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United States Senate

COMMITTEE ON
HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS
WASHINGTON, DC 20510-6250

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June 13, 2017

The Honorable David J. Shulkin
Secretary
U.S. Department of Veterans Affairs
810 Vermont Ave., NW
Washington, D.C. 20420

Dear Mr. Secretary:

I am writing regarding the recent prosecution of a Department of Veterans Affairs (VA) employee for a kickback scheme at the John Cochran Veterans Administration Center in St. Louis, MO.¹

I understand that some of the perpetrators have been held accountable and that another individual was indicted last week.² However, the fact that this fraud was allowed to continue for three years without detection is deeply concerning.³ The kickback also raises questions about whether or not the VA has established adequate safeguards in order to prevent similar acts from occurring in the future.

I am encouraged by the recent announcement of the “Seek to Prevent Fraud, Waste and Abuse (STOP FWA)” initiative focusing on combating fraud, waste, and abuse within the VA.⁴ This is an important step in fraud detection and prevention within the VA. I look forward to seeing the development of the initiative and receiving updates on its objectives, progress, and implementation.

¹ U.S. Department of Justice, U.S. Attorney’s Office, Eastern District of Missouri, *Indiana Man Pleads Guilty to Charges Relating to Kickback Scheme at the John Cochran VA Center* (June 5, 2017) (www.justice.gov/usao-edmo/pr/indiana-man-pleads-guilty-charges-relating-kickback-scheme-john-cochran-va-center).

² *Another Contractor Indicted in St. Louis VA Supervisor Kickback Scheme*, St. Louis Post-Dispatch (June 8, 2017) (http://www.stltoday.com/news/local/crime-and-courts/another-contractor-indicted-in-st-louis-va-supervisor-kickback-scheme/article_5fca8a84-2281-5d49-bc1b-05899880aef3.html).

³ *Ex-Employee, Contractor at St. Louis VA Admits \$270,000 Fraud*, St. Louis Post Dispatch (Dec. 16, 2016) (www.stltoday.com/news/local/crime-and-courts/ex-employee-contractor-at-st-louis-va-admits-fraud/article_13050dff-fac4-537b-b16b-4302b54cb9c9.html).

⁴ U.S. Department of Veterans Affairs, Office of Public and Intergovernmental Affairs, *New VA Initiative Focuses on Combating Fraud, Waste and Abuse* (June 5, 2017) (www.va.gov/opa/pressrel/pressrelease.cfm?id=2912).

To better understand the current processes in place, new initiatives, and the steps you are taking in order to detect and prevent similar acts from occurring in the future, I request that you provide a response to the following questions:

1. How exactly will the STOP FWA initiative combat fraud, waste, and abuse within the VA system?
2. Changing from a decentralized approach of combatting fraud, waste, and abuse to a more centralized approach will require coordination between the VA's three administrations, Health, Benefits, and Cemetery. How will you ensure that all three administrations are working in concert to combat this problem?
3. Does the STOP FWA initiative include methods and processes to identify and prevent kickback schemes?
4. Which metrics will the STOP FWA initiative use to measure success?
5. Outside of the STOP FWA initiative, what steps is the VA taking to prevent kickback schemes and other instances of fraud similar to the one perpetrated at the John Cochran Veterans Administration Center?
6. Is the Department reviewing the procedures and processes in place that allowed the scheme to continue for a period of three years before detection?

I request that VA provide this information on or before June 30, 2017.

Thank you for your attention to this matter. Please have your staff contact Hannah Berner with my Committee staff at (202) 224-5065 with any questions. Please send any official correspondence relating to this request to Amanda_Trosen@hsgac.senate.gov.

Sincerely,



Claire McCaskill
Ranking Member

cc: Ron Johnson
Chairman