



PennState

CLEARINGHOUSE
FOR MILITARY FAMILY READINESS



Summary of Information and Findings about Veteran Readiness and Employment (Chapter 31)

Deborah Johnson
Daniel Perkins, Ph.D.

October 02, 2025

Table of Contents

Introduction	3
Summary of Findings	3
<i>Benefits, Potential Positive Outcomes, and Potential Problems with the VR&E Program</i>	3
<i>Finding Themes Linked to Sources</i>	4
<i>What We Know From the Literature Review and Outstanding Questions</i>	6
<i>Comparison of Veterans Readiness and Employment Improvement Act of 2025 to Current Law</i>	7
VR&E Program Highlights	7
Data and Report Details	9
Fraud and Wrongdoing	15
Subsistence Allowance versus BAH Allowance	18
References	20

Introduction

Researchers at the Clearinghouse for Military Family Readiness at Penn State (Clearinghouse) conducted a review of research and data on the Veteran Readiness and Employment (VR&E) program. This report identifies the positive impacts of the program and examines potential problem areas.

The report includes the following elements:

- Summary of findings;
- Program highlights and eligibility;
- Facts and unanswered questions;
- Summary table of data themes;
- Data and report details;
- Fraud and Wrongdoing; and
- Subsistence Allowance (VR&E) versus Basic Housing Allowance (BAH) (GI Bill).

Clearinghouse researchers searched the internet, specifically the grey literature, to gather information related to the effectiveness of the VR&E program. The systematic search included various combinations of the following terms: Veteran Readiness and Employment, VR&E program, veteran employment programs, VR&E fraud, VR&E misuse, VR&E outcomes, VR&E benefits, VR&E GAO (Government Accountability Office) reports, GI Bill housing, VR&E subsistence allowance, and VR&E findings. Overall, the information was gathered from various governmental entities including the following: Department of Veterans Affairs (VA) sites, GAO reports, and briefs submitted to Congress.

This is an examination of the research; however, this report is not an evaluation of the program. The Clearinghouse does not endorse the resources examined. Rather, this report is intended to help partners make data-driven decisions.

Summary of Findings

Benefits, Potential Positive Outcomes, and Potential Problems with the VR&E Program

As seen in Table 1, the examination findings indicate the following: (1) benefits and potential positive outcomes to the targeted veteran population and (2) potential problem areas with the program implementation. These findings are further grouped by common themes across the available grey literature (see Table 2). As can be seen in Table 2, there is a strong need for program improvement. This enhancement can be generated by developing a modern case-management system, implementing stronger monitoring and controls, and increasing training for counselors to improve operations and decrease the limited fraud and wrongdoing noted below.

Table 1

Benefits, Potential Positive Outcomes, and Potential Problems with the VR&E Program

Benefits and Potential Positive Outcomes	Potential Problems
<ul style="list-style-type: none">Provides comprehensive employment services and a detailed plan to help veterans find employment.	<ul style="list-style-type: none">Lack of awareness of the program and the benefits it can provide
<ul style="list-style-type: none">Offers access to education and training and provides monetary assistance for additional expenses related to a veteran's employment plan (e.g., tuition assistance, living expenses, books and supplies, career counseling).	<ul style="list-style-type: none">Misinterpretation by veterans regarding information on and similarities and differences between the post-9/11 GI Bill and the VR&E program
<ul style="list-style-type: none">Provides independent living support to severely disabled veterans (e.g., counseling, referrals to support services, monetary support for home modifications).	<ul style="list-style-type: none">Administrative burdens and delays such as long approval times, counselor turnover, and inconsistent approval decisions
<ul style="list-style-type: none">Gives employers benefits/incentives such as salary subsidies, assistive tools and technology, and potential tax credits.	<ul style="list-style-type: none">Lack of clarity about re-entry into the VR&E program after a veteran has successfully completed the program, specifically regarding eligibility criteria to re-enter
<ul style="list-style-type: none">Offers veterans higher rates of job stability and higher incomes when veterans complete the program.	<ul style="list-style-type: none">Confusion regarding how to apply for benefits, which often results in incomplete applications and/or program dropout
<ul style="list-style-type: none">Provides veterans access to counselors and case managers who can give tailored support to meet veterans' specific needs.	<ul style="list-style-type: none">Reports of counselors discouraging veterans with degrees from further education
<ul style="list-style-type: none">Provides flexible approaches to an employment plan such as on-the-job training, certifications, and apprenticeships.	<ul style="list-style-type: none">Some misconduct, albeit limited, has been reported, such as training providers enrolling participants without proper authorization and some accounts of fraud
<ul style="list-style-type: none">Maintains a participant high-satisfaction rating from those who completed the program.	

Finding Themes Linked to Sources

Table 2
Finding Themes Linked to Sources

Theme	Source 1	Source 2	Source 3	Source 4	Source 5	Source 6	Source 7	Source 8	Source 9	Source 10	Source 11	Source 12	Source 13
The need for modern case-management system, tighter internal controls, and better trained counselors to improve operations and decrease fraud and wrongdoing.				X		X	X	X	X	X	X	X	X
Overall lack of information and program awareness and understanding of educational benefits including the overlap with the post-9/11 GI Bill.		X			X	X		X					
High participant-to-counselor ratios, long counselor response times, and counselor inconsistencies have resulted in veteran stress and program dissatisfaction.	X			X				X	X				
Participants who complete the program have better outcomes than those who do not complete it.			X										

Note, these themes are addressed in specific sources, which are listed below:

- Source 1: www.gao.gov/assets/gao-20-28.pdf
- Source 2: www.gao.gov/assets/gao-21-450.pdf
- Source 3: www.benefits.va.gov/VOCREHAB/docs/FY2022-longitudinal-study.pdf
- Source 4: <https://vetsedsuccess.org/our-statement-for-the-record-on-the-topic-of-examining-the-effectiveness-of-the-veterans-readiness-and-employment-vre-program/>
- Source 5: <https://vetsedsuccess.org/gao-va-could-better-inform-veterans-with-disabilities-about-their-education-benefit-options/>
- Source 6: <https://vetsedsuccess.org/our-statement-for-the-record-on-the-topic-of-path-of-purpose-restoring-the-va-vre-program-to-effectively-serve-veterans/>
- Source 7: <https://www.dol.gov/sites/dolgov/files/VETS/legacy/files/VPL-01-16-Attach-A.pdf>

- Source 8: <https://www.vfw.org/advocacy/national-legislative-service/congressional-testimony/2024/12/examining-the-effectiveness-of-the-veterans-readiness-and-employment-vre-program>
- Source 9: <https://docs.house.gov/meetings/VR/VR10/20250716/118499/HHRG-119-VR10-Wstate-DevlinJ-20250716.pdf>
- Source 10: www.vaoig.gov/sites/default/files/document/2025-07/2025-07-16_hvac_eo_vre_va_oig_statement_for_the_record - final.pdf
- Source 11: <https://www.vaoig.gov/reports/review/veteran-readiness-and-employment-staff-improperly-sent-participants-veteran>
- Source 12: www.vaoig.gov/sites/default/files/document/2025-07/2025-07-16_hvac_eo_vre_va_oig_statement_for_the_record - final.pdf
- Source 13: <https://www.oversight.gov/sites/default/files/documents/reports/2023-09/VAOIG-22-02293-188.pdf>

What We Know From the Literature Review and Outstanding Questions

Table 3 illustrates specific details and outstanding questions regarding the programs. The lack of program oversight is directly linked to the uncertainty regarding whether past recommendations intended to solve program shortfalls have been addressed.

Table 3

What We Know From the Literature Review and Outstanding Questions

What We Know	Outstanding Questions
There is a high satisfaction rate from the veterans who have completed the program.	Have recommendations from the GAO been fully implemented?
Program provides additional benefits outside of the post-9/11 GI Bill.	What measures are in place to evaluate outcomes after recommendations have been implemented?
Veterans report confusion regarding the VR&E program and how it intersects with the post-9/11 GI Bill.	What types of evaluations that examine program objectives over time have been completed?
A lack of information about the program in general has been reported.	What impact will the new Veterans Readiness and Employment Improvement Act of 2025 have on the reported concerns?
Lack of internal controls, oversight, and counselor training have led to reports of fraud and misconduct.	Will the new Readiness Employment System (RES) have a positive impact on outcomes?
There are ongoing complaints about counselor availability, response times, and counselor-to-participant ratios.	Will the VR&E programs reach the targeted counselor-to-participant ratio, and, if so, what impact will that have on positive outcomes of the program?

Comparison of Veterans Readiness and Employment Improvement Act of 2025 to Current Law

Veterans Readiness and Employment Improvement Act of 2025, Aug 15, 2025

The intent of this bill is to improve the VR&E program by enhancing access, reducing wait times, and expanding training options. While the Act intends to modernize the program (see Table 4), the changes raise questions about counselor quality, extensive training oversight, and staffing concerns.

Table 4

Comparison of Veterans Readiness and Employment Improvement Act of 2025 to Current Law

Area	Current Law	Change
Counselor qualifications	Must have a master's degree in rehabilitation counseling or related field	Bachelor's degree now sufficient
Flight training	Only degree-granting flight training programs are eligible	Non-degree programs approved (post August 1, 2025)
Outreach	No dedicated VR&E phone line; inconsistent contact information online	Implement a dedicated hotline, and ensure online contact information is gathered and maintained, monthly Q&A sessions are held, and annual reports are developed
Extension requests	No statutory deadline for approvals or denials	VA decision must be made within 30 days
Reporting	Limited VR&E reporting	Annual reports on extension requests required
Pension rule for Medicaid nursing home residents	Scheduled to end November 30, 2025	Extended to May 31, 2032

Source: <https://www.congress.gov/committee-report/119th-congress/house-report/228/1>

VR&E Program Highlights

Program tracks

The VR&E program features five tracks that include unique benefits and support and services.

1. *Reemployment Track* helps participants return to their former job and employers meet the needs of the veteran.
2. *Rapid Access to Employment Track* focuses on employment using the participant's existing skills set.
3. *Self-Employment Track* works with veterans who want to start their own business.
4. *Employment Through Long-Term Services Track* helps veterans obtain education and training to support them as they search for employment in a different field. (96% of veteran participants enrolled in this track)

5. *Independent Living Track* assists those who cannot work and are unable to live independently.

Source: [Veteran Readiness And Employment \(Chapter 31\) | Veterans Affairs](#)

Program duration

- Up to 48 months with possible extensions.

Source: [Veteran Readiness And Employment \(Chapter 31\) | Veterans Affairs](#)

Eligibility

Veterans must have received an honorable discharge and must have a service-connected disability. Additional eligibility notes include the following:

- If the veteran was discharged from active duty before January 1, 2013, his or her basic period of eligibility ends 12 years from one of the dates listed below, whichever date is later.
 - The date the veteran received notice of his or her date of separation from active duty.
 - The date the veteran received his or her first VA service-connected disability rating.
- If the veteran was discharged from active duty on or after January 1, 2013, the 12-year basic period of eligibility does not apply to him or her. There is no time limit on his or her eligibility.

Source: [Veteran Readiness And Employment \(Chapter 31\) | Veterans Affairs](#)

Active duty eligibility

- At least one of the following statements must be true.
 - The veteran has a 20% or higher pre-discharge disability rating (memorandum rating) and is waiting for discharge.
 - The veteran is waiting to be discharged because of a severe illness or injury that occurred while on active duty.

Source: [Veteran Readiness And Employment \(Chapter 31\) | Veterans Affairs](#)

Items and offerings covered by the tracks

- Tuition and fees (Maximum benefit of \$25,000 per year. Management approval required for higher amounts.)
- Living expenses
- Books
- Supplies
- Tutorial assistance
- Vocational counseling
- Mobility and sensory equipment
- Career counseling and skill assessment
- Job-market evaluation
- Apprenticeship and on-the-job training
- Help with resumes and interview preparation

- Business plan development and implementation
- Small-business training

Data and Report Details

GAO Report: "VA Vocational Rehabilitation and Employment," December 10, 2019

Highlights

- Method (Summary). VR&E quality-review data from fiscal years (FY) 2016 through 2018 was examined. To gather this data the following tasks occurred: reviewed random, non-generalizable sample of 34 VR&E case files from 2019; reviewed relevant federal laws, regulations, and VA policy; and interviewed VR&E counselors and other program officials to evaluate the consistency and effectiveness of the program and the development of individual employment plans.
- The review reported high levels of consistency in meeting various veterans' needs; assessing veterans' abilities, aptitudes, and interests; and helping veterans conduct career searches and labor-market research.
 - Participants reported counselors told them to avoid universities because of the cost of the desired program.
- The review documented the employment plan aligned with each veteran's stated career goals in each of the 34 cases examined.
- VA trains and monitors counselors to develop complete VR&E plans, but it does not assess the consistency of the implementation of the plans. Inconsistencies have been reported among counselors who are working with veterans who have similar circumstances.

Recommendation from report

- The VA should assess the consistency of the implementation of the counselors' plans and recommendations by creating an assessment using hypothetical cases and counselors' responses.

Response

- The VA responded that they would develop a consistency study and would provide training to ensure more consistent responses.

Source: www.gao.gov/assets/gao-20-28.pdf

GAO Report: "Veterans with Disabilities VA Could Better Inform Veterans with Disabilities about Their Education Benefit Options," July 2021

Highlights

- Methods (Summary). Data were collected through semi-structured interviews with officials from six schools, an emailed questionnaire sent to 19 veterans who have service-connected disabilities, and a literature review.
- Most schools and veteran service organization officials whom the GAO interviewed indicated that the VA's efforts do not adequately inform veterans with disabilities about their potential educational benefit options. This is evidenced by the large number of veterans with disabilities who report they are either unaware that the VR&E exists or do not fully understand the program and the benefits.

- VA online post-9/11 GI Bill Comparison Tool does not explicitly note the key differences between the VR&E program and the post-9/11 GI Bill.
- Veterans may qualify for both the post-9/11 GI Bill and the VR&E program; however, they can only receive benefits from one program at a time. The order in which a veteran enrolls in each program is important as the timing impacts the number of months benefits are available to them.
 - If a veteran is enrolled in the VR&E program first, he or she will receive 48 months of benefits under VR&E and can potentially receive an additional 36 months under the post-9/11 GI Bill.
 - If the veteran is enrolled in the post-9/11 GI bill first, the total benefit months is capped at 48 for both programs.
- Most officials who were interviewed stated that veterans with disabilities often use the post-9/11 GI Bill for educational benefits without knowing that the VR&E program exists or that it can pay for education, provide assistive equipment for their disability, or offer unique benefits such as working with a counselor.
- A review showed that the VA communications about the post-9/11 GI Bill highlighted educational benefits, but VR&E program communications did not discuss these benefits. For instance, on the agency website, VA.gov, few webpages devoted to VR&E explicitly mention that this program can help a veteran pay for a college degree. In addition, the letters that the VA sends to veterans when they receive their disability rating do not specifically mention that the VR&E program can cover educational costs for higher educational degrees.

Recommendations from Report

- VA should provide more information on the VR&E program and focus on promoting all aspects of the program including the educational benefits.
- Provide veterans with comparative information on the VR&E program and the post-9/11 GI Bill so they can make a more informed decision.

Response

- VA concurred with both recommendations and identified action items for completion in October 2021.

Source: www.gao.gov/assets/gao-21-450.pdf

Longitudinal Study: a mandatory 20-year [longitudinal study](#) (2011-2023) was undertaken to determine long-term post-program outcomes. The study highlights from 2023 are listed below.

Highlights

- The study focused on long-term outcomes for participants after they left the program. There were 3 cohorts: participants who entered program in FY 2010, participants who entered program in FY 2012, and participants who entered program in FY 2014, and each cohort was assessed. Four focus areas (i.e., employment, income, home ownership, and use of supplement programs) were examined. There were two sources of data (i.e., administrative and self-reported) were examined. The report findings were based on descriptive data such as demographic information; program participation status (e.g., persisting, rehabilitated, discontinued), which is also called stages of rehabilitation; outcomes (e.g., earnings, education, employment, participation); and factors that

influence outcomes (e.g., program satisfaction). Regression analyses were employed for testing.

Key Findings

- Five percent of the participants are active in the program.
- Fifty-nine percent of the participants discontinued the program
- Thirty-six participants completed the program and achieved rehabilitation
- Participants who achieved rehabilitation experience higher rates of current and recent (i.e., within the past year) employment, higher earnings from employment, higher quality job (e.g., pay, benefits, stability), higher individual and household income, and a higher homeownership rate when compared to veterans who did not complete the program.
- The rate of employment for rehabilitated veterans is 73%. Forty-three percent of veterans discontinued services.
- A higher rate of home ownership was noted for rehabilitated veterans compared to veteran who did not complete the program, 77% versus 62%, respectively
- Veterans who completed the program reported higher incomes (\$82,000 versus \$59,000) on average than those who did not complete the program.
- Rehabilitated veterans had higher rates of completing college programs or training programs than those who did not complete the program.
- Veterans in the employment tracks are less likely to achieve rehabilitation than those enrolled in independent living tracks.
- Eighty-nine percent of all cohort members reported moderate or high satisfaction with the program. At midpoint through the study, over 90% of each cohort had either rehabilitated or discontinued from services.

Source: www.benefits.va.gov/VOCREHAB/docs/FY2022-longitudinal-study.pdf

Veterans Education Success Statement for the Record on the Topic of “Examining the Effectives of the Veterans Readiness and Employment (VR&E) Program,” December 11, 2024

Highlights

- Veterans reported the process is too complicated and stressful.
- Veterans feel counselors tell them to avoid high-quality programs or push them to enroll in low-quality programs.
- Veterans complain that applying for and using VR&E benefits is too difficult. In addition, veterans state that counselors have denied their admission to the VR&E program, denied their education program, or refused to cover certain programmatic costs without a reasonable explanation.
- VR&E counselors are often difficult to reach and do not provide timely information and responses to veterans.

Recommendations

- Decrease the number of clients assigned to each counselor and mandate a maximum ratio.
- Increase the consistency of information provided by the counselors.

- Increase training for all counselors to help them better understand the VR&E tracks and identify consistent expectations to increase program outcomes.
- Modernize the current case-management system to decrease payment times to participants and increase efficiency in providing key information.
- Adopt a monthly housing allowance similar to the post-9/11 GI Bill.

Limitation

- Only anecdotal information was provided.

Source: <https://vetsedsuccess.org/our-statement-for-the-record-on-the-topic-of-examining-the-effectiveness-of-the-veterans-readiness-and-employment-vre-program/>

Veterans Education Success: “GAO: VA Could Better Inform Veterans with Disabilities about Their Education Benefit Options,” August 2021

Highlights

- Lack of information provided regarding the VR&E program and associated benefits are less well known and understood by veterans than the benefits of the post-9/11 Bill.
- Veterans experience a lot of confusion regarding the similarities and differences in the benefits of the VR&E program and the post-9/11 Bill; therefore, there is uncertainty regarding which program would best meet a veteran’s needs.

Recommendations

- VA should provide more information about the program benefits and services to veterans with disabilities in a written format and on-line.
- VA should provide more clarity around the comparative features of the VR&E program and the post-9/11 GI Bill to support veterans as they make informed decisions.

Response

- VA concurred with these recommendations.

Source: <https://vetsedsuccess.org/gao-va-could-better-inform-veterans-with-disabilities-about-their-education-benefit-options/>

Veterans Education Success: “Our Statement for the Record on the Topic of ‘Path to Purpose: Restoring the VA VRE&E Program to Effectively Serve Veterans,’” July 16, 2025

Highlights

- Veterans continued to report they feel counselors tell them to avoid high-quality programs, that applying for benefits is difficult and stressful, and that counselors are hard to reach and do not respond in a timely fashion.
- Veterans report they are also assigned multiple counselors and receive confusing and conflicting information.
- Veteran Education Success reiterated several of their recommendations.
 - Decrease staff ratio
 - Increase counselor consistency
 - Increase staff training for VR&E counselors

- Modernize the case-management system
- Provide housing allowance parity (like post-9/11 GI Bill)
- Ensure proper oversight of VR&E program

Limitation

- Only anecdotal information was provided.

Source : <https://vetsedsuccess.org/our-statement-for-the-record-on-the-topic-of-path-of-purpose-restoring-the-va-vre-program-to-effectively-serve-veterans/>

National Memorandum of Agreement Between the Department of Veterans Affairs Veteran Benefits Administration Vocational Rehabilitation and Employment (VR&E) Service and The Department of Labor Veterans' Employment and Training Service (VETS), February 27, 2025

Highlights

- This memorandum established an agreement between the two agencies to actively cooperate and establish a team approach to improve outcomes for veterans who are disabled.
- VR&E and VETS will share information that is relevant to finding or developing employment opportunities and facilitating job development and placement services for veterans who are participating in vocational rehabilitation and receiving employment services under the provisions of 38 U.S.C. Chapter 31. The types of shared information include the following:
 - Information on how to participate in interviews,
 - Information on counseling, testing, and assessments;
 - Information on local labor market; and
 - Information on a dedicated point of contact for resource sharing.
- Aggregate data will be attained using the Office of Management and Budget (OMB) approved VETS 201 form and will include the following information.
 - Total number of veterans referred from VR&E Employment Coordinators (ECs) and Vocational Rehabilitation Counselors (VRCs) to the VETS Program for employment services
 - Total number of veterans referred who were not provided services
 - Total number of veterans who entered suitable employment (i.e., work that is within each veteran's physical and emotional capabilities and is consistent with his or her abilities, aptitudes, and interests)
 - Total number of veterans who maintained suitable employment for at least 60 days and met Chapter 31 rehabilitation criteria per Part 21, Section 21.283 of title 38 Code of Federal Regulations (38 CFR § 21.283).
- VR&E and VETS agree to maintain three working subgroups that will manage technical assistance, data collection and reporting, and training development and implementation.

Source: <https://www.dol.gov/sites/dolgov/files/VETS/legacy/files/VPL-01-16-Attach-A.pdf>

Veterans of Foreign Wars "Examining the Effectiveness of the Veterans Readiness and Employment (VR&E) Program," December 11, 2024

Highlights

- Veterans consistently tell the Veterans of Foreign Wars (VFW) there is a lack of information during all stages of the VR&E process. This lack of information ranges from learning the program exists, through the application process, to learning about benefits after one has been approved for the program.
- Veterans reported poorly staffed offices and not receiving payments in a timely and consistent manner.
- VFW is concerned that veterans are leaving the program because they are not getting the support (e.g., information, funding, counseling) they need to complete the program.
- Veterans report they do not receive information and are unprepared for initial meetings, when approval for benefits may be decided, with counselors.
- Lack of information continues when the veteran is enrolled in the program. For veterans who are enrolled in higher education, they are not provided clear guidance about what supplies can be covered, how the supplies can be purchased, and how housing funds can be received.
- Lack of counselors, counselor turnover, and high caseloads contribute to several issues that veterans have had including veterans reporting the following: frustration with the program, long wait times for answers, and lack of advice and counseling about their education.
- Veterans who qualify for the post-9/11 GI Bill may elect to choose the Basic Allowance for Housing (BAH) instead of the Chapter 31 subsistence allowance. The BAH rate is higher in most cases.
- The post-9/11 GI Bill allows for benefits to be transferred to dependents. Transferring these benefits may result in veterans not having BAH benefits available to them after discharge.
- BAH payments stop during weeks between academic semesters. This can cause financial strain on families.

Source: <https://www.vfw.org/advocacy/national-legislative-service/congressional-testimony/2024/12/examining-the-effectiveness-of-the-veterans-readiness-and-employment-vre-program>

Statement of A. Margarita Devlin on “Path of Purpose: Restoring the VA VR&E Program to Effectively Serve Veterans,” July 16, 2025

Highlights

- This program has grown 53.2% from 2020 to 2025.
- Staffing has not been supported through the growth. The current staff ratio is 1:175, and the goal is 1:125. This disparity results in a deficiency of 387 counselors nationwide.
- Other strategies to help with the staffing shortage include the following:
 - Enact a team approach to reviewing applications to produce faster decisions.
 - Ensure stations with lower caseloads assist those with higher caseloads.
 - Use contracting funds to provide staff assistance to high case load stations.
 - Use technology to increase administrative efficiencies.
- VA has implemented several items to increase service delivery for veterans.

- Adjusted auditing processes to ensure field leaders had the necessary skill set to address specific needs.
- Redesigned site visits to ensure consistency.
- Ensured waiver compliance for Chapter 31 only programs.
- Updated guidance to use post-9/11 GI Bill programs to the maximum extent possible.
- Conducted monthly quality reviews.
- VR&E related legislation
 - Enacted legislation to limit the extension of a vocational rehabilitation program under Chapter 31 to 96 months (unless extraordinary circumstances apply).
 - Enacted legislation that would require employment and wage data for participants, ensuring veterans are achieving meaningful employment, and data on the average wait time for the veteran to see a counselor, ensuring timely entry into a vocational program.
 - Proposed a 1-year limit on employment assistance for previous VR&E (or similar) participants.
- Program statistics
 - Veterans who complete the program have higher employment rates (73% versus 43%), greater income (\$80,000 versus \$50,000), and increased home ownership (77% versus 62%). In addition, their reliance on supplemental programs decreased (35% versus 58%).
 - Overall, the program is achieving employment outcomes that are 9% over the established target (FY 2025 through June 20, 2025).
- RES
 - Automates the eligibility determination
 - Expedites decision making, which enables staff to concentrate on other critical tasks
 - Increases real-time data availability, which allows for more informed decision making
 - Helps address individual needs more effectively
 - Has reduced, since October 2024, 5,903 hours of manual data entry
 - Uses a modern interface to access workflows, which allows participants to easily access information.

Source: <https://docs.house.gov/meetings/VR/VR10/20250716/118499/HHRG-119-VR10-Wstate-DevlinJ-20250716.pdf>

Fraud and Wrongdoing

Investigative research has found a few cases of misuse of the VR&E program. VR&E has received recommendations to correct the deficiencies. Little to no data are available on whether corrections have been made and, if they have been made, what their impact on the program has been.

Department of Veteran Affairs Office of Inspector General, “Statement for the Record Hearing on Path to Purpose; Restoring the VA VR&E Program to Effectively Serve Veterans,” July 16, 2025

Highlights

- The flexibility and lack of internal controls of the VR&E program creates risks of fraud and waste. Overall, lack of internal controls and inadequate oversight led to reports of fraud.
- Two Office of Inspector General (OIG) reports have documented cases of fraud and waste. The first report documented that the Veteran Benefit Association (VBA) did not implement a law that would limit use of VR&E programs when the post-9/11 GI Bill programs could have been used. The second audit found Veteran Employment Through Technology Education Courses (VET TEC) were improperly authorized.
 - 31 VET TEC participants were improperly approved to attend courses at one provider, and 11 others, at 8 different providers, were improperly authorized. According to the law, the 42 VR&E participants must attend post-9/11 GI Bill-approved programs to the maximum extent possible or obtain a waiver for participation by the executive director.
 - Because 33 of the 42 VR&E participants were improperly enrolled, the OIG considered the \$387,000 spent on those courses between April 1, 2019, and December 31, 2022, as improper payments.
 - Lack of counselor training and education regarding the VET TEC courses and a lack of control around the enrollment system and payment processing system were cited as the reason for improper approvals.

Recommendations

- OIG recommended the VR&E program ensure all staff understand the current laws related to Chapter 31 training programs. In addition, they recommend that the VR&E manual reflect current law and that the VR&E develop a process to monitor Chapter 31-only programs.

Response

- Recommendations have been implemented.

Source: www.vaoig.gov/sites/default/files/document/2025-07/2025-07-16_hvac_eo_vre_va_oig_statement_for_the_record - final.pdf

Department of Veteran Affairs Office of Inspector General, "Veteran Readiness and Employment Staff Improperly Sent Participants to Veteran Employment Through Technology Education Courses," January 23, 2025

Highlights

- Investigation into the VET TEC program, a pilot program focused on high technology training with a pay-for-performance model that is approved by VR&E staff (new enrollments ended in April of 2024), found the following:
 - VR&E staff improperly authorized 31 participants to attend courses by one training provider, and an additional 11 participants with 8 other providers.
 - Training programs were not approved by the post-9/11 GI Bill, and the required waivers to attend the programs were not obtained.
 - The cost of improper payments was \$387,000.
 - Improper authorizations were attributed to VR&E staff not being informed and trained on the pilot program.
 - Lack of VR&E controls allowed participants to enroll in the unapproved courses.

Recommendations

- Develop policies and internal controls to verify all programs are approved.
- Train staff on program requirements.

Source: <https://www.vaoig.gov/reports/review/veteran-readiness-and-employment-staff-improperly-sent-participants-veteran>

Department of Veterans Affairs Office of Inspector General, "Veteran Readiness and Employment Staff Improperly Sent Participants to Veteran Employment through Technology Education Courses," January 216, 2025

- Two OIG reports identified the VBA lack of internal controls, and this resulted in program deficiencies.
- The first report found the VR&E did not implement a law to monitor VR&E-only programs, which are meant to be utilized when the post-9/11 GI Bill programs are insufficient. Required waivers were not obtained (see details above).
- The second report referred to improper payments to VET TEC participants. A training partner enrolled participants without having the proper authorizations (see details above).
- VR&E issued updated guidance to staff after the reports were issued.

Recommendations

- VR&E staff understand the law around Chapter 31-only programs.
- Regional staff complete compliance surveys and obtain individual waivers.
- VR&E will develop a process to monitor Chapter 31-only programs.
- OIG investigations on educational fraud benefits have largely focused on the post-9/11 GI Bill; however, fraud cases have been reported in the VR&E Program.
 - James King, VR&E counselor, received bribes from VR&E schools. He split tuition costs across multiple invoices and circumvented a second-level review.
 - Wilbert McNair, owner of a sham welding school, was convicted of conspiracy to defraud. Participants (about 100) enrolled received few to no hours of instruction, although McNair reported participants were enrolled and attending classes.

Source: www.vaoig.gov/sites/default/files/document/2025-07/2025-07-16_hvac_eo_vre_va_oig_statement_for_the_record - final.pdf

Source: <https://www.justice.gov/usao-edva/pr/owner-welding-school-sentenced-14-million-gi-bill-fraud#:~:text=%E2%80%93%20The%20owner%20of%20a%20sham%20welding%20school,of%20%241.4%20million%20and%20filing%20false%20tax%20returns>

Source: <https://www.justice.gov/usao-dc/pr/department-veterans-affairs-official-pleads-guilty-bribery-fraud-and-obstruction-2>

United States Department of Veterans Affairs Office of Inspector General, "Staff Did Not Limit the Use of Schools and Training Programs That Were Only Approved for the Veteran Readiness and Employment Program," September 14, 2023

- This resource elaborated on the failure to approve Chapter 31-only programs for individual veterans. VR&E staff thought the waiver was by program, not by individual veteran. The

language in the law was changed to address this misunderstanding; however, VR&E staff still failed to comply.

- The audit team interviewed 20 staff members who stated they were not provided Chapter 31-only training.
- VR&E deputy director confirmed this training is not mandatory.
- Compliance surveys were unavailable for a sample of 52 veterans. These identified veterans could have attended an approved post-9/11 GI Bill program. The 20 staff mentioned above stated they were unaware of the compliance survey requirement and stated they did not receive training and were not aware of the requirement being in the staff manual.
- The audit expanded on the lack of controls and oversight of the Chapter 31 programs. A centralized server folder is supposed to exist, and it should contain documentation of Chapter 31-only programs. For FY 2021 and 2022, 41% of the 22 regional sites visited did not have such a folder.
- After the audit, VR&E staff took the following actions
 - Counselors will approve post-9/11 GI Bill programs to the maximum extent possible and will approve requested Chapter 31-only programs on an individual basis.
 - New rehabilitation plans will not be submitted unless the Chapter 31-only approval has been obtained.
 - Will develop new procedures for approving Chapter 31-only programs, such as ensuring proper documentation, reviewing documentation monthly, updating the VR&E manual, providing additional guidance for Chapter 31-only approvals, and providing mandatory training.

(Note: Chapter 31-only programs account for about 3% of all programs used by VR&E.)

OIG recommendations

- Understand clearly the law around the use of Chapter 31-only programs and develop and implement procedures to ensure compliance.
- Review the existing manual to ensure information regarding waivers is updated and accurate.
- Train staff in the proper use of waivers for individual veterans and the documentation needed for approvals.
- Coordinate with officials to ensure the compliance surveys and manuals reflect proper requirements.
- Develop a monitoring process to ensure all staff comply with laws and regulations.

Source: <https://www.oversight.gov/sites/default/files/documents/reports/2023-09/VAOIG-22-02293-188.pdf>

Subsistence Allowance versus BAH Allowance

- Subsistence allowance though the VR&E program is a standard rate based on the number of dependents and rate of the veteran's attendance in an educational program.

- Pay chart information can be found here: [2025 VA Vocational Rehabilitation Pay Chart](#)
- Substance allowance is a fixed amount that varies based on the veteran's training time (full-time, $\frac{3}{4}$ time, $\frac{1}{2}$ time, $\frac{1}{4}$ time) and the number of dependents.
- Post-9/11 GI Bill BAH rate information can be found here: Post-9/11 GI Bill (Chapter 33) Rates | Veterans Affairs
 - This allowance is based on the post-9/11 GI Bill's BAH rate for a military pay rate of an E5 veteran with dependents. If the veteran is taking at least one in-person class, the BAH is based on the campus zip code. If the veteran is taking all classes are online, the BAH is based on your post 9/11 GI Bill benefits and the rate of educational pursuit. If enrolled full time the education pursuit is 100%. If enrolled part time, the educational pursuit is calculated by dividing enrolled credits by the number of credits the institution considers full time.
 - The review of the grey literature did not uncover systematic cases of fraud. Cases of fraud could include fake rental agreements, falsely claiming dependents, receiving BAH while living on base, sham marriages, providing an outdated address to get a higher BAH, or failure to report status changes.

Source: [DVIDS - News - Sham Marriage Cases Send Message to All Servicemembers](#)

References

Advanced Survey Design, LLC. (2023, July). *Veterans Benefit Administration Veteran Readiness Employment (VR&E) Longitudinal Study*.
<https://www.benefits.va.gov/VOCREHAB/docs/FY2022-longitudinal-study.pdf>

Defense Visual Information Distribution Service. (2006, April 21). *Sham marriage cases send message to all servicemembers*. <https://www.dvidshub.net/news/538981/sham-marriage-cases-send-message-all-servicemembers>

Devlin, J. M. (2025, July 16). *Statement of J. Margarita Devlin on path of purpose: Restoring the VA VR&E Program to effectively serve veterans*.
<https://docs.house.gov/meetings/VR/VR10/20250716/118499/HHRG-119-VR10-Wstate-DevlinJ-20250716.pdf>

Evaluating the effectiveness of VA Vocational Rehabilitation and Employment Programs: Hearing Before the Subcommittee on Economic Opportunity of the Committee of Veterans Affairs, 116th Cong. (2019). <https://www.congress.gov/event/116th-congress/house-event/LC65866/text>

H.R. 119-228 Congress: Veterans Readiness and Improvement Act 2025. (2025, August 15).
<https://www.congress.gov/committee-report/119th-congrss/house-report/228/1>

LegalClarity Team. (2025, August 16). *How does using VR&E affect your GI Bill?*
<https://legalclarity.org/how-does-using-vre-affect-your-gi-bill/>

Office of Audits and Evaluations. (2024, March 28). *Veteran readiness and employment staff improperly sent participants to veteran employment through technology education courses* (Report No. 23-00967-64). Department of Veterans Affairs Office of Inspector General. <https://www.vaoig.gov/reports/review/veteran-readiness-and-employment-staff-improperly-sent-participants-veteran>

United States Attorney's Office District of Columbia. (2018, October 26). *Department of Veterans Affairs official pleads guilty to bribery, fraud, and obstruction in \$2 million scheme involving program for disabled military veterans* [Press release].
<https://www.justice.gov/usaio-dc/pr/department-veterans-affairs-official-pleads-guilty-bribery-fraud-and-obstruction-2>

United States Attorney's Office Eastern District of Virginia. (2018, May 1). *Owner of welding school sentenced for \$1.4 million GI Bill fraud* [Press release].
<https://www.justice.gov/usaio-edva/pr/owner-welding-school-sentenced-14-million-gi-bill-fraud#:~:text=%E2%80%93%20The%20owner%20of%20a%20sham%20welding%20school,of%20%241.4%20million%20and%20filing%20false%20tax%20returns>

United States Department of Veterans Affairs. (2024, November 21). *Veteran Readiness and Employment (VR&E)* [Materials and Factsheets].
https://www.benefits.va.gov/vocrehab/links_resources.asp

United States Department of Veterans Affairs and Department of Labor. (2015, February 27). *National Memorandum of Agreement between: The Department of Veterans Affairs Veterans Benefits Administration Vocational Rehabilitation and Employment (VR&E) Service and The Department of Labor Veterans' Employment and Training Service (VETS)*. Retrieved from <https://www.dol.gov/sites/dolgov/files/VETS/legacy/files/VPL-01-16-Attach-A.pdf>

United States Department of Veterans Affairs Office of Inspector General. (2025, July 16). *Statement for the Record to The Subcommittee on Economic Opportunity Committee Veterans' Affairs US House of Representatives Hearing on Path of Purpose: Restoring the VA VR&E program to effectively serve veterans.* https://www.vaoig.gov/sites/default/files/document/2025-07/2025-07-16_hvac_eo_vre_va_oig_statement_for_the_record - final.pdf

United States Department of Veterans Affairs Office of Inspector General Office of Audits and Evaluations. (2023, September 14). *Staff did not limit use of schools and training programs that were only approved for the Veteran Readiness and Employment Program* (Report No. 22-02293-188).

www.oversight.gov/sites/default/files/documents/reports/2023-09/VAOIG-22-02293-188.pdf

United States Department of Veterans Affairs Veterans Benefits Administration. (2023, September 30). *Veteran readiness.* <https://benefits.va.gov/REPORTS/abr/docs/2023-veteran-readiness-employment.pdf>

United States Department of Veterans Affairs Veterans Benefit Administration. (2024, September 30). *Veteran readiness.* <https://www.benefits.va.gov/REPORTS/abr/docs/2024-veteran-readiness-employment.pdf>

United States Government Accountability Office. (2019, December 10). *VA vocational rehabilitation and employment: Additional assessment could enhance consistency among counselors* (GAO-20-28). Retrieved from <https://www.gao.gov/products/gao-20-28>

Veterans Education Success. (2021, August 6). *GAO: VA could better inform veterans with disabilities about their education benefit options.* Retrieved from <https://vetsedsuccess.org/gao-va-could-better-inform-veterans-with-disabilities-about-their-education-benefit-options/>

Veterans Education Success. (2022, September 15). *Statement for the record hearing on the topic of "Veteran Readiness and Employment: Is VA succeeding?"* Retrieved from <https://vetsedsuccess.org/wp-content/uploads/2022/09/VES-SFR-VRE-Hearing-HVAC-EO-September-15-2022.pdf>

Veterans Education Success. (2024, December 11). *Our Statement for the Record on the Topic of "Examining the effectiveness of the Veterans Readiness and Employment (VR&E) Program."* Retrieved from <https://vetsedsuccess.org/our-statement-for-the-record-on-the-topic-of-examining-the-effectiveness-of-the-veterans-readiness-and-employment-vre-program/>

Veterans Education Success. (2025, July 16). *Our Statement for the Record on the Topic of "Path of purpose: Restoring the VA VR&E Program to effectively serve veterans."* <https://vetsedsuccess.org/our-statement-for-the-record-on-the-topic-of-path-of-purpose-restoring-the-va-vre-program-to-effectively-serve-veterans/>

Veterans of Foreign Wars. (2024, December 11). *Examining the effectiveness of the Veterans Readiness and Employment (VR&E) Program.* <https://www.vfw.org/advocacy/national-legislative-service/congressional-testimony/2024/12/examining-the-effectiveness-of-the-veterans-readiness-and-employment-vre-program>