for field operations said the VSR performance standard for quality should be adjusted for VSRs who completed a large volume of work. The deputy under secretary likened it to a sliding scale, where the senior VSR would have more individual quality reviews conducted because then a higher percentage of the senior VSR's work would be reviewed, which may better reflect the senior VSR's quality. The integrated project team's analysis also came to this conclusion in December 2024:

> The Agency has no current method to validate that the volume of work being done by an individual producing an exceptional volume of work is worked accurately. Sample sizes for the current process to conduct three Individual Quality Reviews (IQRs) per month are based on a normal volume of work (for work completed since 2022, a "normal" volume of work yielding a valid quality sample would be approximately between 2,000 and 3,000 transactions[)]. By comparison, the individual in the Philadelphia VSC [Veterans Service Center] completed over 70,000 transactions since 2022. Without the ability to accurately validate the quality of the exceptional volume of work produced, the Agency is left open to potential allegations that the work produced was not up to the level of quality that our Nation's Veterans rightfully deserve and expect from the Agency. The Agency is left with the possibility and/or appearance that the work is being authorized without the required level of scrutiny of the award and decision notice for accuracy.[66]

Although VBA initiated some efforts to identify and analyze the Philadelphia senior VSR's authorization activity, obtaining additional data such as the documents the senior VSR was opening before authorizing a claim may have helped VBA better respond to the risks created by the senior VSR's authorization activity. The OIG's second recommendation calls on VBA to

[66] Veterans Service Center manager integrated project team, "Report to Consider Workload Best Practices and/or Vulnerabilities derived from Philadelphia Authorization Activities," memorandum. The OIG added bracketed words or punctuation for clarity.

evaluate the effectiveness of control activities specifically for authorization rate outliers and determine whether new or stronger controls are needed.

Conclusion

The OIG team substantiated the hotline allegation that a senior VSR in the Philadelphia VA Regional Office was authorizing hundreds of rating decisions per day without conducting thorough reviews. Although the regional office took steps to attempt to reduce the senior VSR's authorization rate, and VBA leaders at the central and district offices investigated the senior VSR's authorization activity, the OIG found that VBA's efforts were insufficient and did not create control activities to mitigate the risk associated with an employee authorizing a large volume of rating decisions without taking the time to thoroughly review and validate the information in the claims. Based on a statistical sample analysis, the team estimated that the Philadelphia senior VSR made approximately 13,200 authorization errors in a six-month period, some of which resulted in improper benefit payments to veterans. The team projected an error rate of about 84 percent based on its analysis. The errors the team identified and the OIG's recommendations can help VBA evaluate its control activities and strengthen them to provide more effective oversight over the quality of claims processors' work.

Recommendations 1–2

The OIG recommended the under secretary for benefits take the following actions:[67]

1. Review all processing errors on cases the OIG review team identified, correct those errors to the extent possible, and report back on the results of those actions.
2. Evaluate the effectiveness of control activities specifically for authorization rate outliers and determine whether new or stronger controls are needed.

VA Management Comments and OIG Response

The acting principal deputy under secretary for benefits, performing the delegable duties of the under secretary for benefits, concurred with both recommendations. VBA has begun reviewing claims identified by the OIG and will correct and certify the claims by the end of calendar year 2025. VBA also will evaluate existing control activities, with a target completion date of January 31, 2026.

The acting principal deputy under secretary also provided two technical comments.[68] The OIG responded by clarifying that the $2.2 million in improper payments is an estimate and by

[67] The recommendations addressed to the under secretary for benefits are directed to anyone in an acting status or performing the delegable duties of the position.

[68] The OIG added bracketed words to VBA's technical comments to clearly identify the two comments.

clarifying the scope of senior VSRs' work in verifying claim information. Appendix F provides the full text of the management comments.

The OIG found the comments and planned corrective actions to be responsive to the intent of the recommendations. The OIG will monitor VBA's progress and will close each recommendation once it receives adequate documentation demonstrating sufficient implementation.

Appendix A: Veterans Service Representative Quality Task-Based Checklist

Development Specific Questions	
1. Was proper pre-decisional notification provided and / or was proper development to the Veteran / claimant completed as required by regulations and/or the manual?	☐ Yes ☐ No ☐ NA
Error Description	
Development letter addressing 5103 (if applicable) and/or evidence requirement for claimed issues, not sent or lacked critical information	☐
Supplemental development letter lacked critical information or not sent when required	☐
Pre-decisional (due process) letter lacked critical information or not sent when required	☐
Overdevelopment related to the category which prevented the claim from moving forward to the next step in claims processing (materially delayed the claim)	☐
Development/Pre-decisional letter not documented in the electronic record	☐
Development procedures after properly obtaining Federal Tax Information (FTI) not followed	☐
Request for Application (RFA) and/or Intent to File (ITF) acknowledgment letter not sent and/or not documented in file, or was incorrect	☐
Higher Level Review Informal Conference not held when requested or attempts to schedule not documented properly	☐
2. Were all pertinent service treatment records (STRs) obtained / requested or determined to be of record?	☐ Yes ☐ No ☐ NA
Error Description	

No STRs requested (when necessary) or incomplete request (i.e. not all periods of service / branches requested or improperly requested)	☐
No National Guard or Reserve records requested or requested improperly	☐
Overdevelopment related to the category which prevented the claim from moving forward to the next step in claims processing (materially delayed the claim)	☐
3. Were all pertinent Federal records (other than STRs) obtained / requested or determined to be of record?	☐ Yes ☐ No ☐ NA
Error Description	
VAMC treatment records not obtained/requested or only partially obtained/requested	☐
Service personnel records not requested (when necessary) or incomplete service personnel records requested (i.e. not all periods of service / branches requested)	☐
SSA records not requested (when necessary)	☐
Identified Vet Center records not requested or only partially obtained/requested	☐
Service verification for all periods of active duty and/or other periods of service related to claimed issues not requested or requested incorrectly	☐
MRRC request not submitted when necessary	☐
MRRC Formal Finding not complete when there is a lack of information RRC requires to verify exposure	☐
Federal records (to include personnel records) from other agencies not obtained/requested (i.e. federal prison, OPM, Dept. of Labor)	☐
Overdevelopment related to the category which prevented the claim from moving forward to the next step in claims processing (materially delayed the claim)	☐

4. Were all pertinent private / non-Federal records obtained / requested or determined to be of record?	☐ Yes ☐ No ☐ NA
Error Description	
Private medical records not requested or requested incorrectly.	☐
State or local government records not requested or requested incorrectly (i.e., prison records or incarceration information)	☐
Private non-medical records not requested or requested incorrectly	☐
Overdevelopment related to the category which prevented the claim from moving forward to the next step in claims processing (materially delayed the claim)	☐
Not all necessary pension telephone calls (e.g., Medicaid, Nursing Home, ADL) made and appropriately documented in the electronic record	☐
5. Were all necessary examinations / medical opinions requested and correct?	☐ Yes ☐ No ☐ NA
Error Description	
Necessary examinations not requested (or rescheduled)	☐
Necessary medical opinion not requested	☐
Examination request incomplete or incorrect – failure to identify all correct disabilities or identifying incorrect disabilities	☐
Medical opinion request incomplete or incorrect – failure to identify all correct disabilities or identifying incorrect disabilities	☐
Exam request incomplete or incorrect – selecting incorrect examination type/DBQ	☐
Medical opinion request incomplete or incorrect – Medical Opinion DBQ erroneously selected and/or not selected when necessary	☐
Examination / opinion request incomplete or incorrect -- incorrect jurisdiction based on the ERRA tool	☐

Examination request incomplete or incorrect – failure to identify or include pertinent information such as evidence to review. C-file not sent to examiner when required	☐
Medical opinion request incomplete or incorrect – failure to identify or include pertinent information such as evidence to review. C-file not sent to examiner when required	☐
Examination incorrect -- Examination not warranted	☐
Medical opinion incorrect -- Opinion not needed or inappropriate legal question requested	☐
Overdevelopment related to the category which prevented the claim from moving forward to the next step in claims processing (materially delayed the claim)	☐
Award Specific Questions	
6. Were all issues addressed and decided?	☐ Yes ☐ No ☐ NA
Error Description	
Dependents not addressed and/or decided	☐
All drill pay adjustments not addressed and decided	☐
All claimed issues not addressed and decided by rating decision	☐
All claimed issues not addressed and decided administratively (not by rating) (e.g. apportionment claims)	☐
Award generated prior to determining military eligibility	☐
Award generated prior to determining pension disability eligibility (permanent and total, age)	☐
Active duty period not addressed	☐
No action taken on AEW	☐
All accrued issues were not addressed	☐
Pending work items not addressed correctly	☐
Month of death not addressed correctly	☐
SMP or SMC not addressed correctly	☐

7. Was necessary administrative decision or award generated/completed and correct?	☐ Yes ☐ No ☐ NA
Error Description	
Payment change (other than dependent or withholding action) not valid or not effectuated	☐
Administrative decision provided incorrect entitlement outcome	☐
Administrative decision was not procedurally complete (i.e. missing signatures, all decision(s) not provided, relevant evidence not discussed)	☐
Administrative decision for Net Worth not addressed correctly (claims prior to 10-18-18)	☐
Administrative decision for service eligibility not addressed correctly (e.g. Line of Duty, Willful Misconduct, Character of Discharge)	☐
Administrative decision to establish spousal relationship not addressed correctly (e.g., Deemed Valid, Common Law, Continuous Cohabitation, Apportionments)	☐
Administrative decision to establish child relationship not addressed correctly (e.g., Child Adoption, Step-Child, Hardship Exclusion)	☐
Improper or incomplete burial benefit decision (e.g., NSC vs SC, hospital, plot, and/or transportation)	☐
Accrued award processed incorrectly	☐
Income not calculated correctly	☐
FTI incorrectly counted or omitted from the award	☐
Expenses and/or deductions not calculated correctly	☐
Net Worth not calculated correctly or addressed (e.g., Transfer of Assets, Look-back Period, Change in Net Worth, Conversion of Assets)	☐
COWAC or waiver of debt not addressed	☐
Liberalized law not accurately invited and/or applied	☐

Time limits not accurately applied (e.g., Burial, Accrued, Intent to File)	☐
Resumption of benefits not implemented or implemented incorrectly	☐
Award not suspended/terminated or award suspended/terminated incorrectly	☐
Award adjusted prior to expiration of due process period (60 days)	☐
Decision maker considered and listed evidence received after the record closed for a higher-level review.	☐
8. Were all dependency adjustments and/or decisions correct?	☐ Yes ☐ No ☐ NA
Error Description	
Dependent spouse established, denied, or removed incorrectly	☐
Dependent minor biological child/children established, denied, or removed incorrectly	☐
Dependent minor step-child/children established, denied, or removed incorrectly	☐
Dependent minor adopted child/children established, denied, or removed incorrectly	☐
Dependent school age child/children established, denied, or removed incorrectly	☐
Dependent helpless child/children established, denied, or removed incorrectly	☐
Dependent parent established, denied, or removed incorrectly	☐
Surviving spouse established, denied, or removed incorrectly	☐
Surviving child/children established, denied, or removed incorrectly	☐
Surviving parent established, denied, or removed incorrectly	☐
Dependency adjustment effective date incorrect	☐
Failed to readjudicate issue on the merits when new and relevant evidence was of record	☐

9. Were all required withholdings / reductions correctly implemented?	☐ Yes ☐ No ☐ NA
Error Description	
Retired pay not withheld or withheld incorrectly	☐
Severance pay not withheld or withheld incorrectly	☐
Drill pay not withheld or withheld incorrectly	☐
Incompetency adjustment not withheld or withheld incorrectly	☐
Survivor Benefit Plan (SBP) adjustment not withheld or withheld incorrectly	☐
COLA adjustment not withheld or withheld incorrectly	☐
Adjustment due to incarceration or fugitive felon not implemented or implemented incorrectly	☐
Hospital adjustments not implemented or implemented incorrectly	☐
Medicaid adjustment not implemented or implemented incorrectly	☐
CRDP or CRSC adjustment incorrect	☐
Recoupment of separation pay not implemented or implemented incorrectly	☐
Apportionment not executed or executed incorrectly	☐
Election of benefit not accurately completed (e.g., change in law or VA policy, election of greater benefit, election to change benefit type)	☐
Attorney fee not withheld or withheld/calculated incorrectly	☐
10. Was the claimant properly notified?	☐ Yes ☐ No

	☐ NA
Error Description	
Notification letter not sent and/or not documented in file	☐
Notification letter has incorrect or missing effective dates and/or payment rates	☐
Notification letter does not provide or incorrectly provides the amount of any benefits VA is withholding and the reason for the withholding	☐
Failure to notify outcome of all issues decided by a rating decision	☐
Notification letter fails to or incorrectly explain(s) the decision(s) made	☐
Notification letter failed to include summary of evidence considered (excluding evidence discussed in preceding proposed adverse action or evidence provided in rating decision for rating-related issues)	☐
Notification letter failed to provide appellate rights, or appellate rights were provided incorrectly	☐
Courtesy copy of the notification letter was not sent to the appropriate appointed representative (including failure to include a private attorney's address on the cc line)	☐
Notification letter is incorrect or missing required or accurate information	☐
Non-rating higher-level review decision failed to provide notice that there was evidence received after the record closed that was not considered	☐
Non-rating decision failed to explain elements met and/or not met	☐
Pension issues not addressed in notification letter (e.g., breakdown of income/medical expenses, or incorrect income/medical expenses)	☐
FTI notification procedures not followed	☐
System Compliance Specific Questions	
11. Were all systems accurately updated?	☐ Yes ☐ No

Error Description	
Date of claim incorrect	☐
End product incorrect	☐
Payees' addresses incorrect including not identifying temporary addresses	☐
All periods of active duty for pension, relevant records or other service related to claimed issues not verified and updated in VBMS (EOD, RAD, Branch, Char SVC, Sep Reason, VADS and/or VERIFIED)	☐
Power of Attorney (POA) information/access not correctly updated in all systems	☐
Necessary special issues were not entered and/or correct	☐
Necessary flashes were not entered and/or correct	☐
Contentions for all claimed issues were not entered and/or correct	☐
Tracked items for all requested evidence were not entered and updated as necessary (includes disposition and suspense date)	☐
Direct Deposit information (when there is a pending/running award) incorrect	☐
FTI documents mislabeled in unsecured repository	☐
Correctable Comments	
12. Is the c-file free from other defects requiring correction which are not considered "critical" to the item(s)/transaction currently under review?	☐ Yes ☐ No ☐ N/A
Duplicate claim folder (DUP-C) identified and consolidation steps not properly followed	☐
Overdevelopment for federal records that did not materially delay the claim	☐
Overdevelopment for non-federal records that did not materially delay the claim	☐
Visually Impaired (VI) correspondence procedures not followed	☐
Required telephone development was not completed/documented in VBMS	☐

Required memo, calculation worksheet, or screenshot not completed/documented in VBMS	☐
Required diary not created or cleared	☐
Alternate contention name field not properly utilized (prior to exam request)	☐
Required VBMS note not entered	☐
Notification not provided to other VA program office or entity as required	☐
Necessary special issue or flash not entered and/or correct (if not considered critical under Task 11)	☐
Veteran or dependent information incorrect in VA systems (Name, DOB, SSN, service number, etc.)	☐
Notification on a prior decision not issued	☐
Unadjudicated discovered claim not under EP control	☐
Document(s) in VBMS need to be moved to another eFolder	☐
Returned mail unrelated to the transaction under review not addressed	☐
Past grant of non-rating issue(s) not correct	☐
Past denial of non-rating issue(s) not correct	☐
Past payment adjustment not correct	☐
Rating *Codesheet* adjustment required	☐
Non-rating decision failed to list favorable findings when required for denials	☐
Notification letter failed to provide a summary of the applicable laws and regulations (AMA)	☐
Pension notification failed to provide favorable findings, or provided incorrect favorable findings	☐

Source: VA Manual 21-4, 'VSR Task Based Quality Review Checklist," app. 6.A.a in chapter 6, "Quality Review Team (QRT)." The OIG reprinted this verbatim from the manual, although it has been formatted for accessibility.

Appendix B: Rating Decision Narrative Example

DEPARTMENT OF VETERANS AFFAIRS
Veterans Benefits Administration
Regional Office

[redacted]

VA File Number
[redacted]

Represented By:
[redacted]

Rating Decision
02/26/2024

INTRODUCTION

The records reflect that you are a Veteran of the Gulf War Era. You served in the [redacted] from [redacted] to [redacted]. We received your supplemental claim on August 10, 2023. Based on a review of the evidence listed below, we have made the following decision(s) on your claim.

DECISION

Evaluation of nerve entrapment syndrome, right second, third, and fourth interspaces, right foot sciatic , which is currently 10 percent disabling, is increased to 20 percent effective August 10, 2023.

EVIDENCE

- Service Treatment Records, received March 2, 2006, for the period [redacted] to [redacted]
- DD Form 214, Certificate of Release or Discharge from Active Duty, for the period [redacted] to [redacted]

[redacted]
2 of 2

- VA Form 21-0966, Intent To File A Claim For Compensation and/or Pension, or Survivors Pension and/or DIC, received August 10, 2023
- VA Form 21-526 EZ: Application for Disability Compensation and Related Compensation Benefits, received August 10, 2023
- VA Rating Decision, dated November 13, 2023
- VAMC (Veterans Affairs Medical Center) treatment records, [redacted], for the period [redacted] to [redacted]
- VA Letter Concerning Your Claim, dated December 1, 2023
- Peripheral Nerves Disability Benefit Questionnaire, VES, conducted December 14, 2023
- VA rating Decision, dated January 17, 2024
- Disability Benefit Questionnaire, VES, Peripheral Nerves, conducted February 21, 2024

REASONS FOR DECISION

Evaluation of nerve entrapment syndrome, right second, third, and fourth interspaces, right foot sciatic currently evaluated as 10 percent disabling.

The evaluation of nerve entrapment syndrome, right second, third, and fourth interspaces, right foot sciatic is increased to 20 percent disabling effective August 10, 2023. (38 CFR 4.1, 38 CFR 3.400)

The effective date of this grant is August 10, 2023. The increased evaluation has been established from the day VA received your intent to file (ITF) a claim for compensation. (38 CFR 3.155, 38 CFR 3.400)

We have assigned a 20 percent evaluation for your nerve entrapment syndrome, right second, third, and fourth interspaces, right foot sciatic based on:
• Moderate incomplete paralysis (38 CFR 4.124a)

A higher evaluation of 40 percent is not warranted for paralysis of the sciatic nerve unless the evidence shows:
• Nerve damage is moderately severe. (38 CFR 4.120, 38 CFR 4.124a)

REFERENCES:

Title 38 of the Code of Federal Regulations, Pensions, Bonuses and Veterans' Relief contains the regulations of the Department of Veterans Affairs which govern entitlement to all Veteran benefits. For additional information regarding applicable laws and regulations, please consult your local library, or visit us at our website, www.va.gov.

Appendix C: Scope and Methodology

Scope

The review team conducted its work from November 2024 through July 2025. The review included a statistical sample of 32 rating decisions that were authorized by the Philadelphia senior veterans service representative (VSR) from January 1, 2024, through June 30, 2024.

Methodology

To accomplish the review objectives, the team considered applicable laws, regulations, policies, procedures, and guidelines related to authorization of rating decisions. The team also interviewed Veterans Benefits Administration (VBA) central office leaders and managers and staff at the regional offices in Philadelphia, Pennsylvania; Reno, Nevada; and Togus, Maine.

Internal Controls

The team assessed internal controls to determine whether they were significant to the review objective. This included consideration of the five internal control components: control environment, risk assessment, control activities, information and communication, and monitoring.[69] The team also reviewed the principles of internal controls as associated with the objective and identified two components and two principles as significant.[70] The team identified internal control deficiencies during this review and proposed recommendations to address those listed in table C.1.

Table C.1. VA OIG Analysis of Internal Control Components and Principles Identified as Significant

Component	Principle	Deficiency identified by this report
Risk assessment	7. Management should identify, analyze, and respond to risks related to achieving the defined objectives.	VBA could have analyzed whether the senior VSR opened and reviewed the necessary documents before authorizing the rating decisions, which may have helped leaders more effectively respond to the risks associated with the senior VSR's authorization rate.

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

[70] 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	Principle	Deficiency identified by this report
Control activities	10. Management should design control activities to achieve objectives and respond to risks.	Although VBA has control activities to identify authorization outliers, such as workload reports, it has not designed a control activity to mitigate the risks associated with unusually high authorization rates by a single employee.

Source: VA OIG analysis of internal control components and principles. The principles listed are consistent with the Government Accountability Office's Standards for Internal Control in the Federal Government.

Data Reliability

The team used computer-processed data from VBA's Tableau server to identify rating decisions authorized by the Philadelphia senior VSR from January 1, 2024, through June 30, 2024. To test data reliability, the team determined whether any data were missing from key fields 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. Additionally, the team compared data provided in the Tableau report such as the benefit claim identification, end product code, the date of the authorization, and whether the reported action was an authorization against information contained in the 32 electronic claims folders reviewed in the Veterans Benefits Management System.[71]

The team also used computer-processed data from the corporate and Veterans Benefits Management System databases to identify documents opened by the Philadelphia senior VSR. In addition to testing the reliability of the data, the team compared information such as the veteran's file number, document identification number, document title, and document association date against information contained in the 30 electronic claims folders reviewed in the Veterans Benefits Management System.

Testing of the data disclosed that they were sufficiently reliable for the review objective. Comparison of the data with information contained in the reviewed veterans' claims folders did not disclose any problems with data reliability.

This report also includes data provided by VBA's Office of Performance Analysis and Integrity regarding

- comparison of the total and average number of claims authorized by the Philadelphia senior VSR and other senior VSRs at Veterans Service Centers nationwide;

[71] The Veterans Benefits Management System is a web-based application designed to support end-to-end claims processing and electronically transfer claims throughout the claims process.

- the total number of senior VSRs who authorized claims in the Veterans Service Center at the Philadelphia VA Regional Office;
- comparison of the average times, in minutes, it took the Philadelphia senior VSR and other senior VSRs at Veterans Service Centers to authorize claims; and
- the rating decision authorizations that counted toward claims completions for the Veterans Service Center in the Philadelphia VA Regional Office.

The review team did not verify the accuracy of these self-reported data.

Government Standards

The VA Office of Inspector General (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 D: Statistical Sampling Methodology

Approach

To accomplish the objective, the VA Office of Inspector General (OIG) team reviewed a statistical sample of 32 rating decisions authorized by the Philadelphia senior veterans service representative (VSR) from January 1, 2024, through June 30, 2024 (the review period). The team used statistical sampling to quantify the extent of records where the senior VSR authorized a rating decision.

Population

The review population included 15,599 rating decisions authorized during the review period. For the purposes of the review, the team estimated the population to be about 15,600 decision authorizations.

Sampling Design

With the OIG statisticians, the team developed sampling methodology that required reviewing a random sample of the population of rating decisions authorized by the Philadelphia senior VSR. A simple random sample of 32 authorizations (with 28 backups to replace out-of-scope conditions, if needed) was selected.

Weights

Samples were weighted to represent the population from which they were drawn, and the weights were used in the estimate calculations. For example, the team calculated the error rate estimates by summing the sampling weights for all sample records that contained the given error and dividing that value by the sum of the weights for all sample records.

Projections and Margins of Error

The projection is an estimate of the population value based on the sample. The associated margin of error and confidence interval show the precision of the estimate. If the OIG repeated this audit with multiple sets of samples, the confidence intervals would differ for each sample but would include the true population value approximately 90 percent of the time.

The OIG statistician employed statistical analysis software to calculate estimates, margins of error, and confidence intervals that account for the complexity of the sample design.

Initial testing was conducted with a random sample of predetermined size from authorizations that was provided by the OIG statistician. After conducting testing, the team determined that the testing sample provided sufficient precision of the projections based on the observed error rates and logistic concerns of the sample review. Based on this information, the review team and OIG

statistician concurred that the testing sample was sufficient for review purposes. While precision improves with larger samples, the rate of improvement decreases significantly as more records are added to the sample review.

Figure D.1 shows the effect of progressively larger sample sizes on the margin of error.

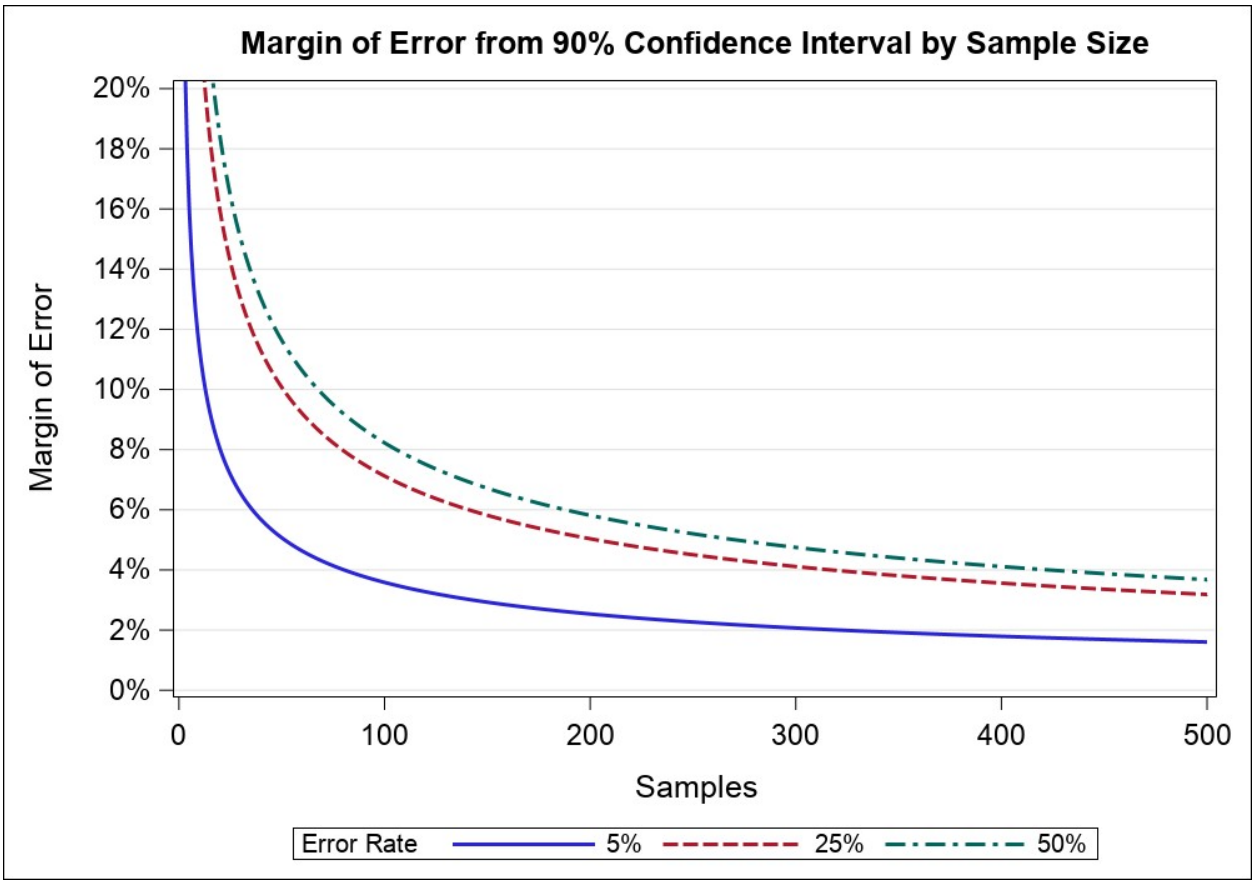

Figure D.1. *Effect of sample size on margin of error.*

Source: VA OIG statistician's analysis.

Projections

Tables D.1 and D.2 detail the review team's analysis and projected results for rating decisions authorized by the Philadelphia senior VSR as well as the amount of improper payments during the review period.

Table D.1. Statistical Projections Summary for Review Population and Combined Errors, with a 90 Percent Confidence Interval

Estimate name	Estimate number	Margin of error	Lower limit	Upper limit	Sample count
Count: At least one error	13,162	1,725	11,437	14,886	27
Error rate	84%	11%	73%	95%	27

Source: VA OIG statistician's projection of estimated population and combined errors.

Note: The error rate percentages above are rounded to the nearest percent.

Table D.2. Statistical Projections Summary for Total Value of Payment Errors, with a One-Sided 90 Percent Confidence Interval

Estimate name	Estimate number	Margin of error*	Lower limit	Rounded lower limit	Sample count
Total value of payment errors	$11,789,310	$9,628,796	$2,160,514	$2,200,000	4

Source: VA OIG statistician's projection of estimated total value of payment errors.

Note: Total value of payment errors is taken as the sum of values of both underpayments and overpayments found in the sample review.

** Because the review team reported one-sided confidence intervals, the margin of error for all estimates was calculated as the difference between the respective estimate and lower limit for the confidence interval.*

Due to low sample counts, the point estimates in table D.2 are highly variable. Consequently, the team conservatively reported one-sided lower bounds associated with the 90 percent confidence intervals in place of point estimates throughout the report.

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

Recommendation	Explanation of Benefits	Better Use of Funds	Questioned Costs[72]
1–2	Improper payments due to rating decision authorization errors by the Philadelphia senior veterans service representative	$0	$2,200,000*
	Total	**$0**	**$2,200,000**

** This estimate is rounded. The VA Office of Inspector General (OIG) estimated that the authorization errors resulted in approximately $11,800,000 in improper payments. However, the questioned cost presented here uses a lower-bound scenario, which assumes conservative estimates due to the highly variable sample data.*

[72] 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; when costs are not supported by adequate documentation; or when they 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 audit. Of the approximately $2,200,000 in questioned costs, $0 were unsupported costs.

Appendix F: VA Management Comments, Acting Principal Deputy Under Secretary for Benefits

Department of Veterans Affairs Memorandum

From: Under Secretary for Benefits (20)

Subj: Office of Inspector General (OIG) Draft Report –Inadequate Oversight Allowed a Senior Benefits Representative to Inaccurately Authorize Thousands of Decisions [Project No. 2024-03608-AE-0126] — [VIEWS 13449221]

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

1. Thank you for the opportunity to review and comment on the OIG draft report: Inadequate Oversight Allowed a Senior Benefits Representative to Inaccurately Authorize Thousands of Decisions. The Veterans Benefits Administration (VBA) provides the attached response to the draft report.

The OIG removed point of contact information prior to publication.

(Original signed by)

J. Margarita Devlin

Acting Principal Deputy Under Secretary for Benefits

Performing the Delegable Duties of the Under Secretary for Benefits

Attachment

Attachment

Veterans Benefits Administration (VBA)

Comments on OIG Draft Report

Review of Inadequate Oversight Allowed a Senior Benefits Representative to Inaccurately Authorize Thousands of Decisions (Project Number (2024-03608-AE-0126)

VBA concurs with OIG's draft report findings and provides the following technical comments:

[Technical comment 1] Page iii paragraph 1, lines 6 through 11:

> "Based on the results of the sample review, the team estimated that around 13,200 decisions (about 84 percent) authorized by the Philadelphia senior VSR had at least one error. The team determined that some of the errors likely occurred because the senior VSR did not open and review the necessary documents. These monetary impact errors resulted in approximately $2.2 million in improper payments during the review period."

VBA Comment: This sentence may be misleading to readers as it implies the $2.2 million in improper payments was confirmed and is not an estimate. This estimate is based on highly variable data.

[Technical comment 2] Page 2, paragraph 1, lines 1 through 5:

> "The senior VSR is responsible for reviewing the award and decision notice for accuracy. Before authorizing a rating decision, the senior VSR must verify that everything involving the claim is correct, such as whether the claim application was signed by the correct party, all benefits were addressed in the decision, and the date of the claim is accurate, and also must ensure certain Veterans Benefits Administration (VBA) systems are updated accurately."

VBA Comment: This language implies that every facet of the adjudication process can be and is verifiable by a senior VSR; however, senior VSRs are not trained in disability evaluations, the principles guiding the establishment of service-connection, and other determinations and responsibilities inherent to the Rating VSR position.

VBA provides the following comments in response to the recommendations in the OIG draft report:

Recommendation 1: Review all processing errors on cases the OIG review team identified, correct those errors to the extent possible, and report back on the results of those actions.

VBA Response: Concur. VBA received a list of 29 claims and began the review for correction of those in April 2025. VBA estimates completion of the review, correction, and certification of the claims by December 31, 2025.

Target Completion Date: December 31, 2025

Recommendation 2 Evaluate the effectiveness of control activities specifically for authorization rate outliers and determine whether new or stronger controls are needed.

VBA Response: Concur. VBA plans to evaluate current control activities and determine whether new or stronger controls are needed.

Target Completion Date: January 31, 2026

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

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