United States General Accounting Office

GAO

Report to the Chairman, Committee on Governmental Affairs, U.S. Senate

July 1991

DEFENSE INVENTORY

Reports Need Comparable and Comprehensive Data

GAO/NSIAD-91-266

GAO

United States
General Accounting Office
Washington, D.C. 20548

National Security and
International Affairs Division

B-244802

July 17, 1991

The Honorable John Glenn
Chairman, Committee on Governmental Affairs
United States Senate

Dear Mr. Chairman:

As you requested, we are currently reviewing the Department of Defense's (DOD) required[1] secondary item inventory. However, because DOD reported that it had significantly reduced its total secondary item inventory, you asked that we also examine the value of total reported secondary items. In this report, we analyze DOD's inventory reports for (1) comparability over time and across its organizations, (2) inclusion of appropriate items, and (3) trends in the size of the inventory. We are continuing our review of DOD's required inventory and will report on our results when the review is completed.

Background

Until fiscal year 1991, the National Security Act of 1947 (as amended) required the Secretary of Defense to report annually to the President and the Congress on its stored supplies. To comply with the act, DOD annually has reported summary inventory data in its Real and Personal Property report.

Secondary items include such items as spare and repair parts, fuel, construction materials, clothing, and textiles, and medical and dental supplies. DOD annually summarizes its secondary item inventory in the Supply System Inventory Report. The reported secondary inventories are primarily based on inventory stratification reports prepared by the military services and the Defense Logistics Agency (DLA). DOD has used the Supply System Inventory Report as a data source for its input into the Real and Personal Property report and for answering congressional and other high-level inquiries as they relate to DOD's inventory.

Results in Brief

In its September 1990 Supply System Inventory Report, DOD reported that its secondary item inventory decreased from $109.5 billion in September 1989 to $101.9 billion in September 1990. However, the services did not use the same inventory valuation methods for both years. Had

[1]Total secondary item inventory includes both required items (i.e., items supported by requirements) and unrequired items, (i.e., retention and potential excess stocks).

they used their 1989 valuation methods for 1990, DOD would have reported an inventory of $109.4 billion in 1990, or a reduction of only $0.1 billion.

The military services and DLA used different methods to value their inventories included in the 1990 Supply System Inventory Report. Such variances impede comparisons across organizational lines and undermine the value of having aggregated data for all the services and DLA. Comparable inventory data between reporting periods and across DOD organizations is necessary for the Congress and DOD to be able to better measure performance in managing defense inventories.

DOD did not report all its inventory in the Supply System Inventory Report and some inventory is reported as being required when it is not needed. The $101.9 billion of secondary item inventory that DOD reported as of September 1990 consisted mainly of on-hand items that were centrally controlled. DOD does not report billions of dollars of on-hand inventories such as those aboard combat ships and with troop units. Also, in the report, DOD categorized billions of dollars of on-hand inventory as required even though the amounts it defines as needed to be on hand or on order is much lower. Management is not alerted to potential inventory problems when inventory that is not currently needed to be on hand is considered to be required. Without a comprehensive or accurate view of DOD's on-hand inventory, the Congress and DOD do not know the extent and nature of the resources available in the supply system and cannot adequately evaluate inventory trends.

Supporting inventory reports showed that total inventory resources decreased between September 1989 and September 1990. Although the on-hand inventory portion of the resources increased slightly, the amount of items being purchased decreased by $5.6 billion. The increase in on-hand items would have been larger had DOD not increased its efforts to dispose of unneeded items.

Inventories Were Not Reported on Comparable Bases

Changes in the method of valuing inventory accounted for $7.5 billion (99 percent) of the $7.6 billion inventory reduction reported in the September 1990 Supply System Inventory Report. The report, however, did not fully disclose the impact of the changes in valuation measures.

As we have recommended, the Army and Air Force changed their 1990 inventory evaluation method to reduce the reported value of items that needed repair. This reduced reported inventories by $4.5 billion.

Although the Navy has recognized the cost of repairing items in its inventory since 1986, it further reduced its reported 1990 inventory by $3 billion by changing from valuing its inventory at acquisition cost to the lower of acquisition cost or market value. DLA used a standard price that included surcharges for transportation costs and inventory losses.

DOD used yet another valuation method for reporting stock fund inventories in the Defense Business Operations Fund Overview report. In that report, DOD valued inventory at standard costs, which include operating costs. Appendix I provides additional detail on the comparability of 1989 and 1990 inventory data and the various inventory valuation methods used in 1990.

DOD Does Not Report All Inventory

The Supply System Inventory Report does not include all inventory controlled at local levels. DOD excludes secondary items aboard combat ships and with troop units from its reports. For example, the Navy estimates that about $7.6 billion of ship, submarine, and aviation secondary items are aboard its combat ships. Also, in January 1991, the DOD Inspector General reported on six maintenance facilities holding over $319 million of unrecorded inventory.

One of DOD's inventory reduction plan goals is to increase visibility of all assets potentially available to meet requirements. DOD expects to complete this segment of its plan in 1994. Additional information on unreported inventory can be found in appendix II.

Required On-Hand Inventory Is Overstated

The Supply System Inventory Report overstates the amount of on-hand inventory that is required. An analysis of Navy and Air Force stratification reports showed that $10 billion of $39.6 billion on-hand inventory reported as required exceeded the amount of inventory that DOD defines as the maximum assets that may be on hand or on order as of a given date.

As part of its inventory reduction plan, DOD is modifying its inventory stratification policy. However, one of the modifications, instead of reducing inventory, will increase the required inventory. Although not yet included in DOD's supply report, the Air Force added an additional budget year for part of its inventory in September 1990. The requirements for the additional year increased inventory needs by $909 million and on-hand required inventory by $313 million for Air Force consumable inventory items. Further information can be found in appendix II.

Detailed Inventory Data Reflect Reduction Efforts

Our comparison of September 1989 and 1990 inventory stratification reports of the military services and DLA showed that the on-hand inventory portion of the total resources increased by $0.1 billion, from $80.9 billion to $81 billion. The increase would have been larger had the services not increased the disposal of secondary items from $3.2 billion in 1989 to about $5.2 billion in 1990. Inventory being purchased decreased from $26.6 billion to $21 billion between the two dates. Detailed information on DOD's inventory trends can be found in appendix III.

Recommendations

We recommend that the Secretary of Defense

- direct the military services and DLA to use a uniform inventory valuation method that will provide comparable data between periods and across organizations, and fully disclose any deviations from the uniform valuation method, and
- report inventory in a manner that recognizes all levels of on-hand inventory and reflects requirements that are consistent with the inventory that DOD defines as the maximum assets which may be on-hand or on order at a given time.

Agency Comments

We did not obtain written comments from DOD. However, we discussed the material in this report with responsible DOD program officials and have incorporated their views where appropriate.

Elements of the approved force acquisition objective are described in appendix IV. Our scope and methodology are discussed in appendix V.

As arranged with your office, we plan no further distribution of this report until 5 days from its issue date, unless you release its contents earlier. At that time, we will send copies to other interested committees and Members of Congress; the Secretaries of Defense, Army, Navy, and Air Force; the Director, Defense Logistics Agency; and the Director of the Office of Management and Budget. We will also make copies available to other parties upon request.

Please contact me at (202) 275-8412 if you or your staff have any questions concerning this report. Major contributors to this report are listed in appendix VI.

Sincerely yours,

Donna M. Heivilin
Director, Logistics Issues

Contents

Table

Figures

Abbreviations

DLA	Defense Logistics Agency
DOD	Department of Defense
GAO	General Accounting Office

Inventories Are Not Reported on Comparable Bases

Until fiscal year 1991, the National Security Act of 1947 (as amended) required the Secretary of Defense to report annually to the President and the Congress on Department of Defense's (DOD) stored supplies.[1] To comply, DOD has included in its Real and Personal Property report the total of principal and secondary inventories.

The reported inventories are based on DOD Instruction 4140.18. It requires DOD's components to annually report secondary items in transit and in storage at all levels of the supply system. DOD bases its reported secondary inventories on data from inventory stratification reports.

DOD annually summarizes its secondary inventories in the Supply System Inventory Report by component, category (e.g., aircraft or ship parts), and asset stratum (e.g., approved force acquisition objective, retention, or potential excess stocks[2]). According to a 1989 DOD study, the report provides DOD officials visibility of selected supply system inventories. DOD uses the report as a data source for input into the Real and Personal Property report and for answering congressional and other high-level inquiries as they relate to inventory levels.

The overall goal of accounting and financial reporting in the federal government is to provide information that is useful. The usefulness of information depends greatly on the degree to which it is comparable both to information from prior periods and to similar information reported by others. However, DOD's Supply System Inventory Report does not provide comparable data over time or across organizations.

Valuation Changes Result in Reporting Less Inventory in 1990

In the September 1990 Supply System Inventory Report, DOD reported a secondary item inventory valued at $101.9 billion, a significant reduction from the $109.5 billion inventory reported in September 1989. However, if DOD had valued its 1990 inventory using the method used to value 1989 inventory, it would have reported a 1990 inventory of $109.4 billion. While DOD noted in its report that it had made reductions in inventory value for material in need of repair and inventory with decreased market value, it did not fully disclose the impact of the revised methodology.

[1]The 1991 DOD Authorization Act repealed this reporting requirement as part of a general effort by the Congress to reduce DOD's reporting requirements.

[2]The approved force acquisition objective represents current operating stocks plus war reserves. Retention stocks are usable stocks held above the approved force acquisition objective. Potential excess includes stocks beyond the above levels and their retention cannot be justified for either defense or economic reasons.

Most of the Inventory Reduction Was Due to Revaluations

DOD's Inventory Reduction Plan Progress Report provides additional information on the extent of the inventory revaluations. The report states that previously items in need of repair were assigned the same value as issuable items. The Army and Air Force adjusted their inventories of items needing repair by deducting the estimated cost to repair items from their acquisition cost as we have recommended.[3] The adjustment resulted in inventory reductions of $1.7 billion and $2.8 billion, respectively. According to a Navy official, the Navy has been using this method to value its repairable assets since 1986 and its inventory was not affected by the change. A DOD official pointed out that Navy repairable items have been managed through stock funds since 1985 and that the valuation change was appropriate for the Army and Air Force because their repairable items will be managed through stock funds by the end of 1992.

The report also states that the Navy valued its inventory to reflect an estimate of the lower of acquisition cost or market value. This change reduced the Navy inventory by $3 billion. The other reporting components did not make this change. The Navy believes that using the lower of acquisition cost or market value results in its inventory being valued on current acquisition cost, which is the basis the other services use to value their inventories.

Comparing 1990 and 1989 inventory values on the same basis removes about 99 percent of the reported inventory reduction (from $7.6 billion to about $0.1 billion). Table I.1 compares the reported September 1989 and September 1990 secondary item inventories to unadjusted September 1990 inventory values.

[3]Financial Audit: Financial Reporting and Internal Controls at the Air Logistics Centers (GAO/AFMD-91-34, Apr. 5, 1991).

Table I.1: Reported September 1989 and September 1990 Secondary Item Inventories, and Unadjusted September 1990 Inventory

Dollars in billions

Component	1989 reported inventory	1990 Reported inventory	1990 Unadjusted inventory
Army	$19.0	$16.3	$18.0
Navy	32.4	29.6	32.6
Marine Corps	.9	.9	.9
Air Force	44.7	41.1	43.9
Defense Logistics Agency	12.6	14.0	14.0
Total	**$109.5[a]**	**$101.9**	**$109.4**

[a]Total does not add due to rounding.

Inventory Valuation Methods Vary Among DOD Components

DOD components used three different valuation methods for reporting inventory in the 1990 Supply System Inventory Report. The Army and Air Force used last acquisition costs, less the cost of repairing items, as the basis for reporting their inventory. The Navy compared estimated acquisition costs to market values (current acquisition cost) and used the lower amount as a basis for valuing its inventory. The Navy also subtracted the cost of repairing items. According to a Defense Logistics Agency (DLA) official, DLA used a standard price to report its inventory. The standard price included costs for transportation and inventory losses.

Inventory Managed Through Stock Funds Are Valued Differently

In its March 1991 Defense Business Fund Operations Overview, DOD valued its secondary inventories managed through stock funds at standard prices. This method includes the replacement cost of items, plus an additional amount to cover the operating costs of the fund.

Future Changes to Inventory Valuation Policy May Affect Reported Inventory

The Federal Accounting Standards Advisory Board is considering a governmentwide policy for valuing inventory. A method being considered by DOD for valuing inventory includes valuing

- usable items at their last acquisition cost;
- items in need of repair at their last acquisition cost,less the estimated repair cost; and
- obsolete items at their scrap value.

A DOD official said that other options are also being considered. However, changes to the method used to value inventory may have a large

impact on DOD's reported inventory. For example, based on past amounts realized from the sale of items sent to disposal, we estimate that revaluing the $8.1 billion of potential excess inventory that DOD reported in September 1990 to scrap value would reduce DOD's reported secondary item inventory by about $8 billion.

Supply Report Is Not Comprehensive and Overstates Required Inventory

DOD's Supply System Inventory Report excludes billions of dollars of inventory not controlled by its central supply systems. Also, the report overstates the amount of required inventory. The required inventory is overstated because the requirements used to categorize on-hand items as required for reporting are much higher than the requirements DOD defines as the amount of inventory that should either be on hand or on order as of a given date.

DOD's Report Does Not Include All Inventory

DOD Instruction 4140.18 excludes from the Supply System Inventory Report spare and repair parts aboard combat ships and with troop units. DOD considers items aboard combat ships and with troop units to be in use. The exclusions result in billions of dollars of inventory not being reported. For example, the Navy estimates that $4.0 billion of ship and submarine supplies and $3.6 billion of aviation supplies are not reported.

In January 1991, the DOD Inspector General reported that the military services' management of inventory was not adequate to ensure proper accountability and control over items.[1] The military services had not developed or followed plans to systematically inventory materials at maintenance facilities. As a result, the six facilities reviewed were holding over $319 million of unrecorded inventory.

DOD Plans Increased Asset Visibility

DOD intends to improve the visibility of its inventory assets. DOD's inventory reduction plan includes goals to increase the visibility of locally controlled items to the central supply system, and visibility of items among the services. DOD is also planning a mechanism to notify central inventory managers of excess items at local levels. DOD plans to complete these efforts in 1994.

DOD's Stratification Process

The military services and DLA use an inventory stratification process to develop inventory budgets and show why inventory is held. To show why inventory is being held, the process matches on-hand and due-in assets to requirements called the approved force acquisition objective and to additional inventory retention levels. Items that satisfy the acquisition objective requirements are considered to be required. We refer to items in excess of these requirements as unrequired. A description of the

[1] Accountability and Control of Material at Depot Maintenance Facilities (Department of Defense Inspector General 91-034, Jan. 29, 1991).

categories of the approved force acquisition objective is included in appendix IV.

In addition to showing why inventory is held, the process also identifies assets which should either be on hand or on order as of the inventory date. DOD instruction 4140.24 identifies eight levels of requirements to define the point to which inventories can fall before item managers should place orders. The instruction adds a ninth level to "display the maximum assets which may be on hand and on order over and above the reorder point as of a moment in time." The requirements include

- two levels of war reserves that are authorized to be purchased;
- on-hand items that have been requisitioned by customers, but have not been shipped to them;
- a safety level to provide a minimum level of inventory;
- items without recurring demand that are held as insurance against inventory outages;
- items to cover the period when repairs are being made;
- two levels of items to satisfy recurring and nonrecurring demands during the lead time (time between when an order is placed and received); and
- an amount of inventory over the above requirements that can be on hand or on order through use of a formula to determine the most economical quantities to order.

Reported On-Hand Required Inventory Is Much Greater Than Needed

Based on an analysis of Navy and Air Force stratification reports for September 30, 1990, we identified $39.6 billion of on-hand required inventory. However, according to DOD's instruction, only $29.6 billion of the amount was needed to be either on hand or on order as of that date. The following examples demonstrate the difference between the amount of inventory that is reported as required and the amount that is needed to be either on hand or on order as of the stratification date.

The Navy held 232 issuable navigation lights as of September 30, 1990. The lights were valued at $1,430 each. Navy records showed that 137 lights were the maximum needed under DOD's criteria but that 177 were categorized as required. Using the Navy's projected demands and excluding 15 items needed for war reserves and nonrecurring demands, we estimate that it would take 6 years to use the remaining 162 lights that were reported as required.

In another example, the Air Force had 202 disks and hubs used on the F-15 and F-16 aircraft as of March 31, 1990. Thirty-one of the items valued at $8,600 each were issuable and the remainder needed repair at an estimated cost of $1,369 each. Air Force records showed that 65 disks and hubs were the maximum needed under DOD criteria, but that 98 were categorized as required. Using the Air Force's projected 17 annual recurring requirements and excluding 5 items for nonrecurring needs, we estimate that it would take about 5.5 years to use the remaining 93 disks and hubs reported as required.

DOD Plans Will Expand Required Inventory

As part of its inventory reduction plan, DOD plans to add an additional year to the approved force acquisition objective. By adding this year to its inventory requirements, items that otherwise would have been categorized as unrequired would be categorized as required.

Our analysis of September 1990 stratification reports showed that the Air Force had already added the additional year to its stratification program for items that are consumed when issued. The additional year added $909 million to the Air Force's inventory needs and increased required inventory by up to $313 million. Because the Air Force uses March stratification reports for the data that DOD reports for September, this change was not reflected in DOD's September 1990 report.

In March 1990, we recommended that the Secretary of Defense direct the Air Force to cancel efforts to increase the approved force acquisition objective with an additional year of requirements.[2] DOD disagreed with the recommendation. DOD believes that an additional year of requirements is necessary to allow the stratification process to extend to the second year of a 2-year budget.

[2]Defense Inventory: Growth in Air Force and Navy Unrequired Aircraft Parts (GAO/NSIAD-90-100, Mar. 6, 1990).

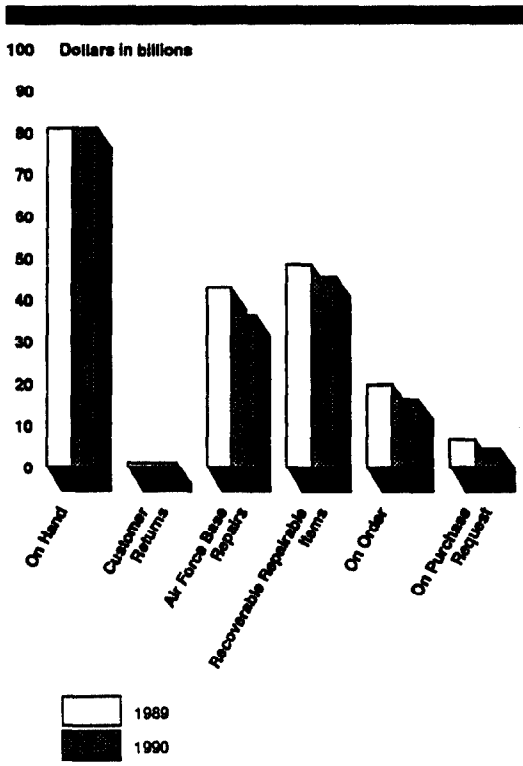
Detailed Inventory Data Reflect Reduction Efforts

Our analyses of inventory reported in service and DLA stratification reports that comprised most of the data included in DOD's report showed an overall decrease in inventory resources. On-hand items increased slightly. A larger increase would have occurred had DOD not increased its efforts to dispose of unneeded items. The amount of inventory on order decreased.

Available On-Hand and Projected Inventory Decreased

Inventory managers consider on-hand items as well as items becoming available from purchases, customer returns, and repair when making procurement decisions. Our analysis of on-hand and projected inventory reported in summary stratifications showed a decrease of about 7.5 percent ($15.1 billion) between September 1989 and September 1990. Inventory being purchased represented $5.6 billion of the $15.1 billion decrease, going from $26.6 billion in 1989 to $21 billion in 1990. The changes in on-hand inventory and projected resources are shown in figure III.1.

Figure III.1: Changes in On-Hand and Projected Inventory Between September 1989 and September 1990

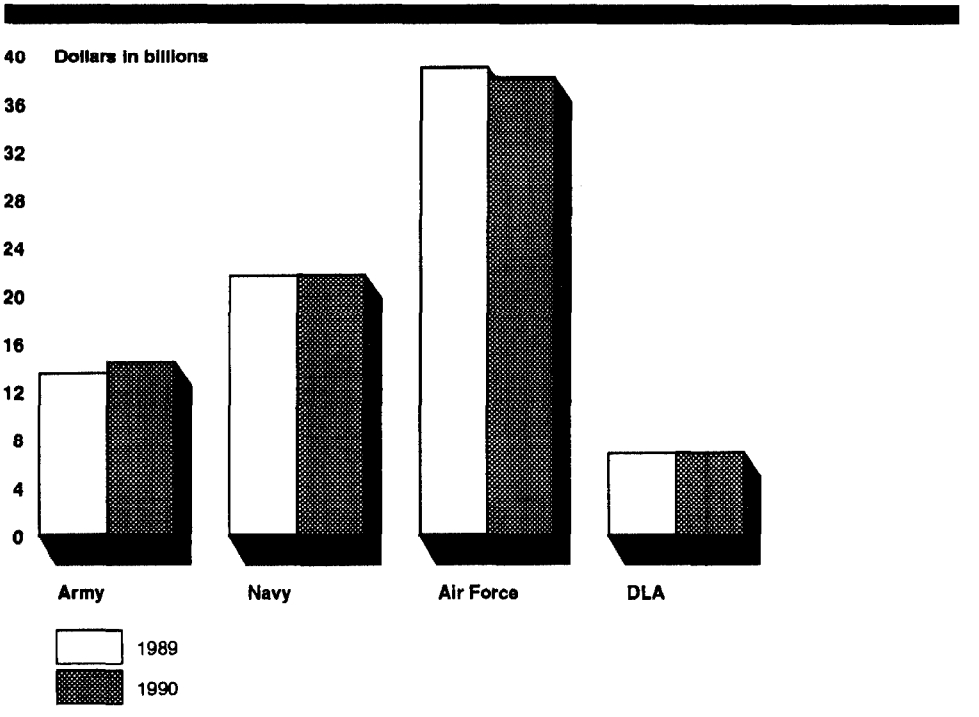


Source: Military service and DLA stratification reports.

Increased Disposal Efforts Contributed to Stable On-Hand Inventory Level

Our analysis of September 1990 stratification reports showed a slight increase in on-hand inventory from $80.9 billion in September 1989 to $81.0 billion in 1990. This stable level was achieved partly by a $2 billion increase in disposals from fiscal year 1989 to 1990. Figure III.2 shows the 1989 and 1990 on-hand inventory by DOD component.

Figure III.2: Comparison of September 1989 and 1990 On-Hand Inventory as Shown in DOD Components' Stratification Reports



Source: Military service and DLA stratification reports.

Change to Retention Policy

In 1985, DOD adopted a policy of retaining all issuable and economically repairable items used on active weapons systems. In June 1990, it revised the policy to permit retention of reasonable quantities of items essential to the operation of the weapons systems. Items not essential to the operation of weapons systems were to be retained in minimal quantities sufficient to support the systems in use.

DOD components have increased the amount of unneeded items available for disposal. For example, in September 1989, the Army reported about $1.7 billion of numeric retention stock.[1] In response to the revised policy, the Army reevaluated its retention levels and completely eliminated its numeric retention stocks. According to an Army official, some of the numeric retention stock was reclassified as contingency and economic retention stock. However, most was reclassified as potential excess and will be sent to disposal. The Army's potential excess stock increased from $0.5 billion in September 1989 to $1.4 billion in September 1990.

Inventory Sent to Disposal Increases

Stock no longer required by DOD is to be removed from inventory. It is either claimed by other governmental agencies or sold. DOD included in its inventory reduction plan goals to expedite the removal from inventory and disposal of unneeded assets. In its Inventory Reduction Plan Progress Report DOD reported that $10.4 billion in unneeded assets was sent to disposal in fiscal year 1990. According to a DOD official, the $10.4 billion included inventory other than secondary items.

Based on information provided by the military services and the Defense Logistics Agency, the amount of secondary inventory sent to disposal increased by $2 billion between 1989 and 1990. Table III.1 shows the amounts sent to disposal in 1989 and 1990.

Table III.1: Secondary Inventory Sent to Disposal in 1989 and 1990

Dollars in billions

Component	1989	1990
Army[a]	$.6	$.9
Navy	1.5	2.8
Air Force[b]	.8	1.2
Defense Logistics Agency	.3	.3
Total	**$3.2**	**$5.2**

[a]Army figures include some equipment such as trucks and radios. Also, the 1990 figure includes data from an activity that did not report in 1989.

[b]The Air Force figures are estimates.

Inventory sent to disposal offsets increases such as those due to items returned by customers. For example, according to a Navy official, about

[1]Numeric retention stock is stock that is uneconomical or not feasible to dispose of, and that management has decided to retain in the supply system.

$2.3 billion of inventory, at standard price, was returned to the inventory in fiscal years 1989 and 1990.

Approved Force Acquisition Objective Requirements

Requirement	Description
Prepositioned war reserve, protectable	War reserves are stocks stored in peacetime to satisfy increased wartime consumption. They are intended to sustain operations until resupply takes place. These items are funded.
Other acquisition war reserve, protectable	War reserves in addition to the prepositioned war reserves that are also funded.
Due-out	Material requisitioned by activities that is not available for issue, but is recorded as a commitment for issue or for purchase for direct delivery.
Memo future issue requirements—current year	Recurring and nonrecurring demands forecast for the remainder of the current year.
Memo future issue requirements—apportionment year	Recurring and nonrecurring demands forecast for the apportionment year.
Memo future issue requirements—budget year	Recurring and nonrecurring demands forecast for the budget year.
Safety level	Stock on hand to permit continued operation in the event of minor interruption of normal replenishment or unpredictable fluctuation in demand.
Numeric stockage objective	Items that have intermittent demands, but because they are essential, their unavailability is unacceptable.
Repair cycle	Inventory required to satisfy demands from the time an item is received for repair until the time it is returned ready for issue.
Administrative lead time	Inventory needed to satisfy demands between the time a procurement action is initiated and a contract is awarded.
Production lead time	Inventory used to satisfy demands between the time a contract is placed and the time the first items are received under the contract.
Procurement cycle	Stock that may be on hand or on order to cover the period between purchases.
Balance approved force acquisition objective	Requirements needed to provide for a total issue period of 24 months.
Balance, prepositioned war reserve	The unfunded balance of the prepositioned war reserve.
Balance, other acquisition war reserve	The unfunded balance of the other prepositioned war reserve.

Scope and Methodology

The Chairman, Senate Committee on Governmental Affairs, requested that we review DOD's required secondary inventories. This report addresses related issues that arose during our work and on which the Chairman asked for a separate report. We are continuing our work on required inventories and will provide a final report when our analyses are complete.

In gathering information for this report, we met with officials and obtained data documents from the Office of the Assistant Secretary of Defense (Production and Logistics); Army, Navy, Air Force, and Defense Logistics Agency headquarters; Naval Supply Systems Command headquarters, Crystal City, Virginia; and the Air Force Logistics Command headquarters, Wright-Patterson Air Force Base, Ohio.

We analyzed DOD's Supply System Inventory Reports for September 1989 and September 1990. We also looked at supporting service and DLA stratification reports, which represented about 74 percent of the inventory reported for 1990. The stratification reports included less inventory than reported in the Supply System Inventory Report because they did not include fuel, inventory in transit, Marine Corps inventory, and certain local-level inventories. Another difference is caused by the Air Force reporting its September inventory based on March stratification reports.

We analyzed the stratification reports to identify inventory requirements and the amount of inventory on hand and due in. We also identified information reported in DOD reports such as the March 1991 Inventory Reduction Plan Progress Report.

We conducted work for this report between May 1991 and July 1991 in accordance with generally accepted government auditing standards.

Major Contributors to This Report

National Security and International Affairs Division, Washington, D.C.	Uldis Adamsons, Assistant Director Louis V. Modliszewski, Evaluator-in-Charge Raymond H. Denmark, Evaluator
Dallas Regional Office	Calvin E. Phillips, Regional Manager Representative James B. Smoak, Site Senior Richard L. Madson, Evaluator David E. Williams, Technical Assistant
Philadelphia Regional Office	Dan R. Garcia, Regional Manager Representative William A. Hamilton, Site Senior Alonzo M. Echols, III, Evaluator Frank J. Foley, Jr., Technical Assistant

Ordering Information

The first five copies of each GAO report are free. Additional copies are $2 each. Orders should be sent to the following address, accompanied by a check or money order made out to the Superintendent of Documents, when necessary. Orders for 100 or more copies to be mailed to a single address are discounted 25 percent.

U.S. General Accounting Office
P.O. Box 6015
Gaithersburg, MD 20877

Orders may also be placed by calling (202) 275-6241.

United States
General Accounting Office
Washington, D.C. 20548

Official Business
Penalty for Private Use $300

First-Class Mail
Postage & Fees Paid
GAO
Permit No. G100