

# Pay to Veterans is Off by \$20 Million

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WASHINGTON - The Pentagon, in a rush to shrink a backlog of unprocessed claims, wrongfully denied money to nearly 2,000 severely disabled veterans, a House lawmaker said Wednesday.

Rep. [Dennis Kucinich](#), D-Ohio, said his staff also calculated that the Pentagon made inaccurate payments of about \$20 million to approximately 2,500 veterans who received payments in excess of \$2,500 under a specific claims program.

Kucinich, in a letter to Teresa McKay, director of the Defense Finance and Accounting Service, urged quick action to recalculate all "no pay due" determinations and payments in excess of \$2,500 made for the claims program.

"Errors of that magnitude are disgraceful," Kucinich wrote, saying the Pentagon's contractor for the VA Retro program, Lockheed Martin, had miscalculated and mishandled awards for veterans equivalent to an entire combat brigade.

The VA Retro program enacted by Congress extended retroactive benefits for retired veterans whose disabilities were linked to combat or military service.

Kucinich said that around last March the DFAS, in order to clear up a multiyear backlog in VA Retro cases, suspended its quality control standards. It substituted Lockheed's less stringent standards, which led to the mistakes.

Last July, the House Oversight subcommittee on domestic policy that Kucinich chairs issued a report finding that about 28,000 veterans had their claims denied when the government stopped its quality assurance checks. On Wednesday, his staff said it had further calculated that, of the 28,000, between 1,782 and 1,985 disabled veterans were wrongfully denied a payment.

There was no estimate of the average denied payment, but the July report cited the case of an Army veteran wounded in Vietnam whose claim was initially rejected but who eventually was awarded \$15,000.

The latest calculations also estimate errors of about \$20 million, from both overpayments and underpayments, to veterans receiving more than \$2,500. Kucinich said Pentagon rules that all payments in excess of \$2,500 be subject to a second check were ignored when the office moved to clear up the backlog.

There was no immediate comment from DFAS. In July, a spokesman said the office had established "a reliable and repeatable process" allowing it to judge incoming claims within 30 days.