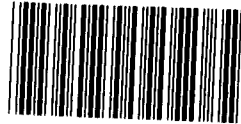


December 1992

# Pension Benefit Guaranty Corporation



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

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Comptroller General  
of the United States

December 1992

The President of the Senate  
The Speaker of the House of Representatives

In January 1990, in the aftermath of scandals at the Departments of Defense and Housing and Urban Development, the General Accounting Office began a special effort to review and report on federal government program areas that we considered "high risk."

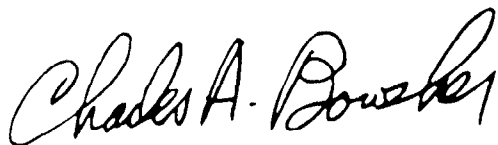
After consulting with congressional leaders, GAO sought, first, to identify areas that are especially vulnerable to waste, fraud, abuse, and mismanagement. We then began work to see whether we could find the fundamental causes of problems in these high-risk areas and recommend solutions to the Congress and executive branch administrators.

We identified 17 federal program areas as the focus of our project. These program areas were selected because they had weaknesses in internal controls (procedures necessary to guard against fraud and abuse) or in financial management systems (which are essential to promoting good management, preventing waste, and ensuring accountability). Correcting these problems is essential to safeguarding scarce resources and ensuring their efficient and effective use on behalf of the American taxpayer.

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This report is one of the high-risk series reports, which summarize our findings and recommendations. It describes our concerns over the financial condition of the Pension Benefit Guaranty Corporation (PBGC). The report focuses on three areas of critical importance to the viability of the pension insurance program: PBGC's growing deficit, primarily caused by termination of large, underfunded pension plans; weaknesses in the Department of Labor's, the Internal Service's, and independent public accountants' efforts to detect pension plan abuses that place plan assets at risk; and pressures the Congress faces to expand PBGC guarantees to cover insurance annuitants and other groups.

Copies of this report are being sent to the President-elect, the Democratic and Republican leadership of the Congress, congressional committee and subcommittee chairs and ranking minority members, the Director-designate of the Office of Management and Budget, the Secretary-designates of Labor and the Treasury, the Commissioner of Internal Revenue, and the Executive Director of the Pension Benefit Guaranty Corporation.



Charles A. Bowsher



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# Overview

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In 1974, the Congress passed the Employee Retirement Income Security Act (ERISA) to correct weaknesses in the private pension system. ERISA set minimum funding standards for defined benefit pension plans to ensure that they would accumulate sufficient funds to pay for the benefits they promised. ERISA also established the Pension Benefit Guaranty Corporation (PBGC) to insure guaranteed benefits in the event that defined benefit plans terminated without being fully funded.

ERISA put in place a number of other provisions—reporting and disclosure requirements, minimum participation and vesting standards, and fiduciary responsibilities—to protect against waste, fraud, and mismanagement of pension plans. Responsibility for enforcing these provisions and the minimum funding standards was assigned to the Internal Revenue Service (IRS) and the Department of Labor.

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## The Problem

PBGC's problem is a large and growing deficit that threatens the insurance program's long-term financial viability. At the end of fiscal year 1991, this deficit—which had been accumulating since PBGC's inception in 1974—stood at an estimated \$2.3 billion. By



2001, under PBGC's most pessimistic projection, the figure could reach \$17.9 billion. PBGC's financial condition has worsened because companies have terminated pension plans that were insufficiently funded to cover the benefits they had promised their employees.

An additional problem lies with IRS and Labor, which have found that establishing effective ERISA oversight and enforcement strategies is difficult. The two agencies have limited resources relative to their responsibilities; at IRS, for example, about 1,000 revenue agents are responsible for ensuring the compliance of nearly 1 million pension plans. Both IRS and Labor have taken steps to improve their oversight and enforcement programs, but weaknesses remain. Moreover, inadequate Labor and PBGC oversight of pension plans' selections of insurance annuity providers is a contributing factor that could prompt the Congress to expand PBGC guarantees to cover insurance company annuities; a move that could further weaken PBGC's financial condition.

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## The Causes

Two features in the design of the pension insurance program have made it hard for PBGC to control the risks it faces due to

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underfunded pension plans. First, ERISA's minimum funding standards do not ensure that pension plan sponsors will contribute enough so that if the plans terminate, they will contain sufficient assets to cover all the promised benefits. Second, the premiums that PBGC charges pension plans do not fully cover the risks that PBGC assumes. Premiums are only partially risk-related, allowing sponsoring companies and participants to engage in risky behavior in the knowledge that if the plans terminate before benefits are fully funded, the responsibility for paying guaranteed benefits will fall to PBGC.

In addition to these two program design problems, PBGC has experienced weaknesses in its internal controls and financial systems—for example, the lack of a reliable method for estimating PBGC's liability for future benefits. PBGC also has serious problems with its premium reporting and collection system. Further, its efforts to identify and collect delinquent premiums, underpaid premiums, and related interest and penalties have been inadequate.

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GAO's  
Suggestions for  
Improvement

We have long supported legislative action to strengthen the funding standards for defined benefit pension plans. Reducing

underfunding would limit PBGC's future exposure and target the greatest threat facing the insurance program. We have also suggested that the Congress reexamine the program's premium structure, which could be made to better reflect the risks faced by the program. In particular, the premiums paid by underfunded pension plans should be more in keeping with the risks they pose to PBGC.

In addition, we have emphasized the need for PBGC to focus more attention on its management policies and systems and for IRS and Labor to improve their oversight and enforcement programs. While all three bodies have taken steps in these areas, we have made a number of recommendations that have not been fully addressed. These would correct system and control weaknesses in PBGC's liability estimation and premium and accounting operations and enhance ERISA oversight and enforcement efforts.

# ERISA Provides Federal Safeguards

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The Congress enacted ERISA to correct weaknesses in the private pension system that had resulted in workers and retirees losing benefits. ERISA set minimum funding standards for defined benefit plans<sup>1</sup> to ensure that sufficient funds would be available to pay promised benefits, and established PBGC to insure benefits in the event a defined benefit pension plan terminated before becoming fully funded. When a plan terminates with insufficient funds to pay for the benefits earned by its participants, PBGC takes over the plan and pays guaranteed benefits.

The purposes of this insurance program are to (1) encourage the continuation and maintenance of defined benefit pension plans, (2) provide for the timely and uninterrupted payment of pension benefits, and (3) maintain insurance premiums charged to pension plans at the lowest possible level. The program was intended to be self-financing, with funds being provided through terminated plan assets, recoveries from the sponsors of terminated plans,

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<sup>1</sup>These plans pay specific retirement benefits, generally based on years of service, earnings, or both; the sponsoring company bears the investment risk.

premiums collected from ongoing pension plans, and investment income.<sup>2</sup>

ERISA also established reporting and disclosure requirements, set minimum participation and vesting standards, and outlined fiduciary responsibilities.<sup>3</sup> Primary responsibility for ensuring that ongoing pension plans comply with ERISA standards is shared by two agencies—IRS (participation, vesting, and funding) and the Department of Labor (reporting and disclosure, and fiduciary standards).

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<sup>2</sup>In the event that PBGC's resources are not sufficient to pay guaranteed benefits, ERISA permits it to borrow \$100 million from the federal government.

<sup>3</sup>A fiduciary generally is anyone who exercises discretionary control over plan management or provides investment advice to it. Fiduciaries typically include plan administrators, trustees, and investment managers.

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# Growing Deficit Threatens Pension Insurance Program

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PBGC's single-employer insurance fund<sup>4</sup> has had a deficit since its inception in 1974, and this deficit is growing. This deficit threatens the insurance program's long-term financial viability. It has resulted primarily from (1) the plans of bankrupt companies terminating without sufficient funds to pay guaranteed benefits and (2) a premium structure that does not provide enough revenue to cover losses. PBGC's financial condition is further weakened by management problems that have prevented PBGC from effectively assessing and monitoring its financial condition and have resulted in lost premium income.

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## Plan Underfunding Presents Greatest Risk

PBGC currently has a positive cash flow—annual premium and asset incomes exceed its annual benefit obligations and administrative costs. But the longer-term prospects are troublesome, because the future benefit payments for which it has already assumed responsibility exceed the value of assets now on hand. And PBGC faces the threat of being forced to assume a substantial amount of additional liabilities if a relatively few large pension plans fail.

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<sup>4</sup>PBGC administers two separate programs—one for single-employer plans, the other for multiemployer plans. The multiemployer plan insurance program had an accumulated surplus of \$187 million as of 1991, according to PBGC.

PBGC's current deficit measures its financial condition and reflects the resources that are needed to provide guaranteed benefits to participants in underfunded plans that have been or are expected to terminate in the near future. PBGC has had a deficit since its inception and this deficit had increased to \$2.3 billion by the end of fiscal year 1991.

PBGC's financial condition looks even worse when potential terminations of underfunded plans are considered. PBGC estimated in its 1991 annual report that \$40 billion in underfunding existed in the ongoing plans it insures. Of the \$40 billion in underfunding, PBGC estimates that \$13 billion is in plans sponsored by financially troubled firms, primarily those in the steel, tire, automobile, and airline industries. Taking this underfunding into account, PBGC's most pessimistic 10-year forecast shows that its deficit could reach \$17.9 billion by 2001.<sup>5</sup>

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**PBGC's Limited  
Ability to Deal  
With Risk**

Two design features of the pension insurance program—ERISA's minimum funding standards and the premium structure—limit PBGC's ability to control the risks these underfunded plans pose. ERISA's

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<sup>5</sup>This estimate assumes that the plans with \$13 billion in underfunding plus some smaller ones will terminate during the 10-year period.

minimum funding standards do not ensure that all plan sponsors will make sufficient plan contributions to pay promised benefits upon termination. For example, plans that had unfunded liabilities when ERISA was enacted are allowed to amortize the unfunded amount over a 40-year period; benefit increases can be amortized over a 30-year period. However, plan sponsors may increase benefits even if the existing benefits are not fully funded. As a result, many of the plans that were underfunded when ERISA was enacted remain underfunded. The Congress has enacted legislation to strengthen the minimum funding standards, most recently in 1987. However, these changes may not be enough to ensure PBGC's long-term financial viability. We are currently assessing the impact of the 1987 changes on plan funding.

The premium structure further limits PBGC's ability to manage its risks. The premiums PBGC collects from a plan do not insure the plan against a specified and limited shortfall in assets. Rather, they insure the plan against any shortfall, up to the maximum guarantee times the number of plan participants, no matter how large.

Well-funded plans are subsidizing underfunded plans through the premium



structure. Originally, the Congress set the single-employer plan premium at \$1 a year for each plan participant, regardless of the plan's funded status. To better reflect the risk PBGC faces from underfunded plans, the premium was restructured in 1987.

Underfunded plans are now required to pay a supplemental premium. Currently, each plan pays a fixed per participant rate of \$19 a year; underfunded plans pay an additional variable premium of \$9 for each \$1,000 of unfunded vested benefits per participant.<sup>6</sup> The combined premium has a ceiling of \$72 per person. The fixed premium probably overcharges well-funded plans for the risk PBGC assumes in insuring them; the capped variable premium undercharges underfunded plans for this risk.

PBGC's inability to restrict claims, coupled with a premium structure that is only partially risk-related, makes it subject to a "moral hazard." Moral hazard surfaces when the insured parties—in this case, plan sponsors and participants—engage in risky behavior knowing that the guarantor will assume a substantial portion of the risk. For example, plan sponsors may divert plan funds for other uses or increase promised benefits knowing that if the plan terminates

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<sup>6</sup>Plans are required to pay the variable premium if their liabilities for immediate and deferred vested benefits exceed their assets.

before these benefits are fully funded PBGC will assume the responsibility for paying guaranteed benefits, within certain limits.<sup>7</sup> Strengthening funding standards for underfunded plans and better relating premiums to plan underfunding would reduce this moral hazard.

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**Improving  
PBGC's Financial  
Condition**

During the previous congressional session, the administration and congressional members proposed strengthening ERISA's minimum funding standards to reduce PBGC's future liabilities. The administration further proposed legislation to freeze benefit guarantees where a plan sponsor gives a benefit increase in an underfunded plan and to change the bankruptcy code to improve PBGC's recoveries in bankruptcy proceedings. These proposals sought to limit the size of the liabilities PBGC will be asked to assume in the future; they did not specifically address the reduction of PBGC's current deficit. To reduce PBGC's deficit, the Congress historically has approved premium increases.

Proposals to limit PBGC's liabilities or reduce its deficit involve difficult trade-offs and demonstrate the tensions inherent in the

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<sup>7</sup>PBGC phases in guarantees for new benefits over a period of up to 5 years.

pension insurance program. For example, strengthening the minimum funding standards will increase the federal deficit in the short run, because pension contributions are a tax-deductible business expense. Limiting guarantees on benefit increases will result in pensioners not becoming eligible for additional guaranteed benefits. This proposal will likely affect collectively bargained union plans the most,<sup>8</sup> because the structure of many of these plans often results in negotiated benefit increases in already underfunded plans. These are also among the largest, most underfunded plans.

Enhancing PBGC's standing in bankruptcy may make obtaining credit more difficult for financially troubled firms and may force companies into bankruptcy more quickly. Giving PBGC a higher standing may also make negotiating agreements with creditors more difficult, thereby hampering firms' efforts to emerge from bankruptcy. Alternatively, concerns have been raised that increasing the fixed portion of the premium, another possible approach, will prompt well-funded plans to drop out of the system.

We believe strengthening the funding standards is the most appropriate tool for

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<sup>8</sup>These plans are referred to as flat benefit plans.

enhancing PBGC's long-term viability. Reducing plan underfunding can be expected to lower PBGC's future losses by targeting the greatest threat to PBGC. We also believe the Congress should consider making the variable rate premium more risk-related in order to reduce PBGC's current deficit.

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**Management  
Deficiencies  
Weaken Program  
Administration**

In addition to the program design problems confronting PBGC, weaknesses in internal controls and financial systems have undermined PBGC's ability to administer the pension insurance program. We have been unable to audit PBGC's financial statements, primarily because we were unable to determine the reliability of PBGC's estimated liability for future benefits.<sup>9</sup> Without reliable financial statements, PBGC cannot effectively monitor its financial condition.

Most recently, our fiscal year 1991 audit disclosed that PBGC had not developed and put into place the necessary documentation and support for the techniques and assumptions used to estimate its reported liability for future benefits. PBGC had also not assessed the completeness and accuracy of

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<sup>9</sup>This liability account, which makes up more than 95 percent of PBGC's reported liabilities, represents the present value of the future pension benefits PBGC is committed to pay.

the data used by each estimating technique. PBGC has since made progress in addressing these weaknesses; we are evaluating this progress as part of our fiscal year 1992 audit.

PBGC has also had serious problems with its premium reporting and collection system. PBGC's efforts to identify and collect delinquent (unpaid) premiums, underpaid premiums, and related interest and penalties have been inadequate. PBGC has not made frequent attempts to collect delinquent premiums from large plans, and has not even attempted to identify or collect delinquent premiums from small plans. A breakdown in PBGC's computerized premium accounting system was a major factor in some of these problems. Moreover, PBGC normally has not used civil action to collect delinquent premiums.

PBGC's computerized premium accounting system has not been fully operational since 1988, after PBGC attempted unsuccessfully to modify the system to handle variable premiums. PBGC management has not paid sufficient attention to premium system improvement initiatives to modify the current system and procure a replacement system. As a result, PBGC has only partially

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**Growing Deficit Threatens Pension  
Insurance Program**

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restored its premium accounting system  
operations.

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# Effectiveness of ERISA Enforcement Efforts Is Limited

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Effective enforcement of ERISA requirements is essential to reducing the risk to PBGC's insurance program. Although PBGC's primary risk involves large pension plans, its exposure is further increased by the termination of small, underfunded plans where ERISA violations are more likely to occur. These violations have added to PBGC's financial losses and increased its administrative burden.

The Department of Labor and IRS share responsibility for ensuring that ERISA violations are detected, appropriate penalties are imposed, and any plan fund deficiencies are corrected. These divided enforcement responsibilities under ERISA challenge IRS and the Department of Labor to provide effective individual enforcement and coordinate their joint enforcement responsibilities. Both agencies have made progress in improving their enforcement efforts, but problems remain.

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## Scarce Resources Hinder Efforts

Labor's and IRS's efforts are hindered by scarce resources relative to the size of the plan universe and disappointing enforcement targeting results. At IRS, about 1,000 revenue agents are responsible for ensuring that nearly 1 million pension plans comply with

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**Effectiveness of ERISA Enforcement  
Efforts Is Limited**

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ERISA. Labor's resources are even more limited—fewer than 400 investigators oversee the pension plan universe as well as other types of benefit plans. Labor and IRS have taken steps to improve their enforcement efforts and make more effective use of these scarce resources. For example, Labor adopted an enforcement strategy in 1986 to better allocate resources for investigation. IRS is making underfunded plans, which pose the greatest risk to PBGC, a high priority in its enforcement strategy.

Both agencies are implementing new targeting systems aimed at better detecting ERISA violations. We are currently examining the effectiveness of Labor's enforcement strategy and targeting system. In 1990, we found that initial results of this new enforcement strategy were disappointing. Recently completed initial targeting test results were also disappointing in that targeting criteria identified few plans with ERISA violations.

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**Certain Joint  
Enforcement  
Efforts Have Not  
Been Effectively  
Coordinated**

IRS and Labor efforts to better coordinate certain joint enforcement efforts—fiduciary violation actions and case referrals—have lagged. Labor has responsibility for determining whether a type of fiduciary



violation—known as a prohibited transaction—has occurred and then informing IRS of it. IRS has responsibility for imposing an excise tax, with certain exceptions, at the time of referral. However, IRS does not automatically impose excise taxes based on these referrals, and Labor officials have not followed up to ensure that IRS is imposing the prohibited transaction excise tax in all appropriate instances.

Timely identification and action on fiduciary violations can help limit PBGC's losses and reduce its administrative burden. In 11 of 40 terminated plans we examined where PBGC assumed responsibility, fiduciary breaches that drained plan assets—including prohibited loans and theft—had occurred while the plans were ongoing. PBGC was unable to recover the missing funds in four of the six prohibited loan cases, because it learned of the problem only after the plan had been terminated, when few assets remained.

IRS and Labor also have not effectively coordinated enforcement activities on other types of case referrals. Most IRS referrals to Labor involve small plans that Labor typically does not investigate. The agencies have yet to reach agreement on the best

method of selecting, handling, and following up on these referrals.

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**Deficiencies and  
Limited Scope  
Weaken  
Independent Plan  
Audits**

The scarce enforcement resources available to IRS and Labor increase the significance of the independent public accountant audits of plans required by ERISA.<sup>10</sup> Yet we found numerous deficiencies in the plan audits we reviewed that made their usefulness questionable. Moreover, ERISA allows plan administrators to exclude plan investments held by certain regulated institutions, such as banks and insurance companies, from the scope of a plan audit. These limited scope audits diminish the value of the audit and may confuse statement users. Also, neither plan administrators nor plan auditors are required to report on internal controls, including those established to ensure compliance with federal laws and regulations. The administration has proposed legislation to repeal the limited scope audit provision.

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<sup>10</sup>Under ERISA, Labor requires plans with 100 or more participants to obtain an annual plan audit, which must be conducted by an independent, qualified public accountant.

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# Oversight of Annuity Provider Selections Needs Strengthening

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The recent failures of several large insurance companies, most notably Executive Life Insurance Company, have raised concerns that federal oversight of plans' selections of insurance annuity providers is inadequate. Inadequate federal oversight may add to increasing pressures the Congress may face to expand PBGC guarantees to cover insurance annuities if the existing guarantees fail to adequately protect pensioners' benefits.<sup>11</sup> Such guarantees could increase PBGC's liability by as much as \$50 billion, according to PBGC estimates.

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## **PBGC Guarantees Do Not Cover Insurance Annuities**

Some pension plans decide to provide benefits to pensioners in the form of insurance company annuities. A plan may purchase annuities when the plan terminates, if it is fully funded, or while ongoing. Our analysis of insurance industry and government data suggests that 3 to 4 million retirees and surviving dependents receive such insurance annuities. Before these plans purchased insurance annuities, almost all of their retirees had been in defined benefit plans that were guaranteed by PBGC. However, PBGC has determined that ERISA does not provide authority to guarantee

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<sup>11</sup>The Congress also faces pressures to expand PBGC coverage to include so-called pension losers—people who lost their pensions before ERISA protections were enacted.

these insurance annuities, and collects no premiums for retirees paid through an insurance annuity. As a result, these pensioners lose the federal guarantee when they retire or leave the plan.

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State Guarantees  
Leave Gaps in  
Coverage

In the absence of federal guarantees, pensioners receiving their benefits in the form of insurance annuities must rely on coverage provided by state guarantee laws if their insurers fail. All states—but not the District of Columbia—have set up guaranty funds to protect policyholders of insolvent health and life insurers, but variations and gaps in coverage provisions expose some to a potential loss of benefits. For example, some annuities are not covered by any state fund, due to variations in state funds' rules of coverage. Moreover, state guarantee coverage limits do not fully cover the value of pensioners' annuities in some cases.

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Inadequate  
Federal Oversight

The threat to retirees' pension benefits due to insurance company failures, and the weaknesses in existing guarantees for pensioners' insurance annuities, have raised concerns about the effectiveness of federal regulation and oversight of pension plans' annuity purchases. To address these

concerns, Labor and PBGC—which share oversight responsibility for ensuring that pension plans act prudently in selecting insurance companies for annuity purchases—have taken steps to ensure that pension plans purchase the safest available annuity. Since March 1990, PBGC has reviewed terminating plans' selection of annuity providers and referred questionable selections to Labor. Labor investigates these referrals and pursues remedies to protect or restore participants' benefits when it determines that a fiduciary violation has occurred.

The effectiveness of these efforts is constrained, however, by two factors. First, Labor has not provided guidance to fiduciaries regarding specific factors that they should consider in evaluating prospective annuity providers. Second, neither Labor nor PBGC routinely monitors annuity provider selections of ongoing pension plans. Although fiduciary requirements apply to these ongoing plans, absent routine agency monitoring, violations may go undetected.

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## Conclusions and Action Needed

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As long as pension plan underfunding persists, the pension insurance program and plan participants' benefits are at risk. We believe now is the time to act to reduce these risks. Reducing these threats to PBGC will require a combination of legislative actions and strengthened oversight and enforcement efforts.

We have long supported the use of strong and effective funding standards for the nation's defined benefit pension plans. The legislative proposals to strengthen the minimum funding standards have merit. Reducing underfunding would limit PBGC's future exposure and appropriately target the greatest threat confronting PBGC. While strengthened funding standards would increase the federal deficit in the short run, it is a necessary step to avoid potentially significant future costs.

In addition, the Congress should consider whether the overall premium ceiling and existing variable premium rate best reflect the risk to PBGC. Making the variable rate premium more risk-related would reduce PBGC's current deficit. The Congress should first focus on the premium paid by underfunded plans because these plans pose the greatest threat to the program.

Effective oversight and enforcement are essential to complement needed legislative changes and reduce the pressures the Congress faces to take more severe measures to protect the pension insurance program and workers' benefits. We have made several recommendations to the Department of Labor, IRS, PBGC, and the Congress to enhance ERISA oversight and enforcement and improve agency operations. All three oversight bodies and the private audit community have taken steps to improve their respective oversight and enforcement efforts to correct identified weaknesses. Key recommendations we have recently made that have not yet been fully addressed are designed to help

- correct significant system and control weaknesses in PBGC's liability estimation and premium and accounting operations, and
- strengthen pension plan reporting and enhance the effectiveness of pension plan audits by independent public accountants.

PBGC's serious operational problems indicate that PBGC officials need to focus more attention on management policies and systems. The Department of Labor and IRS need to examine ways to improve the

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**Conclusions and Action Needed**

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selection, handling, and follow-up of enforcement cases these agencies refer to one another. Also, the Department of Labor and PBGC should improve their oversight of pension plans' selection of annuity providers.





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## Related GAO Products

Improving the Financial Condition of the Pension Benefit Guaranty Corporation  
(GAO/T-HRD-92-60, Sept. 25, 1992).

Pension Plans: Benefits Lost When Plans Terminate (GAO/T-HRD-92-58, Sept. 24, 1992).

Financial Condition of the Pension Benefit Guaranty Corporation (GAO/T-HRD-92-52, Aug. 11, 1992).

Premium Accounting System: Pension Benefit Guaranty Corporation System Must Be An Ongoing Priority (GAO/IMTEC-92-74, Aug. 11, 1992).

Pension Plans: Pension Benefit Guaranty Corporation Needs to Improve Premium Collections (GAO/HRD-92-103, June 30, 1992).

Employee Benefits: Improved Plan Reporting and CPA Audits Can Increase Protections Under ERISA (GAO/AFMD-92-14, Apr. 9, 1992.)

Financial Audit: Pension Benefit Guaranty Corporation's 1991 and 1990 Financial Statements (GAO/AFMD-92-35, Mar. 2, 1992).

Financial Audit: System and Control Problems Further Weaken the Pension

Benefit Guaranty Fund (GAO/AFMD-92-1, Nov. 13, 1991).

Defined Benefit Pensions: Hidden Liabilities From Underfunded Plans and Potential New Obligations Confront PBGC (GAO/T-HRD-92-6, Oct. 31, 1991).

Pension Benefit Guaranty Corporation: Weak Financial Condition Worsened by Serious Internal Control Weaknesses (GAO/T-AFMD-91-9, Aug. 1, 1991).

Pension Plans: IRS Needs to Strengthen Its Enforcement Program (GAO/HRD-91-10, July 2, 1991).

Insurance Company Failures Threaten Retirement Income (GAO/T-HRD-91-41, June 27, 1991).

Pension Plans: Fiduciary Violations in Terminated Underfunded Plans (GAO/HRD-91-87, May 13, 1991).

Private Pensions: Millions of Workers Lose Federal Benefit Protection at Retirement (GAO/HRD-91-79, Apr. 25, 1991).

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**Related GAO Products**

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**Federal Government's Oversight of Pension  
and Welfare Funds** (GAO/T-HRD-37, June 13,  
1990).

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# High-Risk Series

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## Lending and Insuring Issues

Farmers Home Administration's Farm Loan  
Programs (GAO/HR-93-1).

Guaranteed Student Loans (GAO/HR-93-2).

Bank Insurance Fund (GAO/HR-93-3).

Resolution Trust Corporation (GAO/HR-93-4).

Pension Benefit Guaranty Corporation  
(GAO/HR-93-5).

Medicare Claims (GAO/HR-93-6).

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## Contracting Issues

Defense Weapons Systems Acquisition  
(GAO/HR-93-7).

Defense Contract Pricing (GAO/HR-93-8).

Department of Energy Contract Management  
(GAO/HR-93-9).

Superfund Program Management  
(GAO/HR-93-10).

NASA Contract Management (GAO/HR-93-11).

**Accountability  
Issues**

Defense Inventory Management  
(GAO/HR-93-12).

Internal Revenue Service Receivables  
(GAO/HR-93-13).

Managing the Customs Service (GAO/HR-93-14).

Management of Overseas Real Property  
(GAO/HR-93-15).

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Asset Forfeiture Programs (GAO/HR-93-17).

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