

Stop unscrupulous firms from exploiting veterans trying to obtain VA benefits.

Submitted by VFW Department of Virginia

The VFW has continued its advocacy against unaccredited, predatory claims consultants that aggressively advertise and charge veterans for Department of Veterans Affairs (VA) disability claim assistance.

Like many of its companion organizations on the Joint Leadership Council (JLC), the Veterans of Foreign Wars has proudly honored its commitment to all veterans by providing highly trained, certified, quality claims representatives to assist veterans and their survivors in navigating the complex bureaucracy of the U.S. Department of Veterans Affairs (VA) law, rules, and regulations.

The VFW and other accredited Veterans Service Organizations (VSOs) provide this service at no cost, as required under Title 38 of the United States Code.

Charging veterans for initial claims assistance is an illegal practice. Unfortunately, criminal penalties for unaccredited claims agents were eliminated from United States Code nearly twenty years ago, providing a loophole through which these predatory claims agents built this market sector. The VFW has branded these companies "Claim Sharks".

These claim shark companies typically enter into agreements with veterans in which the veteran agrees to pay them a multiple of the disability award, often up to five times the amount. This is a fee structure that is predatory in nature and something we would never accept. Additionally, many of the contracts provide for the claim shark to bill for future increases in benefits even if they had no part in helping the veteran obtain them.

Since they are uncredited with the VA the claim shark cannot file for the veteran or see the computer system that tracks the veteran's claim. The veteran files their own claim with "assistance" from the claim shark and if anything goes wrong, the veteran is solely responsible for the error and could owe the Veterans Administration money. If this action were to be taken by any other actor affecting a consumer it would be considered fraud and be protected by Virginia's consumer protection laws.

Currently, these predatory companies have no accountability, no oversight, and no penalties.

At the National level the VFW has urged Congress to pass legislation to reinstate penalties under Title 38. Until that occurs, if ever, we ask that the Legislature propose legislation that prohibits these Claim Shark companies from operating in Virginia.

The VFW and other VSOs draw no benefit from this proposed legislation. In fact, it promises to increase the workload for VA-Certified Service Officers; but it will do so while protecting the integrity of the VA system and the privacy and security of veterans' personal and health data.