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COMMITTEE ON VETERANS' AFFAIRS

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VA Fiduciary System Seriously Flawed

WASHINGTON, D.C.—Today, the Subcommittee on Oversight and Investigations (O&I) held an oversight hearing entitled, “Reforming VA’s Flawed Fiduciary System.” The VA’s approximately 95,000 appointed fiduciaries manage over \$3 billion in payments made to more than 100,000 of our nation’s veterans and their dependents.

The hearing comes in light of recent investigations undertaken by the Subcommittee, which revealed serious flaws within the system. One of the biggest problems cited in initial findings were the number of fiduciaries abusing the system by withholding funds, embezzling veterans’ money, or operating outside the spirit of the law.

Chairman Bill Johnson (OH-6) brought to the attention of VA, the conviction of a VA fiduciary and a VA field examiner, who in Tennessee, embezzled \$900,000 from ten veterans’ accounts they oversaw.

Chairman Johnson said the problems facing the VA fiduciary system “represent gross misfeasance on the part of VA. I have seen the evidence of veterans, their friends, and family repeatedly notifying VA of these matters and time after time, their appeals for help is ignored. This needs to stop. Identifying and correcting situations like these is certainly not rocket science.”

The hearing also brought to light serious problems VA faces within the fiduciary system as many of VA’s own policies are not in sync with practices in the field. “VA policy is that they prefer family members and friends to serve as fiduciaries. However, we have come across examples that show this is not the case,” Johnson said. “For instance, the VA arbitrarily removed a veteran’s wife from her duties as his fiduciary after what the VA characterized as ten years of excellent service. She was replaced by a paid fiduciary. It appears to me that this policy is just lip service. And that needs to change.”

Subcommittee investigators also uncovered that the VA Fiduciary Program has been hurt by failures in oversight and an unwillingness to listen to veterans. “Last week, in a hearing before the Full Committee, VA Deputy Secretary Scott Gould stated that ‘the wrong way became the way we’ve always done it.’ This mindset seems to have permeated the VA’s Fiduciary Program as well, and it’s a culture we need to change.”

VA has 45 days to produce a report to the Subcommittee that no VA fiduciary is receiving a larger commission than is authorized by law and funding comes from the appropriate accounts.

Retweatables:

RT @HouseVetAffairs: #VA Fiduciary System is flawed - Committee aims to fix it.

<http://veterans.house.gov/press-release/va-fiduciary-system-seriously-flawed>

RT @HouseVetAffairs: @RepBillJohnson “the problems facing the VA fiduciary system represent gross misfeasance on the part of #VA” <http://veterans.house.gov/press-release/va-fiduciary-system-seriously-flawed>

RT @HouseVetAffairs: #Vets deserve better than what they are getting from the #VA Fiduciary Program <http://veterans.house.gov/press-release/va-fiduciary-system-seriously-flawed>

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