



**TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
KA 'OIHANA O KA LOIO KUHINA
THIRTY-THIRD LEGISLATURE, 2025**

ON THE FOLLOWING MEASURE:

S.B. NO. 608, RELATING TO VETERANS RIGHTS AND BENEFITS.

BEFORE THE:

SENATE COMMITTEE ON PUBLIC SAFETY AND MILITARY AFFAIRS

DATE: Wednesday, January 29, 2025 **TIME:** 3:00 p.m.

LOCATION: State Capitol, Room 225

TESTIFIER(S): Anne E. Lopez, Attorney General, or
Christopher J.I. Leong, or Christopher T. Han, Deputy Attorneys
General

Chair Elefante and Members of the Committee:

The Department of the Attorney General provides the following comments.

The purpose of this bill is to establish regulations for persons who receive compensation for advising, assisting, or consulting others on veterans' benefits. It sets forth certain disclosure requirements and penalties for violations.

The bill may face legal challenge under the First Amendment of the United States Constitution as a potential restriction on commercial speech, but additional legislative findings in section 1 stating the justification for the bill will better protect it against a legal challenge. Further, we recommend inserting a savings clause and a non-impairment clause to insulate the bill from a challenge under article I, section 10, clause 1, of the United States Constitution as an *ex post facto* law or impairment of contract.

Courts have recognized that laws regulating business disclosures constitute a form of commercial speech regulation. See *Zauderer v. Off. of Disciplinary Couns. of Supreme Ct. of Ohio*, 471 U.S. 626, 652 (1985) (upholding the constitutionality of disclosure requirements for contingent-fee arrangements in attorney advertising). In determining whether a regulation on commercial speech is constitutional, a regulation is more likely to be upheld where the speech is misleading, the asserted governmental interest is substantial, the regulation directly advances the governmental interest, and the regulation is not more extensive than is necessary to serve that interest. See *Retail*

Digital Network, LLC v. Prieto, 861 F.3d 839, 844 (9th Cir. 2017) (upholding prohibition on a retailer from leasing advertising space to alcohol manufacturers).

Subsection (c) under the proposed section titled "Prohibitions" (page 2, lines 4-7) and paragraph (2) under the proposed section titled "Disclosure" (page 2, line 18, through page 3, line 2), could be subject to challenge as a regulation of commercial speech under the First Amendment. "Prohibitions" bars service providers from guaranteeing certain benefits to individuals, which could impact advertising practices. Meanwhile "[d]isclosure" requires written disclosure of all payment terms before rendering any services.

To strengthen the bill against potential First Amendment challenges, we recommend including a preamble that acknowledges the risk of misleading or unfair practices associated with the services addressed in the bill and emphasizes the necessity of its requirements and restrictions to protect veteran consumers from potential exploitation.

Additionally, we recommend adding two new sections after section 5 to address the potential *ex post facto* and contractual impairment issues. Because this bill penalizes certain activities, this raises *ex post facto* concerns for retroactive applications. Furthermore, arrangements between service providers and veterans are contractual in nature, and restrictions imposed by the bill may raise concerns about impairing existing contracts. To mitigate these issues, we recommend inserting the following wording after page 4, line 20:

SECTION 6. This Act does not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun before its effective date.

SECTION 7. This Act shall not be applied so as to impair any contract existing as of the effective date of this Act in a manner violative of either the Constitution of the State of Hawaii or article I, section 10, of the United States Constitution.

The current section 6 should then be renumbered as section 8.

Thank you for the opportunity to provide comments.

SB-608

Submitted on: 1/27/2025 9:42:17 AM

Testimony for PSM on 1/29/2025 3:00:00 PM

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

Comments:

I write in strong opposition to SB608.

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?

We should be looking for ways to expand and increase options...not reducing them.



January 29, 2025

Ashleigh Barry Testimony in Opposition to Hawaii Senate Bill 608

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, including organizations such as Veterans Guardian. At NAVR, we establish certification standards to ensure companies provide excellent services at reasonable fees—fees that Veterans are willing to pay.

NAVR strongly opposes Hawaii SB 608 as it undermines Veterans' freedom to seek the expert support they need in navigating the often complex disability claims process. While this legislation aims to regulate predatory practices, it unintentionally penalizes legitimate, ethical organizations by imposing overly restrictive measures that limit Veterans' ability to choose their preferred service providers.

Veterans deserve to make their own decisions when it comes to managing their claims. SB 608, as written, would place unnecessary barriers on reputable organizations that provide essential, high-quality support. Furthermore, by relying solely on federal law, this bill ignores the growing demand for innovative and tailored claims assistance solutions. The reality is that Veterans often face systemic challenges when working within traditional systems, including significant delays and insufficient access to qualified representatives.

I bring to this testimony a deeply personal perspective. As a former senior executive at the U.S. Department of Veterans Affairs and a journalist who uncovered the Phoenix VA wait-time scandal, I have seen the devastating consequences of Veterans being underserved by existing systems. In Hawaii, these systemic issues remain glaringly evident. With only **30** accredited representatives available to serve **nearly 3,600** Veterans, many are left to navigate a maze of bureaucracy alone. Additionally, more than **43%** of claims in Hawaii remain pending for more than four months, leaving countless Veterans waiting for the support they need and deserve.

NAVR commends efforts to address unethical practices, but SB 608 fails to strike the right balance. Instead of restricting Veterans' access to trusted providers, lawmakers should focus on fostering transparency, ethical business practices, and proper oversight of all claims assistance providers. Provisions that encourage disclosures, prohibit predatory guarantees, and prevent excessive fees are essential. However, Veterans should retain the freedom to seek assistance from qualified providers, even outside federally accredited entities, especially when traditional options are limited or insufficient.

Our nation owes Veterans more than gratitude; we owe them efficient, effective solutions. SB 608, in its current form, does not.

Thank you for the opportunity to testify.

Sincerely,

Ashleigh Barry

**SUBMITTED TESTIMONY OF JOHN H. BLOMSTROM, UNITED STATES MARINE CORPS
VETERAN**

MANAGER, GOVERNMENT RELATIONS AND PUBLIC AFFAIRS

VETERANS GUARDIAN VA CLAIM CONSULTING, LLC

BEFORE THE HAWAII STATE SENATE

SENATE VETERANS AFFAIRS PUBLIC HEARING

JANUARY 29, 2025

OPENING STATEMENT IN OPPOSITION OF HI SB 608

I. Introduction

Thank you for the opportunity to provide testimony expressing Veterans Guardian's views on several important pieces of legislation.

My name is John Blomstrom, and I am the Manager of Government and Public Affairs for Veterans Guardian VA Claim Consulting. I am also a Marine Corps Veteran who proudly served in Operation Enduring Freedom and Operation Iraqi Freedom. My military career was dedicated to serving this great nation, and I am honored to continue serving my fellow Veterans in a new capacity by helping them navigate the often-complex VA disability benefits process.

In 2008, as I was transitioning out of the Marine Corps, I began looking into VA disability benefits. Like so many service members, I had heard how cumbersome and complicated the process was, but I assumed I probably didn't qualify since I felt relatively healthy. I now know how wrong I was. Information about VA disability benefits was practically non-existent, and getting an appointment with a claims representative was extremely difficult.

Veterans Guardian employs a staff of more than 75% Veterans, spouses of Veterans, spouses of active-duty service members or immediate family members of Veterans. We have been recognized by the Department of Labor by receiving the HIRE Vets platinum or gold award four years in a row. We have received the BBB Torch Award for Marketplace Ethics in 2020, 2021, and 2022. We were most recently recognized for hiring Veterans and spouses and named a Military Friendly Company of the year. 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.

II. Veterans Guardian's Mission and Work

Our mission is to provide the best possible service to our Veteran clients to ensure that they receive all the benefits that they are entitled to based on injuries that occurred during their time of honorable service to our nation. I am incredibly proud of the work we do every day to offer a

transparent, effective, and efficient option to help Veterans navigate a complex and oftentimes failing system. Our capabilities are complementary to the other services available to Veterans. Our 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, and we connect them directly to these services if they choose. We are transparent that we are not accredited, and our Veteran 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. Our Veterans are choosing to utilize our services from a position of knowledge. Our data and analysis of successful claims shows that more than 70% of the time, our Veteran clients come to us after having used some of the free services available to them; which tells us that Veterans are not unaware of the free services, and that they are looking for something different.

Given the difficulty that many Veterans face when trying to navigate the VA disability process, as well as the sheer volume of Veterans that need assistance, there continues to be a backlog of more than 240,000 Veteran disability claims. Contrary to common belief and statements from the VA, the current systems alone do not provide enough representatives or caliber of services to meet the needs of Veterans seeking assistance. Veterans need more options for assistance, not less. To address Veterans’ pressing and time sensitive needs, they 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.

Veterans make a fully informed choice to use our services for a multitude of reasons: easy access and responsiveness, our experience and knowledge developed and refined over tens of thousands of claims, our expertise utilizing a team method with team members becoming experts in all stages of the process, our ability to help develop medical and lay evidence with a network of independent external doctors, our understanding of the regulations, and our competence in developing claims for secondary conditions. Based on all of this, I am proud that we have assisted tens of thousands of Veterans with a success rate of more than 90%. The Veterans themselves have made clear that we are providing an important and necessary service, as we have thousands of positive reviews and many personal referrals from our clients. In fact, 50% 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 recognition for our work, including 11 awards from various organizations, including: AMVETS North Carolina, 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.

We are transparent about our process and fee structure, and up-front about who we are and who we are not. We do not aggressively solicit any Veteran, the Veteran comes to us informed and ready to receive the benefits they have earned. We do not have doctors on our payroll doing medical exams, nor do we have automated or international call centers. Our fee structure reflects our mission and is clearly communicated to Veteran clients throughout each step in the

process. We do not collect any fee unless the Veteran achieves an increase in their VA benefits, and we do not 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.

III. *Legislative Proposals*

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.

We are Veterans helping Veterans. Our clients tell all of us our services are needed, and one of the bills we are here to discuss today, SB 608, would deny Veterans access to my much-needed services. This bill, if passed, would force our business to close our doors, lay off our Veteran employees, and leave Veterans with no other options than the VSOs or attorneys.

We believe that the SB 608, raises Constitutional issues as it seeks to limit the First Amendment rights of the Veterans who wish to work with VA claim consultants, as well as the rights of the consultants themselves. Aside from threatening the way individuals exercise their fundamental rights to speak, associate, and petition the government, this proposed legislation also provides less options for Veterans, not more. It limits their choices and means that, without the necessary accreditation reform, many Veterans will not receive the benefits to which they are entitled. Our Veterans deserve more.

The fact that Veterans are choosing to use our services from a position of knowledge is proof that other options are not meeting their needs. Veterans Guardian will continue to be strong supporters of accreditation reform and reasonable fee caps. We support an enhanced accreditation process to ensure quality private companies can become accredited and provide Veterans more options to navigate the system, not less.

Therefore, we write in opposition to Senate Bill (SB) 608. Attempting to protect veterans is an honorable endeavor that we all share; unfortunately, SB 608 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 the courts 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 25,000 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 over 400 Veterans in Hawaii generating over \$3.5 million in additional benefits per year for Veterans in Hawaii.

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, SB 608 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. SB 608 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 **Hawaii has only 30 VSO representatives to aid the estimated 107,210 Veterans** who currently reside in the state. This equates to **each representative being responsible for handling the affairs of 3,574 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 SB 608 will be by forcing Hawaii'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 restricting a Veteran's right to choose how they pursue their claim as SB 608 does, a better approach is Senate Bill SB 603, which we support and which implements 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.

SB 603 offers 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. SB 608 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.

IV. Conclusion

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. Please feel free to contact me with any questions at john.blomstrom@vetsguardian.com or 202.746.9932. Thank you for the opportunity to submit this testimony.



TO: Chair Brandon J.C. Elefante
Vice Chair Glenn Wakai
Members of the Committee on Public Safety and Military Affairs

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

RE: SB 608 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 SB 608 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 Senator Wakai'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, SB 608 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 SB 608 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. SB608 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,

A handwritten signature in dark ink, appearing to read "Josh Smith". The signature is fluid and cursive, with the first name "Josh" being more prominent than the last name "Smith".

Josh Smith

SB-608

Submitted on: 1/28/2025 11:06:38 AM

Testimony for PSM on 1/29/2025 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Benjamin Tipton	Testifying for Veterans Guardian VA Claim Consulting	Oppose	Remotely Via Zoom

Comments:

SUBMITTED TESTIMONY OF BENJAMIN L. TIPTON, UNITED STATES ARMY
VETERAN

ACCOUNTS ADMINISTRATOR
VETERANS GUARDIAN VA CLAIM CONSULTING, LLC
BEFORE THE HAWAII STATE SENATE
SENATE VETERANS AFFAIRS PUBLIC HEARING

JANUARY 29, 2025

OPENING STATEMENT IN OPPOSITION OF HI SB 608

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Thank you for the opportunity to provide testimony expressing Veterans Guardian's views on several important pieces of legislation.

My name is Benjamin Tipton, and I am the Accounts Administrator for Veterans Guardian VA Claim Consulting. I am also a United States Army Veteran who proudly served in Operation Enduring Freedom and Operation Iraqi Freedom. My military career was dedicated to serving this great nation, and I am honored to continue serving my fellow Veterans in a new capacity by helping them navigate the often-complex VA disability benefits process.

In 2012, as I was transitioning out of the United States Army, I began looking into VA disability benefits. Like so many service members, I had heard how cumbersome and complicated the process was, but I assumed I probably didn't qualify since I felt relatively healthy. I now know how wrong I was. Information about VA disability benefits was practically non-existent, and getting an appointment with a claims representative was extremely difficult.

Despite being a career Army officer with access to helpful colleagues, it still required significant research and effort to successfully submit my claim. Unfortunately, this experience is far too common. If I, with my background and access to resources, struggled to navigate the process, something was clearly broken. This realization drove me to join Veterans Guardian, where I am proud to help other Veterans avoid similar struggles and ensure they receive the benefits they've earned through honorable service.

Veterans Guardian employs a staff of more than 75% Veterans, spouses of Veterans, spouses of active-duty service members or immediate family members of Veterans. We have been recognized by the Department of Labor by receiving the HIRE Vets platinum or gold award four years in a row. We have received the BBB Torch Award for Marketplace Ethics in 2020, 2021, and 2022. We were most recently recognized for hiring Veterans and spouses and named a Military Friendly Company of the year. 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.

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service, as we have thousands of positive reviews and many personal referrals from our clients.

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III. Legislative Proposals

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.

We are Veterans helping Veterans. Our clients tell all of us our services are needed, and one of the bills we are here to discuss today, SB 608, would deny Veterans access to my much-needed services. This bill, if passed, would force our business to close our doors, lay off our Veteran employees, and leave Veterans with no other options than the VSOs or attorneys.

We believe that the SB 608, raises Constitutional issues as it seeks to limit the First Amendment rights of the Veterans who wish to work with VA claim consultants, as well as the rights of the consultants themselves. Aside from threatening the way individuals exercise their fundamental rights to speak, associate, and petition the government, this proposed legislation also provides less options for Veterans, not more. It limits their choices and means that, without the necessary accreditation reform, many Veterans will not receive the benefits to which they are entitled. Our Veterans deserve more.

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accreditation process to ensure quality private companies can become accredited and provide Veterans more options to navigate the system, not less.

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Additionally, nearly identical legislation is currently being challenged in the courts 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 25,000 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 over 400 Veterans in Hawaii generating over \$3.5 million in additional benefits per year for Veterans in Hawaii.

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, SB 608 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.

SB 608 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 Hawaii has only 30 VSO representatives to aid the estimated 107,210 Veterans who currently reside in the state. This equates to each representative being responsible for handling the affairs of 3,574 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 SB 608 will be by forcing Hawaii'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 restricting a Veteran's right to choose how they pursue their claim as SB 608 does, a better approach is Senate Bill SB 603, which we support and which implements 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.

SB 603 offers these 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. SB 608 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.

IV. Conclusion

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. Please feel free to contact me with any questions at benjamin.tipton@vetsguardian.com or 919-867-2725. Thank you for the opportunity to submit this testimony.



BLACK VETERANS EMPOWERMENT COUNCIL INC.

909 Rose Ave. Suite 400 North Bethesda, Maryland 20852

www.bvecinc.org

Chairman Elefante and Members of the Public Safety and Military Affairs Committee
Hawaii State Senate
415 S Beretania St
Honolulu, Hawaii 96813

January 27, 2025

Dear Chairman Elefante and Members of the Committee

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 SB 608**.

Attempting to protect Veterans is an honorable endeavor that we all share; unfortunately, SB 608 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 SB 608 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. SB 608 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



Brotherhood of Maintenance of Way Employees Division of the International Brotherhood of Teamsters

Tony D. Cardwell
President

Dale E. Bogart, Jr.
Secretary-Treasurer

January 27, 2025

Chairman Elefante and Members of the Public Safety and Military Affairs Committee
Hawaii State Senate
415 S Beretania St
Honolulu, Hawaii 96813

Dear Chairman Elefante and Members of the Committee

On behalf of The Teamsters Rail Conference, the Brotherhood of Maintenance of Way Employees (BMWED-IBT), and our Veteran members in Hawaii, I write today to **oppose Senate Bill 608.**

The BMWED-IBT is proud to offer and encourage private expert support to our Veteran members. Our members are armed with all the information available to them and appreciate the ability to make the best choice for them and their families. We have been working closely with Veterans Guardian to educate our members on the full range of options available free of charge and for a fee. We are proud to ensure that our Hawaii Veteran members and brothers and sisters nationwide are well-informed and choose the best options for them.

As a Veteran myself and the Director of Government Affairs for the BMWED-IBT, I used Veterans Guardian to help me achieve an increase in my rating. Unfortunately, years of navigating the complicated Veterans Affairs process frustrated me. I tried the free services offered by Veteran Service Organizations, but while well-intentioned, they failed to meet my needs. Free doesn't always mean better, and I have the choice to decide who helps me with my claim.

Hawaii SB 608 might be well-intentioned, but this issue has nuances and complications that require far more understanding.

Hawaii Veterans deserve a choice, and the BMWED members in Hawaii deserve the option to use companies like Veterans Guardian.

This bill is trying to accomplish a noble effort. Unfortunately, it takes away important options for the hard-working, dedicated brothers and sisters of the BMWED-IBT. I strongly urge you to vote against Hawaii SB 608.

Sincerely,

Jeff Joines
Director of Government Affairs



January 27, 2025

Chairman Elefante and Members of the Public Safety and Military Affairs Committee
Hawaii State Senate
415 S Beretania St
Honolulu, Hawaii 96813

Dear Chairman Elefante and Members of the Committee,

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 Hawaii SB 608.

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, HI SB 608 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 SB 608 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:

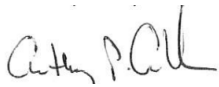
- o Mandating any fees are purely contingent upon a successful outcome and are not to exceed 5x the monthly increase;
- o Prohibiting any initial or non-refundable fees;
- o Mandating that presumptive period Veterans be referred to a VSO of their choice;
- o Getting written confirmation from the Veteran 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. SB 608 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



555 Marshall Drive
Saint Robert, MO 65584
Support@United-Veteran.com
www.United-Veteran.com
(573) 412-5100

Chairman Elefante and Members of the Public Safety and Military Affairs Committee
Hawaii State Senate
415 S Beretania St
Honolulu, Hawaii 96813

January 27, 2025

Dear Chairman Elefante and Members of the Committee:

As one of the founding members of United Veteran Benefits Agency, LLC a majority-Veteran owned and operated organization, I am writing in opposition of Hawaii SB 608.

Attempting to protect Veterans is an honorable endeavor that we all share; unfortunately, SB 608 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.

United Veteran Benefits Agency LLC, as I mentioned above, is a Veteran owned and operated organization. Our staff is comprised 100% of Veterans, Veteran spouses and family, and spouses and family members of active-duty service members who understand the medical and mental health difficulties Veterans live with and the complexities of the VA disability process. We have a success rate of 90%, which means fewer appeals bogging down the system. Our goal is to do it right the first time, keeping the process moving through the VA system efficiently, preventing appeals and providing the Veteran with the benefits they have earned in a timely fashion. Passing HI SB 608 will only inflate the backlog that occurs within the VA system and as stated before, strip away a Veteran's choice in how they pursue their VA disability claims.

As a consulting firm, our goal is to assist every Veteran who comes to us requesting help in a manner that is tailored to them and their family. We ensure the Veterans we work with understand their options including free services. And, if they choose to go in that direction, but aren't sure where to go, we help provide them with the service that is nearest to them. Since the inception of our business, we have served over 3500 Veterans. Many of them have called us crying from joy and relief after receiving their new VA disability rating stating

they've been trying to navigate the system for months with no success. Others have written to us stating we "changed their lives".

Rather than purposely restrict a Veteran's right to choose how they pursue their claim as SB 608 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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- 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.

UVBA 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. SB 608 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.

Sincerely,

A handwritten signature in cursive script that reads "Connie Jones".

Connie Jones
A Founding and Managing Member



VETERANS GUARDIAN
VA CLAIM CONSULTING

January 27, 2025

Chairman Elefante and Members of the Public Safety and Military Affairs Committee
Hawaii State Senate
415 S Beretania St
Honolulu, Hawaii 96813

Dear Chairman Elefante and Members of the Committee:

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 Hawaii SB 608**.

Attempting to protect Veterans is an honorable endeavor that we all share; unfortunately, SB 608 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, SB 608 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. SB 608 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 SB 608 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:

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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. SB 608 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

LATE

SUBMITTED TESTIMONY OF MARK CHRISTENSEN

CHIEF OF STAFF,

VETERANS GUARDIAN VA CLAIM CONSULTING, LLC

BEFORE THE HAWAII STATE SENATE

JANUARY 29, 2025

OPENING STATEMENT

I. Introduction

Thank you for the opportunity to provide testimony expressing Veterans Guardian's views on an important piece of legislation.

My name is Mark Christensen and I am the Chief of Staff at Veterans Guardian VA Claim Consulting, and a Veteran of the US Army. My career concluded in 2019 and included eight deployments to Afghanistan, Iraq, the Balkans, Haiti and the most contentious parts of East and West Africa. I've held positions from the platoon leader to Battalion Commander and several staff positions at the 3 and 4-star level commands. The vast majority of my 25 year career was spent in the Special Operations community and I was fortunate enough to spend several years in an Army Special Mission Unit. I am proud to be part of one of the largest Veteran owned and operated companies assisting my fellow Veterans with their disability claims.

When leaving military service, one of the questions that inevitably comes up is VA disability benefits. Most people know that they exist and have heard horror stories about how cumbersome and complicated the process is. Many people feel healthy and assume they probably did not qualify, which is wrong. Information about claiming VA disability benefits can be non-existent or difficult to find. Worse still, getting an appointment with a claims representative was even more difficult due to limited operating hours and limited capacity, even at the large installations. Unfortunately, the VA disability process is a bureaucratic and difficult system to navigate that presents challenges to most Veterans, often resulting in deserving Veterans not receiving the

benefits to which they are entitled. I am proud of the work my company has done to assist Veterans with this process.

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 35,000 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.

II. *Veterans Guardian's Mission and Work*

Our mission is to provide the best possible service to our Veteran clients to ensure that they receive all the benefits that they are entitled to based on injuries that occurred during their time of honorable service to our nation. I am incredibly proud of the work we do every day to offer a transparent, effective, and efficient option to help Veterans navigate a complex and oftentimes failing system. Our capabilities are complementary to the other services available to Veterans. 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, and we connect them directly to these services if they choose. We are transparent 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. Our Veterans are choosing to utilize our services from a position of knowledge. Our data and analysis of successful claims shows that more than 70% of the time, our Veteran clients come to us after having used some of the free services available to them; which tells us that Veterans are not unaware of the free services, and that they are looking for something different.

Given the difficulty that many Veterans face when trying to navigate the VA disability process, as well as the sheer volume of Veterans that need assistance, there continues to be a backlog of more than 257,000 veteran disability claims. Contrary to common belief and statements from the legacy Veteran Service Organizations, and the VA, the current systems alone do not provide enough representatives or caliber of services to meet the needs of Veterans seeking assistance. Veterans need more options for assistance, not less. To address Veterans' pressing and time sensitive needs, they 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.

Veterans make a fully informed choice to use our services for a multitude of reasons: easy access and responsiveness, our experience and knowledge developed and refined over tens of thousands of claims, our expertise utilizing a team method with team members becoming experts in all stages of the process, our ability to help develop medical and lay evidence with a network of independent external doctors, our understanding of the regulations, and our competence in developing claims for secondary conditions. Based on all of this, I am proud that we have assisted tens of thousands of Veterans with a success rate of more than 90%. The Veterans themselves have made clear that we are providing an important and necessary service, as we have thousands of positive reviews and many personal referrals from our clients. In fact, 50% 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 recognition for our work, including 11 awards from various organizations, including: AMVETS North Carolina, 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.

We are transparent about our process and fee structure, and up-front about who we are and who we are not. We do not aggressively solicit any Veteran, the Veteran comes to

us informed and ready to receive the benefits they have earned. We do not have doctors on our payroll doing medical exams, nor do we have automated or international call centers. Our fee structure reflects our mission and is clearly communicated to Veteran clients throughout each step in the process. We do not collect any fee unless the Veteran achieves an increase in their VA benefits, and we do not 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.

III. *Legislative Proposals*

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.

We are Veterans helping Veterans. My clients tell all of us my services are needed, and one of the bills we are here to discuss today, SB 608 would deny Veterans access to my much-needed services. This bill, if passed, would force my business to close our doors, lay off my Veteran employees, and leave Veterans with no other options than the VSOs or attorneys.

We believe that SB 608, raises Constitutional issues as it seeks to limit the First Amendment rights of the Veterans who wish to work with VA claim consultants, as well as the rights of the consultants themselves. Aside from threatening the way individuals exercise their fundamental rights to speak, associate, and petition the government, this proposed legislation also provides less options for Veterans, not more. It limits their

choices and means that, without the necessary accreditation reform, many Veterans will not receive the benefits to which they are entitled. Our Veterans deserve more.

The fact that Veterans are choosing to use our services from a position of knowledge is proof that other options are not meeting their needs. Veterans Guardian will continue to be strong supporters of accreditation reform and reasonable fee caps. We support an enhanced accreditation process to ensure quality private companies can become accredited and provide Veterans more options to navigate the system, not less.

Attempting to protect veterans is an honorable endeavor that we all share; unfortunately, SB 608 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 bill as sold 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 the courts 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 has helped over 500 veterans in Hawaii generating over \$4 million in additional benefits per year for veterans in Hawaii.

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, SB 608 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. SB 608 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 **Hawaii has only 30 unique VSO representatives to aid the estimated 107,210 veterans** who currently reside in the state. This equates to **each representative being responsible for handling the affairs of 3,574 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 SB 608 will be by forcing Hawaii’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 restricting a veteran's right to choose how they pursue their claim as SB 608 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:

- Mandating any fees are purely contingent upon a successful outcome and are not to exceed 5x the monthly increase;
- Prohibiting any initial or non-refundable fees;
- Mandating that presumptive period veterans be referred to a VSO of their choice;
- Getting written confirmation from the veteran they have been informed of their free options;
- Prohibiting private companies from having doctors on the payroll performing secondary medical exams;
- Prohibiting the use of international call centers or data centers for processing veteran's personal information.
- Prohibiting aggressive and direct solicitation;
- 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. SB 608 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.

IV. Conclusion

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.

SB-608

Submitted on: 1/28/2025 5:36:51 PM

Testimony for PSM on 1/29/2025 3:00:00 PM

LATE

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

Comments:

As a Disabled Veteran that has been negotiating the VA system since Viet Nam, I can assure you that sometimes you need assistance to understand the procedures, benefits and other aspects of the VA system.

Limiting veteran's options to receiving VA services is unconscionable. Obviously the current Veteran's Service Organizations (VSOs) are not adequate for assisting everyone so, we have accessed other assistance.

If you are a veteran that is dependent on the VA healthcare system, you know what I mean. If you aren't a veteran, you need to trust us to make our own decisions.

Mahalo!