



US DEPARTMENT OF VETERANS AFFAIRS OFFICE OF INSPECTOR GENERAL

Office of Audits and Evaluations

VETERANS HEALTH ADMINISTRATION

Alleged Mismanagement of Contracts for Wheelchair-Accessible Transportation Services by the Health Administration Service at the Dallas VA Medical Center in Texas

Review

23-03128-213

September 25, 2024

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Executive Summary

The VA Office of Inspector General (OIG) conducted this review based on a hotline referral received in February 2023 alleging mismanagement of four contracts for wheelchair-accessible transportation services managed by the Health Administration Service at the Dallas VA Medical Center in VA's North Texas Health Care System. The complaint suggested possible invoice and payment violations of VA's financial policy, including that staff did not review invoices before they were paid and invoices did not reflect the current contract prices. The Health Administration Service is responsible for administering the four contracts that provide wheelchair-accessible transportation services for veterans to access VA medical facilities in the healthcare system, including transportation to community care appointments. The contractor is responsible for transporting veteran patients who require travel by a wheelchair-accessible vehicle.¹ According to VA financial policy, VA relies on a system of automated and manual procedures to ensure the accuracy of payments before disbursement.²

What the Review Found

The OIG substantiated the allegation that Health Administration Service officials mismanaged four contracts to provide transportation services for veterans who use wheelchairs.³ Specifically, invoices were not verified by certifying officials, which led to overpayments of approximately \$3.7 million to the vendor for these services. The lack of sufficient invoice review and approval by certifying officials within this system led to improper payments.⁴ Specifically, the OIG found that the Health Administration Service mobility manager did not

- ensure staff followed VA financial policy for reviewing and certifying invoices, or
- provide certifying officials with the current contract rates or a standard operating procedure.

The team reviewed 241 invoices from April 2022 through August 2023, totaling over \$12.6 million. The team found 238 of 241 invoices, or 66,640 of the 81,887 trips (81 percent), were inaccurately invoiced and led to \$3.7 million in invoice overcharges and duplicate payments by the Health Administration Service. This occurred because certifying officials did not verify invoices and relied on program assistants to approve or deny invoices for certification.

¹ Appendix A provides background information about each of the four contracts.

² VA Financial Policy, "Invoice Review and Certification," in vol. 8, *Cash Management* (February 2023) chap. 1A.

³ Appendix B provides more information about the OIG's scope and methodology.

⁴ VA Financial Policy, "Invoice Review and Certification"; Office of Management and Budget (OMB), "Requirements for Payment Integrity Improvement," app. C in OMB Circular A-123, *Management's Responsibility for Enterprise Risk Management and Internal Control*, March 5, 2021. An improper payment is a payment made in the incorrect amount.

Additionally, the mobility manager did not ensure staff followed VA financial policy requirements for reviewing and certifying invoices. If wheelchair-accessible transportation services are interrupted due to a funding shortfall, there is potential for denied access to care for the veterans who rely on them.

What the OIG Recommended

The OIG recommended that the Dallas medical center director, in conjunction with the Health Administration Service chief, develop local policy and standard operating procedures to ensure veteran patient wheelchair-accessible invoices are adequately reviewed before payment. The OIG also recommended that the Health Administration Service chief recover the approximately \$3.7 million in overpayments.⁵

VA Management Comments and OIG Response

The VA Heart of Texas Health Care Network director and executive medical center director concurred with the OIG's two recommendations. To address these recommendations, the VA North Texas Health Care System is developing local policy and recovering overcharges from the contractor, with target completion dates for these activities of September 2024 and September 2025, respectively. Appendixes D and E provide the full text for both directors' comments. Overall, the proposed corrective measures in the Veterans Health Administration's (VHA) action plans are responsive to the recommendations. The OIG will monitor the implementation of the planned actions and will close the recommendations once VHA has provided sufficient evidence of corrective actions.



LARRY M. REINKEMEYER
Assistant Inspector General
for Audits and Evaluations

⁵ Appendix C shows the monetary benefits associated with the OIG's analysis.

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Abbreviations

COR	contracting officer's representative
OIG	Office of Inspector General
VHA	Veterans Health Administration



Introduction

The VA Office of Inspector General (OIG) conducted this review based on a hotline referral received in February 2023 alleging mismanagement of four contracts for wheelchair-accessible transportation services at the Dallas VA Medical Center in VA's North Texas Health Care System.⁶ According to the Health Administration Service chief, his office is responsible for managing the four contracts that provide transportation services for veterans who use wheelchairs or scooters to access VA medical facilities in the healthcare system, including transportation to community care appointments. The contractor is responsible for transporting veteran patients who require travel by a wheelchair-accessible vehicle. According to VA financial policy, VA relies on a system of automated and manual procedures to ensure the accuracy of payments before disbursement.⁷

The hotline referral alleged mismanagement of contracts for wheelchair-accessible transportation services after a request was made for an additional \$5.3 million for the contract. Specifically, the complaint alleged that

- Health Administration Service staff did not review invoices received from the contractor before certification,
- charges on invoices did not match the contracted rates,
- staff paid invoices from incorrect purchase orders/contracts, and
- staff did not have current contract rates or a copy of standard operating procedures.

These alleged discrepancies concerning the nature of the contract suggested possible invoice and payment violations of VA's financial policy that would have contributed to improper payments. In addition, the complainant alleged the contracts were time-and-materials contracts (in other words, expenses should vary based on the actual cost for labor and materials), yet dollar amounts remained consistent. However, the review team found the contracts were fixed-price contracts, which means the price represents an all-inclusive rate. Therefore, the OIG determined labor hours and actual cost for material charges did not apply.

Veterans Transportation Program

The Veterans Transportation Program offers travel solutions for veterans to get to and from VA healthcare facilities at little or no cost to the veteran through services such as the Veterans

⁶ The healthcare system is a part of Veterans Integrated Service Network 17, which is approximately 240,000 square miles and includes most of Texas and two counties in Oklahoma.

⁷ VA Financial Policy, "Invoice Review and Certification," in vol. 8, *Cash Management* (February 2023) chap. 1A.

Transportation Service and Beneficiary Travel.⁸ Veterans who qualify for VA healthcare benefits may use the Veterans Transportation Service for transportation to participating VA medical centers. It is Veterans Health Administration (VHA) policy that individuals are provided transportation that is appropriate for their condition and clinical needs.⁹

Special-Mode Transportation

Special-Mode Transportation is a category within VA's Beneficiary Travel Program that includes transportation designed to transport individuals with disabilities.¹⁰ VA will approve payment for special-mode transportation—such as a wheelchair van—if travel is medically required, the beneficiary is unable to pay the cost of such transportation, and VHA approved the travel before it occurred.¹¹ VHA is authorized to make payments for travel expenses incurred by veterans and other persons who receive care or services from VHA, including care received through community care.

The Health Administration Service at the Dallas VA Medical Center

The Health Administration Service at the Dallas VA Medical Center manages the four contracts that provide wheelchair-accessible transportation services for veterans who receive care from some VA medical facilities within the North Texas Health Care System, including transportation to local medical appointments in the community. The contractor is required to provide transportation with vehicles that can accommodate wheelchair users.

The four service contracts the OIG reviewed were awarded to one vendor for services within the healthcare system. The contracts began on April 1, 2022, with the option to extend through March 31, 2027. The combined contract purchases cannot exceed \$27 million. For additional background information about the four contracts, see appendix A.

The Health Administration Service organizational structure consists of administrative and transportation staff. The primary focus of this review was to determine whether staff took appropriate action to review and certify the contract invoices before payment. There were six VHA individuals involved in the management and execution of the transportation contracts at the time of the OIG's review: the mobility manager, who has assumed the role of the contracting

⁸ The Veterans Transportation Program is a part of Member Services in the Office of the Assistant Under Secretary for Health for Operations. It is an operations and support office providing oversight and administration of healthcare benefits.

⁹ VHA Directive 1695(1), *Veterans Transportation Services*, November 22, 2022.

¹⁰ VHA Directive 1695(1).

¹¹ VHA Directive 1601B.05, *Beneficiary Travel*, January 20, 2022.

officer’s representative (COR); three certifying officials; and two management and program assistants.¹² Figure 1 illustrates the organization of the staff involved in invoice certification.

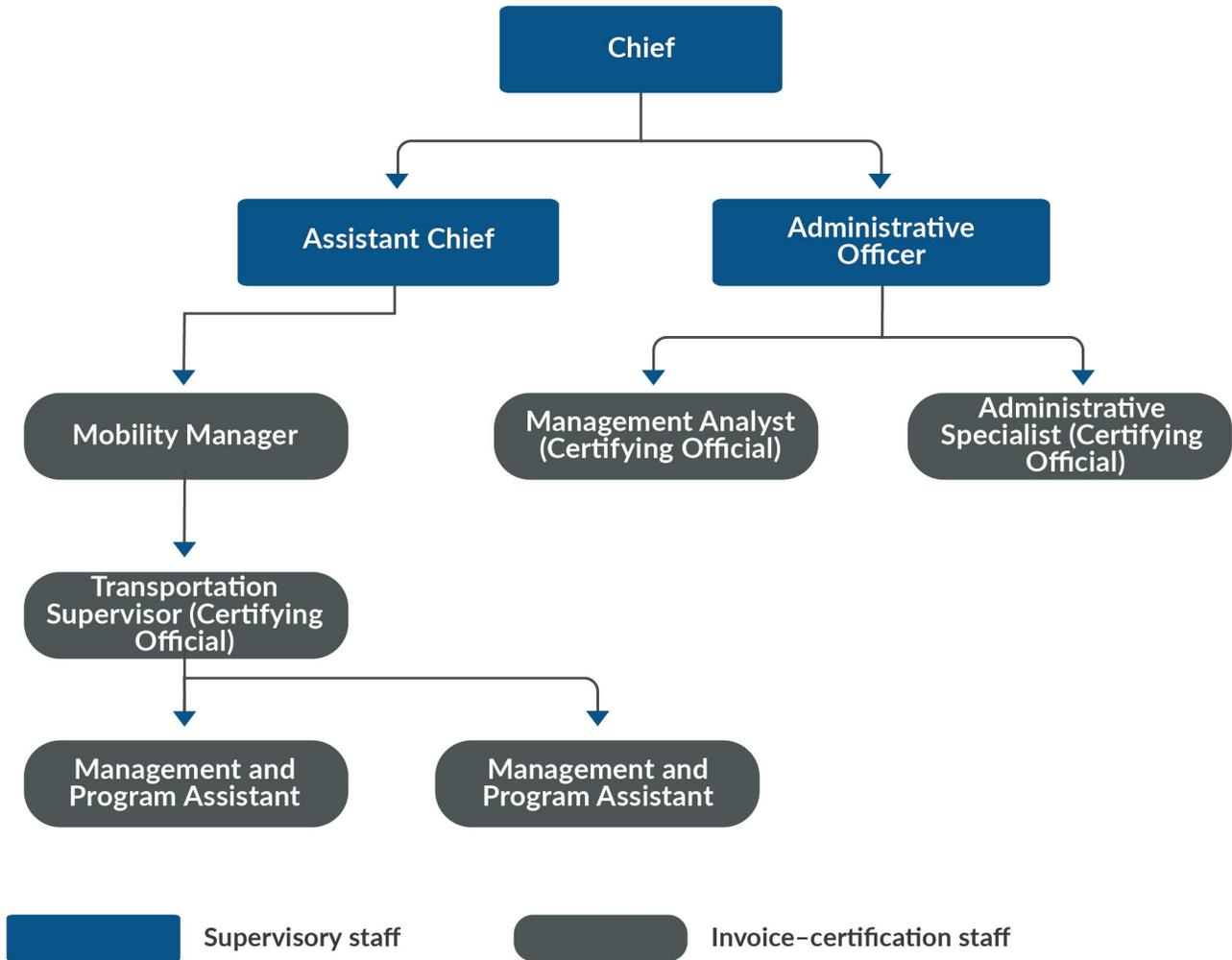


Figure 1. Health Administration Service organizational structure.

Source: VA OIG analysis of VHA Health Administration Service staff interviews.

¹²“A contracting officer’s representative (COR) assists in the technical monitoring or administration of a contract. The COR shall maintain a file for each assigned contract. The file must include, at a minimum (a) A copy of the contracting officer’s letter of designation and other documents describing the COR’s duties and responsibilities....” Federal Acquisition Regulation 1.604. (2022). According to the mobility manager, she assumed the responsibilities of the COR for these four contracts without a COR designation letter that describes the COR duties and responsibilities, as required by the Federal Acquisition Regulation and VA policy.

Role of the Mobility Manager

The mobility manager for the Veterans Transportation Service is responsible for following guidelines and requirements laid out in VA policy and in the role's position description.¹³ According to VHA Directive 1695(1), managers are responsible for applying transportation services policy and training and supervising staff.¹⁴ The position description requires the individual to oversee and coordinate the Veterans Transportation Program, manage the Beneficiary Travel Program, serve as the point of contact for other community providers of transportation, and advise the medical center's leaders and managers about the transportation program.¹⁵ The individual oversees transportation scheduling for veterans and matters related to resource allocation; program development; funding; and the Beneficiary Travel and Special-Mode Transportation audit processes, policies, and procedure guides. The manager also supervises transportation service staff.

Role of the COR

A COR assists in the technical monitoring or administration of a contract and maintains a file for each assigned contract, which includes a copy of the COR's letter of designation and other documents describing position duties and responsibilities, according to the Federal Acquisition Regulation.¹⁶ The contracts define the COR as the VA official responsible for providing technical guidance to the contractor and contracting officer, certifying invoices, and overseeing technical aspects of the contract.¹⁷

VA's financial policy states that, unless otherwise designated, a COR or their technical representative is the individual who certifies an invoice for payment to ensure all information is accurate in accordance with the related obligation document.¹⁸ According to the VA Acquisition Manual, the COR and the program manager must review the contractor's submitted invoices for payment in a timely manner, as well as review the terms and conditions of the contracts to which they are assigned. The acquisition manual also states the COR should not recommend invoice payment solely on the recommendation of another government employee.¹⁹

¹³ VHA Directive 1695(1).

¹⁴ VHA Directive 1695(1).

¹⁵ The team reviewed the supervisory mobility transportation specialist's position description for the Dallas VA Medical Center.

¹⁶ Federal Acquisition Regulation 1.604.

¹⁷ Wheelchair Transportation Service contracts A, B, C, and D, April 1, 2022.

¹⁸ VA Financial Policy, "Invoice Review and Certification."

¹⁹ Department of Veterans Affairs Acquisition Manual, "Contracting Officer's Representative (COR) Guidance," in part M801, *Department of Veterans Affairs Acquisition Regulation System* (July 2023), M801.604-70.

Role of the Certifying Officials

VA's financial policy describes the certifying official's responsibilities for ensuring that each invoice is accurate and in accordance with the related contracting document before it is paid.²⁰ Unless otherwise designated, a COR or their technical representative is the certifying official who ensures invoices

- list prices, subtotals, and totals that are accurate;
- indicate the obligation number;
- align with the terms of the contract, purchase order, or agreement; and
- are not duplicates or have not already been paid.²¹

Role of the Management and Program Assistants

According to the Health Administration Service chief and a certifying official, there are two management and program assistants who review invoices. The primary role for one of them is to perform a variety of administrative duties, such as compiling, monitoring, maintaining, computing, or verifying the accuracy of the data that pertain to business functions, performance measures, compliance, internal productivity, and auditing activities. The other assistant's primary role is to conduct a variety of complex and substantive administrative functions.

²⁰ Certifying officers are responsible for approving payments to Treasury.

²¹ VA Financial Policy, "Invoice Review and Certification."

Position Roles for the Invoice Payment Process

The Health Administration Service’s invoice payment process for wheelchair-accessible transportation services is illustrated in figure 2.

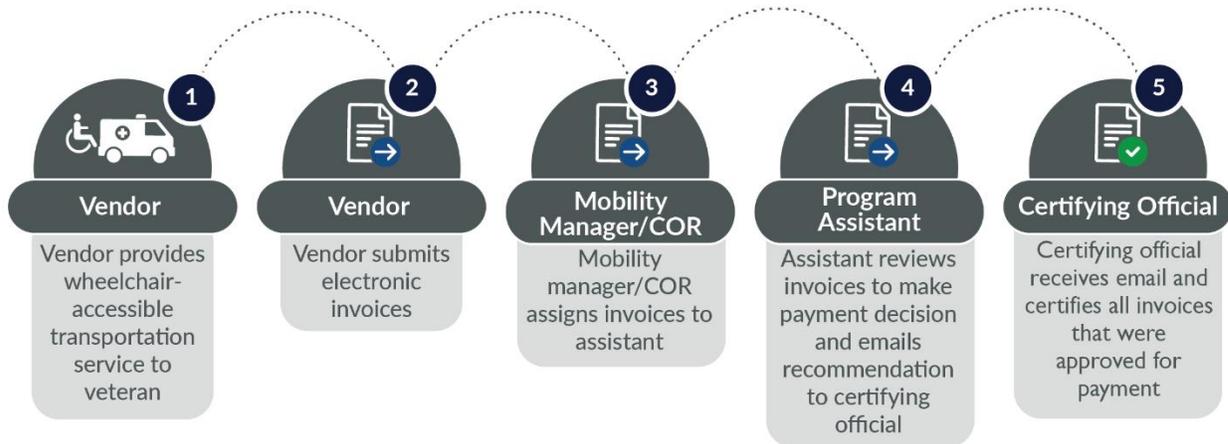


Figure 2. Payment process for wheelchair-accessible transportation services.

Source: VA OIG analysis of VHA Health Administration Service staff interviews and contract documents obtained from the electronic Contract Management System.

Results and Recommendations

Finding: Officials' Lack of Effective Oversight Led to Overpayment of Wheelchair-Accessible Transportation Service Charges

The OIG substantiated allegations that Health Administration Service officials did not properly oversee four contracts for wheelchair-accessible transportation services.²² The team based this finding on the following determinations:

- The Health Administration Service overpaid approximately \$3.7 million for wheelchair-accessible transportation services.
- Certifying officials did not verify invoices and relied on program assistants to approve or deny invoices for certification.
- The mobility manager did not ensure staff followed VA financial policy requirements for reviewing and certifying invoices.
- Local policy and procedures are needed to improve the invoice certification process.

The review team did not substantiate the allegation that rates did not align with a time-and-materials contract. The OIG found the contracts were fixed-price contracts and not time-and-materials; therefore, labor hours and actual costs for material charges did not apply.

It is the responsibility of the mobility manager to oversee special-mode transportation audit processes, policies, and procedure guides; however, according to the mobility manager, she did not provide certifying officials with the contract rates or standard operating procedures. Without this information, certifying officials are at continued risk of overpaying invoices. The lack of sufficient invoice review and approval by certifying officials within this system led to improper payments.²³ The overpayments contributed to contract modification requests to cover shortfalls for outstanding invoices and future invoice payments. If wheelchair-accessible transportation services are interrupted due to a funding shortfall, there is potential for denied access to care for the veterans who rely on them.

²² Special-mode transportation encompasses several forms of transport for veterans; wheelchair transportation is one category.

²³ VA Financial Policy, "Invoice Review and Certification"; Office of Management and Budget (OMB), "Requirements for Payment Integrity Improvement," app. C in OMB Circular A-123, *Management's Responsibility for Enterprise Risk Management and Internal Control*, March 5, 2021. An improper payment is a payment made in the incorrect amount.

What the OIG Did

The review team visited the Dallas VA Medical Center in August 2023. While on-site, the team conducted interviews with Health Administration Service managers and staff about their responsibilities related to management for wheelchair-accessible transportation service contracts. The team also interviewed the complainant, the contracting staff, and the former Health Administration Service chief. The OIG obtained and reviewed contract documents to determine whether invoice charges aligned with contract rates in accordance with financial policy. Appendix B provides more information about the OIG’s scope and methodology.

The Health Administration Service Overpaid Approximately \$3.7 Million for Wheelchair-Accessible Transportation Services

The team reviewed 241 invoices from April 2022 through August 2023, accounting for 81,887 trips and totaling over \$12.6 million. Of this total expenditure, Health Administration Service overpaid the contractor approximately 30 percent, or \$3.7 million, for mileage overcharges and duplicate invoices.

The team found 238 of 241 invoices (99 percent)—accounting for 66,640 of 81,887 trips (81 percent)—were overcharged for mileage. Three of 241 were found to be duplicate invoices and occurred because certifying officials did not review the invoices before certifying them. According to VA financial policy, certifying officials are responsible for ensuring and attesting that each invoice is accurate and in accordance with related obligation documents.²⁴ Table 1 shows the total gross dollar amount and number of incorrect overcharges, undercharges, and duplicate invoices.

Table 1. Summary of Improper Payments

Errors found	Total amounts incorrectly billed	Invoices reviewed
Overcharges for mileage	\$3,423,081	238
Undercharges for mileage	\$8,059	
Duplicate invoices	\$315,987	3
Total	\$3,747,127	241

Source: VA OIG analysis from Invoice Payment Processing System data.

²⁴ VA Financial Policy, “Invoice Review and Certification.”

Table 2 summarizes how trips were charged.

Table 2. Summary of Trips Reviewed

Type of charge	Number of trips reviewed
Overcharged	66,640
Undercharged	92
Correctly charged	15,155
Total	81,887

Source: VA OIG analysis from Invoice Payment Processing System data.

From April 1, 2022, through March 31, 2023 (the base year), three of the four contracts had a \$75 base rate and one contract had a \$120 base rate. The base rates included the first 20 miles of a trip. From April 1, 2023, through March 31, 2024 (option year 1), the contracts' base rate included the first 40 miles. The charge for additional mileage was \$4.50 per mile for both years. When the assistants verified the invoice charges, they did not know the base rate included the first 20 or 40 miles and accepted overcharges for the veteran patients' trips. Although the assistant's rate calculation was inaccurate, the invoice was approved for certification if the contractor's invoice did not exceed the calculation. Example 1 shows the calculation error that led to one of the overcharged trips.

Example 1

For a one-way wheelchair-accessible van trip with a travel distance of 30.89 miles, the invoice charge was \$191.50. The charge should have been \$124.01—a \$75.00 base rate for the first 20 miles and \$4.50 for each of the 10.89 subsequent miles. This resulted in an overpayment of \$67.50.

The OIG also determined that certifying officials did not review invoices to ensure the rates used to calculate trip costs were accurate, as example 2 shows.

Example 2

Fourteen certified invoices were billed for mileage at higher rates than what was permitted by the contract. According to the mobility manager, the assistants used rates from a prior contract to approve invoice charges. The total amount of overcharges for these invoices was \$20,533.

In addition to paying for overcharged mileage, the Health Administration Service staff certified three of 241 invoices for payment twice, totaling nearly \$316,000. Example 3 discusses one instance.

Example 3

On October 25, 2022, the transportation supervisor incorrectly certified an invoice in the amount of \$144,791.84, and it was paid on November 1, 2022. The next day, the same invoice was reviewed by one of the assistants and was denied because the veteran information on the invoice was incorrect. The vendor corrected the invoice, and approximately three months later, on February 10, 2023, the invoice was paid again for the same amount of \$144,791.84.

Certifying Officials Did Not Verify Invoices

According to VA financial policy, the certifying official is responsible for reviewing invoices to ensure their accuracy and that they are not duplicates or have not been paid previously.²⁵ Specifically, the certifying official’s review should ensure that invoices

- list prices, subtotals, and totals that are accurate;
- indicate the obligation number;
- align with the terms of the contract, purchase order, or agreement; and
- are not duplicates or have not already been paid.²⁶

However, the OIG found that certifying officials at the Dallas VA Medical Center relied on the assistants for invoice review and certified the invoices without verifying invoices for accuracy.

The team interviewed three certifying officials about their process for certifying invoices, and all three stated they relied on the assistants’ reviews and decisions to certify or deny the invoice. The certifying officials receive an email from the assistants with the purchase order number, the dollar amount to pay, and whether to certify or deny the invoice. The certifying officials then use the Invoice Payment Processing System to certify invoices based on the email information. It is a violation of VA financial policy for certifying officials to certify an invoice without verifying it.²⁷

The Mobility Manager Did Not Ensure Staff Followed VA Financial Policy Requirements

A review of the mobility manager position description showed one of the manager’s responsibilities is to serve as the COR for medical center transportation-related contracts

²⁵ VA Financial Policy, “Invoice Review and Certification.”

²⁶ VA Financial Policy, “Invoice Review and Certification.”

²⁷ VA Financial Policy, “Invoice Review and Certification.”

involving veteran and beneficiary transportation. The contracts define the COR as the “VA official responsible for providing technical guidance to the contractor and Contracting Officer. Responsibilities include certification of invoices, providing technical guidance, [and] overseeing technical aspects of the contract.”²⁸ The mobility manager assigned to the contracts for wheelchair-accessible transportation services told the review team that she had been managing the contracts as the COR since March 2022 and that, as such, she manages the contract modification process, meets with the assistants to discuss invoice reviews, and talks to the contractor on a monthly basis. Despite assuming the responsibilities as the COR, she did not have an official COR designation letter describing the COR duties and responsibilities as required by the Federal Acquisition Regulation.²⁹

The mobility manager did not ensure certifying officials followed VA financial policy requirements for reviewing and certifying invoices. Certifying officials were not aware of their responsibilities for invoice review and did not have sufficient contract knowledge to conduct reviews. This occurred, in part, because the mobility manager did not provide the certifying officials with the contract rates or a standard operating procedure and did not ensure certifying officials followed VA financial policy requirements.³⁰ Instead, the mobility manager provided the current contract rates to the assistants because they were the individuals reviewing invoices for accuracy. One of the certifying officials was included in the emails to the assistants; however, he informed the review team that he does not review the contract. This practice does not align with VA’s financial policy, which places responsibility on the certifying officials to ensure the accuracy of the invoice.³¹

Local Policy and Procedures Are Needed to Improve the Invoice Certification Process

According to the mobility manager, there are no local policies or procedures that she is aware of that provide guidance for executing the invoice review and payment process for the Veterans Transportation Service. When the OIG team asked how she was ensuring contract compliance, she stated that she relies on the staff’s expertise for invoice review because they had been performing this duty for a long time. During her interview with the review team, the mobility manager also stated she was not aware of the certifying official’s responsibilities and followed the existing process when she started her position. The team also asked the Health

²⁸ Wheelchair Transportation Service contracts A, B, C, and D, April, 1, 2022.

²⁹ Federal Acquisition Regulation 1.604. While there is a signed COR nomination and acknowledgements memorandum that appoints the mobility manager to be the COR, the team was told by the mobility manager there is no COR designation letter that describes the COR duties and responsibilities. The contracting officer provided COR designation letters effective November 16, 2023, approximately 19 months after the effective date of the contracts of April 1, 2022. The letter was not signed by the mobility manager acknowledging her duties and responsibilities.

³⁰ VA Financial Policy, “Invoice Review and Certification.”

³¹ VA Financial Policy, “Invoice Review and Certification.”

Administration Service chief and a former chief whether there were local standard operating procedures for the Veterans Transportation Service. The Health Administration Service assistant chief and the former Health Administration Service chief confirmed there were no local polices or procedures directing the review of these contracts.

At the beginning of the contract period, the mobility manager sent an email to the assistants, informing them that the contracts had been awarded. The email contained the purchase order numbers, base price, and mileage rate; however, the email did not include details regarding billing procedures or explain that the base rate for the base year would include the first 20 miles of a trip.³² During the team's observations of invoice reviews and certifications, neither the assistants nor the certifying officials referred to the contract or to the email from the mobility manager stating the contract rates. According to the administration officer, who previously served as the mobility manager, certifiers did not need to see the contract because the information was provided in an email. This business practice continued through the succeeding mobility managers.

According to a management and program assistant, there are no local procedures for processing invoices. Two of the three certifying officials also stated there was either no handbook or they were unaware of any policy, guidance, or standard operating procedures for processing invoices. One of the certifying officials stated they received training to operate the Invoice Payment Processing System.

Although it is the assistants who are deciding whether to certify or deny an invoice, the OIG determined these decisions are not based on invoice certification requirements in VA financial policy to ensure invoices align with the terms of the contract and are accurate before payment.³³ Furthermore, the assistants are not designated as certifying officials. Certifying officials followed the existing practice of relying on the assistants for invoice review and certified invoices without reviewing them for accuracy, which contributed to inaccurate payments.

Conclusion

The Health Administration Service overpaid \$3.7 million in invoice overcharges and duplicate invoices.³⁴ This occurred because the mobility manager did not (1) ensure staff followed VA financial policy requirements for reviewing and certifying invoices and (2) provide certifying officials with the contract information or standard operating procedures necessary to ensure invoices were correct before they were paid. The facility is at risk of continuing to make

³² From April 1, 2022, through March 31, 2023 (the base year), the four contracts had a \$75 base rate that included the first 20 miles of a trip; from April 1, 2023, through March 31, 2024 (option year 1), the contracts' base rate included the first 40 miles.

³³ VA Financial Policy, "Invoice Review and Certification."

³⁴ Appendix C shows the monetary benefits associated with the OIG's analysis.

improper payments by failing to verify invoice accuracy against the terms of the contracts before certifying invoices for payment. To ensure invoices are accurately certified before payment and to reduce the risk of improper payments, the Health Administration Service needs to develop standard operating procedures and communicate them to certifying officials. Had the lack of funds interrupted wheelchair-accessible transportation services, it could have resulted in denied access to care for veterans who rely on this service.

Recommendations 1–2

The OIG made two recommendations to officials at the Dallas VA Medical Center. The OIG recommended that the Dallas VA Medical Center director

1. Coordinate with the Health Administration Service chief to develop local policy and standard operating procedures to ensure wheelchair-accessible transportation service invoices are adequately reviewed before certification for payment in accordance with financial policy and contract documentation.

The OIG recommended that the Health Administration Service chief

2. Recover approximately \$3.7 million from the contractor for transportation overcharges.

VA Management Comments

The VA Heart of Texas Health Care Network director and the executive medical center director concurred with recommendations 1 and 2 and provided action plans for each.

For recommendation 1, the VA North Texas Health Care System will develop a local policy and standard operating procedures to ensure wheelchair-accessible transportation service invoices are adequately reviewed before certifying them for payment in accordance with financial policy and contract documentation. The target completion date for this action plan is September 2024. To address recommendation 2, the mobility manager and contracting and fiscal offices have initiated the process of recovering overcharges from the contractor. In addition, the VA North Texas Health Care System's contracting officer requested the contractor perform an internal audit. The target completion date for this action plan is September 2025. Appendixes D and E provide the full text of VHA's comments.

OIG Response

The OIG considers the corrective action plans provided by the medical center director to be responsive to the intent of recommendations 1 and 2. The OIG will monitor the implementation of the planned actions and will close the recommendations once VHA has provided sufficient evidence of corrective action.

Appendix A: Background

The four contracts were awarded to one vendor for services within the healthcare system and are referred to according to their service area in Texas: Denton, Bonham, Dallas, and Fort Worth.

The contracts are fixed price, and all trips are charged a base rate from the pickup to the drop-off locations, as well as a mileage rate. The contracts' base rate is defined as the rate paid for one-way transportation and handling of a veteran patient from a designated pickup point to a designated delivery point. According to the contracts, this rate will be paid for all authorized one-way trips with a VA-approved passenger onboard for up to 20 miles during the base year and up to 40 miles during option year 1. These contracts have an all-inclusive rate including labor, incidental costs, overhead, and insurance premium payments for applicable coverage. Round trips are considered two separate trips in terms of wait time, mileage, and base rate.

Appendix B: Scope and Methodology

Scope

The VA Office of Inspector General (OIG) review team conducted its work from August 2023 through June 2024. The team reviewed the monitoring and oversight of four contracts for wheelchair-accessible transportation services and analyzed 241 invoices from April 2022 through August 2023.

Methodology

The review team evaluated applicable laws, regulations, policies, procedures, and documentation related to the management of the contracts. The review team visited the Dallas VA Medical Center in August 2023 and interviewed Veterans Health Administration (VHA) staff. Team members also interviewed the complainant, the former Health Administration Service chief, and contracting staff, and the team obtained relevant documents from VHA staff and from the electronic Contract Management System.³⁵

Data Reliability

Computer-processed data was used and determined to be reliable for the purpose of this review. Information was obtained from the Invoice Payment Processing System by OIG data services. The review team assessed the reliability of this data and compared the information against vendor invoices submitted to VHA. The OIG believes the data and documents obtained are sufficiently reliable to support its objectives, conclusions, and recommendations.

Government Standards

The OIG conducted this review in accordance with the Council of the Inspectors General on Integrity and Efficiency's *Quality Standards for Inspection and Evaluation*.

³⁵ The electronic Contract Management System was used to obtain wheelchair contract documents.

Appendix C: Monetary Benefits in Accordance with Inspector General Act Amendments

Recommendation	Explanation of Benefits	Better Use of Funds	Questioned Costs ³⁶
2	Health Administration Service certifying officials did not verify invoice charges aligned with the terms of the contract prior to certification for payment, which violated VA policy.	\$0	\$3,739,068
	Total	\$0	\$3,739,068

³⁶ The Office of Inspector General (OIG) questions costs when VA action or inaction (such as spending or failure to fully compensate eligible beneficiaries) is determined by the OIG to violate a provision of law, regulation, contract, grant, cooperative agreement, or other agreement; when costs are not supported by adequate documentation; or when they are expended for purposes that are unnecessary or unreasonable under governing authorities. Within questioned costs, the OIG must, as required by section 405 of the IG Act, report unsupported costs. Unsupported costs are those determined by the OIG to lack adequate documentation at the time of the audit. Of the \$3,739,068 in questioned costs, none were unsupported costs.

Appendix D: VISN 17 Director Comments

Department of Veterans Affairs Memorandum

Date: 8/27/2024

From: Director, VA Heart of Texas Health Care Network (10N17)

Subj: Office of the Inspector General Draft Report, Alleged Mismanagement of Contracts for Wheelchair-Accessible Transportation

To: Assistant Inspector General for Audits and Evaluations (52)
Executive Director, Office of Integrity and Compliance (10OIC)

1. Thank you for the opportunity to review and respond to the Review of Alleged Mismanagement of Contracts for Wheelchair-Accessible Transportation, North Texas Veterans Healthcare System, Dallas Texas.

2. I have reviewed and concur with the recommendations in this report.

The OIG removed point of contact information prior to publication.

(Original signed by:)

Wendell Jones, M.D., M.B.A.

Network Director, VISN 17

Appendix E: Executive Medical Center Director Comments

Department of Veterans Affairs Memorandum

Date: 8/27/2024

From: Executive Medical Center Director (00)

Subj: Office of the Inspector General draft report, Alleged Mismanagement of Contracts for Wheelchair-Accessible Transportation

To: Network Director, VA Heart of Texas Health Care Network (10N17)

1. The VA North Texas Health Care System has reviewed the draft report for Alleged Mismanagement of Contracts for Wheelchair-Accessible Transportation of the VA North Texas Healthcare System and provides the below responses.
2. The North Texas Healthcare System concurs with Recommendations 1 and 2 and provides the attached implementation plan with target completion dates.

The OIG removed point of contact information prior to publication.

(Original signed by:)

Jason Cave, J.D., SES

Executive Medical Center Director

Attachment

VETERANS HEALTH ADMINISTRATION (VHA)

Action Plan

**Alleged Mismanagement of Contracts for Wheelchair-Accessible Transportation (project number
2023-03128-AE-0123)**

Recommendation 1. Coordinate with the Health Administration Service chief to develop local policy and standard operating procedures to ensure wheelchair-accessible transportation service invoices are adequately reviewed before certification for payment in accordance with financial policy and contract documentation.

Medical Center Director Comments: Concur

The VA North Texas Health Care System is developing a local policy and standard operating procedures (SOP) to ensure that we adequately review wheelchair-accessible transportation service invoices before certifying them for payment in accordance with financial policy and contract documentation. The policy and SOP will consist of a three-level verification that outlines a systematic review process. All Wheelchair and Ground Ambulance invoices received through the Invoice Payment Processing System (IPPS) will require an audit checklist verifying all invoices' accuracy. The facility will train the Mobility Manager, Travel Supervisor, and audit staff on the new policy and SOP and will require them to complete VA Talent Management System course 3834146 on Unauthorized Commitments.

Status: In Progress Target Completion Date: September 2024

Recommendation 2. Recover approximately \$3.7 million from the contractor for transportation overcharges.

Medical Center Director Comments: Concur

The Mobility Manager, Contracting, and Fiscal offices have initiated the process of recovering overcharges from the contractor. The VA North Texas Health Care System's contracting officer requested the contractor perform an internal audit. The Health Administration Chief will provide updates on the recovery of overcharges monthly to the VA North Texas Health Care System Compliance Committee.

Status: In Progress Target Completion Date: September 2025

*For accessibility, the original format of this appendix has been modified
to comply with Section 508 of the Rehabilitation Act of 1973, as amended.*

OIG Contact and Staff Acknowledgments

Contact	For more information about this report, please contact the Office of Inspector General at (202) 461-4720.
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