



Rep. Della Au Belatti, Chair
Rep. Kim Coco Iwamoto, Vice Chair
House Committee on Public Safety

Testimony of VFW Department of Hawai‘i

Friday, January 31, 2025

Strong Support for House Bill No. 652 – Relating to Veterans Rights and Benefits

Aloha Chair Belatti, Vice Chair Iwamoto and Members:

Thank you for the opportunity to offer testimony in **strong support** for House Bill No. 652. This bill proposes to protect our state’s veterans from unscrupulous “claim sharks” that charge for their services. There are veterans service organizations (VSO), like the Veterans of Foreign Wars (VFW), that provide accredited services free of charge. Accredited Veterans Service Officers are required to comply with federal law and regulations.

Representatives of the “claim sharks,” including their lobbyists, will testify today that the VSOs do not have the resources to process and assist veterans with their VA claims. However, I offer the following statistics provided by VFW Hawai‘i’s senior accredited Veterans Service Officer:

“During FY24 the VFW Department of Hawai‘i represented approximately 2,360 veterans with their VA disability claims &/or pensions and realized an annual award of \$62,470,000.00. These funds directly support the veterans themselves while also helping the state with revenue being spent within the islands.”

Representatives of the “claim sharks” will further testify today that veterans should be allowed to choose who files their claim like choosing a tax preparer. They will freely admit that they are running a for-profit business but will conveniently fail to mention that they are not accredited by the Department of Veterans Affairs (VA).

Unaccredited claims representatives, or “claim sharks,” are not subject to VA standards. They strategically advertise their services to avoid regulatory oversight and as a result, engage in predatory and unethical practices that target veterans and rob them of their VA benefits.

For example, a single veteran with no dependents and a 60% disability rating would receive \$1,395.93/month in 2025. That same veteran may agree to have a “claim shark” file a new claim agreeing to pay the “claim shark” the difference between 60% and 100%, for a set period, e.g.



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five months. In 2025, that same veteran with no dependents and a 100% disability rating would earn \$3,831.30/month in VA benefits. Thus, the veteran would owe the “claim shark” \$12,176.85 plus GET if they are legally conducting business in the State of Hawai‘i.

I ask this committee if you would be willing to pay your accountant or tax preparer \$12,176.85 to get a refund on your 2024 tax returns? Probably not?

These “claim sharks” need to be stopped because they continue to blatantly violate federal law and regulations, such as:

38 USC §5901 – “(a) In General. — Except as provided by section 500 of title 5, no individual may act as an agent or attorney in the preparation, presentation, or prosecution of any claim under laws administered by the Secretary unless such individual has been recognized for such purposes by the Secretary.

38 USC §5903 – “(a) In General. — The Secretary may recognize any individual for the preparation, presentation, and prosecution of any particular claim for benefits under any of the laws administered by the Secretary if—

(1) such individual has certified to the Secretary that no fee or compensation of any nature will be charged any individual for services rendered in connection with such claim; and

(2) such individual has filed with the Secretary a power of attorney, executed in such manner and in such form as the Secretary may prescribe.”

Until Congress makes some progress on the GUARD VA Act, seeing the matter addressed at the state level is essential. I implore your committee to pass House Bill No. 652, unamended.

Respectfully,

Jame K. Schaedel
Member, National Legislative Committee
VFW Department of Hawai‘i



January 31, 2025

Ashleigh Barry Testimony in Opposition to Hawaii House Bill 652

Thank you, Chair and members of the committee. My name is Ashleigh Barry, Senior Vice President of Communications for the National Association for Veteran Rights (NAVR), a national trade association dedicated to promoting ethical and transparent business practices among companies serving the service-disabled Veteran community.

As a former television journalist and senior executive at the U.S. Department of Veterans Affairs, I have spent my career advocating for Veterans and exposing the systemic failures that too often leave them struggling to access the benefits they have earned. I have reported firsthand on the challenges Veterans face when navigating the complex VA claims process, and I have seen the devastating consequences including Veteran homelessness and suicide when they are unable to secure the support they need.

HB 652, while well-intended, threatens to further restrict access to assistance for Veterans seeking help with their claims. While NAVR supports measures to protect Veterans from bad actors, this bill places unnecessary limits on their ability to choose qualified professionals who can guide them through an already complicated and bureaucratic system.

The reality of wait times remains dire. In Hawaii, there are over 107,000 Veterans and only 30 VSO representatives—leaving more than 3,500 Veterans for every VSO representative. More than 43% of claims in this state are pending for more than four months. These delays are not just bureaucratic inconveniences; they can have devastating consequences.

The reality is that the VA is overwhelmed, and many Veterans simply cannot get the help they need in a timely manner. Restricting compensation for those who provide expert guidance outside of the VA's accreditation system will only create more barriers, leaving Veterans without options and potentially leading to financial hardship, mental health struggles, and even suicide. We cannot afford to take that risk.

I appreciate your time and consideration and welcome the opportunity to work together on solutions that truly support our veterans.

Sincerely,

Ashleigh Barry

HB-652

Submitted on: 1/28/2025 10:14:15 AM

Testimony for PBS on 1/31/2025 8:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Carlos	Veterans Caucus of the Democratic Party of Hawaii	Oppose	Written Testimony Only

Comments:

I write in strong opposition to HB652.

The members of the Veterans Caucus of the Democratic Party of Hawai'i believe this is not the time to limit Veterans' options. This is nothing more than the Veterans Service Organizations (VSO) using the legislature to protect their product or service.

Many Veterans use the various VSOs to apply for benefits and are not satisfied with the service they receive. If a veteran makes an informed choice to pay for assistance, why should they be denied that opportunity?

Veterans have earned these benefits. Receiving them from the U.S. Department of Veterans Affairs is challenging and complex. The VSOs are not meeting the needs of many veterans. I acknowledge that some Veterans do receive excellent service from the VSOs. But, for those who do not, why restrict their options?

This is a time to expand options...not limit them.



TO: Chair Della Au Belatti
Vice Chair Kim Coco Iwamoto
Members of the Committee on Public Safety

FR: Josh Smith, CEO and Co-Founder
Veteran Benefits Guide (VBG)

RE: HB 652 Relating to Veterans Rights and Benefits. - **OPPOSE**

My name is Josh Smith and I am the CEO and Co-Founder of Veteran Benefits Guide ([VBG](#)) writing to you today to express my **concerns with HB 652 as currently written**. VBG provides Veterans with a private, legal and federally compliant service that assists Veterans in navigating the Department of Veterans Affairs (VA) disability claims process to help ensure they receive the full benefits that they have earned.

VBG strongly supports Representative Hashem's commitment to protecting our Veterans and believes that the bill does not go far enough in some areas, as it is absent necessary guardrails which includes disclosure requirements and a fee cap. However, and most unfortunate, HB 652 as currently written, prohibits the services of honorable for-profit companies like VBG from serving Veterans.

The proponents of the bill intentionally and inaccurately insinuate that organizations such as ours choose not to be accredited. That is false. VBG would welcome the opportunity to become accredited with the VA but cannot because current law prohibits accredited entities from charging a fee for representation of Veterans on the initial claim. VBG's personnel, medical service provider network and procedures already meet standards required of VA-accredited agents and would meet any reasonable threshold for accreditation set by the VA.

Proponents of the bill also claim that private services like VBG are violating the law. That is also false. Federal law states that "no individual may act as an agent or attorney in the preparation, presentation, or prosecution of any claim under laws administered by the Secretary" without first being accredited. I would like to state for the record that:

- We **DO NOT** practice law.
- We **DO NOT** act as the Veteran's agent of record.
- We **DO NOT** present before the VA.

Our primary concern with HB 652 is that it provides no path for honorable companies like VBG to become accredited with the VA, and therefore no path to continue serving Veterans.

In addition to being the CEO of VBG, I am also a U.S. Marine Corps Veteran and a former VA employee. At the VA, I served as a Rating Veteran Service Representative, where I reviewed disability compensation applications and assigned disability ratings, determining the amount of benefits Veterans would receive. In that role, I witnessed firsthand that the VA's disability

compensation benefits process is inefficient and often runs counter to the agency's mission of helping Veterans. While we were certainly helping some Veterans, far too many were being denied benefits they earned due to an absurdly complicated system. Through no fault of their own, Veterans were receiving lower disability ratings than they deserved or were simply waiting years to receive final determinations on their benefits.

That is why, in 2015, I left the VA and, with my wife, Lauren, created Veteran Benefits Guide to help guide Veterans through the process and ensure they receive the full benefits they earned from their service in a timely manner. Much like a tax service provider, we help Veterans navigate through a confusing bureaucracy to get what they are owed.

We are proud to have grown our company and now have more than 200 employees, with offices in Nevada and California. Eighty percent of our employees are Veterans themselves or immediate family members of Veterans. And we have employed former VA personnel, like myself, to keep up-to-date with VA regulations and practice of the VA disability compensation system.

In exchange for our service, we are paid a one-time success-based fee only after the Veteran is paid. Our fee represents a small percentage of the increase in benefits received and is typically around 1% of a Veteran's total lifetime benefits. And if the Veteran's benefit doesn't change, there is no fee.

At VBG, we are committed to putting the Veterans' interests first. All our clients sign a waiver upfront acknowledging that free services are available. We have never taken a Veteran to small claims court for non-payment and automatically write off 10% of our revenue due to unpaid fees. And we do not offer services around PACT Act claims, which do not require an expert guide.

To date, we have guided more than 35,000 Veterans through the claims process. These Veterans have received an average increase in monthly benefits of \$1,300 benefits they would not have received without our help. Despite their best efforts, Veteran Service Organizations (VSOs), which are intended to represent Veterans in the process, do not have enough resources to keep up with the demand. In fact, more than 70% of our clients first tried navigating the VA benefits process with the help of a VSO representative or on their own. They were either denied their full benefits or felt the process was taking too long.

At present, only 5.2 million of 19 million eligible Veterans are receiving benefits. That means there may be millions of eligible Veterans who are not receiving benefits they have earned, either because they aren't aware of their eligibility, have already tried to receive benefits and were wrongly denied, or are too intimidated by the process to even apply. HB 652 as currently written would reduce freedom of choice, representation and access to Veteran services, making it harder for Veterans to receive the benefits they have earned.

Very Respectfully,



Josh Smith



BLACK VETERANS EMPOWERMENT COUNCIL INC.

909 Rose Ave. Suite 400 North Bethesda, Maryland 20852

www.bvecinc.org

January 31, 2025

TO: Representative Della Au Belatti, Chair
Representative Kim Coco Iwamoto, Vice Chair
Members of the Committee on Public Safety

FR: Shawn L. Deadwiler
Chairman of the Board and President
Black Veterans Empowerment Council Inc.

RE: HB652 Relating to Veterans Rights and Benefits. - **OPPOSE**

On behalf of Black Veterans Empowerment Council (BVEC), one of the Nation's largest Black Veterans groups, I am writing to respectfully express **opposition to Hawaii HB652**.

Attempting to protect Veterans is an honorable endeavor that we all share; unfortunately, HB652 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 bills as sold also fail 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.

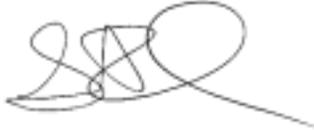
Rather than purposely restrict a Veteran's right to choose how they pursue their claim as HB652 does, a better approach is to implement necessary reforms that must take place to ensure the integrity of the systems and to protect Veterans from potentially bad actors. Some of these reforms include, but are not limited to:

- o 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 Mandating that presumptive period Veterans be referred to a VSO of their choice;
- 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.

These are 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. HB652 does the exact opposite, and we encourage you to oppose this legislation as it denies Veteran's choice and keeps them trapped in the current broken system.

Sincerely,

A handwritten signature in black ink, appearing to read 'S. Deadwiler', with a long horizontal flourish extending to the right.

Shawn L. Deadwiler
Chairman of the Board and President



January 31, 2025

TO: Representative Della Au Belatti, Chair
Representative Kim Coco Iwamoto, Vice Chair
Members of the Committee on Public Safety

FR: Paul Cockerham
Chief Development Officer
Purple Heart Homes

RE: HB652 Relating to Veterans Rights and Benefits. – **OPPOSE.**

On behalf of Purple Heart Homes (PHH), a North Carolina-based 501(c)(3) nonprofit dedicated to serving Veterans across the nation, we are writing to express our opposition to HB652.

Purple Heart Homes was founded in 2008 by Veterans John Gallina and the late Dale Beatty, both of whom served together in Iraq and returned with life-altering injuries. Inspired by the unwavering support of their community, they established PHH to honor fellow Veterans. Today, PHH provides housing solutions to service-connected, disabled, and aging Veterans of all eras across the United States, reflecting our core commitment to supporting Veterans and their rights.

Attempting to protect Veterans is an honorable endeavor that we all share; unfortunately, HB652 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 bills as sold also fail 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.

Rather than purposely restrict a Veteran's right to choose how they pursue their claim as HB652 does, a better approach is to implement necessary 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:

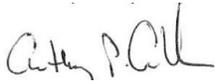
- o Mandating any fees are purely contingent upon a successful outcome and are not to exceed 5x the monthly increase;
- o Prohibiting any initial or non-refundable fees;
- o Mandating that presumptive period Veterans be referred to a VSO of their choice;
- o Getting written confirmation from the Veteran 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.

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

PHH also supports Veterans' rights to choose reliable and expert assistance, whether through private entities or traditional Veterans Service Organizations. Veterans deserve the freedom to access the support they need without undue restriction or compromise, and these amendments serve as an important step in that direction.

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. HB652 does the exact opposite, and we encourage you to oppose this legislation as it denies Veteran's choice and keeps them trapped in the current broken system.

Thank you for your dedication to Hawaii's Veterans.

A handwritten signature in black ink, appearing to read "Paul Cockerham".

Paul Cockerham
Chief Development Officer
Purple Heart Homes



VETERANS GUARDIAN
VA CLAIM CONSULTING

January 31, 2025

TO: Representative Della Au Belatti, Chair
Representative Kim Coco Iwamoto, Vice Chair
Members of the Committee on Public Safety

FR: Brian M. Johnson
Vice President, Government & Public Affairs
Washington, DC Office
Veterans Guardian – VA Claim Consulting

RE: HB652 Relating to Veterans Rights and Benefits. - **OPPOSE**

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 **opposition to HB652**.

Attempting to protect Veterans is an honorable endeavor that we all share; unfortunately, HB652 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 bills as sold also fail 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.

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 worse 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, HB652 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. HB652 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.

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 HB652 does, a better approach is to implement necessary 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 Mandating any fees are purely contingent upon a successful outcome and are not to exceed 5x the monthly increase;
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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. HB652 does the exact opposite, and we encourage you to oppose this legislation as it denies Veteran's choice and keeps them trapped in the current broken system.

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

HB-652

Submitted on: 1/28/2025 5:45:07 PM

Testimony for PBS on 1/31/2025 8:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Teri Heede	Individual	Oppose	Written Testimony Only

Comments:

just STOP trying to regulate VA assistance. There are already procedures and processes that are sometimes difficult to negotiate. If a veteran needs help, he should be able to choose how he gets assistance.