NOMF

REPORT BY THE U.S.

General Accounting Office

The Federal Crime Insurance Program: An Overview

The Federal Crime Insurance Program is administered by the Federal Emergency Management Agency. As of September 30, 1981, 26 States, the District of Columbia, Puerto Rico, and the Virgin Islands participated in the program with over 72,500 policies in force. Three States--New York, Pennsylvania, and Florida--have 71 percent of the policies in force. The program lost $138 million since it was started in August 1971. Yet, because of a unique funding method, it has never received an appropriation.

The program's operations have undergone recent changes. The Federal Emergency Management Agency has announced a premium increase. The Agency has also revised underwriting and claims adjusting practices.

The Federal Crime Insurance Program will end on September 30, 1982, unless the Congress extends it. The administration has recommended that it be terminated. Although some States now have crime insurance programs, it is unclear how many current Federal policyholders will be able to obtain affordable, available coverage.

83734

CED-82-68
APRIL 15, 1982

Request for copies of GAO reports should be sent to:

U.S. General Accounting Office
Document Handling and Information
Services Facility
P.O. Box 6015
Gaithersburg, Md. 20760

Telephone (202) 275-6241

The first five copies of individual reports are free of charge. Additional copies of bound audit reports are $3.25 each. Additional copies of unbound report (i.e., letter reports) and most other publications are $1.00 each. There will be a 25% discount on all orders for 100 or more copies mailed to a single address. Sales orders must be prepaid on a cash, check, or money order basis. Check should be made out to the "Superintendent of Documents".

UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON, D.C. 20548

COMMUNITY AND ECONOMIC
DEVELOPMENT DIVISION

B-206819

The Honorable Richard G. Lugar
Chairman, Subcommittee on Housing
and Urban Affairs
Committee on Banking, Housing,
and Urban Affairs
United States Senate

The Honorable Henry B. Gonzalez
Chairman, Subcommittee on Housing
and Community Development
Committee on Banking, Housing,
amd Urban Affairs
House of Representatives

In response to a March 9, 1982, request from you, this report discusses our observations on the Federal Crime Insurance Program. As agreed, we limited our review to obtaining selected information on the program.

The Federal Crime Insurance Program was established by title VI of the Housing and Urban Development Act of 1970 (12 U.S.C. 1749 bbb-10a et seq.) and started in August 1971. Under the program, insurance for burglary, robbery, theft, and similar crimes is available to residential and commercial property owners in States where the private market or statewide programs do not make crime insurance available or where they make it prohibitively expensive. The program is administered by the Federal Insurance Administration (FIA) of the Federal Emergency Management Agency (FEMA). Legislative authorization to enter into new insurance policies ends on September 30, 1982. The administration has recommended that the program be terminated at that time.

As of September 30, 1981, 26 States, the District of Columbia, Puerto Rico, and the Virgin Islands participated in the program. Federal crime insurance policies in force number 72,782 (51,472 residential policies and 21,310 commercial policies).

The crime insurance program has had losses every year. For the 12-month period ending September 30, 1981, the program lost \$33.7 million. From August 1971 through September 30, 1981, the program lost \$138 million. Because of a unique funding method, however, it has never received an appropriation. The program has been funded by the National Insurance Development Fund.

Within the last year, FEMA has made several changes to the program. A premium increase has been announced. Underwriting and claims adjusting practices have been revised. Together these changes are designed to reduce program losses and potential program abuses.

The crime insurance program appears to address a need as evidenced by the more than 72,000 policies in force. However, by this measure the need may be significant only in a few States such as New York, Pennsylvania, and Florida that account for 71 percent of the policies. In addition, it is not clear whether non-Federal crime insurance coverage is available to the current policyholders or whether it is available only at prohibitively costly premiums.

In some States, alternatives to the Federal program exist. For example, Michigan and New Jersey have programs that provide crime insurance coverage. In addition, Massachusetts and Rhode Island provide crime insurance coverage in the homeowners policies through the FAIR plans. Establishment of a State program may, however, require State legislative action.

More detailed information is contained in appendix I.

OBJECTIVES, SCOPE, AND METHODOLOGY

Our objective in this assignment was to provide information to the subcommittees for their use during deliberations on the reauthorization of the Federal Crime Insurance Program. The assignment was performed in accordance with our current "Standards for Audit of Governmental Organizations, Programs, Activities, and Functions."

Our work was performed in the Washington, D.C., area at FEMA headquarters and at the servicing company that processes applications for coverage, issues policies, and settles claims. We reviewed available studies, reports, legislation, and other pertinent documents and interviewed FEMA and servicing company officials. We also spoke to officials of State insurance departments in California, Florida, Massachusetts, Michigan, New Jersey, New York, Pennsylvania, and Rhode Island.

We reviewed underwriting and claims records for New York City neighborhoods having high concentrations of coverage and claims. To provide a profile at the grass roots level, we reviewed coverage provided to businesses along one Brooklyn street. The information gathered may not be representative of other commercial policyholders and should not be projected.

Because our time was limited, we did not contact policyholders. The tight deadline also limited the extent of claims we examined.

At your request we did not take the additional time to obtain written comments on matters discussed in this report. However, material contained in this report was discussed with FEMA officials and their views were included where appropriate.

Copies of this report are being sent to the Director, FEMA; the Director, Office of Management and Budget; various congressional committees; and other interested parties.

Henry Eschwege

Henry Eschwege
Director

Contents

ABBREVIATIONS

FAIR	Fair Access to Insurance Requirements
FEMA	Federal Emergency Management Agency
FIA	Federal Insurance Administration
GAO	General Accounting Office
HUD	Housing and Urban Development

THE FEDERAL CRIME INSURANCE PROGRAM: AN OVERVIEW

Title VI of the Housing and Urban Development Act of 1970 (12 U.S.C. 1749 bbb-10a) established the Federal crime insurance program. Under the program, insurance for burglary, robbery, theft, and similar crimes is provided to residential and commercial property owners in States where the administrator of the Federal program determines that private or State crime insurance is not available or that it is prohibitively expensive. A commercial property owner can buy an annual crime insurance policy for coverage of $1,000 to $15,000. A residential property owner can buy an annual crime insurance policy for coverage of $1,000 to $10,000.

Under the program, the Federal Government bears the risk of a property insurer. The insurance is available to businesses and residents in participating jurisdictions, regardless of the actuarial risk, if reasonable protective devices have been installed.

The crime insurance program was started in August 1971. From August 1971 to July 1979, the program was administered by the Department of Housing and Urban Development (HUD). In July 1979 the program was transferred to the Federal Emergency Management Agency. FEMA's Federal Insurance Administration (FIA) administers the program. The FIA Administrator determines whether crime insurance is available at affordable rates through either the private insurance market or a State program. When the Administrator determines that the Federal program should be made available in a State, property owners can purchase the insurance through licensed property insurance agents and brokers within their State. Since December 1976 FIA has contracted with National Con-Serv, Inc., Rockville, Maryland, to serve as the fiscal and statistical agent of the Government for the day-to-day operations of the program.

Unless extended by the Congress, the program will end September 30, 1982. The administration has recommended that the program be terminated at that time.

PROGRAM STATISTICS

On August 1, 1971, HUD determined that crime insurance was not available at affordable rates in Connecticut, the District of Columbia, Illinois, Maryland, Massachusetts, Missouri, New York, Ohio, Pennsylvania, and Rhode Island. Since August 1, 1971, the program has been expanded to include 18 more States, Puerto Rico, and the Virgin Islands. Louisiana--the latest State to enter the program--became eligible on January 1, 1982.

As of September 30, 1981, 72,782 Federal crime insurance policies were in force; (51,472 were residential policies and 21,310 were commercial policies). The number of policies by jurisdiction along with the date each jurisdiction entered the program follows:

Crime Insurance Policies
as of September 30, 1981

Jurisdiction	Year of entry	Number of policies Residential	Commercial	Total
Alabama	1977	607	90	697
Arkansas	1976	92	42	134
California	1980	1,219	347	1,566
Colorado	1975	75	104	179
Connecticut	1971	286	122	408
Delaware	1974	116	24	140
District of Columbia	1971	147	290	437
Florida	1974	3,032	1,175	4,207
Georgia	1975	484	377	861
Illinois	1971	958	764	1,722
Iowa	1977	9	6	15
Kansas	1973	521	70	591
Maryland	1971	171	338	509
Massachusetts	1971	2,053	936	2,989
Minnesota	1976	43	10	53
Missouri	1971	1,645	459	2,104
New Jersey	1973	2,128	759	2,887
New Mexico	1979	19	5	24
New York	1971	30,903	11,664	42,567
North Carolina	1978	620	52	672
Ohio	1971	639	454	1,093
Pennsylvania	1971	3,505	1,740	5,245
Rhode Island	1971	272	98	370
Tennessee	1972	274	392	666
Virginia	1977	110	60	170
Washington	1979	16	5	21
Wisconsin	1979	30	13	43
Puerto Rico	1978	1,470	877	2,347
Virgin Islands	1978	28	37	65
Total		51,472	21,310	72,782

As shown above, most of the policies were issued in three States--New York (42,567), Pennsylvania (5,245), and Florida (4,207). These three States accounted for more than 7 of every 10 policies issued. New York accounted for 58 percent of the total policies. Nineteen of the 29 jurisdictions had fewer than 1,000 policies in force.

Residential policies outnumber commerical policies by more than 2 to 1. New York accounts for 60 percent of the total number of residential policies. Four other States--Pennsylvania, Florida, New Jersey, and Massachusetts--account for an additional 20 percent.

Commercial policyholders are primarily small businesses. Over 40 percent of the 21,310 commercial policyholders have reported gross receipts of less than $100,000. An additional 34 percent have gross receipts between $100,000 and $299,999.

THE PROGRAM HAS NEVER RECEIVED AN APPROPRIATION

The crime insurance program has had losses every year. From its start in August 1971 to September 30, 1981, the program lost $138 million. Because the program is funded by the National Insurance Development Fund, no appropriation has been needed.

The National Insurance Development Fund was established with proceeds from the Riot Reinsurance Program. The fund receives premiums from both programs and pays out both programs' claims. Surpluses from the Riot Reinsurance Program have been sufficient to cover the crime insurance program's consistent losses.

Recently, however, surpluses from the Riot Reinsurance Program have decreased while crime insurance losses have increased. According to FEMA budget estimates, by the end of fiscal year 1982 the fund will borrow $60 million from the Treasury against its $250 million loan authority.

NEW YORK POLICYHOLDERS ACCOUNT FOR THE MAJORITY OF PROGRAM LOSSES

In fiscal year 1981 the crime insurance program received $13.1 million in premiums but paid out $38.4 million in claims--$12.7 million on its residential and $25.7 million on its commercial policies. For every dollar in residential premiums received, $3.75 in claims was paid. For every dollar in commercial premiums received, $2.66 in claims was paid.

The program operates at a loss in most States where it issues policies. The highest volume of claims arise from policies in New York Standard Metropolitan Statistical Area--$10 million paid on residential policies and $19.2 million on commercial policies. We found these large payments are partly due to the large number of policies in effect in New York. New York City area policyholders generally file claims more frequently than others and receive larger payments on claims. For example, losses are especially severe in Brooklyn neighborhoods such as Williamsburg, Parkville, Bath Beach, Blythebourne, Midwood, Ryder, and Sheepshead Bay. These seven neighborhoods account for more than one-third of the total residential losses.

A profile of 52 commercial policyholders along one Brooklyn street shows that most were small businessmen. Their reported gross receipts ranged from about $40,000 to $1 million. They received in calendar year 1981 about $315,000 in claims--about 10 times more than the $33,000 in annual premiums paid. Their claims history since 1979 is shown below.

Year	Paid on claims	Number of Robberies	Number of Burglaries
1979	$116,158	3	20
1980	273,536	1	39
1981	314,995	5	37
Total	$704,689	9	96

Most policyholders on the street were robbed or burglarized at least once in the 3-year period. For example, one policyholder, who has been burglarized four times since September 1978, received about $56,000 in insurance payments. Another policyholder, who had six burglaries since August 1979, received about $67,000.

FEMA ACTION TO IMPROVE PROGRAM

Within the last year, FEMA has proposed several changes to the program. A premium increase has been announced. Underwriting and claims adjusting practices have been revised. These changes are designed to reduce program losses and potential program abuses.

First premium increase announced only recently

Since August 1971, premiums have not increased. The only premium change occurred in 1972 when premiums for commercial policies were reduced. In December 1981, FIA announced in the Federal Register its intention to increase premiums for both residential and commercial policies. This increase is tentatively scheduled to take effect June 1, 1982. The proposed increase, along with other proposed changes including increased deductibles, caused only minor reaction with only two parties commenting on the announcement.

Increasing premiums raises the question of affordability. The act, which established the crime insurance program, requires that the insurance be made available at affordable rates. The act defines an affordable rate as

> "* * * such premium rate as the Secretary determines would permit the purchase of a specific type of insurance coverage by a reasonably prudent person in similar circumstances with due regard to the costs and benefits involved * * *."

In estimating the affordable rates, the act states that the Secretary 1/ is authorized to take into consideration the nature and degree of risks involved; the protective devices employed; the extent of anticipated losses; and, among other things, the relative abilities of policyholders to pay the premium.

The issue of affordability was cited in a March 4, 1980, letter from the State of Texas commissioner of insurance to the Administrator, FIA. Commenting on the lack of need for the crime insurance program in Texas, the commissioner stated:

> "Not the least of the confusion in this semantical quagmire is that of 'affordability.' There is little doubt that people working on fixed salaries regard insurance premiums as too high, as they do the cost of gasoline, food, clothing, automobiles, housing, inflation, crime and taxes (both State and Federal)."

Although FIA has not periodically adjusted the premium, it did change its residential policy coverage. This change, effective July 1, 1980, placed for the first time a $500 limit on coverage for luxury items such as jewelry, gold, silver, furs, and fine arts. This limit appeared to significantly impact the number of policyholders. As of June 30, 1980, there were 63,678 policyholders--15 months later there were only 51,472.

Private insurance homeowner policies, which include burglary coverage, limited jewelry coverage before the Federal program. Commercial coverage for such items required the homeowner to schedule the items if their value exceeded a limit, such as $500. The private insurance company then charged an additional premium for those scheduled items. This additional premium was based on the dollar value of the scheduled item. Although the private insurance coverage may have been available, in many cases it may not have been as low cost as the Federal program, which had no limits before July 1, 1980.

Recent underwriting changes

FEMA's FIA has made recent changes to the crime insurance program's underwriting practices. Before April 1981, limited or no consideration was given a policyholder's previous losses. In addition, because of an insufficient number of business classes,

---

1/Program was transferred from HUD to FEMA in July 1979.

approximately one-third of the commercial policyholders were lumped together in a miscellaneous class. FIA was not aware of the loss experiences of specific types of businesses within this miscellaneous class.

FIA is now evaluating a policyholder's loss history to determine whether additional protective devices are needed. Before April 1981, no records of a policyholder's previous losses were routinely generated when the policy was renewed or when a claim was adjusted. Regardless of the policyholder's loss record, the policy was renewed at the same premium and with the same protective device requirements. Unlike private insurance, a Federal crime insurance policy usually cannot be canceled. The policy will be renewed if generally the policyholder (1) pays the premium when due and (2) complies with the protective device requirements.

Lack of knowledge about a policyholder's previous loss record prevented FIA from considering strengthening protective device requirements as a condition of policy renewal. Also, as discussed on page 7, a record of previous loss experience is important in adjusting claims and identifying possible program abuse.

Before a March 1982 study, approximately 30 percent of all the commercial policies were in an undefined business class. After the study, FIA reclassified these policies to 94 business classes. This reclassification will result in increases in premium rates and protective device requirements.

Crime insurance covers unusual and expensive items

Our review of a limited number of claims disclosed that policyholders were reimbursed for some unusual and expensive items. For example, we found that one policyholder, a drug store, was reimbursed on 14 separate occasions over a 2-year period for stolen State lottery receipts. These reimbursements totaled about $5,000. In another case, we found that New York State paid the premium for 320 unoccupied Love Canal residences. FEMA paid at least $14,600 in claims on these properties.

We also found claims paid for expensive items. For example:

--One policyholder was paid $600 for a stereo in April 1979, $3,200 for a stereo and $370 for a camera in December 1979, and $3,300 for a stereo and $350 for a camera in May 1981.

--Another policyholder was reimbursed in part for a home computer worth $2,100, camera equipment valued at $2,400, stereo equipment valued at $6,300, a video recorder valued at $1,140, an electric typewriter worth $760, and two shares of stock. About $2,500 worth of these items was purchased within 3 months of the loss. The insurance payment was limited to $10,000--the policy maximum.

--A third policyholder suffered a loss in 1980 of $16,500; $12,000 was paid by the Massachussetts Property Insurance Underwriter Association and $3,900 by the Federal policy for ceramic plates and statues.

Previous adjusting of claims was inadequate

Since April 1981, FEMA has improved its claims adjusting practices. Before that, we found that claims were adjusted without knowledge of the insured's claim history; evidence to document losses was, in some cases, insufficient; adjusting of claims was not timely; no field checks of the quality of adjusting were performed; and no use was made of an accepted insurance industry-operated loss bureau. Lack of knowledge about a policyholder's claim history could prevent FIA from identifying possible program abuse.

In an April 1981 audit report, FIA identified numerous weaknesses in claims operations. The report cited the following deficiencies:

--It was quite evident that there appeared to be fraud and waste and until the Claims Department was properly supervised and claims properly reviewed, this would continue.

--Proof of ownership by the policyholder should be verified. Self-serving statements by friends and relatives of the policyholder should not be used to establish ownership of property.

--Proper depreciation should be considered and realistic values established on items.

Previous weak adjusting practices subjected the crime insurance program to fraud and abuse. However, within the last year, FIA has increased its review of suspect claims, thereby reducing this potential. An FIA memo to the FIA Administrator indicates that as of February 22, 1982, over 188 policies involving 684 claims had been placed in the investigative category. Of these, 284 claims were forwarded to the FBI. Another 39 cases are ready to be sent.

Increased scrutiny of suspect claims can have significant results. For example, we found that FIA's use of an accountant to examine the books and records of one commercial policyholder who had five pending claims resulted in the policyholder's withdrawing all claims, even though they totaled more than $60,000.

FIA's April 1981 audit report showed that timely adjusting of claims for commercial policies was a problem. Timely adjusting of commercial policyholder claims allows the adjuster to document the policyholder's inventory on hand as close to the loss as possible. The inventory figure is essential in calculating and documenting the loss. A number of days, however, usually pass before the adjuster visits the policyholder's business. According to a FEMA Inspector General investigator, this lapse of time is significant and could result in possible program abuse.

Upon discovery of a loss, the policyholder must notify the police and the insurer through its authorized agents as soon as practicable. The previously cited FIA audit report stated that, based on examination of 450 claims, the time lapse between the date of the loss and loss report date averaged 8 days. Such lapses occurred because most losses are reported by mail by the policyholder's agent. Therefore, it may be 10 or more days before an adjuster visits the policyholder.

The crime insurance program uses independent adjusters to adjust claims. These adjusters receive a fee for their services--the larger the adjusted claim the higher the fee. The servicing company employs examiners who review submitted claims for accuracy and completeness. Before 1982, however, no field examination of the quality of the adjusters' work was performed. In January 1982 a special claims adjuster was hired by the servicing company to perform such evaluations. His duties will include testing, on a sample basis, the completeness of the adjusters' work.

An insurance industry-operated loss reference service allows an insurance company to determine whether a policyholder has filed claims with another insurance company for the same loss. The Federal crime insurance program did not start using this service until March 1982. This is important because Federal crime insurance coverage provides excess coverage. That is, if a policyholder has other coverage, such as a homeowner's policy, that policy pays first. If the loss exceeds the policy coverage, then the Federal crime insurance pays the difference.

NEED FOR THE FEDERAL CRIME INSURANCE PROGRAM

Unless extended by the Congress, the crime insurance program will end on September 30, 1982. New policies that have been issued and policies that have been renewed before that date will run their 1-year period. If the program is not extended, no policies will be issued after September 30.

Whether the crime insurance program should continue raises important policy issues:

--Does the program serve an essential need?

--Can that need be addressed by other alternatives?

Does the program serve an essential need?

On the surface, approximately 72,000 policyholders in the 30 jurisdictions eligible for Federal coverage have decided that they need Federal crime insurance. However, as previously discussed, these statistics show that the need is concentrated in three States. In addition, we do not know whether private insurance is available to all 72,000 policyholders or whether it is available only at prohibitively costly premiums.

As discussed on page 5, the issue of affordability is complex. For example, if a $60 premium charged by the Federal program is affordable, is an $85 or a $100 private insurance premium not affordable? Unlike most other items, the premium for Federal crime insurance has not been increased since August 1971.

FIA documentation regarding the availability of private coverage is not extensive. As we reported in our previous report on the crime insurance program, 1/ FIA's reviews for determining insurance affordability and/or availability generally consisted of obtaining the views of State insurance commissioners.

The relevant language from the act is as follows:

> "Upon determining * * * that, at any time * * * a critical market unavailability situation for crime insurance then exists in any State and has not been met through appropriate State action, the Secretary is authorized to make crime insurance available at affordable rates within such State through the facilities of the Federal Government."

The FIA official in charge of the crime insurance program said FIA has not conducted any studies to determine market availability of insurance in States. Entry of new States into the program appears to be based on (1) comments of public officials, including the State insurance commissioner and (2) inquiries from State residents regarding the availability of Federal crime insurance.

1/"The Federal Crime Insurance Program: How It Can Be Made More Effective" (RED-75-333, Apr. 11, 1975).

Officials from the State insurance departments in California, Florida, Massachusetts, New Jersey, New York, and Pennsylvania told us that the Federal crime insurance program is needed. Officials from these States said the current number of Federal policyholders understates that need. These officials added that, if the program were promoted more aggressively, the number of policyholders would increase.

Twenty-three States do not participate in the program. For example, Michigan has its own insurance program and sees no need for Federal involvement. Texas also does not participate in the Federal program. In the previously mentioned March 1980 letter to the FIA Administrator, the State of Texas insurance commissioner stated that

> "I cannot help but feel that the Federal Crime Insurance Program perhaps may offer more hope than the providing of a desperately needed program much in demand by the public. If there were such a demand, it hardly would be necessary for the government * * * to promote the Federal Crime Program."

Before it began to participate in the Federal program, California had its own crime insurance program. This program lost money every year from 1971 to 1979, and in 1979 the California Legislature terminated the program. In November 1980, California became eligible to participate in the Federal program. But 7 months earlier, in a letter to the FIA Administrator, the California State commissioner stated

> "It is my view that the Federal Crime Insurance Program is not needed in California or elsewhere. But, if it is to continue to be a subsidy I certainly would not deny California residents the chance to get their share of any giveaway."

The commissioner also stated that, after 8 years, the California State crime insurance program had only 1,500 insured risks, although extensive advertising costs were incurred. He further stated that there was no evidence that these subsidized policyholders could not have acquired insurance in the voluntary market or that such insurance would not have been affordable.

The response to publicity indicates that many people remain interested in Federal crime insurance. For example, an announcement regarding the program in a December 1979 issue of Parade magazine entitled "A Real Steal - Crime Insurance" generated over 15,000 inquiries. However, we could not determine if these inquiries were motivated by an inability to obtain insurance at affordable rates or by the low rates quoted in the article.

Alternatives to the Federal program

There are alternatives to the Federal crime insurance program. For example, the State of Michigan has a program which provides crime insurance coverage to both residents and businesses. Although it participates in the Federal program, New Jersey also offers crime insurance coverage to residents and businesses. Massachusetts and Rhode Island, participants in the Federal program, also provide crime insurance coverage in the homeowners policies through the FAIR 1/ plans. Before 1980, California had a State program which provided crime insurance coverage to both residents and businesses. Establishment of a State program may, however, require State legislative action. Moreover, State programs that are put in place may not be statewide.

Alternatives to the Federal program may not be a significant problem for many of the participating States. As of September 30, 1981, 17 of the 26 States participating in the program, as well as the District of Columbia and the Virgin Islands, had fewer than 1,000 policies in force. Of these 26 States, 11 had fewer than 500 policies. These small numbers underline the possibility that other, non-Federal coverage could be found.

In some States, an alternative to the Federal program may not be found so easily. For example, as of September 30, 1981, New York accounted for 42,567 policyholders--about 60 percent of the total Federal policies in force. During the 12 months ending September 30, 1981, these New York-located policyholders paid $7.8 million in premiums and received $29.4 million in paid claims. The $21.6 million difference between premiums received and claims paid, plus any program administrative costs, may present a significant financial obstacle to a New York State program. In addition, a State program may be opposed because the program principally benefits the New York City area. Of the 42,567 policyholders in New York, 41,352 are located in the New York standard metropolitan statistical area.

1/Fair access to insurance requirements.

(068111)

AN EQUAL OPPORTUNITY EMPLOYER

UNITED STATES
GENERAL ACCOUNTING OFFICE
WASHINGTON, D.C. 20548

OFFICIAL BUSINESS
PENALTY FOR PRIVATE USE,$300

POSTAGE AND FEES PAID
U. S. GENERAL ACCOUNTING OFFICE

U.S. MAIL

THIRD CLASS