

Congress of the United States
Washington, DC 20515

November 1, 2024

The Honorable Denis R. McDonough
Secretary
U.S. Department of Veterans Affairs
810 Vermont Avenue, NW
Washington, DC 20420

Dear Secretary McDonough:

Two days ago, the Department of Veterans Affairs (VA) provided information that is partially responsive to our September 27, 2024, letter requesting that you reconcile accounts for fiscal year (FY) 2024 and see where the books actually stand before making any definitive statements about the resources you have and additional resources you may need in FY 2025. The response shows that, in fact, no benefits shortfall ever existed and much of the information your leadership team has provided about a purported health care shortfall was erroneous. This revelation severely undermines our confidence in the Biden-Harris administration's stewardship of the federal budget and your management of VA. Troublingly, it suggests that Under Secretary for Benefits Joshua Jacobs, Under Secretary for Health Shereef Elnahal, and their chief financial officers repeatedly misinformed Congress and our nation's veterans, even risking inciting a panic among veterans about their benefits being delayed or cut. We question who directed them to do this. Their utter inability to forecast and determine costs accurately erodes Congress' faith in VA.

Specifically, according to VA's briefing paper, the Veterans Benefits Administration (VBA) carried over approximately \$5.1 billion unspent from FY 2024 to FY 2025 including \$4.4 billion for Disability Compensation and Pension and \$689 million for Readjustment Benefits. Without the additional \$2.883 billion appropriated in the *Veterans Benefits Continuity and Accountability Supplemental Appropriations Act* (Public Law 118-82), VBA still would have carried over \$2.1 billion in unspent Disability Compensation and Pension funds and \$92 million of unspent Readjustment Benefits funds. VA acknowledges in its paper that, "this carry-over amount also means that we did not use the \$2.833 [sic] billion in supplemental funding provided by Congress last month to address FY 2024 requirements."

Additionally, the Veterans Health Administration (VHA) finished FY 2024 with unspent, carryover funds of "approximately what [VA] anticipated in the FY 2025 budget" rather than the drastically reduced levels that have been used to demonstrate a \$12 billion shortfall. Rather than spiking due to increased enrollment, "the cost of [VHA's] workforce was lower than expected, [VHA] limited purchases of new equipment compared to what had been anticipated, and community care only grew at the rate anticipated by the FY 2025 budget request."

For the sake of veterans' and taxpayers' remaining confidence in VA, we urge you to come clean about this situation by immediately responding to all outstanding questions in our July 17th and September 27th letters, swiftly producing any and all additional information requested by our committees, and making all relevant VA officials available for questioning by the Office of Inspector General and our staffs.

We request that you preserve any and all documents or records of communications among VA employees as well as between VA employees and Office of Management and Budget employees regarding or pertaining to actual or potential budget shortfalls in VBA or VHA in FY 2024 or FY 2025. This preservation request applies to all documents, records, memoranda, correspondence, phone records, electronic communications, or any portion thereof pertaining or relevant to this subject matter. To preserve these documents and records, reasonable steps must be taken to prevent their destruction, deletion, shredding, alteration, mutation, relocation, theft, or negligent handling that would render them incomplete or inaccessible.

Thank you for your attention to this critical matter. Please do not hesitate to have your staff contact our respective committee staffs with any questions about compliance with these requests.

Sincerely,



MIKE BOST
Chairman
Committee on Veterans' Affairs



JOHN R. CARTER
Chairman
Subcommittee on Military Construction, Veterans
Affairs, and Related Agencies Appropriations

Cc: The Honorable Mark Takano, Ranking Member
The Honorable Debbie Wasserman Schultz, Ranking Member
The Honorable Shalanda Young, Director, Office of Management and Budget