

Congress of the United States
House of Representatives
Washington, DC 20515-5401

July 6, 2011

The Honorable Eric K. Shinseki
Secretary
U.S. Department of Veterans Affairs
810 Vermont Avenue, NW
Washington, DC 20420

Dear Secretary Shinseki:

I write to respectfully request that the San Juan Regional Office (SJRO) be excluded from the planned consolidation of the VA Fiduciary Program, scheduled to take effect early next year. Although there have been well-documented problems in the Fiduciary Program nationwide, the SJRO's Fiduciary Activity office has—seemingly by all accounts—provided a high level of beneficiary service. In addition, because of language and other factors, the veteran population served by the SJRO relies upon face-to-face interactions with bilingual VA staff. These are critical interactions for these beneficiaries and their families that consolidation would not readily allow. Because there is a strong basis to believe that consolidation would hurt, not help, the quality of service provided to beneficiaries in Puerto Rico, I would like to receive a formal briefing from the VA on this issue as soon as possible.

As you know, the VA provides benefits to disabled veterans and their family members. For those beneficiaries who require assistance because of a mental or physical impairment, the VA appoints a third-party fiduciary—typically a family member or entity like a law firm or hospital—to manage and protect the beneficiary's funds. Monitoring of fiduciaries is currently conducted by the VA at its regional offices, including the SJRO, which has jurisdiction over beneficiaries residing in Puerto Rico and the U.S. Virgin Islands. According to information provided to my office, as of May 31, 2011 the SJRO's Fiduciary Activity office was overseeing fiduciaries for nearly 3,600 beneficiaries with a total estate value of over \$66 million and a total home value of over \$278 million.

In recent years, the Government Accountability Office and the VA Office of the Inspector General have identified shortcomings in the Fiduciary Program's capacity to monitor program performance, effectively utilize staff, and oversee fiduciary activities. At least partially in response to these identified deficiencies, the VA has moved forward with a plan to remove responsibility for the Fiduciary Program from the regional offices and place it instead at five

“hubs” throughout the nation: one in the eastern U.S., one in the western U.S., one in the central U.S., and two in the southern U.S. The two southern hubs are Columbia, South Carolina and Louisville, Kentucky. Puerto Rico is scheduled to be consolidated within the Louisville hub in February 2012. It is important to note that the Manila Regional Office has been excluded from the consolidation, so there is a precedent for exemption.

My request that the SJRO be excluded from the proposed consolidation and permitted to retain its Fiduciary Activity office is based on two overarching factors. First, the laudable goal of consolidation is to improve the effectiveness of the Fiduciary Program. However, according to performance data my office has received, the SJRO is exceptionally well-run. I am advised that all veterans services organizations on the Island strongly oppose consolidation, indicating that the veteran population is satisfied with the quality of services being provided by the SJRO’s Fiduciary Activity office. It appears the broader problems plaguing the Fiduciary Program are absent—or at least far less pronounced—in Puerto Rico. When my office is briefed on this issue, I intend to ask VA officials whether they concur with this characterization. If the VA does agree, it will be hard to avoid the conclusion that, when it comes to the SJRO, consolidation would be tantamount to “fixing” something that is not broken, and potentially doing damage in the process.

Second, in most ways, veterans in Puerto Rico are no different than their counterparts in the 50 states. But recognition of this fundamental fact should not blind us to the reality that the Island’s veteran population does have certain distinctive features that are particularly relevant to the consolidation issue. Although Puerto Rico has two official languages—Spanish and English—Spanish is the dominant language on the Island. Accordingly, all oral and written correspondence from the SJRO to fiduciaries, impaired veterans and their families is conducted in Spanish. In addition, SJRO staff are fully bilingual and, therefore, better able to meet the needs of the Island’s veteran population. Moreover, I understand that Puerto Rico’s legal code governing the role and responsibilities of fiduciaries differs in meaningful respects from legal codes in the states. Finally, experience demonstrates that Puerto Rico veterans strongly prefer face-to-face meetings with VA personnel over telephone or written correspondence.

Consolidation thus raises multiple concerns. It is almost certain that, compared to the SJRO, the Fiduciary Activity hub in Louisville will have fewer personnel who are fluent (or even proficient) in Spanish and who are knowledgeable about Puerto Rico fiduciary law. Furthermore, it is inevitable that consolidation will mean fewer face-to-face meetings and more telephone and written correspondence—and it stands to reason that much of this correspondence will be in English. To the extent that there will still be face-to-face meetings between VA officials at the Kentucky hub and beneficiaries in Puerto Rico, it is worth noting that Louisville and San Juan are over 1,800 miles apart, that there are no direct flights between the two jurisdictions, and that a single-layover trip often takes at least seven hours and costs around \$1,000 round trip. In short, it is hard to see how consolidation will help Puerto Rico’s veterans and easy to see how it might hurt them.

In light of the foregoing, I urge you to consider exempting the SJRO from the planned consolidation of the VA Fiduciary Program, and I look forward to receiving a briefing on this issue at your earliest convenience.

Sincerely,



Pedro R. Pierluisi
Member of Congress

cc: Gen. Allison A. Hickey, Under Secretary for Benefits, U.S. Department of Veterans Affairs
Marlan P. Waldrop, Director, San Juan Regional Office, Veterans Benefits Administration,
U.S. Department of Veterans Affairs
The Honorable Jeff Miller, Chairman, House Committee on Veterans' Affairs
The Honorable Bob Filner, Ranking Member, House Committee on Veterans' Affairs
Agustin Montañez, Veterans' Advocate, Government of Puerto Rico