



# COMMONWEALTH OF VIRGINIA JOINT LEADERSHIP COUNCIL OF VETERANS SERVICE ORGANIZATIONS

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RICHMOND VA 23219

*Air Force Association  
Air Force Sergeants  
Association  
American Legion  
AMVETS  
Association of the United  
States Army  
Disabled American  
Veterans  
Fifth Baptist Church Veterans  
Ministry  
Fleet Reserve Association  
Legion of Valor of the  
U.S., Inc.  
Marine Corps League  
Military Officers Association  
of America  
Military Order of the  
Purple Heart  
Military Order of the  
World Wars  
Navy Mutual Aid Association  
Paralyzed Veterans of  
America  
Reserve Organization of  
America  
Roanoke Valley Veterans  
Council  
Student Veterans of America  
Veterans of Foreign Wars  
Vietnam Veterans of America  
Virginia Army/Air National  
Guard Enlisted  
Association  
Virginia National Guard  
Association  
Women Marines Association  
Wounded Warrior Project*

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## **JLC 2024-02**

### **Stop Unscrupulous Firms from Exploiting Veterans**

**OBJECTIVE:** Prohibit ‘Claim Shark’ companies from preying on veterans seeking to obtain or modify their VA entitlements.

### **BACKGROUND:**

1. The State of New Jersey passed legislation making it a violation of the consumer fraud act for persons to receive compensation for advising or assisting or referring any individual to another person to advise or assist, with any veterans benefit matter, except as permitted by federal law.
2. Many of these companies propose contracts well beyond the scope of what the Department of Veterans Affairs (VA) allows under law, which is clearly why these companies do not file powers of attorney, consulting agreements, or fee agreements with the VA.
3. Marketing practices of these companies are predatory by regulatory and consumer protection entities because promises of no-cost consultations or guarantees of increased benefits are hollow and do, in fact, come with fees attached – often in the form of a percentage of the veteran’s compensation.
4. Many of these companies often ask veterans for sensitive usernames and passwords for their eBenefits or VA.gov accounts. Such access would allow these companies to circumvent VA policies and cybersecurity access controls, permit access to veterans’ sensitive and restricted information, expose personal identifying information (PII) and protected health information (PHI) to unauthorized users and criminal elements, and potentially violate numerous federal consumer protection statutes.

### **DISCUSSION:**

Veterans who believe they have been scammed have little recourse. Many of these contracts include binding arbitration clauses designed to compel payment. Some contracts go so far as to include clauses that prohibit veterans from disclosing terms of the agreements or even speaking negatively about a company or their experiences, without risking defamation litigation.

**RECOMMENDATION:** That the General Assembly propose and pass legislation similar to that passed by the State of New Jersey that prohibits these ‘Claim Shark’ companies from preying on veterans seeking to obtain or modify their VA entitlements. Further, that the new legislation add requirements for full disclosure by non-VA-accredited companies, as was required for VA-accredited companies in HB 2077 passed in 2023.