



VETERANS GUARDIAN
VA CLAIM CONSULTING

January 17, 2025

The Honorable C.T. Wilson
Chairman, House Economic Matters Committee
231 Taylor House Office Building
Annapolis, Maryland 21401

The Honorable Brian M. Crosby
Vice-Chairman House Economic Matters
231 Taylor House Office Building
Annapolis, Maryland 21401

Dear Chairman Wilson and Vice-Chairman Crosby,

On behalf of Veterans Guardian VA Claim Consulting LLC (Veterans Guardian), the largest Veteran-owned and operated Veteran disability benefits company in the country, we write respectfully in **favor, with amendments, of Maryland HB 267.**

Attempting to protect Veterans is an honorable endeavor that we all share; unfortunately, the current version of HB 267 misses the mark and would not only deny a Veteran the right to choose how they pursue their own claim, but they also fail to address the full spectrum of the issues at hand. The current HB 267 also fails to address critical issues including: providing additional oversight and protections for the Veteran while preserving their Constitutional rights to petition their government in a manner they see fit, and ensuring Veterans have access to diverse options and effective solutions for decades to come.

Additionally, nearly identical legislation is currently being challenged in other states on First Amendment grounds, including Veterans' right to petition their government – a right they were willing to give their lives for.

Veterans Guardian is a private Veteran disability claim consulting company owned and operated by Veterans, spouses of Veterans, and spouses of active-duty service members. We fully support the goal of ensuring Veterans have access to a diverse set of options to help them secure the benefits they have earned. We proudly serve more than 30,000 Veterans annually. We assist Veterans with receiving the disability benefits they have earned through their honorable service, achieving a success rate of greater than 90%, in an average of 85 days. This is far below the Veterans Administration average processing time of 150 days.

Veterans Guardian has helped almost 2,600 Veterans in Maryland generating almost \$26 million in additional benefits per year for Veterans in Maryland.

Trapping Veterans in a backlogged appeals system only benefiting a handful of attorneys is something Veterans Guardian aims to avoid by focusing on getting claims done correctly the first time. 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.”

If passed as it is currently written, HB 267 will only exacerbate the problems with the current system and will add to the ever growing backlog of claims processed through VSOs and perversely incentivized attorneys. The current version of HB 267 would rob Veterans of the opportunity to seek expert help with a wide variety of claims and would force them into the Veterans Administration appeals trap.

According to the VA's publicly available data on accredited service officers and agents, the entire state of **Maryland has only 90 VSO representatives to provide assistance to the over 348,459 Veterans** who currently reside in the state. This equates to **each representative being responsible for handling the affairs of 3,871 Veterans**. Even the hardest working and most efficient volunteer would be pressed to give the best possible service to that many Veterans. This further demonstrates how harmful HB 267 will be by forcing Maryland's Veterans to rely on a system that is already overloaded and ineffective.

This is why over 70% of Veterans Guardian clients have turned to us for help after trying the other options available – they, not us, are telling you they prefer our expertly trained professional staff and the services we offer.

There is momentum building at the federal level in the United States Congress to reform the accreditation process for third party actors, like Veterans Guardian, that help Veterans achieve the full disability benefits they have earned. 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.

Rather than purposely restrict a Veteran's right to choose how they pursue their claim as the current HB 267 does, a better approach is to implement necessary amendments and reforms that must take place to ensure the integrity of the systems and to protect Veterans from potentially bad actors. Some of these reforms include, but are not limited to:

- o Prohibiting anyone for receiving compensation for referring anyone to another person to assist with a veterans' benefits matter
- o Prohibiting anyone for receiving compensation for services rendered to a Veteran within one year presumptive period of active-duty release unless the Veteran specifically acknowledges in writing at the initiation of the services agreement that the Veteran is within the 1-year presumptive period, and has also been referred to a VSO of their choice
- o Mandating that anyone receiving compensation for assisting with Veterans' benefits must specify the terms under which the amount to be paid will be determined in a written agreement signed by both parties
- o Mandating any fees are purely contingent upon a successful outcome and are not to exceed 5x the monthly increase
- o Prohibiting any initial or non-refundable fees
- o Getting written confirmation from the Veteran they have been informed of their free options
- o Prohibiting private companies from having doctors on the payroll performing secondary medical exams
- o Prohibiting the use of international call centers or data centers for processing Veteran's personal information
- o Prohibiting aggressive and direct solicitation
- o Prohibiting advertising or guaranteeing a successful outcome
- o Prohibiting businesses from gaining access to personal medical, financial, or governmental benefits log-in, username, or password information

These amendments will provide HB 267 with true 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. With these amendments, HB 267 can achieve this and we encourage you to support HB 267 with amendments to empower Veterans a choice on how they receive their benefits. Attached at the end of this document is a proposed revision to HB 267 to include these amendments which are critical to Veterans' needs.

I would encourage you or your staff to contact me at Brian.Johnson@vetsguardian.com to set up a meeting to discuss this matter further.

Sincerely,



Brian M. Johnson
Vice President, Government & Public Affairs
Washington, DC Office

(a) ~~(1) In this section the following words have the meanings indicated~~ For the purpose of this section:

~~(2) “Advertisement” means:~~

~~—— (i) a written or printed communication made for the purpose of soliciting business for veterans benefits appeals services;~~

~~—— (ii) a directory listing for a person that is offering veterans benefits appeals services; or~~

~~—— (iii) a radio, television, computer network or airwave, or electronic transmission that solicits business for or promotes a person offering veterans benefits appeals services.~~

~~(13) (I) “Compensation means any money, thing of value, or economic benefit conferred on, or received by, any person in return for services rendered, or to be rendered, by himself or herself or another”~~ **COMPENSATION” MEANS THE PAYMENT OF MONEY OR ANYTHING OF VALUE OR FINANCIAL BENEFIT RECEIVED BY A VETERAN OR INTERESTED PARTY IN CONNECTION WITH THE PROVISIONS OF VETERANS BENEFITS SERVICES OR VETERANS BENEFITS APPEALS SERVICES.**

~~(II) “COMPENSATION” DOES NOT INCLUDE ORDINARY WAGES OR SALARY PAID BY A DISINTERESTED THIRD PARTY OR OTHER PERSON OTHERWISE ACTING IN ACCORDANCE WITH 38 C.F.R. § 14.636.~~

~~(4) “Veterans benefits appeals services” means any services that a veteran might reasonably require in order to appeal a denial of federal, state, or local veterans benefits, including denials of disability, limited income, home loan, insurance, education and training, health care, burial and memorial, and dependent and survivor benefits.~~

~~{(4)}~~ **(25) “Veterans’ benefits matter” means the preparation, presentation, or prosecution of any claim affecting any person who has filed or expressed an intent to file a claim for any benefit, program, service, commodity, function, status, or entitlement to which is determined to pertain to veterans, their dependents, their survivors, or any other individual eligible for such benefits under the laws and regulations administered by the United States Department of Veterans’ Affairs or the [State] Department of Veterans’ Affairs** ~~“Veterans benefits services” means any services a veteran or a family member of a veteran might reasonably use in order to obtain federal, state, or local veterans benefits.~~

~~(3) “Person” means any natural person, corporation, trust, partnership, incorporated or unincorporated association, or any other legal entity.~~

~~(b) (1) No person shall receive compensation for referring any individual to another person to advise or assist the individual with any veterans’ benefits matter. EXCEPT AS AUTHORIZED UNDER FEDERAL LAW, A PERSON MAY NOT CHARGE A FEE OR RECEIVE COMPENSATION FOR:~~

~~(I) PROVIDING VETERANS BENEFITS SERVICES OR VETERANS BENEFITS APPEALS SERVICES; OR~~

~~(II) REFERRING AN INDIVIDUAL TO ANOTHER PERSON TO PROVIDE VETERANS BENEFITS SERVICES OR VETERANS BENEFITS APPEALS SERVICES.~~

(2) No person shall receive any compensation for any services rendered in connection with any claim filed within the one (1) year presumptive period of active-duty release unless the veteran specifically acknowledges in writing at the initiation of the services agreement that the veteran is within the 1-year presumptive period. ~~TO THE EXTENT AUTHORIZED UNDER FEDERAL LAW, AN ATTORNEY PROVIDING, OR REFERRING AN INDIVIDUAL TO ANOTHER PERSON TO PROVIDE, VETERANS BENEFITS SERVICES OR VETERANS BENEFITS APPEALS SERVICES MAY ENTER INTO AN ARRANGEMENT FOR A DIVISION OF FEES IN ACCORDANCE WITH RULE 19-301.5 OF THE MARYLAND RULES.~~

~~(3) A PERSON WHO CHARGES A FEE OR RECEIVES COMPENSATION FOR PROVIDING VETERANS BENEFITS SERVICES OR VETERANS BENEFITS APPEALS SERVICES SHALL COMPLY WITH THE SAME ETHICAL STANDARDS AS THOSE SET FOR ATTORNEYS UNDER THE MARYLAND RULES IN REGARD TO:~~

~~(I) ADVERTISING;~~

~~(II) SOLICITATION OF CLIENTS;~~

~~(III) CONFIDENTIALITY;~~

~~(IV) THE DUTY OF CARE;~~

~~(V) THE DUTY OF HONESTY; AND~~

~~(VI) THE DUTY TO ZEALOUSLY PURSUE THE BEST INTEREST OF THE PERSON'S CLIENT.~~

~~(C)-(1)(3) A person seeking to receive compensation for advising, assisting, or consulting with any individual in connection with any veterans' benefits matter shall, before rendering any services, memorialize the specific terms under which the amount to be paid will be determined in a written agreement signed by both parties. Compensation must be purely contingent upon an increase in benefits awarded, and if successful, compensation shall not exceed five (5) times the amount of the monthly increase in benefits awarded based on the claim. No initial or nonrefundable fee shall be charged by a person advising, assisting, or consulting an individual on a veterans benefit matter. Before entering into an agreement with an individual for the provision of veterans benefits services or veterans benefits appeals services, a person who charges a fee OR RECEIVES COMPENSATION for those services shall:~~

~~(i) provide a written disclosure statement to each individual; and~~

~~(ii) obtain the individual's signature on the written disclosure statement acknowledging that the individual understands the disclosure statement.~~

~~(2) The written disclosure statement shall:~~

~~(i) be on a form approved by the Secretary; and~~

~~(ii) state that veterans benefits services and veterans benefits appeals services are offered at no cost by the Department and other veterans services organizations accredited by the U.S.~~

~~Department of Veterans Affairs.~~

(4) A person seeking to receive compensation for advising, assisting, or consulting with any individual with any veterans' benefits matter shall not utilize a medical professional with whom it has an employment relationship for a secondary medical exam. ~~[(c)] (D) A person who charges a fee OR RECEIVES COMPENSATION for providing veterans benefits appeals services shall provide in any advertisement for appeals services notice that appeals services are also offered at no cost by the Department and other veterans services organizations accredited by the U.S. Department of Veterans Affairs.~~

(5) No person shall guarantee, either directly or by implication, a successful outcome or that any individual is certain to receive specific veterans' benefits or that any individual is certain to receive a specific level, percentage, or amount of veterans' benefit.

(6) No person shall advise, assist, or consult for compensation with any individual concerning any veterans'; benefits matter without clearly providing at the outset of the business relationship the following disclosure both orally and in writing:

“This business is not sponsored by, or affiliated with, the United States Department of Veterans' Affairs or the [State] Department of Veterans' Affairs, or any other federally chartered veterans' service organization. Other organizations including but not limited to the [State] Department of Veterans' Affairs, a local veterans' service organization, and other federally chartered veterans' service organizations may be able to provide you with this service free of charge. Products or services offered by this business are not necessarily endorsed by any of these organizations. You may qualify for other veterans' benefits beyond the benefits for which you are receiving services here.”

The written disclosure shall appear in at least twelve (12) point font and shall appear in a readily noticeable and identifiable place in the person's agreement with the individual seeking services. The individual shall verbally acknowledge understanding of the oral disclosure and sign the document in which the written disclosure appears to represent understanding of these provisions. The person offering services shall retain a copy of the written disclosure while providing veterans' benefits services for compensation to the individual and for at least one (1) year after the date on which the service relations terminate.

(7) Businesses engaging in the preparation of an initial claim for a fee shall abide by the following:

- Shall not utilize international call center or data centers for processing veterans personal information;
- Shall not gain direct access to any personal medical, financial, or government benefits log-in, username, or password information.

~~[(d)] (cE) (1) A violation of the provisions of this section shall constitute an unfair, false, misleading, or deceptive act or practice in the conduct of trade or commerce under [State Consumer Protection Law Reference]. person who violates the provisions of this section is subject to a civil penalty of not more than \$1,000 for each violation~~

(2) Civil penalties shall be in an amount ordered by the District Court in an action brought by the Attorney General.

(3) Each day a violation continues is a separate violation.

(4) Any civil penalty collected shall be deposited in the Maryland Veterans Trust Fund.