



VETERANS GUARDIAN

VA CLAIM CONSULTING

Chairman Putnam and Members of the Committee. Thank you for allowing me to submit testimony regarding Veterans Guardian's views on several important pieces of legislation.

Thank you for the opportunity to provide testimony on SF 1894, a bill that would significantly impact how Veterans in Minnesota can access support for their VA disability claims.

My name is John Blomstrom, and I serve as the Manager of Government and Public Affairs for Veterans Guardian VA Claim Consulting, LLC. I am also a United States Marine Corps Veteran who proudly served in Operation Enduring Freedom and Operation Iraqi Freedom.

Like many service members, when I transitioned out of the Marine Corps, I struggled to navigate the VA disability benefits system. The process was cumbersome, confusing, and inaccessible. Unfortunately, too many Veterans still face these same challenges today. This is why organizations like Veterans Guardian exist—to help Veterans receive the benefits they are entitled to while navigating a complex, inefficient, and often failing system.

Veterans Guardian's Mission and Impact in Minnesota

For these reasons and more, we founded Veterans Guardian. I am proud of the work that we do and the way that we do it. Veterans Guardian employs a staff of veterans, spouses of veterans, or spouses of active-duty service members. We have been recognized by the Department of Labor by receiving the HIRE Vets platinum or gold award five years in a row. We have received the BBB Torch Award for Marketplace Ethics every year since 2020. We were most recently named the Military Family Brands company of the year in 2023. We are the national presenting sponsor for Irreverent Warriors and support more than 60 national and local charities, including support to local chapters of many of the organizations that have also been invited to engage in this important discussion today.

Veterans Guardian's mission is to provide the best possible service to our veteran clients to ensure that they receive all the benefits that they are owed based on injuries that occurred during their time of honorable service to our nation. We do that by offering a transparent, effective, and efficient option to help veterans navigate a complex and oftentimes failing system.

We are a complimentary capability to the other services available to veterans, and we make sure that our clients know that. My trained and expert staff inform every veteran that there are free options and services available to them in the form of county and state Veteran Service Officers, the Veteran Service Organizations, and their local Congressional offices. We also connect them directly to these services if they choose.

We are up front about our process and fee structure, and about who we are, and who we are not. We tell our clients that we are not accredited, and our clients acknowledge their understanding of our status as well as the free options available to them when they sign our consulting agreement and the “Your Claim, Your Choice” affidavit. Because of these policies, we can be confident that our veterans are choosing to utilize our services from a position of knowledge. In fact, our data shows that over 70% of the time, our veteran clients come to us after having used some of the free services at their disposal. That tells me that veterans are not unaware of the free services available to them, they are coming to Veterans Guardian because those free services are not meeting their needs or their standards.

Veterans make a fully informed choice to use our services for a multitude of reasons, including easy access and responsiveness; our experience and knowledge developed and refined over tens of thousands of claims; our specific method, in which experts are involved at each stage of the process; our ability to help develop medical and lay evidence with a network of independent external doctors; and our competence in developing claims for secondary conditions. Those skills and capabilities translate to results for our veterans. I am proud to say that we have assisted tens of thousands of veterans with an over 90 percent success rate in an average of 85 days or less. And the veterans themselves have made clear that we are providing an important and necessary service—veterans consistently give us positive reviews and refer their friends, loved-ones, and fellow veterans to us to assist with their claims. In fact, over 50 percent of our new clients each month are referred from previous or current clients. The thousands of positive reviews and direct referrals that we receive are a direct testament to the importance we place on client care. We have also received extensive outside validation for our work, including eleven awards from AMVETS NC, National AMVETS, Department of Labor HIREVETS – Gold and Platinum Medallion awards, the Better Business Bureau – Ethics Awards three years in a row, Military Friendly Employer, and Military Spouse Friendly Employer.

Those accolades reflect what we don’t do as well as the services we provide. We don’t have doctors on our payroll doing medical exams, nor do we have automated or international call centers. We don’t collect any fee unless the Veteran achieves an increase in their VA benefits, and we don’t have access to a Veteran’s financial or e-benefits accounts. Any fee that a Veteran pays us comes from new benefits we have helped them secure, and no Veteran is financially disadvantaged from where they were before they utilized our services. Our veterans are paying a one-time fee for assistance while receiving a lifetime of benefits. Included in our written submission for the record is a detailed description of our fee structure.

Given the enormous volume of veterans that need assistance, it should be no surprise that there continues to be a backlog of more than 350,000 disabled veterans seeking benefits. Although the VA says otherwise, that number proves that the current system is not working. We simply do not have enough representatives or a level of service sufficient to meet the needs of our veterans. To address those shortcomings, we should be giving our veterans more options and more help, not less. In short, veterans should be able to pursue their claims in the manner that best serves them, with full knowledge of all available providers (including county and state

employees, VSOs, lawyers, claims agents, and companies like Veterans Guardian) who can assist them at any step in the process.

In short, at Veterans Guardian:

- We do not solicit the Veteran, they come to us; 50% of our clients are referrals,
- We never promise or guarantee an increase,
- We never gain access to the Veteran's VA E-Benefit log in or bank account log in information,
- We do not have overseas call or data centers, or other employees,
- We do not have doctors on our pay-roll performing medical examinations,
- We do not charge up-front or initial consultation fees,
- We inform every Veteran of their free options (in fact, 70% of our clients have tried the VSOs and choose to hire us),
- We ensure every Veteran knows we are not accredited currently by the VA (we are working with Congress, HR 1656, to provide a pathway to accreditation for our company and our operations model – one currently does not exist),
- We inform every client of our fee structure, up front, in writing, with their signed consent, before we even begin the onboarding process,
- We are transparent, ethical, and our results speak for themselves.

The Problem

The perversely incentivized federal system permits accredited agents and attorneys to accept compensation only after the agency issues an initial decision in a veteran's case. Veterans Guardian focuses on getting claims right the first time around, so no appeal is needed. Accordingly, Veterans Guardian cannot be accredited under the current system. Veterans Guardian conducts its business in a way that comports with federal law because it limits its activities to consulting services and does not act as a veteran's "agent." We are transparent with our clients that we are not accredited, and our clients acknowledge their understanding of our status as well as the free options available to them.

There is currently legislation that requires services to be accredited moving through various states, and the Third Circuit has ruled this potentially unconstitutional. In a unanimous ruling, the Third Circuit held that Vets Guardian has a reasonable probability of showing that its services are speech and that New Jersey's state-level GUARD Act burdens that speech. In a passage that is particularly relevant to federal law, the Court said that it "seriously doubt[ed]" whether the provision of the law that barred everyone, including accredited agents and attorneys, from charging fees for initial claims "is constitutional." Although the litigation is at an early stage, that ruling could be (and likely will be) used to cast doubt on 38 USC 5904(c)(1)'s restriction on when compensation may be charged for the services of agents and attorneys. To the extent the GUARD act doubles down on that ban by criminally prohibiting the charging of fees for *any* services on initial claims, it would also likely be unconstitutional under the Third Circuit's reasoning.

But we know that the system could work better. The current US Department of Veterans' Affairs (VA) disability benefits system is at best cumbersome and adversarial, and at worst broken to a point where it harms the veterans for the benefit of a small number of powerful boutique law firms. In fact, in recent US Congressional testimony, Kenneth Arnold, Acting Chairman of the Board of Veterans' Appeals testified under oath:

"The [VA] courts clerk annually approved 6,500 to 7,300 attorney fee requests each year, almost all for remanded cases. This generates \$45 to \$50 million in attorney's fees each year, with the majority going to a small number of boutique law firms with relatively few veterans receiving any increase in their monthly compensation."

As our business model has shown, we are strong supporters of improving the process by which Veterans obtain their disability benefits. Our goal should be to expand good options for our Veterans, not restrict them; to improve oversight and ensure Veterans are receiving competent, timely assistance; and to provide our Veterans the freedom to make an informed decision regarding how they want to pursue their disability claims. We have continued to be strong supporters of accreditation reform on the federal level, including increasing knowledge requirements and scrutiny of applicants for accreditation.

Those efforts are underway, and we expect that they will result in bi-partisan legislation that opens the tent to accreditation for companies like Veterans Guardian, which endeavor every day to help veterans secure the benefits they are owed as a result of their honorable service.

A Path Forward

There are more than 18 million veterans in America, but only 5 million have a disability rating. While actors such as VSOs and law firms also serve veterans, more options, not less, are needed to effectively meet the demand of American veterans.

• There are 285,734 Minnesota Veterans with only 288 Accredited Veteran Service Officers (VSOs) meaning there is 1 VSO for every 992 Veterans (a significant caseload, making it difficult for VSOs to assist every Veteran in a timely manner).

Our alternative proposal is law in Louisiana, is being sent to the Governor in South Dakota to sign, and has passed at least one Committee or Chamber in at least a dozen states.

These are protections that will ensure the veteran is not taken advantage of, while still preserving their rights to seek expert claims support.

The demand for current services in this space is far too vast for the government and VSOs to handle on their own. This highlights the need for an enhanced system that provides an expanded pathway for accreditation and enhanced oversight. SF 1894 as currently written allows for this pathway, and empower Veterans a choice in the care they receive.

Conclusion

Veterans Guardian supports this bill as currently written with the A2 DE, but will be unable to support this legislation if accreditation is added back in.

I look forward to remaining engaged and working with you and your staff as we continue to develop solutions for this and other important issues facing our nation's Veterans. Thank you for the opportunity to submit this testimony.



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