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Office of Audits and Evaluations

VETERANS BENEFITS ADMINISTRATION

Review of VBA's Process for System Overrides

Review

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Executive Summary

The VA Office of Inspector General (OIG) initiated this review in January 2025 to determine whether Veterans Benefits Administration (VBA) claims processors were appropriately overriding warnings and calculator results in the Veterans Benefits Management System for Rating (VBMS-R). The review team considered applicable laws and procedures and evaluated the accuracy of a statistical sample of overrides processed from April 1 through September 30, 2024 (the review period). The OIG found that an estimated 9,900 override actions were not warranted or supported with a valid justification, leading to unnecessary medical exams and improper disability benefits payments.¹

On March 12, 2025, the OIG team presented the sample review results to VBA's Compensation Service, detailing the inaccurate overrides. VBA acknowledged and agreed with those findings. On December 9, 2025, the OIG team provided a formal briefing to VBA officials describing what the review found and discussing some potential recommendations. Since the review period, VBA has sought to enhance aspects of its overrides process, but as of December 19, 2025, VA officials had not yet implemented any changes in policy. After issuing the findings of this review to VBA, the OIG team learned that VBA developed a new reporting dashboard for overrides. VBA noted the new dashboard was still being tested to ensure it meets the needs of field offices and has a target completion date of December 31, 2026. As such, the OIG team has not reviewed or tested it but will monitor the implementation of this dashboard in response to the recommendations of this report.

The OIG made five recommendations to improve processes and guidance related to VBMS-R overrides and increase program effectiveness. The principal deputy under secretary for benefits, performing the delegable duties of the under secretary for benefits, concurred with the OIG's recommendations and provided responsive action plans.

What the Review Found

The override process is critical for maintaining the accuracy of rating decisions. When a veteran files a claim for disability compensation, claims processors use VBMS-R to manage and complete the claim. VBMS-R includes rules-based tools to assist with rating decisions, but claims processors can override system-generated warning messages when the steps do not accurately reflect the evidence in a veteran's claim or current policy.

Based on its sample analysis, the OIG team estimated that 24,100 of the 50,800 overrides that occurred from April 1 through September 30, 2024, involved three of the five override types

¹ See appendix B for the statistical sampling methodology and projections. See appendix C for information on the monetary benefits in accordance with the Inspector General Act.

reviewed (housebound, evaluation builder, and effective date builder) and *were* warranted. But among the remaining estimated 26,600 overrides that involved reexaminations and pyramiding (when the same symptoms are rated under two separate diagnostic codes), the team found that about 9,900 overrides (37 percent) were not warranted or properly justified.² In most of these instances (about 5,200), the override decision was not warranted. These actions by VBA claims processors caused about \$67,200 in improper disability benefits payments and unnecessary exam costs, with the potential to affect future disability benefits payments or result in unnecessary exam costs.

The OIG determined that unwarranted overrides occurred because VBA was not conducting regular quality reviews to provide feedback and did not issue guidance related to justifying overrides. In addition, VBA's ability to perform efficient and effective oversight was inhibited due to limited functionality associated with two oversight tools in VBMS-R. These limitations could cause quality teams to spend time reviewing cases that ultimately do not involve an override. VBA could strengthen oversight by developing and communicating guidance on valid justifications, planning and reestablishing an override review and monitoring process, and identifying and addressing the need to update and use the oversight tools within VBMS-R.

Next Steps

The OIG will continue to evaluate VBA's actions and will close the recommendations once there is complete documentation and sufficient evidence that VBA has addressed the intent of the recommendations and the issues identified in this report.



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² The numbers of override types do not sum to 50,800 due to rounding.

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Abbreviations

FY	fiscal year
OIG	Office of Inspector General
VBA	Veterans Benefits Administration
VBMS-R	Veterans Benefits Management System for Rating



Introduction

The Veterans Benefits Administration (VBA) aims to provide benefits and services to veterans, their families, and their survivors in a responsive, timely, and compassionate manner in recognition of their service to the nation. VBA's disability compensation program provides tax-free benefits payments to veterans for the effects of service-connected disabilities, meaning those caused by diseases or injuries incurred or aggravated during active military service. According to VBA's most recently published *Annual Benefits Report*, in fiscal year (FY) 2024, the veterans' compensation program paid over \$152.5 billion to almost six million recipients.³

When a veteran files a claim for compensation, VBA claims processors use the Schedule for Rating Disabilities (the rating schedule) to guide how they evaluate a service-connected disability. Claims processors manage and complete decisions in a web-based electronic system called the Veterans Benefits Management System for Rating (VBMS-R). VBMS-R guides claims processors through reviewing medical evidence, applying relevant laws and regulations, and ultimately determining the appropriate disability ratings and evaluations for veterans. It also provides rules-based tools and decision recommendations, including calculators and warning messages, programmed to help claims processors identify and resolve certain conflicts and eligibility requirements. However, claims processors can proceed past system warnings and change the results that VBMS-R calculators generate. These actions, known as overrides, are warranted if they align with regulation, policy, or procedure. But unwarranted overrides may lead to inaccurate decisions, improper benefits payments, or unnecessary reexamination costs.

The VA Office of Inspector General (OIG) conducted this review to determine whether VBA claims processors' overrides of VBMS-R system warnings and calculator results from April 1 through September 30, 2024, were in accordance with VBA regulations, policies, and procedures. In a VBA site visit report issued in December 2024, VBA identified an issue with reexamination overrides and provided recommendations. In January 2025, the OIG team initiated this review by conducting an entrance conference with VBA. After the start of the review and after discussions between the OIG team and the Compensation Service, a memorandum was issued by the Compensation Service that summarized its broader analysis of evaluation builder overrides and provided further recommendations.

On March 12, 2025, the OIG team provided the Compensation Service with the sample review results and the Compensation Service agreed with the results. The OIG team also provided an interim briefing with representatives from VBA on December 9, 2025, to share preliminary findings and recommendations. Since the review period, VBA has sought to enhance aspects of

³ VA, *Veterans Benefits Administration Annual Benefits Report: Fiscal Year 2024*, <https://www.benefits.va.gov/REPORTS/abr/docs/2024-abr.pdf>. The *Annual Benefits Report* summarizes the benefits programs that VBA administers. The federal fiscal year runs from October 1 through September 30.

its overrides process, but as of December 19, 2025, VBA officials had not yet implemented any changes in policy. After VBA was provided the findings of this review, the OIG team learned that VBA developed a new reporting dashboard for overrides. VBA reported that the dashboard is still being tested to ensure its usefulness and has a target completion date of December 31, 2026. Therefore, the OIG team has not reviewed or tested it. While this action partially responds to the OIG's recommendations, it does not affect the findings of this report. The review team will monitor the implementation and use of this reporting dashboard during follow-up work.

Overrides and Justifications

An override occurs when a claims processor manually changes the automated steps, such as system warnings and calculator results, when completing a rating decision in VBMS-R. Overrides are necessary when the automated steps do not accurately align with the evidence in a veteran's claim or current policy. The override process helps address limitations in VBMS-R, and the override functionality is critical for maintaining the accuracy of rating decisions.

When a claims processor overrides a system warning or calculator result, VBMS-R records the override. The OIG team reviewed five override types captured in VBMS-R: reexaminations, pyramiding, housebound, evaluation builder, and effective date builder. These are summarized in table 1.

Table 1. VBMS-R Overrides Summaries

Override	Description	Action to override warning
Reexaminations	Federal regulations limit reexaminations of service-connected disabilities when certain conditions exist. ⁴ VBMS-R generates a warning when it identifies one of the conditions.	Claims processors must choose an appropriate justification from a list of options.
Pyramiding	Federal regulation says evaluating the same disability under more than one diagnostic code (pyramiding) must be avoided. ⁵ The system will generate a warning if this condition exists.	Claims processors must input a free-text justification.

⁴ 38 C.F.R. §§ 3.327(a) (2025) and 3.344 (2025); VBA Policy Letter 21-01, Updated Guidance on Routine Future Examination Requests, October 7, 2021.

⁵ 38 C.F.R. § 4.14 (2025).

Override	Description	Action to override warning
Housebound	Federal law and regulation say housebound entitlement may be payable to a veteran who has a single service-connected disability evaluated as 100 percent and an additional service-connected disability or combination of disabilities independently evaluated as 60 percent or more. ⁶ VBMS-R generates a warning for claims processors to review for housebound entitlement when evidence shows criteria are met.	Claims processors must select a reason from a list of options.
Evaluation builder	The evaluation builder is a calculator in VBMS-R that guides claims processors as they enter details needed to generate a diagnostic code and an evaluation percentage for a service-connected disability. ⁷ If a claims processor decides to change the generated diagnostic code or evaluation, VBMS-R generates a warning.	Claims processors must select an override reason from a list of options and provide a free-text justification.
Effective date builder ⁸	Claims processors assign an effective date, or the date that a veteran’s entitlement to benefits begins. The effective date builder is a calculator in VBMS-R that claims processors can use to generate a suggested effective date. If the claims processor decides to override the suggested effective date, VBMS-R generates a warning.	Claims processors must select an override rule and provide a free-text justification.

Source: VA OIG analysis of VBMS-R overrides and methods for justification.

VBMS-R requires claims processors to provide a justification for each override.⁹ The OIG team analyzed applicable federal laws, regulations, policies, and procedures and found no direction on what an override justification should include. In the absence of available published guidance, the OIG requested guidance from the Compensation Service. The Compensation Service’s response to the OIG confirmed there is no published guidance but provided a definition that says a justification would explain how the override action “has a correct, acceptable, or reasonable basis.” In this report, the OIG calls justifications that met the requirements of this definition “valid justifications.”

Review and Oversight of Overrides in VBMS-R

VBA has a Quality Review Team Program (quality team) at each of its facilities where compensation benefits claims are processed. These quality teams review claims processors’

⁶ 38 U.S.C. § 1114(s); 38 C.F.R. § 3.350(i).

⁷ 38 C.F.R. § 4.27 (2025).

⁸ The VA OIG report [The PACT Act Has Complicated Determining When Veterans’ Benefits Payments Should Take Effect](#) (Report No. 24-01153-52, April 15, 2025) highlighted issues with the effective date builder tool producing inaccurate dates.

⁹ Office of Information and Technology, *Ratings User Guide*, CLIN 1003AQ, June 23, 2023.

individual work and provide feedback and training on quality and error trends. In January 2018, VBA's *M21-4 Manual* was updated to include override reviews as a duty of the quality teams. In February 2019, the Compensation Service removed the override review procedures, and in July 2020, this responsibility was removed from the teams' duties altogether.¹⁰

The override process was designed to allow for feedback and improvement of VBMS-R and is necessary for maintaining the accuracy of rating decisions. VBMS-R has two tools available to help VBA staff review overrides: the override review tab and the aggregate dashboard. The override review tab was designed so quality teams can assess pending overrides. The aggregate dashboard in VBMS-R provides a summary report on override activity, which allows for management oversight.

¹⁰ VBA *M21-4 Manual*, "Quality Review Team," updated January 16, 2018, chap. 6.; key changes updated February 13, 2019, and July 20, 2020.

Results and Recommendations

Finding: VBA Claims Processors Performed Unwarranted Override Actions and Provided Invalid Justifications

The OIG determined that unwarranted overrides occurred because VBA was not conducting regular reviews to provide feedback, and it did not issue guidance related to justifying overrides. Such guidance could improve the consistency and accuracy of claims processors' override actions. In addition, limited functionality associated with two oversight tools in VBMS-R inhibited VBA's ability to perform efficient and effective oversight.

During the second half of FY 2024, VBA claims processors completed an estimated 50,800 overrides. An estimated 24,100 of the 50,800 overrides involved housebound, evaluation builder, and effective date builder, and the remaining estimated 26,600 overrides involved reexaminations and pyramiding. The OIG team determined that the 24,100 overrides involving housebound, evaluation builder, and effective date builder were warranted.

However, the team determined that an estimated 9,900 of the 26,600 reexamination and pyramiding overrides (37 percent) were not warranted or supported with a valid justification. In most of these instances (about 5,200), the override decision was not warranted. For the other estimated 4,700, although the override was warranted, the justification provided did not meet VBA's definition.

Based on the team's review of reexamination and pyramiding overrides, the OIG identified 12 unwarranted overrides that led to about \$67,200 in actual payments that could have been avoided, including both disability benefits payments to veterans and unnecessary exam costs.¹¹ The OIG also determined unwarranted overrides had the potential to affect future disability benefits payments or unnecessary exam costs. In addition, unwarranted overrides can hinder VBA's ability to perform efficient and effective oversight, and they can burden veterans with unnecessary monetary costs and stress.

VBA could improve its overrides process by developing and publishing guidance, planning and reestablishing an override review and monitoring process, and addressing the limitations of VBMS-R's oversight tools. VBA has stated it is assessing some available options regarding its reexamination override process, including procedural and technological solutions. VBA has also planned a system enhancement to VBMS-R regarding pyramiding rules, including plans to assess effectiveness and improvements once implemented. Additionally, VBA is discussing

¹¹ The Office of Management and Budget defines federal payments as improper when they are for an incorrect amount, paid to an ineligible recipient, or issued without adequate supporting documentation. Office of Management and Budget, "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.

potential updates to the *Ratings User Guide*, creating a new method for extracting override data, collaborating to implement more effective oversight mechanisms for quality review, and planning enhancements to update override justification reason drop-down list options in VBMS-R. However, as of December 19, 2025, VBA had not yet implemented any changes or updated its policy regarding overrides; these assessments, plans, and discussions were all still in progress. VBA developed a new override-reporting dashboard in February 2026, but the OIG team has not reviewed or tested the tool.

What the OIG Did

To assess VBA claims processors' override actions, the OIG team considered laws, regulations, policies, procedures, and guidelines applicable to the five types of overrides reviewed: housebound, evaluation builder, effective date builder, reexamination, and pyramiding. The OIG team identified no published guidance specifying what is required to be included in a valid override justification—but a definition the Compensation Service provided the team says that a justification would involve explaining how an action “has a correct, acceptable, or reasonable basis.” Compensation Service staff acknowledged that no procedures or guidance precisely explain what reasoning must be provided when performing an override, so in the absence of published criteria, the OIG team relied on the Compensation Service's definition.

The team evaluated the processing accuracy of a statistical sample of 244 overrides performed from April 1 through September 30, 2024. Of the sample, 46 overrides were for the housebound, evaluation builder, and effective date builder types, which the OIG projected made up about 24,100 overrides. The other 198 were for reexaminations and pyramiding, which projected to about 26,600, for a combined estimated total of 50,800 overrides during the six months reviewed.

To understand VBA's guidance regarding overrides, the team interviewed VBA central office staff, staff from VA's Office of Information and Technology, and staff at VA regional offices in Montgomery, Alabama; Chicago, Illinois; Waco, Texas; and San Diego, California. See appendix A for more details on the review's scope and methodology and appendix B for more discussion on the team's statistical sampling.

The team sent notice to the Compensation Service regarding the results of its sample review on March 12, 2025, and obtained agreement on those results on April 9, 2025. The team provided an interim briefing to VBA regarding the review's findings and recommendations on December 9, 2025.

Assessment of Housebound, Evaluation Builder, and Effective Date Builder Overrides

The team reviewed a statistical sample of an estimated 50,800 overrides and separated them into the five types. After assessing these overrides, the team found that an estimated 24,100 overrides

related to the housebound, evaluation builder, and effective date builder types. The team reviewed 46 of the 24,100 overrides—10 housebound, 24 evaluation builder, and 12 effective date builder. The team determined that the decisions to override were warranted in all the samples reviewed. For example, in instances where an effective date builder override occurred, the OIG team determined that the overrides were warranted and the correct effective dates were assigned.

Assessment of Reexamination and Pyramiding Overrides

The OIG estimated that 26,600 overrides were related to reexamination and pyramiding, which comprised slightly more than half of all overrides during the six months the team reviewed. Based on the sample of 198 of these overrides, an estimated 9,900 (37 percent) were not supported with valid justification and, among that group, the decisions to override were not warranted in about 5,200.

Reexamination Reviews

Using results from its sample analysis, the OIG team determined that about 500 of an estimated 660 reexamination overrides during the review period (75 percent) were not warranted or properly justified. The decision to override was not warranted in about 480 of the 500, as described in example 1.

Example 1

A claims processor granted service connection for a disability that warranted a temporary total 100 percent evaluation for six months with assignment of a 10 percent evaluation at the end of that period. However, the claims processor improperly overrode the reexamination warning, established the need for a reexamination for three months in the future, and continued the 100 percent evaluation. This action was improper because federal regulation provides for the assignment to the 10 percent evaluation and not a reexamination.¹² This resulted in an overpayment of benefits of about \$16,000 and an unnecessary medical examination that cost about \$490. VBA agreed with the OIG's conclusion that this override was not warranted.

Pyramiding Reviews

The OIG team found that of an estimated 25,900 pyramiding overrides during the review period, about 9,400 (36 percent) were not warranted or properly justified. About 4,700 had unwarranted decisions, as illustrated in example 2.

¹² 38 C.F.R. § 4.124a (2025).

Example 2

A rating decision granted service connection for bilateral flat foot and assigned a 30 percent evaluation. Separately, the same decision granted service connection for bilateral plantar fasciitis and assigned a 10 percent evaluation. The claims processor improperly overrode the pyramiding warning for these two disabilities and used the symptom of pain in the feet to support both evaluations. This resulted in an overpayment in the amount of about \$3,700. VBA agreed with the OIG's conclusion that this override was not warranted.

Improper Payments and Effect on Veterans

VBA acknowledged in a 2021 policy letter that unnecessary reexaminations “are not a demonstration of good stewardship of resources entrusted to VA” and that reexaminations impact the “efficiency and timeliness of claims processing.”¹³ The letter further noted that reexaminations can incur costs on veterans to attend the appointments and that “some Veterans have reported anxiety and fears when receiving” notice of a reexamination, which could require “invasive medical examinations or cause Veterans to re-experience traumatic events associated with their mental health.”

As illustrated in examples 1 and 2, unwarranted overrides can also result in improper disability benefits payments and costs for unnecessary exams. The OIG team determined 96 reexamination and pyramiding overrides were not warranted. Of these 96 unwarranted overrides, 12 (almost 13 percent) resulted in about \$67,200 in avoidable payments:¹⁴

- Seven overrides led to about \$60,800 in improper disability benefits payments.
- Nine overrides led to about \$6,300 in unnecessary exam costs.

Seventy-six reexamination and pyramiding overrides in the statistical sample of the 96 unwarranted overrides (about 79 percent) also had the potential to affect *future* disability benefits payments or unnecessary exam costs. While these unwarranted overrides may not cause immediate improper payments, future evaluations could change the combined evaluation and result in improper payments. Similarly, scheduled reexaminations that are unwarranted would result in unnecessary costs once the reexaminations do occur.

VBA Guidance Related to Justifying Overrides

Quality team members told the OIG team that the presence of a valid justification would indicate claims processors understand the reason for an override. As of the OIG's review, VBA had no

¹³ VBA Policy Letter 21-01.

¹⁴ See appendix C for information on the monetary benefits in accordance with the Inspector General Act.

published guidance explaining what is required in a valid override justification—and in the OIG team's conversations with 31 VBA staff members, everyone agreed guidance would be helpful.

The OIG team analyzed applicable federal laws, regulations, policies, and procedures and found no direction on what a valid override justification should include. For instance, the *Ratings User Guide* says staff must provide justification for override warnings but has no guidance regarding valid justifications. Given the lack of documented guidance, the OIG team requested guidance from the Compensation Service. A response was provided from the Compensation Service with a general definition that a justification would explain that “the action has a correct, acceptable, or reasonable basis.”

Staff with the Compensation Service's Procedures and Interagency Programs suggested that specific guidance related to work performed in a system, like VBMS-R, would work best in a user guide. A quality consultant in the Compensation Service further noted that information on what constitutes a valid versus invalid justification needs to be communicated to claims processors before Quality Assurance could cite an error. When claims processors provide invalid justifications, it limits the potential for constructive feedback and prevents an accurate analysis of why overrides are performed.

VBA Oversight and Feedback

The OIG team found—and the Compensation Service confirmed—that VBA is not regularly or recurrently reviewing overrides to provide feedback to claims processors, and no standard method or requirement for this exists nationwide. Two tools are available in VBMS-R to support oversight: the override review tab and the aggregate dashboard. But the OIG team learned that regional office staff, including managers and quality teams, were not using these tools to conduct reviews or oversight, and some staff did not know these tools existed.

Starting in January 2018, override reviews were an assigned duty of the quality teams. VBA procedures outlined that quality reviewers were responsible for conducting a review and determining whether the override was warranted. If the override was not warranted, feedback was provided to the claims processor and corrections were monitored. The Compensation Service was generating lists of overrides for the quality team reviews, but experienced difficulties related to the efficiency of this process. The Compensation Service found that sorting through the override data from VBMS-R showed some overrides were reversed before the rating was finalized and showed that overrides were mostly correct. In February 2019, the Compensation Service removed the override review procedures from the *M21-4 Manual*.¹⁵

Some regional office staff said in the absence of constructive feedback through the quality review process, they believed they were completing overrides accurately. However, the quality

¹⁵ VBA *M21-4 Manual*, “Quality Review Team,” updated January 16, 2018, chap. 6.; key changes updated February 13, 2019.

review process does not specifically address overrides, and the Compensation Service is not conducting regular quality reviews of overrides for accuracy or providing individual feedback to claims processors.

In FY 2024, the Compensation Service conducted some broader analysis when its Consistency and Oversight Review staff analyzed reexamination overrides as part of their site visits and found that about 56 percent were accurate. The OIG team initiated this review in January 2025. In April 2025, Compensation Service staff asked for enhancements to VBMS-R related to reexaminations but noted they were not implemented and were being reassessed with other options. The Compensation Service decided in FY 2025 to evaluate overrides with a focus on evaluation builder overrides. This evaluation found about 64 percent of the overrides reviewed were accurate and additional recommendations were developed. Although this work performed by the Compensation Service is related to overrides, it is not the type of regular and individualized feedback that claims processors would receive regarding their specific work on overrides as was designed in the quality team's override review process. The OIG team presented its preliminary findings and recommendations to VBA in a December 2025 meeting and gave VBA an opportunity to discuss and ask questions. VBA acknowledged the accuracy concerns with overrides and discussed enhancements and recommendations it is planning, though these remained unimplemented.

Without adequate oversight that includes regular and recurring quality reviews, claims processors do not receive feedback on the accuracy of their override decisions. Because no written guidance provides clarity and because oversight with feedback is lacking, it increases the risk that similar actions by claims processors in the future could affect veterans and benefits payments. Regular quality reviews and feedback could improve the consistency and accuracy of decisions and help identify potential outliers and indications of improper behavior.

VBMS-R Tools for Review and Oversight

During this review, the OIG team learned that Compensation Service staff previously discovered inefficiencies with generating lists of override data out of VBMS-R. The OIG team confirmed limitations exist with the two VBMS-R tools available to support override reviews. The override review tab lacks functionality to efficiently review overrides, and the aggregate dashboard has limited capability to report overrides.

The OIG team noted several issues with the VBMS-R override review tab. The tab is intended to help quality teams review pending overrides on ratings. But several quality team staff did not have access to the override review tab, which limits oversight ability. Of the four regional offices the OIG team visited, three confirmed having overrides pending review in the override review tab dating back to 2017 and the fourth had them dating back to 2018; one station reported over 15,000 pending reviews. The *Ratings User Guide* says quality teams can search the override review tab using claim details such as veterans' file numbers or names. However, one regional

office manager said there is no good way to filter the data and the system requires moving one page at a time. Therefore, using the tool is difficult and time-consuming.

Compensation Service staff cannot review overrides captured in the tool; they are available for quality team review only at the office where the override occurred. The override review tab does not allow reports to be generated; therefore, regional office staff cannot obtain information regarding either overrides pending review or the statuses of review findings.

The OIG team also found notable issues regarding the aggregate dashboard, which includes a summary report to allow for management oversight of overrides. However, the OIG team found that the report can generate override information only for 90-day time frames rather than a single report with all override data. As override data exists back to 2017 in some cases, this would require multiple individual reports.

The dashboard also does not indicate whether the quality team has reviewed an override, which prevents tracking of override statuses. In addition, the dashboard captures overrides that had been reversed by claims processors before they finalized rating decisions. Though the OIG team removed such cases from the scope of this review, any other oversight entity would have to do the same in-depth analysis of overrides reported by the aggregate dashboard to determine whether an override actually occurred.¹⁶ If the current dashboard summary report is used for oversight, it may result in time spent reviewing cases that did not actually contain an override.

Conclusion

The OIG determined that overrides related to reexaminations and pyramiding were not always processed in accordance with policy. These actions by VBA claims processors caused about \$67,200 in improper payments of veterans' disability benefits and unnecessary exam costs, with the potential for future improper payments.¹⁷ The unwarranted and improperly justified overrides occurred because VBA lacked specific procedures to justify overrides; VBA staff agreed that clear guidance would be helpful. Additionally, the OIG determined that VBA has not been conducting regular quality reviews or providing feedback that could help improve the consistency and accuracy of decisions. This also hinders VBA's identification of inconsistent and inaccurate decisions as well as potential outliers and indications of improper behavior. In particular, the limitations of two oversight tools inhibit VBA's ability to perform efficient and effective oversight. Accordingly, the OIG recommends that VBA ensure claims processors have

¹⁶ Appendix A has more information on the OIG's scope for this review.

¹⁷ The Office of Management and Budget defines federal payments as improper when they are for an incorrect amount, paid to an ineligible recipient, or issued without adequate supporting documentation. Office of Management and Budget, "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.

the guidance and oversight they need to improve the accuracy of override decisions and continue working to implement enhancements and recommendations related to these known issues.

Recommendations 1–5

The OIG made the following recommendations to the under secretary for benefits:¹⁸

1. Develop and communicate guidance that explains what detail should be included in a valid justification for every Veterans Benefits Management System for Rating override.
2. Develop and implement a plan to reestablish an overrides quality review process that provides individualized feedback for claims processors.
3. Develop and implement a plan to monitor the effectiveness of override reviews and continue to address areas and trends that are found to need improvement.
4. Identify the business need for the override review tab and, if there is one, develop and implement requirements for updating and using it.
5. Develop and implement a plan that addresses the limitations of the aggregate dashboard.

VA Management Comments and OIG Response

In April 2026, the principal deputy under secretary for benefits, performing the delegable duties of the under secretary for benefits, concurred with all recommendations. For recommendation 1, VBA plans to update the *Adjudication Procedures Manual* to clarify what constitutes a valid justification for every rating override and communicate this guidance to claims processors. In response to recommendation 2, VBA plans to reestablish an overrides quality review process that provides individualized feedback. To address recommendation 3, VBA said it will develop a plan to monitor the effectiveness of override reviews. For recommendation 4, VBA noted it is evaluating the business need for the override review tab and said it will either remove or enhance it based on that determination. Finally, for recommendation 5, VBA said it has decided “to sunset the aggregate dashboard” and replace it with a new dashboard to improve accuracy, real-time oversight, and usability. The full management comments are included in appendix D.

The planned corrective actions are responsive to the intent of the recommendations. The OIG will monitor implementation of the planned actions and will close the recommendations when VA provides evidence demonstrating progress in addressing the identified issues.

¹⁸ The recommendations addressed to the under secretary for benefits are directed to anyone in an acting status or performing the delegable duties of the position.

Appendix A: Scope and Methodology

Scope

The VA Office of Inspector General (OIG) team began its work in January 2025 and concluded the review in March 2026. The review included a stratified statistical sample of 244 Veterans Benefits Management System for Rating (VBMS-R) overrides that occurred from April 1 through September 30, 2024.

Methodology

To accomplish the review objectives, the team considered applicable laws, regulations, policies, procedures, and guidelines related to the five types of VBMS-R overrides reviewed: housebound, evaluation builder, effective date builder, reexamination, and pyramiding. The team also interviewed Veterans Benefits Administration (VBA) central office staff and regional office employees in Montgomery, Alabama; Chicago, Illinois; Waco, Texas; and San Diego, California. The team obtained information about VBMS-R overrides from VBA's central office (including the Compensation Service and the Office of Business Integration, previously Automated Benefits Delivery) and VA's Office of Information and Technology.

Internal Controls

The team assessed internal controls to determine whether they were significant to the review objective. This included consideration of the five internal control components: control environment, risk assessment, control activities, information and communication, and monitoring.¹⁹ The team also reviewed the principles of internal controls as associated with the objective and identified four significant components and principles.²⁰ The team identified internal control deficiencies during this review and proposed recommendations to address those listed in table A.1.

Table A.1. VA OIG Analysis of Internal Control Components and Principles Identified as Significant

Component	Principle	Deficiency identified by this report
Control environment	2. The oversight body should oversee the entity's internal control system.	The tools available to review and analyze overrides have limitations, inhibiting oversight.

¹⁹ Government Accountability Office, *Standards for Internal Control in the Federal Government*, GAO-14-704G, September 2014.

²⁰ Because the review was limited to the internal control components and underlying principles identified, it may not have disclosed all internal control deficiencies that could have existed at the time of this review.

Component	Principle	Deficiency identified by this report
Control activities	12. Management should implement control activities through policies.	There is no policy directing the review of overrides or that defines a valid justification.
Information and communication	13. Management should use quality information to achieve the entity’s objectives.	The tools available to review and analyze overrides have limited functionality.
Monitoring	16. Management should establish and operate monitoring activities to monitor the internal control system and evaluate the results.	The Compensation Service has completed limited oversight of overrides. Quality teams’ duty to review overrides was removed from the <i>M21-4 Manual</i> .

Source: VA OIG analysis of internal control components and principles. The principles listed are consistent with the Government Accountability Office’s Standards for Internal Control in the Federal Government.

Data Reliability

The team relied on computer-processed data obtained from the VBMS-R aggregate dashboard. The team validated the data by comparing sample data to VBA claim identification numbers and rating dates. These comparisons were used to identify any discrepancies. Data testing disclosed that the data were sufficiently reliable for the review objective. A comparison of the data with information contained in VBMS claims folders did not raise problems with data reliability, and the team did not find discrepancies in the fields in any of the datasets.

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*.²¹

²¹ Council of the Inspectors General on Integrity and Efficiency, [Quality Standards for Inspection and Evaluation](#), December 2020.

Appendix B: Statistical Sampling Methodology

Approach

To accomplish the objective, the team reviewed a statistical sample of Veterans Benefits Management System for Rating (VBMS-R) overrides that occurred during the six-month period from April 1 through September 30, 2024. The team used statistical sampling to quantify how many records had VBMS-R overrides that were not in accordance with policy.

Population

The review population included 56,120 VBMS-R overrides from the six-month review period. The team estimated that 5,366 VBMS-R overrides were outside the scope of review because they could not be confirmed (upon review of the finalized rating decision) to be on or near the date of the override. Consequently, the team estimated that the in-scope population eligible for this review was about 50,754.

Sampling Design

The VA Office of Inspector General (OIG) team selected a statistical sample of 298 VBMS-R overrides. Of these, 54 were deemed outside the scope, resulting in a sample of 244 overrides during the review period. The population was stratified into five strata, as shown in table B.1.

Table B.1. Estimated Overrides in Total Population and Stratified Sample Sizes

Stratum based on override types	Number of overrides estimated in population	Sample size
Reexamination overrides	664	137
Pyramiding overrides	25,949	61
Housebound overrides	11,371	10
Evaluation builder overrides	12,608	24
Effective date builder overrides	162	12
Combined reexamination and pyramiding overrides	26,613	198
Combined housebound, evaluation builder, and effective date builder overrides	24,141	46
Totals	50,754	244

Source: VA OIG statistician's stratified population of data obtained from the Veterans Benefits Administration (VBA) through the aggregate dashboard in VBMS-R.

Weights

Samples were weighted to represent the population from which they were drawn, and the weights were used in the estimate calculations. For example, the team calculated the error rate estimates by first summing the sampling weights for all sample records that contained the given error, then dividing that value by the sum of the weights for all sample records.

Projections and Margins of Error

The projection is an estimate of the population value based on the sample. The associated margin of error and confidence interval show the precision of the estimate. If the OIG repeated this audit with multiple sets of samples, the confidence intervals would differ for each sample but would include the true population value about 90 percent of the time.

The OIG statistician employed statistical analysis software to calculate estimates, margins of error, and confidence intervals that account for the complexity of the sample design.

The sample size was determined after reviewing the expected precision of the projections based on the sample size, potential error rate, and logistic concerns of the sample review. While precision improves with larger samples, the rate of improvement decreases significantly as more records are added to the sample review.

Figure B.1 shows the effect of progressively larger sample sizes on the margin of error.

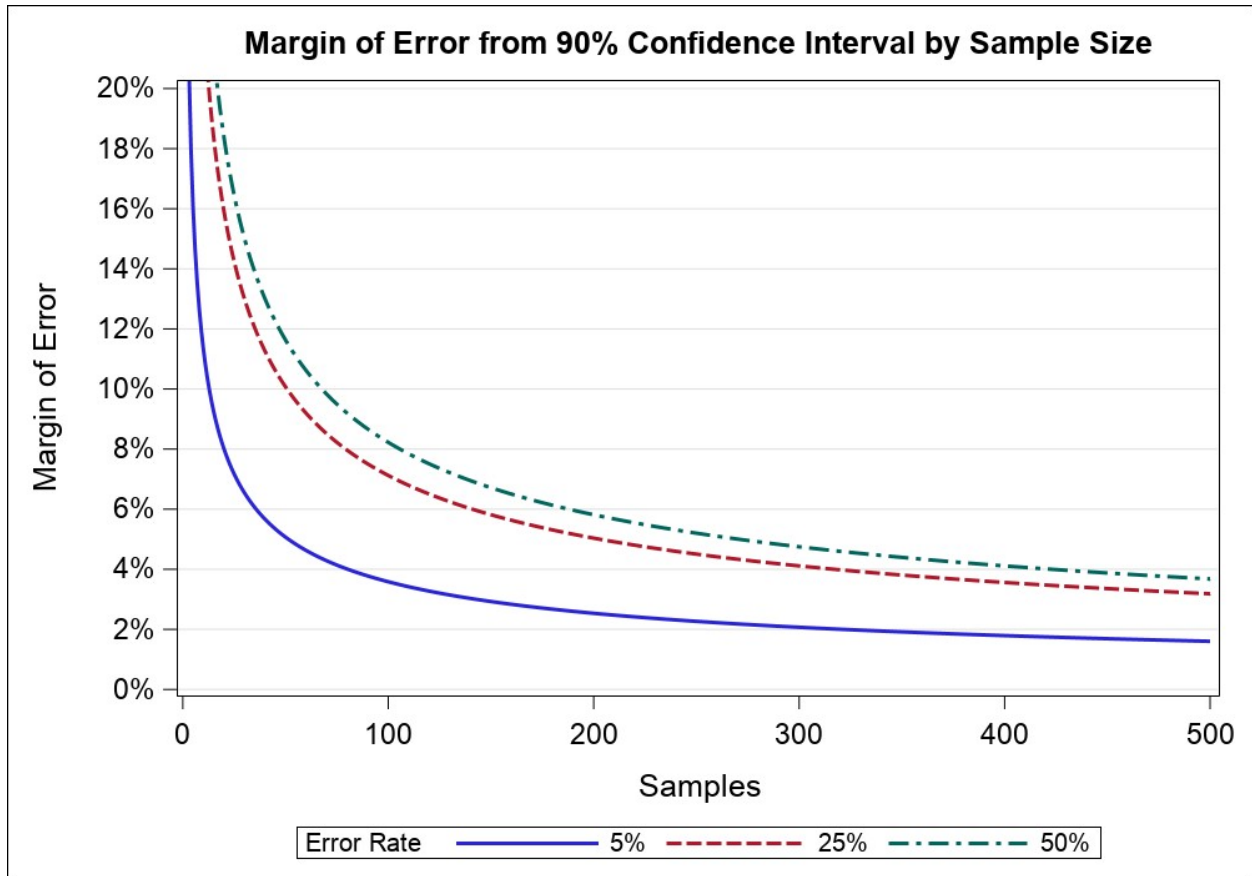


Figure B.1. Effect of sample size on margin of error.

Source: VA OIG statistician's analysis.

Projections

Tables B.2 through B.4 detail the OIG team's analysis and projected results.

Table B.2. Statistical Projections Summary for Estimated Populations of In-Scope Override Types, with a 90 Percent Confidence Interval

Estimate name	Estimate number	Margin of error	Lower limit	Upper limit	Sample size
Complete override population size	50,754	3,413	47,341	54,167	244
Combined override population size (reexamination and pyramiding)	26,613	986	25,627	27,599	198
Reexamination override population size	664	56	607	720	137
Pyramiding override population size	25,949	984	24,966	26,933	61
Combined overrides population size (housebound, evaluation builder, and effective date builder)	24,141	3,268	20,873	27,409	46

Estimate name	Estimate number	Margin of error	Lower limit	Upper limit	Sample size
Housebound override population size	11,371	2,966	8,405	14,336	10
Evaluation builder override population size	12,608	2,577	10,031	15,185	24
Effective date override population size	162	3	159	165	12

Source: VA OIG analysis of data obtained from VBA through the aggregate dashboard in VBMS-R.

Table B.3. Statistical Projections Summary for Estimated Overrides, with a 90 Percent Confidence Interval: Override Error Projections (Counts and Percentages)

Estimate name	Estimate number	Margin of error	Lower limit	Upper limit	Sample count
Total override errors	9,857 (19%)	2,675 (5%)	7,182 (14%)	12,533 (25%)	116 of 244

Source: VA OIG analysis of data obtained from VBA through the aggregate dashboard in VBMS-R.

Table B.4. Statistical Projections Summary for Estimated Reexamination and Pyramiding Overrides, with a 90 Percent Confidence Interval: Override Error Projections (Counts and Percentages)

Estimate name	Estimate number	Margin of error	Lower limit	Upper limit	Sample count
Total override errors	9,857 (37%)	2,677 (10%)	7,180 (27%)	12,534 (47%)	116 of 198
Total override errors with improper override and invalid justification	5,162 (19%)	2,132 (8%)	3,030 (11%)	7,294 (27%)	96 of 198
Total reexamination override errors	498 (75%)	61 (7%)	437 (69%)	560 (82%)	94 of 137
Reexamination override errors with improper override and invalid justification	482 (73%)	61 (7%)	421 (66%)	544 (79%)	85 of 137
Reexamination override errors with proper override but invalid justification	16 (3%)	13 (3%)	4 (1%)	29 (6%)	9 of 94
Total pyramiding override errors	9,359 (36%)	2,706 (10%)	6,653 (26%)	12,065 (46%)	22 of 61
Pyramiding override errors with improper override and invalid justification	4,679 (18%)	2,155 (8%)	2,524 (10%)	6,834 (26%)	11 of 61
Pyramiding override errors with proper override but invalid justification	4,679 (50%)	2,155 (18%)	2,524 (32%)	6,834 (68%)	11 of 22

Estimate name	Estimate number	Margin of error	Lower limit	Upper limit	Sample count
Overrides with potential impact errors	3,795 (14%)	1,870 (7%)	1,925 (7%)	5,665 (21%)	76 of 198

Source: VA OIG analysis of data obtained from VBA through the aggregate dashboard in VBMS-R.

Note: Projections and confidence intervals may not total precisely due to rounding.

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

Recommendations	Explanation of Benefits	Better Use of Funds	Questioned Costs ²²
2 and 3	Overpayment of compensation benefits due to improper Veterans Benefits Management System for Rating overrides	\$0	\$60,809.60
2 and 3	Unnecessary expenses associated with reexaminations	\$0	\$6,345.35
	Total	\$0	\$67,154.95

²² The OIG questions costs when VA action or inaction (such as spending or not fully compensating 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. With 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 \$67,154.95 in questioned costs, \$0 were unsupported costs. Questioned costs are actual costs, not projected estimates.

Appendix D: VA Management Comments

Department of Veterans Affairs Memorandum

Date: April 6, 2026

From: Under Secretary for Benefits (20)

Subj: Office of Inspector General (OIG) Draft Report – Review of VBA's Process for System Overrides [2025-00630-AE-0031]

To: Assistant Inspector General for Audits and Evaluations (52)

1. Thank you for the opportunity to review and comment on the OIG draft report: – Review of VBA's Process for System Overrides [2025-00630-AE-0031]. The Veterans Benefits Administration (VBA) provides the attached response to the draft report.

The OIG removed point of contact information prior to publication.

(Original signed by)

J. Margarita Devlin

Principal Deputy Under Secretary for Benefits

Performing the Delegable Duties of the Under Secretary for Benefits

Attachment

Attachment

Veterans Benefits Administration (VBA)
Comments on OIG Draft Report
Review of VBA's Process for System Overrides
[2025-00630-AE-0031]

VBA concurs with the OIG draft report findings and provides the following comments in response to the recommendations in the draft report.

Recommendation 1: Develop and communicate guidance that explains what detail should be included in a valid justification for every Veterans Benefits Management System for Rating override.

VBA Response: Concur. VBA will update procedures in the *Adjudication Procedures Manual*, to provide explanation on what details should be included in a valid justification for every Veterans Benefits Management System for Rating override and communicate the information to claims processors.

Target Completion Date: July 31, 2026

Recommendation 2: Develop and implement a plan to reestablish an overrides quality review process that provides individualized feedback for claims processors.

VBA Response: Concur. VBA will develop and implement a plan to re-establish the overrides quality review process.

Target Completion Date: December 31, 2026

Recommendation 3: Develop and implement a plan to monitor the effectiveness of override reviews and continue to address areas and trends that are found to need improvement.

VBA Response: Concur. VBA will develop and implement a plan to monitor the effectiveness of the override reviews.

Target Completion Date: March 31, 2027

Recommendation 4: Identify the business need for the override review tab and, if there is one, develop and implement requirements for updating and using it.

VBA Response: Concur. VBA is researching the long-term business need for the override review tab. Once decided, appropriate actions will be taken to remove or enhance the tab and included functionality.

Target Completion Date: January 31, 2027

Recommendation 5: Develop and implement a plan that addresses the limitations of the aggregate dashboard.

VBA Response: Concur. VBA completed an override analysis in FY 2025. VBA determined based on the outcome of the analysis to sunset the aggregate dashboard and develop a Tableau dashboard. The new dashboard will resolve previous limitations by improving data accuracy, providing real-time national level oversight capability, and offering significantly enhanced user interface for operational monitoring. VBA is currently conducting testing to ensure the new product meets the needs of the field offices.

Target Completion Date: December 31, 2026

<p><i>For accessibility, the original format of this appendix has been modified to comply with Section 508 of the Rehabilitation Act of 1973, as amended.</i></p>

OIG Contact and Staff Acknowledgments

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