United States General Accounting Office

GAO

Report to the Ranking Minority Member, Committee on Commerce, House of Representatives

March 1998

SEC YEAR 2000 REPORT

Future Reports Could Provide More Detailed Information

GAO/GGD/AIMD-98-51

GAO

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

General Government Division

B-278067

March 6, 1998

Honorable John D. Dingell
Ranking Minority Member
Committee on Commerce
House of Representatives

Dear Mr. Dingell:

On July 21, 1997, you asked us to review the Securities and Exchange Commission's (SEC) report on the status of its efforts to ensure that the computer systems it uses, as well as those used by participants in the securities industry, are ready for the date changeover in the year 2000. SEC issued its report[1] in response to your request that it report annually on the progress made in addressing this issue.

Your letter specifically requested that we review (1) SEC's June 1997 report on the status of Year 2000 compliance by SEC, the securities industry, and public companies to identify any ways that future reports might be improved; (2) the adequacy of SEC's oversight of the Year 2000 remediation efforts directed at its internal systems, self-regulatory organizations (SRO), broker-dealers, and other regulated entities; and (3) the guidance SEC has provided to public companies for disclosing Year 2000 remediation efforts.

We agreed with your office that this report would focus only on ways to improve the content and format of future SEC Year 2000 reports to Congress, to provide SEC as much time as possible to incorporate any changes into its next report. We intend to address the remaining issues discussed in your letter separately in a subsequent review.

Results in Brief

SEC's first report in June 1997 provided an overview of the efforts that SEC and various industry participants had made to address Year 2000 issues, but did not contain the specific, detailed information that Congress will need to assess progress as the year 2000 approaches. According to an agency official, SEC had collected more detailed information from some market participants, such as SROs. The official said that SEC did not include this information in the report because SEC had been focused on assessing the extent to which market participants were aware of the Year 2000 problem and had begun taking steps to address it.

[1]Report to the Congress on the Readiness of the United States Securities Industry and Public Companies to Meet the Information Processing Challenges of the Year 2000, Staff of SEC (June 1997).

The Office of Management and Budget's (OMB) reporting format offers guidance on the type of detailed information SEC might provide Congress in future reports. Such information includes (1) the systems considered critical to the continued functioning of the U.S. securities markets; (2) the progress made in moving these systems through the various phases of achieving Year 2000 compliance; (3) the time frames required to complete each phase; (4) the efforts necessary to address systems that are behind schedule; and (5) the contingency plans for systems that may not be ready in time. Also, as the year 2000 approaches and less time to make adjustments is available, SEC's yearly progress updates may be too infrequent for congressional needs.

Background

To function properly, the U.S. securities industry and capital markets require timely and accurate flows of electronic information. This information is transmitted through and processed within a vast network of computerized systems managed by stock, options, and futures exchanges; broker-dealers; banks; mutual funds; and various other organizations. These systems handle such tasks as displaying price quotations, routing orders to buy or sell, executing trades, and transferring securities and payments (clearance and settlement). In addition, SEC has internal systems that help it perform its regulatory responsibilities. All of these systems are potentially vulnerable to errors or malfunction as a result of the impending date changeover.

The Year 2000 problem is rooted in the way dates are recorded and computed in many computer systems. For the past several decades, systems have typically used two digits to represent the year, such as "97" to represent 1997, in order to conserve on electronic data storage and reduce operating costs. With this two-digit format, however, the year 2000 is indistinguishable from 1900, 2001 from 1901, and so on. As a result of this ambiguity, system or application programs that use dates to perform calculations, comparisons, or sorting may generate incorrect results when working with years after 1999. For example, a broker-dealer with a system that is not compliant may be unable to receive payment information in January 2000 for securities that it sold in December 1999 if its computer systems fail to accept incoming data with a Year 2000 date. In a speech to international bankers, the president of the New York Federal Reserve Bank indicated that the Year 2000 software date change poses a major risk for world financial markets and that the world economy could be damaged if efforts to address the Year 2000 problem are not carried out correctly.

SEC is the primary federal agency responsible for overseeing the securities markets in the United States. It promulgates regulations, reviews market operations, conducts inspections of market participants, and takes enforcement actions in response to violations of the securities laws and accompanying regulations. The securities laws allow SEC to delegate some of its responsibilities to the entities that operate the various stock and options markets as SROs. SROs develop and enforce rules for their members. They include the New York Stock Exchange, the National Association of Securities Dealers, and other regional securities exchanges that maintain the physical securities or their electronic equivalent. The SROs directly oversee their member broker-dealers, which buy and sell securities on behalf of customers. SEC oversees the SROs as well as investment companies that sell mutual funds, investment advisers who dispense investment advice or manage customer funds, and transfer agents who maintain records on behalf of companies that issue securities. Consequently, SEC and the SROs have primary responsibility for ensuring that Year 2000 problems in the securities industry do not adversely affect individual investors or the securities markets.

Various organizations provide guidance for assessing, planning, and managing Year 2000 readiness programs. For example, we and other organizations, such as information technology consulting firms, have issued guidance for agencies and firms seeking assistance in formulating their Year 2000 remediation efforts. Our guidance on addressing the Year 2000 problem, contained in Year 2000 Computing Crisis: An Assessment Guide (GAO/AIMD-10.1.14, Sept. 1997), incorporates guidance and practices identified by leading organizations in the information technology industry. Our assessment guide recommends that organizations proceed through a five-phased approach to resolving their Year 2000 computing issues. These phases are awareness, assessment, renovation, validation, and implementation. SEC appears to be using a similar approach but has organized its program into six phases by dividing the validation phase into internal testing and integrated testing.[2]

In May 1997, OMB issued a format for federal agencies to report on the progress of their Year 2000 efforts.[3] Specifically, OMB has asked that each agency report its total number of mission-critical systems; the number that are currently Year 2000 compliant; and the progress made in replacing,

[2]The terminology that SEC uses to describe its approach also differs in one other area—the agency's third phase is called remediation, whereas our assessment guide refers to this phase as renovation.

[3]Memorandum for Heads of Selected Agencies: Computer Difficulties Due to the Year 2000—Progress Reports, Executive Office of the President, OMB (Washington, D.C.: May 7, 1997).

repairing, or retiring those systems that are not yet compliant. Although the guidance applies to a large number of federal agencies, SEC was not one of the agencies required to report.

The Securities Industry Association, an organization that represents a large segment of the securities industry, is playing an important role in coordinating the industry's Year 2000 efforts. This association has established a steering committee—made up of representatives from various SROs, broker-dealers, investment companies, third party software vendors, and others—to develop a strategy for industry remediation and coordinated testing schedules.

Scope and Methodology

To evaluate how SEC's report discussed the agency's efforts to address the Year 2000 problem for its internal systems and identify any ways that future reports could be improved, we interviewed officials in SEC's Office of Information Technology. We also reviewed internal reports, plans, and timetables concerning the agency's efforts to repair its own systems. To evaluate how SEC's report discussed the efforts of market participants to address the Year 2000 problem, we interviewed SEC officials in the various divisions and offices within the agency responsible for overseeing SROs, broker-dealers, investment companies, investment advisers, and other market participants. We also reviewed documents SEC had collected from market participants to assess what type of information the agency had analyzed and thus could summarize in future reports. In addition, we assessed the extent to which SEC's report contained information that related to the various criteria set out in our own guidance for addressing Year 2000 issues and in the OMB guidance for selected federal agencies reporting on their Year 2000 efforts.

We requested comments on a draft of this report from the Chairman, SEC. SEC provided written comments, which are discussed at the end of this report and reprinted in appendix II. SEC also suggested technical changes, which we incorporated where appropriate. We conducted our review from August 1997 through January 1998 in accordance with generally accepted government auditing standards.

SEC's Report Provided an Overview of Securities Industry Efforts to Prepare for the Year 2000

SEC's June 1997 report provided an overview of its own and industry participants' efforts to prepare for the year 2000. To assemble the report, SEC formed a task force that included representatives of each of its major operating divisions. These divisional representatives contacted various market participants under the representatives' jurisdiction by letter or telephone, requested and reviewed documents provided by these participants, and discussed Year 2000 issues as part of on-site examinations of some participants. They compiled the report from the information provided and structured it to address the specific questions you raised in your December 6, 1996, letter that requested annual SEC progress reports.

SEC's report provided a high-level description of the status of Year 2000 remediation efforts for SEC internal systems, including detailed information on the status of SEC mission-critical systems. For mission-critical systems, the report discussed the total number of systems, how many are currently Year 2000 compliant, and how many are not compliant and will be either replaced or renovated. The report also provided SEC's schedule for completing some of the phases of the remediation process for mission-critical systems. SEC did not report the status of its critical internal systems in relation to its six-phased approach for achieving Year 2000 readiness. Indicating the status of its critical systems in relation to the six phases would provide a more structured means to assess the progress SEC has made in addressing the Year 2000 problem for its internal systems.

The report also described SEC's efforts to promote awareness of the Year 2000 problem throughout the securities industry. It included a listing of the major organizations that SEC contacted within the securities industry and a description of how it coordinated its efforts with these organizations to ensure that systems throughout the securities industry are being readied for the year 2000. The organizations contacted included associations that represented SROs, broker-dealers, transfer agents, investment companies, and investment advisers. The report also provided a discussion of issues relating to public company financial statements, including auditing, auditor independence, and other accounting considerations. Finally, the report discussed SEC's guidance to public companies regarding the extent to which these companies should include information in their public disclosure filings if the costs or consequences of the Year 2000 problem would have a material effect on reported financial information.

SEC's Report Did Not Include Detailed Information on Major Systems Critical to the Continued Functioning of the U.S. Securities Markets

Although it provided an overview of the status of its own and securities industry participants' efforts to address the Year 2000 problem, the report did not identify those systems that might be critical to the continued functioning of the U.S. securities markets. Furthermore, it did not provide sufficient information about the timing and status of efforts by SROs, broker-dealers, investment companies, and other market participants to address their systems. In addition, it did not discuss what efforts will be made to address systems or organizations that have fallen behind schedule or what contingency planning is occurring to address systems that will not be ready in time. Such information is being required by OMB from other federal agencies and provides a more complete picture of Year 2000 readiness.

According to our assessment guide, identifying and assessing mission-critical systems are important because an enterprisewide inventory of information systems and their components provides the necessary foundation for Year 2000 program planning. Identifying and addressing Year 2000 problems in critical systems are essential to ensuring that securities market operations continue without disruption and could also help market participants focus on their most critical systems as part of their overall efforts. Since May 1997, OMB has required selected federal agencies to report on the total number of mission-critical systems each has; the number of such systems that are currently Year 2000 compliant; and whether remaining systems are being replaced, repaired, or retired.

SEC's report identified the number of internal systems SEC considered critical to its operations, but did not provide similar information on market participants' systems considered critical to the continued functioning of the U.S. securities markets. SEC officials said that they had determined whether SROs had conducted detailed inventories and identified critical systems because of the importance of these entities to the securities markets. The officials said that they generally had not collected similar information from market participants such as broker-dealers or investment companies because they had concentrated on ensuring that these participants were aware of and beginning to focus on Year 2000 problems. In addition, the officials said they also had begun identifying the steps these participants had taken to address the problems. However, they did not report the extent to which market participants' systems had progressed through SEC's six-phased process.

An SEC official also told us that SEC did not include more detailed information on market participants' systems in its report because the

participants considered the information to be sensitive and SEC had promised to maintain its confidentiality. However, it may be possible to report more detailed information without compromising the confidentiality of data from specific market participants. One way to do so would be to report summary data by type of securities market participant, with separate breakouts grouping the numbers of systems managed by industry segments, such as SROs, broker-dealers, investment companies, investment advisers, or transfer agents. This would provide more detail without identifying specific data or market participants. To indicate the status of systems most likely to have a significant impact on the continued functioning of the U.S. securities markets, SEC could group the summary data by some measure of their size or importance to the market, such as the percentage of total market trading volume or market capitalization that each grouping represented. Appendix I shows examples of ways to report this information for the securities industry based on OMB's suggested reporting format.

SEC's June 1997 report also did not indicate time frames that market participants are following for completing the various phases necessary to address the Year 2000 problem. For example, our assessment guide indicates that organizations should have been finished with the first two phases of the process—awareness and assessment—by around mid-1997 and should already have initiated activities to renovate systems with date-related deficiencies. According to SEC officials, they have generally asked market participants to describe the expected time frames associated with each organization's Year 2000 readiness program, and SEC intends to track these organizations' progress against these time frames as part of its oversight. For example, SEC intends to track most organizations against the time frames established by the Securities Industry Association, which it considered to be more aggressive than the time frames established by other organizations, such as OMB. However, this information was not included in the June 1997 report. Such information would provide an essential measure of progress for critical systems.

SEC's report also did not provide information concerning the steps to be taken to address systems or organizations that have fallen behind schedule in addressing the Year 2000 problem. OMB requires selected federal agencies to include exception reports in their annual and quarterly reports for mission-critical systems that are being replaced or repaired and are at least 2 months behind schedule. OMB expects these exception reports to include an explanation of why the systems are behind schedule, a description of what is being done to accelerate the effort, a new schedule

for replacement or completion of the remaining phases, and a description of the funding and other resources necessary to achieve compliance. The reporting of such information allows OMB to make an assessment of whether the steps being taken to correct such systems are adequate for getting them back on schedule.

SEC's report also did not contain sufficient information to assess the level of contingency planning that it and market participants are conducting as part of preparing for the year 2000. SEC officials said that securities market participants were generally not far enough along in the overall Year 2000 process to be involved in detailed contingency planning yet, but recognized its importance. Because the year 2000 is less than 2 years away, contingency planning for systems that will not be ready is an important part of any organization's preparations. As noted in our assessment guide, correcting the Year 2000 problem is difficult because systems frequently consist of multiple programs, operating systems, computer languages, and hardware platforms. Resolving date coding problems for computer systems is a labor-intensive and time-consuming process, and some systems, portions of systems, or instances of date dependencies may be overlooked during the remediation process. Therefore, having sound contingency plans, which involves identifying or designing alternative means for processing information, will be important for ensuring the continued functioning of the securities markets. Developing and reporting on such plans soon might help reveal certain alternatives or contingencies to be unworkable, too expensive, or otherwise impractical.

Annual Reporting May Not Be Adequate as the Year 2000 Approaches

Monitoring an organization's efforts to ensure that its computer systems are ready will become even more critical as the year 2000 draws nearer. In this regard, annual reports from SEC may not provide sufficiently timely information. Recognizing the time-critical nature of the Year 2000 problem, OMB's reporting guidance for selected federal agencies requests that these organizations provide quarterly reports on the status of their Year 2000 efforts. Other organizations are requiring even more frequent reporting. For example, the Treasury Department is requiring its bureaus to report their status monthly. More frequent reporting by SEC would help to identify any problems sooner and thus provide Congress and SEC additional time to take action should the need arise.

Conclusions

Because SEC was primarily concerned with promoting and assessing awareness of the Year 2000 problem, its June 1997 report focused on the

early stages of the industry's preparations for the year 2000 and did not provide specific information on the status of particular systems. However, as the year 2000 approaches, information similar to that required by OMB, but reported more frequently, would provide a better indication of the progress being made to ensure the readiness of systems critical to the continued functioning of the U.S. securities markets.

Recommendation

We recommend that the Chairman, SEC, include in SEC's Year 2000 status reports to Congress information similar to that required of other federal agencies by OMB. Specifically, SEC reports should include information on

- the systems critical to the continued functioning of the U.S. securities markets;
- the progress made in moving critical systems through the various phases of achieving Year 2000 compliance;
- the time frames required to complete each phase of the process;
- the efforts necessary to address systems that are behind schedule; and
- the contingency plans for systems that may not be ready in time.

SEC should also report such information more frequently, such as quarterly update briefings, to keep Congress informed as the year 2000 approaches.

Agency Comments and Our Evaluation

SEC provided us with written comments on a draft of this report. (See app. II.) SEC generally agreed with our recommendation that it report more specific, detailed information to Congress on the industry's Year 2000 progress. SEC also agreed with our suggestions to focus particularly on the industry's overall progress in moving its operations through the various phases of achieving Year 2000 compliance and on providing contingency planning information for the 1998 report. SEC also agreed that an annual report to Congress may not provide sufficiently timely information. It said that it is currently providing briefings to certain congressional staff and would be willing to include the staff of any member of Congress in such briefings. If made available to all interested Members and staff and conducted as frequently as needed, such briefings could meet the intent of our recommendation.

SEC stated, however, that OMB reporting requirements are not a workable model for reporting on the systems of entities that SEC regulates. Specifically, SEC stated that it is not feasible to provide all the information required by OMB for the mission critical and non-mission-critical systems of

every regulated entity in the securities industry because of the size of the industry, limited SEC resources, and the SEC's sharing of oversight authority.

We used the OMB reporting requirements as an example of how SEC could improve its reporting on the progress being made to ensure the readiness of systems critical to ongoing market operations. We did not intend that SEC report detailed information for the mission-critical and non-mission-critical systems of each regulated entity, although each entity should be tracking the progress of its own systems. We believe that, for Congress to have the information necessary to assess industry readiness, SEC needs to identify and provide detailed information on those systems that are critical to the functioning of the industry as a whole. Such systems likely include those related to trading, clearing, and other functions important to market operations, as well as those used by major market participants. We revised the text and recommendation to clarify our intent and discuss alternative ways to consolidate information about these critical systems in appendix I. For example, rather than reporting the status of systems for every member of an exchange or every broker-dealer, SEC could, at a minimum, report on the combined status of the systems for the major exchanges and largest broker-dealers.

As arranged with your office, unless you publicly announce this report's contents earlier, we plan no further distribution of it until 15 days after the date of the letter. We will then send copies to other interested members of Congress, SEC, the New York Stock Exchange, the National Association of Securities Dealers, and other relevant organizations. Copies will be made available to others on request.

Please contact me on (202) 512-8678 if you or your staff have any questions. Major contributors to this report are listed in appendix III.

Sincerely yours,

Richard J. Hillman
Associate Director
Financial Institutions and Markets Issues

Contents

Letter 1

Appendix I Example of Reporting Format for Information on Mission-Critical Systems Used by Various Securities Market Participants 14

Appendix II Comments From SEC 18

Appendix III Major Contributors to This Report 20

Table

Table I.1: Example of Format for Reporting on Status of Mission-Critical Systems Used by Major Securities Market Participants 16

Abbreviations

OMB	Office of Management and Budget
SEC	Securities and Exchange Commission
SRO	self-regulatory organization

Example of Reporting Format for Information on Mission-Critical Systems Used by Various Securities Market Participants

The following table represents a possible format for reporting information on the readiness of securities market participants' electronic systems. Other equally acceptable reporting formats or means of presenting this information likely exist. The format presented here seeks to capture several key aspects of the information, including some measure of importance for the entities (such as percentage of market trading volume); the extent to which systems are already compliant; and for those that are not, how far along in the six phases of the Year 2000 readiness process they are. The names of individual organizations would not have to be identified but instead information could be combined and presented for groups of organizations, as shown. Further, the percentage of systems that have completed each Year 2000 phase may not accurately reflect the amount of work remaining to be done if the larger systems with more lines of code remain unfinished. In such cases, market participants could disclose more information to better describe the actual work remaining.

Appendix I
Example of Reporting Format for Information on Mission-Critical Systems Used by Various Securities Market Participants

Table I.1: Example of Format for Reporting on Status of Mission-Critical Systems Used by Major Securities Market Participants

Major market participant	Percentage of total market trading volume	Total number of mission-critical systems
Exchanges		
Major exchanges	xx%	xx%
Other exchanges	xx%	xx%
All options exchanges	xx%	xx%
Clearing organizations		
Major clearing organizations	xx%	xx%
Other clearing organizations	xx%	xx%
Broker-dealers		
Top 10 firms	xx%	xx%
Other firms[a]	xx%	xx%
Investment companies		
Top 10 firms	xx%	xx%
Other firms[b]	xx%	xx%

Percentage of systems completed by phase of Year 2000 readiness					
Awareness	Assessment	Remediation	Internal testing	Integrated testing	Implementation
Milestone: (date)	Milestone: (date)	Milestone: (date)	Milestone: (date)	Milestone: (date)	Milestone: (date)
xx%	xx%	xx%	xx%	xx%	xx%
xx%	xx%	xx%	xx%	xx%	xx%
xx%	xx%	xx%	xx%	xx%	xx%
xx%	xx%	xx%	xx%	xx%	xx%
xx%	xx%	xx%	xx%	xx%	xx%
xx%	xx%	xx%	xx%	xx%	xx%
xx%	xx%	xx%	xx%	xx%	xx%
xx%	xx%	xx%	xx%	xx%	xx%
xx%	xx%	xx%	xx%	xx%	xx%

[a]Results from SRO and/or SEC examinations for other firms could be reported here.

[b]Results from SRO and/or SEC examinations for other firms could be reported here.

Source: GAO.

Comments From SEC

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

DIVISION OF
MARKET REGULATION

January 28, 1998

Thomas J. McCool
Director, Financial Institutions and Market Issues
United States General Accounting Office
Washington, DC 20548

Dear Mr. McCool:

The Securities and Exchange Commission ("SEC") appreciates the opportunity to comment on the Government Accounting Office's ("GAO") draft report, Observations on the Securities and Exchange Commission's Report on the Readiness of the Securities Industry to Address the Year 2000 Computer Problems. Overall, we have found the GAO's observations regarding the content and format of the SEC's annual Year 2000 report to Congress to be very helpful.

We agree that an annual report to Congress may not provide sufficiently timely information. The SEC currently is providing briefings to certain Congressional staff. We have no objection to including the staff of any member of Congress in such briefings. These briefings would be less formal and therefore more flexible than written reports or testimony, and also place less of a burden on limited SEC resources.

In its report, the GAO also recommends that the SEC identify the status of mission critical and non-mission critical systems towards Year 2000 readiness for both SEC systems and industry participant systems. In particular, GAO refers to Office of Management and Budget ("OMB") reporting guidelines for selected federal agencies. The OMB guidelines include identifying systems critical to ongoing operations and progress made in moving those systems through the various phases of achieving Year 2000 compliance. We agree that the SEC can provide information similar to the OMB reporting standards for the SEC's internal systems.

We strongly believe that the OMB reporting standards are not a workable model for reporting on the systems of entities regulated by the SEC for a number of reasons. A major consideration is the size of the industry. In 1997, there were approximately 8,500 broker-dealers, 25 self-regulatory organizations ("SROs"), 748 transfer agents, 4,811 investment companies, and 23,350 investment advisers registered with the Commission. Obtaining and compiling specific quantitative information on both mission critical and non-mission critical systems for these entities would be beyond the capacity of SEC staff resources. In addition, financial service computer systems are highly integrated, so it is difficult to completely

Thomas J. McCool
Page 2

separate the operation of "mission critical" systems from "non-mission critical" systems. Instead, the SEC has found it useful to assume that all systems that relate to the industry's business are mission critical, and to focus on enterprise wide remediation efforts rather than assessing system by system remediation for thousands of entities.

Given the size of the financial services community, the limited resources of the SEC, and the sharing of oversight authority, it is not feasible for the SEC to provide all the information suggested by the GAO for every regulated entity in the securities industry. Nevertheless, the SEC can adopt many of the GAO's suggestions to provide a more detailed and quantitative report to Congress. In particular, the SEC can report on the industry's overall progress made in moving their operations through the various phases of achieving Year 2000 compliance, and will include information on the projected time frames required to complete each phase of the process. We can provide more specific information for SROs delineated by percent of securities trading volume represented in aggregate by the SROs at each phase of the conversion process. As we mentioned to the GAO, the Securities Industry Association ("SIA") is leading an intense, well-rounded industry effort to bring broker-dealer systems into compliance and conduct industry wide testing. The SEC supports this effort and has adopted SIA guidelines and timetables as the most appropriate measure for industry efforts. Accordingly, we will include specific reference to the SIA standards and timeframes in future reports.

With regard to contingency planning, the GAO report notes that the SEC's report did not provide information concerning the steps to be taken to address systems or organizations that have fallen behind in addressing the Year 2000 problem. The SEC agrees that contingency planning is vital to the Year 2000 planning process, but determined that other aspects of the conversion process took precedence in 1997. Contingency planning will be a major focus of SEC efforts in 1998. The SEC is now focusing on the industry's contingency plans, including measures regarding entities that are behind schedule or may not be compliant. As recommended by the GAO, the SEC will include in its future reports to Congress information regarding efforts necessary to address systems that are behind schedule and the contingency plans for systems that may not be ready on time.

If you have any questions or regarding these comments, please contact Howard Kramer, Senior Associate Director, at (202) 942-0180.

Sincerely,

Richard R. Lindsey
Director

Major Contributors to This Report

General Government Division

Michael Burnett, Assistant Director
Cody Goebel, Senior Evaluator
Jean-Paul Reveyoso, Senior Evaluator

Accounting and Information Management Division

John Stephenson, Assistant Director
Gary Mountjoy, Assistant Director
Karen Bell, Senior Auditor

Ordering Information

The first copy of each GAO report and testimony is 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. VISA and MasterCard credit cards are accepted, also. Orders for 100 or more copies to be mailed to a single address are discounted 25 percent.

Orders by mail:

U.S. General Accounting Office
P.O. Box 37050
Washington, DC 20013

or visit:

Room 1100
700 4th St. NW (corner of 4th and G Sts. NW)
U.S. General Accounting Office
Washington, DC

Orders may also be placed by calling (202) 512-6000
or by using fax number (202) 512-6061, or TDD (202) 512-2537.

Each day, GAO issues a list of newly available reports and testimony. To receive facsimile copies of the daily list or any list from the past 30 days, please call (202) 512-6000 using a touchtone phone. A recorded menu will provide information on how to obtain these lists.

For information on how to access GAO reports on the INTERNET, send an e-mail message with "info" in the body to:

info@www.gao.gov

or visit GAO's World Wide Web Home Page at:

http://www.gao.gov

PRINTED ON RECYCLED PAPER

United States
General Accounting Office
Washington, D.C. 20548-0001

Bulk Rate
Postage & Fees Paid
GAO
Permit No. G100

Official Business
Penalty for Private Use $300

Address Correction Requested