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United States General Accounting Office
Washington, DC 20548

July 26, 2002

The Honorable F. James Sensenbrenner, Jr.
Chairman, Committee on the Judiciary
House of Representatives

Subject: Federally Chartered Corporation: Review of the Financial Statement Audit Reports for the Army and Navy Union of the United States of America for Fiscal Years 1998-2000

Dear Mr. Chairman:

As requested, we reviewed the audit reports covering the financial statements of the Army and Navy Union of the United States of America, a federally chartered corporation, for the fiscal years ended June 30, 2000, 1999, and 1998. The purpose of the corporation is to unite those who have served and those who are now serving in the Armed Forces of the United States of America; protect and advance their civic, social, and economic welfare; aid them in sickness and distress; assist in their burial and commemoration; and provide help for widows and orphans.

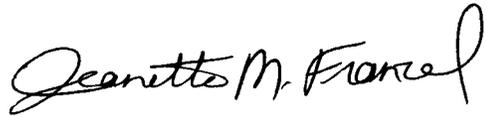
Federally chartered corporations are required under 36 U.S.C. §10101 to

- present the corporation's assets and liabilities and reasonable detail on the corporation's income and expenses in annual financial statements,
- obtain an annual financial audit by an independent public accountant, and
- submit the auditors' report and the corporation's financial statements to the Congress.

The objective of our review was to determine whether the audit reports complied with the financial reporting requirements of the law. In carrying out our work, we reviewed the corporation's financial statements and the accompanying notes, performed certain analytical procedures related to information presented in the financial statements, and reviewed the auditors' reports. However, we did not review the auditors' working papers, and we are not rendering an audit opinion. Our review disclosed no reportable instances of noncompliance with the financial reporting requirements of the law.

The audit reports included the auditors' opinions that the financial statements of the corporation were presented fairly on a cash basis of accounting. We are returning the audit reports you sent with your letter.

Sincerely yours,

A handwritten signature in black ink that reads "Jeanette M. Franzel". The signature is written in a cursive style with a large, looping initial 'J'.

Jeanette M. Franzel
Director
Financial Management and Assurance

w/o Enclosures

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