

Further Improvements Needed to Manage Fraud Risks in Beneficiary Travel Program

GAO-26-107596

June 2026

A report to congressional committees

For more information, contact: Seto J. Bagdoyan at bagdoyans@gao.gov

What GAO Found

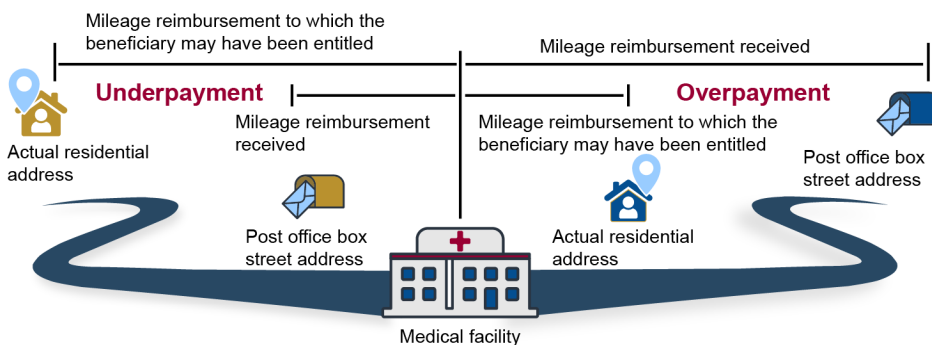
The Department of Veterans Affairs (VA) reported approximately \$1 billion in cumulative estimated improper payments—including overpayments, underpayments, and unknown payments—across the Beneficiary Travel (BT) Program from fiscal years 2018 through 2024. During that period, 10 cases of fraud related to the BT Program were adjudicated. The cases involved at least 892 fraudulent claims and totaled at least \$219,000. Most of the cases involved beneficiaries that fraudulently reported addresses.

VA has implemented data systems partly to mitigate fraud and improper payment risks in the BT Program. Examples include automatically verifying certain claim information before claims can be processed and flagging claims for further review if information is missing or does not appear to meet eligibility requirements.

GAO tested specific areas of risk for improper payments or fraud and found VA potentially made improper payments from fiscal years 2018 through 2023 totaling over \$10 million in these areas. Specifically, GAO found instances in which

- VA potentially improperly paid beneficiaries who provided ineligible departure addresses, such as post office boxes rather than residential addresses;
- VA potentially made duplicate payments to special mode transportation (SMT) vendors for the same invoice; and
- VA staff manually modified BT claims, resulting in potentially improper payments to beneficiaries and SMT vendors, such as instances in which SMT vendors were paid amounts that exceeded the claimed amount.

Ineligible Departure Addresses May Result in Improper Payments



Source: GAO analysis of Department of Veterans Affairs documents; ABDUL, Icons-Studio/stock.adobe.com (icons). | GAO-26-107596

Since GAO’s analysis, VA has made changes to prevent potential duplicate and improper payments. For example, VA began transitioning to a new system for processing certain SMT invoices and implemented new controls to prevent overpayments. However, VA has not ensured that existing controls have been implemented effectively, such as ensuring that staff use acceptable documentation to verify residential addresses to reduce the risk of improper payments. VA also has not monitored and evaluated its new controls to ensure they are operating effectively to reduce the risk of improper payments.

Why GAO Did This Study

VA reported spending over \$2.3 billion in fiscal year 2025 to reimburse eligible veterans and others for certain necessary transportation costs associated with veteran health care through the BT Program.

The Consolidated Appropriations Act, 2023, includes a provision for GAO to examine potential fraud and improper payments in this program. Among other things, this report examines VA’s reported improper payments and adjudicated fraud in the BT Program and indicators of potential improper payments or fraud in the BT Program identified from selected data sources and VA’s controls to mitigate related risks.

GAO reviewed relevant VA documents and adjudicated fraud cases and interviewed knowledgeable officials. To identify instances of potential improper payments, GAO analyzed information from VA’s data systems used to process BT claims from fiscal years 2018 through 2023, the most recent full fiscal year for which data were available at the time of GAO’s analysis.

Further, GAO compared VA’s efforts against leading practices from GAO’s Fraud Risk Framework, BT Program requirements, and VA’s financial policies.

What GAO Recommends

GAO is making nine recommendations to VA, including that VA provide guidance to staff on acceptable documentation for verifying residential addresses and monitor and evaluate its controls for SMT claims and invoices. VA concurred with all nine recommendations and indicated that it will take actions to implement them.