



# US DEPARTMENT OF VETERANS AFFAIRS **OFFICE OF INSPECTOR GENERAL**

Office of Audits and Evaluations

---

## **VETERANS BENEFITS ADMINISTRATION**

---

# **Review of Automated Decisions for Veterans' Service-Connected Death Claims**

Review

25-00153-47

April 30, 2026

**BE A**  
**VOICE FOR**  
**VETERANS**

---

**REPORT WRONGDOING**  
**vaoig.gov/hotline | 800.488.8244**

---

## OUR MISSION

To conduct independent oversight of the Department of Veterans Affairs that combats fraud, waste, and abuse and improves the effectiveness and efficiency of programs and operations that provide for the health and welfare of veterans, their families, caregivers, and survivors.

## CONNECT WITH US



**Subscribe** to receive updates on reports, press releases, congressional testimony, and more. Follow us at @VetAffairsOIG.

## PRIVACY NOTICE

In addition to general privacy laws that govern release of medical information, disclosure of certain veteran health or other private information may be prohibited by various federal statutes including, but not limited to, 38 U.S.C. §§ 5701, 5705, and 7332, absent an exemption or other specified circumstances. As mandated by law, the OIG adheres to privacy and confidentiality laws and regulations protecting veteran health or other private information in this report.

Visit our website to view more publications.  
**vaoig.gov**



## Executive Summary

The VA Office of Inspector General (OIG) conducted this review to determine whether automated decisions of the Veterans Benefits Administration's (VBA) Pension and Fiduciary Service correctly granted survivors' entitlement to service-connected death benefits from September 2023 through August 2024. As of October 2025, VBA was still using this automation process, which for this report means the system that creates rating decisions, awards, and notification letters.

The review found almost all automated decisions and notification letters had legal or procedural problems, especially with required notifications. Separately, the OIG estimated at least 2 percent of decisions had legal deficiencies resulting in improper payments of at least \$2.7 million from September 2023 through August 2024. Deficiencies reduce transparency, increase the risk of improper payments, and also risk VA not complying with the Secretary's legal duty to notify claimants.<sup>1</sup> To assess for ongoing relevance of the identified risks, the team reviewed 20 additional automated rating decisions that were completed from September through October 2025 and confirmed that, as of November 2025, VBA continued to experience similar errors for automated service-connected death rating decisions and notification letters. If VBA does not correct the deficiencies identified in this report, it risks continued improper payments and legally flawed notifications resulting from defects in its automation process.

The OIG shared its preliminary findings with VBA in March 2025, and in response, VA updated its procedures manual that same month to remove the long-form guidance for all survivor benefits decisions, including those processed traditionally (that is, without automation). Since the March briefing, the OIG has provided further briefings to keep officials informed.

The OIG made three recommendations to improve processes and guidance and to ensure compliance with law. The principal deputy under secretary for benefits, performing the delegable duties of the under secretary for benefits, concurred in part with recommendation 1, concurred with recommendation 2, and concurred in principle with recommendation 3.

Regarding recommendation 1, VBA cited "significant concerns" about the OIG's methodology in determining that hypertension claims "are more prone to error." However, the OIG did not determine, nor include in its findings, that hypertension claims are more prone to error. As explained in appendix A, initial findings indicated a higher risk of inaccuracy in hypertension, and the sample of claims selected for review was stratified to include more hypertension claims to test this initial finding. The sample stratification did not otherwise affect the OIG's testing or analysis or the conclusions in the report. Additionally, the OIG team shared its methodology with VBA's chief of quality sampling and analysis from the Office of Performance Analysis &

---

<sup>1</sup> 38 U.S.C. § 5104.

Integrity at the start of the review and with Pension and Fiduciary staff throughout the project. VBA did not raise concerns during the review, and Pension and Fiduciary quality staff agreed with the errors the OIG identified.

Although VBA concurred with recommendation 2, it noted it does not concur “on any implication by OIG that review checklists” should be identical for automated and manual claims. The OIG team does not suggest that the review checklists for automation should be identical to those used to review manual processes; rather, the recommendation is that the checklists should be revised so that automated death benefits decisions receive the same scrutiny as traditionally processed claims, thereby ensuring automated decisions comply with statutory and procedural guidance.

Last, regarding recommendation 3, VBA explained it had previously consulted with the Office of General Counsel about service-connected death claims and automation, which the OIG acknowledges. In response to the OIG’s recommendation, they subsequently consulted with the Office of General Counsel and are evaluating next steps based on this additional consultation. VBA’s full management comments are in appendix D.

## **Background**

In May 2020, VBA began automating decisions for service-connected death claims to improve decision speed, accuracy, and consistency. In May 2025, the VA Secretary announced system improvements to expand the use of automation in processing Dependency and Indemnity Compensation claims to further reduce “red tape” for survivors seeking death benefits.<sup>2</sup> The Pension and Fiduciary Service developed the automation rules and collaborated with VA’s Office of Information and Technology to implement the automated system. It extracts data from scanned documents and applies predefined rules to generate decisions. Because the automation uses predefined rules, rules-based defects will continue to recur if any step or rule has deficiencies.

## **What the Review Found**

Although the available evidence for most of the estimated 8,100 automated decisions in the OIG’s review supported granting the benefit, at least 8,000—nearly all—of the rating decisions or notification letters contained at least one legal or procedural deficiency. These included incomplete evidence summaries and omitted favorable findings, which are legal requirements. Additionally, the OIG found errors that resulted in at least \$2.7 million in improper payments for at least 2 percent of the estimated 8,100 decisions that granted benefits in the review period. These errors included not verifying the eligibility of a claimant and granting service-connected

---

<sup>2</sup> VA, “VA Announces Major Survivor Benefits Reforms,” news release, May 5, 2025, <https://news.va.gov/press-room/va-announces-major-survivor-benefits-reforms/>.

death benefits without medical evidence tying the cause of death to a service-connected disability. Other deficiencies were procedural errors like missing narrative elements and formatting code sheets incorrectly. Any errors reduce transparency in how decisions were made.

The OIG also found the quality review checklist VBA used as an oversight tool for automated claims was less rigorous than the steps traditionally processed claims undergo to assess evidence, rationale, and notification content. This disparity implies automated decisions are not subject to the same standard of review for legal and procedural compliance as traditionally processed claims.

Finally, the modernization plan VA submitted to Congress as required by the PACT Act of 2022 did not fully explain that VBA uses end-to-end automation to grant service-connected death claims without human intervention when all automation rules are met.<sup>3</sup> This suggests Congress may not fully understand VBA's automation process, raising concerns about transparency and accountability.

## Next Steps

The OIG will continue to monitor VBA's corrective actions and will close the recommendations once VBA provides sufficient evidence that it has strengthened its automation processes and addressed the risks identified in this report.



LARRY M. REINKEMEYER  
Assistant Inspector General  
for Audits and Evaluations

---

<sup>3</sup> The Sergeant First Class Heath Robinson Honoring Our Promise to Address Comprehensive Toxics (PACT) Act of 2022, Pub. L. No. 117-168, § 701(b), 136 Stat. 1759.

## Abbreviations

OIG	Office of Inspector General
PACT Act	Sergeant First Class Heath Robinson Honoring Our Promise to Address Comprehensive Toxics Act of 2022
VBA	Veterans Benefits Administration

## Contents

Executive Summary .....	i
Introduction.....	1
Results and Recommendations .....	7
Finding: VBA's Automation Process Did Not Fully Comply with Legal Requirements and Procedural Guidance .....	7
Recommendations 1–3 .....	16
Appendix A: Scope and Methodology.....	18
Appendix B: Statistical Sampling Methodology .....	20
Appendix C: Monetary Benefits in Accordance with Inspector General Act Amendments .....	24
Appendix D: VA Management Comments.....	25
OIG Contact and Staff Acknowledgments .....	28
Report Distribution .....	29



## Introduction

The Veterans Benefits Administration (VBA) provides benefits and services to veterans, their families, and survivors in recognition of a veteran's service.<sup>4</sup> This includes death benefits such as Dependency and Indemnity Compensation to support a deceased veteran's surviving spouse, children, or parents.<sup>5</sup> Dependency and Indemnity Compensation is a monthly tax-free benefit under federal law that is paid to eligible survivors of service members who died in the line of duty or veterans whose deaths resulted from a service-related injury or illness—a legal designation referred to as a service-connected death.<sup>6</sup>

The VA Office of Inspector General (OIG) conducted this review to determine whether VBA's automated decisions are correctly granting survivors' entitlement to veterans' service-connected death benefits and properly processing decisions and awards. Staff in VBA's Pension and Fiduciary Service, which administers programs for survivors, reported they began phasing in automation of service-connected death benefits claims in May 2020. The goal was to produce fast, accurate, and consistent decisions by reducing manual tasks.

In May 2025, the VA Secretary pledged to improve VA's ability to "more quickly and effectively provide survivors the services, support and compassion they've earned" and noted that "the last thing survivors need in their time of grief is frustrating red tape and bureaucracy." VA said its automation enhancements led to staff processing more than 1,000 Dependency and Indemnity Compensation claims payments or adjustments per day, which should expedite survivors' claims and improve their experience.<sup>7</sup>

### Service-Connected Death Benefits

The legal authority for VA benefits comes from both law and federal regulation.<sup>8</sup> VBA uses its *Adjudication Procedures Manual* (VA Manual 21-1, commonly referred to as the procedures manual) to outline the legal requirements and guide claims processors. The manual says laws and regulations take precedence over the detailed instructions in the manual. In the legal and procedural guidance, there is no distinction between automated and traditional claims. In interviews with the OIG team, VBA officials reported that automated claims should follow the same legal and procedural guidance as traditional claims.

---

<sup>4</sup> "VA, Functional Organizational Manual Version 8.0, 2023" (web page), VA, accessed October 29, 2024. (Historical document no longer accessible.)

<sup>5</sup> 38 U.S.C. § 1310.

<sup>6</sup> 38 C.F.R. § 3.5 (2025) defines Dependency and Indemnity Compensation.

<sup>7</sup> VA, "VA Announces Major Survivor Benefits Reforms," news release, May 5, 2025, <https://news.va.gov/press-room/va-announces-major-survivor-benefits-reforms/>.

<sup>8</sup> 38 U.S.C. § 501.

Under federal law, Dependency and Indemnity Compensation is a monthly payment made to survivors of veterans who either

- died because of a service-connected disability;
- had a cause of death that is a presumptive disability, and the evidence shows the veteran met the particular presumptive criteria;
- were rated 100 percent disabled for a service-connected disability at the time of their death; or
- died due to VA medical treatment.<sup>9</sup>

While survivors may be entitled to other benefits (such as education, health care, accrued disability payments, and burial allowances), for the purposes of this report, the term “service-connected death benefit” refers only to monthly dependency and indemnity payments.

In the automation process VBA uses to create rating decisions, awards, and notification letters (which the OIG confirmed was still in use as of October 2025), the system scans documents, such as death certificates and claims applications, and extracts data. Then the system applies predetermined rules to generate decisions. If the automation process grants a claim, the system generates a decision and notification letter. If claims cannot be granted automatically, they are routed for traditional processing. This means a VBA claims processor—categorized as either a veterans service representative or a rating veterans service representative—manually processes the claim.

## Legal Requirements for Notification

Federal law requires VBA to notify claimants of decisions.<sup>10</sup> A compliant decision notice must

- identify the issues decided;
- summarize the evidence considered by the Secretary, as well as applicable laws and regulations;
- identify findings favorable to the claimant (that is, determinations of fact or law that support the claim and are binding on future decision-makers unless there is a clear and unmistakable error);<sup>11</sup>
- identify elements not satisfied that lead to a denial;

---

<sup>9</sup> 38 U.S.C. §§ 1151, 1310, and 1318.

<sup>10</sup> 38 U.S.C. § 5104.

<sup>11</sup> 38 C.F.R. § 3.104(c) (2025); VA Manual 21-1, “Purpose of the Reason for Decisions Section,” September 30, 2021 (historical), topic V.iv.1.A.5.a. in *Adjudication Procedures Manual*.

- explain how to obtain or access the evidence used in making the decision; and
- if applicable, identify the criteria that must be satisfied to grant service connection or the next higher level of compensation.

## Procedural Requirements for Decisions and Notification Letters

VA's procedures manual guides VBA claims processors in developing, deciding, and authorizing claims. From September 2023 through August 2024 (the period the OIG reviewed), the manual required that rating decisions for survivor benefits, including service-connected death benefits, include

- a description of the evidence considered (which must detail the title of the form received, treatment facility names, and date ranges and dates of receipt);
- an explanation, called a long-form narrative, to thoroughly explain the rating decision to grant entitlement, discuss relevant and necessary evidence, and clarify why the evidence was persuasive or unpersuasive; and
- a code sheet (which summarizes a veteran's disability information) that lists disabilities and other details in a specific order.<sup>12</sup>

Like rating decision narratives, notification letters must describe the evidence considered. If a claimant receives a copy of the rating decision narrative, the same evidence does not need to be repeated in the notification letter.

## Quality Checklists

To ensure rating decisions and notification letters adhere to legal and procedural guidance, the procedures manual requires a comprehensive analysis of each decision and notification letter using a checklist.<sup>13</sup> The Pension and Fiduciary Service, which is responsible for survivor benefits payments, has separate quality review checklists for traditional claims processing and for automated claims.

The checklist for traditional claims addresses legal and procedural requirements such as ensuring the decision contains a complete summary of evidence; proper claim development, research, and adjudication; and the overall decision is appropriate. By comparison, the automation checklist generally focuses on whether the automation system incorrectly extracted data, failed to follow the automation requirements, or incorrectly decided the claim due to a defect. The OIG team

---

<sup>12</sup> VA Manual 21-1, "Grouping SC Disabilities," August 23, 2018, topic V.iv.1.C.7.a. in *Adjudication Procedures Manual*.

<sup>13</sup> VA Manual 21-4, "STAR Checklist," March 24, 2025, topic 7.3.a. in *Manual*.

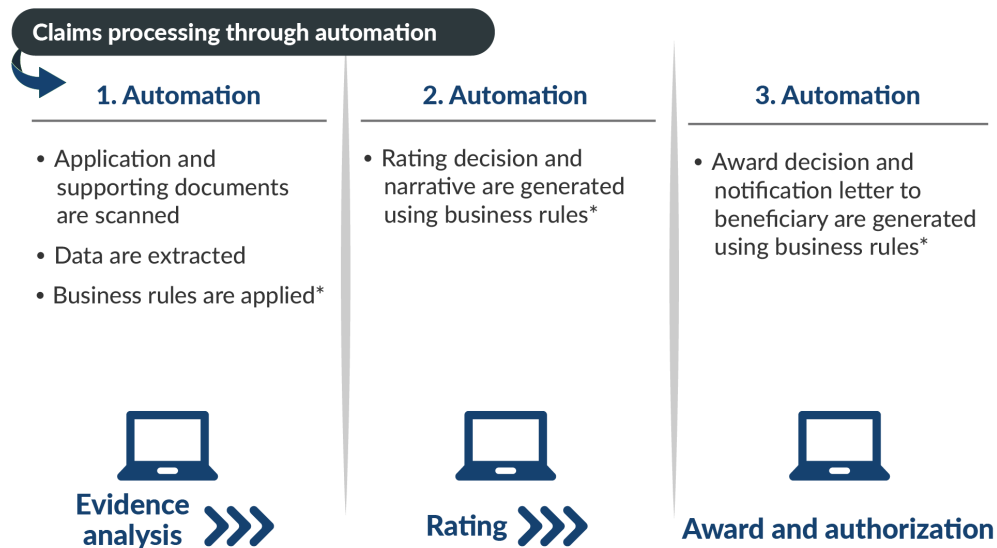
determined that the automation checklist does not focus on legal and procedural requirements such as proper claim development, research, adjudication, or the overall decision.

## Automated Versus Traditional Claims Processing

Generally, for both traditional and automated claims processing, a claimant must apply for service-connected death benefits.<sup>14</sup> Since the phasing in of automation in May 2020, these claims then go through a screening process to determine whether automation rules can be applied to generate rating decisions, awards, and notification letters. If a claim cannot be granted or does not meet the automated rules at any stage, the claim is processed traditionally by VBA staff.

### Automated Claims Processing

The automation process is designed to extract data, analyze evidence, prepare a rating decision, authorize any applicable payment, and notify the claimant of the decision. If the automation process grants benefits, the claim may be processed end-to-end by automation, from establishment to decision notification, without human involvement. Figure 1 illustrates the process in place during this review, which the Pension and Fiduciary Service continues to enhance and update.



**Figure 1.** Automated claims processing for death benefits.

Source: VA OIG analysis of the business rule documentation provided by the Pension and Fiduciary Service, related to the automated claims process.

\* If a claim cannot be granted or does not meet the automated business rules at any stage, the claim is processed traditionally by VBA staff.

<sup>14</sup> 38 U.S.C. § 5101. The law permits the Secretary to pay death benefits to a survivor who has not filed a claim if the record contains sufficient evidence to establish entitlement.

The Pension and Fiduciary Service staff reported they created the automation rules, and VA's Office of Information and Technology wrote the computer language to implement the rules so the automation can perform the required actions.

## **Traditional Claims Processing**

Staff in the Philadelphia Pension Management Center—the office dedicated to processing survivors' claims for veterans' service-connected death benefits—are responsible for developing, deciding, awarding, and authorizing claims that are not completed through the automation process.<sup>15</sup> When a claim is routed for traditional processing, claims processors review the claim and gather evidence. Different claims processors analyze the evidence and decide the claim.<sup>16</sup> The rating decision is made, applicable payments are authorized, and the claimant is notified of the decision.<sup>17</sup> As identified earlier, a notification letter must inform the claimant of VA's decision; for denied claims, the letter must include what is required to grant the claim, and for granted claims, the letter must include the effective date and the monthly payment amount.

In the traditional claims process, VA's procedures manual requires at every step that the employee who handles the claim "take the most full and complete action possible" to move the claim "forward to accurate completion."<sup>18</sup> Figure 2 summarizes the traditional claims process.

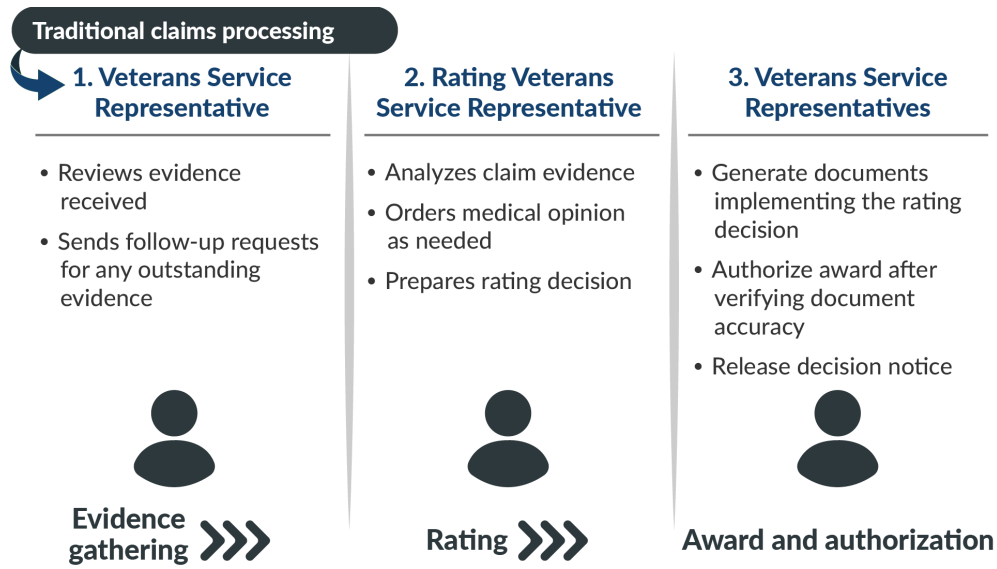
---

<sup>15</sup> VA Manual 21-1, "PMC Team Structure and Work Processing," March 2, 2023, topic I.ii.1.B.3. in *Adjudication Procedures Manual*.

<sup>16</sup> VA Manual 21-1, "DIC [Dependency and Indemnity Compensation] Under 38 U.S.C. § 1310 and 38 U.S.C. § 1318," December 4, 2024, topic XII.i.1.B.1 in *Adjudication Procedures Manual*.

<sup>17</sup> VA Manual 21-1, "Notification Requirements," May 31, 2023 (historical), topic VI.i.1.B.1 in *Adjudication Procedures Manual*.

<sup>18</sup> VA Manual 21-1, Prologue, "Employee Responsibility," updated May 21, 2025 in *Adjudication Procedures Manual*.



**Figure 2.** Traditional claims processing for death benefits.

Source: VA OIG’s analysis of VA Manual 21-1.

Note: Decisions cannot be implemented and authorized by the same veterans service representative.

## PACT Act–Required Modernization Plan

The PACT Act of 2022 required VA to create and submit to Congress a plan for modernizing VBA’s information technology systems covering fiscal years 2023 through 2027.<sup>19</sup> VA submitted its plan to Congress in March 2023 and supplemented it in December 2024. The act required VA to describe in this plan how it would incorporate certain principles, including the following:

- Automation “should not be end-to-end.”
- Claims processors should continue making decisions to approve claims and grant benefits.
- Automation should “increase the speed and accuracy of claims processing decisions.”
- Automation should not reduce or infringe due process nor the Secretary’s legal duty to notify claimants.

<sup>19</sup> The Sergeant First Class Heath Robinson Honoring Our Promise to Address Comprehensive Toxics (PACT) Act of 2022, Pub. L. No. 117-168, § 701(b), 136 Stat. 1759.

## Results and Recommendations

### **Finding: VBA's Automation Process Did Not Fully Comply with Legal Requirements and Procedural Guidance**

The OIG determined nearly all the estimated 8,100 automated decisions granting service-connected death benefits from September 2023 through August 2024 did not comply with legal requirements. Some decisions had legal deficiencies that resulted in monetary impact, with the OIG estimating at least \$2.7 million in improper payments during this period. Other deficiencies did not result in financial loss but still did not meet legal standards. In addition, many automated decisions did not follow VBA's procedural guidance, leading to a lack of transparency in how decisions were made. The OIG also found that VBA's quality review checklist for automated claims is less comprehensive than the checklist used for traditionally processed claims—which limits VBA's ability to identify and correct deficient automated decisions.

Finally, the OIG is concerned that VBA's modernization plan, submitted as required by the PACT Act, does not fully disclose how automation is used in processing service-connected death benefits. As a result, Congress may not have complete information and assurances that VBA's automation process aligns with the principles outlined in section 701(b) of the PACT Act.

To assess for ongoing relevance of the identified risks, the team reviewed 20 additional automated rating decisions that were completed from September through October 2025 and confirmed that, as of November 2025, VBA continued to experience similar errors for automated service-connected death rating decisions and notification letters. If VBA does not correct the deficiencies identified in this report, it risks continued improper payments and legally flawed notices of decision resulting from defects in the automation process.

### **What the OIG Did**

The review team estimated 8,100 automated decisions granted service-connected death benefits during the 12-month review period from September 2023 through August 2024.<sup>20</sup> From this population, the team selected two statistical samples for detailed review. The first sample included 80 automated claims in which hypertension (high blood pressure) was listed as the primary or contributing cause of death. This sample was selected based on preliminary testing that indicated a higher risk of inaccuracy in such cases. The second sample also included 80 automated claims, but these involved causes of death unrelated to hypertension.

---

<sup>20</sup> See appendix A for more on the report's scope and methodology and appendix B for more on the team's statistical approach.

To assess the accuracy of each decision, the team reviewed applicable laws, regulations, policies, procedures, and guidelines. The team also analyzed VBA's automation processes and rules, visited the Philadelphia Pension Management Center, and interviewed Pension and Fiduciary Service managers and staff.

The team first briefed Pension and Fiduciary Service officials about the OIG's preliminary findings in March 2025 and provided several briefings afterward to keep officials informed.

## Legal and Procedural Automation Deficiencies and Improper Payments

Although the OIG found the available evidence for most automated decisions from September 2023 through August 2024 supported granting the benefit, nearly all did not follow legal requirements or procedural guidance in the decision-making process. The review team identified three types of errors that can occur when the automation process does not follow applicable laws and procedures:

- **Monetary impact errors**, which involve noncompliance with statutory or regulatory requirements and result in improper payments to the claimant
- **Legal errors**, which involve noncompliance with statutory or regulatory requirements and may or may not impact benefit entitlement
- **Procedural deficiencies**, which do not affect benefit entitlement but may not comply with VBA protocols intended to ensure transparency

### Monetary Impact Errors

The review team estimated at least 2 percent of decisions during the review period had monetary impact errors in the form of improper payments, which are financial obligations that should not have been paid, were paid in the wrong amount, or were paid to the wrong person. These improper payments occurred when the automation process

- improperly granted service-connected death benefits based on a condition unrelated to military service,<sup>21</sup>
- did not verify the eligibility of a claimant,<sup>22</sup>
- did not assign the correct effective date,<sup>23</sup> or

---

<sup>21</sup> 38 U.S.C. § 1310.

<sup>22</sup> 38 U.S.C. § 1304.

<sup>23</sup> 38 U.S.C. § 5110.

- did not pay surviving spouses for the aid and attendance of a caregiver in applicable cases where the veteran (1) is a patient in a nursing home or (2) is blind, nearly blind, or significantly disabled and requires a caregiver.<sup>24</sup>

Based on the estimated 2 percent minimum error rate from the review team's sample analysis, at least 190 of an estimated 8,100 total decisions that granted service-connected death benefits had monetary impact errors. The team estimated this resulted in at least \$2.7 million in improper payments during the review period.<sup>25</sup> Figure 3 describes an example of a claim for Dependency and Indemnity Compensation that was granted through automation and resulted in ongoing improper payments to a survivor.

### CLAIM FACTS

A veteran died in 2023. The death certificate listed non-service-connected acute respiratory failure and chronic obstructive pulmonary disease as the primary causes of death. Other significant conditions contributing to death were listed as non-service-connected congestive heart failure and pulmonary hypertension. In September 2023, VBA received a survivor's claim for entitlement to service-connected death benefits, and the automation process granted Dependency and Indemnity Compensation two days after the claim was received.

### DEFICIENT ACTION

The automation process incorrectly granted the benefit based on service-connected hypertension as a contributing factor even though the veteran's death certificate listed pulmonary hypertension, which is a different condition. The death certificate shows no evidence of hypertension. A medical opinion would be required to make the link between hypertension and pulmonary hypertension.

### EFFECT OF INCORRECT ACTION

The survivor should not have been granted the benefit based on pulmonary hypertension and as of December 2024 had been improperly paid \$22,692. The survivor will continue to receive monthly payments until the deficient action is corrected.

**Figure 3.** Example of a claim granted for Dependency and Indemnity Compensation that had a monetary impact error associated with automation.

Source: VA OIG claim review analysis.

<sup>24</sup> 38 U.S.C. § 1311.

<sup>25</sup> See appendix C for an explanation of questioned costs.

Improper payments increase the risk that claimants and survivors may not receive all benefits they are entitled to in a timely manner, and they also increase the risk that claimants may receive benefits that are not supported by the evidence.

## Legal Errors

As previously mentioned, federal law requires the VA Secretary to provide claimants with a summary of the evidence considered in deciding their claim and to identify any findings favorable to the claimant in the rating decision or notification letter.<sup>26</sup> But VBA did not provide these details in most of the automated decisions during the review period.

Based on its review of automated decisions, the OIG team estimated that at least 8,000 rating decisions or notification letters—nearly all—did not comply with legal requirements related to documenting evidence. Most rating decisions included only the death certificate, omitting other relevant documents the automation process may have considered to decide the claim. For example, evidence used to verify a claimant's status as a surviving spouse was often not listed.

This is not a recent concern. In April 2020, an analyst from VBA reported through VA's defect and enhancement tracking system that automated rating decisions for service-connected death benefits were not listing all received evidence, only the death certificate. After reviewing the tracking system, the OIG concluded that the Pension and Fiduciary Service took no action because the application would be listed in the notification letter and the death certificate would be listed in the rating decision to meet the statutory obligation. The reported defect was closed the same month. However, the OIG found that the issue of not listing all evidence persisted during the review period.

Properly listing the evidence is necessary to comply with federal law, and when VA does not clearly document the evidence considered in a rating decision, claimants cannot be certain that all submitted materials were reviewed. In March 2025, Pension and Fiduciary Service staff agreed with the review team's findings related to evidence documentation.

Meanwhile, the review team estimated that notices sent for at least 7,000 decisions made during the review period were missing favorable findings. Federal law outlines due process requirements and mandates that VA notify claimants of any favorable findings, regardless of whether a benefit is ultimately granted or denied.<sup>27</sup> This is significant because favorable findings are binding factual determinations made by a claims processor and must be honored in future reviews of the claim unless there is clear and convincing evidence to overturn them.

In Dependency and Indemnity Compensation claims, favorable findings may include determinations such as a veteran having qualifying service, their death being service-connected,

---

<sup>26</sup> 38 U.S.C. § 5104.

<sup>27</sup> 38 C.F.R. § 3.103 (2026); 38 U.S.C. § 5104.

or the claimant being an eligible dependent. Although automated notification letters include a section titled “Findings of Facts,” this section typically directs survivors to a generic attachment outlining legal criteria for service-connected death benefits claims, rather than listing the actual favorable findings.

Not providing this notice can confuse claimants, reduce transparency, and is inconsistent with VA’s legal obligation to inform survivors of the basis for a decision.<sup>28</sup> In May 2025, Pension and Fiduciary Service staff agreed with the review team’s findings regarding the lack of proper notice of favorable findings.

## **Procedural Deficiencies**

Procedural deficiencies occur when VBA’s automation process does not follow established guidance for service-connected death benefit decisions.<sup>29</sup> While these deficiencies might not affect the amount of benefits or a survivor’s eligibility, they can impact whether a claimant is properly notified of a decision in accordance with manual requirements. Furthermore, deficiencies reduce transparency and clarity for survivors receiving benefits and may hinder their ability to understand or appeal a decision.

The OIG found at least 8,000 automated rating decisions and at least 7,000 automated notification letters contained at least one procedural deficiency. The most common issues were

- not identifying the form name, evidence type, and date of receipt for evidence used in a decision;
- not using the long-form narrative (required at the time) to fully explain the rationale behind a decision; and
- generating code sheets that did not present information in the required order.

### *Form Type and Dates of Receipt*

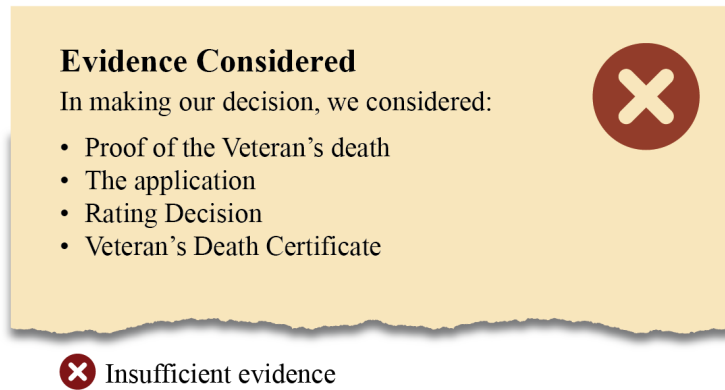
The OIG has concerns with the Pension and Fiduciary Service’s April 2020 position that the evidence generated on notification letters was sufficient to meet requirements—this is because the evidence listed on the letters lacks the details VA’s procedures manual requires, such as the form type and date each item was received.

The review team also found that automated notification letters typically listed vague evidence descriptions such as “Proof of the Veteran’s death,” “The application,” and “Veteran’s Death Certificate” (figure 4) without the required form numbers or dates of receipt.

---

<sup>28</sup> 38 U.S.C. § 5104.

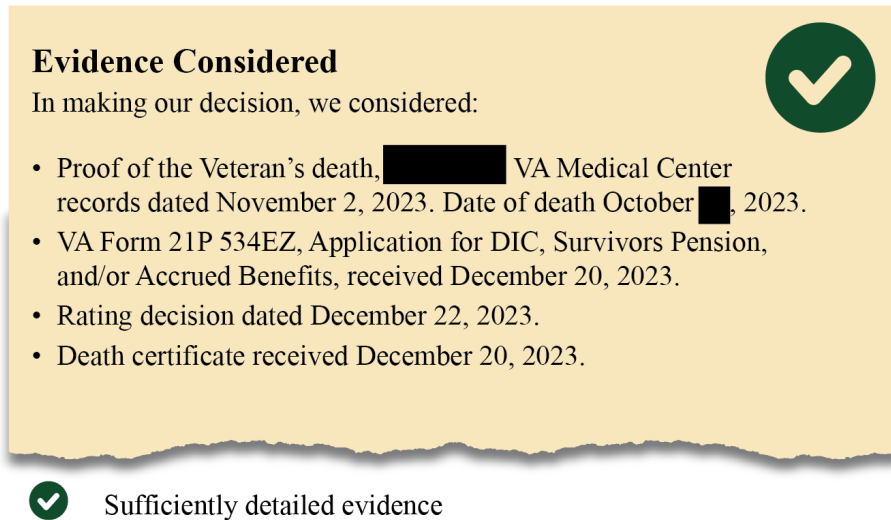
<sup>29</sup> VA Manual 21-4, “Procedural Deficiencies,” effective October 15, 2021, topic 7.3.d.



**Figure 4.** Automated notification letter with an insufficient evidence list.

Source: OIG re-creation of a notification letter from a granted Dependency and Indemnity Compensation claim.

Figure 5 illustrates a properly documented notification letter, where each piece of evidence would be clearly listed with specific details—such as the form type and the date received—in alignment with VA procedure.



**Figure 5.** Automated notification letter with sufficient evidence list.

Source: OIG example of proper notification letter formatting for a granted Dependency and Indemnity Compensation claim. The OIG removed the name of the facility and date of death.

In March 2025, Pension and Fiduciary Service officials agreed with the OIG's findings that procedural guidance was not followed. Proper documentation of evidence is critical, as the absence of such detail in notification letters can undermine the accuracy of the assigned effective date of benefits and prevent claimants from understanding what evidence was used in the decision-making process. While this level of clarity is especially important for claimants

appealing a denial, it is equally essential when granting benefits to ensure transparency and fairness in the notification.

### *Long-Form Narratives*

The review team estimated that at least 7,900 rating decisions made during the review period—nearly all—did not comply with the guidance in place from September 2023 through August 2024 that required Pension and Fiduciary Service staff to use the long-form narrative format, used to more thoroughly explain the reason a decision was made. Pension and Fiduciary Service staff agreed that the procedures manual required long-form narratives but reported to the OIG that claims processors in the field often used short-form narratives in service-connected death decisions.

After the OIG shared its findings in March 2025, VA updated its procedures manual that same month to remove the long-form guidance for all survivor benefits decisions, including those processed traditionally (that is, without automation). The review team agrees that short-form narratives may be appropriate in many cases; however, the procedures manual requires the user to add additional text as needed to explain a decision. For example, claims processors are required to add additional text to adequately explain the essential elements of the decision. This includes discussing how evidence was evaluated and, when the evidence was found to be equally persuasive, resulting in a decision in favor of the claimant. The automation process cannot identify when a more detailed explanation is needed. This limitation raises concerns about whether rating decisions are adequately supported, especially in complex cases.

### *Code Sheets*

When VA makes an automated rating decision about service-connected death benefits, it generates a code sheet, which is an internal VA document. This sheet, which can be used to support future claims and quality assurance reviews, summarizes key details, including the veteran's military service, combat history, benefits granted or denied, disability percentages, and the effective date of those benefits.

The review team found that about 6,500 of the about 8,100 automated rating decisions for service-connected death benefits included code sheets that did not follow the format established by the procedures manual. Specifically, the information on these sheets was listed in the wrong order. Staff from the Pension and Fiduciary Service agreed with these findings in March 2025.

The OIG concluded that VA's procedures manual is unclear about whether disability information should appear on code sheets for service-connected death benefits decisions. Pension and Fiduciary Service staff agreed that if such information is included in an automated rating decision, it must follow established formatting guidance.

Recommendation 1 calls on VBA to strengthen and monitor the automation process to ensure that automated Dependency and Indemnity Compensation rating decisions and notifications fully comply with all legal and procedural guidance.

## **The Oversight Checklist for Automated Decisions**

Although nearly all decisions the OIG team reviewed contained legal and procedural errors, the Pension and Fiduciary Service's oversight methods were insufficient and did not always detect these deficiencies. The Pension and Fiduciary Service completes the following types of quality reviews using internally developed checklists: the postdeployment review, the targeted program review, and the automation quality program review. During the review period, the Pension and Fiduciary Service did not make any recommendations for enhancing or improving automation based on postdeployment reviews, which are performed following a system enhancement, or targeted program reviews. These are completed based on identified trends.

The review team learned that the automation quality program review checklist, developed to evaluate automated decisions, was specifically designed to focus on the outcomes produced by the automation process. In other words, the checklist is limited to identifying issues in the automation workflow that could lead to inaccurate or unintended decisions and whether the decision to grant benefits was correct. This limitation means that quality reviews on automation do not assess all legally required elements of the notification letters such as favorable findings, and the checklist does not require a thorough evaluation of the evidence cited in rating decisions or notification letters. It also omits checks for essential elements such as evidence type, form numbers, and dates of receipt that are required by VA's procedures manual. Other procedural components—like rating decision narratives and code sheets—are also not reviewed.

The Pension and Fiduciary Service's chief of policy and procedures confirmed to the OIG team that, unless otherwise specified, the guidance in the procedures manual applies to all decisions, regardless of being automated or traditionally processed. Because the checklist for automated decisions focuses solely on automation outcomes and excludes legal and procedural compliance, these deficiencies are likely to persist.

The OIG team acknowledges that the Pension and Fiduciary Service has ongoing oversight methods. However, the OIG recommends updating the checklist associated with reviews under the automation quality program to ensure they meet the same standards as traditional processing. Recommendation 2 calls on VBA to ensure the Pension and Fiduciary Service revises its quality review checklist for automated death benefits decisions so that those decisions undergo the same scrutiny as traditionally processed claims.

## VA's Modernization Plan and Automated Claims

The PACT Act of 2022 required VA to submit a plan to Congress for modernizing VBAs information technology systems. This plan was required to address key automation principles, including how VBA

- would avoid full end-to-end automation,
- maintain claims processors' involvement in decision-making, and
- improve the speed and accuracy of claims decisions without compromising due process or the VA Secretary's duty to notify claimants.<sup>30</sup>

However, the modernization plan and supplement VBA gave Congress (in 2023 and 2024, respectively) lacks full transparency regarding how Dependency and Indemnity Compensation claims are processed using automation. Specifically, the documents do not disclose that some decisions granting service-connected death benefits are made through end-to-end automation, with no human involvement. Furthermore, neither the plan nor its supplement describes how VBA's approach to Dependency and Indemnity Compensation incorporate the automation principles set forth in the PACT Act, such as "Automation should not be carried out in a manner that reduces or infringes upon the due process rights of applicants ... or the duties of the Secretary to assist and notify claimants."<sup>31</sup>

As a result, Congress lacks true visibility into how VBA is incorporating automation principles into its claims process. Additionally, because automated rating decisions and notification letters have legal and procedural deficiencies, these documents may not fully comply with the VA Secretary's statutory duty to notify claimants.

Recommendation 3 calls on VBA to consult with VA's Office of General Counsel to determine whether the modernization plan submitted to Congress complies with section 701(b) of the PACT Act regarding service-connected death benefit grants and take appropriate corrective action if needed.

## Conclusion

VBA must address deficiencies in its claims automation process to reduce improper payments to survivors and to improve transparency and accountability in how decisions are made. Although the OIG found the available evidence for most automated decisions from September 2023 through August 2024 supported granting the benefit, nearly all did not follow legal requirements or procedural guidance in the decision-making process. These errors included not notifying

---

<sup>30</sup> PACT Act § 701(b).

<sup>31</sup> PACT Act § 701(b)(1)(B)(vii).

claimants of favorable findings and not fully documenting the evidence used to support automated rating decisions.

While VA has since revised its procedures manual to remove one directive that contributed to procedural errors, the automation process will continue to incorrectly process claims and approve improper payments unless the identified deficiencies are corrected and oversight is strengthened. Notably, without corrective action, these issues could persist as VBA increasingly relies on automated systems.

Additionally, because VA's modernization plan lacks transparency about how VBA uses automation to decide service-connected death benefits, Congress does not have complete information or assurance that the automation process for these benefits aligns with the principles required by law.

### **Recommendations 1–3**

The OIG made the following recommendations to the under secretary for benefits:<sup>32</sup>

1. Strengthen and monitor the automation process to ensure that automated Dependency and Indemnity Compensation rating decisions and notifications fully comply with all legal requirements and procedural guidance.
2. Ensure the Pension and Fiduciary Service revises the quality review checklist for automated death benefits decisions so that those decisions undergo the same scrutiny as traditionally processed claims.
3. Consult with VA's Office of General Counsel to determine whether the modernization plan submitted to Congress—regarding service-connected death benefit grants—complies with section 701(b) of the PACT Act and take appropriate corrective action if needed.

### **VA Management Comments**

The principle deputy under secretary for benefits, performing the delegable duties of the under secretary for benefits, concurred in part with recommendation 1, concurred with recommendation 2, and concurred in principle with recommendation 3. A summary of VBA's response to each recommendation follows, with full remarks in appendix D.

For recommendation 1, VBA stated it is migrating from the automation platform that was in place during the review period to the Smart Pension Automation platform, with a planned launch in April 2026. VBA reported it has written system requirements that, once implemented, will

---

<sup>32</sup> 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.

address the OIG's concerns. VBA also noted "significant concerns" about the OIG's sampling methodology in determining that hypertension claims "are more prone to error."

To address recommendation 2, VBA will revise the automation quality checklist for more consistent quality checks compared to manual claims processing. Though VBA concurred with the recommendation, it noted in its response that it does not concur "on any implication by OIG that review checklists" should be identical for automated and manual claims.

For recommendation 3, VBA pointed out it had previously consulted with the Office of General Counsel about the possible impact of the PACT Act on service-connected death benefits and automation regarding that section of the act. VBA reported that it consulted again with VA's Office of General Counsel to determine whether its modernization plan to Congress complies with section 701(b) of the PACT Act and noted that VBA is evaluating next steps.

## **OIG Response**

Regarding recommendation 1 (concur in part), the OIG will monitor VBA's implementation of the Smart Pension Automation platform for compliance with statutory and procedural requirements. In regard to VBA's "significant concerns" with the OIG's methodology, the OIG did not determine, nor include in its findings, that hypertension claims are more prone to error. As explained in appendix A, initial findings indicated a higher risk of inaccuracy in hypertension, and the sample of claims selected for review was stratified to include more hypertension claims to test this initial finding. The sample stratification did not otherwise impact the OIG's testing or analysis or the conclusions in the report. Furthermore, the OIG shared its project methodology, including the hypertension component, with VBA's chief of quality sampling and analysis from the Office of Performance Analysis & Integrity at the start of the project and discussed it with Pension and Fiduciary staff throughout the project. VBA did not raise concerns about the sampling methodology at any time before submitting its formal comments. Pension and Fiduciary quality staff agreed with the errors the OIG identified.

For recommendation 2, the OIG is not implying the review checklists for automation should be identical to those used to review manual processes; rather, the checklist should be updated to make sure it is sufficient to identify decisions and notifications that do not comply with statutory and procedural guidance.

Regarding recommendation 3 (concur in principle), the OIG acknowledges VBA previously consulted with the Office of General Counsel about service-connected death claims and automation. VBA subsequently consulted with the Office of General Counsel in response to OIG's recommendation and is evaluating next steps based on this additional consultation.

The actions proposed by VBA were generally responsive to the recommendations. The OIG will monitor VBA's progress in addressing the recommendations and will close them when satisfied that sufficient progress has been made.

## Appendix A: Scope and Methodology

### Scope

The VA Office of Inspector General (OIG) review team conducted its work from October 2024 through January 2026. The team assessed a universe of 8,488 automated grants of service-connected death benefit decisions completed from September 2023 through August 2024 that were received on VA Form 21P-534 EZ, “Application for D.I.C. [Dependency and Indemnity Compensation], Survivors Pension, and/or Accrued Benefits.” The universe did not include automated service-connected death grants based on 38 U.S.C. §§ 1318 or 1151, as these benefits are based on meeting certain requirements. As detailed in appendix B, the population used for this review was 8,119, which reflects an estimated 369 automated decisions that were excluded because they were outside the scope of this review.

### Methodology

To accomplish the review’s objective, the team considered applicable laws, regulations, policies, procedures, and guidelines related to processing service-connected death benefits claims. The team also interviewed leaders, managers, and staff at the Veterans Benefits Administration’s (VBA) Pension and Fiduciary Service and at the pension management center in Philadelphia, Pennsylvania.

From the universe of automated grants of service-connected death benefits, the team pulled a statistical sample of 80 hypertension-related claims and 80 other claims unrelated to hypertension; this was based on the team’s initial findings during testing that indicated a higher risk of inaccuracy with hypertension-related claims. Appendix B discusses the team’s statistical sampling methodology in greater detail.

The references to VA Manual 21-1, the *Adjudication Procedures Manual*, cited in this report were in effect during the review period; however, VA has since revised some passages.

### Internal Controls

The team assessed VBA’s internal controls to determine whether they were significant to the review objective. This included consideration of the five internal control components: (1) control environment, (2) risk assessment, (3) control activities, (4) information and communication, and (5) monitoring.<sup>33</sup> In addition, the team reviewed the principles of internal controls as associated with the objective and identified two components and two principles as significant.<sup>34</sup> The team

---

<sup>33</sup> Government Accountability Office, *Standards for Internal Control in the Federal Government*, GAO-14-704G, September 2014.

<sup>34</sup> Because the review was limited to the internal control components and underlying principles identified, it may not have disclosed all internal control deficiencies that could have existed at the time of this review.

identified internal control deficiencies during this review and proposed recommendations to address those listed in table A.1.

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

Component	Principle	Deficiency identified by this report
Control activities	Management should design control activities to achieve objectives and respond to risks.	VBA did not follow legal requirements and procedural guidance to properly list the evidence used to decide a claim, ensure narratives adequately supported the reasons for a rating decision, ensure code sheets displayed accurate information in the correct order, and give notice of findings favorable to claimants.  VBA's quality review checklist for automated rating decisions was less comprehensive than the standards for evaluating traditionally processed claims.
Monitoring	Management should establish and operate monitoring activities to monitor the internal control system and evaluate the results.	VA's modernization plan is not transparent with Congress about how the Dependency and Indemnity Compensation claims process addresses service-connected death claims using end-to-end automation.

*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 relied on computer-processed data from the Veterans Benefits Management System. They validated this data by comparing automation sample data to VBA file numbers, beneficiary names, claim dates, and claim types. The team used these comparisons to identify any discrepancies. Testing disclosed that the data were sufficiently reliable for the review objectives. Comparison of the data with information contained in the management system's claims folders did not disclose any problems with data reliability, and the team did not find any discrepancies in the fields in any of the datasets.

## Government Standards

The OIG conducted this review in accordance with the Council of the Inspectors General on Integrity and Efficiency's *Quality Standards for Inspection and Evaluation*.<sup>35</sup>

<sup>35</sup> Council of the Inspectors General on Integrity and Efficiency, *Quality Standards for Inspection and Evaluation*, December 2020.

## Appendix B: Statistical Sampling Methodology

### Approach

The review team analyzed a statistical sample of 160 automated service-connected death benefits decisions completed from September 1, 2023, through August 31, 2024, with an end product of series "140" that granted service-connected death benefits.<sup>36</sup> The team used statistical sampling to project and quantify the number of decisions where the automation process of the Veterans Benefits Administration's (VBA) Pension and Fiduciary Service did not follow policies or procedures when granting claims for service-connected death benefits.

### Population

As noted in appendix A, the review population represented 8,488 automated decisions granting service-connected death benefits. For the purposes of this review, the team estimated the population to be 8,119. The difference between the review population and the estimated population is the team's exclusion of 369 automated decisions because they did not fall within the review's scope. The universe did not include automated service-connected death benefits grants based on 38 U.S.C. §§ 1318 or 1151. Because the grants excluded from the sample represent others in the original review population that may also be out of scope, the team estimates the population eligible for this review was about 8,119.

### Sampling Design

The VA Office of Inspector General (OIG) statistician approved a statistical sampling plan of 160 automated decisions, 80 each from two strata: hypertension and other (table B.1). An additional 10 samples were planned for cases that did not meet the review criteria to ensure the final sample resulted in a sample of 160 automated decisions granting entitlement to service-connected death and associated benefits.

---

<sup>36</sup> The end product system is the primary workload monitoring and management tool for Veterans Benefits Administration claims processing.

**Table B.1. Strata for Sampling Analysis**

Stratum	Number of decisions estimated in population	Sample size
Automated service-connected death benefit rating decisions with cause of death as hypertension	1,003	80
Automated service-connected death benefit decisions with cause of death for all other conditions	7,485	80
<b>Totals</b>	<b>8,488*</b>	<b>160</b>

*Source: VA OIG statistician's stratified population of data from VA's Corporate (Proctest) database.*

*\* This total includes both in- and out-of-scope automated decisions.*

## Weights

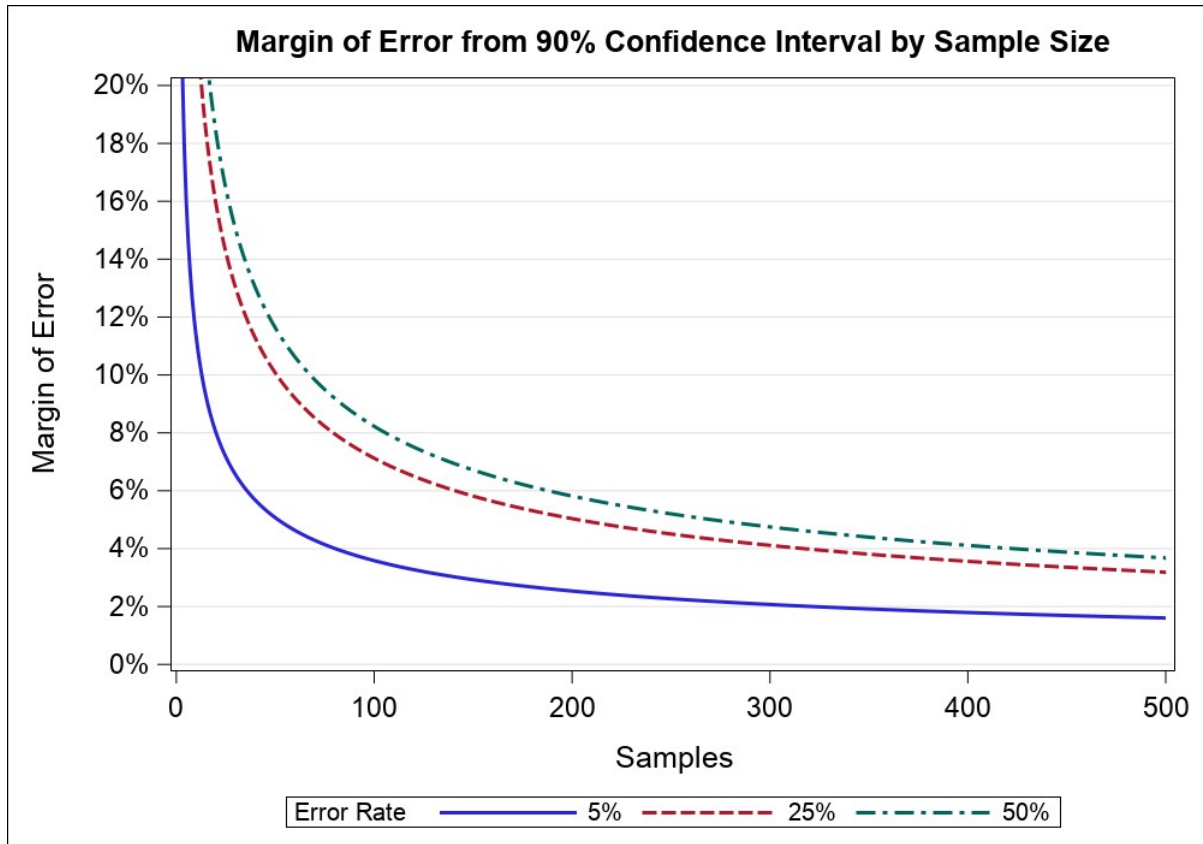
Samples were weighed to represent the population from which they were drawn, and the weights were used in the estimate calculations.

## 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 about 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.

The sample size was determined after reviewing the expected precision of the projections based on the sample size, potential error rate, and logistic concerns of the sample review. While precision improves with larger samples, the rate of improvement decreases significantly as more records are added to the sample review. Figure B.1 shows the effect of progressively larger sample sizes on the margin of error.



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

Source: VA OIG statistician's analysis

## Projections

Table B.2 details the review team's analysis and projected results for automated service-connected death benefits decisions that were granted during the review period.

**Table B.2. Statistical Projections Summary for Review Data, with a 90 Percent Confidence Interval**

Estimate name	Estimate number	Margin of error	Lower limit	Upper limit	One-tailed lower limit	Sample count
Code sheet conditions not in correct order	6,493	839	5,654	7,332	—	134
Decision does not follow evidence requirement	8,119	151	7,969	—	—	160
Decision does not follow long-form requirement*	8,107	118	7,881	8,117	—	159
Notification letter does not follow evidence requirements*	7,166	147	7,020	—	—	145

Estimate name	Estimate number	Margin of error	Lower limit	Upper limit	One-tailed lower limit	Sample count
Notification letter does not include favorable findings*	7,166	147	7,020	—	—	145
Claim resulted in monetary impact*†§	418	294	124	713	189	9

Source: VA OIG statistician's projections based on claims decided from September 1, 2023, through August 31, 2024.

Note: Projections and confidence intervals may not total precisely due to rounding. The team conservatively reported the lower limits associated with the 90 percent confidence interval in place of the point estimate in all cases except for the code sheet projection.

\* The OIG used the generalized Clopper Pearson method for estimating percentages (such as error rates) and totals based on these percentages. The advantage of this method is that the resulting confidence limits are generally very conservative. Based on the method by which Clopper Pearson intervals are constructed, the margin of error cannot be simply subtracted from or added to the estimate to get the lower and upper limits, respectively.

† Due to low sample count, the point estimate is highly variable. Consequently, the team conservatively reports the one-tailed lower limit associated with the 90 percent confidence interval in place of the point estimate throughout the body of the report.

§ The review team estimated at least 2 percent of decisions from September 1, 2023, through August 31, 2024, had monetary impact errors.

Table B.3 details the projections of improper payments for automated service-connected death benefit decisions that were granted during the review period.

**Table B.3. Estimated Improper Payments, with a 90 Percent Confidence Interval**

Estimate name	Estimate amount	Margin of error	Lower limit	Upper limit	One-tailed lower limit
Decisions resulting in improper payments	\$6,695,044	\$5,100,248	\$1,594,796	\$11,795,292	\$2,727,764

Source: VA OIG statistician's analysis.

Note: Projections and confidence intervals may not total precisely due to rounding.

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

Recommendations	Explanation of Benefits	Better Use of Funds	Questioned Costs <sup>37</sup>
1 and 2	The VA Office of Inspector General (OIG) estimated the Pension and Fiduciary Service's automated service-connected death benefits grants from September 1, 2023, through August 31, 2024, resulted in at least \$2.7 million in improper payments to survivors (comprising both underpayments and overpayments).	\$0	\$2,727,764
	<b>Total</b>	<b>\$0</b>	<b>\$2,727,764</b>

*Source: VA OIG statistician's analysis.*

*Note: The term "improper payment" means a payment that was made in an incorrect amount under statutory, contractual, administrative, or other legally applicable requirements. The term improper payment includes any payment to an ineligible recipient; any payment for an ineligible good or service; any duplicate payment; any payment for a good or service not received, except for those payments where authorized by law; any payment that is not authorized by law; and any payment that does not account for credit or applicable discounts. Executive Office of the President, Transmittal of appendix C to OMB Circular A-123, "Requirements for Payment Integrity Improvement," OMB Memo M-21-19, March 5, 2021.*

---

<sup>37</sup> The OIG questions costs when VA action or inaction (such as spending or not fully compensating 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 at least \$2.7 million in questioned costs, none were identified as unsupported costs during the review.

## Appendix D: VA Management Comments

### Department of Veterans Affairs Memorandum

Date: March 13, 2026

From: Under Secretary for Benefits (20)

Subj: Office of Inspector General (OIG) Draft Report – Review of Automated Decisions for Veterans' Service-Connected Death Claims [Project No. 2025-00153-AE-0009] — [VIEWS 13450719]

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

1. Thank you for the opportunity to review and comment on the OIG draft report: Review of Automated Decisions for Veterans' Service-Connected Death Claims [Project No. 2025-00153-AE-0009]. 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

Principal Deputy Under Secretary for Benefits

Performing the Delegable Duties of the Under Secretary for Benefits

Attachment

**Veterans Benefits Administration (VBA)  
Comments on OIG Draft Report  
Review of Automated Decisions for Veterans' Service-Connected Death Claims  
(Project No. 2025-00153-AE-0009)**

**VBA concurs in part with the OIG findings but cites significant concerns with some recommendations outlined in the OIG draft report and offers clarifying comments in response.**

**Recommendation 1: Strengthen and monitor the automation process to ensure that automated Dependency and Indemnity Compensation rating decisions and notifications fully comply with all legal requirements and procedural guidance.**

**VBA Response:** Concur in part and cites significant concerns with the lack of clarity around the supporting methodology OIG relied on to reach its conclusions as to hypertension versus non-hypertension claims. Automated service-connected death decisions comply with all legal requirements. Updates are being made to Pension Automation notification letters to comply with procedural guidance

Under 38 CFR 3.104(c), any favorable finding for a claimant is binding on all subsequent agency adjudicators unless there is clear and unmistakable error. Favorable findings are limited to elements that are crucial for entitlement determination. The Veterans Appeals Improvement and Modernization Act of 2017 (AMA) and its regulations do not specify a minimum number of favorable findings or require them to be communicated within the rating decision versus the decision notice letter. The decisions made by P&F regarding AMA aimed to balance compliance with expanded legal requirements and establish procedures beneficial to our claimant population and field offices processing claims.

Additionally, while VBA recognizes that OIG assigned separate statistical weight to the hypertension versus non-hypertension claims, the report is not entirely clear on how OIG determined hypertension claims are more prone to error, nor did it explain how these two strata of claim types compared against each other. This additional information could be useful to VBA in refining and improving automation requirements specific to hypertension.

VBA is migrating from the Pension Automation platform to the Smart Pension Automation (SPA) platform, and this is targeted for deployment in April 2026. VBA has written requirements for system enhancements that address OIG's concerns and is coordinating with the Office of Information and Technology (OI&T) to implement them following the SPA deployment. Once implemented, these procedural updates will improve the rating narrative and code sheet, include the date(s) evidence was received, and address updated favorable findings in notification letters.

Target Completion Date: October 31, 2026

**Recommendation 2: Ensure the Pension and Fiduciary Service revise the quality review checklist for automated death benefits decisions so that those decisions undergo the same scrutiny as traditionally processed claims.**

**VBA Response:** Concur on the specific recommendation, while non-concurring on any implication by OIG that review checklists for automated as opposed to manual claims processes must be identical as a matter of principle. VBA is revising the Automation Quality Program (AQP) Checklist to ensure consistent quality benchmarks compared to manual claims processing.

It is important to note the AQP checklist will never mirror manual claims processing checklists, though improvements will be made to promote consistency between automated and manual claims processing. Checklists for manually processed claims are designed to identify human variance that does not exist in the requirements-based automation environment. The automation checklist provides a structured process that enables VBA to measure the accuracy of automated Dependency & Indemnity Compensation (DIC) benefit entitlement decisions and actions within the scope of automation.

Target Completion Date: April 30, 2026

**Recommendation 3: Consult with VA's Office of General Counsel to determine whether the modernization plan submitted to Congress—regarding service-connected death benefit grants—complies with section 701(b) of the PACT Act and take appropriate corrective action if needed.**

**VBA Response:** Concur in principle. VBA agrees with OIG's objective to ensure that VA is effectively communicating with Congress. It is important to note that VBA previously engaged with the Office of General Counsel (OGC) about the potential impact of section 701(b) of the PACT Act on DIC automation.

VBA has consulted with OGC to determine whether the modernization plan submitted to Congress complies with section 701(b) of the PACT Act. VBA is evaluating the next appropriate steps based on that consultation.

For additional background, VBA began completing end-to-end automated grants of DIC under 38 U.S.C. § 1318 in 2014, based on the process Congress codified in section 101 of Public Law 114-315, which does not require a formal claim to receive DIC benefits. In November 2019, VBA initiated the automation of DIC decisions under 38 U.S.C. § 1310 to pay benefits when a Veteran dies of a service-connected or compensable disability. Subsequent system enhancements from June 2020 to the present have improved automated DIC decisions.

Understanding the potential impact of the PACT Act, VBA began its consultation with OGC regarding section 701(b) prior to the passage of the law on August 10, 2022. On August 3, 2022, VBA received an updated opinion from OGC, which noted that the principles in section 701(b) are principles rather than traditional statutory requirements, and were stated with aspirational and permissive rather than mandatory language and therefore might not singularly govern in every instance. This is exemplified in the permissive language that states "should" or "should not" rather than mandatory language. Subsection (b)(1)(B) does not create a new list of requirements for VA to explicitly comply with, but rather only requires VA to describe how it intends to incorporate the listed principles into its modernization efforts. OGC further noted that section 701(b) would not preclude VA from automatically processing and paying certain survivor benefits.

Target Completion Date: June 30, 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.*

## OIG Contact and Staff Acknowledgments

---

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

---

<b>Review Team</b>	Dana Sullivan, Director Rob Campbell Michelle Egbert Jody Hadley Richard Johnson Nicole Lilly Todd Wagnild
--------------------	--

---

<b>Other Contributors</b>	Dyanne Griffith Jodi Treszoks Bill Warhop
---------------------------	---

## Report Distribution

### VA Distribution

Office of the Secretary  
Board of Veterans' Appeals  
Office of Congressional and Legislative Affairs  
Office of General Counsel  
Office of Public and Intergovernmental Affairs  
Veterans Benefits Administration

### Non-VA Distribution

House Committee on Veterans' Affairs  
House Appropriations Subcommittee on Military Construction, Veterans Affairs,  
and Related Agencies  
House Committee on Oversight and Government Reform  
Senate Committee on Veterans' Affairs  
Senate Appropriations Subcommittee on Military Construction, Veterans Affairs,  
and Related Agencies  
Senate Committee on Homeland Security and Governmental Affairs  
National Veterans Service Organizations  
Government Accountability Office  
Office of Management and Budget

OIG reports are available at [www.vaog.gov](http://www.vaog.gov).