

U.S. war veterans filed a class action lawsuit alleging that the help they received to file federal disability benefits is part of an illegal predatory business, according to one of their lawyers.

The two veterans accused **Veterans Guardian VA Claim Consulting, LLC**, of Pinehurst, North Carolina, of being a “claims shark” that charged them fees beyond what is permitted by federal law.

Their lawsuit, filed on August 23, 2023 also accuses Veterans Guardian of practicing law without a license. The veterans alleged that the company provided verbal or written discussions of legal issues and procedures, even as it acknowledged that it was not a law firm, did not have a lawyer on staff and was not licensed to practice law.

“As soon as you go on the internet and Google for VA disability increase what's really going to jump out at you is the breadth of the volume of these claim sharks,” said Jon D. Pels of The Pels Law Firm of Bethesda, Maryland.

The veterans are asking that their legal action be certified as a class action lawsuit covering the thousands of veterans who were Veterans Guardian clients.

One of the largest parts of the federal discretionary budget, funding for the Department of Veterans Affairs ballooned in recent years from \$201.4 billion in 2019 to \$308.5 billion in 2023. In 2024 the agency asked for \$325.1 billion, a 61% increase from five years prior. With the growth in the budget has come the growth of so-called “claim sharks,” companies charging more than lawyers and others are legally allowed to charge for preparing the same documents, and who do not complete the VA’s legally required training.

The companies maintain that they are legally providing education services, and that their veteran customers are paying to learn how to fill out their forms. “We believe the recent litigation contains false accusations and we are confident that we will be vindicated by a court ruling,” Veterans Guardian said in a statement to NBC.

“In the meantime, we remain dedicated to providing valuable services to the veteran community and continue to advocate for meaningful VA accreditation reform in Congress that confirms veterans’ right to select the

assistance they want in submitting benefit claims while holding bad actors accountable and providing guardrails to protect veterans from those with negative intentions,” it said.

Fees beyond what's allowed

Abigayle Patterson, an Army veteran living in El Paso, Texas, and Navy veteran Brian Otters of Southaven, Mississippi, say they got assistance from Veterans Guardian to successfully revise their disability assessment by the Department of Veterans Affairs.

The company estimated that Patterson’s disability rating increased from 60% to 80%, resulting in an additional \$664.40 in her monthly payments. Otters’ increased from 70% to 90%, and his payments rose by \$599.33.

Both were billed five times the increase for consulting. That came to a total of \$2,988 for Patterson, taking into account a 10% discount for a lump sum payment, and \$2,990 for Otters, to be paid in five monthly installments.

Veterans Guardian is not accredited by the VA as required to provide veterans with assistance filing applications for disability benefits, the lawsuit says. The fees charged were above what the VA allows accredited individuals.

“They say two different things,” said Pels, who is representing Patterson.

“They say, one, Veterans Guardian does not assist a client in the preparation, presentation and prosecution of claims for VA benefits. That's not true. That's false. They clearly assist the client, the disabled veteran. The reason they put that in there is because they say, therefore, we're not bound by the rules that protect all the other veterans who use accredited attorneys.”

“In another document, they then say, ‘Our team can assist with the process of developing appropriate evidence for your claim.’” Pels said. “So on one document, they say they're not assisting.” “On the very next document, they say they can assist.”

In a response posted on its website, Veterans Guardian maintains that the attorneys who filed the lawsuit are benefitting from a broken VA and a clogged benefits system.

“Contrary to the baseless claims of wrongdoing, Veterans Guardian provides ethical and transparent assistance that veterans can choose to use to obtain benefits to which they are entitled, but often have difficulty accessing through other available means due to a complicated and bureaucratic process,” the company said on its website. “The named plaintiffs in the suit received an increase in their benefits by choosing to hire Veterans Guardian to help them.”

“Unfortunately, unaccredited, for-profit companies are scamming veterans of their earned benefits under the guise of helping them, and they must be stopped and held accountable,” Rep. Chris Pappas, of New Hampshire, said in a statement in February introducing the legislation.

According to the Bureau of Labor Statistics in August 2022, 4.9 million veterans had a service-connected disability. That is 27% of all veterans.

The number of veterans making claims has surged with the passage of the PACT Act, or Promise to Address Comprehensive Toxics Act.

Signed into law in the summer of 2022, the PACT Act expands VA health care and benefits to cover exposure to toxic substances such as Agent Orange and from open-air burn pits used mostly in Afghanistan and Iraq to dispose of everything from trash to munitions and human waste, according to the American Cancer Society. The pits were typically lit by jet fuel.

A year after its passage, the VA said it had distributed more than \$1.85 billion in benefits to veterans and their survivors. It had processed 1.65 million claims in the fiscal year, among them 458,659 PACT Act claims. That’s 16% more year-to-date than the previous all-time high, according to the VA.

“For too long, heinous actors have taken advantage of and preyed upon veterans in need of assistance, without consequences, and this practice must end,” Republican Rep. Brian Fitzpatrick of Pennsylvania said.

A Veteran, Patterson, found out about Veterans Guardian through another veteran whom she knew. At first, she had no plans to sue, she said, but was

disappointed in its practices. As she learned more, she realized Veterans Guardian was a predatory company, she said.

“I was stationed overseas and was unaware that there was anyone that could assist me with the process,” she wrote.

The lawsuit alleges that Veterans Guardian tries to disguise the services it provides to bypass VA regulations. Its officers — Scott Chaim Greenblatt, who served for 25 years in the U.S. Army, and William Cooper Taylor, Jr., an officer for 23 years with the U.S. Army — are aware that charging veterans fees to assist in submitting claims by unaccredited organizations is illegal and “so contort the language on their website to make it seem that they are not assisting veterans charging illegal fees,” the lawsuit says.

According to its website, Veterans Guardian can: “make recommendations based on your specific medical history,” “validate” and/or “support your claim,” “identify a list of potential conditions you may not have known about or have been underrated for,” “develop and assemble all of the evidence to support your claim,” including “developing the right medical evidence to support your disability benefits,” “help with documentation,” and “strengthen your claim” by “gather[ing] and present[ing] the information and evidence needed for the VA to make a favorable claim decision.”

The lawsuit notes that in “cease and desist” letters sent by the VA to companies like Veterans Guardian, it states: “[I]t appears that you may be attempting to draw a legal distinction between providing advice to veterans about the information needed to substantiate their claims and filing the claim under your own name. However, this is a distinction without a difference as both types of work are considered to be in furtherance of the preparation and presentation of VA benefit claims, and thus, prohibited without first achieving VA accreditation.”

Pels said he believed a half dozen to a dozen cease and desist letters had been sent to Veterans Guardians and to almost every other company that qualifies as a claims shark.

“There have been all kinds of administrative rulings expressly saying, ‘What you’re doing is illegal’ and it just has gone largely ignored,” he said.

"They've been admonished numerous times by numerous authorities," he said.

A Veterans Guardian brochure printed in April 2022 - and included in the lawsuit - says the company has assisted veterans with at least 29,000 disability claims. That included veterans in Texas, North Carolina, Florida, California and Georgia.