



DEPARTMENT OF VETERANS AFFAIRS OFFICE OF INSPECTOR GENERAL

PODCAST TRANSCRIPT APRIL 2020 HIGHLIGHTS

Host Name:

This is Quintin Durden, a Deputy Director with the VA Office of Inspector General in Washington, DC. Here are the April highlights.

April was a busy month for the VA Office of Inspector General's Office of Investigations. Significant actions included the prevention of an alleged multimillion dollar COVID-19-related scam and a subsequent arrest, the settlement of a residential mortgage company that agreed to pay \$15 million to resolve civil allegations, a biopharmaceutical manufacturer agreed to pay \$6.5 million to resolve False Claims Act allegations, two defendants were arrested in connection with multimillion dollar scheme to defraud victims of their VA and Social Security Administration beneficiary funds, and a former VA doctor was arrested following charges alleging he sexually molested a patient during an examination.

In the arrest related to the alleged COVID-19 scam, the defendant was charged in the District of Columbia with wire fraud. An investigation by the VA Office of Inspector General and Homeland Security Investigations resulted in charges alleging the defendant made a series of fraudulent misrepresentations in an attempt to secure orders from VA for 125 million face masks and other personal protective equipment that would have totaled over \$750 million. The defendant allegedly promised that he could obtain millions of genuine 3M masks from domestic factories when he knew that fulfilling the orders would not be possible. The defendant also allegedly made similar false representations in an effort to enter into other fraudulent agreements to sell personal protective equipment to state governments.

A biopharmaceutical manufacturer entered into a civil agreement with the US Attorney's Office for the District of Minnesota and the Department of Justice Civil Division's Commercial Litigation Branch, under which the company agreed to pay \$6.5 million to resolve allegations that it violated the False Claims Act by knowingly submitting false commercial pricing disclosures to VA.

VA Office of Inspector General

PODCAST TRANSCRIPT

A residential mortgage company entered into a civil agreement with the US Attorney's Office for the Northern District of New York and the Department of Justice Civil Division's Commercial Litigation Branch, under which the company agreed to pay more than \$15 million to resolve allegations that it violated the False Claims Act and the Financial Institutions Reform, Recovery, and Enforcement Act of 1989. The investigation by the VA Office of Inspector General and Department of Housing and Urban Development Office of Inspector General resolved allegations that the company knowingly originated and underwrote mortgage loans insured by the Federal Housing Administration, HUD, and VA that did not meet critical program requirements.

A former VA-appointed professional fiduciary, who was part owner of a nonprofit organization, and a former nonprofit employee were arrested pursuant to bench warrants after both defendants failed to appear for sentencing in the District of New Mexico. The defendants previously pleaded guilty to conspiracy, mail fraud, aggravated identity theft, money laundering, and conspiracy to commit money laundering. The investigation revealed that the defendants engaged in a sophisticated scheme to use their nonprofit organization to defraud victims of their VA and SSA beneficiary funds. The loss to VA was approximately \$3.3 million.

Finally, a former Beckley, West Virginia, VA medical center doctor specializing in Osteopathic Manipulation Therapy was arrested after being charged in the Southern District of West Virginia with deprivation of rights under the color of law (civil rights). The investigation by the VA Office of Inspector General, FBI, and VA Police Service resulted in charges alleging the defendant sexually molested a patient during an examination at the facility.

The Office of Audits and Evaluations published two reports, including [Deficiencies in Infrastructure Readiness for Deploying VA's New Electronic Health Record System](#), the team whether VA's infrastructure-readiness efforts were on schedule for the initial deployment of its new electronic health records system at the Mann-Grandstaff VA Medical Center in Spokane, Washington. The OIG found that critical physical and information technology infrastructure upgrades had not been completed at the site, jeopardizing the initially planned deployment on March 28, 2020. VA subsequently postponed going live. The lack of important upgrades jeopardizes proper deployment of the new system and increases risks of overall implementation delays. VA originally committed to a deployment date without

needed information on the state of the medical center's infrastructure. The audit also found security vulnerabilities in the physical infrastructure at Mann-Grandstaff that created a risk of damage from unauthorized access. The OIG made eight recommendations, including reassessing the deployment schedule to ensure projected milestones are realistic and securing the electronic health records infrastructure.

The Office of Healthcare Inspections published two reports. One was also related to the implementation of the new electronic health record system at Mann-Grandstaff VA Medical Center. The [Review of Access to Care and Capabilities during VA's Transition to a New Electronic Health Record System at the Mann-Grandstaff VA Medical Center in Spokane, Washington](#), determined how the new electronic health record's capabilities could affect patients' access to care. The review found that facility leaders lacked written guidance on handling an anticipated 30 percent drop in productivity that could affect patients' access to care. Although primary care access was addressed, understaffing and a backlog of 21,155 community care referrals remained in January 2020. The OIG made four recommendations regarding productivity and capabilities to VA leaders, with two recommendations on facility support and two recommendations to the facility's director related to community care referrals and timely medication refills.

OIG podcasts are produced by the OIG Office of Communications. You will find other OIG podcasts in the media section of our website. For a complete list of April highlights, or to report fraud, waste, abuse, or possible criminal activity, visit the OIG website at www.va.gov/oig.