

# GAO Highlights

Highlights of [GAO-16-42](#), a report to the Ranking Member, Committee on Homeland Security and Governmental Affairs, U.S. Senate

## Why GAO Did This Study

VA provided \$10.8 billion in Post-9/11 GI Bill education benefits to almost 800,000 veterans in fiscal year 2014. GAO was asked to review overpayments for the program, which can create financial hardships for veterans who are generally required to pay them back and which can result in a significant loss of taxpayer dollars if they are not collected.

This report examines (1) the extent of overpayments, (2) how effectively VA has addressed their causes, and (3) the effectiveness of VA's collection efforts. GAO analyzed overpayment data for fiscal years 2013 and 2014, examined the causes from a generalizable sample of high-dollar overpayments (greater than \$1,667), conducted a case file review of 20 overpayments (selected for a variety of causes), and reviewed VA's monitoring of overpayments. GAO also interviewed senior and frontline staff at two VA offices that process claims and collect debts, officials at nine schools (selected for variation in program length and their status as public, nonprofit, and for-profit), higher education associations, and veteran service organizations.

## What GAO Recommends

Congress should consider granting VA explicit authority to require training for school officials. In addition, GAO is making a number of recommendations to improve VA's guidance and processes, including providing program guidance to veterans, verifying veterans' monthly enrollment, and developing additional debt notification methods. VA agreed with GAO's recommendations to the agency and plans to address these issues.

View [GAO-16-42](#). For more information, contact Melissa Emrey-Arras at (617) 788-0534 or [emreyarrasm@gao.gov](mailto:emreyarrasm@gao.gov).

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## POST-9/11 GI BILL

### Additional Actions Needed to Help Reduce Overpayments and Increase Collections

## What GAO Found

The Department of Veterans Affairs (VA) identified \$416 million in Post-9/11 GI Bill overpayments in fiscal year 2014, affecting approximately one in four veteran beneficiaries and about 6,000 schools. Overpayments most often occur when VA pays benefits based on a student's enrollment at the beginning of the school term and the student later drops one or more classes (or withdraws from school altogether). Students therefore receive benefits for classes they did not complete, and the "overpayment" must be paid back to VA. A small percentage of overpayments occurred because of school reporting or VA processing errors. GAO found that most overpayments were collected quickly, but as of November 2014 (when VA provided these data to GAO), VA was still collecting \$152 million in overpayments from fiscal year 2014, and an additional \$110 million from prior years, primarily owed by veterans with the remainder owed by schools.

Inadequate guidance, processes, and training have limited VA's efforts to reduce overpayments caused by enrollment changes and school errors.

- **Guidance for veterans.** Many veterans may not realize they can incur overpayments as a result of enrollment changes because VA provides limited guidance to veterans on its policies. As a result, veterans may be unaware of the consequences of enrollment changes until after they have already incurred their first overpayment debt, according to school officials. Because VA is not effectively communicating its program policies to veterans, some veterans may be incurring debts that they could have otherwise avoided.
- **Enrollment verification process.** While veterans using other VA education programs have to verify their enrollment each month, VA generally does not require those using the Post-9/11 GI Bill to do so. By not requiring veterans to verify their enrollment every month, which can cause significant time to lapse between when veterans drop courses and when this is reported, VA's process allows veterans to incur thousands of dollars in overpayments and also increases the program's costs associated with collecting these debts.
- **Training for school officials.** Overpayments also occur when schools make errors, such as reporting enrollment information incorrectly, which VA officials said is sometimes attributable to a lack of training. For example, some school officials routinely made systematic errors reporting enrollment information, creating thousands of dollars in overpayments. Not all school officials attend the different training opportunities VA offers and VA officials said the agency lacks the authority to require school officials to participate in any of them. VA officials said they would like school officials to take a minimum level of training, which could help reduce errors and related overpayments.

The effectiveness of VA's collection efforts is hindered by its notification methods. VA relies solely on paper mail to notify schools and veterans of overpayments. VA generally sends veterans' notices to the addresses from veterans' initial benefit applications. However, these addresses can often be out-of-date, so some veterans do not receive the letters, leaving them unaware of their debts. This can cause veterans to unknowingly miss deadlines for disputing their debts and leave them unprepared to cover living expenses if VA begins withholding future benefit payments or offsetting tax returns for collection. This can also lead to delays in the collection of overpayments from veterans.