



**NO ONE DOES MORE FOR VETERANS.**

# Veterans of Foreign Wars Legislative Priorities

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## **Cracking Down on Predatory Claims Companies**

### **The VFW's Concerns:**

The VFW is concerned that bad actors have been preying on veterans by seeking to access their earned Department of Veterans Affairs (VA) benefits. When the COVID-19 pandemic struck, unaccredited consulting groups that the VFW calls "Claim Sharks" viewed the chaos as an exploitation opportunity. Since the passage of the PACT Act, they have ramped up their efforts even more.

These groups aggressively advertise online and make promises to increase veterans' disability ratings. Some charge thousands of dollars in fees for their services and even request VA login credentials to track when veterans receive future ratings increases. If a veteran receives a disability percentage increase years later, often these companies return seeking more money. Furthermore, they routinely obtain medical opinions from affiliated medical providers, which raises ethical concerns.

Under VA regulations, accredited representatives of Veterans Service Organizations, like the VFW, cannot charge fees for claims services. We gladly provide these services for free. Attorneys and agents may also seek VA accreditation, and may charge certain fees that are capped and can apply only to retroactive benefits. Claim Sharks, however, avoid accreditation in order to impose exorbitant fees and avoid VA oversight. Several years ago, penalties regarding fees were removed to allow accredited attorneys and agents to charge certain fees, leaving a gap in the law that predators are exploiting. The VFW believes that penalties need to be reinstated. Anyone who assists veterans with the preparation, presentation, or prosecution of VA claims should adhere to established fee caps or be subject to penalties.

### **The VFW urges Congress to:**

Pass the *Governing Unaccredited Representatives Defrauding VA Benefits Act*, known as the *GUARD VA Benefits Act*. This legislation would reinstate penalties for charging veterans and survivors unauthorized fees relating to claims for VA benefits.



## **Claim Sharks Q&A**

### **Q: What makes these companies predatory?**

**A:** The law prohibits anyone who assists veterans with the preparation, presentation, or prosecution of their Department of Veterans Affairs (VA) disability claims to charge fees for their services. Many of these companies use contracts that include a commitment by the veteran to pay them all or a portion of their increased benefits. If a veteran receives a disability percentage increase years later, these companies often return seeking more money. Furthermore, they routinely obtain medical opinions from affiliated medical providers, which raises ethical concerns.

### **Q: Some of these companies say they would seek VA accreditation but there currently is no path for them to do so. Shouldn't our focus be on reforming accreditation?**

**A:** This claim is untrue. Anyone can seek VA accreditation, but then would be subject to oversight by VA's Office of General Counsel and would not be allowed to charge high fees for claims assistance. The VFW is open to discussions about how to improve the accreditation process, but that does not involve making it easier for Claim Sharks to take advantage of veterans.

### **Q: What does it mean when a claims representative or service officer is accredited? What is accreditation?**

**A:** Accreditation by VA authorizes individuals or Veterans Service Organizations (VSOs) to represent veterans for their VA benefits claims. VA accreditation is for the sole and limited purpose of preparing, presenting, and prosecuting claims before VA. Accreditation requires passing extensive training and background checks. VSOs like the VFW have some of the most well-trained and professional claims representatives in the country.

### **Q: Organizations that offer claims assistance for free do not have enough people to serve all the veterans who need it. Aren't these companies filling a gap?**

**A:** This claim is also untrue. The VFW alone has more than two thousand accredited representatives and they helped tens of thousands of veterans receive more than ten billion dollars in VA benefits last year. No private company that charges fees even comes close to those numbers.

### **Q: Why are penalties necessary?**

**A:** Consultants who refuse to adhere to VA's well-established standards of accreditation and fee arrangements should be subject to penalties in the same manner as accredited representatives. This is a much-needed protection to deter bad actors and protect veterans' earned benefits.

### **Q: Why were penalties removed in the first place?**

**A:** Penalties were removed to allow accredited attorneys and agents to charge certain fees for their services. The unintended consequence was that this opened the door to unaccredited, predatory consultants to operate illegally without penalty. We must reinstate these penalties.

## Economic Opportunity's Role in Preventing Suicide

### The VFW's Concerns:

As the VFW has advocated for many years, the Department of Veterans Affairs (VA) must immediately incorporate Veterans Benefits Administration (VBA) benefit usage in its suicide prevention efforts, to include full information on disability compensation, education and employment benefit use, home loan use and foreclosure assistance, and participation in housing and food insecurity programs. VA has recently begun reporting on the convergence of VA benefits and veteran suicide, but not in any substantive manner. We must identify, study, and utilize information regarding economic opportunity benefits, and leverage that information to successfully prevent suicide among veterans.

**Education:** A 2017 study in the *American Journal of Preventive Medicine* found individuals with a college degree were half as likely to die by suicide compared to those with a high school education. A 2020 study of recently transitioned service members found those with fewer years of education had a higher risk of suicide, with lack of education being a likely factor contributing to difficulty finding post-military employment and potentially leading to financial instability.

**Employment:** Unemployment can be detrimental to mental health and is even associated with increased risk for suicide. However, the relationship between unemployment and suicide is a complex one. Providing benefits while veterans are unemployed and making sure they are swiftly reemployed can moderate mental health issues and potentially mitigate suicidal ideations.

**Compensation:** Veterans can feel hopeless, unheard, and retriggered by their trauma during the benefit claims process. They may also face financial hardship with their medical expenses until they can receive care through VA. A 2021 study showed that veterans with a service-connected disability designation who utilized VA services were less likely to attempt suicide.

**Housing:** Data from one study of veterans who self-reported housing instability between 2012 and 2016 indicated over half of these veterans accessed homeless services and associated this use of services to a significant reduction in suicide risk. This is a positive sign for the ability of these programs to perform upstream intervention.

**Note: All of these programs are administered by VBA, but the VA Office of Suicide Prevention is operated out of the Veterans Health Administration (VHA).**

### The VFW urges Congress to:

Direct VA to incorporate full veteran benefit usage in its annual suicide prevention report to show the relationship between VA benefits and veterans who die by suicide. The report must contain detailed usage of benefits the same way VA reports on veteran interactions with VHA.

Direct VA to move the Office of Suicide Prevention from VHA to the enterprise level at VA. This will allow for study and utilization of all resources from both VHA and VBA to combat veteran suicide.

Direct VA to provide utilization reports on community grants for suicide prevention.

## Retirement and Military Personnel

### The VFW's Concerns:

Reform to retirement pay and disability compensation policy is long overdue. Congress has not passed substantive concurrent receipt legislation for military retirees in nearly two decades, leaving scores of service-connected disabled retirees in challenging predicaments. The VFW has long argued that Department of Defense (DOD) retirement pay and Department of Veterans Affairs (VA) service-connected disability compensation are fundamentally different benefits, earned for different reasons. Currently, only those retirees who served at least twenty years and are at least fifty percent service-connected disabled are allowed to receive their full benefits at the same time. All others must forfeit all or part of one to receive the other—a practice known as offsetting. It is troubling that veterans who were medically retired under Chapter 61 before serving twenty years, regardless of disability percentage, also are required to offset their retiree pay with the amount of VA disability compensation they receive.

Chapter 61 retirees include combat-injured and ill veterans with varying abilities who need to find and maintain gainful employment, as well as those requiring round-the-clock caregiver support, resulting in financial strain on themselves and their families. Currently, more than fifty thousand Chapter 61 retirees with combat-related disabilities do not have full access to their vested retirement pay and service-connected disability compensation. These veterans are unjustly being denied the benefits they earned and deserve.

Members of Congress have shown they understand the injustice caused by the retirement pay and disability compensation offset as evidenced by the overwhelming bipartisan and bicameral support for the *Major Richard Star Act* during the 117th Congress. This legislation is quickly garnering support in the current Congress from over one hundred fifty original cosponsors in the House.

### The VFW urges Congress to:

Pass the *Major Richard Star Act* either as a standalone bill or via the National Defense Authorization Act for Fiscal Year 2024 to enable Chapter 61 retirees who sustained combat-related injuries to receive their vested DOD retirement pay and VA disability compensation without offset.