

Good morning, Chairman Luick and Committee members; my name is Joe Hall. I represent the Disabled American Veterans, Department of North Dakota and the NDVLC. I am testifying about HB 1169 which we oppose with its current amendment. The original version of this bill in Section 2 read; A person may not receive compensation for advising or assisting an individual regarding any federal or state veterans' benefits matter, **except as allowed under federal law.**

That federal law is 38 USC 5904 (C)(1) and 38 Code of Federal Regulation 14.636 which reads: "Who may charge fees for representation. **Only accredited agents and attorneys** may receive fees from claimants or appellants for their services provided in connection with representation. Recognized organizations (including their **accredited representatives** when acting as such) and individuals recognized under § 14.630 of this part are **not permitted to receive fees**. An agent or attorney who may also be an accredited representative of a recognized organization may not receive such fees unless he or she has been properly designated as an agent or attorney in accordance with § 14.631 of this part in his or her individual capacity as an **accredited** agent or attorney.

The current version removed the most important part (**except as allowed under federal law**). Allowing this amendment would allow "claim sharks" to assist veterans while breaking Federal Law. It allows veterans to spend money they have already earned for something they can get at no cost. As North Dakotans,

please tell me we won't choose to break the law because others want to profit from the benefits veterans earned. Removing 6 words tells us in North Dakota that the Federal Law really means nothing, I know we are above that and understand it's importance.

Besides this written testimony, I have submitted a DAV form about claim sharks and a copy of DAV's National Service Director for Training, Scott Hope's testimony presented to the Committee on Veterans' Affairs at the House of Representatives in D.C. on March 5, 2025.

I want to be clear; Claim Sharks are not about "Veterans Choices," Claim Sharks **are not above accreditation, Claim Sharks are predators!** They are feeding on Veterans' hard-earned benefits and already breaking Federal law.

We are trying to send a message that you cannot prey on North Dakota's Veterans, steal their hard-earned benefits, and openly break the law without consequences.

Don't fall for the false narratives. The sharks are afraid the prey will bite back, so they are swarming, they forgot Veterans are no easy prey.

NDVLC and the DAV oppose the current version of HB 1169 and would fully support the bill without the deletion of "except as allowed under federal law".



KEEPING OUR PROMISE TO
AMERICA'S VETERANS

No veteran should have to pay to file a claim under any circumstance. Period.

THE SITUATION

- The VA Office of General Counsel requires representatives to be **accredited**, like DAV, to provide veterans and their families with claims assistance.
- Predatory claims practitioners are **unaccredited** individuals or companies, not recognized by VA, that charge excessive fees for filing VA benefits claims, or consulting with veterans.
- Predatory claims practices aren't just wrong—they are **illegal!** Under 38 U.S.C. § 5904, **accredited** representatives are the only entities authorized to charge fees, but only **after** the VA has issued an initial decision on the claim.
- Predatory claims companies are using Social Media, email, pop-up ads, and other means to reach veterans.
- Predatory claims companies are attempting to get legislation passed at the state and federal levels that will allow them to charge exorbitant fees for initial claims.
- While a pathway for these for-profit companies to become accredited exists, they have continually refused, which shows they driven by greed rather than simply looking to improve veteran's lives.

WHAT YOU CAN DO

- Don't sign a contract. They are often unfair and can charge large fees or a percentage of benefits.
- Don't pay upfront fees for claim help. DAV claims work is always free.
- Don't give out your VA.gov passwords.
- Check to see if an individual/organization is accredited at va.gov/ogc/accreditation.asp.
- Contact your local NSO office. You can find the nearest at benefitsquestions.org.
- Call your elected officials to support the GUARD VA Benefits Act, federal legislation that would reinstate criminal penalties, ensuring predatory claims companies can no longer continue their illegal practices. DAV supports this bill through DAV Resolution No. 324 to protect claimants from unnecessary fees.

If a veteran feels he or she has fallen victim to Predatory Claims Practices, they should

- Report the issue to the VA Office of General Counsel at 202-461-7699;
- Report to the VA Office of Inspector General hotline at 1-800-488-8244;
- File a complaint with their State Attorney, and
- File a complaint with the Federal Trade Commission.



Washington Headquarters
1300 I Street, NW, Suite 400 West
Washington, DC 20005
tel 202-554-3501
dav.org

**STATEMENT OF
SCOTT HOPE
DEPUTY NATIONAL SERVICE DIRECTOR FOR TRAINING
FOR THE RECORD OF THE
SUBCOMMITTEE ON DISABILITY ASSISTANCE AND MEMORIAL AFFAIRS
COMMITTEE ON VETERANS' AFFAIRS
UNITED STATES HOUSE OF REPRESENTATIVES
MARCH 5, 2025**

Chairman Luttrell, Ranking Member McGarvey and Members of the Subcommittee:

DAV (Disabled American Veterans) is grateful to provide testimony for the record for this legislative hearing concerning different pieces of legislation pertaining to Department of Veterans Affairs (VA) accreditation. DAV is a congressionally chartered and VA-accredited veterans service organization (VSO). We provide meaningful claims support free of charge to more than 1 million veterans, family members, caregivers and survivors.

To fulfill our service mission, DAV directly employs a corps of benefits advisors, national service officers (NSOs), all of whom are themselves wartime service-connected disabled veterans, at every VA regional office (VARO) as well as other VA facilities throughout the nation, including the Board of Veterans' Appeals (Board).

First, we draw attention to the unique, veteran-centric relationship between the VA and veterans of all generations. As promised by VA Secretary Doug Collins, the veteran is at the center of all VA programs. In order to qualify for compensation benefits, and a majority of other VA programs, such as health care and employment assistance, veterans must apply for and be found eligible for service connection for one or more service-related illness or injury. During the process of deciding service connection, the VA is bound by law to assist the veteran in application completion, evidence gathering, and medical examinations. VA is also bound by law to resolve all reasonable doubt in all instances in favor of the veteran.

For the VA to ensure veterans receive responsible, qualified representation and assistance when applying for VA benefits, federal laws were created requiring anyone who assists them in preparing, presenting, or prosecuting those claims to be properly accredited through the VA Office of General Counsel (OGC). Those same laws govern whether, when, and how much veterans can be charged for that assistance.

In 2006, the criminal penalties for violating those laws were removed, leaving the VA OGC virtually powerless to enforce the law against anyone except those who voluntarily followed those laws and became accredited. That left the door open for

unaccredited, often unscrupulous, actors to target veterans and illegally charge them for claims assistance.

A warning from the Consumer Financial Protection Bureau, dated February 15, 2023, states: “Unfortunately, there has been an influx of predatory advertisements, which purport to help veterans often through the guise of ‘medical consulting’ or ‘benefits coaching’ submit their initial claims to the [VA] for a fee. But unauthorized assistance in claim preparation is illegal.” We have been advised and in fact have seen that they have contracts the veteran signs showing they are going to take six times the amount of a veteran’s increased benefits.

As these predatory companies operate outside of accreditation, they do not fall under the OGC’s oversight. Additionally, these entities are not required to have employed individuals take VA training, follow VA’s required code of conduct, nor undergo background checks. We are concerned that the OGC’s purpose to protect veterans and their families has been intentionally circumnavigated, thus placing veterans at risk of financial exploitation.

The Veterans Appeals Improvement and Modernization Act of 2017 was signed into law (Public Law No. 115-55) on August 23, 2017, which allows VA-accredited attorneys or claims agents to charge fees for representation in the case of; a supplemental claim and higher level of review or after a notice of disagreement has been filed after an initial final decision on a specific claimed issue.

There is already a clear path for these individuals to become VA accredited and provide assistance. If these companies are solely concerned with assisting veterans, they would already be accredited; however, this path does not allow them to charge exorbitant fees for merely filling out paperwork. We must hold all of these predatory companies accountable for their knowingly illegal actions and take appropriate action to ensure they are not allowed to further exploit our nation’s ill and injured veterans.

The Governing Unaccredited Representatives Defrauding VA Benefits Act or GUARD VA Benefits Act

By amending 38 U.S.C. § 5904 (2023), the GUARD VA Benefits Act would reinstate criminal penalties on individuals for soliciting, contracting for, charging, or receiving any unauthorized fee or compensation with respect to the preparation, presentation, or prosecution of any claim for VA benefits.

In August 2023, the National Association of Attorneys General sent Congressional leadership a letter of support for The Guard VA Benefits Act. They point out that these unaccredited claims predators are financially exploiting veterans and their families. This letter was signed by 44 State Attorneys General.

In accordance with DAV Resolution No. 324, DAV strongly supports, the GUARD VA Benefits Act, which will help ensure disabled veterans receive VA-accredited

representation while deterring predatory practices that seek to pick the pockets of our nation's heroes of their earned benefits. DAV vehemently believes that no one should be charged to file a claim in a non-adversarial process.

For many of our nation's disabled veterans, VA disability compensation can be the difference between making ends meet and more severe outcomes such as homelessness. That's why it is so vitally important that veterans are properly represented by accredited individuals and institutions when applying for VA benefits.

Some opponents of the GUARD VA Benefits Act argue that it impinges upon a veteran's right to choose their own representative. We believe the GUARD VA Benefits Act simply removes unaccredited, unregulated, and often unscrupulous actors who target veterans from entering the process. Unfortunately, veterans who do not understand the veteran-centric promise made by VA Secretary Collins fall victim to constant advertisements, primarily on social media, making unrealistic and baited promises. The passage of the GUARD VA Benefits Act holds bad actors accountable to the law and allows for redress when veterans find themselves victims of those bad actors.

In the 118th Congress, this legislation had over 220 bipartisan co-sponsors. We urge members of the House to again protect veterans and their families and focus on Secretary Collins' vision of placing veterans in the center of all things VA.

Preserving Lawful Utilization of Services for Veterans ACT of 2025 or the PLUS Act

This legislation alleges that the administration of medical examinations and the writing of related reports do not constitute the preparation, presentation, or prosecution of claims.

DAV takes great exception to the deliberate blurring of the definition of what constitutes preparation, presentation, and prosecution of claims by those who claim to be completing a report. The deliberate blurring of the definitions clearly displays that those who are unwilling to be accredited in accordance with the current law, are knowingly, willingly, and consistently breaking the law, should not be allowed into any current or future accreditation model, and should be held accountable once the GUARD VA Benefits Act, or similar legislation, is passed.

Additionally, the bill introduces a 90-day deadline for the Secretary of Veterans Affairs to recognize agents or attorneys applying for VA accreditation with automatic recognition if qualifications cannot be verified within this period.

The VA has no obligation to provide manpower, resources, or funds to assist those seeking accreditation especially when they are knowingly breaking current law. An arbitrary 90-day waiting period is of no advantage to veterans seeking benefits they have earned as free assistance is available.

The PLUS for Veterans Act would revise fee structures for representation, capping fees at \$12,500, adjustable annually based on the Consumer Price Index, and would stipulate that fees are contingent on favorable claim outcomes. It would reinstate penalties for charging unauthorized fees, with fines or imprisonment for violations, effective one-year post-enactment.

DAV strongly supports current law, which clearly outlines what steps are necessary to become accredited and when it is appropriate to charge fees. We find it egregious to charge any amount for assistance in filing claims, but a charge contingent on favorable outcomes is particularly degenerate. This practice means that those veterans who fell prey to predatory practices, and who are ultimately found ill or injured in service to our nation, are not only paying the salaries of predatory claims employees, but they are also paying for the examinations and claims preparation of those veterans who use the predatory service but do not ultimately meet the criteria for service connection. What a veteran has earned through blood and sacrifice to our nation belongs to them; any redistribution is unacceptable. Based on DAV Resolution 324, we oppose this legislation. No veteran should be charged any amount for filing a claim, especially unjustified fees of thousands of dollars.

Discussion Draft, to allow for certain fee agreements for services rendered in the preparation, presentation, and prosecution of initial claims and supplemental claims for benefits under laws administered by the Secretary of Veterans Affairs

This discussion draft attempts to be a compromise but in reality, it favors these predatory claims companies being allowed into the VA system to further exploit veterans. For example, it would introduce a 180-day deadline for the VA Secretary to recognize agents or attorneys applying for VA accreditation with automatic recognition. If qualifications cannot be verified within this period; it would grant them temporary conditional recognition for a year.

Regardless of a 90-day or 180-day deadline, the VA should have no obligation to provide manpower, resources, or funds to assist those seeking accreditation, especially when they are knowingly breaking current law. An arbitrary 90- or 180-day waiting period is of no advantage to veterans seeking benefits they have earned as free assistance is available.

This proposed legislation would allow the VA Secretary to charge an assessment for accreditation and impose \$50,000 fines and banish an individual for a year. However, many of these predatory companies are taking millions of dollars from veterans and a \$50,000 fine is not much of a deterrence.

Additionally, we take umbrage with this proposed legislation's requirement that VA cannot hold against these claim companies, the fact they are/were illegally charging fees prior to the potential enactment of said legislation. If they are/were knowingly breaking the law, they should not be rewarded by allowing them in the VA system.

These companies have broken current law, exploited disabled veterans, and received hundreds of millions of dollars as a reward. It is abundantly clear that the current law means nothing to the companies who seek to gain from veterans' sacrifice and any change in law to accredit them will last only as long as these bad actors can generously profit. Once the process is no longer lucrative enough, we can surmise they will again break the law and then seek to legitimize their new business model as they have done here.

DAV opposes this discussion draft in accordance with DAV Resolution 324, as it would reward companies that have been breaking the law and taking millions out of the pockets of veterans and their families.

In closing, Mr. Chairman, we thank you for the opportunity to submit a statement for the record addressing our concerns on the bills being considered by the Subcommittee.