

# RAO BULLETIN

## 1 August 2010

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**Vet Insurance ~ Life:** The VA is investigating what may be a legal yet shameful life insurance industry practice of putting veterans' death benefits into corporate accounts instead of making lump sum payments to survivors. Prudential Financial Inc. and MetLife Inc. are among the companies to be investigated, according to Bloomberg Markets magazine. Another industry practice to be investigated is the payment of uncompetitive interest rates to survivors. In 2008, for example, Prudential paid survivors 1% interest on their accounts, while it earned a 4.8% return on its corporate funds, according to Bloomberg. Such accounts are not FDIC protected. House VA Committee Chairman Bob Filner (D-CA) said he was "outraged" that insurance practices appear to result in "corporations retaining the assets in corporate accounts, profiting from the interest, and failing to pass accrued interest to surviving families." [Source: VFW Washington Weekly 30 Jul 2010 ++]

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**Minnesota Veterans Business Program:** The Minnesota Reservist and Veteran Business Loan Program is offering no interest loans of \$5000 to \$20,000 apiece to recently retired military service members who

want to start businesses, including those who are finishing tours in the Iraq and Afghanistan wars. The program will also continue to provide these loans to businesses that suffered financial hardships because of the temporary loss of essential employees to military service. Under the program, loans must be paid back in 54 months, with no repayment in the first 18 months with equal payments in the remaining 36 months. The financing comes from the program's revolving loan fund, which has a total of \$400,000 available. Applications are accepted and loans disbursed until all funds are committed. For more info, refer to the Minnesota Department of Employment and Economic Development website

[www.positivelyminnesota.com/Business/Financing\\_a\\_Business/DEED\\_Business\\_Finance\\_Programs/Minnesota\\_Reservist\\_Veteran\\_Business\\_Loan\\_Program.aspx](http://www.positivelyminnesota.com/Business/Financing_a_Business/DEED_Business_Finance_Programs/Minnesota_Reservist_Veteran_Business_Loan_Program.aspx) or contact Jeff Nelson at (651) 259-7523 or email [Jeff.M.Nelson@state.mn.us](mailto:Jeff.M.Nelson@state.mn.us) . [Source: NAUS Weekly Update 30 Jul 2010 ++]

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**VA Presumptive VN Vet Diseases Update 09:** The President signed the War Supplemental 29 JUL. In that bill is the \$13.4 billion in funding for the three newly designated presumptive diseases related to Agent Orange exposure. What does this mean for veterans who have already filed and those waiting to file on these conditions? The money is now in place and the authorization to spend it needs to be completed. The House overwhelmingly passed the VA/Military Construction Authorization bill earlier this week and now the Senate must do the same. The House version authorizes the money for these new conditions. All of this is fine and shows progress, but the main roadblock now is the 60 day hold placed on spending any of the money by Sen. Webb (D-VA) who wishes to take a look at the science and reasons behind the decision to connect these three potentially very expensive, new conditions to service in Vietnam. On 23 SEP, the Senate Veterans' Affairs Committee has scheduled a hearing to examine the reasons and evidence used by Secretary Shinseki to add these three conditions to the list of presumptive diseases related to Agent Orange exposure. NAUS has heard reports that the VA may publish the final rules as early as next week. This could, repeat, could mean that the VA might be able to start paying for these three diseases sometime in October, shortly after the September hearing. The payments would be retroactive to the date of the original claim or death of veteran if survivors are filing the claim. [Source: NAUS Weekly Update 30 Sep 2010 ++]

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**VA Funding 2011:** The House Appropriations Committee approved \$77.3 billion for FY2011 VA programs as well as \$50.6 billion in advance funding for veterans' medical care for the succeeding fiscal year, 2012. Advance funding is needed to sustain health care activities seamlessly from one fiscal year to the next, because Congress rarely finishes VA appropriations legislation by the first of the fiscal year. The funding measure provides \$48.8 billion for veterans' medical care, an increase of \$3.7 billion above 2010. \$5.2 billion of the total is to be used for mental health services. Other elements of the package provide:

- \$4.2 billion in assistance for homeless veterans
- \$250 million to improve access to care for veterans in rural areas
- \$5.7 billion to maintain and upgrade VA medical facilities
- \$590 million for medical and prosthetic research
- \$2.6 billion to hire and train more than 4000 additional claims processors to reduce the rising claims backlog and process projected new claims
- \$1.5 million for Arlington National Cemetery to hire additional personnel and address deficiencies identified by the Army Inspector General

For the Veterans Affairs Department, the fiscal 2011 Military Construction-Veterans Affairs Appropriations bill (H.R.5822) provides \$56.8 billion in discretionary funding, and \$64 billion for mandatory VA programs. The bill's

overall level of discretionary funding is close to the \$77.25 billion the Senate Appropriations Committee approved in its version this month. The Senate bill allocates \$56.99 billion in fiscal 2011 discretionary funding for the VA, and \$50.6 billion in advance appropriations for fiscal 2012. The House voted 411-6 on 28 JUL to approve the bill, the first of the 12 annual spending bills to see floor action this year. H.R. 5822 now moves to the Senate, which has yet to pass a single appropriations bill this year. Only a week remains before Senators begin their summer recess, so the MilCon/VA bill is unlikely to be addressed in that chamber until lawmakers return in the fall. [Source: MOAA Leg Up 30 Jul 2010 ++]

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**DoD Benefit Cuts:** In mid-JUL DoD announced the resumption of the “Military Spouse Career Advancement Account” program; called MyCAA for short. The new and very popular program was suddenly and without warning stopped in February. It will start again on 25 OCT at 8:00 a.m. EDT. The program was created to help military spouses of the active duty to train for careers that they could carry with them as they make the repeated moves required by their spouses’ military career. It has now been massively limited to save money by both cutting the amount available for tuition and by limiting the spouses who qualify for the program. For enlisted personnel only the spouses of service members who are in Pay Grades E-1 to E-5 will now qualify for this program. This effectively means that the spouses of most service members who are serving a career in the services will be disqualified. Presently 136,583 spouses are enrolled in the program; the changes will disqualify 73,891 of them.

This looks like the first step in cutting the benefits for the men and women who intend to serve a career in the military. It is an easy target since it is a very new program that many people do not even know about and do not have an investment in. But these changes will seriously disadvantage future members’ families and may very well be a sign of things to come. The new program also cuts the total tuition aid an applicant can receive to \$4,000 (down from the present \$6,000), allows them to spend only \$2,000 a year (there is a waiver process for this limitation), and has a 3 year time limitation to use the funding and now can be used only to earn associate degrees, licenses or certification. [Source: TREA Washington Update 23 Jul 2010 ++]

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**DoD Benefit Cuts Update 01:** On 22 JUL Defense Business Board (DBB) task force recommended that the Secretary of Defense reduce the DoD civilian workforce by more than 111,000, and laid the groundwork for potential future recommendations to cut spending on military retirement, health care, family support, and other programs. Additionally, the task force recommended drastic reductions in combatant command staffing, hiring freezes, and elimination of organizational duplication. These preliminary recommendations will be followed in October by additional cost-cutting proposals. For the last year, the DBB has predicted major problems for the Defense budget as the nation deals with deficit reduction efforts, the economic slowdown, escalating health care and personnel costs, and the potential exit from two wars. Board members believe that avoiding a looming fiscal crisis will require cutting the Defense budget beyond Secretary Gates' recently announced target of a \$100-billion reduction in "overhead" spending.

The Board's "Initial Observations" briefing (refer to [www.govexec.com/pdfs/072210rb1.pdf](http://www.govexec.com/pdfs/072210rb1.pdf)) devoted an entire section to costs for military compensation, retirement, health care, veterans affairs, concurrent receipt, commissaries, dependent education, and military family housing. Paying the military and their families for 60 years to serve for only 20 years was questionable. It particularly highlighted costs associated with TRICARE For Life. A page titled "The 'Military Retirement' sacred cow is increasingly unaffordable" cites increases in the number of military retirees since 1980 (as if this weren't the direct result of decisions by every administration and Congress since the 1950s to induce a large standing career force to protect America and the world) and criticizes the 20-year retirement system

(as if the military could have sustained the force over the last 10 years of repeated wartime deployments without it). Another cites personnel cost growth since 1998 - conveniently overlooking that 1998 was the nadir of two decades of erosion of military pay, retirement, health care, and other benefits and that the resulting retention problems of that era were what sparked Congress to embark on an extended program to fix them. Unfortunately, the Defense Business Board report is only one of the early shots in what likely will be years of budget battles to reconcile military and other needs with truly daunting deficit projections. [Source: MOAA Leg Up 30 Jul 2010 ++]

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**VA Pension Update 03:** A House subcommittee has expanded the types of income that would not be counted in determining eligibility for pensions aimed at veterans with low incomes, and has found a way to pay for the change that improves its chances of becoming law. The Veterans' Pensions Protection Act of 2010 (H.R.4541) addresses two circumstances in which low-income veterans have complained about losing a Veterans Affairs Department pension. One is when they receive a state or local veterans' pension, something available in about five states. The second is when a veteran receives a payment for an accident, theft or loss. Under current law, an insurance or court settlement, even if it is just reimbursement of lost or damaged items, could result in a low-income veteran losing a VA pension for up to a year. Receiving a state or local pension also counts as income that would prevent qualifying for the federal VA pensions paid to veterans who do not have service-connected disabilities but whose income falls below \$11,380 for an individual.

The Veterans' Pensions Protection Act of 2010, which passed the House Veterans' Affairs Committee's disability assistance panel by voice vote, would create a new and somewhat complicated rule on payments related to accidents and thefts: Reimbursements for replacement or repair would not count as income as long as the money is not excessive. Veterans may also receive awards for pain and suffering, although the VA would have to determine how much would be acceptable. For veterans receiving state and local pensions — up to \$5,000 paid due to injury or disease — would not count as income. Both changes would take effect 1 OCT 2011.

To pay for the legislation, the bill would extend until 30 SEP 2015, a program in which VA uses Internal Revenue Service records to verify how much income a veteran is receiving, which reduces fraud in income-based benefits like the pension for nondisabled veterans. IRS income verification is used now by VA, but authority to do such checks expires under current law on 30 SEP 2011. The bill will not be considered by the full House Veterans' Affairs Committee until September and is unlikely to become law on its own. But the measure is considered a prime candidate to become part of a larger package of veterans-related legislation that lawmakers hope to compile this fall that could become law before the November elections, according to House and Senate aides. [Source: MarineCorpsTimes Rick Maze article 27 Jul 2010 ++]

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**VA Burial Benefit Update 09:** After years of lobbying and with the help of California lawmakers a House bill H.r.5879 was introduced 27 JUL to make some 6,900 Hmong veterans eligible for internment in U.S. national cemeteries. Hmong veterans, who fought alongside the CIA and U.S. Special Forces during the Vietnam War, have long sought to gain access to those hallowed grounds. Now, more than 30 years after participating in a covert operation in the mountains of Laos, the Hmong likely will be honored by Congress and the U.S. Department of Veterans Affairs for their service. "Our Hmong veterans fought shoulder to shoulder with American soldiers during the Vietnam War," said Rep. Jim Costa [D-CA] who introduced the bill. With the help of 22 co-sponsors, Costa said he had garnered enough support in Congress to finally propose the legislation. Though he expects the bill to pass, Costa said he'll need to educate his fellow members of Congress about the story of the Hmong veterans. "Many paid the ultimate sacrifice, and I am proud that Hmong veterans now call places like our Valley home. Our

nation owes a debt of gratitude to these patriotic individuals and their service should be honored with burial benefits in our national cemeteries."

Leaders of the Hmong community say that winning the burial rights demonstrates a U.S. commitment to give the estimated tens of thousands of Hmong and Lao who died in the war and the remaining veterans the recognition they deserve. According to the 2000 Census, more than 65,000 Hmong live in California, including 48,000 in Fresno. Other large Hmong communities in the U.S. are in Minnesota, with 45,930, and Wisconsin, with 31,578. Traditionally, the Hmong resided in the mountains of Laos. Beginning in the early 1960s, many were recruited by U.S. personnel to assist in a largely covert theater of the broader war in Southeast Asia. Tens of thousands of Hmong and Lao are estimated to have died. After the war, with Laos fallen into communist hands, many immigrated to this country. Along with the lowland Lao, the Hmong have lobbied in recent years for various immigration and other benefits. Until now, though, they have not explicitly sought burial rights in U.S. national cemeteries. Politically, it is easier to ask for one benefit at a time rather than an outright declaration of veteran status. [Source: The Tribune Andrew Seidman article 27 Jul 2010 ++]

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**Mobilized Reserve 27 JUL 2010:** The Department of Defense announced the current number of reservists on active duty as of 6 JUL 2010. The net collective result is 17,458 fewer reservists mobilized than last reported in the 15 JUL 2010 RAO Bulletin. At any given time, services may activate some units and individuals while deactivating others, making it possible for these figures to either increase or decrease. The total number currently on active duty from the Army National Guard and Army Reserve is 75,298; Navy Reserve, 6,466; Air National Guard and Air Force Reserve, 15,701; Marine Corps Reserve, 4,767; and the Coast Guard Reserve, 787. This brings the total National Guard and Reserve personnel who have been activated to 103,019 including both units and individual augmentees. A cumulative roster of all National Guard and Reserve personnel who are currently activated may be found at <http://www.defense.gov/news/d20100727ngr.pdf>. [Source: DoD News Release No. 667-10 dtd 28 Jul 2010 ++]

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**Tricare Overseas Fraud/Abuse Update 02:** Federal prosecutors have dropped charges against a doctor from the Philippines who went into hiding after being accused of scamming a military health program out of more than \$1 million in the 1990s. The U.S. Attorney's office for the Western District of Wisconsin moved to drop a fraud indictment against Dr. Alberto Marzan last week, saying the "prosecution is no longer viable" because of a lack of evidence. U.S. District Judge Barbara Crabb formally dismissed the case in an order made public 22 JUL. Marzan was one of the longest-wanted fugitives in a federal investigation that has uncovered rampant fraud of the U.S. military's Tricare program in the Philippines. Tricare insures current and retired service members and dependents worldwide. "We believe he was certainly a significant target and had done some pretty significant fraud," assistant U.S. Attorney John Vaudreuil said of Marzan. But Vaudreuil said the indictment was dropped after a routine review of the office's outstanding fugitive cases. He said witnesses were no longer available, including one who died, and the age and distance of the case would have made a prosecution impractical. "Given what had happened to our testimony, we didn't believe it was a viable case to prosecute and not fair to bring Dr. Marzan back" to face charges now, he said.

Vaudreuil noted the office had asked authorities in the Philippines to arrest Marzan and bring him to the U.S. under an extradition treaty, but that effort was not successful. He said he had no idea "how he's hiding or how he's successfully hiding" but that appears to be the case. An Associated Press reporter who went looking for Marzan in the Philippines in 2008 found his clinic abandoned, along with the adjacent family home in Moncada. Neighbors and

village officials said the doctor's family had slipped out of town years ago and remained underground. Marzan is the latest in the investigation to walk away without punishment. Prosecutors last year dismissed indictments against a dozen other suspects, including Philippine doctors, spouses of military retirees and one Navy veteran, after agents failed to arrest them for years. The move came after Crabb ruled in one case that a lengthy pretrial delay violated a defendant's right to a speedy trial. More than a dozen others have been convicted of defrauding the program. In the biggest case, a former health care company based in the Philippines was found guilty of submitting fraudulent and inflated claims to bilk the program out of \$100 million.

Prosecutors say Marzan recruited dozens of military retirees and their dependents to falsely claim they received expensive services at his clinic so he could bill the program. The 35-count indictment, returned by a federal grand jury in 1999, said he submitted false claims of \$1.5 million and was reimbursed for more than \$1 million between 1990 and 1996. The bogus claims covered a variety of medical services, such as hospitalization, radiology diagnosis and prescription drugs that were never delivered, according to the indictment. Prosecutors said Marzan would then give part of the claims he received back to retirees who participated in the scheme. The claims were paid by Madison-based WPS Health Insurance, which has long held military contracts to process Tricare claims. That's why the investigation has been pursued by federal prosecutors in Madison. Vaudreuil said Marzan could be the last pending Tricare fraud case in his office. He said he was "a little skeptical" the investigation had cut down the amount of fraud, but that administrative changes in the program may have a bigger impact. [Source: Omaha World-Herald Ryan J. Foley article 25 Jul 2010 ++]

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**Tricare Overseas Program Update 03:** Tricare beneficiaries living outside of the United States will soon begin receiving letters updating them on the Tricare Overseas Program Contract that begins 1 SEP 2010. Beneficiaries will receive the letter only if their Defense Enrollment Eligibility Reporting System (DEERS) address is up-to-date. Thus, if you reside overseas and do not receive a letter you should take corrective action to update your address. Current overseas enrollments in Tricare Prime, Tricare Global Remote Overseas and Tricare Puerto Rico Prime will be maintained under the new contract. There is no need for anyone to re-enroll. In addition to new contract information, the letter will include an updated enrollment card and a Tricare Overseas Program flyer. Letters will also be sent to Tricare Overseas Program Standard users, based on their DEERS address. The letter will inform them on how to access services available to them under the new contract. It will also contain a wallet card with customer service and support contacts. All Tricare beneficiaries residing overseas should ensure that their DEERS address is current so they continue to receive important Tricare information. DEERS addresses can be updated using several methods; DEERS update information is available at [www.tricare.mil/DEERS](http://www.tricare.mil/DEERS). For more information about the Tricare Overseas Program contract, beneficiaries can go to [www.tricare.mil/topcontract](http://www.tricare.mil/topcontract). [Source: Tricare News Release No. 10-65 dtd 26 Jul 2010 ++]

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**VA Prosthetics Update 06:** Bioengineers with the Cleveland Functional Electrical Stimulation (FES) Center, a VA research center of excellence, demonstrated new prosthetics technology at the 5th Annual Capitol Hill Modeling and Simulation Expo recently. Attendees of the event, held in the Rayburn House Office Building, wore 3-D glasses and used a "space mouse" to check out a virtual environment being developed to teach patients with limb loss how to operate a multi-joint prosthetic arm. The system also helps train people with paralysis to control their disabled arm when it is activated through electrical stimulation. Displaying a related project, FES bioengineer Joris Lambrecht, his upper arm taped with electrodes and a special motion sensor, showed how electrical signals from residual shoulder muscles—along with shoulder movements—could be used to maneuver a virtual prosthetic arm in a video-game environment. One of the eventual goals of this area of FES technology is to allow patients to

use their own brain signals—decoded into computer commands—to control a robotic prosthetic limb or their own paralyzed limb, activated through low-level electrical impulses. [Source: Veteran's Today article 27 Jul 2010 ++]

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**Americans with Disabilities Act:** The Americans with Disabilities Act (ADA) of 1990 is a law that was enacted by the U.S. Congress in 1990 and signed into law by President George H. W. Bush, and later amended with changes effective 1 JAN 09. The ADA is a wide-ranging civil rights law that prohibits, under certain circumstances, discrimination based on disability. Among other things It addresses how the disabled are to be treated and accommodated in the areas of employment, public entities and public transportation, public accommodations (and commercial facilities), and telecommunications. It affords similar protections against discrimination to Americans with disabilities as the Civil Rights Act of 1964, which made discrimination based on race, religion, sex, national origin, and other characteristics illegal. Disability is defined by the ADA as "a physical or mental impairment that substantially limits a major life activity." The determination of whether any particular condition is considered a disability is made on a case by case basis. Certain specific conditions are excluded as disabilities, such as current substance abuse and visual impairment which is correctable by prescription lenses.

Kareem Dale, President Obama's White House adviser on disability policy during an interview on 24 JUL, said that advances in technology make revisiting the law a necessity. "When ADA was passed in 1990, the Web wasn't what it is now and technology wasn't what it is now," Dale. "The ADA and the law have to pick up with technology." Dale, who is legally blind, noted that he's unable to type in passwords or use certain authentication software on Web sites. But adding voice-recognition software might help, he said. The Justice Department also wants to make it easier for 9-1-1 call centers to accept text or video messages from disabled people and to find ways for movie theaters to offer movies with closed captioning. It may also consider mandating the use of more accessible office equipment and furniture, including accessible medical exam tables, chairs and scales and "talking" ATMs. "Our goal is to help level the playing field with disabilities to ensure that everyone has an opportunity," Dale said. [Source: Washington Post Ed O'Keefe article 26 Jul 2010 ++]

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**Arlington National Cemetery Update 13:** Sen. Claire McCaskill (D-MO) whose subcommittee is investigating potential contracting fraud at Arlington National Cemetery on 26 JUL said she believes 4,900 and 6,600 graves may be unmarked or mislabeled on cemetery maps. An internal Army investigation found at least 211 discrepancies between burial maps and grave sites at Arlington. The review found lax management of the cemetery and a reliance on paper records to manage the burial sites. At a news conference McCaskill said the number of burial site errors could be much higher because the Army report was limited to a small section of the cemetery. She called the growing scandal a matter of "heartbreaking incompetence" and said the military has spent more than \$5.5 million over seven years in its unsuccessful attempts to computerize the cemetery's burial records. "At the very essence here you have waste," she said. "There may be fraud - we don't know at this point." The Senate Homeland Security and Governmental Affairs' subcommittee on contracting oversight, chaired by McCaskill, will hold a hearing in Washington on 29 JUL on its cemetery investigation. A key question is why the Department of the Army rejected an offer of help from the Veterans' Administration. The V.A. "keeps track of many, many, many more burial records than does the Army. V.A. offered the Army their system...instead, the Army tried to duplicate another system and in the process, failed dramatically, and failed the families, and frankly failed this country," McCaskill said. In addition to the Senate inquiry, Secretary of the Army John McHugh organized an independent panel led by former Sen. Bob Dole, R-Ks., to address the problems outlined in the report. People with questions about burial discrepancies may call the cemetery at (703) 607-8199. [Source: The Olympian Alan Zagier article 26 Jul 23010 ++]

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**Military Stolen Valor Update 18:** A federal judge in Denver has ruled the Stolen Valor Act is "facially unconstitutional" because it violates free speech and dismissed the criminal case against Rick Strandlof, a man who lied about being an Iraq war veteran. On 16 JUL U.S. District Judge Robert Blackburn issued his decision ruling, "The Stolen Valor Act is declared to be facially unconstitutional as a content-based restriction on speech that does not serve a compelling government interest, and consequently that the Act is invalid as violative of the First Amendment." Strandlof, 32, was charged with five misdemeanors related to violating the Stolen Valor Act - specifically, making false claims about receiving military decorations. He posed as "Rick Duncan," a wounded Marine captain who received a Purple Heart and a Silver Star. Strandlof used that persona to found the Colorado Veterans Alliance and solicit funds for the organization. Actual veterans who served on the board were suspicious of his claims and the FBI began investigating. Robert Pepin, Strandlof's attorney, the ACLU of Colorado and the Rutherford Institute, a nonprofit civil liberties group, all filed briefs with Blackburn contesting the Stolen Valor Act. They argued that simply lying is not illegal. The Stolen Valor Act prohibits people from falsely claiming they have been awarded military decorations and medals. The act, signed into law in 2006, carries a punishment ranging from fines to six months in prison. Assistant U.S. Attorney Jeremy Sibert had argued false statements made by Strandlof are not protected speech because they damaged the reputation and meaning of military decorations and medals. [Source: The Denver Post Felisa Cardona article 16 Jul 2010 ++]

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**Military Stolen Valor Update 19:** Sgt. John Rodriguez cut an imposing figure when he was introduced at the Republican committee meeting in the winter of 2008. The decorated Marine and aspiring precinct committeeman came to the event in his green service uniform with some of the military branch's highest honors clearly visible, including the Navy Cross. That was the first thing that caught former Marine Dan Ryan's eye. "My first reaction was, this guy's a stud," Ryan said. "Then I looked a little more and thought, something's going on here. I'm very, very sensitive about the Navy Cross. I happen to have written one of the citations for the Marine who was killed right next to me in 1967 in Vietnam in a firefight." Ryan's hunch led the former FBI agent to do some digging of his own and ultimately put him in touch with investigators at the Arizona Department of Public Safety. Within a year, the truth was out: Rodriguez, 31, was never in the Marines but had spent years passing himself off as a war hero, gaining access to military bases, getting discounted airline tickets, going to the Marine Corps Ball and briefly getting a job with a local health-care provider that gave him access to sensitive information on veterans. Rodriguez was convicted this month of 12 felony counts of fraud and forgery, most of which carry a presumptive sentence of two to five years in prison. Rodriguez's attorney did not respond to multiple requests for comment. Rodriguez posted \$5,400 bail after he was arrested, then failed to appear for his court hearings, leaving him convicted in absentia. This month, detectives in California found Rodriguez near Lake Tahoe, bringing an end to the carefully crafted lie he'd lived.

The FBI receives 40 to 50 tips per month about people around the country like Rodriguez, triple the amount the agency received before 9/11. Claiming military service "provides them some sort of feeling of respect," said Lindsay Godwin of the FBI's field office in Washington, D.C., who noted that impostors frequently come out around Memorial Day, Veterans Day and Independence Day. "A lot of the individuals that we've observed that have done this, they usually suffer from some sort of low self-esteem," Godwin said. "This is some immediate gratification for them." While federal agents have seen an uptick in military-hero impersonators in the past decade, investigators say Rodriguez's case was unique. He used his fake military ID to gain access to a base and conned his way into the Marine Corps Ball in Las Vegas. But Rodriguez committed the crimes that would ultimately get him convicted when he signed documents - including job applications and speeding citations - indicating he was a member of the

military. Rodriguez's temporary work at TriWest Healthcare Alliance, where he could have accessed confidential information on thousands of veterans, was a cause for concern for investigators.

DPS Detective Roger Wilson said, "This guy is such a good con man that he has trained with the local Marine Corps unit here . . . he got in Camp Pendleton in San Diego with his ID. We started kind of considering this as domestic terrorism. NCIS (Naval Criminal Investigative Service) was very concerned. From that point on, the level of awareness was heightened." In that regard, Rodriguez differs from run-of-the-mill military impersonators who stop at dressing up like soldiers and wearing medals they didn't earn. Simply putting up that facade could violate the Stolen Valor Act, a 2005 federal law that targets fake military heroes. But that law is in dispute after a federal judge in Denver ruled last month that it is an unconstitutional infringement on free-speech rights. Attorney Chris Beall said he wrote a brief in support of the defendant in that case, Rick Strandlof, to protect some of the rights his father and grandfather went into the military to preserve. "The trouble with that (law) is that it puts the government in the position of deciding what lies are prosecutable and what lies are protected by the First Amendment," Beall said. "I, on behalf of the (American Civil Liberties Union), take the view that we are better off allowing some people to lie than allowing the government to decide what the truth is." Rodriguez's extra efforts at deception, including writing a letter to Mesa Justice of the Peace Lester Pearce explaining that he couldn't appear for a court date because he was going on a mission in Iraq, ensured prosecutors wouldn't have to rely on the Stolen Valor Act to convict him. [Source: Arizona Republic J.J. Hensley article 25 Jul 2010 ++]

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**Military Stolen Valor Update 20:** A former command sergeant major at Walter Reed Army Medical Center fired for allegedly faking his record and wearing unauthorized awards and decorations faces military discipline for a series of bold deceptions that span several years and multiple commands, according to the charges against him. Sgt. Maj. Stoney N. Crump, the senior enlisted adviser to the medical center's brigade until 17 MAY, twice submitted official biographies that falsely claimed he attended a range of elite schools including Ranger School, Sniper School, Special Forces Assessment Course and Special Operations Combat Medic School, according to the charging documents. He also claimed to have attended the exotic Panamanian Jungle Warfare School. Between MAR 06 and APR 2010, at Walter Reed and in Heidelberg, Germany, where Crump served as the Army health center's command sergeant major, he is charged with repeatedly wearing 11 unearned awards and decorations, including the Armed Forces Expeditionary Medal with an Arrowhead device — an indication that he had made a combat jump into Grenada, a deployment that appears nowhere in a summary of his 27-year career that was released by Army Human Resources Command at Fort Knox, Ky. In the book "100 Sergeants Major of Color," a who's who of African-American sergeants major, Crump is credited with a Senior Parachutist Badge which he allegedly did not earn along with several awards that he did.

Crump worked for an actual Medal of Honor recipient, Col. Gordon Roberts, the commander of the Walter Reed Army Medical Center Brigade. Roberts relieved Crump for "unauthorized claim/wear" of honors and insignia, according to Chuck F. Dasey, Walter Reed's strategic communications director. Crump has been charged with violating three articles of military law: failure to obey an order or regulation, Article 92; making false official statements, Article 107, and Article 134, a general provision covering conduct that brings discredit on the armed forces. James Dale, the command sergeant major of the Army's Sergeants Major Academy at Fort Bliss, Texas, when Crump graduated in 2007, now retired, told Army Times he did not remember Crump but suggested the NCO's current plight might serve as a cautionary tale. "I don't know what motivated this individual. It's absolutely a breach of what we learn as NCOs in the Army," Dale said. "I don't know what to say other than that maybe someone about to make a bad decision might think again." Col. William Shiek, who took over as commander of the Medical Center Brigade, initiated the Article 32, a prerequisite to trial by general court-martial.

According to the record, Crump entered the USMC at Parris Island in OCT 83 and exited the Marines in May 86. He achieved the rank of lance corporal and held military occupational specialty 3051, the code for warehouse clerks. According to Army records, Crump enlisted as a medic. He participated in Operation Just Cause, the U.S. invasion of Panama in 1989, with the 142nd Medical Battalion. His only other overseas deployment was to Germany, with an armored unit, and later with medical units in Landstuhl and Heidelberg. Among other awards in his Army record, Crump received four Meritorious Service Medals, five Army Commendation Medals and six Army Good Conduct Medals. Within the last several months, Crump was under consideration to replace the departing Command Sgt. Maj. James E. Diggs and become command sergeant major to Maj. Gen. Carla G. Hawley-Bowland, commanding general of the Northern Region Medical Command (Provisional) and Walter Reed Army Medical Center. [Source: NavyTimes Joe Gould and Jim Tice article 26 Jul 2010 ++]

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**Florida Veterans Homes Update 03:** The new St. Augustine Clyde E. Lassen State Veterans' Nursing Home is preparing to welcome the home's first residents in preparation for their 25 SEP opening. The tobacco and smoke-free campus is named after the late Navy Cmdr. Clyde E. Lassen, a Navy helicopter pilot and Medal of Honor recipient from the Vietnam War. It will employ 140 people. The 120-bed skilled nursing facility will dedicate half its beds for residents with dementia/Alzheimer's disease. Every patient room has an outside window and the building is designed like the spokes on a wheel, with a center courtyard. It also has a covered walkway so that the veterans can go outside even in bad weather. Applications for resident admissions are being accepted beginning 20 JUL. Basic admission requirements include an honorable discharge, Florida residency for one year prior to admission, and certification of need of skilled nursing care as determined by a VA physician. Applications are available at the home and on the FDVA Web site at <http://www.floridavets.org/Form.pdf>. Completed applications may be mailed or dropped off with all necessary documentation at the facility. For more information on the admissions process and specific criteria for entering the home, contact the home's admissions coordinator at (904) 940-2193, extension 805. Mailing address for applications is: Admissions Coordinator, Clyde E. Lassen SVNH, 4650 State Road 16 St. Augustine, FL 32092. This will be the seventh state-operated veterans' nursing home in Florida. The others are:

- **Robert H. Jenkins Jr.** Veterans' Domiciliary Home of Florida, 751 SE Sycamore Terrace, Lake City, Florida 32025 Tel: (386) 758-0600
- **Douglas T. Jacobson** State Veterans' Nursing Home, 21281 Grayton Terrace, Port Charlotte, FL 33954 Tel: (941) 613-0919 or FAX: (941) 613-0935
- **Clifford Chester Sims** State Veterans' Nursing Home, 4419 Tram Rd, Springfield, FL 32404 Tel: (850) 747-5401
- **Emory L. Bennett** Memorial State Veterans' Nursing Home, 1920 Mason Avenue, Daytona Beach, FL 32117 Tel: (904) 274-3460/61
- **Baldomero Lopez** State Veterans' Nursing Home, 6919 Parkway Blvd, Land-o-Lakes, FL 34639 Tel: (813) 558-5000 or FAX (813) 558-5021
- **Alexander "Sandy" Nininger** State Veterans' Nursing Home, 8401 West Cypress Drive, Pembroke Pines, FL 33025 Tel: (954) 985-4824 or FAX (954) 985-4866

[Source: eFlorida News article Jul 2010 ++]

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**Merchant Marine WWII Compensation Update 05:** Congressman G. K. Butterfield (D-NC-01) has offered legislation to help World War II U.S. Merchant Marines receive earned veterans benefits. "With fewer than 10,000 World War II Merchant Mariners still alive today, it is important to ensure they have the full

opportunity to apply for benefits earned through service to our country,” Butterfield said. With bipartisan support from 17 fellow House members, including House Budget Chairman John Spratt (D-S.C.), Butterfield is sponsoring H.R.5829 the World War II Merchant Marine Service Act , which seeks to expand which documents are accepted by the U.S. Secretary of Defense in determining Merchant Marines’ eligibility for veterans benefits. Butterfield explained that during World War II, U.S. Merchant Marines contributed directly to the war effort. These contributions took place while their private employers were under contract or direction of the U.S. military or government, or due to their participation in military activities such as the defense of wide geographic areas, including Guam and Bataan. “The Merchant Mariners have long and rightly been known as the fourth arm of defense,” Butterfield said.

In the years after the war, Congress held hearings on legislation introduced that would have either expanded benefits then currently available to merchant seamen, or provide benefits comparable to those provided in the Servicemen's Readjustment Act of 1944. Unfortunately, Butterfield said, Congress failed to pass any of the legislation. Decades later, Congress did eventually approve legislation that provided U.S. Merchant Marines with active oceangoing service during World War II with eligibility for veterans’ benefits. While many Merchant Marines gained eligibility, Butterfield said that it is often difficult to meet the current documentation requirements. At present the only documents accepted are certificate of shipping and discharge forms, continuous deck or engine logbooks, and shipping company records that indicate the vessel names and dates of voyages. Butterfield said that many of these documents never existed or are “all but impossible” to obtain, and that the bill would allow several alternatives. Under the bill, acceptable forms of documentation would include Social Security Administration records, validated testimony by the applicant or closest living relative and other official records that provide sufficient proof of service.

Still pending in Congress is the "Belated Thank You to the Merchant Mariners of World War II Act (H.R.23/S.663) which would provide \$1,000 monthly pension and a chance to use GI Bill education benefits. H.R.23, which currently has 168 cosponsors, is a 10-year-old bill whose chief sponsor is Rep. Bob Filner (D-CA). S.663 which was sponsored by Sen. E. Benjamin Nelson (D-NE) currently has 51 cosponsors. Both bills provide for authorization to appropriate for the compensation fund the following amounts:

- Fiscal year 2010, \$120,000,000.
- Fiscal year 2011, \$108,000,000.
- Fiscal year 2012, \$97,000,000.
- Fiscal year 2013, \$85,000,000.
- Fiscal year 2014, \$75,000,000.

[Source: Rep. Butterfield News Release 23 Jul 2010 ++]

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**Tricare 26:** National health care reform legislation authorized children to be covered under their parent's healthcare plan up until age 26. In order to bring Tricare into compliance with this new policy both the House and Senate included provisions in their versions of the FY2011 National Defense Authorization Act to allow dependent children to remain in Tricare until age 26 (nicknamed "Tricare 26"). These provisions would require parents to pay additional premiums for their children’s coverage to be set by the Pentagon. At the time the logic was, "if gray area reserve retirees will need to pay a full premium, aged-out dependents probably should too. Why give a small group of dependents who happen to be aging out this particular year a special premium break that won't be allowed for them next year or for other similar dependents aging out in future years?" At the time was assumed that civilian insurance plans implementing the new requirements for coverage of children until age 26 would also require a special additive premium for that coverage. But that's proving not to be the case. Many civilian plans are implementing the extended coverage already without charging any extra premium, and FEHBP is doing the same for

children of federal civilians (i.e., if they already have family coverage, there won't be any extra charge to add the extra dependent(s). That changes the scenario. Military parents under the new law shouldn't get socked with extra premiums if civilian parents aren't. For this reason MOAA is working closely with legislators on an amendment to the defense authorization act for a permanent law change to allow the dependent children of currently serving and retired servicemembers to continue on Tricare coverage until age 26 without an additional premium. [Source: MOAAA Leg Up 23 Jul 2010 ++]

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**National USAF Museum:** The National Museum of The U.S. Air Force recently opened a renovated Korean War exhibit in its modern flight gallery. The 42,000-square-foot exhibit commemorates the 60th anniversary of the start of the Korean War and features 14 of the most important aircraft of the conflict. The museum is located at 1100 Spaatz Street, Wright-Patterson AFB OH 45433 Tel: (937) 255-3286, six miles northeast of downtown Dayton, Ohio. It is open daily 09-1700 but closed on Thanksgiving, Christmas day and New Year's Day. There is no charge for admission or parking. For more information refer to the National Museum of the U.S. Air Force website [www.nationalmuseum.af.mil](http://www.nationalmuseum.af.mil) . [Source: NAUS Weekly Update 23 Jul 2010 ++]

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**Connecticut State Veterans Memorial:** Connecticut is building its first statewide memorial to pay tribute its heroes and heroines. The state does not presently have a central place where they can officially recognize and honor these men and women. Since 1775, more than 1.3 million Connecticut citizens have served in defense of our country. Presently there are over 277,000 veterans living in the State. The stated purposes of the memorial are to provide a place of honor and tribute for the men and women who have served and are serving in the Armed Forces of the United States; to raise awareness of the contributions made by the veterans of the State; and to establish a central site for the State of Connecticut to conduct official observances, activities and ceremonies to honor veterans, including on Memorial Day and Veterans Day. It is anticipated the cost will be \$1.5 million for the instillation, construction, landscaping and completion expenses, exclusive to land acquisition and ongoing maintenance of the Memorial. The specific site chosen for the memorial is Rocky Hill, Connecticut, on a grassy meadow adjacent to the Colonel Raymond Gates State Veterans Cemetery and directly across the street from the Connecticut Veterans Home on West Street in Rocky Hill, Connecticut. This Cemetery is open dawn to dusk.

The area identified for the site is approximately 2.8 square acres. It will feature a tree-lined central walkway that will show a timeline of the battles that have been fought from the Revolutionary War up to the current conflicts in Iraq and Afghanistan, as well as statements honoring those who have served and a special honor for those who died in combat. The walkway will lead to a wall with statements honoring past, present and future veterans as well as logos for each of the major Armed Forces. There will be openings along the wall to enter an amphitheater which will have a speaker's platform, a 'source of life' fountain and ample seating for events that take place at the memorial. Once the Memorial is completed, all guidelines for any ceremonial programs, services and use of the Memorial will be under the direction of the Board of Directors of the Connecticut State Veterans Memorial, Inc. Physical maintenance and upkeep of the grounds will be managed by the Connecticut Department of Veteran Affairs, in conjunction with the Board of Directors of the Memorial. For additional information refer to [www.cthonorsvets.org/default.asp](http://www.cthonorsvets.org/default.asp) [Source: NAUS Weekly Update 23 Jul 2010 ++]

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**Tricare Management Activity Update 01:** DoD has announced plans to relocate more than 3,000 medical support personnel, scattered throughout the National Capital Region (NCR), to a single location at 7700 Arlington Boulevard, Falls Church, VA. The congressional language directing the colocation is known as "BRAC BP 198." The move is one of many changes mandated under 2005 Base Realignment and Closure (BRAC) Commission recommendations approved by the President and Congress. The new site will co-locate the Tricare Management Activity (TMA) and individual service medical headquarters into a single campus that meets Department of Defense anti-terrorism force protection standards by 5 SEP 2011. Once the property is prepared and outfitted, staff will begin moving in the summer of 2011. Included in the move are the TMA offices in Falls Church, VA, and selected NCR personnel of the Navy Bureau of Medicine and Surgery; Office of the Surgeon General of the Air Force, the Air Force Medical Support Agency; Office of the Assistant Secretary of Defense (Health Affairs); and the Office of The Surgeon General and U.S. Army Medical Command. Offices and personnel located at the Pentagon are not affected. TMA will post updates about the relocation effort on the Tricare BRAC Website [www.tricare.mil/brac](http://www.tricare.mil/brac) . Questions can be addressed to [bracquestions@tma.osd.mil](mailto:bracquestions@tma.osd.mil) . Bringing these agencies together under one roof presents many logistical challenges. An example of this is a recent TMA brief disclosed that the new building will not have enough room to house all the people scheduled to move. Additionally they say that the over 3,000 people will be moving to a building that has only 2,000 parking spots. [Source: NAUS Weekly Update 23 Sep 2010 ++]

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**Vet Jobs Update 21:** On 22 JUL leaders from the NAUS, Disabled Veterans of America, the American Legion, VFW, Purple Heart and Blinded Veterans met with Department of Homeland Security Secretary Janet Napolitano to discuss advancement in the hiring of veterans and other matters. All were pleased to hear the Secretary say that nearly 25% of the department's employees are veterans—47,000 out of 230,000. The Secretary asked the associations to help her develop a stronger hiring process, called Direct Authority, for blanket authority to increase veterans employment in the multi-mission department from the current mark to the goal of 50,000. [Source: NAUS Weekly update 23 Jul 2010 ++]

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**Tricare Reserve Select Update 13:** Tricare Retired Reserve, a new program being launched in the fall, will allow certain “gray area” retired National Guard and Reserve personnel, who are not yet age 60, the opportunity to purchase Tricare health coverage. Passage of the National Defense Authorization Act for 2010 provided retired National Guard and Reserve personnel with new Tricare health coverage options before they reached age 60. Under Tricare Retired Reserve, Tricare Standard and Extra coverage will be available for purchase to “gray area” retirees. Other details involving specific eligibility rules, coverage and costs are still being coordinated and finalized. Potential beneficiaries who would like to be among the first to know about final details for Tricare Retired Reserve are encouraged to sign up for e-mail updates from Tricare. Visit [www.tricare.mil/subscriptions](http://www.tricare.mil/subscriptions) and sign up for “Benefit Changes” for “Retired National Guard and Reserve Member.” [Source: Tri8care News release No. 10-64 dtd 23 Jul 2010 ++]

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**VA Hearing Aids/Eyeglasses Update 02:** The Department of Veterans Affairs must provide audiology and eye care services and hearing aids and glasses to military veterans with any compensable service-connected disability. Public Law 104-262, the Veterans Health Care Eligibility Reform Act of 1996, changed eligibility laws to allow VHA to furnish prosthetic appliances to veterans. However, that law further provided that

VHA could not furnish sensori-neural aids (hearing aids and eyeglasses) except in accordance with guidelines that the Department of Veterans Affairs (VA) prescribes. Subsequently, the Department published regulations (Title 38 Code of Federal Regulations (CFR), §17.149) in the Federal Register establishing such guidelines. In 2002, VHA issued Directive 2002-039 to establish uniform policy for the provision of hearing aids and eyeglasses. It is now VHA policy that all enrolled veterans and those veterans exempt from enrollment are eligible for medical services that include diagnostic audiology and diagnostic and preventive eye care services, and that the prescription and provision of hearing aids and eyeglasses must be furnished to all eligible veterans in accordance with the parameters and criteria defined in VHA DIRECTIVE 2008-070 dtd 28 OCT 08. Full details of the directive can be viewed at [http://www1.va.gov/vhapublications/ViewPublication.asp?pub\\_ID=1789](http://www1.va.gov/vhapublications/ViewPublication.asp?pub_ID=1789). It identifies eligible's to include:

- Those with any compensable service-connected disability.
- Those who are former Prisoners of War (POWs).
- Those who were awarded a Purple Heart.
- Those in receipt of benefits under Title 38 United States Code (U.S.C.) 1151.
- Those in receipt of an increased pension based on being permanently housebound and in need of regular aid and attendance.
- Those with vision or hearing impairment resulting from diseases or the existence of another medical condition for which the veteran is receiving care or services from VHA, or which resulted from treatment of that medical condition, e.g., stroke, polytrauma, traumatic brain injury, diabetes, multiple sclerosis, vascular disease, geriatric chronic illnesses, toxicity from drugs, ocular photosensitivity from drugs, cataract surgery, and/or other surgeries performed on the eye, ear, or brain resulting in vision or hearing impairment.
- Those with significant functional or cognitive impairment evidenced by deficiencies in the ability to perform activities of daily living.
- Those who have vision and/or hearing impairment severe enough that it interferes with their ability to participate actively in their own medical treatment and to reduce the impact of dual sensory impairment (combined hearing and vision loss). NOTE: The term "severe" is to be interpreted as a vision and/or hearing loss that interferes with or restricts access to, involvement in, or active participation in health care services (e.g., communication or reading medication labels). The term is not to be interpreted to mean that a severe hearing or vision loss must exist to be eligible for hearing aids or eyeglasses.
- Those veterans who have service-connected vision disabilities rated zero percent or service-connected hearing disabilities rated zero percent if there is organic conductive, mixed, or sensory hearing impairment, and loss of pure tone hearing sensitivity in the low, mid, or high-frequency range or a combination of frequency ranges which contribute to a loss of communication ability; however, hearing aids are to be provided only as needed for the service-connected hearing disability.

Following are the Directive's Criteria for replacing hearing aids and eyeglasses in accordance with VHA Handbooks 1173.7 and 1173.12:

- Hearing aids or eyeglasses are to be replaced when the device proves to be ineffective, irreparable, or the veteran's medical condition has changed and a different device is needed.
- Hearing aids or eyeglasses are to be replaced if the device was destroyed or lost due to circumstances beyond the control of the veteran.
- Hearing aids or eyeglasses are not to be replaced because of availability of newer technology, unless there is evidence that the replacement will significantly benefit the veteran.
- For hearing aids, replacement may be based on age of the device, whether they are beyond economical repair, technical performance is reduced, parts or accessories are unavailable, or the device is no longer sufficient for the veteran's communication needs.
- Replacement hearing aids can be prescribed at any time that change of amplification characteristics are required to maintain or improve communication function. Hearing aids have an expected life span of 3 to 4

years depending on the model of the instrument, daily hours of use, wear and tear, frequency of repair and maintenance, ear conditions, and user lifestyle.

- For eyeglasses, replacement of corrective eyeglasses necessitated by fair wear and tear, loss, or breakage due to circumstances beyond the control of the veteran, or due to required change of prescription, may be made at any time.
- Hearing aids or eyeglasses are not to be replaced solely for cosmetic purposes.

[Source: VA Directive 2008-070 Jul 2010 ++]

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**U.S. Naval Academy Update 02:** The Naval Academy superintendent, recently under fire over an off-the-books "slush fund," will be forced out of his position a month earlier than expected, officials said 20 JUL, as the military also overturned his recommendations that two students be expelled. Vice Adm. Jeffrey L. Fowler had planned to retire in September after three years at the academy's helm, but the chief of naval operations, Adm. Gary Roughead, directed an exit by the first week in August, saying it would "better position the Naval Academy for success in the upcoming year," according to a Navy spokesman. The Navy also determined that there had been "inconsistencies" in the application of the academy's honor code involving seven Midshipmen alleged to have committed a violation, including two football players. Officials said recommendations by Fowler to expel two Midshipmen had been overruled and the students would be offered the opportunity to return. W. Scott Hannon, a Baltimore attorney who said he was representing one of the students whose suspension was overturned, cheered the reversal, which he described as extremely rare. "To not go along with the recommendations is almost unprecedented," said Hannon, a former Marine officer. "It speaks to a lack of confidence by the secretary that this study was even conducted in the first place." Cmdr. Joe Carpenter, a Naval Academy spokesman, said in a statement that Naval Academy leadership was "reviewing the findings of this recent report and will comply with Navy-directed corrective action."

Rear Adm. Denny Moynihan, the spokesman, played down the significance of Fowler's accelerated departure, noting that his successor, Rear Adm. Michael Miller, has been confirmed by the U.S. Senate and is available to assume control. A jump start would allow Miller to "shape corrective actions" related to recent reviews of the academy's programs and policies, he said. A change-of-command ceremony is slated for the first week in August. But the decision comes two weeks after the release of a 110-page report by the Office of the Naval Inspector General, which found football bowl game sponsorship money had been placed into an off-the-books account and spent on "invitation-only" tailgate parties, catered receptions and gifts for coaches. The report concluded that the expenditures, some of them "extravagant and wasteful," did nothing for the intended beneficiaries: the academy's Midshipmen. Though it was completed in November, the report was released just last month in response to a Public Information Act request by Navy Times. The report's outcome "was a factor" in Fowler's pending retirement, Moynihan said, though he noted that Fowler made no financial gain. The report said there was no evidence he was "specifically aware of any of the improprieties related to the actions of his subordinates in this matter."

Secretary of the Navy Ray Mabus asked Roughead on June 11 to review the academy's honor code procedures after becoming aware of possible inconsistencies in the adjudication of violations. The review examined the adjudication of 27 Midshipmen who allegedly violated the code during the 2009-2010 academic year. Roughead's report scrutinized eight cases and found that the disciplinary decisions were "within the authority and discretion" of the superintendent and commandant. But he said that there were "inconsistencies and therefore understandable perceptions of disparate treatment," with consideration given to factors including a Midshipman's status as a foreign national student, varsity football player or as a child of a senior officer. The report redacts the name of the students but goes into some detail about their alleged violations, including one involving a Midshipman who created an elaborate series of lies regarding the death of her fiancé and another friend. Officials said the academy's honor and

conduct system would be revamped and the new superintendent would begin personally briefing the vice chief of naval operations at the end of each semester, or three times a year, on disciplinary decisions.

Fowler was nominated to be superintendent in MAR 07 by President George W. Bush and took over in the summer of 2007. Despite serving during wartime, Fowler has led the academy to major increases in applications, including those from minority candidates. Last month, Fowler said in a statement that he was "responsible and accountable" for the inspector general's findings. In a statement 20 JUL, Fowler did not address the reports or his accelerated departure, instead thanking alumni, parents, staff and students. "During my tenure, every class that was present entered and graduated from the Naval Academy while the nation's military was engaged in combat," he said. "Many have proven their mettle with deployments in harm's way shortly after graduation. It with the greatest confidence that I say our Navy and Marine Corps will be in good hands with this newest generation of leaders." Moynihan said "appropriate administrative actions" were taken against Fowler, though he would not go into detail. In addition, Robert Parsons, the academy's deputy for finance, was suspended without pay for five days, and Moynihan said "corrective measures" were taken against another academy employee whom he would not identify. [Source: Baltimore Sun 15 Jul 2010 ++]

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**GI BILL Update 81:** The Veterans Affairs Department still has not fixed problems with living stipends being paid to veterans using the Post-9/11 GI Bill, some of whom continue to be underpaid by hundreds of dollars a month. While VA officials did not respond to repeated questions about the problem, sources said the department is planning to make a one-time retroactive payment to student veterans. But it is not clear when these payments will be made and whether students will have to apply for them. Just how many people receive incorrect payments also is unclear. More than 250,000 student-veterans were using the GI Bill during the fall semester, but many would not be eligible for living stipends because they were taking too few credits or taking all of their credits from distance-learning schools. Living stipends paid since Jan. 1 are incorrect for most student-veterans because the payments are based on 2009 military housing allowance rates, rather than the 2010 rates that took effect Jan. 1. Not recalculating the living stipend rates was part of a tradeoff in order to make timely tuition payments to colleges and universities after a host of problems in the fall of 2009. Military housing allowance rates rose an average 2.5% in 2010, but in some areas rates increased by as much as 13.5%.

VA officials acknowledged in April that they were paying the wrong rates and said they would update the rates and make retroactive payments as soon as they could make changes in the software used to calculate payments. In April, officials said they thought the corrections and retroactive payments to students would be made as part of a July 1 software upgrade, but sources said rate changes were not made and that VA is now trying to decide when and how to make the corrections. With the spring term now over for most colleges and universities, VA would have to track down veterans who were paid incorrectly to make retroactive payments. Exactly how this would be done is unclear, and VA officials provided no answers that would help clarify the issue. Speaking on the condition of anonymity, representatives of veterans organizations said they are aware of continuing problems with GI Bill payments and hope these can be resolved before the fall 2010 school term. "We expect start-up problems, but Aug. 1 marks the one-year anniversary of the start of the Post-9/11 GI Bill," said a representative of one group. "At some point, VA has to stop blaming the problems of starting up a new program and fix things so there is some level of confidence in student-veterans that they are being paid the right amount."

[Source: NavyTimes Rick Maze article 19 Jul 2010 ++]

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**VA Contractor Use Update 02:** To improve the Department of Veterans Affairs (VA) execution of information technology (IT) projects and to further advance top-priority programs for Veterans, Secretary of Veterans Affairs Eric K. Shinseki announced a new contracting strategy to be known as Transformation Twenty-One Total Technology (T4) which is focused on giving Veteran-owned small businesses more opportunities to support VA. Speaking at the annual National Veterans Small Business Conference, Shinseki said, “T4 is a win-win strategy: Veteran-owned businesses win by getting more contracting opportunities; VA wins by getting the contractor support it needs more quickly, with less risk, reduced costs, and in a more manageable form; and all Veterans win by getting better services and support from a transformed VA.” Shinseki said VA will soon launch a request for proposals for an up to five-year program of multiple awards to firms that will perform as prime contractors or subcontractors to meet the full range of VA’s long-term technology needs. T4 will award up to 15 prime contracts, at least four of which are reserved for service-disabled Veteran-owned small businesses and three for Veteran-owned small businesses.

The acquisition strategy provides greater opportunity for Veteran-owned small businesses to compete as prime contractors. Over the five years, VA anticipates the program may approach \$12 billion in support of IT programs. Large firms awarded prime contracts will have very aggressive subcontracting goals for both small and Veteran-owned businesses. To ensure the subcontracting goals are met, VA will have the right to reserve set-asides for those businesses at the task-order level. T4 will be managed and administered by VA’s Technology Acquisition Center in Eatontown, N.J. Shinseki said transparency of transactions will be critical. Awards and results will be posted on the Web and the goals for small businesses will be monitored aggressively. He estimated that the T4 strategy will enable Veteran-owned small businesses to receive \$800 million to \$1 billion in contracts. The strategy will also give industry greater insight into VA’s total IT needs, resulting in better solutions with less risk and lower costs. Shinseki told conference attendees the new strategy is one more way VA strives to enhance opportunities for Veterans to participate in the nation’s economic recovery and VA’s business processes. He cited other examples:

- VA exceeds the government’s goals for purchasing from small businesses, Veteran-owned and service-disabled Veteran businesses;
- To improve chances for Veterans’ small companies to do business with the government, VA has an “industry innovation competition,” underway with one of its goal to make it easier for Veteran owners to enter the federal marketplace;
- The department has started a mentoring program to encourage large contractors to help small businesses improve operations and to rely more on Veteran-owned subcontractors.

Shinseki said VA is also cracking down on contractors who represent themselves fraudulently as Veteran-owned small businesses. As the result of investigations by the VA Inspector General, an owner of a construction company was recently arrested for falsely claiming Veteran status to win a \$5.7 million construction contract. VA moved quickly to suspend the individual and his company from future contracts. VA has established a committee to expedite suspensions and debarment from federal business. [Source: VA News Release 20 Jul 2010 ++]

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**Medicare Scams Update 02:** Scammers are at it again, this time contacting seniors in an attempt to obtain personal information by asking them to reveal Medicare, Social Security or bank account numbers, or pay a fee to receive a \$250 Medicare rebate check. The Department of Health and Human Services and the Michigan Office of Services to the Aging are getting reports of Medicare beneficiaries getting contacted by phone, mail or in person and asked for personal information in exchange for a \$250 Medicare rebate check. These one-time rebates are automatically mailed to Medicare recipients when they reach the Medicare Part D prescription drug coverage gap, also known as the “donut hole.” Normally, a Medicare recipient will receive their \$250 rebate check within 45 days of reaching the \$2,830 expenses threshold for prescription drugs during a calendar year. Once that threshold is

met, the recipient must pay all prescription drug costs until expenses reach \$3,610. That's when low-cost Medicare drug coverage at the catastrophic level kicks in. The \$250 rebate check is intended to help citizens offset the cost of prescription drugs. It was part of the health care reform legislation passed earlier this year. The new law addresses the gradual elimination of the "donut hole" over the next few years. "We want to protect our seniors and are warning them to be on the alert for scam artists," said Sharon Gire, director of the OSA. "These one-time Medicare rebate checks will be mailed to eligible individuals automatically and if contacted, seniors should not provide their personal information."

**Phone fraud warning signs:** When you give personal or financial information to unknown callers, you increase your chances of becoming a victim of telemarketing fraud. Some warning signs that you may be talking to a scam artist:

- They say that you must act "now" or the offer won't be good.
- They say that you must send money, give a credit card or bank account number, or have a check picked up by courier.
- They say that you don't need to check out the company with anyone, including your family, lawyer, accountant, local Better Business Bureau or consumer protection agency.
- They say that you don't need any written information about their company or their references.
- They say that you can't afford to miss this "high-profit, no-risk" offer.

**Avoid being a victim:** Medicare advises seniors to be wary of individuals who approach them with offers of good deals on Medicare prescription drug coverage. According to Medicare officials:

- Be wary of door-to-door salespeople. No one is authorized to come to your door uninvited with the purpose of selling you Medicare prescription drug coverage.
- Do not reveal personal health or financial information. Legitimate companies who sell Medicare prescription drug policies are not authorized to request personal information during marketing activities.
- Always protect your Medicare number. Like your credit cards and bank accounts, your Medicare number is personal and should not be given to strangers.
- Before you reveal personal information or sign a contract, confirm that the company is legitimate. Medicare has a list of approved companies, so it's easy to confirm that the company and coverage you choose is legitimate before you sign up or reveal financial information. If a salesperson pressures you to sign up without giving you time to check, run the other way.

Note: If you have questions about Medicare coverage, call 800-MEDICARE, or go online to [www.medicare.gov](http://www.medicare.gov). If you suspect fraud, contact your local police or the Health and Human Services Office of the Inspector General at 800-HHS-TIPS. [Source: Kalamazoo Gazette article 21 Jul 2010 ++]

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**Chapter 61 Disability Pay Update 04:** Another congressional effort to expand concurrent receipt of military retired pay and veterans disability compensation has failed. Facing election-year pressure to dramatically scale back new spending, the Senate voted 20 JUL for a stripped-down economic assistance bill that now omits a proposal supported by the White House and approved by the House of Representatives that would have temporarily extended concurrent receipt of both benefits to medically retired veterans who served less than 20 years in uniform. The revised Senate bill now includes only an extension of unemployment compensation. House Democratic leaders had added an expansion of concurrent receipt to the bill as a way to get around budgetary restrictions that prevented the benefit from being added to the 2011 defense budget. Congressional aides who have been working on the legislation said there was no immediate fallback plan, potentially preventing any action this year. House Democrats

have talked about trying to restore some of the dropped items, but no firm plans were announced. The House bill had included a temporary change in law that would have increased pay for some people receiving medical retirement pay by eliminating an offset in the retired pay for those who also receive VA disability compensation.

The change would have started on 1 JAN for those with a disability rated by VA at 90% or more, and on 1 OCT, 2011, for those with disabilities rated at least 70%. The offset would have resumed on 1 OCT 2012. The temporary nature of the proposed change was the result of an agreement to try to limit costs, with Democratic leaders hoping they could find money for a permanent and larger plan over the next two years. The Obama administration wanted a permanent change. The 2011 federal budget proposed a five-year plan in which all medically retired veterans — known as Chapter 61 retirees because of the section of law governing their pay — would have their offset eliminated by 2016. It also called for the elimination of the offset that still applies to some disabled retirees with low-rated disabilities that are not combat-related. [Source: NavyTimes Rick Maze article 20 Jul 2010 ++]

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**Flag Presentation Update 04:** The United States Flag Code establishes advisory rules for display and care of the flag of the United States. It is Section 1 of Title 4 of the United States Code (4 U.S.C. § 1 et seq). This is a U.S. federal law, but there is no penalty for failure to comply with it and it is not widely enforced — indeed, the U.S. Supreme Court has ruled that punitive enforcement would conflict with the First Amendment right to freedom of speech. A Flag Desecration Amendment has been proposed from time to time and, if ever passed into law, would override Supreme Court rulings on this matter. The following standards of respect for proper presentation of the flag should be followed:

- The flag should never be dipped to any person or thing, unless it is the ensign responding to a salute from a ship of a foreign nation. This tradition comes from the 1908 Summer Olympics in London, where countries were asked to dip their flag to King Edward VII: the American team flag bearer, Ralph Rose, refused in support of an Irish boycott over Great Britain's refusal to grant Irish independence, and teammate Martin Sheridan is often stated as famously proclaiming that "this flag dips to no earthly king. This tradition was codified as early as the 1911 U.S. Army drill regulations.
- The flag should never be displayed with the union (the starred blue union) down, except as a signal of dire distress in instances of extreme danger to life or property.
- The flag should not be used as "wearing apparel, bedding, or drapery", or for covering a speaker's desk, draping a platform, or for any decoration in general (exception for coffins). Bunting of blue, white and red stripes is available for these purposes. The blue stripe of the bunting should be on the top.
- The flag should never be drawn back or bunched up in any way.
- The flag should never be used as a covering for a ceiling.
- The flag should never be used for any advertising purpose. It should not be embroidered, printed, or otherwise impressed on such articles as cushions, handkerchiefs, napkins, boxes, or anything intended to be discarded after temporary use. Advertising signs should not be attached to the staff or halyard.
- The flag should not be used as part of a costume or athletic uniform, except that a flag patch may be used on the uniform of military personnel, firefighters, police officers, and members of patriotic organizations.
- Flag lapel pins may also be worn (they are considered replicas) and are worn near the heart.
- The flag should never have placed on it, or attached to it, any mark, insignia, letter, word, number, figure, or drawing of any kind.
- The flag should never be used as a receptacle for receiving, holding, carrying, or delivering anything.
- The flag should never be stepped on.
- The flag should not be draped over the hood, top, sides, or back of a vehicle, railroad train, or boat.
- When the flag is lowered, no part of it should touch the ground or any other object; it should be received by waiting hands and arms. To store the flag it should be folded neatly and ceremoniously.

- The flag should be cleaned and mended when necessary.
- If the flag is being used at a public or private estate, it should not be hung (unless at half staff or when an all weather flag is displayed) during rain or violent weather.
- When a flag is so tattered that it can no longer serve as a symbol of the United States, it should be destroyed in a dignified manner, preferably by burning. The American Legion, Boy Scouts of America, Girl Scouts of the USA] and other organizations regularly conduct dignified flag-burning ceremonies, often on Flag Day, 14 JUN.
- The flag should never touch anything beneath it. Contrary to an urban legend, the flag code does not state that a flag that touches the ground should be burned. Instead, the flag should be moved so it is not touching the ground.
- The flag should always be permitted to fall freely (This was not the case during the Apollo 11 moon landing when the US flag was reinforced by a horizontal bar at the top to allow full display even in absence of an atmosphere and the resulting lack of wind activity.)

[Source: [http://en.wikipedia.org/wiki/United\\_States\\_Flag\\_Code](http://en.wikipedia.org/wiki/United_States_Flag_Code) Jul 2010 ++]

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**Military History:** The United States Navy was officially founded on October 13, 1775, when the Continental Congress authorized the outfitting of two vessels "of ten carriage guns...for a cruise of three months" against British supply ships. A Naval Committee of three men-Silas Deane, Christopher Gadsden and John Langdon- was appointed to supervise the project. The Continental Congress had a very limited role in mind for the Navy. It was not expected to contest British control of the seas, but rather to wage a traditional guerre de course against British trade in conjunction with privateers outfitting in American ports. The Continental Navy's ships were to raid commerce and attack the transports that supplied British forces in North America. To carry out this mission, the Continental Congress began to build up a cruiser Navy of small ships - frigates, brigs, sloops and schooners. For the most part Continental Navy ships tried to avoid fights with Royal Navy men-of-war. Few larger ships, in fact, ever put to sea.

During the Revolution, there were occasional triumphs in single-ship engagements - the capture, for example of the British sloop-of-war Drake by Captain John Paul Jones' Ranger. Jones also operated against the British in the North Sea itself, and actually raided the coast of Great Britain. Jones, born a Scot, had actually fled to Virginia originally to avoid prosecution by Great Britain for murder. He also captained the Bonhomme Richard and is known as the father of the American Navy. The Navy also employed the first undersea combat submarine during the Revolution, the Turtle, designed by David Bushnell of Connecticut. This was a one man submersible with two hand-held propellers and an outside screw designed to place a plug in the bottom of British ships with an explosive barrel attached which would then explode after its fuse burned. The Turtle was employed in action on only one date, 6 SEP 1776, in New York Harbor, against the H.M.S. Eagle. It failed to explode the Eagle, but is reported to have scared the devil out of the British sailors on board the attacked ship.

As expected, though, the Continental Navy never became a strategic check for the British fleet. But the course of the War did demonstrate to America the importance of sea power. New York, for example, has one of the biggest and deepest harbors in the world. And Lord William Howe, the British commander, wanted New York City because it protected the British power base (2/3rd's of the City's inhabitants were loyalists) and because its capture meant the Royal Navy could sail up the Hudson River into the heart of rebel territory. The British had a powerful navy, and they knew we did not have much of one. They knew, given all that, it was a must for them to maintain their occupation of New York City for the duration of the Revolution, which is exactly what they did. And the control of the Atlantic by the Royal Navy allowed Great Britain to transport a large army to North America and to sustain it there. French sea power, allied with the American cause after 1778, allowed Washington to isolate and destroy the

British army of Lord Cornwallis at Yorktown in 1781, ending Britain's hope of crushing the Revolution. Two years after the end of the War the money-poor U.S. Congress sold off the last ship of the Continental Navy. To follow the navy's histories after the Revolutionary War refer to the attachment to this Bulletin. [Source: [www.navyvets.org/id50.html](http://www.navyvets.org/id50.html) Jun 2010 ++]

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**VA HIV Testing Update 01:** With VA making HIV testing part of routine medical care you may find you are positive. A positive HIV test does not equal death: It means you need to take care of yourself to stay healthy. Many people who have been infected since the 1980s are alive today, living healthy and productive lives. The most important things you can do is start seeing a doctor or other health care provider. The VA is the nation's largest provider of HIV care and makes available to its patients all FDA-approved medications for the treatment of HIV and AIDS. Make sure you show up at your medical appointments and stay in close contact with your health care provider. Explain how you feel and what you're going through. Follow your doctor's instructions about lifestyle, diet and nutrition, and treatment. Learn about HIV disease and how to take care of yourself and if needed ask for help or support. Finding out that you have HIV can be scary and overwhelming. If you feel overwhelmed, try to remember that you can get help and that these feelings will get better with time.

There are some things that you should know about HIV that may ease some of the stress or confusion you are feeling. Remember:

- You are not alone. Many people are living with HIV, even if you don't know that they are.
- HIV does not equal death: Having HIV does not mean that you are going to die of it.
- A diagnosis of HIV does not automatically mean that you have AIDS.
- Don't freeze: Learning how to live with HIV and getting in touch with a health care team that knows how to manage HIV will help you to feel better and get on with your life.

**Understand your diagnosis.** When your doctor tells you that you are HIV positive, it means that you have been infected with the Human Immunodeficiency Virus (HIV). The HIV test does not tell you if you have AIDS or how long you have been infected or how sick you might be. Soon after your diagnosis, your doctor will run other tests to determine your overall health, and the condition of your immune system.

The more you know about HIV and how to treat it, the less confused and anxious you will be about your diagnosis. The more you learn, the better you will be at making decisions about your health. You don't have to learn it all at once, however. It is important to go at a pace you are comfortable with. Following are ways to learn about HIV and AIDS:

- Review the Basics section of [www.hiv.va.gov](http://www.hiv.va.gov).
- Check out government or nonprofit educational organizations that deal with HIV and AIDS issues. You can find a list of them on the Resources page at the end of this section.
- Use your local library: The most current information will be in the library's collection of newspapers and magazines (books about HIV and AIDS may be out of date by the time they are published).
- Check with your local VA medical center to see if there's an on-site library where you can find patient materials on HIV and AIDS.
- Talk with others who have been diagnosed with HIV and AIDS. Ask your doctors if they know of any support groups. Or you can go online, where you can find message boards and chat rooms. Always discuss what you learn from these sources with your doctor. The information may not be accurate; and even if it is, it may not be right for your particular situation.

**Find support.** Finding support means finding people who are willing to help you through the emotional and physical issues you are going to face. If you let the right people in your life know that you are HIV positive, they can offer you support and understanding and provide you with assistance, such as running errands and helping with child

care, doctor visits, and work. Deciding to tell others that you are HIV positive is an important personal choice. It can make a big difference in how you cope with the disease. It can also affect your relationships with people. If you decide to share information about your diagnosis, it is best to tell people you trust or people who are directly affected. You don't have to tell everyone about your HIV status right away. You might want to talk with a counselor or social worker first. Some VA Medical Centers have a support group for veterans with HIV, so you may want to ask your provider if your center has one that you can join for support and for more information about living with HIV. Joining a group of people who are facing the same challenges you are facing can have important benefits. These include feeling better about yourself, finding a new life focus, making new friendships, improving your mood, and better understanding your needs and those of your family. People in support groups often help each other deal with common experiences associated with being HIV positive. Support groups are especially helpful if you live alone or don't have family and friends nearby.

**Support groups.** There are different types of support groups, from hotlines to face-to-face encounter groups. Some of the most popular types and suggestions about how to find them are:

- Hotlines. Find a hotline in your area by talking to a VA social worker in your hospital. Or look in the telephone book, in the yellow pages under "Social Service Organizations." Ask the hotline to "match" you with another person with a history like yours. He or she can give you practical advice and emotional support over the telephone.
- Professional Help. Veterans with HIV can get referrals to mental health professionals, such as psychologists, nurse therapists, clinical social workers, or psychiatrists. You also will likely have a social worker who is part of the HIV clinic where you will receive care. You can also get help for drug abuse.
- VA has Vet Centers, or Veteran Readjustment Centers, that specialize in supporting veterans with post-traumatic stress disorder. Many of these centers provide help to veterans with HIV.
- Self-Help Organizations. Self-help groups enable people to share experiences and pool their knowledge to help each other and themselves. They are run by members, not by professionals (though professionals are involved). Because members face similar challenges, they feel an instant sense of community. These groups are volunteer, nonprofit organizations, with no fees (though sometimes there are small dues).

[Source: <http://www.hiv.va.gov> Jul 2010 ++]

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**Tricare Gray Area Retirees Update 06:** Tricare eligibility for "gray area" retirees probably will not be available by 1 OCT as expected. Instead, the health care for retirees who are not yet old enough for health care and retirement benefits might come later in the year, but some have said it will be 2011 before the benefit is in place. The expansion of eligibility was part of the National Defense Authorization Act for fiscal 2010. It would allow the targeted audience to pay full price for either individual or family coverage. Premiums have not been announced. Air Force Times reported that the date the proposed rules for expansion were sent by Tricare Management Activity to the White House for review was 28 JUN. The Office of Management and Budget has 90 days to look over the policy and ask for changes. That would be followed by a 60-day period for public comment. [Source: NGAUS Washington report 20 Jul 2010 ++]

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**Tricare Uniform Formulary Update 34:** The Beneficiary Advisory Panel (BAP) met 24 JUN to provide comments to the Department of Defense (DoD) Pharmacy and Therapeutics Committee's (P&T Committee) recommendations on formulary status, pre-authorizations, and the effective date for a drug's change from formulary to non-formulary status. Moving a drug to non-formulary status means it will still be available to beneficiaries, but usually at a higher price. It may also require medication authorization. Uniform Formulary

Classes, recently approved drugs, and drugs affected by the Federal Ceiling Price were reviewed. The BAP's recommendations were:

**Uniform Formulary Class Review:** Antilipidemic-1s, which include Statins and Statin combination products and add-on therapies. The BAP recommended:

- Ezetimibe (Zetia), niacin ER (Niaspan), lovastatin/niacin ER (Advicor), simvastatin/niacin ER (SIMCOR), ezetimibe/simvastatin (Vytorin), atorvastatin (Lipitor), simvastatin (Zocor generics), fluvastatin (Lescol), fluvastatin ER (Lescol XL), lovastatin (Mevacor generics), lovastatin ER (Altoprev), and pravastatin (Pravachol generics) remain on the Uniform Formulary.
- Atorvastatin/amlodipine (Caduet) and rosuvastatin (Crestor) be designated as formulary on the Uniform Formulary with prior authorization for LIP-1s drug class. Coverage would be allowed without a prior authorization if the beneficiary met certain criteria.

**Alpha Blockers for benign prostatic hyperplasia.** The BAP recommended:

- Tamsulosin (generic Flomax), alfuzosin (Uroxatral), terazosin (Hytrin generics), and doxazosin IR (Cardura) remain on Uniform Formulary.
- Silodoxin (Rapaflo) remain classified as non-formulary with a prior authorization. Coverage would be allowed without a prior authorization if the beneficiary met certain criteria.
- Doxazosin ER (Cardura XL) will be designated non-formulary.

**Recently approved drugs.** The BAP recommended:

- Fentanyl citrate transmucosal soluble be designated as Uniform Formulary.
- Sumatriptan needle-free injection (Sumavel DosePro) be designated non-formulary.
- Quinine sulfate (Qualaquin) be allowed with a prior authorization and limited to FDA-approved indications of malaria.

**Implementation of Federal Ceiling Price:** Drugs that were previously designated non-formulary because they were found to be non-compliant to the National Defense Authorization Act for Fiscal Year 2008 were reviewed. Drugs now compliant are eligible to return to their previous formulary status without a prior authorization requirement. The BAP recommended:

- Human factor VIII (Humate-P and Monoclata-P), Recombinant factor VIII (Helizate FS), and Human factor IX (MonoNine) will return to formulary status on the Uniform Formulary. Many other drugs, too numerous to list here, were also moved back to formulary status on the Uniform Formulary. For the complete list go to [www.tricare.mil/pharmacy/bap/24%20Jun%202010%20BAP%20Background%20Information%20Doc%20draft%20revised%2015%20Jun.pdf](http://www.tricare.mil/pharmacy/bap/24%20Jun%202010%20BAP%20Background%20Information%20Doc%20draft%20revised%2015%20Jun.pdf)
- The BAP recommended these drugs be designated non-formulary: Daytrana, kapidex, saizen, azor, welchol, cardene SR, and Vyvanse.

The implementation time for the Class Review drugs and recently approved drugs will be no later than 60 days following the Tricare Management Activity (TMA) Director's approval. TMA will send a letter to all beneficiaries affected by this change in Uniform Formulary status. For a complete list of formulary medications and the most updated list of Section 703 drugs, go to [www.tricareformularysearch.org/dod/medicationcenter/default.aspx](http://www.tricareformularysearch.org/dod/medicationcenter/default.aspx). For additional information on this or other BAP meetings, refer to [www.tricare.mil/pharmacy/bap](http://www.tricare.mil/pharmacy/bap). The Federal Ceiling Price statute for the Retail Network Pharmacy can be found at [www.tricare.mil/pharmacy/bap/20090916/Implementation%20of%20Final%20Rule%20on%20Federal%20Ceiling%20Prices%20tr%20dated%206%20Aug%202009.pdf](http://www.tricare.mil/pharmacy/bap/20090916/Implementation%20of%20Final%20Rule%20on%20Federal%20Ceiling%20Prices%20tr%20dated%206%20Aug%202009.pdf).

[Source: NMFA Military Family Topics 20 Jul 2010 ++]

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## **Veteran Charities Update 12:**

The Oregon Attorney General John Kroger wants Veterans of Oregon (<http://veteransoforegon.com>), a popular nonprofit that awards honorary medals to military veterans, shut down for deceiving donors. He says telemarketers for the nonprofit misled donors by telling them their money would feed, house and provide medical care for homeless and ill vets. Instead, 80% of the cash raised over two years -- about \$500,000 -- went to the Michigan telemarketing firm making the calls. The Department of Justice has sued the nonprofit veterans group and its for-profit fundraiser, Associated Community Services, saying it "spent nothing or only token amounts on the programs described" in solicitations. The state alleges that much of the remaining 20% went to founder John Neuman and his associates' expenses for the \$6 medals and travel to award ceremonies. Neuman, 62, called the allegations "a crock," saying his organization is being caught up in the Attorney General's campaign against telemarketers and Kroger's political aspirations. An Air Force veteran who served in Vietnam, Neuman has worked for nearly 20 years to honor veterans with memorial highways, monuments and now medals. He defended using telemarketers to launch his nonprofit from his Welches garage in 2006, saying he could account "for every penny" and plans to fight the charges in court. "I've never been in it for profit, helping veterans is what I do, it's my own therapy and we're going to win this thing," says Neuman.

The complaint is part of a larger Kroger campaign to stop charities that keep most of the money they raise. Veterans are among the "hero" charities, like firefighters and police, that enjoy wide support and are thus easily exploited, charity watchdogs say. There are 187 active nonprofits registered in Oregon with names indicating they serve veterans or soldiers. Since the wars in Iraq and Afghanistan, there has been "a proliferation of new veterans' groups being formed," says the President of the American Institute of Philanthropy Daniel Borochoff, a prominent independent watchdog group. That comes as giving overall dropped 3.2 % in 2009, the steepest decline since 1956, according to a just-released report by AIP. In Borochoff's view, spending \$35 or less to raise \$100 is reasonable for most charities. "Unscrupulous fundraisers are taking advantage of America's concern for veterans. It's a national scandal," Borochoff says. "And there is a broad concern that over \$1 billion (annually) is raised in the name of veterans in this country, and that so little of that is going to help the people in need." The Department of Justice lists the charities that spend 80 to 98 % of donations on overhead. Kroger asked his staff to investigate after he noticed that three of the 20 worst in 2009 raised money for veterans in Oregon. Kroger, a Marine Corps veteran, said that in the midst of two wars, a nonprofit can easily exploit the desire to support and honor military service. "People would not donate if you were honest and said, 'By the way, 80% of your donation will go to the telemarketing firm,'" he said. "Every dime that goes to all that overhead is a dime that doesn't go to a worthwhile group."

In May, the Justice Department also sued a Central Point non-profit, No Veterans Left Behind Association. Its founders sold embroidered vet hats and raffle tickets outside large retail stores in Marion and Klamath counties. They told donors 80% went to needy veterans. Instead, the organizers allegedly spent 80% of the \$17,000 raised on themselves. They paid for rent, food, salaries and a truck for their landscaping company, Attorneys at Lawn. The complaint was filed after they failed to show up for a May meeting with the Department of Justice staff. They could not be reached for comment. The state also sued and settled with The Veterans fund ([www.veteransfund.com](http://www.veteransfund.com)) and its Florida telemarketing firm for making false statements. The two agreed to pay a combined \$180,000 in fines and to never solicit money in Oregon again.

Neuman's Veterans of Oregon is the largest and best-known vets group being sued. Volunteers award medals at every major veteran's event in the state and monthly at the Portland Veterans Affairs Medical Center. The state says Neuman failed as a nonprofit director by entering into the telemarketing agreement and failing to monitor the fundraising. Neuman defended himself, saying he was quickly trying to build a nonprofit and didn't have the experience or the ability to do fundraising. ACS guaranteed a higher cut of the revenue than other telemarketers he talked to.

Nonetheless, he and his board have discussed discontinuing that arrangement. The AIP rates charities "satisfactory" if at least 60% of donations go to the program and "highly efficient" those that send 75% or more to direct services. Kroger said that he is not trying to clamp down on telemarketing as much as stop improper practices. "We're pretty adamant that in Oregon, charities have to be honest about where the money is going." [Source: The Oregonian Julie Sullivan article 19 Jul 2010 ++]

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**Stop-loss Pay Update 05:** The U.S. Army owes about 120,000 veterans extra pay, and the Veterans Administration is reaching out to find them. The Army is seeking soldiers, veterans and survivors of soldiers whose service was involuntarily extended under Stop Loss Authority between Sept. 11, 2001 and Sept. 30, 2008. The 2009 War Supplemental Appropriations Act stipulates they are eligible for special pay; those eligible will receive \$500 for each month or partial month served in stop-loss status. To receive this benefit, those who served under Stop Loss must submit a claim by Oct. 21, 2010. Stop-loss veterans can submit their claims online at [www.stoplosspay.army.mil](http://www.stoplosspay.army.mil). The Army encourages all candidates to visit its website to check eligibility and submit claims. The website also lists answers to frequently asked questions about the claim process and has a link to the program's official Facebook page. Applicants who have questions not covered by the website can e-mail [RetroStopLossPay@conus.army.mil](mailto:RetroStopLossPay@conus.army.mil) or call (877) 736-5554. Veterans can also link to the eligibility and claims information on the VA Vet Center home page at [www.vetcenter.va.gov/index.asp](http://www.vetcenter.va.gov/index.asp). Click on "RSLP" at the bottom of the left side column. [Source: The Courier of Montgomery County TX article 16 Jul 2010 ++]

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**World War I Memorial Update 01:** Restoration work is set to begin next month on the cracked and neglected District of Columbia War Memorial that honors World War I veterans on the National Mall. The National Park Service announced 16 JUL that a \$2.3 million contract funded by the federal stimulus package has been awarded to Forrester Construction Co. and Lorton Stone LLC. Contractors will clean and restore the stone and re-point the memorial's joints. Electrical systems and lighting will be replaced. Landscaping will be overhauled and nonnative plants removed to restore an open lawn around the memorial. New bluestone paving will be modeled on the original 1930s design. National Mall Superintendent John Piltzecker says the work will allow the memorial to again be used for concerts and other events. [Source: USA Today article 18 Jul 2010 ++]

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**PTSD Update 51:** VA's new rule regarding Stressor Determinations for Posttraumatic Stress Disorder is for Veterans of any era. The new rule will apply to claims:

- Received by VA on or after July 13, 2010;
- Received before July 13, 2010 but not yet decided by a VA regional office;
- Appealed to the Board of Veterans' Appeals on or after July 13, 2010;
- Appealed to the Board before July 13, 2010, but not yet decided by the Board; and
- Pending before VA on or after July 13, 2010, because the Court of Appeals for Veterans Claims vacated a Board decision and remanded for re-adjudication.

The Veterans Administration has provided the following Quick Facts on the their new regulations in the form of questions and answers:

**1. What is Post-Traumatic Stress Disorder (PTSD)?** Post Traumatic Stress Disorder (PTSD) is a condition resulting from exposure to direct or indirect threat of death, serious injury or a physical threat. The events that can cause PTSD are called "stressors" and may include natural disasters, accidents or deliberate man-made events/disasters, including war. Symptoms of PTSD can include recurrent thoughts of a traumatic event, reduced involvement in work or outside interests, emotional numbing, hyper-alertness, anxiety and irritability. The disorder can be more severe and longer lasting when the stress is human initiated action (example: war, rape, terrorism).

**2. What does this final regulation do?** This final regulation liberalizes the evidentiary standard for Veterans claiming service connection for post traumatic stress disorder (PTSD). Under current regulations governing PTSD claims, unless the Veteran is a combat Veteran, VA adjudicators are typically required to undertake extensive record development to corroborate whether a Veteran actually experienced the claimed in-service stressor. This final rulemaking will simplify and improve the PTSD claims adjudication process by eliminating this time-consuming requirement where the claimed stressor is related to "fear of hostile military or terrorist activity," is consistent with the places, types, and circumstances of their service, and a VA psychiatrist or psychologist, or contract psychiatrist or psychologist confirms that the claimed stressor is adequate to support a diagnosis of PTSD.

**3. What types of claims for VA benefits does the final regulation affect?** The final regulation will benefit Veterans, regardless of their period of service. It applies to claims for PTSD service connection filed on or after the final regulation's effective date, and to those claims that are considered on the merits at a VA Regional Office or the Board of Veterans' Appeals on or after the effective date of the rule.

**4. Why is this final regulation necessary?** The final regulation is necessary to make VA's adjudication of PTSD claims both more timely and consistent with the current medical science.

**5. How does this final regulation help Veterans?** The final regulation will simplify and streamline the processing of PTSD claims, which will result in Veterans receiving more timely decisions. A Veteran will be able to establish the occurrence of an in-service stressor through his or her own testimony, provided that: (1) the Veteran is diagnosed with PTSD; (2) a VA psychiatrist or psychologist, or a psychiatrist or psychologist with whom VA has contracted confirms that the claimed stressor is adequate to support a PTSD diagnosis; (3) the Veteran's symptoms are related to the claimed stressor; and (4) the claimed stressor is consistent with the places, types, and circumstances of the Veteran's service and the record provides no clear and convincing evidence to the contrary. This will eliminate the requirement for VA to search for records, to verify stressor accounts, which is often a very involved and protracted process. As a result, the time required to adjudicate a PTSD compensation claim in accordance with the law will be significantly reduced.

**6. How does VA plan to monitor the need for examiners in various regions of the country, and how does VA plan to respond if it is determined that more examiners are needed in a particular region?** The Veterans Health Administration (VHA) has written in to the FY11-13 Operating Plan the need for additional staff to support doing adequate, timely exams. VHA proposes: "A8. Increase mental health field staff to address the increase in C&P examinations and develop monitoring system to ensure clinical delivery of mental health services does not decrease in VHA." Specifically, VHA has requested 125 clinicians for FY11 with additional 63 staff in FY12 if the need exists. If the Operating Plan and the proposed budget are approved, VA proposes asking the Veterans Integrated Service Networks (VISNs) to develop plans for distributing the funds in order to ensure adequate coverage at sites based on number of claims being processed; the VISNs are well positioned to determine these regional needs.

**7. How does the regulatory revision affect PTSD service connection claims where an in-service diagnosis of PTSD has been rendered?** The new regulation does not apply to the adjudication of cases where PTSD has been initially diagnosed in service. Rather, under another VA rule, 38 CFR § 3.304(f)(1), if a Veteran is diagnosed with posttraumatic stress disorder during service and the claimed stressor is related to that service, in the absence of clear

and convincing evidence to the contrary, and provided that the claimed stressor is consistent with the circumstances, conditions, or hardships of the Veteran's service, the Veteran's lay testimony alone may establish the occurrence of the claimed in-service stressor.

**8. Is the new regulation applicable only if the Veteran's statements relate to combat or POW service?** No. The rule states that the stressor must be related to a “fear of hostile military or terrorist activity,” and the claimed stressor must be “consistent with the places, types, and circumstances of the veteran’s service.”

**9. What circumstances will still require stressor verification through DoD’s Joint Services Records Research Center (JSRRC) , VBA’s Compensation & Pension Service (C&P Service), or other entity if a Veteran claims that his or her stressor is related to a fear of hostile or terrorist activity?** The regulatory revision will greatly lessen the need for undertaking development to verify Veterans’ accounts of in-service stressors. Now, stressor development may only need to be conducted if a review of the available record, such as the Veteran’s service personnel and/or treatment records, is inadequate to determine that the claimed stressor is “consistent with the places, types and circumstances of the veteran’s service.” In such circumstances, the Veterans Service Representative (VSR) will determine on a case-by-case basis what development should be undertaken. However, it is anticipated that in the overwhelming majority of cases adjudicated under the new version of § 3.304(f), a simple review of the Veteran’s service treatment and/or personnel records will be sufficient to determine if the claimed stressor is consistent with the places, types, and circumstances of the Veteran’s service. We also believe that, in some cases, a Veteran’s separation document, DD-Form 214, alone may enable an adjudicator to make such a determination.

**10. As the regulatory revision seems to require an enhanced role for the examining VA mental health professional, whose role is it to determine whether the claimed stressor is consistent with the Veteran’s service?** VA adjudicators, not the examining psychiatrist or psychologist, will decide whether the claimed stressor is consistent with the Veteran’s service.

**11. Is a Veteran's testimony about “fear of hostile military or terrorist activity” alone sufficient to establish a stressor?** Yes, if the other requirements of the regulation are satisfied, i.e., a VA psychiatrist or psychologist confirms that the claimed stressor is adequate to support a PTSD diagnosis and that the Veteran's symptoms are related to the claimed stressor, and the stressor is consistent with the “places, types, and circumstances of the Veteran’s service.”

**12. Are the stressors accepted as adequate for establishing service connection under new § 3.304(f)(3) limited to those specifically identified in the new regulation?** No. The examples given in the revised regulation do not represent an exclusive list in view of the use of the modifying phrase “such as” that precedes the listed examples. Any event or circumstance that involves actual or threatened death or serious injury, or a threat to the physical integrity of the Veteran or others, would qualify as a stressor under new § 3.304(f)(3).

**13. How will the Veterans Health Administration (VHA) work with Veterans Benefits Administration (VBA) on the new regulation?** VHA was actively involved in discussion with VBA of the new regulation and fully supports the new regulation.

The new regulation will provide fair evaluation for Veterans whose military records have been damaged or destroyed, or for who no definitive reports of combat action appeared in their military records, even though they can report such actions and it is reasonable to believe that these occurred, given the time and place of service. This will be especially beneficial to women Veterans, whose records do not specify that they had combat assignments, even though their roles in the military placed them at risk of hostile military or terrorist activity. This means that more Veterans will become eligible for VA care and thus be able to receive VA care for mental illness related to their

military service, as well as receiving full holistic health care. VHA will work actively with VBA on implementing the regulation. VHA staff's main role is as clinicians conducting C&P interviews to establish diagnoses and obtain other information to be used by VBA raters to determine the outcome of claims. The new regulation will not change the diagnostic elements of the C&P interview, but may change what additional data are collected for use by VBA raters [Source: VA News Release 12 Jul 2010 ++]

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**PTSD Update 52:** Under the new rule VA's new rule regarding Stressor Determinations for Posttraumatic Stress Disorder (PTSD), VA would not require corroboration of a stressor related to fear of hostile military or terrorist activity if a VA doctor confirms that the stressful experience recalled by a veteran adequately supports a diagnosis of PTSD and the veteran's symptoms are related to the claimed stressor. Previously, claims adjudicators were required to corroborate that a non-combat veteran actually experienced a stressor related to hostile military activity. This final rule simplifies the development that is required for these cases. VA expects this rulemaking to decrease the time it takes VA to decide access to care and claims falling under the revised criteria. More than 400,000 veterans currently receiving compensation benefits are service connected for PTSD. Combined with VA's shorter claims form, VA's new streamlined, science-based regulation allows for faster and more accurate decisions that also expedite access to medical care and other benefits for veterans. Following are some additional Questions and Answers for New PTSD Rule provided by the Office of Field Operations. For additional information, go to <http://www.va.gov> or call VA's toll free benefits number at 1-800-827-1000:

- **What has changed under the new regulations?** VA has amended its rules for processing disability compensation claims for posttraumatic stress disorder (PTSD). The new rule eliminates the requirement for corroborating evidence of the claimed in-service stressor if it is related to the veteran's "fear of hostile military or terrorist activity".
- **What are the new requirements of this change?** This new rule now requires that the following be demonstrated to establish service connection for PTSD: the claimed stressor is consistent with the places, types, and circumstances of the veteran's service; A VA psychiatrist or psychologist, or contract equivalent, confirms that the claimed stressor is adequate to support a diagnosis of PTSD; and the veteran's symptoms are related to the claimed stressor.
- **When does this new rule take effect?** The new rule is effective on July 12, 2010. The rule is applicable to all PTSD service connected claims, including appeals, that are: pending before VA, or received on or after, July 12, 2010; pending before the Board of Veterans' Appeals; or pending before VA on or after July 12, 2010, because the Veterans Court vacated and remanded a Board decision.
- **I claimed PTSD before and was denied. If I reopen now, will VA go back to when I first claimed PTSD?** If service connection for PTSD is granted under the amended regulation, the effective date will be no earlier than July 12, 2010, the date the new rule went into effect.
- **I currently have a PTSD claim (or appeal) for service connection pending at the regional office and am waiting for a decision. What do I have to do?** Nothing. This new rule will be applied to any pending claim (or appeal) involving service connection for PTSD.
- **Should I still provide proof of my combat medals?** You should always submit any evidence that would support your claim.
- **I claimed PTSD. Will I be scheduled for a VA exam?** Your claim will be reviewed and, if a VA exam is necessary, you will receive a separate notification letter with reporting instructions.
- **My private physician has already diagnosed me with PTSD. Do I have to report for a VA exam?** A private report or diagnosis is not adequate for establishing service connection for PTSD; therefore, a VA exam will be required. You should submit this supporting evidence from your doctor, or we can request

those for you. (PCR must offer VA Form 21-4142 and document evidence on VA Form 21-0820. Refer VA Form 21-0820 to SOJ.)

- **I have been denied service connection for PTSD in the past. How do I reapply?** We will have to reopen your claim. (PCR must take claim on VA Form 21-0820 and refer to SOJ.)
- **Does this change regarding PTSD apply to any Veteran?** Yes. This change applies to all veterans, regardless of when they served.

[Source: VA Office of Field Operations 9 Jul 2010 ++]

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**PTSD Update 53:** The drug MDMA—better known by its street name, Ecstasy—may be illegal, but a new study suggests that it’s also a promising treatment for post-traumatic stress disorder. The study, which appears in the Journal of Psychopharmacology, included 20 people with PTSD stemming from traumas such as sexual assault and combat stress. On two separate occasions, 12 of the people took a dose of MDMA and then spoke for several hours with a pair of trained therapists. The others took a placebo but received the same therapy. (All of the participants received additional therapy sessions that did not involve the drug.) Two months later, 10 of the 12 people who took MDMA had improved to the point where they no longer met the diagnostic criteria for PTSD, and three participants whose condition had prevented them from holding down a job were able to return to work. By contrast, just two of the eight people in the placebo group experienced a substantial improvement in their symptoms.

MDMA is believed to raise levels of the feel-good brain chemical serotonin and the so-called "bonding hormone," oxytocin. The resulting sense of euphoria and emotional warmth seems to help patients connect with their therapists, says Michael Mithoefer, M.D., the lead author of the study and a Mount Pleasant, South Carolina-based psychiatrist who specializes in PTSD. "A lot of the time, people have quite painful and challenging experiences revisiting the trauma, and [MDMA] can help them do it without being overwhelmed or numbed out," he says. Don't try this experiment at home. Ecstasy use can cause depression, severe anxiety, and potential cognitive problems, according to the National Institute on Drug Abuse. And when purchased on the street it can be contaminated. Conducting a study with an illegal drug is a complex process. This was the first clinical trial to explore the therapeutic potential of MDMA since the drug was outlawed in 1985, and the researchers required the permission of the National Institutes of Health, the Food and Drug Administration, and the Drug Enforcement Administration. "It took quite a bit of time to get approval," Mithoefer said. The study was funded by the Multidisciplinary Association for Psychedelic Studies, a California-based nonprofit organization that also sponsors research on medical marijuana and psychedelic drugs such as LSD and psilocybin. The use of MDMA in psychotherapy has been studied for decades, but research in the U.S. all but ground to a halt after the drug became illegal. Mithoefer and his team are now gearing up for a similar study involving combat veterans, which is scheduled to begin later this year. [Source: CNN Health Amanda Gardner article 18 Jul 2010 ++]

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**Tricare Online Update 01:** Tricare Online (TOL) [www.tricareonline.com](http://www.tricareonline.com) is a website that continues to evolve as new tools emerge that are of benefit to its users. At this site registered users have access to their own customized Tricare Online home page. The latest addition to this site is the Tricare Personal Health Record (PHR) available to Military Health System (MHS) Beneficiaries who have a Common Access Card. Those who do not have a CAC can only access this feature from a military installation or VA based computer. However, retirees can obtain access to their PDR from any computer’s geographic location if they are registered for myPay at <https://myPay.dfas.mil> . The myPay logon ID and password are needed to obtain DoD Self-Service Logon capability from Defense Manpower Data Center (DMDC) using the below procedure.

The PHR application allows MHS beneficiaries to securely access their most current Electronic Health Record (EHR) data that is stored in the AHLTA Clinical Data Repository (CDR). Users have read-only access to the following modules in the TOL PHR application:

- Personal Information (EHR Demographic, Contact, Eligibility and Other Health Insurance data)
- Health History (EHR Allergy and Medication data)
- Medication Profile (User's documented prescription history from available sources - Military Treatment Facility, retail pharmacy, Tricare Mail Order Pharmacy, and VA, if applicable)
- Allergy Profile (User's documented Allergy history)
- Personal Health Summary (A summary of all user's available EHR data)

To obtain DoD Self-Service Logon capabilities go to <https://www.dmdc.osd.mil/appj/dsaccess/index.jsp> and:

- Click 'Request a DOD Self-Service Logon' tab.
- Login using the DFAS Account (myPay) button by entering your myPay logon ID and password.
- Select from the list of family members shown who you desire to have DoD Self-Service logon capability. Eligible members are sponsors, spouses of sponsors, and other dependents at least 18 years old. You can click on a member's name to view more information about them.
- In addition to family relationship is show DS Log on Status. If it indicates that DS log on has not been created, click the 'Request DoD Self-Service Logon' tab. An activation PIN and instructions will be sent by mail to the address on record for the individual requested. Allow 5 to 12 business days for delivery.

As MHS Business processes are refined, additional capabilities will be added to the TOL PHR application, empowering users to be an active participant with their health care team. [Source: [www.tricareonline.com](http://www.tricareonline.com) Jun 2010 ++]

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**VA Medical Marijuana Policy:** The Department of Veterans Affairs will formally allow patients treated at its hospitals and clinics to use medical marijuana in states where it is legal, a policy clarification that veterans have sought for several years. A department directive, expected to take effect 1 AUG, resolves the conflict in veterans facilities between federal law, which outlaws marijuana, and the 14 states that allow medicinal use of the drug, effectively deferring to the states. The policy will not permit department doctors to prescribe marijuana. But it will address the concern of many patients who use the drug that they could lose access to their prescription pain medication if caught. Under department rules, veterans can be denied pain medications if they are found to be using illegal drugs. Until now, the department had no written exception for medical marijuana. This has led many patients to distrust their doctors, veterans say. With doctors and patients pressing the veterans department for formal guidance, agency officials began drafting a policy last fall. "When states start legalizing marijuana we are put in a bit of a unique position because as a federal agency, we are beholden to federal law," said Dr. Robert Jesse, the principal deputy under secretary for health in the veterans department. At the same time, Dr. Jesse said, "We didn't want patients who were legally using marijuana to be administratively denied access to pain management programs."

The new, written policy applies only to veterans using medical marijuana in states where it is legal. Doctors may still modify a veteran's treatment plan if the veteran is using marijuana, or decide not to prescribe pain medicine altogether if there is a risk of a drug interaction. But that decision will be made on a case-by-case basis, not as blanket policy, Dr. Jesse said. Though veterans of the Vietnam War were the first group to use marijuana widely for medical purposes, the population of veterans using it now spans generations, said Michael Krawitz, executive director of Veterans for Medical Marijuana Access, which worked with the department on formulating a policy. Veterans, some of whom have been at the forefront of the medical marijuana movement, praised the department's

decision. They say cannabis helps soothe physical and psychological pain and can alleviate the side effects of some treatments. “By creating a directive on medical marijuana, the V.A. ensures that throughout its vast hospital network, it will be well understood that legal medical marijuana use will not be the basis for the denial of services,” Mr. Krawitz said.

Although the Obama administration has not embraced medical marijuana, last October, in a policy shift, the Justice Department announced that it would not prosecute people who used or distributed it in states where it was legal. Laura Sweeney, a spokeswoman for the Justice Department, would not comment specifically on the veterans department policy. “What we have said in the past, and what we have said for a while, is that we are going to focus our federal resources on large scale drug traffickers,” she said. “We are not going to focus on individual cancer patients or something of the like.” Many clinicians already prescribe pain medication to veterans who use medical marijuana, as there was no rule explicitly prohibiting them from doing so, despite the federal marijuana laws. Advocates of medical marijuana use say that in the past, the patchwork of veterans hospitals and clinics around the country were sometimes unclear how to deal with veterans who needed pain medications and were legally using medical marijuana. The department’s emphasis on keeping patients off illegal drugs and from abusing their medication “gave many practitioners the feeling that they are supposed to police marijuana out of the system,” Mr. Krawitz said. “Many medical-marijuana-using veterans have just abandoned the V.A. hospital system completely for this reason,” he said, “and others that stay in the system feel that they are not able to trust that their doctor will be working in their best interests.” In rare cases, veterans have been told that they need to stop using marijuana, even if it is legal, or risk losing their prescription medicine, Mr. Krawitz said. Veterans officials would not comment on specific cases, citing medical privacy laws.

This month Dr. Robert A. Petzel, the under secretary for health for the veterans department, sent a letter to Mr. Krawitz laying out the department’s policy. If a veteran obtains and uses medical marijuana in accordance with state law, Dr. Petzel wrote, he should not be precluded from receiving opioids for pain management at a veterans facility. Dr. Petzel also said that pain management agreements between clinicians and patients, which are used as guidelines for courses of treatment, “should draw a clear distinction between the use of illegal drugs, and legal medical marijuana.” Dr. Jesse, the veterans’ department official, said that formalizing rules on medical marijuana would eliminate any future confusion and keep patients from being squeezed between state and federal law. Steve Fox, director of government relations for the Marijuana Policy Project, which favors the legal regulation of the drug, called the decision historic. “We now have a branch of the federal government accepting marijuana as a legal medicine,” he said. But Mr. Fox said he wished the policy had been extended to veterans who lived in states where medical marijuana was not legal. He said it was critical that the veterans department make its guidelines clear to patients and medical staff members, something officials said they planned on doing in coming weeks. Said Dr. Jesse, “The whole goal of issuing a national policy is to make sure we have uniformity across the system.” [Source: New York Times Dan Frosch article 23 Jul 2010 ++]

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**Vet Cemetery Hawaii Update 01:** The Hawaii State Veterans Cemetery (HSVC) in Kaneohe is receiving more than \$1.9 million in federal grant money to reimburse the state for completed projects, including construction of 2,036 columbarium niches, officials said. The grant was announced yesterday by U.S. Sens. Daniel Akaka, chairman of the veterans' affairs committee, and Daniel Inouye, chairman of the Appropriations Committee. Both are Hawaii Democrats. The Department of Veterans Affairs is awarding the grant. The Kaneohe veterans cemetery is owned and operated by the state, along with cemeteries in Hilo and Kona, and on Kauai, Maui, Molokai and Lanai. The state paid for the projects in Kaneohe, including the addition of the niches for ashes, and the federal grant reimburses that cost, officials said. Mark Moses, director of the state Office of Veteran Services, said other improvements are being pursued, including an additional restroom and a room for families to grieve in private after

the loss of a loved one. Hawaii is expected to receive more than \$500 million in total VA funding this fiscal year, officials said.

The Kaneohe HSVC is for veterans, their spouses, and minor children who are under 21 years of age or under 23 years of age if pursuing a course of instruction at an approved educational institution. Unmarried adult children who are physically or mentally disabled and incapable of self-support before reaching the age of 21 years also are eligible for burial. Family members utilize a one grave concept with interments at 6', 8' and 10' depths. Cremains may be placed in a niche in the columbarium wall or inurned in a ground plot. Gravesites cannot be reserved in advance. However, families are encouraged to prepare in advance by discussing cemetery options, and by collecting the veteran's military information. HSVC will provide a gravesite, marker, perpetual care of the gravesite, and will open and close the grave. The veteran's family must pay for mortuary services provided by funeral directors and other related costs, usually including transportation of remains. There is a standard plot or interment allowance fee of \$300 for each interment payable to State of Hawaii, Department of Defense. The Department of Veterans Affairs will pay the plot or interment allowance fee (\$300) for wartime and peacetime veterans. Families are responsible to pay the plot allowance fee (\$300) for active duty, and dependents. A Polyguard liner for casket burial is provided by the state for veterans only (subject to change upon availability of funds). Although vault or grave liners are not required, the next of kin may purchase a Polyguard liner from HSVC at cost for casket burial of dependents. Urn vaults may be purchased through a mortuary of your choice.

The veteran's full name; rank; branch of service; date of entry and discharge; service, social security and VA claim number; date of birth; and date of death should be provided, if possible, to establish burial eligibility in Hawaii State Veterans Cemetery. A copy of the veteran's official military discharge document with the character of discharge is also required, i.e., DD214, WD AGO 53-55, or VA Statement of Service. (The discharge certificate alone is not sufficient. There is a Hawaii residency requirement. At the time of need, the funeral director shall contact the Hawaii State Veterans Cemetery on behalf of the family to schedule the interment. If the family is not using the services of a mortuary, the family may call direct to arrange for burial date and time. The same procedures are followed if the veteran's eligible spouse or dependent predeceases the veteran. In most cases, one gravesite is provided for the burial of all eligible family members and a single marker is provided. When both spouses are veterans, two gravesites and two headstones may be provided, if requested. Funeral services are not held at HSVC, but a final committal service may be held at the cemetery. Viewing facilities are not available. Banquet facilities are also not available. HSVC does not conduct burials on weekends and/or State holidays.

Casket or urn sprays may accompany the casket or urn. If floral arrangements have already been viewed at a previous memorial service, it will be placed directly on the gravesite. If military honors are desired, the mortuary will arrange for the military honors prior to the committal service, by calling the appropriate military service organization to see if it can be provided. In absence of military honors, the cemetery staff may play a recorded version of Taps at the committal shelter. Full military honors will be provided for retirees only, which may consist of uniformed pallbearers, flag-folding detail, rifle salute, and bugler playing Taps, and a chaplain. If requested, the detail may be modified or shortened to be consistent with the number of people available to provide honors. Veterans will be provided a bugler, and a minimum of a two-person team to fold and present the flag. The Department of Veterans Affairs will provide one burial flag per veteran. Most veterans, reservists and former reservists are eligible to receive a burial flag. At the time of need, request for a burial flag will be made through the mortuary upon confirmation of eligibility. If the family is not using the services of a mortuary, HSVC will assist the family in requesting a burial flag. For additional information or assistance, write to: HAWAII STATE VETERANS CEMETERY, 45-349 Kamehameha Highway, Kaneohe, Hawaii 96744 or call (808) 233-3630/3633F. [Source: <http://hawaii.gov/dod/ovs/veterans-cemeteries> & Star Advertiser article 16 Jul 2010 ++]

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**VA SAH Update 07:** The GAO has submitted a report to congressional committees titled, "Opportunities Exist to Improve Potential Recipients' Awareness of the Temporary Residence Adaptation Grant". The GAO-10-786 report can be viewed at [www.gao.gov/new.items/d10786.pdf](http://www.gao.gov/new.items/d10786.pdf). Overall it disclosed that use of the TRA grant program has been low. From the program's inception on 15 JUN 06 through 4 APR 2010, VA processed only 18 TRA grants. Only a very small proportion of the thousands of individuals potentially eligible for adaptive housing assistance have used TRA. Half of these grantees were under the age of 40 and half were over the age of 40. The average age of those under 40 was 26 years. Among those over 40, seven were over the age of 60. Of the 11 TRA grantees we interviewed, all had lost the use of both legs, and most also had other disabilities, such as brain trauma. Three of the grantees we interviewed were injured abroad while serving in Operation Iraqi Freedom, four grantees were injured domestically in a vehicle or sporting accident, and four grantees suffered an illness, such as multiple sclerosis. Of the 18 TRA grants that had been awarded, 11 were for the maximum allowable amount of \$14,000, and 3 others were near that maximum. In some cases, the cost of adaptations exceeded the amount of the TRA grant and was supplemented by donations, other grants, or the grantee's own funds.

For the report interviews conducted with 50 service members and veterans eligible for adaptive housing benefits suggest that awareness of TRA may be low and that the program may not be reaching all of the individuals who could benefit from it. While most of the 50 interviewees were familiar with adaptive housing benefits in general, 38 were not familiar with the TRA program in particular and did not know that adaptive housing grants can be used to modify a home owned by a family member. In addition, while TRA was not applicable for the personal circumstances of many of the interviewees, in seven cases individuals described personal circumstances well suited for use of TRA and said they likely would have used the TRA program had they previously been aware of it. An additional seven said they would have at least considered using the program had they been aware of it. The extent to which TRA is addressed in VA's information sources about adaptive housing benefits is limited. For example, VA does not have a separate fact sheet for TRA, and it is unclear how consistently VA representatives publicize the opportunity to use TRA when conducting outreach to and interviews with service members and veterans.

The Specially Adapted Housing (SAH) Grant program provides financial assistance to service members and veterans who are entitled to compensation for permanent and total service-connected disability due to the loss or loss of use of multiple limbs, blindness and limb loss, or a severe burn injury.<sup>6</sup> In general, eligible individuals may receive up to three SAH grants totaling no more than 50% of the cost of constructing or acquiring a specially adapted house or remodeling an existing house with adaptations. The maximum aggregate grant amount was \$63,780 for fiscal year 2010 and is adjusted annually based on a cost-of-construction index. Grants may be used to construct a house or remodel an existing house, or they may be applied against the unpaid principal mortgage balance of a specially adapted house. The TRA grant program is similar to SAH but is for individuals with slightly less severe disabilities and may be used for slightly different purposes; for fiscal year 2010, the maximum amount was \$12,756, which also is adjusted annually based on a cost-of-construction. For more information about grants and other adaptive housing programs, contact a local VA regional office at 1(800) 827-1000 or local veteran service organization. Additional program information and grant applications (VAF-26-4555) can be found at <http://www.homeloans.va.gov/sah.htm>. [Source: Military Retiree Grass Roots Group Daniel Cedusky 16 Jul 2010 ++]

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**Walter Reed NICoE:** On 24 JUN the ribbon was cut on the new "National Intrepid Center of Excellence" (NICoE). It is a 72,000 square foot, two-story facility located on the Navy campus at Bethesda, Maryland, adjacent to the new Walter Reed National Military Medical Center, with close access to the Uniformed Services University, the National Institutes of Health, and the Veterans Health Administration. The new center is located at the Naval National Medical Center (called Bethesda by most of us, but soon to be renamed Walter Reed).

Its mission is “To be the leader in advancing world-class psychological health and traumatic brain injury treatment, research and education.” On 14 JUL the Center’s Director Dr. James Kelly presented an extensive brief on the timeline and the goals of the world class institution. He said that the Center will start taking patients in the fall. They will be (at least at first) wounded warriors who have suffered TBI and normally also psychological problems, who have not been successfully helped by the treatments they are presently receiving. They (and their families) will come to the Center for on average 2 weeks while the experts develop a new treatment plan to be implemented back at home or at the facilities they came from.

The NICoE is designed to provide the most advanced services for advanced diagnostics, initial treatment plan and family education, introduction to therapeutic modalities, referral and reintegration support for military personnel and veterans with mild Traumatic Brain Injury (mTBI), Post Traumatic Stress Disorder, and/or complex psychological health (PH) issues. Further, the NICoE conducts research, tests new protocols and provides comprehensive training and education to patients, providers and families while maintaining ongoing telehealth follow-up care across the country and throughout the world. NICoE will have the most sophisticated Diagnostic/Rehabilitation in the world including Magnetic Resonance Imaging (3-T), Functional MRI, Diffusion Tensor Imaging, Trans-Cranial Doppler Ultrasound, Positron Emission Tomography with Computed Tomography (PET/CT), Magneto encephalography (MEG) Scanner and CAREN (Computer Assisted Rehabilitation Environment) system. They have a staff of 108 professionals to treat their patients, perform research, and spread what is learned across the globe. NICoE’s Guiding Principles are to be:

- A referral center primarily for service members and their families with complex care needs.
- A hub for psychological health and traumatic brain injury best practices and consultation.
- An exemplar of hospitality in support of physical, mental, and spiritual healing.
- A model of interdisciplinary diagnostic and treatment planning in a family focused, collaborative environment.
- A research hub to leverage the unique patient base, the most current technical and clinical resources in order to initiate innovative pilot studies designed to advance medical science in TBI and PH.
- A knowledge source that applies evidence-based medicine and approaches which elevate the highest level of care on a global scale.
- An education and training platform for the dissemination of next generation standards of care and resilience to providers as well as service members and families.
- A repository for neuro-cognitive military and civilian academic and industry research.
- An innovative platform committed to long-term follow-up and family contact.
- An arena for the DCoE Component Centers and external organizations to come together

[Source: TREA Washington Update 16 Jul 2010 ++]

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**VA Secretary Legislative Proposals:** Veterans Affairs Department Secretary Eric Shinseki has proposed a package of legislative changes to VA policy ranging from rules on presumption of service connection for illnesses to time limits for disagreeing with VA benefit claims decisions. The several pages of proposed changes would make life easier for veterans and for VA officials, Shinseki said. “The draft bill would make beneficial changes to enhance the efficiency and fairness of several [VA] programs of benefit to veterans and their families, and to improve the procedures for the timely adjudication of claims and appeals for such benefits,” Shinseki wrote to lawmakers. Though veterans advocates have argued against one of the proposed changes — dropping a requirement for appeals boards to give a thorough explanation, on paper, when a benefits claim is denied — they say others should be good for veterans. Some proposals would clarify sections of the Veterans’ Benefits Code without

changing their meaning. For example, in one portion, “but for the death of the veteran” was changed to “had the veteran not died.”

But Shinseki also is seeking more substantive changes, such as giving VA more time to determine whether a condition should be presumed service-connected in Agent Orange and Gulf War cases. Current law gives VA about 240 days from the day it receives a recommendation report from the Institute of Medicine until the time it issues regulations. Shinseki asked for that to be changed to 640 days, noting that current time limits “have proven impractical in view of the complexity of the issues.” He also asked for repeal of a requirement to submit a report to Congress with recommendations on whether there is enough evidence for a condition to be presumed service-connected for veterans of the 1991 Gulf War. Jason Perry, a lawyer who represents service members in disability cases, said that change would reduce congressional oversight of presumptive cases. “Congress being provided the information puts pressure on the secretary to act and would allow Congress to pass appropriate legislation,” Perry said. Shinseki said the Office of Management and Budget has estimated that the proposed changes would save VA \$1.23 billion over the next decade. Other changes being sought by Shinseki include:

- Extending a contract allowing outside physicians to conduct disability exams from December 2010 to December 2012.
- Continuing to limit pension plans for Medicaid-covered veterans without families to \$90 a month, which would save VA \$2.9 billion over the next five years?
- Allowing VA to stay claims while it appeals court decisions so it does not have to go back over cases that may be reversed.
- Requiring veterans who challenge a VA decision to file a notice of disagreement within 180 days from the date VA mails the decision, rather than within a year. “The intent of this provision is to allow VA to more quickly resolve claims and appeals,” Shinseki wrote. In 2008, he noted, 77 percent of disagreements were filed within 180 days.
- Maintaining a regional office in the Philippines to serve its large U.S. veteran population.
- Giving veterans an additional 120 days to file appeals with the Board of Veterans’ Appeals if there is good cause.
- Allowing a veteran’s child to satisfy occupancy requirements for VA home loans.

[Source: ArmyTimes Kelly Kennedy article 13 Jul 2010 ++]

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**VA Claims Backlog Update 41:** The Veterans Affairs Department and major veterans groups showed a united front 14 JUL in the battle to reduce the large and growing backlog of benefits claims. They agree that the 17% increase since 1 JAN in the number of pending claims — including 207,568 pending for more than 125 days — is a sign of serious problems in the claims system. They also agree that the Claims Processing Improvement Act, S.3517, introduced in June by Sen. Daniel Akaka (D-HI), the Senate Veterans’ Affairs Committee chairman, is not the answer. Testifying on behalf of major veterans’ groups, Joseph Violante of Disabled American Veterans told Akaka and the veterans’ committee that there are “grave concerns” over the bill, which attempts to improve and speed payments by developing a new standard for determining the severity of disabilities — adopting the same procedures currently used for Social Security disability benefits and workers’ compensation. Violante said the proposed pilot program assumes, without any proof, that veterans and civilian disability is the same. “To compare service-connected disabilities to civilian injuries or disabilities fails to value the history and purpose of the veterans’ disability compensation system,” he said.

Michael Walcoff, VA’s acting undersecretary for benefits, said the four-year pilot project at up to 10 regional offices could hurt veterans because it “would not treat veterans equally.” Walcoff refers to the possibility that a new

ratings system could result in veterans in some regions receiving higher ratings — and higher compensation — than those who aren't part of the pilot. Akaka, who plans to have his bill considered for a committee vote in early August, said he does not see how his initiative is different than any other pilot project, including the more than 30 projects underway at VA offices that are testing possible improvements to the claims process. Violante expressed growing frustration that the claims backlog and accuracy problems seem resistant to fixes. "It seems that no matter how much money or personnel are thrown at this problem, the backlog continues to climb ever higher," he said. "Even as new laws are enacted, studies completed and pilot programs implemented, one is hard-pressed to find objective evidence that the benefit claims processing system today is performing better than it was five, 10 or 20 years ago."

VA officials continue to talk of "breaking the back of the backlog" by 2015, although they cannot point to exactly what change will make that possible. "Our pending claims inventory is rising due to the unprecedented volume of disability claims filed," said Walcoff, predicting a 13% increase in claims this year and an 11% increase in 2011. A former VA benefits chief, Joseph Thompson, said he worries that ideas for faster and more accurate claims processing may look good in pilot projects but would be difficult to duplicate on a larger scale. "Initial results from the pilots are encouraging, but they have also been engineered to succeed through the use of additional staff, additional expertise or the possibility that the 'Hawthorne Effect' is contributing to results," he said, referring to a behavioral phenomenon in which a person or group performs better when being studied than when not being studied. [Source: ArmyTimes Rick Maze article 15 Jul 2010 ++]

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**VA Claims Backlog Update 42:** VA plans to develop a fully automated, online system for handling Veterans' disability compensation claims by the end of this year. More than a simple digitization of existing paper-based claims, the new system is part of VA's modernization of the end-to-end processing workflow. Automation will substantially reduce processing time and increase accuracy while simplifying the way that Veterans interact with the claims process. Initial use of the new system will focus on Vietnam Veterans exposed to Agent Orange who today have B-cell leukemia (hairy-cell leukemia), Parkinson's disease, or ischemic heart disease. These diseases were recently granted presumptive service connection. The final regulation covering claims for these diseases will become effective later this year, and while the first use of the new system will be limited to this subset of disabilities, usage will expand over time to include claims for other conditions. The new system will guide Veterans through automated, program-assisted menus to capture the information and medical evidence that will drive faster claims decisions. Initially, VA estimates the new system may assist as many as 100,000 Veterans. This is a significant step in integrating new technologies into claims processing and moving towards VA's goal to "break the back of the claims backlog" and provide all Veterans with high quality decisions on their claims in no more than 125 days. [Source: Veterans Today Newsletter Michael Leon article 23 Jul 2010 ++]

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**Medicare Fraud Update 44:** Senator Kirsten Gillibrand (D-NY) is introducing the Medicare and Medicaid Fraud Enforcement and Prevention Act, a bill to crack down on Medicaid and Medicare fraud. Medicaid and Medicare fraud is estimated at \$80 billion a year nationally. Each year it costs New York State \$5 billion. The federal government has identified New York City, Miami and Los Angeles as high fraud areas. In the Capital Region, taxpayers lose more than \$320 million to Medicare and Medicaid fraud. The numbers get higher as you head south: in the Hudson Valley \$580 million and in New York City \$2 billion dollars lost to fraud each year. Gillibrand's measure would double criminal penalties for fraud, toughen fraud prevention and set up a five-year pilot program to verify Medicare and Medicaid reimbursement claims. The Senator says that by creating more transparency and more accountability in Medicare and Medicaid, taxpayer dollars can be saved while protecting services for seniors and others who need them. She claims to have worked with medical providers on the bill. Exact

revenue expectations for what fraud prevention will bring in are being determined. A similar bill H.R.5044 (minus the below pilot program) has been introduced in the House. Gillibrand has no figure yet on the cost of implementing such a program should it become law. Her legislation would build on recent changes by establishing the following protections for citizens and taxpayers:

- Doubles the criminal penalties for making false statements in connection with services which are paid for in whole or in part by the Federal Health Care Program and for violating the anti-kickback statute from 5 to 10 years of imprisonment and increased fines from \$25,000 to \$50,000.
- Creates a new offense for illegally distributing a Medicare or Medicaid beneficiary ID or billing privileges, and establishes a maximum penalty of three years in prison and a fine.
- Makes criminal background checks, finger-printing and random site visits mandatory for high-risk suppliers and providers to ensure they are legitimate businesses before they cash a single Medicare check.
- Directs the Secretary of Health and Human Services (HHS) to provide access to data necessary for combating Medicare fraud for law enforcement officials. The Secretary would consult with the U.S. Attorney General and the Inspector General at HHS to ensure that law enforcement authorities are alerted immediately upon suspicious activity.
- Requires the HHS Secretary to implement a 5-year Beneficiary Verification Pilot Program that establishes a process to verify that claims for reimbursement belong to the Medicare or Medicaid beneficiary, similar to how banks and credit card companies verify whether a large purchase was made by the cardholder or if it was stolen. HHS would contact the beneficiary to verify a medical service purchase belongs to the correct Medicare or Medicaid beneficiary. Data collected would also help keep a more accurate record of fraud. The results from the pilot program would be presented to Congress show the prevalence of fraud and the effectiveness of these new measures for catching fraudulent activity.
- Improve oversight and accountability of the Medicare system. The legislation directs the Government Accountability Office (GAO) to study Medicare contractors, including Recovery Audit Contractors, and report to Congress with recommendations for legislation and administrative action, regarding the following areas: Training and expertise in identifying fraud, including the educational levels of key individuals tasked to identify or refer potential cases of fraud; and whether CMS should be providing more training to contractors or require contractors to hire experts with greater medical training.

[Source: WAMC Capital District Bureau Chief Dave Lucas article 13 Jul 2010 ++]

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## **Medicare Fraud Update 45:**

- Houston TX - On 12 JUL Sandra Thurman Patino, 46, the operator of two Houston area durable medical equipment (DME) companies was sentenced to 48 months' imprisonment to be followed by a three-year term of supervised release during which she is expressly prohibited from seeking employment with any company that bills Medicare or Medicaid. The court has also ordered Patino to pay the remaining amount of approximately \$1.46 million in restitution to Medicare. Patino, Katrice Oliver, and Anthony Thurman were involved in operating two Houston durable medical equipment companies, Thurman Family Medical Services and Seniors Comfort & Caring Medical Services. Between 2002 through 2003, they fraudulently billed Medicare for durable medical equipment, primarily for motorized wheelchairs and related accessories, but delivered less expensive scooters. In all, the two companies billed Medicare approximately \$3.9 million and were paid approximately \$2.6 million. More than 99% of the two companies' claims involved motorized wheelchairs and related accessories. Most of the fraudulent claims billed involved prescriptions sold to Patino by Dr. Lewis Gottlieb. Patino sold wheelchair prescriptions to other durable medical equipment companies, besides the two she helped run. Gottlieb has pleaded guilty to receiving kickbacks for signing prescriptions for patients who did not meet the medical necessity requirements to

receive motorized wheelchair, and is currently serving a lengthy prison term. The United States has recovered approximately \$1.1 million from bank accounts related to the fraud, and seized and sold a Cadillac and a \$400,000 home, both purchased with proceeds of the fraud.

- **Miami FL** - Attorney General Eric Holder and Department of Health and Human Services Secretary Kathleen Sebelius announced the largest enforcement action in the short history of the Medicare Fraud Strike Force teams Friday in Miami— a sweeping, four city round up of 94 defendants who allegedly bilked the government health care program out of \$251 million. On 16 JUL federal and state law enforcement agents began arresting suspects and executing search warrants. In total, 360 agents, primarily from the FBI and HHS, executed eight search warrants as a part of ongoing investigations and arrested defendants in Miami, Detroit, Baton Rouge, La., and Brooklyn. Of the 94 charged defendants, 36 have been arrested so far.
- **San Antonio TX** - A former husband and wife were sentenced 16 JUL to federal prison for defrauding more than \$400,000 from state-administered programs funded by Medicaid and the Social Security Administration. Alicia Narvaez and ex-husband Edgar Narvaez operated the now-defunct Narvaez Family Provider Services and billed for services during times when purported clients were out of town, hospitalized, in jail or dead. Alicia Narvaez, 41, received five years in prison for misuse of Social Security numbers and aggravated identity theft and Edgar Narvaez, 32, was sentenced to 21/2 years for misuse of Social Security numbers. Both were ordered to pay restitution. Also, Alicia Narvaez's son, Edward Gonzales, 23, was sentenced to three years probation for his lesser role in the fraud scheme.
- **San Diego CA** - On 22 JUL Karen Kagramanian, 52, of Glendale, Daniel Baiandourian, 38, Stanley Garrido, 62, and Corazon Ferrer, 81, were charged with health care fraud conspiracy, health care fraud and offering and paying kickbacks. The 17-count federal indictment alleges that Kagramanian and Baiandourian co-founded a storefront clinic on El Cajon Boulevard that paid kickbacks for "cappers" to bring Medicare beneficiaries to the clinic and then filed fraudulent claims with Medicare for medical services not rendered and medically unnecessary. Garrido, a physician's assistant, is charged with ordering the medically unnecessary tests and procedures and falsely holding himself out as a medical doctor. Ferrer is charged as the lead recruiter for the clinic who received money and passed a portion of the funds along to other cappers who, in turn, recruited others to come to the clinic.
- **Miami FL** - Raul S. Ramirez, 55, was convicted 21 JUL of one count of conspiracy to commit health care fraud, 12 counts of health care fraud and three counts of money laundering. According to the evidence presented at trial, the fraud involved the supposed treatment of HIV- positive Medicare beneficiaries at RA Medical Center on West Flagler Street in Miami. Ramirez paid Medicare beneficiaries to sign papers as though they had received treatment and allow their Medicare numbers to be used to bill Medicare, according to evidence. Ramirez falsified medical records and blood test results and hired a billing company to bill Medicare under the name of a deceased doctor. Prior to his criminal trial, about \$4.9 million was recovered in a civil forfeiture case. In addition to jail time, he will be ordered to turn over an additional \$960,688.54. Ramirez faces up to 10 years in prison on each of the 16 counts.
- **Martinsburg WV** - Dr. Danine Rydland, 54, a Martinsburg obstetrician/gynecologist, was indicted 24 JUL on 38 counts of health care fraud. Prosecutors say Rydland devised a scheme to defraud Medicare, Medicaid, the Public Employees Insurance Agency and Unicare, according to The Associated Press. She allegedly helped prepare and submit inflated claims to those agencies and other third-party payers between JUN 04 and SEP 08. In some cases, she allegedly billed for prolonged services that weren't provided or could not document the amount of time spent in direct contact with patients. A conviction could carry up to 10 years in prison and \$250,000 in fines on each count. No stranger to state medical officials, Rydland was sanctioned by the West Virginia Board of Medicine on July 16, 1998 when her medical license was suspended and immediately stayed while she was placed on three years of probation.
- **Miami FL** - Modesto and Victoria de la Vega pleaded guilty 23 JUL for their participation in a \$13.7 million HIV infusion Medicare fraud scheme. Modesto was an owner and operator of T&R Rehabilitation

Professional Corp., a Miami clinic that purported to provide expensive injection and infusion treatments to patients with HIV. Victoria was an office assistant at T&R. Modesto admitted at his plea hearing that he agreed with his co-defendants and others to enlist patient recruiters and patients, among others, into a scheme to defraud Medicare. Modesto and Victoria admitted that they knew the patients at T&R did not need and/or did not receive the purported services, and that it would be necessary to pay kickbacks and bribes to the patients so that T&R could bill the Medicare program for the HIV infusion services that were not medically necessary and/or were not provided. The defendants admitted that from JAN 03 through JUL 05, they and their co-defendants caused T&R to submit fraudulent claims to the Medicare program in the amount of approximately \$13.7 million. Medicare paid approximately \$4.1 million of these fraudulent claims. At sentencing, scheduled for 5 NOV 2010, each faces a maximum penalty of five years in prison for the conspiracy to defraud the United States count and each false claims count, and 10 years in prison for the health care fraud conspiracy count.

- **Miami FL** - On 23 JUL Keith Humes and Lawrence Humes were sentenced to prison for their participation in a HIV infusion Medicare fraud scheme. Keith, a patient recruiter for a fraudulent HIV/AIDS infusion clinic known as Tendercare Medical Center Inc., was sentenced to 84 months in prison and three years of supervised release, and was ordered to pay restitution jointly and severally with co-defendants in the amount of \$539,485. Lawrence, also a patient recruiter for Tendercare, was sentenced to 33 months in prison and three years of supervised release, and was ordered to pay restitution jointly and severally with co-defendants in the amount of \$222,967. In addition, based on the court's consideration of relevant conduct, Keith Humes was ordered to pay further restitution in the amount of \$346,889. Both admitted that they conspired with each other and other individuals to defraud Medicare by submitting false claims for injection and infusion treatments that were medically unnecessary and that in most instances were not provided. Also that they paid kickbacks to beneficiaries in return for their Medicare numbers and signatures, which Tendercare used to submit the false claims. Between JAN 05 and DEC 07, Tendercare submitted approximately \$5.8 million in false and fraudulent claims to Medicare for treatments that were medically unnecessary or never provided. Medicare paid Tendercare approximately \$2.7 million.
- **Glendale CA** - Manuk Karapetyan, 46, was sentenced 26 JUL to five years in state prison for running a health-care fraud and money laundering scheme that affected more than 800 Medicare patients in the Los Angeles region, officials said. Once he is released from prison, he will be placed on supervised probation and must pay \$50,505 in restitution. He used the identities of four physicians to submit about 6,000 insurance claims for those patient. He also billed Medicare for more than \$3.2 million in a month, but most of the payments were canceled, officials said. Still, he was able to deposit more than \$50,000 in two bank accounts, transferring money to himself and associates in Armenia. He was arrested in April following an investigation that began in 2004. At that time, patients received bills from Medicare summarizing the fraudulent services that Karapetyan had billed. When patients told their doctors and Medicare officials that they had never received the billed medical services, an investigation was started.
- **Lakeland FL** - Lilian Pagkaliwangan and her husband, Raymundo P. Arellano, operators of Lakeland Therapy Providers Inc. and Optimum Therapy Inc., pleaded guilty 27 JUL to federal charges she fraudulently billed Medicare for physical therapy services between APR 06 and JUN 08. The indictment says the couple submitted claims for services not rendered, including services that were purportedly rendered on days the patients were not at the couple's clinic and didn't receive any services. As part of a plea agreement, Pagkaliwangan will forfeit \$319,000 in assets, representing the gross proceeds of the fraud. However, the intended loss was higher, as Pagkaliwangan overbilled for more than the amount she was paid. Specifically, she is pleading guilty to six counts of making false statements in connection with health care benefits. Each charge carries up to five years in federal prison. She used several methods to defraud Medicare, including billing for services performed on days patients were not present at the clinic and billing for more service than was provided to particular patients.

[Source: Fraud News Daily reports 15-31 Jul 2010 ++]

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## Medicad Fraud Update 18:

- **New York NY** - On 14 JUL ANR Advance Medical Care Inc. (ANR), a home health care agency, and Rainbow Medical P.C., a primary care clinic, both pleaded guilty to felony charges of stealing a total \$44 million from the taxpayer-funded Medicaid program. ANR pleaded guilty to Grand Larceny in the First Degree and Health Care Fraud in the First Degree, and Rainbow pleaded guilty to First- and Second-Degree Grand Larceny. Judgments in the amount of \$42 million and \$2 million, respectively, were entered against the companies. Both companies illegally operated as Medicaid providers while they were actually controlled by an individual, Staten Island's Alexander Levy, who had been disqualified from the Medicaid program since 1997. Both companies filed documents with the state asserting Levy had no control over the companies when in fact he had complete control and managed the day-to-day operations of them both. Defendants in the pending indictment include Zona Castellano, 69, Brooklyn NY; Aaron Bethea, 53, Brooklyn, NY; Leonid Sklyar, 30, Brooklyn NY; Yelena Bogatyrov, 43, Brooklyn NY; and Arthur Gutman, Israel.
- **Miami FL** - Teva Pharmaceuticals and its corporate affiliates have agreed to pay \$27 million to resolve claims of Medicaid fraud. The settlement, announced 20 JUL deals with allegations that the Israeli-owned generic drug company (NASDAQ: TEVA) set and reported inflated prices for medications dispensed by pharmacies and other providers, who were then reimbursed by Florida's Medicaid program. Medicaid sets the reimbursement rates it pays to providers based on the prices reported by drug manufacturers. By reporting inflated prices, the drug manufacturers caused Medicaid to overpay millions of dollars in pharmacy reimbursements. Cases against four other drug companies – Mylan Laboratories, Actavis, Watson Pharmaceuticals and Sandoz Pharmaceuticals – are ongoing.
- **Buffalo NY** - On 19 JUL 55-year-old Deborah Kantor of Tonawanda admitted giving a Niagara County employee almost \$18,000 in exchange for giving her Medicaid client identification numbers and approving benefit applications that were incomplete or false. Kantor owns H.I.S. Holdings Inc., a debt collection agency that did work for Niagara Falls Memorial Medical Center and other hospitals in the region. Cuomo said the hospitals didn't know the collections involved fraud. Kantor pleaded guilty to one count of third-degree bribery and three counts of second-degree rewarding official misconduct. She faces a maximum seven years in prison when she's sentenced 12 AUG. Prosecutors have moved to recover the \$725,000 in fraudulent Medicaid payments from Kantor and her company.
- **Los Angeles CA** - A federal jury has convicted six people in a scheme that bilked Medi-Cal out of \$4.6 million by using unlicensed individuals to care for disabled patients. U.S. attorney's office spokesman Thom Mrozek says the 21 JUL verdict which convicted the six imposter nurses of health care fraud and conspiracy to commit health care fraud, charges that cumulatively carry a maximum sentence of 20 years in prison. A sentencing hearing date has not yet been set. The defendants posed as licensed nurses for a Santa Fe Springs-based company called Medicare Plus Home Health Providers. The woman who ran the company, Priscilla Villabroza, a registered nurse, pleaded guilty in federal court last year to five counts of health care fraud. Thirty-five other defendants previously pleaded guilty to the same charges in the scheme.
- **Alton TX** - Manuel Anthony Puig, owner of the now-defunct Alton La Hacienda Family Clinic, told a judge he used a retired doctor's billing number to forge more than 6,000 Medicaid bills and bilked the federally funded health care program out of \$174,000. He also admitted that between MAY 05 and JAN 06 his business sought compensation for services he was not licensed to perform, procedures that never took place and for medication that he and his wife later sold at a profit. Despite not having a doctor's license, the 44-year-old physician assistant was able to open his clinic in 2005 by giving state regulators the name of a doctor who had supposedly agreed to supervise him on all procedures as required under state law and Medicaid program rules. But the physician claimed to have never met Puig or discussed a business

arrangement with him. The man had retired from actively practicing medicine in 2001 as a result of dementia and symptoms of Alzheimer's disease, federal prosecutors said. Puig admitted in court 23 JUL that he forged the contract naming the doctor La Hacienda's medical director and performed most of the clinic's procedures himself. He faces up to 10 years in prison at sentencing hearing set for OCT.

[Source: Fraud News Daily reports 15-31 Jul 2010 ++]

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**State Veteran's Benefits:** The state of Arkansas provides several benefits to veterans. To obtain information on these refer to this **Bulletin's Attachment** for an overview of those listed below. Benefits are available to veterans who are residents of the state. For a more detailed explanation of each click on "**Learn more about ...**" wording highlighted in blue on the attachment.

- Veterans Home
- Financial Assistance Benefits
- Education Benefits
- Other State Veteran Benefits

[Source: [www.military.com/benefits/veteran-benefits/arkansas-state-veterans-benefits](http://www.military.com/benefits/veteran-benefits/arkansas-state-veterans-benefits) Jul 2010 ++]

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**Military History:** The United States Navy was officially founded on October 13, 1775, when the Continental Congress authorized the outfitting of two vessels "of ten carriage guns...for a cruise of three months" against British supply ships. A Naval Committee of three men-Silas Deane, Christopher Gadsden and John Langdon- was appointed to supervise the project. The Continental Congress had a very limited role in mind for the Navy. It was not expected to contest British control of the seas, but rather to wage a traditional guerre de course against British trade in conjunction with privateers outfitting in American ports. The Continental Navy's ships were to raid commerce and attack the transports that supplied British forces in North America. To carry out this mission, the Continental Congress began to build up a cruiser Navy of small ships - frigates, brigs, sloops and schooners. For the most part Continental Navy ships tried to avoid fights with Royal Navy men-of-war. Few larger ships, in fact, ever put to sea.

During the Revolution, there were occasional triumphs in single-ship engagements - the capture, for example of the British sloop-of-war Drake by Captain John Paul Jones' Ranger. Jones also operated against the British in the North Sea itself, and actually raided the coast of Great Britain. Jones, born a Scot, had actually fled to Virginia originally to avoid prosecution by Great Britain for murder. He also captained the Bonhomme Richard and is known as the father of the American Navy. The Navy also employed the first undersea combat submarine during the Revolution, the Turtle, designed by David Bushnell of Connecticut. This was a one man submersible with two hand-held propellers and an outside screw designed to place a plug in the bottom of British ships with an explosive barrel attached which would then explode after its fuse burned. The Turtle was employed in action on only one date, 6 SEP 1776, in New York Harbor, against the H.M.S. Eagle. It failed to explode the Eagle, but is reported to have scared the devil out of the British sailors on board the attacked ship.

As expected, though, the Continental Navy never became a strategic check for the British fleet. But the course of the War did demonstrate to America the importance of sea power. New York, for example, has one of the biggest and deepest harbors in the world. And Lord William Howe, the British commander, wanted New York City because it protected the British power base (2/3rd's of the City's inhabitants were loyalists) and because its capture meant the Royal Navy could sail up the Hudson River into the heart of rebel territory. The British had a powerful navy, and

they knew we did not have much of one. They knew, given all that, it was a must for them to maintain their occupation of New York City for the duration of the Revolution, which is exactly what they did. And the control of the Atlantic by the Royal Navy allowed Great Britain to transport a large army to North America and to sustain it there. French sea power, allied with the American cause after 1778, allowed Washington to isolate and destroy the British army of Lord Cornwallis at Yorktown in 1781, ending Britain's hope of crushing the Revolution. Two years after the end of the War the money-poor U.S. Congress sold off the last ship of the Continental Navy. To follow the navy's histories after the Revolutionary War refer to the attachment to this Bulletin. [Source: [www.navyvets.org/id50.html](http://www.navyvets.org/id50.html) Jun 2010 ++]

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## **Military History Anniversaries:**

- Aug 01 1801 - Tripolitan War: The schooner USS Enterprise defeated the 14-gun Tripolitan corsair Tripoli after a fierce but one-sided battle.
- Aug 01 1942 - WWII: Ensign Henry C. White, while flying a J4F Widgeon plane, sinks U-166 as it approaches the Mississippi River, the first U-boat sunk by the U.S. Coast Guard.
- Aug 01 1950 - Korea: Lead elements of the U.S. 2nd Infantry Division arrive in country from the U.S, in defense of Pusan/Naktong Perimeter
- Aug 02 1990 - Iraq: Iraq invades Kuwait initiating Operation Desert Shield which became Desert Storm on 17 JAN 91 when it became clear he would not leave.
- Aug 03 1958 - Cold War: The first nuclear submarine USS Nautilus passes under the North Pole.
- Aug 04 1790 - The Revenue Cutter Service, forerunner of the COAST GUARD was established by Alexander Hamilton.
- Aug 04 1952 - Korea: Battle for Old Baldy (Hill 266) which commenced on 26 JUN ends.
- Aug 04 1964 - Vietnam: The U.S.S. Maddox and Turner Joy exchange fire with North Vietnamese patrol boats.
- Aug 05 1861 - Civil War: Congress adopts the nation's first income tax to finance the Civil War.
- Aug 05 1864 - Civil War: Admiral David Farragut, USN, exclaiming "Damn the torpedoes, full speed ahead," ran through a Confederate minefield at Mobile Bay, Alabama, and captured a defending group of Confederate ships.
- Aug 05 1951 - Korea: The United Nations Command suspends armistice talks with the North Koreans when armed troops are spotted in neutral areas.
- Aug 06 1945 - WWII: Paul Tibbets, the commander of Enola Gay, drops the first atomic bomb on Hiroshima, Japan.
- Aug 07 1782 - Revolutionary War: Purple Heart day. General George Washington authorizes the award of the Purple Heart for soldiers wounded in combat.
- Aug 07 1942 - WWII: The U.S. 1st Marine Division lands on the islands of Guadalcanal and Tulagi in the Solomon islands. This is the first American amphibious landing of the war.
- Aug 07 1964 - Vietnam: Congress overwhelmingly passes the Gulf of Tonkin Resolution, allowing the president to use unlimited military force to prevent attacks on U.S. forces.
- Aug 08 1942 - WWII: U.S. Marines capture the Japanese airstrip on Guadalcanal.
- Aug 08 1944 - WWII: U.S. forces complete the capture of the Marianas Islands.
- Aug 08 1950 - Korea: U.S. troops repel the first North Korean attempt to overrun them at the battle of Naktong Bulge, which continued for 10 days.
- Aug 09 1945 - WWII: The B-29 bomber Bock's Car drops a second atomic bomb on Nagasaki, Japan. It was the second atomic bomb that induced the Japanese to surrender.

- Aug 10 1950 - Korea: President Harry S. Truman calls the National Guard to active duty to fight in the Korean War.
- Aug 11 1972 - Vietnam: The last U.S. ground forces withdraw from Vietnam.
- Aug 12 1898 - Spanish American War: Conflict officially ends after three months and 22 days of hostilities.
- Aug 12 1952 - Korea: The Battle of Bunker Hill (Hill 122) began which continues for 4 days
- Aug 12 1969 - Vietnam: American installations at Quan-Loi come under Viet Cong attack.
- Aug 13 1898 - Philippine-American War: Manila, the capital of the Philippines, falls to the U.S. Army.
- Aug 14 1945 - WWII: The Empire of Japan surrendered to the Allied forces, ending World War II.
- Aug 14 1973 - Vietnam: The United States ends the "secret" bombing of Cambodia.
- Aug 15 1942 - WWII: The Japanese submarine I-25 departs Japan with a floatplane in its hold which will be assembled upon arriving off the West Coast and used to bomb U.S. forests.
- Aug 15 1950 - Korea: Two U.S. divisions are badly mauled by the North Korean Army at the Battle of the Bowling Alley in South Korea, which rages on for five more days.

[Source: Various Jul 2010 ++]

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## Military Trivia 09:

- What European country--the last surviving monarchy of the Holy Roman Empire--hasn't had an army since 1868?  
A: Liechtenstein.
- What was the name of Japanese propagandist Tokyo Rose's World War II radio show for U.S. servicemen in the Pacific?  
A: Zero Hour.
- Why did the British Broadcasting Company (BBC) play the opening bars of Beethoven's Fifth Symphony in all its broadcasts to Europe during World War II?  
A: Because its familiar "dah-dah-dah-DAAAAH" opening is the same as Morse code for the letter V (dot-dot-dot-dash)--The symbol adopted for "victory."
- What was the name of General Robert E. Lee's favorite horse before he bought it for \$175 and rechristened it Traveler?  
A: Jeff Davis.
- Before going into battle, what did he notorious pirate Blackbeard put under his tricorn to frighten those he was attacking?  
A: Slow-burning fuses that would wreath his head in black smoke.
- What were the names of the horses ridden by Napoleon Bonaparte and the Duke of Wellington at the Battle of Waterloo?  
A: Napoleon rode the white stallion Marengo; Wellington, the chestnut Copenhagen. Both men named their mounts after famous battle sites where they had been victorious.
- What bird's name has been given to the U.S. Marine tilt-rotor transport that takes off and lands like helicopter, but flies like an airplane?  
A: Osprey. The aircraft is also known as the V-22.
- What were the Q-ships put to sea by the United States and Britain during World War I?  
A: They were heavily armed warships camouflaged as harmless merchant vessels, which were used to lure German U-boats to their destruction. When a German submarine surfaced to attack (saving its torpedoes for armed vessels), the Q-ship dropped its dummy bulwarks and opened fire.

- Who led the U.S. marine detachment that captured abolitionist John Brown following is 1859 raid on the federal arsenal at Harper's Ferry?  
A: Robert E. Lee, then a colonel.
- What was the full name of the V-2 rocket developed by Wernher von Braun for the Germans during World War II?  
A: Vergeltungswaffe Zwei--Revenge Weapon Two.
- What was the only southern town to remain in Union hands throughout the Civil War?  
A: Key West, Florida, the southernmost city in the continental United States.
- Who was the fuehrer of Germany when World War II ended?  
A: Grand Admiral Karl Doenitz, Hitler appointed Doenitz before taking his own life a week before the Nazi surrender.
- In the event of a nuclear holocaust, what artifact did architect Frank Lloyd Wright believe would be excavated in great quantity from the ruins of twentieth-century civilization?  
A: The vitreous china toilet bowl.
- What entertainer sold more U.S. war bonds than anyone else during World War II?  
A: Kate "God Bless America" Smith. She sold \$600 million worth.

[Source: [www.triviafool.com/page93.htm](http://www.triviafool.com/page93.htm) Jul 2010 ++]

**Tax Burden for North Carolina Retirees:** Many people planning to retire use the presence or absence of a state income tax as a litmus test for a retirement destination. This is a serious miscalculation since higher sales and property taxes can more than offset the lack of a state income tax. The lack of a state income tax doesn't necessarily ensure a low total tax burden. Following are the taxes you can expect to pay if you retire in North Carolina:

#### Sales Taxes

**State Sales Tax:** Effective October 1, 2009 the sales tax increases temporarily to 5.5%. It is due to return to 4.5% on July 1, 2011. The local rate decreases from 2.25% to 2% in all counties except Alexander, Catawba, Cumberland, Haywood, Martin, Pitt, Sampson, and Surry where the county rate decreases from 2.5% to 2.25%. Mecklenburg County continues to impose an additional 0.5% Transit rate. The third one-half cent local tax previously reduced to a quarter cent (0.25%) under Article 44 will decrease to zero. The combined State and local rate will continue to be 7.75% in ninety-one counties, 8% in Alexander, Catawba, Cumberland, Haywood, Martin, Pitt, Sampson, and Surry counties and 8.25% in Mecklenburg County. Prescription drugs, medical equipment exempt, food subject to 2% county tax.

**Gasoline Tax:** 30.2 cents/gallon

**Diesel Fuel Tax:** 30.2 cents/gallon

**Cigarette Tax:** 45 cents/pack of 20

#### Personal Income Taxes

**Tax Rate Range:** Low - 6.0%; High - 7.75%

**Income Brackets:** 4: Lowest - \$12,750; Highest - \$60,000. These brackets are for single individuals. For married taxpayers, the same rates apply to income brackets ranging from \$21,250 to \$200,000. An additional middle income tax credit is allowed.

**Number of Brackets:** 4

**Personal Exemptions:** Single - \$1,000; Married - \$2,000; Dependents - 0. Taxpayers who claim standard deduction or itemize deductions on federal return must make adjustments.

**Standard Deduction:** Single - \$3,000; Married filing jointly - \$6,000

**Medical/Dental Deduction:** Federal amount. Income tax credit for premiums paid on long-term care insurance that

covers the individual, a spouse or dependent. Credit is equal to 15% of premium cost but may not exceed \$350.

**Federal Income Tax Deduction:** None

**Retirement Income:**

**Retirement Income Taxes:** Social Security is exempt. At least \$4,000 in exclusions for federal, state and local pensions (depending on dates and length of service); up to \$2,000 exemption for qualified private pensions, including IRAs. Out-of-state government pensions also qualify for the \$4,000 exemption. State retirees with at least 5 years of creditable service as of August 12, 1989, will be permanently exempt from state income tax on their retired/retainer pay. Be sure to investigate the Bailey decision at [www.dornc.com/taxes/individual/benefits.html](http://www.dornc.com/taxes/individual/benefits.html) . Taxable income also includes income derived from gaming in North Carolina. For more details on retirement income deductions refer to [www.dornc.com/taxes/individual/retirement.html](http://www.dornc.com/taxes/individual/retirement.html) .

**Retired Military Pay:** If an individual had five years of creditable service as of August 12, 1989, all military retired pay is exempt from taxes. Otherwise, a deduction of up to \$4,000 is allowed for military pay or survivor's benefits.

**Military Disability Retired Pay:** Retirees who entered the military before Sept. 24, 1975, and members receiving disability retirements based on combat injuries or who could receive disability payments from the VA are covered by laws giving disability broad exemption from federal income tax. Most military retired pay based on service-related disabilities also is free from federal income tax, but there is no guarantee of total protection.

**VA Disability Dependency and Indemnity Compensation:** VA benefits are not taxable because they generally are for disabilities and are not subject to federal or state taxes.

**Military SBP/SSBP/RCSBP/RSFPP:** Generally subject to state taxes for those states with income tax. Check with state department of revenue office.

**Property Taxes**

All property, real and personal, is subject to taxation and is assessed based on 100% of appraised value. Taxes are collected by cities and counties. Under the homestead exemption, the greater of \$25,000, or 50% of the appraised value of real property owned by a North Carolina resident and occupied by the owner as his or her permanent residence is excluded from the taxpayer's assessment, if the following requirements are met: (1) The owner is 65 years of age or older or is totally and permanently disabled. (2) The disposable income of the owner did not exceed \$25,000 for calendar year 2008. The 2009 limit is \$25,600. The income eligibility limit is adjusted each year by the Social Security cost-of-living adjustment. The disposable income limit amount includes all moneys received plus the disposable income of the applicant's spouse if they reside together. Call 877-308-9103 for details or refer to [www.dornc.com/taxes/property/index.html](http://www.dornc.com/taxes/property/index.html) .

The state also has a circuit breaker property tax deferment program. Under this program, taxes for each year are limited to a percentage of the qualifying owner's income. The qualifying owner must either be at least 65 years of age or be totally and permanently disabled. For an owner whose income amount for the previous years does not exceed the income eligibility limit for the current year, which for the 2009 tax year is \$25,6000, the owner's taxes will be limited to 4% of the owner's income. For an owner whose income exceeds the income eligibility limit, which for tax year 2009 is \$38,400, the owner's taxes will be limited to 5% of the owner's income.

**Inheritance and Estate Taxes** - There is no inheritance tax and the estate tax is related to federal estate tax collection.

For further information, visit the North Carolina Department of Revenue site [www.dor.state.nc.us](http://www.dor.state.nc.us) . [Source: [www.retirementliving.com](http://www.retirementliving.com) Jul 2010 ++]

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**Congressional Alphabetist:** To better understand what is happening to veteran legislation as it proceeds through Congress it is useful to know the language used by our representatives as they conduct business. Following are some of the words or expressions you will see while reading about or listening to House and Senate sessions:

- **EARMARKED.** Earmarked funds are those dedicated for a specific program or purpose. Revenues are earmarked by law. Expenditures are earmarked by appropriations bills or reports.
- **ENACTING CLAUSE.** The Enacting Clause gives the legal force of law to a proposed bill. It appears right after the bill number. It says: "Be it enacted by the Sen. & House of Rep. of the United States of America in Congress assembled. . ."
- **ENGROSSED BILL.** The final version passed by one chamber. It includes any floor amendments.
- **ENROLLED BILL.** The final version passed in identical form by both chambers and sent to the president.
- **ENTITLEMENT SPENDING.** Refers to funds for programs like Medicare/Medicaid, Social Security, & veterans' benefits. Funding levels are automatically set by the number of eligible recipients, not at the discretion of Congress. Each person eligible for benefits by law receives them unless Congress changes the eligibility criteria. Entitlement payments represent the largest portion of the federal budget.
- **EXECUTIVE AGREEMENT.** Refers to an international agreement entered into by the President, outside of the treaty ratification process. To be implemented, it requires a simple majority vote of the House and Senate. Many agreements require subsequent implementing bills passed by both chambers before they can take force. Congress can express its opposition to any particular executive agreement by withholding the necessary implementing legislation. The President's authority to negotiate executive agreement flows from two sources: the power granted him in the Constitution as chief executive, and/or specific powers delegated to him by earlier act of Congress. Recent examples of executive agreements include trade agreements, like NAFTA and GATT.
- **EXECUTIVE ARTICLE.** Refers to Article II of the Constitution, pertaining to presidential powers. Article I discusses the powers of Congress. Article III describes the powers of the judiciary.
- **EXECUTIVE BUSINESS.** Refers to treaties and nominations sent to the Senate by the president for review.
- **EXECUTIVE CALENDAR.** The list of treaties & nominations awaiting Senate floor consideration.
- **EXECUTIVE ORDER.** A presidential directive with the force of law. It does not need congressional approval. The Supreme Court has upheld executive orders as valid either under the general constitutional grant of executive powers to the President or if authority for it was expressly granted to the President by the Congress. Congress can repeal or modify an executive order by passing a new law; however it must be signed by the President or his veto overridden.
- **EXECUTIVE PRIVILEGE.** Refers to the assertion made by the President or other executive branch officials when they refuse to give Congress, the courts, or private parties information or records which have been requested or subpoenaed, or when they order government witnesses not to testify before Congress. The assertion is based on the constitutional doctrine of separation of powers, is always controversial, subject to interpretation, and often litigated.
- **EXECUTIVE SESSION - HOUSE.** The term used for a closed or secret floor or committee session.
- **EXECUTIVE SESSION - SENATE.** The Senate goes into Executive Session to consider treaties and nominations, which are known as "executive business," because they are sent over from the executive branch.
- **EX-OFFICIO.** Means "by virtue of one's office." It confers membership on a panel to certain officials. The chairman and top minority member of a Committee usually have ex-officio status on all subcommittees.
- **EXPULSION.** The authority granted the House and Senate by the Constitution to expel a Member or Senator from their chamber. Requires a 2/3 vote. Use is limited for misconduct while in office, not

misconduct prior to election, but misconduct is not expressly defined. While the House and Senate have censured or reprimanded their Members, expulsion is rarely used. Deference is given to the voters to make a decision to unseat a Member at the next election or to allow the courts to convict and sentence a Member if he/she has been indicted.

- **EXPUNGE.** Means to delete remarks from the Congressional Record because they violate the rules. Examples of material likely to be expunged are derogatory comments, profane language and pornography.

[Source: C-SPAN Congressional Glossary Jul 2010 ++]

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**Veteran Legislation Status 29 JUL 2010:** The House will begin its summer district recess on 2 AUG and Senate will be in recess at the end of the day on 6 AUG. Both will be in recess through 12 & 13 SEP respectively. For or a listing of Congressional bills of interest to the veteran community that have been introduced in the 111<sup>th</sup> Congress refer to the Bulletin's House & Senate Veteran Legislation attachments. Support of these bills through cosponsorship by other legislators is critical if they are ever going to move through the legislative process for a floor vote to become law. A good indication on that likelihood is the number of cosponsors who have signed onto the bill. Any number of members may cosponsor a bill in the House or Senate. At <http://thomas.loc.gov> you can review a copy of each bill's content, determine its current status, the committee it has been assigned to, and if your legislator is a sponsor or cosponsor of it. To determine what bills, amendments your representative has sponsored, cosponsored, or dropped sponsorship on refer to <http://thomas.loc.gov/bss/d111/sponlst.html>.

Grassroots lobbying is perhaps the most effective way to let your Representative and Senators know your opinion. Whether you are calling into a local or Washington, D.C. office; sending a letter or e-mail; signing a petition; or making a personal visit, Members of Congress are the most receptive and open to suggestions from their constituents. The key to increasing cosponsorship on veteran related bills and subsequent passage into law is letting legislators know of veteran's feelings on issues. You can reach their Washington office via the Capital Operator direct at (866) 272-6622, (800) 828-0498, or (866) 340-9281 to express your views. Otherwise, you can locate on <http://thomas.loc.gov> your legislator's phone number, mailing address, or email/website to communicate with a message or letter of your own making. Refer to [http://www.thecapitol.net/FAQ/cong\\_schedule.html](http://www.thecapitol.net/FAQ/cong_schedule.html) for dates that you can access your legislators on their home turf. [Source: RAO Bulletin Attachment 29 Jul 2010 ++]

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### **Have You Heard?** Attention on Deck

Attention on Deck -- Norfolk Naval Station -- . All station personnel are required to fall in at 1300 in the parking lot of the Chief's club for visiting Admiral to inspect upon his arrival

Master Chief tells Seaman Timmy that he is to go to the main gate and call him at the club when the Admiral comes through the gate, ETA 1345.

At 1400 Admiral arrives at main gate and SN Timmy rushes over to the vehicle..... Asks, "Are you the admiral that is here for the inspection?" Reply was "Yes, I am, why?"

Seaman Timmy says, "Just thought I would warn you that the Master Chief expected you at 1345 and you're late. Stand by for an ass chewing."

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"If a man mentions his honor, make him pay cash."

--- Mark Twain (1835 – 1910)

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