



DEPARTMENT OF VETERANS AFFAIRS
Office of the General Counsel
Washington DC 20420

AUG 17 2012

In Reply Refer To:

2012 AUG 20 PM 4: 22
U.S. OFFICE OF
SPECIAL COUNSEL
WASHINGTON, D.C.

Catherine McMullen
Chief, Disclosure Unit
U.S. Office of Special Counsel
1730 M Street, N.W., Suite 300
Washington, D.C. 20036-4505

Dear Ms. McMullen:

This is in response to the June 14, 2012, e-mail requesting additional information concerning VA's investigation into allegations reported by Brigitte Bennerson, who works at the VA Medical Center, Cleveland, OH (Cleveland VAMC) (OSC File No. DI-11-3544). The enclosed document provides answers to each of your questions.

If you have any questions about this submission, please contact Christina Knott in the Office of General Counsel at (202) 697-2232.

Sincerely yours,

Walter A. Hall
Assistant General Counsel

Enclosure

ADDITIONAL INFORMATION REQUESTED

OSC File No. DI-11-3544

1. VA conducted an investigation in response to OSC File No. DI-11-3544 regarding allegations made by a VA employee, Brigitte Bennerson, who works at the VA Medical Center, Cleveland, OH (Cleveland VAMC). Following VA's fact-finding and internal review of financial transactions at VAMC Cleveland and the North Central Consolidated Patient Account Center (NCCPAC) in Madison, Wisconsin, OSC sought additional information of activity in suspense account uses between October 1, 2009 and September 30, 2011. The specific additional questions OSC had were:

- a. What was the amount of money involved in the improper movement of funds?
- b. What was the total amount of money deposited in these types of makeshift accounts?
- c. How long were these funds sitting in these (permanent) funds and, thus, unaccounted?
- d. Were these funds only moved/corrected as a result of the OSC referral?
- e. What was the specific date(s) that the funds were moved/corrected?
- f. What is the cost savings associated with correcting the accounting errors to the agency as a result of the corrective action plan, if any?
- g. Did the agency complete the training VA said they would provide in the "Actions Taken" portion of the initial report provided to OSC?

2. VAMC Cleveland was responsible for Third Party activity (generally, collections from health insurers for the costs of treating non-service connected illnesses, among other things, and such funds are deposited into the Medical Care Collections Fund (MCCF) Revenue Account) from October 1, 2009 until transfer to NCCPAC on December 6, 2010. The NCCPAC was responsible for all Third Party activity from December 6, 2010 through the end of the review period except for one voucher in December closing out items predating the transfer.

The answers to OSC's additional questions are as follows:

a. What was the amount of money involved in the improper movement of funds?

VAMC Cleveland determined \$34,182 was moved improperly and NCCPAC determined \$2,981 was moved improperly for a total \$37,163.

	Suspense Transactions Reviewed	\$ Value Reviewed	Transactions Misapplied to Collections as Holding	\$ Value Misapplied to Collections as Holding
VAMC Cleveland	1,243	\$460,842	293	\$34,182
NCCPAC	1,806	\$36,717	45	\$2,981
Total	3,049	\$497,559	375	\$37,163

b. What was the total amount of money deposited in these types of makeshift accounts?

No makeshift accounts were used. As indicated above, \$37,163 was deposited into the revenue account without proper research being completed to match to an open receivable. These deposits account for only 0.050% of the total collections (\$75M) by VAMC Cleveland and NCCPAC.

c. How long were these funds sitting in these (permanent) funds and, thus, unaccounted?

Since research to properly account for items is an ongoing process, the timeline for unaccounted funds is still in progress and varies from several days to months. The goal is to clear items within 60 days, but each individual transaction has its own length of time, so for the 375 just identified transactions there could be 375 different time lengths. These just identified errors are from the time period beginning October 1, 2009 so these could have taken up to nearly three years to correct.

d. Were these funds only moved/corrected as a result of the OSC referral?

No. The OSC referral forced an expedited and more thorough reconciliation and review of the supporting documentation for the deposits to clear any items where research may not have been properly documented or was inadvertently abandoned. Research and correction of these deposits was an ongoing process. However, most of

the funds incorrectly held in the MCCF Revenue Account by VAMC Cleveland were only moved after the investigation expedited a more thorough review.

e. What was the specific date(s) that the funds were moved/corrected?

Research and corrections in these funds are made daily as part of routine business processes. Some errors are fixed in a few days; others may take weeks to resolve. Our just completed review identified 375 transactions; we are still working to make corrections to the 293 identified by VAMC Cleveland. We anticipate that all these transactions will be corrected by the end of the year.

f. What is the cost savings associated with correcting the accounting errors to the agency as a result of the corrective action plan, if any?

There was no cost savings associated with correcting these accounting errors. The failure to follow proper procedures these accounts required that additional resources be expended to correct the errors.

g. Did the agency complete the training VA said they would provide in the "Actions Taken" portion of the initial report provided to OSC?

Yes.