U.S. GOVERNMENT ACCOUNTABILITY OFFICE

441 G St. N.W.
Washington, DC 20548

Accessible Version

August 10, 2021

The Honorable Robert P. Casey, Jr.
Chairman
Special Committee on Aging
United States Senate

The Honorable Debbie Stabenow
United States Senate

Private Health Coverage: Results of Covert Testing for Selected Sales Representatives Listed on Healthcare.gov

Since 2014, millions of consumers have purchased individual market health insurance plans through the health insurance exchanges—or marketplaces—established under the Patient Protection and Affordable Care Act (PPACA).[1] PPACA directed each state to establish an exchange—referred to as a state-based exchange—or elect to use the federally facilitated exchange established by the Department of Health and Human Services (HHS). Each year the exchanges offer an open enrollment period during which eligible consumers may enroll in or change their coverage. Consumers enroll in the federally facilitated exchange through HHS's healthcare.gov website, and some state-based exchanges have chosen to also use this website for enrollment.

While individual health insurance coverage is generally regulated by states, starting in 2014, PPACA established a number of new federal requirements. For example, PPACA prohibited insurers from excluding coverage or charging higher premiums for pre-existing conditions and required that individual market plans cover a set of essential health benefits, including coverage for mental health and substance abuse disorder services, prescription drugs, and maternity and newborn care. HHS regulations also require agents or brokers (for purposes of this report, hereafter collectively referred to as sales representatives) that assist or facilitate enrollment in PPACA-compliant plans sold through the healthcare.gov website to provide consumers with correct information, without omission of material fact, and refrain from marketing or conduct that is misleading.[2]

Sales representatives that are listed on the healthcare.gov website may also sell other types of health coverage arrangements that do not have to comply with some or all of PPACA's

[1]Pub. L. No. 111-148, 124 Stat. 119 (2010), as amended by the Health Care and Education Reconciliation Act of 2010, Pub. L. No. 111-152, 124 Stat. 1029 (2010).

[2]45 C.F.R. § 155.220(j)(2). An agent or broker that assists or facilitates enrollment of individuals in PPACA-compliant "qualified health plans" through a federally facilitated exchange or state-based exchange on the federal platform must be registered with the federally facilitated exchange and comply with certain standards of conduct. These standards include the requirement that the individual or entity "must provide consumers with correct information, without omission of material fact, regarding the federally facilitated Exchanges, [PPACA-compliant plans] offered through the federally facilitated exchanges, and insurance affordability programs, and refrain from marketing or conduct that is misleading (including by having a direct enrollment Web site that the Department of Health and Human Services determines could mislead a consumer into believing they are visiting healthcare.gov)."

individual market requirements. These plans may be less expensive, but may also offer fewer benefits compared to PPACA-compliant plans. For example, short-term, limited-duration insurance (STLDI), which was primarily designed to fill gaps in coverage, is excluded from the definition of individual health insurance under federal law and is therefore generally not subject to PPACA's requirements for the individual market.

Changes to federal law and regulations that have occurred could result in the increased use of PPACA-exempt health coverage arrangements as alternatives to PPACA-compliant plans in the individual market.[3] For example, in 2018, federal regulations expanded the availability of STLDI plans, a type of PPACA-exempt arrangement. In addition, as of January 1, 2019, individuals who fail to maintain "minimum essential coverage," as required by PPACA, no longer face a tax penalty.[4] Further, the devastating economic effects of the Coronavirus Disease 2019 (COVID-19) pandemic could create additional demand for affordable health coverage, including PPACA-exempt plans.

With these changes, and because of their lower relative costs, PPACA-exempt health coverage arrangements may be attractive to consumers, particularly those who find it difficult to afford PPACA-compliant plans. However, such arrangements generally do not need to follow PPACA's requirement that plans in the individual market be presented to consumers in defined categories outlining the extent to which they are expected to cover medical care. As a result, depending on how they are marketed and sold, PPACA-exempt arrangements could present risks for consumers, if, for example, they buy them mistakenly believing that coverage is as comprehensive as for PPACA-compliant plans. Several states have raised concerns that insurance sales representatives may try to sell PPACA-exempt arrangements to consumers regardless of their suitability for the individual—for example, to those with pre-existing conditions that would not be covered—or mischaracterize the health coverage offered because of financial incentives.[5]

In August 2020 we reported results of covert tests that demonstrated examples of such concerns. Specifically, we conducted covert tests on selected sales representatives, gauging whether they engaged in potentially deceptive marketing practices, such as making false or misleading statements about coverage or omitting key information about coverage.[6] The results of those covert tests ranged from sales representatives appropriately explaining to our undercover investigators that a PPACA-exempt plan would not cover a pre-existing condition, to

[3]For the purposes of this report, we are defining PPACA-exempt health coverage arrangements as those that do not comply with PPACA's individual health care market requirements, such as STLDI and limited benefit plans. We are also including arrangements whose health coverage provisions are not explicitly addressed in federal law, such as health care sharing ministries.

[4]PPACA required that most individuals maintain "minimum essential coverage" or pay a tax penalty. Health insurance that meets the definition of "minimum essential coverage" includes certain types of government-sponsored coverage (such as Medicare Part A or most Medicaid coverage) as well as most types of private insurance plans that provide benefits consistent with the law, but does not include coverage that provides limited benefits. Legislation enacted in 2017 reduced this tax penalty to $0, effective January 1, 2019. Pub. L. No. 115-97, § 11081, 131 Stat. 2054, 2092 (2017).

[5]Agents and brokers are generally paid by insurers and may sell products for one issuer from which they receive a salary, or from a variety of insurers and be paid a commission for each plan they sell. We use the term "sales representatives" in this correspondence to capture a variety of job titles that we encountered during our covert tests, including brokers, agents, call screeners, and compliance personnel.

[6]GAO, *Private Health Coverage: Results of Covert Testing for Selected Offerings*, GAO-20-634R (Washington, D.C.: Aug. 24, 2020 GAO-20-634R). The results of our covert testing were illustrative only of the sales and related behaviors we experienced during the calls and were not generalizable to any specific insurance brokerage or agency, state, or the PPACA-exempt health insurance industry at large.

engaging in potentially deceptive marketing practices that misrepresented or omitted information about the products they were selling. Our August 2020 report included the results of covert testing for sales representatives we identified through web searches, but not through searches of sales representatives who are specifically listed on healthcare.gov.[7]

You requested that we perform additional work to obtain insights on the marketing and sales practices of sales representatives who are listed on healthcare.gov. In this report, we describe the results of covert tests we conducted involving selected sales representatives listed on healthcare.gov when contacted by our undercover investigators stating that they had pre-existing conditions.

In this regard, similar to our prior work, we performed a number of covert tests (i.e., undercover phone calls) from November 5, 2020 through February 3, 2021, posing as individuals needing to purchase health insurance to cover pre-existing conditions. Specifically, we performed 31 covert tests to selected sales representatives listed on healthcare.gov, stating that we had pre-existing conditions, either diabetes or heart disease. We then requested coverage for these conditions to see if the sales representative directed us to a comprehensive PPACA-compliant plan or a PPACA-exempt plan that does not cover what we requested. The results of our covert testing are illustrative only of the sales and related behaviors we experienced during the calls and are not generalizable to all of the sales representatives listed on healthcare.gov website, any specific insurance brokerage or agency, state, or the PPACA-exempt health insurance industry at large.

As part of these tests, we gauged whether sales representatives listed on healthcare.gov engaged in potentially deceptive practices, such as making false or misleading statements or omitting material information about coverage. To do this, we used the Federal Trade Commission's (FTC) definition of deceptive practices to evaluate the marketing practices used during our covert tests.[8] Deceptive practices are defined in the FTC's *Policy Statement on Deception* as involving a material representation, omission or practice that is likely to mislead a consumer acting reasonably in the circumstances.[9] For example, given the scenarios we tested, a misleading statement could include instances in which a sales representative said that a plan covered a pre-existing condition when it did not. An example of an omission could include instances in which a sales representative did not disclose that the plan offered would not cover our pre-existing condition after we expressed that we wanted this coverage, among other things.

We made the covert phone calls to representatives in a non-generalizable selection of five states (Alabama, Florida, Kansas, Wyoming, and Texas) selected to provide continuity from our prior work, and allowing for similar geographic and population-size variation. Given that STLDI plans—a type of PPACA-exempt arrangement—are not available for purchase in some states due to state laws prohibiting them or simply because they are not commercially available, we selected among states that offered STLDI plans. Our August 2020 report also included testing in four of these five states: Alabama, Kansas, Florida, and Wyoming. However, the fifth state selected for our August 2020 report – Pennsylvania – no longer elected to use healthcare.gov and therefore had no sales representatives listed on healthcare.gov at the time of this review.

---

[7]For additional details on the methodology for our prior work, see GAO-20-634R.

[8]FTC enforces provisions of the FTC Act, including 15 U.S.C. § 45(a), which prohibits unfair or deceptive acts or practices affecting commerce.

[9]Federal Trade Commission, FTC Policy Statement on Deception, October 1983. ***https://www.ftc.gov/public-statements/1983/10/ftc-policy-statement-deception***, accessed June 24, 2021.

Thus, for this review we selected sales representatives listed on healthcare.gov from Texas because it is a similarly large state and elected to use healthcare.gov at the time of this review.

To choose sales representatives within a selected state from the healthcare.gov website, we used the "Find Local Help" link and queried the website by zip code to generate a list of sales representatives. For coverage type, we selected "Individual or Family", and for assistance type we selected "Agent or Broker." During each undercover call, we asked what types of insurance plans the sales representative offered to ensure the test was performed with sales representatives who offered a PPACA-exempt plan.[10]

The 2021 Open Enrollment Period (OEP) for individual health insurance coverage sold through healtcare.gov ran from November 1, 2020, to December 15, 2020.[11] We performed 16 of the 31 tests during the 2021 OEP as most individuals apply for and enroll in health insurance plans offered on the exchanges required by PPACA during this time. Performing tests during this time helped to ensure our testing closely resembled the experience most individuals have when purchasing insurance. The remaining tests (15 of 31) were conducted outside of the OEP, specifically from January 27, 2021 through February 3, 2021, to assess examples of marketing practices used in both time periods. For tests conducted outside of the OEP, we explained during those phone calls that we had recently moved to a new state so that we would trigger a PPACA Special Enrollment Period, and therefore, would be eligible to purchase a PPACA-compliant plan.[12]

Finally, to discuss the oversight of sales representatives listed on healthcare.gov and information related to PPACA-exempt arrangements, we met with senior officials from Centers for Medicare & Medicaid Services (CMS)[13] within HHS and corresponded with officials from the National Association of Insurance Commissioners (NAIC) and reviewed information they provided.

We conducted this performance audit from October 2020 to August 2021 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained

[10]We made undercover calls to 39 sales representatives. The 8 sales representatives who told us that they only sell PPACA-compliant plans are not included in our 31 tests.

[11]In January 2021, Executive Order 14009 directed HHS to consider establishing a Special Enrollment Period In light of the exceptional circumstances caused by the ongoing COVID-19 pandemic. 86 Fed. Reg. 7793 (Jan. 28, 2021). As a result, CMS established a Special Enrollment Period starting on February 15, 2021 and continuing through May 15, 2021. CMS subsequently extended the Special Enrollment Period through August 15, 2021. None of our tests were conducted during the Special Enrollment Period.

[12]A Special Enrollment Period is a time outside the yearly OEP when individuals can sign up for health insurance. Individuals qualify for a Special Enrollment Period if they have had certain triggering events, including losing minimum essential health coverage, permanently moving into a new state and therefore gaining access to new Qualified Health Plans, or gaining a dependent though marriage, birth, or adoption. Depending on the Special Enrollment Period type, individuals may have 60 days before or 60 days following the event to enroll in a plan.

[13]While the business of insurance is primarily regulated by states, we met with CMS due to certain relevant federal requirements. For example, under 45 C.F.R. § 155.220, an agent or broker that assists or facilitates enrollment of individuals in PPACA-compliant plans through a federally-facilitated exchange must be registered with the federally facilitated exchange and comply with certain standards of conduct. Sales representatives who sell PPACA-exempt plans, but do not also facilitate enrollment into PPACA-compliant plans, are not subject to this requirement. It is expected that all sales representatives listed on healthcare.gov sell PPACA-compliant plans, and some may also sell PPACA-exempt plans.

provides a reasonable basis for our findings and conclusions based on our audit objectives. We conducted our related investigative work in accordance with investigative standards prescribed by the Council of the Inspectors General on Integrity and Efficiency.

Summary

In summary, our covert tests resulted in each of the 31 sales representatives listed on healthcare.gov that we contacted appropriately referring us to a PPACA-compliant plan. The majority of sales representatives also explained to us that a PPACA-exempt plan would not cover our pre-existing condition. None of the sales representatives we contacted engaged in potentially deceptive marketing practices that misrepresented or omitted information about the products they were selling.

Background

CMS Oversight of Federal Marketplace Website

CMS administers the federal healthcare.gov website. This website allows consumers in states using the website for enrollment to directly compare health plans based on a variety of factors, such as premiums and provider networks.[14] Beginning in the 2018 open enrollment period, CMS made a "Help on Demand" tool available on healthcare.gov that connects consumers directly to local sales representatives. The website allows consumers to view contact information for local sales representatives in their selected area. Federal regulations require sales representatives that assist or facilitate enrollment in PPACA-compliant plans sold through the healthcare.gov website to provide consumers with correct information, without omission of material fact, and refrain from marketing or conduct that is misleading.[15] Sales representatives listed on healthcare.gov are also permitted to sell PPACA-exempt health plans. The sales representatives listed on healthcare.gov are required to be registered and trained by CMS to provide application help to consumers. CMS officials told us that they verify that representatives on the marketplace website have maintained their state-issued insurance license on a weekly basis by using the National Insurance Producer Registry and remove a representative from the website once they become aware that their license has been revoked or is no longer valid.[16]

According to CMS data, as of June 2021 there were approximately 59,000 registered sales representatives listed as contacts on healthcare.gov. According to information provided by CMS

[14]CMS also operates a Marketplace Call Center to respond to consumer questions about enrollment, and individuals can apply for coverage through the call center, website, via mail, or in person (in some areas) with assistance from navigator organizations or sales representatives.

[15]45 C.F.R. § 155.220(j)(2). An agent or broker that assists or facilitates enrollment of individuals in PPACA-compliant "qualified health plans" through a federally facilitated exchange or state-based exchange on the federal platform must be registered with the federally facilitated exchange and comply with certain standards of conduct. These standards include the requirement that the individual or entity "must provide consumers with correct information, without omission of material fact, regarding the federally facilitated Exchanges, [PPACA-compliant plans] offered through the federally facilitated exchanges, and insurance affordability programs, and refrain from marketing or conduct that is misleading (including by having a direct enrollment Web site that the Department of Health and Human Services determines could mislead a consumer into believing they are visiting healthcare.gov)."

[16]The National Insurance Producer Registry is a non-profit technology company that maintains a Producer Database with insurance agent and brokers licensing information updated by participating state insurance departments. Currently the Producer Database includes information from all 50 states, as well as the District of Columbia, Guam, Puerto Rico and the U.S. Virgin Islands.

officials, CMS has removed 362 sales representatives from the website since 2016 for invalid licenses or misconduct. Specifically, of those removed, 288 were removed for having a revoked or invalid insurance license and the remaining 74 representatives were removed due to enrollment misconduct, such as the submission of unauthorized enrollments with falsified or incorrect application information.

Oversight of the Marketing and Sale of Health Plans via Federal Marketplace

Under the McCarran-Ferguson Act, the business of insurance is primarily regulated by states.[17] Therefore, states are the primary regulators of private health insurance, including the marketing and sale of PPACA-exempt health coverage arrangements. As such, each state sets its own standards for most PPACA-exempt arrangements and licenses and oversees insurers, and third-party sales representatives that sell such arrangements in their state. According to NAIC officials, state insurance commissioners may take enforcement actions against insurers and sales representatives that engage in deceptive marketing practices, such as by suspending or revoking their license to sell insurance.[18]

FTC has a limited role in overseeing the marketing and sale of PPACA-exempt arrangements. Specifically, FTC enforces provisions of the FTC Act, including 15 U.S.C. § 45(a), which prohibits unfair or deceptive acts or practices affecting commerce.[19] Under the law, FTC's jurisdiction in this area includes instances where entities sell health care arrangements, but are not themselves engaged in the business of insurance—such as business associations that may offer health insurance plans to their members, but are not themselves engaged in the business of insurance.[20]

PPACA-Exempt Health Arrangements

There are several health coverage arrangements that can be sold directly to consumers and do not need to comply with at least some of PPACA's individual market requirements. These include:

- STLDI: Health insurance that is primarily designed to fill temporary gaps that may occur when an individual is transitioning from one plan or coverage to another plan or coverage. In August 2018, the Departments of Health and Human Services, Labor, and the Treasury issued a final rule changing the definition of STLDI from coverage that has an expiration date of less than 3 months from its effective date to coverage that has an expiration date of

[17]Pub. L. No. 79-15, 59 Stat. 33 (1945), codified as amended at 15 U.S.C. §§ 1011 - 1015.

[18]According to NAIC officials, states may exempt policies issued by out-of-state associations from some or all of their marketing standards. Specifically, in out-of-state associations—which are separate from association health plans—insurers file plans for approval in one state and sell the same plans in other states, which may lack authority to regulate such associations. Where associations are exempt from standards, they are regulated by the state of approval, rather than the state in which consumers' purchase coverage.

[19]An "unfair" act or practice is one that is likely to cause substantial injury to consumers which is not reasonably avoidable by consumers themselves and not outweighed by countervailing benefits to consumers or to competition, whereas a "deceptive" act or practice is one involving a material representation, omission or practice that is likely to mislead a consumer acting reasonably in the circumstances. For purposes of this report, we focus on deceptive acts or practices because of the results of our covert tests.

[20]Specifically, those activities that constitute the "business of insurance" are exempted from the FTCs jurisdiction, but only to the extent that such activities are regulated by state law. 15 U.S.C. § 1012(b).

less than 12 months, and that is renewable for no more than 36 months.[21] STLDI is excluded from the definition of individual health insurance coverage under federal law, and therefore generally does not need to comply with PPACA's individual market requirements.

- Limited benefit plans: Different types of health insurance options that offer limited benefits, also known as "excepted benefits". For example, these include indemnity plans that cover a set dollar amount for limited prescription benefits, hospital stays or physician visits, or plans that offer accident-only coverage, limited scope dental or vision coverage, or coverage for a specified disease. These plans may be combined to mirror more comprehensive coverage, but generally do not need to comply with PPACA individual market requirements, depending on how they are offered.
- Health care sharing ministries: Entities whose members share a common set of religious or ethical beliefs and contribute funds to pay for medical expenses of other members; however, payment for member claims is not guaranteed. Health care sharing ministries in some ways may resemble insurance, but the requirements for what is covered are not explicitly addressed in federal law and typically do not comply with PPACA.[22] In addition, according to NAIC officials, the majority of states have exempted health care sharing ministries from state insurance laws provided they meet certain requirements, and in states where they are not explicitly exempted, states may not regulate them.
- Association health plans (AHP): Health insurance coverage sponsored by a group or association of employers, which may include trade associations who make plans available to their members.[23] While these plans are generally considered group health insurance coverage, historically, AHPs sold directly to consumers under certain circumstances were considered individual health insurance and subject to relevant PPACA requirements.[24] However, in June 2018, the Department of Labor issued a final rule that expanded provisions for determining when employers may join together to offer AHPs, which included self-employed individuals without employees. This would have broadened the types of AHPs that were considered large group insurance and could be sold to the self-employed, meaning such plans would no longer be subject to certain small group and individual market requirements, such as the requirement to cover essential health benefits.[25] In March 2019, a federal court vacated this provision of the final rule; however, the Department of Labor has

[21]83 Fed. Reg. 38,212 (Aug. 3, 2018).The definition of STDLI as coverage that has an expiration date of less than 3 months from its effective date was promulgated in 2016. 81 Fed. Reg. 75,316 (Oct. 31, 2016). Prior to the 2016 rulemaking, STLDI had been defined as coverage that has an expiration date within 12 months from its effective date, but was not renewable past this time. See 62 Fed. Reg. 16,894 (April 8, 1997).

[22]While not as common, there are other arrangements that similarly resemble insurance, but are also not explicitly addressed in federal law, such as farm bureau coverage currently offered in three states—Iowa, Kansas, and Tennessee. Farm bureau membership is open to anyone who pays a membership fee.

[23]Association health plans are formed under the authority of the Employee Retirement Income Security Act of 1974. This Act authorizes some employer associations to qualify as "employers" for the purpose of sponsoring an employee benefit plan, such as a plan that offers medical, surgical, or hospital care or benefits, so long as the group or association of employers acts "in the interest of an employer." 29 U.S.C. § 1002.

[24]Centers for Medicare & Medicaid Services, *Application of Individual and Group Market Requirements under Title XXVII of the Public Health Service Act when Insurance Coverage Is Sold to, or through, Associations*, (Baltimore, MD.: September 2011).

[25]83 Fed. Reg. 28,912 (June 21, 2018).

appealed the decision.[26] According to NAIC officials, some states have authorized the sale of certain AHPs that meet the rule's broader definition.

Data on the extent to which consumers purchase PPACA-exempt health coverage arrangements are limited, but generally suggest that use of such arrangements is growing. For example, the most recently available estimate of the STLDI market was about 87,000 covered people in 2018, but these data are based on policies issued before the 2018 final rule that extended the allowed duration for STLDI plans.[27] In October 2019, NAIC issued a data call to better understand the extent of the STLDI market in each state. As part of this effort, NAIC identified more than 400,000 individuals who were enrolled in STLDI policies. However, NAIC officials noted that there were issues with data quality associated with this effort – primarily due to nonresponse and questionable answers. Officials said that NAIC is working to improve data collection efforts for future work. In another example, while the estimated number of individuals enrolled in health care sharing ministries in 2010 prior to PPACA was less than 200,000, as of 2018 the enrollment is estimated to be about 1 million people.[28]

Covert Tests Did Not Identify Potential Deceptive Marketing Practices by Sales Representatives Listed on Healthcare.gov

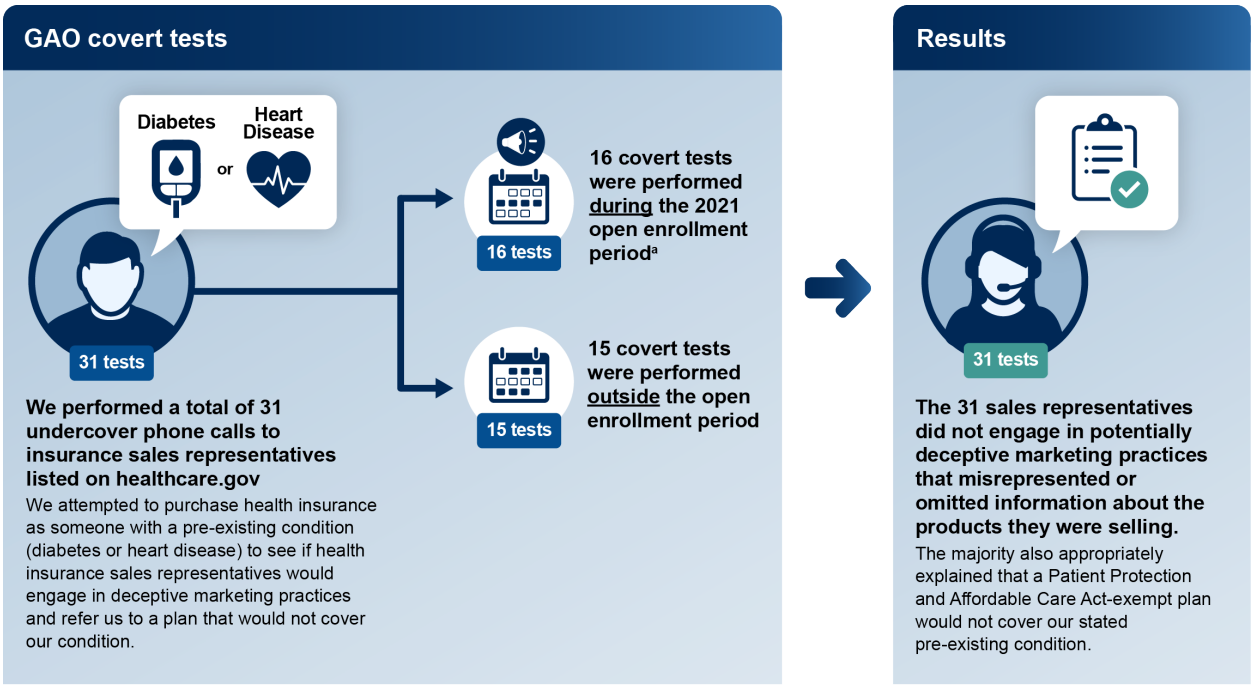
The sales representatives listed on healthcare.gov we contacted did not engage in potentially deceptive marketing practices that misrepresented or omitted information about the products they were selling. The majority of sales representatives we contacted during our covert tests appropriately explained that a PPACA-exempt plan would not cover our stated pre-existing condition of diabetes or heart disease. Each of the 31 sales representatives also appropriately referred us to PPACA-compliant plans they sold or told us where we could obtain a PPACA-compliant plan, such as healthcare.gov. As indicated earlier, the results of our covert tests cannot be generalized to all sales representatives listed on the federal health insurance marketplace web site, any particular state, any particular insurance brokerage or agency, or the health insurance sales industry at large. Figure 1 illustrates the results of our covert testing during the open enrollment period of November 1, 2020 through December 15, 2021 and outside the enrollment period, specifically from January 27, 2021 through February 3, 2021.

[26]New York v. Dep't of Labor, 363 F. Supp. 3d. 109 (D.D.C. 2019), *appeal docketed*, No. 19-5125 (D.C. Cir. Apr. 30, 2019). In January 2021, due to the change in Presidential administrations and new leadership at the Department of Labor, the government requested that the appeal be placed in abeyance to give new agency officials sufficient time to determine if the appeal should continue. The court granted the Department's motion and, as of May 2021, the appeal remains on hold.

[27]For the 2018 estimate see National Association of Insurance Commissioners, *2018 Accident and Health Policy Experience Report* (NAIC, 2019).

[28]See K. Lucia, J. Giovannelli, S. Corlette et al., "*State Regulation of Coverage Options Outside of the Affordable Care Act: Limiting the Risk to the Individual Market.*" *The Commonwealth Fund*, March 2018

Figure 1: Results of 31 Undercover Calls to Sales Representatives Listed on healthcare.gov



Source: GAO analysis of covert phone calls. | GAO-21-568R

[a]The 2021 open enrollment period took place from November 1, 2020 through December 15, 2020. CMS established a Special Enrollment Period starting on February 15, 2021 and continuing through May 15, 2021. CMS subsequently extended the Special Enrollment Period through August 15, 2021. None of our tests were conducted during the Special Enrollment Period.

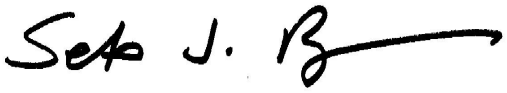
Agency Comments

We provided a draft of this product to HHS for comment. HHS provided technical comments that we incorporated as appropriate.

As agreed with your offices, unless you publicly announce the contents of this report earlier, we plan no further distribution until 30 days from the report date. At that time, we will send copies of this report to appropriate congressional committees, the Administrator of CMS, and other interested parties. In addition, the report will be available at no charge on the GAO website at http://www.gao.gov.

If you or your staff have any questions concerning this report, please contact Seto Bagdoyan at (202) 512-6722 or bagdoyans@gao.gov, or Howard Arp at arpj@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report.

GAO staff who made key contributions to this report were Robert Graves (Assistant Director), Jonathon Oldmixon (Assistant Director), Scott Clayton (Analyst-in-Charge), Anne Hopewell, Jeremy Kamphuis, Barbara Lewis, Maria McMullen, James Murphy, Patricia Powell, Daniel Silva, and Elizabeth Wood.



Seto J. Bagdoyan
Director of Audits; Forensic Audits and Investigative Service

Howard Arp
Director of Investigations; Forensic Audits and Investigative Service

(104505)