



Testimony
Before the Subcommittee on Economic
Opportunity, Committee on Veterans'
Affairs, House of Representatives

For Release on Delivery
2:00 p.m. EST
Wednesday, November 13,
2013

VA VOCATIONAL REHABILITATION AND EMPLOYMENT PROGRAM

Independent Living Services and Supports Require Stronger Oversight

Statement of Daniel Bertoni, Director
Education, Workforce, and Income Security

GAO Highlights

Highlights of [GAO-14-149T](#), a testimony before the Subcommittee on Economic Opportunity, Committee on Veterans' Affairs, U.S. House of Representatives

Why GAO Did This Study

The IL track—one of five tracks within VA's VR&E program—provides a range of non-employment related benefits to help veterans with service-connected disabilities live more independently when employment is not considered feasible at the time they enter the VR&E program. These benefits can include counseling, assistive devices, and other services or equipment. This testimony is based on GAO's report issued in June 2013, and describes (1) the characteristics of veterans in the IL track, and the types and costs of benefits provided; (2) the extent to which their IL plans were completed, and the time it took to complete them; and (3) the extent to which the IL track has been administered appropriately and consistently across regional offices.

GAO analyzed VA administrative data from fiscal years 2008 to 2011, and reviewed a random, generalizable sample of 182 veterans who entered the IL track in fiscal year 2008. In addition, GAO visited five VA regional offices; interviewed agency officials and staff; and reviewed relevant federal laws, regulations, and agency policies, procedures, studies, and other documentation.

What GAO Recommends

In its June 2013 report, GAO recommended that VR&E explore options to enhance coordination with VHA, strengthen its oversight of the IL track, and reassess its policy for approving benefits. VA agreed with these recommendations.

View [GAO-14-149T](#). For more information, contact Dan Bertoni at (202) 512-7215 or bertonid@gao.gov.

November 13, 2013

VA VOCATIONAL REHABILITATION AND EMPLOYMENT PROGRAM

Independent Living Services and Supports Require Stronger Oversight

What GAO Found

Of the 9,215 veterans who entered the Department of Veterans Affairs' (VA) Independent Living (IL) track within the Vocational Rehabilitation and Employment (VR&E) program from fiscal years 2008 to 2011, most were male Vietnam era veterans in their 50s or 60s. The most prevalent disabilities among these veterans were post-traumatic stress disorder and tinnitus ("ringing in the ears"). GAO's review of 182 IL cases from fiscal year 2008 shows that VR&E provided a range of IL benefits to veterans; the most common benefits being counseling services and computers. Less common benefits included gym memberships, camping equipment, and a boat. GAO estimates that VR&E spent nearly \$14 million on benefits for veterans entering the IL track in fiscal year 2008—an average of almost \$6,000 per IL veteran.

About 89 percent of fiscal year 2008 IL veterans were considered by VR&E to be "rehabilitated" by the end of fiscal year 2011; that is, generally, to have completed their IL plans. These plans identify each veteran's independent living goals and the benefits VR&E will provide. The remaining 11 percent of cases were either closed for various reasons, such as the veteran declined benefits, or were still active. Rehabilitation rates across regions varied from 49 to 100 percent, and regions with larger IL caseloads generally rehabilitated a greater percentage of IL veterans. On average, IL plans nationwide were completed in 384 days; however, completion times varied by region, from 150 to 895 days.

GAO identified four key areas where VR&E's oversight was limited. First, some regions may not be complying with certain case management requirements. For instance, while VR&E is required to coordinate with the Veterans Health Administration (VHA) on IL benefits, VR&E counselors have difficulty obtaining timely responses from VHA. This has resulted in delayed benefits or VR&E providing the benefits instead of VHA. Second, VR&E does not systematically monitor regional variation in IL caseloads and benefits provided. Instead, it has relied on its quality assurance reviews and ad hoc studies, but these are limited in scope. Third, VR&E's policies for approving IL expenditures may not be appropriate as regions were permitted to purchase a range of items without Central Office approval, some of which were costly or questionable. In one case GAO reviewed, Central Office review was not required for expenditures of \$17,500 for a boat, motor, trailer, and the boat's shipping, among other items. Finally, VR&E's case management system does not collect information on IL costs and the types of benefits purchased. VR&E also lacks accurate data on the number of IL veterans served. While the law currently allows up to 2,700 veterans to enter the IL track annually, data used to monitor the cap are based on the number of IL plans developed, not on the number of individual veterans admitted. Since veterans can have more than one IL plan in a fiscal year, one veteran could be counted multiple times towards the cap. VA plans to make modifications to its case management system to address this, but officials noted that it could take up to 3 years to obtain funding for this project.

Chairman Flores, Ranking Member Takano, and Members of the Subcommittee:

I am pleased to discuss our recent work on the Department of Veterans Affairs' (VA) Vocational Rehabilitation and Employment Program's (VR&E) Independent Living (IL) "track."¹ The IL track is one of five tracks administered by VR&E and provides non-employment related benefits—such as counseling and assistive devices—to help veterans with service-connected disabilities live more independently when employment is not a feasible goal.² In fiscal year 2011, almost 3,000 veterans nationwide were served through VR&E's IL track.

Currently, there are 56 VA regional offices with responsibility for administering the IL track. Each office has a VR&E Officer who is responsible for ensuring compliance with national policies and performance standards, and for supervising Vocational Rehabilitation Counselors (VRCs) who work directly with veterans to assess their IL needs and provide benefits. The law allows VR&E broad discretion in determining the types of services that can be provided to address veterans' IL needs.³ When assessing each veteran, VR&E focuses not only on assisting veterans with activities of daily living,⁴ but also on their emotional needs and avocational and leisure interests, among other areas.⁵ An individualized IL plan, which is developed for each veteran admitted into the IL track, identifies the veteran's IL goals, the goods and services VR&E will provide to help the veteran meet his or her goals, and estimated time frames for providing the goods and services, among other

¹The VR&E program refers to each of the five possible courses of action it provides to veterans as a "track."

² The other four tracks administered by VR&E are intended to help veterans prepare for, find, and maintain suitable employment. These tracks include (1) Reemployment, (2) Rapid Access to Employment, (3) Self-Employment, and (4) Employment Through Long-Term Services.

³ Under 38 U.S.C. § 3120(d), a veteran's IL program "shall consist of such services...as the Secretary determines necessary to enable such veteran to achieve maximum independence in daily living."

⁴ Activities of daily living are basic activities that individuals perform on a daily basis, such as bathing, feeding, and dressing themselves.

⁵ According to VA officials, IL services that support emotional needs and/or avocational and leisure interests may be included in IL plans only when gains in independence are an anticipated result.

areas. In general, timeframes for IL plans may not exceed 24 months, except under certain circumstances.⁶ Under VA regulations, VR&E may declare a veteran successfully “rehabilitated” when all goals in their IL plan have been achieved, or if they meet other conditions.⁷ Therefore, “rehabilitation” does not necessarily mean that the veteran’s disabilities have improved, but rather that the goals developed in their IL plan to facilitate independence have been met. When veterans are not successfully rehabilitated, their case may be closed as “discontinued.” VR&E can also temporarily “interrupt” a veteran’s case when circumstances arise that affect the provision of the goods and services. Because there is no statutory limit on the number of IL plans a veteran can have, officials told us that veterans can reapply to the VR&E program at any time and start another IL plan.⁸ However, unlike VR&E’s four employment-related tracks, the number of veterans who can be admitted into the IL track annually is limited by the law. While this number has increased over the years, the cap was set at 2,600 veterans in fiscal year 2011, and 2,700 in fiscal year 2012.⁹

My remarks today are based on our report, which was released on June 7, 2013, and describes (1) the characteristics of veterans in the IL track,

⁶ 38 U.S.C. § 3105(d), 38 C.F.R. § 21.76(b). An additional period of 6 months is allowed if it would enable veterans to substantially increase their level of independence in daily living. In addition, VR&E may extend the duration up to 36 months for veterans with severe disabilities who served on active duty after September 11, 2001. 38 U.S.C. § 3105(d)(2)(A)(ii) and Department of Veterans Affairs, Veterans Benefits Administration, *Extension of Independent Living Services related to the Veterans Benefits Improvement Act of 2008 (Public Law 110-389)*, VR&E Letter 28-09-10 (January 30, 2009).

⁷ VR&E may declare a veteran successfully “rehabilitated” when all goals in their IL plan have been achieved, or if not all achieved, when the following three conditions have been met: (1) the veteran has attained a substantial increase in the level of independence; (2) the veteran has maintained the increased level of independence for at least 60 days; and (3) further assistance is unlikely to significantly increase the veteran’s level of independence. 38 C.F.R. § 21.283(e).

⁸ Specific criteria must be met before approving new plans for IL services. These criteria include meeting requirements for participation in a program of IL services, and the worsening of the veteran’s condition or other changes in the veteran’s circumstances resulting in a substantial loss of independence. 38 C.F.R. § 21.284(b).

⁹ The Veterans’ Benefits Act of 2010 increased the cap to 2,700 effective “with respect to fiscal years beginning after the date of enactment of this Act.” Pub. L. No. 111-275, § 801, 124 Stat. 2864, 2888. Because the enactment date of the Act was October 13, 2010, which is in fiscal year 2011, the cap of 2,700 veterans would have become effective starting in fiscal year 2012.

and the types and costs of benefits they were provided; (2) the extent to which their IL plans were completed, and the time it took to complete them; and (3) the extent to which the IL track has been administered appropriately and consistently across regional offices.¹⁰ To obtain this information, we reviewed relevant federal laws and regulations; standards for internal controls and managerial cost accounting; as well as VR&E policies, procedures, and other relevant studies and documentation. We also interviewed VA officials and veteran service organizations, and visited VA regional offices in San Diego, California; Atlanta, Georgia; Detroit, Michigan; Philadelphia, Pennsylvania; and the District of Columbia. In addition, we analyzed VA administrative data and used statistical models to determine any differences in rehabilitation times. Moreover, we reviewed the case files of a random, generalizable sample of 182 veterans who were assigned to the IL track at some point during fiscal year 2008. We conducted this work in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. A more detailed explanation of our methodology is available in our report.

The IL Track Mainly Serves Older Veterans and Provides a Wide Variety of Benefits

From fiscal years 2008 through 2011, the typical participant in the IL track was a male Vietnam-era veteran. Of the 9,215 veterans who entered the IL track in these years, most (67 percent) were male and 50 years old or older. Most women in the IL track were in their 40s or 50s. Most of the 9,215 IL track veterans served in the Vietnam War; relatively few served in the Global War on Terrorism as part of Operation Enduring Freedom or Operation Iraqi Freedom.¹¹ In addition, most (60 percent) IL track veterans served in the U.S. Army, and less than 1 percent served in the National Guard or Reserves. More than three-quarters of IL track veterans had a combined service-connected disability rating of at least 60

¹⁰ GAO, *VA Vocational Rehabilitation and Employment Program: Improved Oversight of Independent Living Services and Supports Is Needed*, [GAO-13-474](#) (Washington, D.C.: June 7, 2013).

¹¹ In fiscal year 2011, 46 percent of the 9,215 IL track veterans served in the Vietnam War, whereas 16 percent served in the Global War on Terrorism.

percent, and 34 percent had a disability rating of 100 percent. Regardless of disability rating level, the most prevalent disabilities among this group were post-traumatic stress disorder (PTSD), tinnitus (“ringing in the ears”), and hearing loss.

Furthermore, our review of the case files of 182 randomly selected IL track veterans in fiscal year 2008 shows that they were provided a wide range of goods and services, from individual counseling and the installation of ramps to a boat, camping gear, and computers. The most common type of goods or services were related to counseling, education and training, and computer and camera equipment.¹² For all veterans who entered the IL track in fiscal year 2008, we estimated that VR&E purchased a total of almost \$14 million in goods and services. The average spent per IL track case that year was nearly \$6,000.

Most Veterans Were “Rehabilitated” but within Varying Time Frames

We found that most (about 89 percent) of IL track veterans who began only one plan during fiscal year 2008 were classified by VR&E as “rehabilitated”—i.e., successfully reaching and maintaining the goals identified in their IL plan—by the end of fiscal year 2011. At the same time, about 11 percent of cases were either “discontinued”—i.e., closed by VR&E because the rehabilitation goals in the veteran’s IL plan were not completed—or were still active cases. Of the IL cases that had been discontinued, the reasons included the veteran declining benefits, not responding to VA’s attempts to contact them, worsening medical conditions, and death. We also found that some IL plans were easier to close as rehabilitated than others, due to the varied nature and complexity of IL plans, which are based on veterans’ individual disabilities and needs. For example, one IL plan we reviewed for a veteran with rheumatoid arthritis only called for the purchase and installation of eight door levers and a grab rail for the bathtub to facilitate his independence. However, another IL plan we reviewed called for providing a veteran who used a wheel-chair with medical, dental, and vision care as needed, and about \$24,000 in modifications to the veteran’s home, including modifying the veteran’s bathroom, widening doors and modifying thresholds, and installing an emergency exit ramp in a bedroom.

¹² For a detailed list of goods and services provided to IL track veterans, see [GAO-13-474](#).

While the overall IL rehabilitation rate nationwide was 89 percent for veterans who started an IL plan in fiscal year 2008, the rate varied by regional office, from 49 to 100 percent.¹³ About two-thirds of regional offices rehabilitated 80 percent or more of their 2008 IL track veterans by the end of fiscal year 2011. In addition, VR&E's IL rehabilitation rate was higher in regional offices with larger IL caseloads. Among veterans who entered the IL track in fiscal year 2008, an average of 90 percent were rehabilitated at offices with more than 25 IL entrants, compared to an average of 79 percent at offices with 25 or fewer IL entrants.¹⁴

Furthermore, in fiscal year 2008 IL veterans nationwide completed their IL plans in an average of 384 days (about 13 months); however, we found that the length of time to rehabilitate these veterans varied by regional office from a low of 150 days at the St. Paul Regional Office to a high of 895 days at the Roanoke Regional Office.¹⁵ At most regional offices (49 of 53), however, the average number of days to complete veterans' IL plans ranged from 226 to 621 days (8 to 21 months).¹⁶ To control for various factors that could influence rehabilitation time frames, we used a statistical model to estimate the amount of time it would take certain groups of IL track veterans to complete their IL plans.¹⁷ The results of our model show differences across regional offices in the amount of time it takes for veterans to become rehabilitated based on caseload. More specifically, the chance of rehabilitation within 2 years was less than 50 percent at 4 offices, between 50 and 90 percent at 18 offices, and 90

¹³ We excluded the Washington D.C. Regional Office—now referred to as the National Capital Region Benefits Office—because only two veterans entered the IL track during fiscal year 2008. One IL case was discontinued, and the other was open at the end of fiscal year 2011.

¹⁴ Twenty-six regional offices had more than 25 veterans enter the IL track during fiscal year 2008, while 30 offices had 25 or fewer veterans enter the IL track during the same time period. Two offices had no IL track entrants that year.

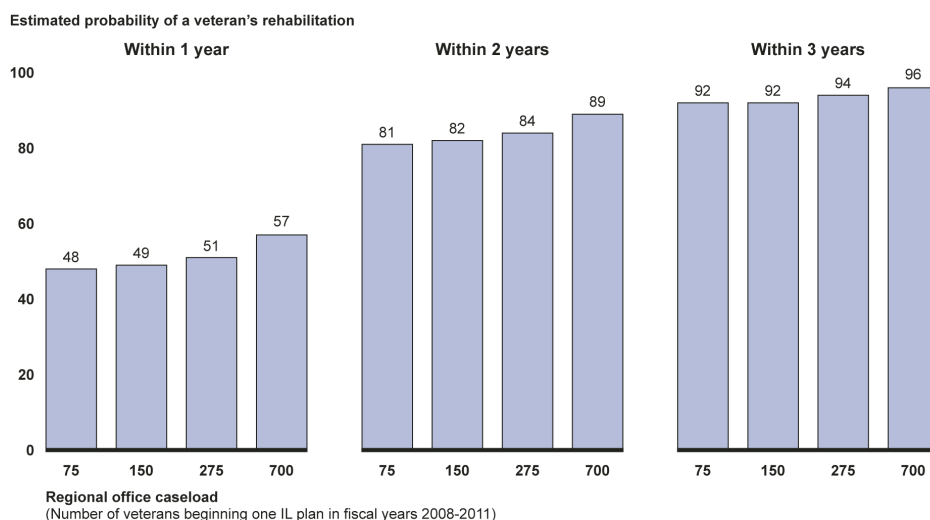
¹⁵ The St. Paul Regional Office had nine veterans enter the IL track during fiscal year 2008, while the Roanoke Regional Office had two veterans enter that year.

¹⁶ We reported the average time to complete IL plans for 53 of VA's 56 regional offices because two offices did not have veterans begin the IL track in fiscal year 2008. Another office had two IL track veterans begin during this period, but these veterans were not "rehabilitated."

¹⁷ Our model controlled for type and severity of disability and other demographic characteristics, among other factors. For additional information on the methodology we used for our statistical analysis, see our report ([GAO-13-474](#)).

percent or higher at 16 offices. Veterans served by regional offices with large IL caseloads generally had a higher probability of completing an IL plan more quickly than a veteran served by an office with a small IL caseload (see fig 1).

Figure 1: Estimated Probability of a Veteran Completing an Independent Living Plan within Certain Time Periods, by Regional Office Based on Caseload



Source: GAO statistical analysis of VA data.

Note: Estimates were calculated from a statistical model. See [GAO-13-474](#) for more information on our methodology.

VR&E Exercises Limited Oversight of the IL Track

We identified four key areas where VR&E's oversight of the IL track was limited: (1) ensuring compliance with case management requirements, (2) monitoring regional variation in IL track caseload and benefits provided, (3) adequacy of policies and procedures for approving expenditures on goods and services for IL track veterans, and (4) availability of critical program management information.

Regional Offices May Not Be Complying with VR&E Case Management Requirements

Certain VR&E case management requirements were not being met by some regional offices. For example, based on our review of VR&E's site visit monitoring reports, we found that some Vocational Rehabilitation Counselors (VRCs) were not fulfilling VR&E's requirement to meet in-person each month with IL track veterans to monitor progress in completing their IL plans.¹⁸ VRCs told us that this requirement is a challenge due to the size of their caseloads and the distances that they may have to travel to meet with veterans. Furthermore, while VR&E and the Veterans Health Administration (VHA) both have policies that require them to coordinate on the provision of goods and services for IL track veterans, we found that some VRCs experience challenges in doing so.¹⁹ Several VRCs in the regions we interviewed indicated that when they refer IL track cases to VHA physicians, the physicians do not respond or they respond too late. As a result, services for IL track veterans are delayed or purchased by VR&E instead of VHA. In our review of 182 IL track case records, we found some instances where VR&E purchased goods and services that appear to be medically related, such as ramps and grab bars, which could have been provided by VHA. In response, we recommended VA explore options for enhancing coordination to ensure IL track veterans' needs are met by VHA, when appropriate, in a timely manner. VA concurred and stated that it was piloting an automated referral system that would allow VR&E staff to make referrals to VHA providers and check on their status electronically.

¹⁸ VR&E's policy manual states that contact via telephone, email, or mail can be used as alternatives when necessary. Department of Veterans Affairs, Vocational Rehabilitation and Employment, *Chapter 9: Guidelines for the Administration of An Independent Living Plan*, VR&E manual, Part IV, Section C, Chapter 9.

¹⁹ Specifically, VA regulations governing VR&E's IL track require that if a veteran needs special equipment and is eligible for such equipment under another VA program, the items will be provided under that program. See 38 C.F.R § 21.216(b). In addition, VHA's policy directive for coordinating with VR&E is intended to ensure that all VR&E participants, including those in the IL track, receive timely access to VHA health care services. See Department of Veterans Affairs, Veterans Health Administration, VHA Directive 2010-022, *Vocational Rehabilitation: Chapter 31 Benefits, Timely Access to Health Care Services* (May 14, 2010).

VR&E Does Not Systematically Monitor Variation in IL Caseload and Benefits Provided

VR&E does not systematically monitor variation in IL track caseload size and benefits across its regional offices. We found that the total IL track caseload for fiscal years 2008 through 2011 ranged from over 900 cases in the Montgomery, Alabama Regional Office to 4 cases in the Wilmington, Delaware Regional Office. In addition, we found that some regions developed IL plans that addressed a broad range of needs while others elected to develop more focused plans that provided fewer benefits to achieve VR&E's rehabilitation goal. VR&E has relied on the information provided through its general quality assurance (QA) activities²⁰ and a series of periodic ad hoc studies to oversee the administration of the IL track. Because these activities are limited in scope, frequency, and how the information is used, we noted that they may not ensure consistent administration of the IL track across regions. In response, VR&E officials commented that QA results are analyzed to determine trends, and make decisions about training content and frequency.

VR&E's Policy for Approving IL Track Expenditures May Not Be Adequate

VR&E's current policy for approving IL track expenditures may not be adequate, considering the broad discretion VR&E provides to regions in determining and purchasing goods and services. While officials told us that VRCs are required to include all cost estimates when they submit veterans' IL plans to be reviewed and approved by the region's VR&E Officer, VR&E's written policy and guidance do not explicitly require this for all IL expenditures. Thus, regional offices have the ability to purchase a broad range of items without any Central Office approval, resulting in some offices purchasing goods and services that may be questionable or costly. (See table 1 for the level of approval required for IL expenditures.) In one case we reviewed, VR&E Central Office approval was not required for the purchase of a boat, motor, trailer, and the boat's shipping cost, among other items, totaling about \$17,500. In another case we reviewed, VR&E Central Office was not required to approve total expenditures of \$18,829 for a riding lawn mower—which VR&E's current policy

²⁰ A team of VR&E QA staff at the national level perform periodic site visits to each VA regional office at least every 3 years, although officials told us they have not been able to meet this goal in recent years because of budgetary constraints. This team also periodically reviews a sample of veterans' records from VR&E's IL and employment tracks in selected regions, and produces a report for the particular region under review.

prohibits²¹—and other IL goods and services including a bed, bed frame, desktop computer, and woodworking equipment. Without appropriate approval levels, VR&E’s IL track may be vulnerable to potential fraud, waste, and abuse.²² In our report, we recommended that VA reassess and consider enhancing its current policy concerning the required level of approval for IL track expenditures. VA concurred with our recommendation and said it will use the results of an internal study to determine if changes are needed to its existing cost-review policies or procedures. VA stated that any necessary changes should be implemented by March 2014.

Table 1: Level of Approval Required for Construction and Non-Construction-Related Expenditures in Independent Living Track Cases

Required level of approval	Construction-related expenditures	Non-construction related expenditures
No supervisory approval required ^a	Less than \$2,000	Less than \$25,000
Regional VR&E Officer		\$25,000 to less than \$75,000
Regional Office Director	\$2,000 through \$25,000	\$75,000 through \$100,000
VR&E Central Office	More than \$25,000	More than \$100,000

Source: GAO analysis of VA policies.

^a VR&E officials told us that all IL plans require supervisory review. However, VR&E’s written policies do not require IL expenditures to be reviewed and approved by the VR&E officer unless they meet certain cost-thresholds.

²¹ While officials told us that the provision of riding lawn mowers was not specifically prohibited by VR&E’s policy in 2008, its current policy states that tractors or mowers should not be approved as a mobility aid. See Department of Veterans Affairs, Veterans Benefits Administration, *Purchase of Vehicles for Vocational Rehabilitation & Employment (VR&E) Participants under 38 U.S.C. Chapter 31 is prohibited*, VR&E Letter 28-13-08 (November 6, 2012).

²² To guard against fraud, waste, abuse, and mismanagement, standards for internal control in the federal government emphasize the need for agencies to have appropriate levels of supervision and controls in place to prevent one individual from having responsibility for all key aspects of a transaction or event. GAO, *Internal Control Management and Evaluation Tool*, [GAO-01-1008G](#) (Washington, D.C.: August 2001).

VR&E Lacks Critical IL Track Information for Oversight

VR&E's case management system—commonly referred to as “CWINRS”²³—does not collect or report critical program management information that would help the agency in its oversight responsibilities. More specifically, this system does not collect and maintain information on:

- **Costs of IL goods and service purchased:** The system does not collect information on the total amount of funds VR&E expends on IL benefits. VR&E aggregates costs across all its tracks, despite VA's managerial cost accounting policies that require the costs of products and services to be captured for management purposes.²⁴ Federal financial accounting standards also recommend that costs of programs be measured and reported.²⁵ According to VA officials, cost information is not collected on the IL track alone because they view the five tracks within VR&E as a single program with the same overarching goal—to help veterans achieve their employment goals. We previously reported on this issue in 2009. At that time, we found that VR&E's five tracks do not share the same overarching goal. Therefore, we concluded that VR&E should not combine track information.²⁶

²³ VR&E has used the CWINRS system since 2001 to track veteran cases through its process and to manage program costs. The “WINRS” part of the acronym represents the first 5 regional offices that tested the original system. These offices include Waco, Texas; Indianapolis, Indiana; Newark, New Jersey; Roanoke, Virginia; and Seattle, Washington.

²⁴ VA's policy states that managerial cost accounting should be performed to measure and report the costs incurred by the agency. Specifically, each administration and its units should identify the cost of products and services provided. The goal of this effort is to identify the product or service at the level in which it is rendered to an external customer, such as a veteran receiving benefits from a VA program. *Department of Veterans Affairs Managerial Cost Accounting: VA Financial Policies and Procedures*, volume III, chapter 3 (July 2010).

²⁵ Managerial cost accounting is a fundamental part of an agency's financial management system, and each agency and its units should report the costs of their activities on a regular basis. This cost information can be used by Congress and federal executives in making decisions about allocating federal resources, authorizing and modifying programs, and evaluating performance. The cost information can also be used by program managers in making managerial decisions to improve operating economy and efficiency. *Statement of Federal Financial Accounting Standards 4: Managerial Cost Accounting Standards and Concepts*.

²⁶ GAO, *VA Vocational Rehabilitation and Employment: Better Incentives, Workforce Planning, and Performance Reporting Could Improve Program*, [GAO-09-34](#) (Washington, D.C.: January 26, 2009).

-
- Types of IL benefits provided: The system does not collect information on the types of IL benefits provided to veterans in a standardized manner that can be easily aggregated and analyzed for oversight purposes. In several of the IL track cases we reviewed, the goods and services purchased were grouped together under a general description, such as “IL equipment” or “IL supplies,” without any further details. In addition, we found that controls for data entry were not adequate to ensure that all important data were recorded.²⁷ For example, we estimated that the service provider field was either missing or unclear for one or more services in about 15 percent of all IL cases that began in fiscal year 2008.
 - Number of IL veterans served: The system does not provide VR&E with the information it needs to monitor its statutory entrant cap and program operations. The law allows VR&E to initiate “programs” of independent living services and assistance for no more than a specified number of veterans each year, which, as of 2012, was set at 2,700.²⁸ In analyzing VR&E’s administrative data, we found that VR&E counts the number of IL plans developed annually rather than the number of individual veterans admitted to the track. Because multiple IL plans can be developed for an individual veteran during the same fiscal year, veterans with multiple plans may be counted more than once toward the statutory cap. As a result, VR&E lacks complete information on the number of veterans it is serving through the IL track at any given time—information it could use to better manage staff, workloads, and program resources, and ensure that it can effectively manage its cap.

Similar to our report’s findings, VR&E’s 2012 evaluation of CWINRS has shown that the system limits VR&E’s oversight abilities and does not capture all important data elements to support the agency’s “evolving

²⁷ Standards for internal control emphasize the need to have controls over computerized information systems to ensure the data entered is complete and accurate ([GAO-01-1008G](#)). In addition, GAO’s federal information system controls audit manual states that agencies should establish procedures to provide reasonable assurance that all inputs into the application have been authorized, accepted for processing, and accounted for; and any missing or unaccounted for source documents or input files have been identified and investigated. GAO, *Federal Information System Controls Audit Manual (FISCAM)*, [GAO-09-232G](#) (Washington, D.C.: February 2009).

²⁸ 38 U.S.C. § 3120(e). According to agency officials, “IL plans” are the same as “programs” of independent living services and assistance.

business needs.”²⁹ Officials told us that they plan to modify CWINRS, and that the new system modifications will enable them to individually track veterans served through the IL track. However, we found that the CWINRS redesign will not enable VR&E to obtain data on IL track expenditures or the types of goods and services provided. At the time of our review, no specific time frames were provided for the CWINRS redesign, but officials noted it could take up to 3 years to obtain funding for this effort. In our report, we recommended that VA implement an oversight approach that enables VR&E to better ensure consistent administration of the IL track across regions. This approach would include ensuring that CWINRS (1) tracks the types of goods and services provided and their costs, (2) accounts for the number of IL track veterans being served, and (3) contains stronger data entry controls. VA concurred with our recommendation and stated that discussions of system enhancements and the development of ad hoc reports are ongoing. The agency also will be considering a new oversight approach as part of an internal study.

In conclusion, strengthening oversight of VR&E’s IL track is imperative given the wide range of goods and services that can be provided under the law to help veterans with service-connected disabilities improve their ability to live independently when employment is not feasible. More attention at the national level can help ensure that IL track case management requirements are met, the track is administered consistently across regions, expenditures for goods and services are appropriate, and critical information is collected and used to ensure veterans’ IL needs are sufficiently addressed.

Chairman Flores, Ranking Member Takano, and Members of the Subcommittee, this concludes my prepared remarks. I would be happy to answer any questions that you or other members of the subcommittee may have.

²⁹ Department of Veterans Affairs, Vocational Rehabilitation and Employment (VR&E) Case Management Portal Project, Version 1.0, Case Management Portal, Business Requirements Document (September 26, 2012).

Contacts and Staff Acknowledgments

For further information regarding this testimony, please contact Daniel Bertoni at (202) 512-7215, or at bertonid@gao.gov. Contact points for our Office of Congressional Relations and Public Affairs may be found on the last page of this statement. Individuals who made key contributions to this testimony include Clarita Mrena (Assistant Director), James Bennett, David Chrisinger, David Forgosh, Mitch Karpman, Sheila McCoy, James Rebbe, Martin Scire, Ryan Siegel, Almeta Spencer, Jeff Tessin, Jack Warner, and Ashanta Williams.

This is a work of the U.S. government and is not subject to copyright protection in the United States. The published product may be reproduced and distributed in its entirety without further permission from GAO. However, because this work may contain copyrighted images or other material, permission from the copyright holder may be necessary if you wish to reproduce this material separately.

GAO's Mission

The Government Accountability Office, the audit, evaluation, and investigative arm of Congress, exists to support Congress in meeting its constitutional responsibilities and to help improve the performance and accountability of the federal government for the American people. GAO examines the use of public funds; evaluates federal programs and policies; and provides analyses, recommendations, and other assistance to help Congress make informed oversight, policy, and funding decisions. GAO's commitment to good government is reflected in its core values of accountability, integrity, and reliability.

Obtaining Copies of GAO Reports and Testimony

The fastest and easiest way to obtain copies of GAO documents at no cost is through GAO's website (<http://www.gao.gov>). Each weekday afternoon, GAO posts on its website newly released reports, testimony, and correspondence. To have GAO e-mail you a list of newly posted products, go to <http://www.gao.gov> and select "E-mail Updates."

Order by Phone

The price of each GAO publication reflects GAO's actual cost of production and distribution and depends on the number of pages in the publication and whether the publication is printed in color or black and white. Pricing and ordering information is posted on GAO's website, <http://www.gao.gov/ordering.htm>.

Place orders by calling (202) 512-6000, toll free (866) 801-7077, or TDD (202) 512-2537.

Orders may be paid for using American Express, Discover Card, MasterCard, Visa, check, or money order. Call for additional information.

Connect with GAO

Connect with GAO on [Facebook](#), [Flickr](#), [Twitter](#), and [YouTube](#). Subscribe to our [RSS Feeds](#) or [E-mail Updates](#). Listen to our [Podcasts](#). Visit GAO on the web at www.gao.gov.

To Report Fraud, Waste, and Abuse in Federal Programs

Contact:

Website: <http://www.gao.gov/fraudnet/fraudnet.htm>

E-mail: fraudnet@gao.gov

Automated answering system: (800) 424-5454 or (202) 512-7470

Congressional Relations

Katherine Siggerud, Managing Director, siggerudk@gao.gov, (202) 512-4400, U.S. Government Accountability Office, 441 G Street NW, Room 7125, Washington, DC 20548

Public Affairs

Chuck Young, Managing Director, youngc1@gao.gov, (202) 512-4800 U.S. Government Accountability Office, 441 G Street NW, Room 7149 Washington, DC 20548

