

GAO

Report to the Ranking Minority Member,
Committee on Veterans' Affairs, U.S.
Senate

April 1995

VETERANS' BENEFITS

VA Can Prevent Millions in Compensation and Pension Overpayments





United States
General Accounting Office
Washington, D.C. 20548

Health, Education, and
Human Services Division

B-256747

April 28, 1995

The Honorable John D. Rockefeller IV
Ranking Minority Member
Committee on Veterans' Affairs
United States Senate

Dear Senator Rockefeller:

Over the past decade, the Department of Veterans Affairs (VA) detected almost \$3.1 billion in compensation and pension overpayments. Overpayments occur when recipients receive benefits to which they are not entitled as a result of changes in their income, dependency, or medical status. These overpayments are debts owed the U.S. government and, if not collected, result in taxpayers financing unwarranted program expenses.

While VA detects overpayments after they occur and tries to collect them, its collection rate has been about 30 percent.¹ Preventing overpayments would help reduce collection problems and associated costs. Therefore, you asked us to provide the status of VA's compensation and pension overpayments and assess VA's efforts to prevent them from occurring.

Results in Brief

Despite its responsibility to ensure accurate benefits payments, VA continues to overpay veterans and their survivors hundreds of millions of dollars in compensation and pension benefits each year. For example, in 1994, VA detected about \$372 million in overpayments to its beneficiaries. Based on our analysis of a survey of overpayments in May 1994, changes in income accounted for a large portion of overpayments, and receipt of Social Security benefits accounted for a significant share of income-related overpayments.

VA has the capability to prevent millions of dollars in overpayments, but has not done so because it has not focused on prevention. For example, VA does not use available information, such as when beneficiaries will become eligible for Social Security benefits, to prevent the overpayments from occurring. Furthermore, VA does not systematically collect, analyze, and use information on the specific causes of overpayments that will help it target preventive efforts.

¹Our report entitled *Debt Management: More Aggressive Actions Needed to Reduce Billions in Overpayments* (GAO/HRD-91-46, July 9, 1991) identified, among other things, problems with VA's collection of overpayments.

Background

In 1994, VA paid over \$16 billion in compensation and pension benefits to about 3.3 million people. VA's compensation program pays benefits to U.S. military veterans who are disabled by injury or disease incurred during active service in the line of duty. Its pension program pays benefits to wartime veterans with limited income who become permanently and totally disabled after active service.

In each program, benefit amounts can be affected by changes in the status of the person receiving benefits. A beneficiary's status can be affected by various types of common events, such as changes in marital status, physical condition, or income. For example, beneficiaries who receive VA pension benefits up to an allowed level have their benefits reduced by \$1 for each \$1 received from Social Security or other sources such as military retirement or wages. Beneficiaries receiving compensation benefits who divorce may have their benefits reduced. Furthermore, under certain circumstances, benefit amounts are reduced if a beneficiary is hospitalized at a VA medical center.

VA relies heavily on beneficiaries to voluntarily report changes in status accurately and promptly. VA also uses other means to determine changes in status, such as annual eligibility verification reports, periodic status of dependents questionnaires, and computer matches with other federal agencies. These methods are generally directed at detecting overpayments after they occur. Before VA can reduce benefits, it must give the beneficiary an opportunity to respond to VA's notification that benefits are to be reduced.

VA's Compensation and Pension Service within the Office of the Under Secretary for Benefits is responsible for developing adequate procedures for ensuring that payments made to beneficiaries are accurate. VA regional offices (VARO) use these procedures when making adjustments to beneficiaries' compensation and pension payments. When overpayments occur, VA's Debt Management Center (DMC) is responsible for collecting them.

Scope and Methodology

We did our work at VA's headquarters in Washington, D.C., at DMC in St. Paul, Minnesota, and at five VAROS. As part of our work, we sent questionnaires to 54 VAROS to get information about 600 stratified, randomly sampled overpayment cases out of a universe of about 17,000 cases for the month of May 1994. We also interviewed agency officials responsible for managing compensation and pension overpayments,

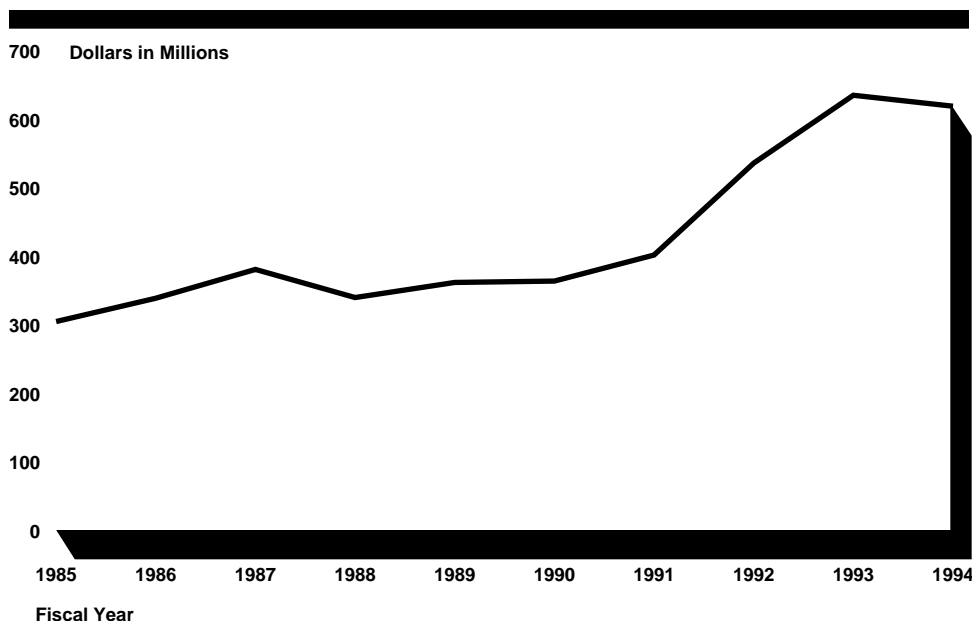
reviewed selected overpayment case files, and observed regional office overpayment activities. We focused our work on providing examples of potential solutions to preventing income-related pension overpayments, which accounted for a large portion of the overpayments. We did our work between March 1994 and February 1995 in accordance with generally accepted government auditing standards.

See appendix I for more information on our scope and sampling methodology. Appendix II contains the questionnaire used for the survey, and appendix III contains a summary of the responses to our questionnaire.

Status of Compensation and Pension Overpayments

Each year, VA overpays hundreds of millions of dollars in compensation and pension benefits. In 1994, VA detected about \$372 million that it had erroneously paid to compensation and pension beneficiaries. VA collects, on average, about 30 percent of its outstanding overpayments. As a result, VA's outstanding overpayment balance increased from over \$304 million in 1985 to about \$618 million in 1994, as shown in figure 1. According to the director of the DMC, collecting these overpayments is difficult because many beneficiaries have limited incomes and are not able to repay the debt.

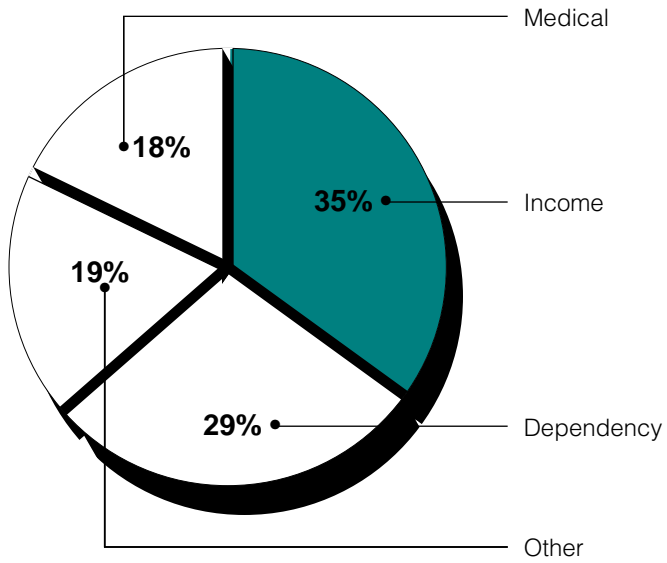
Figure 1: VA's Outstanding Compensation and Pension Overpayments, Fiscal Years 1985-94



Source: VA's DMC.

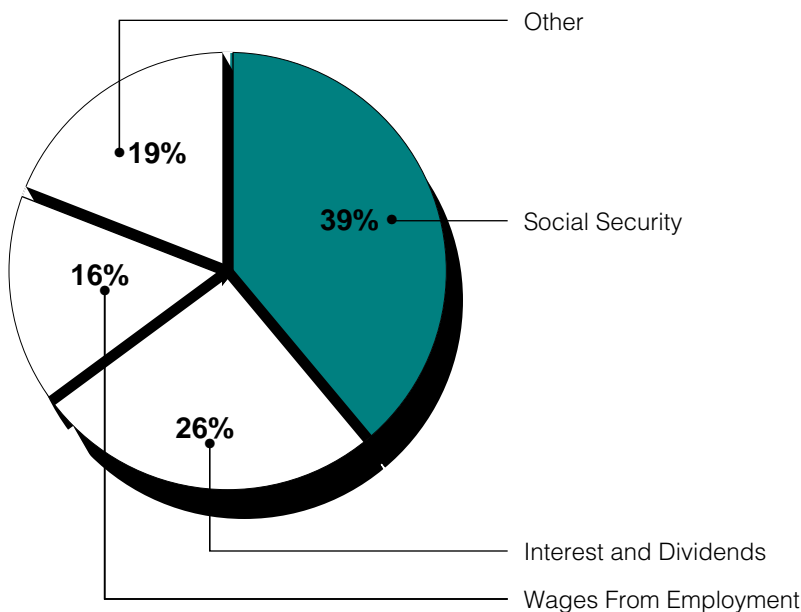
Reasons for these overpayments include changes in beneficiaries' income, dependency, or medical status. Our survey results showed that changes in beneficiaries' income accounted for a large portion (about 35 percent) of overpayments in 1994, as shown in figure 2. We also found that beneficiaries whose pensions were not adjusted after receiving Social Security benefits accounted for a significant share (about 39 percent) of income-related overpayments, as shown in figure 3.

Figure 2: Changes in Income Accounted for a Large Portion of Overpayments in May 1994



Note: Percentages do not add to 100 because of rounding.

Figure 3: Social Security Accounted for a Significant Share of Income-Related Overpayments in May 1994



Our survey results showed that, on average, VA learns about changes in beneficiaries' status about 5 months after they occur. We found that in half the cases, VA learns about the changes within 1 month, and in about 13 percent of the cases, VA does not learn about the changes for a year or more after they occur. For one case in our sample, VA did not learn about a change in a beneficiary's marital status for 9 years, resulting in a \$5,103 overpayment. In another case, over 3 years passed before VA learned about a change in a beneficiary's financial status, resulting in a \$19,969 overpayment.

Our survey results showed that VA takes an average of about 4 months to terminate or reduce benefits after learning about changes in beneficiaries' status. In half the cases, VA takes about 1-1/2 months, and in about 10 percent of the cases, VA takes 8 months or more, to terminate or reduce benefits after it learns about the changes. For example, in one case, VA took more than 15 months to reduce a veteran's payments after learning that he had been hospitalized at a VA Medical Center, resulting in a \$17,477

overpayment. In another case, VA took almost 2 years to process a change in a beneficiary's marital status, resulting in a \$2,605 overpayment.

Officials at VA's Compensation and Pension Service and at the five VAROS we visited agreed that months and even years pass before VA learns about changes in beneficiaries' status. They also agreed that VA contributes to overpayments by not making appropriate adjustments to beneficiaries' payments in a timely manner.

VA Can Prevent Certain Overpayments, but Has Not

Although VA has the capability to prevent millions of dollars in overpayments, it has not done so because it has not focused on prevention. For example, VA does not use available information to take action to avoid overpayments.

Adjudication officials at the five VAROS we visited told us that months may pass before VA learns that beneficiaries are also receiving Social Security benefits. Our survey results confirmed that, on average, more than 4 months passed before VA learned about VA pension recipients who had begun receiving Social Security benefits. In half the cases, slightly more than 1 month had passed, and in about 16 percent of the cases, a year or more had passed. For example, in one pension case, VA did not learn that the beneficiary was receiving Social Security benefits for over 15 months, resulting in a \$1,679 overpayment. In another case, VA did not learn that the beneficiary had been receiving Social Security for almost 20 months, resulting in a \$2,745 overpayment.

None of the five VAROS we visited have procedures in place to alert adjudicators when beneficiaries will become eligible for Social Security benefits. This knowledge would allow VA to make timely adjustments to pension benefit payments and avoid overpayments. VA could use beneficiaries' age—information that VA has—to anticipate when they will become eligible for Social Security benefits. VA could send beneficiaries a letter prior to their becoming eligible to inform them of their responsibility to report their Social Security benefits. Given that most people know in advance both the date they will begin receiving Social Security and the amount they will receive, VA could request beneficiaries to return a copy of their Social Security Administration (SSA) award letter to confirm this information. VA could then adjust pension benefits the month beneficiaries begin receiving Social Security, thus preventing months or even years of overpayments. In cases in which beneficiaries do not respond to VA's request, VA could contact SSA to verify whether beneficiaries are receiving

these benefits. VA could then take the appropriate action to prevent the overpayment.

Officials at VA's Compensation and Pension Service and at the five VAROS we visited agreed that VA could prevent these overpayments by establishing procedures to alert adjudicators when beneficiaries will become eligible for Social Security benefits. The director of VA's Debt Management Center said that May 1994, the month in which our sample was taken, is typical in terms of the number and dollar value of overpayment cases detected throughout the year. Therefore, we estimate that VA could have prevented as much as 14 percent—or about \$52 million—of overpayments in 1994 by establishing such procedures. These officials agreed that the potential savings that would occur by preventing these overpayments would greatly exceed any costs associated with implementing these procedures.

VA Lacks Detailed Information to Target Additional Prevention Efforts

To effectively prevent compensation and pension overpayments, VA needs to know their specific causes. However, VA officials at the five VAROS we visited did not know the specific causes of overpayments, nor the extent to which they occur, which would enable them to take preventive actions. VARO officials did not know the causes because they do not routinely gather and analyze this information. These officials added that VA's Compensation and Pension Service has not issued any guidance requiring them to collect and analyze such data. Furthermore, none of the VAROS we visited had conducted any studies to determine the specific causes of overpayments.

Although VA maintains general information on overpayments, some of this information is not specific enough. For example, while this information shows that an overpayment is income related, it does not identify whether the income is from interest and dividends, military retirement, Social Security, wages from employment, or some other source. VA's existing system for coding changes in beneficiary status could be modified by adding additional reason codes to capture more specific information.

Gathering and analyzing information on the specific causes of overpayments is important so that VARO officials can use this information to determine how best to prevent overpayments. VARO officials agreed that information on the specific causes of overpayments would assist them in targeting their efforts to prevent overpayments.

Conclusions

Compensation and pension overpayments continue to be a significant problem. VA continues to overpay hundreds of millions of dollars in compensation and pension benefits each year and does not collect about 70 percent of these overpayments. By taking a proactive role in preventing overpayments, VA could save millions of dollars. VA could use available information to prevent overpayments from occurring, and it could prevent additional overpayments by collecting, analyzing, and using information on the specific causes of overpayments, which would enable VA to target preventive efforts.

Recommendations

To better prevent compensation and pension overpayments, we recommend that the Secretary of Veterans Affairs direct the Under Secretary for Benefits to

- establish procedures that focus on preventing overpayments that include identifying beneficiaries who will soon become eligible for Social Security benefits and obtaining the necessary information to timely adjust their benefit payments; and
- collect, analyze, and use information on the specific causes or contributing factors of overpayments to develop strategies for targeting additional preventive efforts.

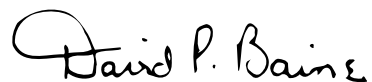
Agency Comments

As requested, we did not obtain official agency comments. However, we discussed the report's contents with responsible VA officials, who generally agreed with its findings and recommendations, and incorporated their comments where appropriate.

We are sending copies of this report to interested congressional committees, the Secretary of Veterans Affairs, and other interested parties.

If you have any questions about this report, please contact me at (202) 512-7101. Major contributors to this report are listed in appendix IV.

Sincerely yours,

A handwritten signature in black ink that reads "David P. Baine". The signature is written in a cursive style with a large initial "D".

David P. Baine
Director, Federal Health Care
Delivery Issues

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Abbreviations

| | |
|------|--------------------------------|
| DMC | Debt Management Center |
| SSA | Social Security Administration |
| VA | Department of Veterans Affairs |
| VARO | VA regional office |

Scope and Methodology

To learn about and understand the characteristics of compensation and pension cases for which VA had paid veterans or their beneficiaries more money than was appropriate, we analyzed a national random sample of compensation and pension overpayment cases. We asked VA's Debt Management Center at Fort Snelling, Minnesota, to provide us with a list of overpayment cases it discovered during May 1994. VA provided us a list that contained 16,995 compensation and pension overpayment cases. This list represented the universe of cases for our study.

After a case is identified as being in overpayment status, VA notifies the veteran or the beneficiary of the fact. A case is "closed" when either the veteran/beneficiary makes arrangements with VA to reimburse VA or VA waives the overpayment. In either event, the length of time in which a case is in overpayment status varies. A case may be closed quickly, or it may take months to be resolved and remain open for an extended period of time. Over two-fifths (42 percent, or 7,056) of the cases in our 1-month universe were closed by VA within the month. We included in our sample both open and closed cases. We selected a stratified, random sample of 600 of these cases from the following four groups: open compensation, closed compensation, open pension, and closed pension cases.

For each case in our sample, we mailed a questionnaire to the VA regional office (VARO) responsible for administering that case. VAROs were able to complete the questionnaires for practically every overpayment case in our sample. Fifteen questionnaires could not be completed because the sampled cases were unavailable at the regional office at the time of our request. VAROs completed and returned to us 98 percent of the questionnaires we mailed (585 of 600). (A copy of the questionnaire is included in app. II; app. III contains the responses to our survey for the total sample and for each type of benefit.)

The following table summarizes the number of overpayments of our universe and sample, and the number of completed questionnaires returned to us.

Table I.1: VA Overpayment Cases, May 1994

| Type of benefit | Universe | Sample | Response |
|---------------------|---------------|------------|------------|
| Open compensation | 3,633 | 200 | 193 |
| Closed compensation | 3,173 | 100 | 94 |
| Open pension | 6,306 | 200 | 199 |
| Closed pension | 3,883 | 100 | 99 |
| Total | 16,995 | 600 | 585 |

The actual total dollar value of the 16,995 pension and compensation overpayment cases for May 1994 was \$21,925,302. Table I.2 summarizes the total, mean, and median dollar values for each stratum.

Table I.2: Dollar Value of VA Overpayment Cases by Type of Benefit, May 1994

| Type of benefit | Total overpayments | Mean value | Median value |
|--|---------------------|----------------|--------------|
| Compensation (open and closed, combined) | \$9,443,508 | \$1,388 | \$324 |
| Open compensation | 6,938,760 | 1,910 | 392 |
| Closed compensation | 2,504,749 | 789 | 284 |
| Pension (open and closed, combined) | 12,481,793 | 1,225 | 324 |
| Open pension | 10,682,690 | 1,694 | 510 |
| Closed pension | 1,799,104 | 463 | 155 |
| Total | \$21,925,301 | \$1,290 | \$324 |

Because our samples are representative, the statistics we cite based on the questionnaire are estimates relating to all 16,995 compensation and pension overpayments for May 1994. We calculated sampling errors for estimates from this survey at the 95-percent confidence level. This means that the chances are about 19 out of 20 that the actual percentage being estimated falls within the range defined by our estimate, plus or minus the sampling error. The sampling errors for estimates used in this report follow in table I.3 and subsequent paragraphs. Although our results pertain to the month of May, VA officials told us that May was typical of any other month of the year and it was reasonable to assume that it was representative of VA overpayments throughout the year.

Table I.3: Sampling Errors for Figures 2 and 3

| Figure | Category | Sampling error |
|--------|------------------------|-------------------------------|
| 2 | Income | 35%, +/- 10 percentage points |
| | Dependency | 29%, +/- 10 percentage points |
| | Medical | 18%, +/- 10 percentage points |
| | Other | 19%, +/- 8 percentage points |
| 3 | Social Security | 39%, +/- 14 percentage points |
| | Interest and dividends | 26%, +/- 16 percentage points |
| | Wages and employment | 16%, +/- 12 percentage points |
| | Other | 19%, +/- 12 percentage points |

Our sampling errors for the time period between an event that changed a veteran's status and when VA learned about the event are as follows: VA learned about changes in beneficiaries' status in 149 days, plus or minus 38

days, after they occurred. In half the cases, VA learned about the changes in 26 days, plus or minus 19 days. VA did not learn about the changes for a year or more in about 13 percent of the cases, plus or minus 3 percentage points. (See p. 6.)

Our sampling errors for the time period between when VA learned about a change in a veteran's status and when VA terminated or reduced benefits are as follows: It took VA, on average, 113 days, plus or minus 32 days, to terminate or reduce benefits after learning about a change in status. In half the cases, it took VA 50 days, plus or minus 10 days, to terminate or reduce benefits. In 10 percent of the cases, plus or minus 3 percentage points, it took VA 240 days or more to terminate or reduce benefits. (See p. 6.)

For changes in pension benefits, our sampling errors were as follows: An average of 134 days, plus or minus 32 days, passed before VA learned that pension recipients had begun receiving Social Security. In half the cases, 35 days, plus or minus 19 days, had passed. In 16 percent of the cases, plus or minus 5 percentage points, a year or more had passed. (See p. 7.)

Our sampling errors for the percentage and dollar amount of overpayments in 1994 VA could have prevented with procedures in place to alert adjudicators that veterans were eligible for Social Security are as follows: 14 percent, plus or minus 4 percentage points, or about \$52 million, plus or minus \$15 million, in overpayments could have been prevented. (See p. 8.)

GAO's Questionnaire on Compensation and Pension Overpayments

United States General Accounting Office

GAO

Complete this questionnaire based on the information contained in the folder for the VA file number and overpayment printed below:

VA file number:
Total A/R Amount: \$
Benefit type:
L

VA Discovery Date:
Station Number (RO):

1994

Questionnaire on Compensation and Pension Overpayments

**Appendix II
GAO's Questionnaire on Compensation and
Pension Overpayments**

U.S. General Accounting Office

Questionnaire on Compensation and Pension Overpayments



The U.S. General Accounting Office (GAO) has been asked by Congress to examine the causes of compensation and pension overpayments made to veterans and their survivors.

The overpayment case identified on the label affixed to the cover of this questionnaire was selected at random from a file that VA's Debt Management Center provided to us. That file contained all compensation and pension overpayment cases for which the Center assumed responsibility in May, 1994. Please answer the questions on the following pages based on information in the folders you maintain for this overpayment case under the file number on the label. If you have any questions concerning the information we are requesting, please call either Jeff Pounds or Charles Taylor at our Atlanta Regional Office. Their telephone numbers are listed below.

**Please complete this questionnaire within 2 weeks of receipt and return it
in the enclosed business reply envelope.**

If the envelope has been misplaced, please return this questionnaire to:

Jeff Pounds
U.S. General Accounting Office
2635 Century Parkway, Suite 700
Atlanta, GA 30345

Questions? Call either Jeff Pounds at 404-679-2008 or Charles Taylor at 404-679-1892 in our Atlanta Regional Office between 8 a.m. and 4 p.m., Eastern Time.

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**Appendix II
GAO's Questionnaire on Compensation and
Pension Overpayments**

Before answering any questions, Please provide the following information:

.....
Name of person completing this questionnaire

.....
Position title

.....
Telephone number (with area code)

1. What type of compensation or pension benefit is this overpayment related to? *(Check one.)*

- 1. Disability compensation
- 2. Disability pension
- 3. Dependency and indemnity compensation (DIC)
- 4. Survivors pension
- 5. Other *(Please specify):*

2. Below are listed possible reasons why an overpayment was made in this case. Please **check two boxes:**
(1) the primary reason an overpayment was made by checking one of the boxes numbered 1, 2, 3 or 4, then,
(2) within that primary reason, the specific reason by checking one of the boxes coded with a letter.

1. **INCOME** related to *(Check one box that contains the specific reason.):*
- a. Veteran's social security
 - b. Spouse's or dependent's social security
 - c. U.S. civil service retirement
 - d. U.S. railroad retirement
 - e. Military retirement
 - f. Military survivor benefits
 - g. Black lung benefits
 - h. Wages from employment
 - i. Interest and dividends
 - j. Dependency income
 - k. Excessive net worth
 - l. Lottery/gambling winnings
 - m. Other *(Describe):*

2. **DEPENDENCY** related to *(Check one box that contains the specific reason.):*
- a. Death of veteran
 - b. Apportionment
 - c. Dependency income
 - d. Dependency status not established
 - e. Child became 18
 - f. Child terminated school or reached 23 years of age
 - g. Child over 18 entered school
 - h. Dependent added
 - i. Dependent terminated (divorce, death, etc.)
 - j. Other *(Describe):*

3. **MEDICAL** related to *(Check one box that contains the specific reason.):*
- a. Veteran hospitalized
 - b. Veteran's nursing home status
 - c. Prospective medical expenses
 - d. Other *(Describe):*

4. **OTHER** related to *(Check one box that contains the specific reason.):*
- a. Incarceration
 - b. Concurrent benefits
 - c. VA error
 - d. Beneficiary's failure to return required document(s) *(Describe):*
 - e. Other *(Describe):*

**Appendix II
GAO's Questionnaire on Compensation and
Pension Overpayments**

3. On what date did the specific reason you selected in question 2 occur? (For example, the date a veteran began receiving social security. Check the box if the date is not contained in the file) month/ day/ year
 Date not contained in the file
4. How was VA first made aware that this case might be an overpayment? (Check one)
1. Eligibility Verification Report (EVR)
 2. SSA/VA Income Verification Match (IVM)
 3. SSA/VA computer match other than IVM
 4. IRS/VA Income Verification Match (IVM)
 5. Computer match with some agency or organization other than SSA or IRS
 6. Informed by a Veteran Benefit Counselor
 7. Informed by a third party, other than Veteran Benefit Counselor
 8. Informed by the veteran or the beneficiary
 9. Status of Dependents Questionnaire
 10. Automated Medical Information Exchange (AMIE)
 11. VA Medical Center other than AMIE
 12. VA Inspector General (IG) review/survey
 13. Informed by a state welfare agency
 14. Other (Describe):
5. On what date was VA first notified of the potential overpayment by the source you selected in question 4? month/ day/ year
6. What is the date on the letter VA mailed to the veteran/beneficiary first informing the veteran/beneficiary that they might be in a possible overpayment status? (This letter is often referred to as the "proposal," "due-process," or "notification" letter.) month/ day/ year
7. What is the date on the letter VA mailed to the veteran/beneficiary that told the veteran/beneficiary that VA had taken action to reduce or terminate their benefit? (This letter is often referred to as the "contemporaneous" letter.) month/ day/ year
8. What is the beginning date upon which the overpayment period was calculated? month/ day/ year
9. Has a waiver for this particular overpayment amount been requested? (Check one)
1. Yes--> If yes, continue to question 10.
 2. No---> If no, go to question 11, page 3.
10. Has a waiver been granted? (Check one)
1. Waiver was granted.
 2. Waiver was denied.
 3. Decision on whether or not to grant a waiver is pending.
 4. Other (Specify):

Appendix II
GAO's Questionnaire on Compensation and
Pension Overpayments

11. What additional information about this particular overpayment case, if any, do you believe is important for us to know so that we have a better understanding about the circumstances in which VA had to process this case?

If none, check this box: -----> Please continue to question 12 on the next page.

Continue to question 12 on the next page----->

Appendix II
GAO's Questionnaire on Compensation and
Pension Overpayments

12. Consider this particular overpayment case. What actions, if any, do you believe VA could have taken that might have prevented this particular case from becoming an overpayment?

If none, check this box: -----> Please continue to question 13 on the next page.

Continue to question 13 on the next page----->

Appendix II
GAO's Questionnaire on Compensation and
Pension Overpayments

13. Again, consider this particular overpayment case. What actions, if any, do you believe VA could have taken that might have shortened the amount of time it took VA to reduce or terminate this benefit?

If none, check this box: Thank you for completing this questionnaire.

Thank you for completing this questionnaire.

Summary of Responses to GAO'S Survey of VA Compensation and Pension Overpayments

Table III.1: Primary Causes of Overpayments (Question 2)

| Numbers in percent | | | |
|--------------------|--------------------|------------------------------|------------|
| Primary cause | Combined responses | Responses by type of benefit | |
| | | Compensation | Pension |
| Income-related | 31 | 2 | 51 |
| Dependency-related | 53 | 84 | 32 |
| Medical-related | 6 | 5 | 7 |
| Other-related | 10 | 10 | 10 |
| Total | 100 | 100^a | 100 |

^aThe sum of the percentages exceeds 100 because of rounding.

Table III.2: Specific Causes of Income-Related Overpayments (Question 2, Part 1)

| Numbers in percent | | | |
|---|-----------------------|------------------------------|--------------|
| Specific income-related cause | Combined responses | Responses by type of benefit | |
| | | Compensation | Pension |
| Veteran's social security | 10 | 0 | 17 |
| Spouse's or dependent's social security | 9 | 2 | 14 |
| U.S. Civil Service | ^a | 0 | 1 |
| U.S. railroad retirement | 0 | 0 | 0 |
| Military retirement | 0 | 0 | 0 |
| Military survivor benefits | 0 | 0 | 0 |
| Black lung benefits | 0 | 0 | 0 |
| Wages from employment | 3 | 0 | 5 |
| Interest and dividends | 5 | 0 | 8 |
| Dependency income | ^a | 0 | 1 |
| Excess net worth | ^a | 0 | ^a |
| Lottery/gambling winnings | ^a | 0 | 1 |
| Other income-related | 3 | 0 | 4 |
| Total | 31^b | 2 | 51 |

^aResponse rate was less than 1 percent.

^bThe sum of the combined responses does not equal the total because of rounding.

Appendix III
Summary of Responses to GAO'S Survey of
VA Compensation and Pension
Overpayments

Table III.3: Specific Causes of Dependency-Related Overpayments (Question 2, Part 2)

| Numbers in percent | | | |
|--|--------------------|------------------------------|--------------|
| Specific dependency-related cause | Combined responses | Responses by type of benefit | |
| | | Compensation | Pension |
| Death of veteran | 29 | 45 | 18 |
| Apportionment | 2 | 3 | ^a |
| Dependency income | 0 | 0 | 0 |
| Dependency status not established | ^a | 1 | 0 |
| Child became 18 | ^a | 0 | 0 |
| Child terminated school or reached 23 years of age | 5 | 11 | 1 |
| Child over 18 entered school | ^a | ^a | 0 |
| Dependent added | ^a | 0 | ^a |
| Dependent terminated | 12 | 17 | 9 |
| Other dependency-related | 5 | 6 | 4 |
| Total | 53 | 84^b | 32 |

^aResponse rate was less than 1 percent.

^bThe sum of the numbers does not add to the total because of rounding.

Table III.4: Specific Causes of Medical-Related Overpayments (Question 2, Part 3)

| Numbers in percent | | | |
|---------------------------------|--------------------|------------------------------|----------------------|
| Specific medical-related causes | Combined responses | Responses by type of benefit | |
| | | Compensation | Pension |
| Veteran hospitalized | 3 | 4 | 2 |
| Veteran's nursing home status | ^a | 1 | 0 |
| Prospective medical expenses | 2 | ^a | 4 |
| Other medical-related | 1 | ^a | 2 |
| Total | 6 | 5 | 7^b |

^aResponse rate was less than 1 percent.

^bThe sum of the percentages exceeds the total because of rounding.

Appendix III
Summary of Responses to GAO'S Survey of
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Table III.5: Specific Causes of Other-Related Overpayments (Question 2, Part 4)

| Numbers in percent | | | |
|--|--------------------|------------------------------|--------------|
| Specific other-related causes | Combined responses | Responses by type of benefit | |
| | | Compensation | Pension |
| Incarceration | ^a | 1 | ^a |
| Concurrent benefits | 0 | 0 | 0 |
| VA error | 3 | 3 | 3 |
| Beneficiary's failure to return required document(s) | 3 | 1 | 5 |
| Other other-related | 4 | 5 | 2 |
| Total | 10 | 10 | 10 |

^aResponse rate was less than 1 percent.

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**Table III.6: How VA Was First Made
Aware of Overpayments (Question 4)**

| Numbers in percent | | | |
|--|-----------------------|------------------------------|-----------------------|
| Way VA became aware of overpayment | Combined responses | Responses by type of benefit | |
| | | Compensation | Pension |
| Eligibility Verification Report (EVR) | 18 | 2 | 29 |
| SSA/VA Income Verification Match (IVM) | 1 | 0 | 2 |
| SSA/VA computer match other than IVM | 9 | 6 | 11 |
| IRS/VA Income Verification Match (IVM) | 2 | 0 | 4 |
| Computer match with some agency other than SSA or IRS | 0 | 0 | 0 |
| Informed by a Veterans Benefit Counselor | 6 | 6 | 6 |
| Informed by a third party, other than Veterans Benefit Counselor | 19 | 27 | 14 |
| Informed by the veteran or the beneficiary | 16 | 16 | 16 |
| Status of Dependents Questionnaire | 2 | 5 | a |
| Automated Medical Information Exchange (AMIE) | 2 | 3 | 2 |
| VA Medical Center other than AMIE | 3 | 5 | 2 |
| VA Inspector General (IG) review/survey | a | 0 | a |
| Informed by a state welfare agency | 0 | 0 | 0 |
| Other | 20 | 30 | 13 |
| Total | 98^b | 100 | 99^b |

^aResponse rate was less than 1 percent.

^bSum of the percentages does not add to 100 because of rounding.

Appendix III
Summary of Responses to GAO'S Survey of
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Table III.7: Responses as to Whether Waiver Had Been Requested for Overpayment (Question 9)

| Numbers in percent | | | |
|--------------------|--------------------|------------------------------|------------|
| Requested? | Combined responses | Responses by type of benefit | |
| | | Compensation | Pension |
| Yes | 8 | 3 | 12 |
| No | 92 | 97 | 88 |
| Total | 100 | 100 | 100 |

Table III.8: Responses as to Whether Requested Waiver Had Been Granted for an Overpayment (Question 10)

| Numbers in percent | | | |
|------------------------|--------------------|------------------------------|------------|
| Waiver status | Combined responses | Responses by type of benefit | |
| | | Compensation | Pension |
| Granted | 44 | 9 | 50 |
| Denied | 8 | 9 | 8 |
| Decision still pending | 29 | 55 | 24 |
| Other | 19 | 27 | 18 |
| Total | 100 | 100 | 100 |

Table III.9: Days Elapsed Between Date Overpayment Occurred and Date VA Learned About Overpayment (Questions 3 and 5)

| Days | | | |
|--------|--------------------|------------------------------|---------|
| | Combined responses | Responses by type of benefit | |
| | | Compensation | Pension |
| Mean | 149 | 166 | 136 |
| Median | 26 | 17 | 35 |

Table III.10: Days Elapsed Between Date VA Learned About Overpayment and Date VA Informed the Veteran/Beneficiary That VA Had Acted to Reduce or Terminate His or Her Benefit (Questions 5 and 7)

| Days | | | |
|--------|--------------------|------------------------------|---------|
| | Combined responses | Responses by type of benefit | |
| | | Compensation | Pension |
| Mean | 113 | 112 | 114 |
| Median | 50 | 32 | 54 |

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