



# NEWS RELEASE

From New York State Inspector General  
**Catherine Leahy Scott**

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## **INSPECTOR GENERAL: TWO STATE VETERANS COUNSELORS RECEIVED SUBSTANTIAL MONETARY BEQUESTS FROM THE ESTATES OF VETERANS THEY COUNSELED**

*Ethics lapses by veterans counselors due in part to faulty conflict of interest policy and inadequate supervision; Additionally, counselor failed to submit benefits form, costing one veteran thousands*

New York State Inspector General Catherine Leahy Scott has completed an [investigation](#) which found that two Division of Veterans' Affairs (DVA) employees, having developed a personal relationship with veterans under their care, were designated as beneficiaries of the veterans' last will and testament resulting in the employees receiving substantial monetary bequests. In addition, one counselor accepted gifts from a veteran that included a \$23,000 automobile, and access to his bank accounts – which she used to pay her own personal bills.

Inspector General Scott additionally found that one of the employees failed to file a benefit application to the federal government on behalf of another veteran. This failure resulted in the veteran losing \$5,273 in dependent benefits.

“Veterans’ Affairs Counselors are entrusted with the responsibility of assisting men and women who have served our country. This is a special obligation which counselors must meet in a manner that is beyond reproach,” said Inspector General Scott. “Counselors should not be using their position to enrich themselves with money or gifts from veterans, but must provide services to veterans with competence and diligence.”

Inspector General Scott found that DVA lacked policy pertaining to employees’ interaction with veterans including employees’ receipt of gifts, creating an atmosphere which allowed this conduct to occur. Until the investigation, DVA had not required disclosure of legal or fiduciary relationships between counselors and clients in the course of employment. To correct these deficiencies, the DVA has accepted Inspector General Scott’s recommendations and instituted reforms prohibiting this conduct from recurring.

Inspector General Scott’s investigation centered on two counselors: Tracy Kinn, who was a DVA counselor in Erie County since August 2001 and Pamela Tanner, who was a DVA counselor in Onondaga County since February 1999. Both counselors remain employed at DVA.

In early 2002, Kinn began counseling a World War II veteran to assist him with his federal benefit claims. However, she began to manage the veteran’s personal finances and arranged lawn care and cleaning services for him. In 2004 the veteran granted Kinn his personal Power of Attorney and designated her as his health care proxy. The veteran gave Kinn his car, a 2006 BMW valued at \$23,000 and opened a joint bank account with her, funded entirely with his money. Although Kinn used the account primarily to pay the veteran’s bills, she spent nearly \$2500 on personal expenses. She also used the money to cover her utility and insurance expenses.

The veteran also named Kinn as the primary beneficiary of his last will and testament. Upon the veteran's death in 2010, Kinn inherited the veteran's house, stocks and other assets. A challenge to the will by the veteran's family members was unsuccessful. In addition to the wealth and property Kinn received from the veteran, she also accepted gifts from other DVA veterans including gift cards.

Inspector General Scott also found that DVA Counselor Pamela Tanner had befriended a veteran client and received a portion of the veteran's estate after his death. Tanner admitted her assistance went beyond representing him in securing government benefits, and included shopping, clothing purchases, lawn care, errands and household chores. These activities continued until the veteran was placed in a nursing home and his wife in the care of a local family in 2005. Tanner was later named as beneficiary in the couple's will, subsequently receiving a mutual fund bequest valued at \$28,000.

DVA did not require counselors to disclose personal or financial relationships with veterans after they became agency employees; they were only required to do so before employment. Even when DVA learned of Kinn's relationship with the veteran, DVA did not reassign the veteran another counselor in an effort to avoid a conflict of interest. Nor did they strengthen their ethics policies to prohibit this practice.

New York State Public Officers Law prohibits state employees from receiving gifts of more than a nominal value. DVA provides a copy of the law to its employees and directs its employees to comply with it. However, it does not have an ethics policy specific to the duties of counselors despite the nature of the relationships between counselors and veterans.

Finally, Inspector General Scott found that Kinn failed to file a service-related injury benefits application with the federal government on behalf of another veteran client. The investigation revealed that the veteran provided the necessary paperwork to Kinn for filing well within a required one year time period, but Kinn missed the deadline. This failure cost the veteran \$5,273 in benefits.

Inspector General Scott made the following recommendations to correct the ethics deficiencies found in her investigation, which DVA has agreed to implement:

- Develop specific agency policies governing conflicts of interest arising from interactions between counselors and clients, and gifts from clients to counselors;
- Require employees to fully disclose any familial or close personal ties with clients not only before employment but during employment, and that completed, written disclosure forms be filed by employees on an annual basis;
- Prohibit all gifts from veterans and ensure that any gifts or gift offers be reported to the DVA ethics officer;
- Train staff about the agency's strengthened ethics policies;
- Enhance supervision of counselors to ensure adherence to ethics policies to avoid conflicts of interest; and
- Implement enhanced supervisory review of pending veteran benefit applications.

Inspector General Scott has referred the conduct of Kinn and Tanner to the New York State Joint Commission on Public Ethics.

DVA is a state agency that advocates on behalf of New York veterans and their families to ensure they receive benefits granted by law for service in the armed forces. DVA maintains offices in Albany and Buffalo and at various federal and local facilities across the state.

Inspector General Scott's report, which covers the period 1999-2012, can be found [here](#).

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