



*(April 27, 2016)*

In order to further improve the lines of communication and to respond to the concerns between the National VA Council and you our members, I have established a National VA Council Briefing. This NVAC Briefing will bring you the latest news and developments within DVA and provide you with the current status of issues this Council is currently addressing. I believe that this NVAC Briefing will greatly enhance the way in which we communicate and the way in which we share new information, keeping you better informed.

**Alma L. Lee**  
National VA Council, President

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**In This Briefing: Review of Potential Inappropriate Split Purchasing at VA New Jersey Health Care System**

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*Click on link below to review the full report*

**[Review of Potential Inappropriate Split Purchasing at VA New Jersey Health Care System](#)**

*04/25/2016 08:00 PM EDT*

In April 2014, the VA Office of Inspector General (OIG) Office of Investigations briefed VA New Jersey Health Care System (VANJHCS) leadership regarding the results of a criminal investigation of purchase card abuse in the Engineering Service. We determined whether inappropriate split purchasing occurred in services other than the Engineering Service at VANJHCS. We found the practice of inappropriate split purchasing extended beyond the Engineering Service at VANJHCS. We determined VANJHCS employees made inappropriate split purchases in 64 of the 76 purchase card transactions (84 percent) reviewed totaling \$125,270. This included 19 purchase cardholders working in 6 different services. Based on the results of our sample, we estimated that VANJHCS staff inappropriately made about 4,750 split purchases totaling approximately \$8.9 million from December 2012 through May 2014. This occurred because of a disregard for internal controls that are an integral part of every Federal Government purchase card program. Additionally, management did not provide effective oversight and did not hold VANJHCS purchase cardholders, supervisors, and approving officials accountable for policy violations. We estimated that split purchasing resulted in approximately \$8.9 million in unauthorized commitments and increased the risk of fraud, waste, and abuse of

taxpayer resources at the VANJHCS. The lack of oversight and strong controls prevented VANJHCS management from determining whether VANJHCS received all purchased goods and services. Management needs to take immediate corrective action and make long-term improvements to ensure sound financial stewardship of taxpayer resources. We recommended the Interim Director of Veterans Integrated Service Network (VISN) 3 ensure VANJHCS complies with VA purchase card program policies, including stronger management oversight. The Interim Director of VISN 3 concurred with our recommendations and provided plans for corrective action. We will monitor planned actions and follow up on their implementation.