

EXHIBIT A

COMIG MANAGEMENT ADVISORY
ISSUES OF CONCERN WITH
PROCESSING CLAIMS AT THE
PHILADELPHIA
VA REGIONAL OFFICE
JUNE 20, 2014

Department of Veterans Affairs

Memorandum

Date: June 20, 2014

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

Subj: Management Advisory—Issues of Concern with Processing Claims at the Philadelphia VA Regional Office

To: Under Secretary for Benefits (20)

1. This notification is to alert you of situations requiring corrective action now to ensure the proper establishment of correct dates of claims (DOC) for unadjudicated claims discovered. Further, action is needed to ensure documents are timely scanned into VA's electronic capturing systems and that all documents are associated with veterans' claims folders. In addition, we also found several instances where duplicate claims records resulted in duplicate payments to veterans or their dependents. We also identified an issue with electronic date stamps located in the Intake Processing Center (IPC) located in the Pension Management Center (PMC).
2. On June 18, 2014, we received information alleging that staff at the Philadelphia VA Regional Office (VARO) were "cooking the books" because they misapplied the rules associated with VBA's Fast Letter 13-10, "Guidance on Date of Claims Issues". According to the allegation, this misapplication resulted in staff inputting incorrect DOCs in the electronic record.
3. A team was sent to the Philadelphia VARO on June 19, 2014 to review this allegation. The guidance in Fast Letter 13-10 provides significant opportunities for VAROs to manipulate dates of claims. Incorrect application of DOC compromises data integrity related to timeliness of claims processing.
4. We obtained 30 unique examples where PMC staff used the "Unadjudicated Claims Discovered" memorandum. We found instances where staff did not use the correct DOC. This occurred because staff inappropriately applied the guidance delineated in VBA's Fast Letter 13-10. Specifically, when staff identify a claim located in a veteran's claims folder that was not previously adjudicated, they should establish the date of claim as the date the claim was discovered. However, in the 30 claims reviewed, we found staff were instructed to apply the "date discovered" rule on claims not found in the veterans' claims folders. Following are examples of how staff did not apply the "date discovered rule" correctly:
 - Recent DOCs were entered in the electronic record when staff incorrectly cancelled a previously pending end product. In these instances, PMC staff were already aware that the claims existed, so they should have used the original date of claim and not applied the "date discovered" rule. This type of action makes the average days claims have been pending appear better than it would be if staff used the original date of claim.

- PMC staff did not provide a reason why they used the “date discovered” rule as required. However, in each of these cases, the Assistant Director signed the memorandum approving the use of a more recent DOC.
 - After approval, the reporting requirement to VBA Compensation Service was performed.
5. We also found 68 mail bins full of claims and associated evidence. Since 2011, these documents have not been scanned into Virtual VA. Our concern is the evidence located in these mail bins is needed for processing future claims, and until scanned, decision-makers may be making decisions without all of the required evidence.
 6. VARO staff provided us with examples of several instances where veterans’ or their dependents received duplicate payments resulting from duplicate records in VBA’s electronic system. We were informed that this is an ongoing problem, both in the PMC and Veterans Service Center. Although management is aware of this issue, it is not a priority to correct and could result in potential improper payments.
 7. Additional concerns center around the electronic date stamps used by PMC staff located in the IPC. Claims assistants utilize electronic date stamps to record the DOC on documents received. Management informed us that each claims assistant maintains their own key that allows them access to the mechanism inside where they can adjust the electronic date. Although we did not find any instance in this limited review where staff changed the electronic date, the opportunity exists to misrepresent the DOC. However, we did find an instance where the electronic date stamp incorrectly stamped documents with a future date. Management indicated they were aware of this and has instructed staff to cross-out the incorrect date stamp and re-stamp the documents with the correct DOC.
 8. During our interview process, several staff from the PMC informed us they feared speaking with my team or providing my team evidence for fear of losing their jobs. Although my team reassured these employees they could speak to them or provide them evidence, many appeared apprehensive to do so. We request your assistance to encourage all VBA staff to cooperate and ensure no reprisal actions are taken when staff cooperate with OIG.
 9. To address these situations, we recommend the following:
 - Discontinue the use of Fast Letter 13-10 and have staff use the earliest date claims are received by VA as the DOC to ensure all claims receive proper attention and timely processing.
 - Prioritize the scanning of claims and associated evidence we identified in mail bins into Virtual VA.
 - Prioritize the merging of duplicate claims to reduce the risk of potential improper payments.

- Establish a key control point, limiting employees' access to keys for electronic date stamps.
10. Please provide your written comments to this Management Advisory by June 30, 2014. Your comments should provide an implementation plan and target completion dates for addressing these recommendations.
 11. If you have questions or wish to discuss the issues in this Management Advisory, please contact me at 202-461-4725. We appreciate the cooperation your staff extended to us during our initial assessment review.

Original signed by:

LINDA A. HALLIDAY

EXHIBIT B

VETERANS BENEFITS
ADMINISTRATION
FAST LETTER 13-10



DEPARTMENT OF VETERANS AFFAIRS
Veterans Benefits Administration
Washington, D.C. 20420

TL 09-04 is rescinded due to issuance of this FL

May 20, 2013

Director (00/21)
All VBA Regional Offices and Centers

In Reply Refer To: 212A
Fast Letter 13-10

SUBJ: Guidance on Date of Claim Issues

Purpose

This fast letter provides guidance for establishing dates of claim including guidance for previously unadjudicated claims that are found or “discovered” in the claims folder.

Date of Claim Establishment

VA regional office staff should document claim receipt dates in claim folders and in the electronic systems in accordance with [M21-1MR. III.ii.1.B.5](#) and [M21-1MR.III.ii.1.C.10](#).

The date of claim for claims establishment purposes is as follows:

- For first or third party information, the *earliest date* the information is received in any Department of Veterans Affairs facility. This date should be identified from the earliest VA date stamp. Date stamps can be from any VA entity, including but not limited to, Regional Office (RO), Pension Management Center (PMC), Veterans Affairs Medical Center (VAMC) or Records Management Center (RMC). ([M21-1MR III.i.1.2.b](#)).

Exception: Use the date a previously unadjudicated claim is discovered as the date of claim for system control purposes. The earliest date stamp shown on the discovered document shall not be used as the date of claim for purposes of establishing the EP, but it must be considered when determining the effective date if benefits are granted. This will ensure that the claimant is paid properly.

Important: A contention-level special issue has been created in MAP-D titled “Unadjudicated Claims Discovered” that should be used when establishing EPs for these claims.

Director (00/21)

- For messages generated as a result of matching programs and BDN write-outs, the date shown on the message, or if no date is shown, the date of the review. ([M21-1 V.III., 19.10](#)).
- **Exception:** BDN write-outs and 800 Series Work Items with the legend "Processing Date - Cycle XX, Month/Year" will use the Hines cycle schedule for date of claim purposes. Please see the [Hines Cycle Schedule](#) for more information.
- For due process, the date the notice of proposed adverse action is sent. ([M21-1MR.I.2.B.7.b](#))
- For EP 930 that is established to (a) correct a case worked erroneously or (b) to control an EP that was cleared prematurely, use the same date of claim of the underlying EP prematurely cleared or incorrectly processed. ([M21-4, Appendix C, Section II](#), and [M21-1MR III.i.1.2.b](#))

Previously Unadjudicated Claims Discovered in Claims Folder

Authorization to establish a date of claim for a previously unadjudicated claim or "discovered" claim will be approved by the RO Director, or his/her designee, which will be no lower than an Assistant Director. The claim's establishment must be notated on the document by the Director, or his/her designee. This applies to either a paper notation in the claims folder or an electronic notation in the electronic record. After the claim is adjudicated, the Director must send an email to Compensation Service at [VAVBAWAS/CO/212A](#) with "Unadjudicated Claim Discovered" in the subject line and the following information concerning the claim:

- SSN or claim number
- Claimant name
- End product
- Date of claim (reflecting the date of discovery of the unadjudicated claimed issues)
- Effective date (reflecting the effective date for payment purposes, if applicable)

CUE and Effective Date

The instructions provided in this fast letter do not govern assignment of effective dates for claim decision purposes or claims for clear and unmistakable error (CUE). In order for a CUE to occur, a decision has to have been made on a claim. Any newly "discovered" claims discussed above have never been decided; therefore, CUE is not applicable in these cases. See [38 CFR 3.105\(a\)](#) for more information on CUEs.

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Director (00/21)

Effective date guidance is covered in 38 U.S.C. § 5110, [38 CFR 3.400](#) and [38 CFR §3.157](#). Please refer to this guidance when deciding the correct effective date to be assigned.

Questions

If you have any questions about this letter, please e-mail VAVBAWAS/CO/212A.

/S/
David R. McLenachen
Director
Pension and Fiduciary Service

/S/
Thomas J. Murphy
Director
Compensation Service

EXHIBIT C

OIG MANAGEMENT IMPLICATION
NOTIFICATION – OCCUPATIONAL
SAFETY AND HEALTH
JULY 23, 2014

July

Assistant Inspector General Investigations

Management Evaluation Notification Occupational Safety Health (OSHA)
4 0865 30-0

Under Secretary Benefits

Memorandum contains information facility conditions Regional Office's
space Wissahickon venue Philadelphia which direct violation
Dresing 7800 while assisting Office Audits Evaluations interviewing
employees office space employees observations
learned unacceptable conditions within building which reportedly
adversely impacted employee health morale productivity

country States Under Secretaries justice compliance directives
handbooks engine healthful environment requires
compliance occupational safety health requirements contained Federal laws
regulations executive orders directives labor management agreements
Directive 7700 dated February 2009

center's sales warehouse various other Federal public
private employers located industrial economically depressed high-crime
registered offender address enter property
access points employees through loading dock
employee almost vehicle entered building through
loading dock



employees badge color space however located within
unsecured building allowing anyone follow employee space Drivers
appear completely unsecured security space there

