

Good morning, Mr. Chairman and members of the Committee.

My name is Nate Huntington, I am a resident of Bismarck, a veteran, a member of the American Legion and Marine Corps Association Detachment 1419 of Mandan. I am also a registered Lobbyist for the American Legion Department of North Dakota.

I am testifying in opposition to HB 1169 in its current form. Originally, we were in favor of this legislation, but it was amended to remove a very important safeguard for the veterans of our State. That safeguard prevented unethical actors from receiving compensation for advising or assisting a veteran for state or federal benefits “except as allowed under federal law.” The removal of the phrase “except as allowed under federal law” leaves the door open for unethical people to charge veterans fees for assistance that is already being provided for them.

I am asking you to defeat HB 1169 unless you return the protection to the bill.

Please protect veterans from predatory actors.

The reality is that America’s veterans are being targeted by predatory claims companies. They charge exorbitant fees for services provided free of charge by veteran service organizations (VSOs). These companies use aggressive marketing tactics, misleading statements, and complicated contracts to profit from veterans receiving Department of Veterans Affairs (VA) benefit payments. They do not adhere to VA regulations and cannot legally represent veterans.

These companies charge veterans at a rate of 500-600 percent of whatever future increase in monthly benefits the veteran receives – a violation of the U.S. Code, which prohibits the payment of fees based on future benefits compensation (Sec 38 USC 5301(a)(3)(A)). In return for such large payments, these companies offer so-called “consulting services” and make it clear to the clients that they, themselves, are still responsible for filing the actual claim with the VA. These profiteers are not accredited by the VA: thus, their activities cannot be monitored by VA’s Office of General Counsel.

There are several key points I would like to bring to your attention:

- Unaccredited predatory claims companies are not bound by VA regulations and cannot be penalized by the Office of General Counsel.
- Veterans are charged exorbitant fees by these “claim sharks” for services that are provided free of charge by the American Legion and other Veterans Service Organizations.
- Through aggressive ad campaigns, unethical law firms and so-called consultants are convincing veterans to pay them for services that the veteran is responsible for and VSOs already provide for free in accordance with the law.
- These unethical operators are already breaking Federal law. We must not allow them to operate in North Dakota because it is our veterans who will bear the weight of their predatory activities.
- The removal of the important text *“a person may not: a. Receive compensation for advising or assisting an individual regarding any federal or state veteran’s benefits matter, except as allowed under federal law”* effectively allows claims sharks to prey on ND veterans.

Please vote *do not pass* unless HB 1169 is restored to its original text.

Thank you very much.