# US Veterans Affairs agency manipulated disability data

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The scandal at the US Department of Veterans Affairs has widened with new revelations that the Veterans Benefits Administration's (VBA) disability system has improperly dispensed benefits to former armed services members over the last few years. A new VA Office of Inspector General (OIG) report also found that a VA benefits center in Philadelphia has been manipulating claims dates to make old disability claims appear new.

The new revelations point to systemic corruption and mismanagement at the VA that extends beyond the crisis that erupted earlier this year over the agency's recordkeeping at VA medical centers across the country. The scandal exposed the manipulation of wait times for treatment, causing delays in care which whistleblowers at a VA hospital in Phoenix, Arizona have charged were responsible for at least 40 preventable deaths.

Eric Shinseki resigned May 30 as VA secretary and ordered a system-wide audit of the department.

The new OIG report was released in advance of a five-hour appearance by VA officials Monday evening before the House Veterans Affairs Committee. In written testimony given to the committee hearing, VA Assistant Inspector General Linda Halliday said that the OIG had determined that the disability system had improperly paid former service members at least $230 million over the last few years.

Distinct from the VA's health care system, the VBA provides disability benefits—essentially workers' compensation—to veterans for conditions related to their military service. The number of veterans on the disability rolls soared from 2.3 million in 2001 to 3.7 million in 2013, more than doubling the cost of benefits.

Growing numbers of maimed veterans returning from Iraq and Afghanistan, combined with the deteriorating health conditions of the aging Vietnam veteran population, have resulted in the surge in claims. By early 2013, more than 600,000 veterans were waiting more than 125 days—and in some cases years—for their disability claims to be processed. The Obama administration's VA vowed to eliminate the backlog by 2015.

The most common conditions qualifying veterans for disability benefits are tinnitus, hearing loss, post-traumatic stress disorder (PTSD), brain injuries, and joint problems. The VA has expanded eligibility for ailments linked to Agent Orange exposure in Vietnam, as well as loosened requirements for benefits claims for PTSD.

As in the overwhelming part of the cash-strapped VA heath system, a combination of ineptitude and outright falsification has accompanied the effort to clear the backlog of disability claims. Media attention and Monday's House committee hearing have focused on the "overpayment" of veterans' benefits. Assistant IG Halliday told the committee that the VA's disability system has improperly paid veterans at least $230 million over the last few years, according to the OIG.

In particular, the VBA has not followed up on thousands of veterans who were awarded temporary disability ratings of 100 percent, but whose claims were not given a final evaluation that would have resulted in a reduction in benefits. The OIG found that an estimated 3,100 veterans have received nearly $85 million since the beginning of 2012 without adequate medical evidence that they deserve the benefits.

Assistant IG Halliday said that if this problem were not addressed, the VA would be spending an additional $371 million over the next five years. The VA has also routinely failed to deduct "drill pay" for training

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exercises from the disability payments to military reservists. Agency auditors estimate that this would cost the VA an additional $478 million by 2017 if not rectified.

To put this into perspective, however, none of these veterans are receiving lucrative payouts. A 100 percent disability claim entitles a veteran to tax-free benefits totaling only about $3,000 a month, or about $36,000 annually.

The Obama administration's proposed 2015 budget includes $163 billion for the VA in 2015, or a minimal 3 percent increase over the 2014 enacted level. By contrast, the US military machine—which has produced a steady stream of wounded veterans—consumes in excess of $1 trillion every year to finance the wars of aggression that kill and maim thousands worldwide.

The OIG also looked into allegations that VA regional offices (VAROs) manipulated data in an effort to clear the backlog of disability claims. Its July 14 report investigated claims of two whistleblowers at the VA regional office in Philadelphia, which oversees the administration of benefits to 825,000 veterans in eastern Pennsylvania, southern New Jersey, and Delaware.

The VA inspectors found that employees at the Philadelphia VARO were manipulating the dates when claims were processed by marking them with the date they were "discovered" instead of the actual date they were filed. Through misapplication of a May 2013 VA memo—which allowed claims to be marked with the "discover date" only under a very specific set of circumstances—employees were making old claims appear new.

VA OIG also found that staff in Philadelphia were "cherry picking" easy claims and processing them out of order to inflate their performance. Employees also did not address more than 32,000 electronic inquiries from veterans regarding the status of their claims. They were also hiding mail as well as shredding returned mail from veterans that could not be delivered.

Whistleblower Kristen Ruell, a lawyer and employee at the VA's Pension Management Center in Philadelphia, told Monday's House committee hearing that mail routinely "sat in boxes untouched for years" at the pension office. She recounted how she became concerned over unopened mail being shredded and opened the boxes and took photos of the claims. VA supervisors responded by instituting a policy prohibiting taking photos.

Ruell countered office managers' insistence that the manipulation of claims dates was based on a misinterpretation of the VA's 2013 memo. "These behaviors are intentional," she said, adding, "The VA's problems are a result of morally bankrupt managers that through time and [government service] grade have moved up into powerful positions where they have the power to and continue to ruin people's lives."

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