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April 29, 2024

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

Dear Secretary McDonough:

I write regarding the Department of Veterans Affairs' (VA) failure to provide adequate oversight of IBM, your contractor who is responsible for sending automated letters to veterans regarding their benefit claims applications. As you know, IBM sent letters to nearly 6,000 veterans informing them that they had submitted the wrong claim form and instructing them to submit an **incorrect** form. This potentially deprived them of months of backpay when VA did not record the correct submission dates due to the incorrect forms. I am also concerned with VA's apparent lack of candor and delays in informing the Committee of this error.

VA officials first notified Committee staff on March 20, 2024, about this situation, despite the Department being aware of it since March 7, 2024. Further, whether intentional or not, VA waited until immediately after a Subcommittee on Disability Assistance and Memorial Affairs oversight hearing where the subcommittee directly discussed problems related to VA benefits notice letters, to disclose IBM's errors. This seems to be a direct attempt by the agency to avoid accountability. On top of that, VA still has not explained when the incorrect claim form problem actually started. For this reason, I have a hard time accepting the reassurance that VA and IBM took "immediate" corrective action to stop the inaccurate letters from being sent. I question whether VA is aware of the full scope of the problem and whether even more veterans may have received the incorrect notice letters.

VA's first priority must be to make affected veterans whole. VA officials told my staff that as of April 3rd, roughly 2,000 veterans had been "fully remediated," and that the Department continues to work through the remaining cases. However, many questions remain.

I ask that you provide the following no later than May 29, 2024:

- 1. Your assurance that all veterans impacted by the inaccurate notice letters sent by VA using IBM automation technology, will receive backpay of any award of benefits, and that VA will treat the incorrect claims forms filed by all impacted veterans as the proper claim form for backpay purposes.
- 2. A detailed explanation for what VA means when it stated that VA will make all impacted veterans whole "as appropriate."
- 3. An explanation of when the problem at IBM began, and how long VA, IBM, and BVTI (which VA identified as the contracted quality assurance vendor for IBM's services) was unaware of the problem.
- 4. A detailed explanation on how VA will hold IBM and BVTI accountable for these inaccurate automated notice letters.
- 5. A detailed plan for how VA will ensure quality and accurate services from all contracted automated service providers.
- 6. An explanation whether VA intends to continue contracting out quality control to outside entities, and if so, a detailed plan for how VA will ensure quality services from those quality control vendors.
- 7. Your assurance that going forward, VA will immediately communicate issues impacting veterans to Congress, and that VA will never again impede Congress's oversight responsibilities.

VA has demonstrated an alarming lack of transparency in this situation, and the Department has failed to exercise effective oversight and quality control over your contractors. As you know, these types of problems erode veterans' trust in VA and are wholly unacceptable.

Should you have any questions regarding this request, please contact my staff.

Sincerely,

MIKE BOST Chairman

cc: The Honorable Mark Takano, Ranking Member

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