



DEPARTMENT OF VETERANS AFFAIRS
Veterans Benefits Administration
Washington DC 20420

OCT 05 2012

The Honorable Bill Johnson
Chairman
Subcommittee on Oversight and Investigations
Committee on Veterans' Affairs
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

This responds to your August 17, 2012, letter, in which you suggest several improvements to VA Form 21-4703, *Fiduciary Agreement*.

After the April 19, 2012, release of Fast Letter 12-13, *Pre-approval of Single Expenditures by a Fiduciary*, the Department of Veterans Affairs (VA) modified VA Form 21-4703 to remove the requirement that a fiduciary seek prior VA approval for expenditures over \$1,000. VA also removed language implying that fiduciaries lack authority to act independently in determining whether an expenditure is in the beneficiary's interest. We are planning further modifications to the form based upon regulation amendments that are under review within VA.

We agree with your suggestion that VA continue to move toward a paperless environment for the fiduciary program. As you may know, creation of a near-paperless processing environment was an important component of VA's consolidation of its fiduciary activities to six regional fiduciary hubs. In the very near future, we will expand this environment through a pilot project to test full electronic preparation and submission of field examination reports and related documents, to include VA Form 21-4703.

Thank you for your suggestions for improving VA's fiduciary program. Your staff may contact me or my Acting Assistant Director for the fiduciary program, Ms. Cynthia Lewis, at (202) 632-8863 if you have other concerns or suggestions.

Sincerely,

A handwritten signature in blue ink that reads "David R. McLenachen".

David R. McLenachen
Director
Pension, Fiduciary, and Survivors Service