

**Memorandum**

Date **MAY 4 1994**  
From *June Gibbs Brown*  
June Gibbs Brown  
Inspector General  
Subject

To Review of Medicare Contractor's Pension Segmentation, Pennsylvania Blue Shield (A-07-93-00712)

Bruce C. Vladeck  
Administrator  
Health Care Financing Administration

This is to alert you to the issuance on May 6, 1994, of our final audit report. A copy is attached.

The objective of our audit was to determine whether Pennsylvania Blue Shield (PBS) complied with the segmentation requirements of its Medicare contract. Under its Medicare contract, PBS was required to identify, allocate, and report pension assets and costs separately for the Medicare segment. This required PBS to: (1) establish a ratio (asset fraction) using the 1981 actuarial liabilities of the segment and the total plan, (2) apply the ratio to total pension assets as of 1986, (3) update the 1986 Medicare segment's assets to later years, and (4) assess whether Medicare's pension costs require separate calculations.

Our review disclosed that PBS omitted Medicare cost centers and misidentified Medicare participants in its calculation of the 1981 asset fraction. We calculated a 1981 asset fraction based on our identification of the Medicare segment. Use of our 1981 asset fraction increased the pension assets of the Medicare segment by \$616,636 as of January 1, 1986.

The PBS' update of the Medicare segment assets from January 1, 1986 to January 1, 1992 understated the assets of the Medicare segment by an additional \$412,751. The understatement was primarily the result of incorrectly determining the assets as of 1986. Increasing the 1986 Medicare assets caused an increase in net earnings and expenses in subsequent years. We recommend that PBS increase the January 1, 1992 assets of the Medicare segment by \$1,029,387 (\$616,636 plus \$412,751).

Page 2 - Bruce C. Vladeck

The PBS disagreed with our calculation of the asset fraction. Otherwise, it generally agreed with our audit report. The Health Care Financing Administration regional office did not comment on our recommendations.

For further information contact:

Vincent R. Imbriani  
Regional Inspector General  
for Audit Services, Region VII  
816-426-3591

Attachment

Department of Health and Human Services

**OFFICE OF  
INSPECTOR GENERAL**

**REVIEW OF MEDICARE CONTRACTOR'S  
PENSION SEGMENTATION**

**PENNSYLVANIA BLUE SHIELD**



**JUNE GIBBS BROWN**  
Inspector General

MAY 1994  
A-07-93-00712



DEPARTMENT OF HEALTH & HUMAN SERVICES

Office of Inspector General  
Office of Audit Services

Region VII  
601 East 12th Street  
Room 284A  
Kansas City, Missouri 64106

CIN: A-07-93-00712

Mr. Everett F. Bryant  
Senior Vice President, Government Business Unit  
Pennsylvania Blue Shield  
Post Office Box 632  
Camp Hill, Pennsylvania 17011-0632

Dear Mr. Bryant:

This report provides you with the results of an Office of Inspector General (OIG), Office of Audit Services (OAS) review titled "REVIEW OF MEDICARE CONTRACTOR'S PENSION SEGMENTATION, PENNSYLVANIA BLUE SHIELD." The purpose of our review was to evaluate Pennsylvania Blue Shield's (PBS) compliance with the pension segmentation requirements of its Medicare contract.

The PBS' Medicare contract requires the separate identification, calculation, and reporting of pension assets, and when appropriate, costs for the Medicare segment. Compliance requires: (1) establishing a ratio (asset fraction) using the 1981 actuarial liabilities of the segment and the total plan, (2) applying the ratio to total pension assets as of 1986, (3) updating the Medicare segment's 1986 pension assets annually, and (4) assessing if Medicare's pension costs require separate calculations.

The PBS omitted Medicare cost centers and misidentified Medicare participants in its calculation of the 1981 asset fraction. We calculated a 1981 asset fraction based on our identification of the Medicare segment. Use of our 1981 asset fraction increased the pension assets of the Medicare segment by \$616,636 as of January 1, 1986.

The PBS' update of the Medicare segment assets from January 1, 1986 to January 1, 1992 understated the assets of the Medicare segment by \$412,751. The understatement was the result primarily of our increasing the 1986 Medicare assets which caused an increase in net earnings and expenses. We recommend that PBS increase the January 1, 1992 assets of the Medicare segment by \$1,029,387 (\$616,636 plus \$412,751).

The PBS disagreed with our calculation of the asset fraction. Otherwise, it generally agreed with our audit report. Their response to our draft report is included as Appendix B.

## INTRODUCTION

### BACKGROUND

Title XVIII of the Social Security Act, Health Insurance for the Aged and Disabled (Medicare), provides that organizations may help in administering the Medicare program under contracts with the Secretary, U.S. Department of Health and Human Services. Most Medicare contractors, intermediaries (Part A) and carriers (Part B), performed under cost reimbursement contracts renewed annually. The PBS has administered Medicare Part B under cost reimbursement contracts since the start of the Medicare program.

Reimbursement principles for cost reimbursement contracts are contained in the contracts, the Federal Acquisition Regulations (FAR), which superseded the Federal Procurement Regulations (FPR), and the Cost Accounting Standards (CAS). Medicare contracts provide that a contractor "\*\*\*\*shall be paid its costs of administration under the principle of neither profit nor loss\*\*\*."

In 1985, we issued an audit report, "Medicare Intermediaries and Carriers Should Be Required to Use Segment Accounting For Claiming Pension Costs," (07-62013) to the Health Care Financing Administration (HCFA). The report showed that pension contributions charged to Medicare exceeded the amounts needed to meet Medicare's pension liabilities. The report recommended that HCFA amend Medicare contracts to require treatment of Medicare as a separate segment for calculating and charging pension costs.

The HCFA incorporated segmentation requirements into Medicare contracts starting with Fiscal Year 1988 and distributed a pension cost questionnaire to contractors in 1989. The purpose of the questionnaire was to ensure that contractors developed and maintained the data necessary for segmentation calculations.

The PBS' questionnaire response was dated March 2, 1989. The response identified total pension assets of \$49,149,476 and Medicare segment assets of \$11,483,999 as of January 1, 1986. The PBS also concluded that separate valuations for the Medicare segment were required.

### Criteria Governing Segmented Pension Costs

Since its inception, Medicare has paid a portion of the annual contributions made by contractors to their pension plans. These payments represented allowable pension costs under the FPR and/or the FAR. In 1980, both the FPR and Medicare contracts incorporated CAS 412 and 413.

The CAS 412 regulates the determination and measurement of the components of pension costs. It also regulates the assignment of pension costs to appropriate accounting periods. The CAS 413 regulates the valuation of pension assets, allocation of pension costs to segments of an organization, adjustment of pension costs for actuarial gains and losses, and assignment of gains and losses to cost accounting periods.

The contractual language incorporated by HCFA starting with Fiscal Year 1988 specifies segmentation requirements and also provides for the separate identification of the pension assets for a Medicare segment. The PBS' contract required:

(1) computing the Medicare segment's actuarial liability as of 1981, (2) determining the ratio of the Medicare segment's actuarial liability to the total plan actuarial liability as of 1981, (3) allocating a portion of total pension assets as of 1986 based on the 1981 ratio, (4) updating Medicare pension assets annually, and (5) assessing if Medicare's pension costs should be separately calculated.

The Medicare contracts identify a Medicare segment as:

"The term 'Medicare Segment' shall mean any organizational component of the contractor, such as a division, department, or other similar subdivision, having a significant degree of responsibility and accountability for the Medicare contract/agreement, in which:

1. The majority of the salary dollars is allocated to the Medicare agreement/contract;  
or
2. Less than a majority of the salary dollars is allocated to the Medicare agreement/contract, and these salary dollars represent 40 percent or more of the total salary dollars allocated to the Medicare agreement/contract."

The contracts also provide for separate identification of the pension assets of the Medicare segment. The identification involves the allocation of assets to the Medicare segment as of the first pension plan year after December 31, 1985 in which the salary criterion was met. The allocation was to use the ratio of the actuarial liabilities of the Medicare segment to the actuarial liabilities of the total plan as of the first day of the first plan year starting after December 31, 1980.

Other CAS requirements apply to the calculation of pension costs. For instance, pension costs for a segment can consider all, or just active, participants (CAS, section 413.50(c)(9)). Also, if movement of participants into and out of a segment materially affects a segment's ratio of assets to liabilities, transfer

adjustments are necessary (CAS, section 413.50(c)(8)). Finally, the CAS addresses allocating or separately calculating pension costs for segments.

#### **SCOPE**

We made our examination in accordance with generally accepted government auditing standards. Our objective was to determine PBS' compliance with pension segmentation requirements of its Medicare contract. Achieving our objective did not require a review of PBS' internal control structure. The audit addressed PBS' initial determination of pension assets for its Medicare segment and later updates. Our review covered January 1, 1981 to January 1, 1992.

This review was done in conjunction with our audit of PBS' unfunded pension costs (CIN: A-07-93-00713). The same information was obtained and reviewed during both audits.

We reviewed PBS' identification of the Medicare segment as of January 1, 1988 and traced the segment's organizational lineage back to 1981. We also reviewed PBS' computation of the 1981 asset fraction and its update of Medicare assets from January 1, 1986 to January 1, 1992.

In performing our review, we used information provided by PBS' pension actuary. The information included liabilities, normal costs, contributions, expenses, and earnings. We also reviewed PBS' accounting records, pension plan documents, annual actuarial valuation reports, and the Department of Labor/Internal Revenue Service Forms 5500. Using these documents, we calculated the 1981 asset fraction, determined the 1986 Medicare segment assets, and updated the Medicare segment assets through 1991. The HCFA pension actuarial staff reviewed our methodology and calculations.

We performed site work at PBS' corporate offices in Camp Hill, Pennsylvania during June and July 1993. Subsequently, we performed audit work in the OIG, OAS, Jefferson City, Missouri Office.

**FINDINGS AND RECOMMENDATIONS**

**MEDICARE ASSETS AS OF 1986**

The PBS omitted two Medicare cost centers and misidentified Medicare participants in the calculation of the 1981 asset fraction. The PBS calculated an asset fraction of 23.4 percent. We computed a 1981 asset fraction of 24.6 percent. Our computations reflected adjustments in Medicare segment cost centers and participants. We applied the asset fraction to the 1986 total pension assets. Our use of the greater asset fraction increased the Medicare segment assets by \$616,636.

We identified the current Medicare segment as the Government Business Unit (GBU) and traced its organizational lineage back to 1981. We determined that PBS omitted two cost centers that are part of the current segment from its 1981 Medicare segment. We determined that these omitted cost centers met the contractual specifications for a segment and included them in our 1981 asset fraction. We also corrected PBS' identification of Medicare participants. Details of PBS' and our calculations are shown in the following schedule.

	1981 Asset Fraction (A)	1986 Total Company Assets 1/ (B)	1986 Medicare Segment Assets 1/ (C) (A)X(B)
OIG Calculation	.24620069	\$49,149,476	\$12,100,635
PBS Calculation	<u>.23365456</u> 2/	<u>49,149,476</u>	<u>11,483,999</u>
Difference			<u>\$ 616,636</u>

1/ Market Value

2/ Asset fraction as reported by PBS

**Recommendation**

We recommend that PBS:

- o Increase pension assets of the Medicare segment by \$616,636 as of January 1, 1986.

**Auditee Comments**

"Pennsylvania Blue Shield disagrees with the auditors' calculation of the 1981 asset fraction\*\*\*." "Based on our review of the audit workpapers, the auditors included two cost centers in the 1981 Medicare segment that did not meet the definition of a segment as defined in Appendix B, Section XVI, Paragraph B of the Medicare contract\*\*\*. Because the 1981 asset fraction becomes the basis for computing the pension assets of the

Medicare Segment as of January 1, 1986, we also disagree with the \$616,636 initial increase in segment assets and subsequent revisions in net earnings and expenses resulting from the initial increase."

#### **OIG Response**

We disagree with PBS' comment about the two cost centers not meeting the definition of a segment. We identified GBU as a Medicare segment as of 1988. This date is when the segmentation language was incorporated in PBS' Medicare contract. We then traced GBU's organizational lineage back to 1981 to identify the cost centers included in our asset fraction numerator. This procedure ensures the inclusion of all assets generated in prior years to cover the liabilities for current participants.

We noted that, during 1985 and 1986, PBS performed a corporate reorganization which resulted in the creation of GBU. Prior to the restructuring, PBS had not organized the Medicare operations under a single unit dedicated solely to Medicare functions. As such, our identification of the 1981 Medicare cost centers represents the cost centers that became GBU.

We did not change our computation of the asset fraction.

#### **MEDICARE'S ASSET BASE AS OF 1986 UPDATED TO 1992**

The PBS' methodology in updating the Medicare segment assets from 1986 to 1992 understated the segment assets by an additional \$412,751. The PBS incorrectly adjusted for participant transfers (decrease of \$264,768) and did not identify actual benefit payments to Medicare segment participants (increase of \$69,856). In our calculation, we revised net earnings and expenses (increase of \$607,663) primarily as a result of the increased 1986 Medicare assets. When considered with the 1986 adjustment, our calculation showed that Medicare's pension assets were understated by \$1,029,387 as of January 1, 1992.

#### **Participant Transfers**

In the 1991 asset update, PBS misidentified participant transfers and used incorrect liabilities to adjust Medicare's assets. The misidentification of transfers resulted from an incorrect identification of the 1992 Medicare segment. For the 1991 transfer adjustment, we considered actual participant transfers and used the actuarial liability consistent with the plan funding to adjust the segment's assets. Our transfer adjustments reduced the Medicare segment assets by \$264,768.

### **Benefit Payments**

In the proposed asset update, PBS did not identify actual benefit payments to Medicare segment participants. We identified actual benefits paid to Medicare participants. Using actual payments in our asset update increased the segment assets by \$69,856.

### **Earnings and Expenses**

With the exception of the 1991 expense allocation, we used PBS' methodology to compute earnings and expenses. The PBS allocated 1991 expenses based on the ratio of the prior year's projected benefit obligation. This approach is not acceptable since the projected benefit obligation is unrelated to the invested assets of the trust fund. We allocated 1991 expenses based on the ratio of segment earnings to total earnings. Our adjustment for the 1991 expense allocation along with the other asset adjustments resulted in earnings and expenses increasing by a net amount of \$607,663.

The net effect of adjustments for the update period of January 1, 1986 to January 1, 1992 is an increase of \$412,751 in Medicare assets. The increase resulted from correcting the participant transfer adjustment (\$264,768 decrease), including actual benefit payments to Medicare non-actives (\$69,856 increase), and revising net earnings and expenses (\$607,663 increase).

### **Medicare Assets as of January 1, 1992**

We updated pension assets of the Medicare segment from January 1, 1986 to January 1, 1992. See Appendix A. Our calculation showed that assets of the Medicare segment increased by \$1,029,387 as of January 1, 1992. This increase resulted from the asset fraction increase of \$616,636 and the update increase of \$412,751.

### **Recommendations**

We recommend that PBS:

- o Increase pension assets of the Medicare segment by \$1,029,387 as of January 1, 1992.
- o Make necessary participant transfer adjustments, in subsequent asset updates, using the actuarial liability consistent with the funding of the pension plan.
- o Identify, in subsequent asset updates, actual benefits paid to Medicare segment non-actives and ensure that the methodology to allocate earnings and expenses is related to the invested assets of the trust fund.

**Auditee Comments**

"With the exception of the auditors' recommendation regarding the increased pension assets of the Medicare Segment as noted in the preceding paragraphs, we concur with the other recommendations."

**OIG Response**

The issue of increased pension assets raised by PBS was addressed in our response regarding the asset fraction calculation.

**INSTRUCTIONS FOR AUDITEE RESPONSE**

Final determinations as to actions to be taken on all matters reported will be made by the HHS action official identified below. We request that you respond to each of the recommendations in this report to the HHS action official, presenting any comments or additional information that you believe may have a bearing on the final determination.

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In accordance with the principles of the Freedom of Information Act (Public Law 90-23), OIG, OAS reports issued to the Department's grantees and contractors are made available, if requested, to members of the press and general public to the extent information contained therein is not subject to exemptions in the Act which the Department chooses to exercise. (See 45 CFR part 5.)

Sincerely,

  
Vincent R. Imbriani  
Regional Inspector General for  
Audit Services, Region VII

Enclosures

HHS Action Official:

Mr. Maurice Hartman  
Regional Administrator, Region III  
Health Care Financing Administration  
3535 Market Street  
Room 3100  
Philadelphia, Pennsylvania 19101-336311

PENNSYLVANIA BLUE SHIELD  
CAMP HILL, PENNSYLVANIA

STATEMENT OF MEDICARE PENSION ASSETS

FOR THE PERIOD  
JANUARY 1, 1986 TO JANUARY 1, 1992

Description	Total Company	Other Segment	Medicare Segment
<b>1/1/86 Assets - Market</b> <u>1/</u>	<b>\$49,149,476</b>	<b>\$37,048,841</b>	<b>\$12,100,635</b>
Contributions <u>2/</u>	0	0	0
Benefits <u>3/</u>	(485,176)	(350,588)	(134,588)
Expenses <u>4/</u>	(241,786)	(182,258)	(59,528)
Earnings <u>5/</u>	9,709,576	7,319,072	2,390,504
Net Transfers <u>6/</u>	0	(191,108)	191,108
<b>1/1/87 Assets - Market</b>	<b>\$58,132,090</b>	<b>\$43,643,959</b>	<b>\$14,488,131</b>
Contributions	0	0	0
Benefits	(651,668)	(495,654)	(156,014)
Expenses	(273,618)	(205,425)	(68,193)
Earnings	1,444,558	1,084,534	360,024
Net Transfers	0	5,951	(5,951)
<b>1/1/88 Assets - Market</b>	<b>\$58,651,362</b>	<b>\$44,033,365</b>	<b>\$14,617,997</b>
Contributions	0	0	0
Benefits	(666,521)	(483,389)	(183,132)
Expenses	(328,991)	(246,995)	(81,996)
Earnings	8,743,795	6,564,532	2,179,263
Net Transfers	0	(25,753)	25,753
<b>1/1/89 Assets - Market</b>	<b>\$66,399,645</b>	<b>\$49,841,760</b>	<b>\$16,557,885</b>

PENNSYLVANIA BLUE SHIELD  
CAMP HILL, PENNSYLVANIA

STATEMENT OF MEDICARE PENSION ASSETS  
FOR THE PERIOD  
JANUARY 1, 1986 TO JANUARY 1, 1992

<u>Description</u>	<u>Total Company</u>	<u>Other Segment</u>	<u>Medicare Segment</u>
<b>1/1/89 Assets - Market</b>	<b>\$66,399,645</b>	<b>\$49,841,760</b>	<b>\$16,557,885</b>
Contributions	0	0	0
Benefits	(877,796)	(607,742)	(270,054)
Expenses	(392,892)	(294,918)	(97,974)
Earnings	10,825,759	8,126,171	2,699,588
Net Assets Merged <u>7/</u>	5,816,732	5,816,732	0
Net Transfers	<u>0</u>	<u>133,263</u>	<u>(133,263)</u>
<b>1/1/90 Assets - Market</b>	<b>\$81,771,448</b>	<b>\$63,015,266</b>	<b>\$18,756,182</b>
Contributions	0	0	0
Benefits	(1,332,185)	(973,641)	(358,544)
Expenses	(423,243)	(326,162)	(97,081)
Earnings	(1,041,495)	(802,604)	(238,891)
Net Assets Merged	(37,936)	(37,936)	0
Net Transfers	<u>0</u>	<u>23,603</u>	<u>(23,603)</u>
<b>1/1/91 Assets - Market</b>	<b>\$78,936,589</b>	<b>\$60,898,526</b>	<b>\$18,038,063</b>
Contributions	0	0	0
Benefits	(1,960,724)	(1,476,646)	(484,078)
Expenses	(436,379)	(336,661)	(99,718)
Earnings	15,908,522	12,273,213	3,635,309
Net Transfers	<u>0</u>	<u>284,914</u>	<u>(284,914)</u>
<b>1/1/92 Assets - Market</b>	<b>\$92,448,008</b>	<b>\$71,643,346</b>	<b>\$20,804,662</b>
Assets Per PBS <u>8/</u>	\$92,448,008	\$72,672,733	\$19,775,275
Asset Variance <u>9/</u>	\$0	(\$1,029,387)	\$ 1,029,387

PENNSYLVANIA BLUE SHIELD  
CAMP HILL, PENNSYLVANIA

STATEMENT OF MEDICARE PENSION ASSETS

FOR THE PERIOD  
JANUARY 1, 1986 TO JANUARY 1, 1992

FOOTNOTES TO STATEMENT OF MEDICARE PENSION ASSETS

1/ We calculated the Medicare segment assets based on our identification of the Medicare segment and our computed asset fraction (24.620069%). We computed the asset fraction as explained in our finding section of the report narrative. The amounts shown for the other segment represent the difference between the total company and the Medicare segment.

2/ We obtained total contribution amounts from IRS Form 5500 reports. The PBS did not make contributions to the pension plan during the period 1986 through 1991.

3/ We obtained total benefit payments from the actuarial valuation reports. We based Medicare segment benefit payments on actual payments to Medicare segment participants.

4/ We obtained administrative expenses from the actuarial valuation reports. For the years 1986 through 1990, we allocated expenses to the Medicare segment based on the ratio of beginning of year market value of Medicare assets to the beginning of year market value of total assets. The PBS used the same methodology. For 1991, we allocated expenses to the Medicare segment based on the ratio of Medicare investment earnings to total investment earnings.

5/ We obtained investment earnings from the actuarial valuation reports. For the years 1986 through 1990, we allocated earnings to the Medicare segment based on the ratio of beginning of year market value of Medicare assets to the beginning of year market value of total assets. For 1991, we allocated earnings based on the time weighted market value of assets. The PBS used the same methodology.

6/ We analyzed PBS' identification of participant transfers between segments by comparing PBS' annual participant listings. We made appropriate adjustments as explained in our finding section of the report narrative. We transferred assets equal to the net transfer of the actuarial liability of the participants who moved to and from the Medicare segment.

PENNSYLVANIA BLUE SHIELD  
CAMP HILL, PENNSYLVANIA

STATEMENT OF MEDICARE PENSION ASSETS

FOR THE PERIOD  
JANUARY 1, 1986 TO JANUARY 1, 1992

FOOTNOTES TO STATEMENT OF MEDICARE PENSION ASSETS

7/ Net assets merged represent total company transactions that do not affect the Medicare segment.

8/ The PBS identified the asset amounts in the January 1, 1992 Actuarial Valuation Reports for the total plan and the Medicare segment.

9/ We computed the asset variance by subtracting PBS' calculation of assets as of January 1, 1992 from our calculation of the assets.



Pennsylvania  
BlueShield

Medicare

February 11, 1994

Mr. Vincent R. Imbriani  
Regional Inspector General of Audit Services  
Department of Health and Human Services  
Region III  
601 East 12th Street, Room 284A  
Kansas City, MO 64106

RE: CIN A-07-93-00712

Dear Mr. Imbriani:

This is in reply to your January 18, 1994 draft audit report entitled "Review of Medicare Contractor's Pension Segmentation Pennsylvania Blue Shield."

Pennsylvania Blue Shield disagrees with the auditors' calculation of the 1981 asset fraction of .24620069 found on page 5 of the report. Based on our review of the audit workpapers, the auditors included two cost centers in the 1981 Medicare segment that did not meet the definition of a segment as defined in Appendix B, Section XVI, Paragraph B of the Medicare contract. According to Paragraph D.3., "The actuarial liabilities used in the fraction will be the actuarial liabilities, as of the later of the first day of the first pension plan year following December 31, 1980, or the first day of the first pension plan year following the date such Medicare Segment first existed." In the Pennsylvania Blue Shield case this was determined to be January 1, 1981, and therefore, these cost centers should not be included in the asset fraction. Because the 1981 asset fraction becomes the basis for computing the pension assets of the Medicare Segment as of January 1, 1986, we also disagree with the \$616,636 initial increase in segment assets and subsequent revisions in net earnings and expenses resulting from the initial increase.

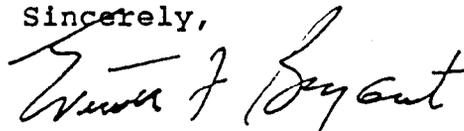
With the exception of the auditors' recommendation regarding the increased pension assets of the Medicare Segment as noted in the preceding paragraphs, we concur with the other recommendations. Specifically, in subsequent asset updates, we will make participant transfer adjustments using the actuarial liability consistent with the funding for the pension plan, use actual benefits paid for non-actives and allocate earnings and expenses using invested assets of the trust fund.

We appreciate the support and cooperation of the audit staff for this audit, which required recovering detail records back to 1981.

Mr. Vincent R. Imbriani  
February 11, 1994  
Page 2

Should you have any questions or need additional information,  
please contact Ray Eichelberger at (717) 763-3167 or Donald Fisher  
at (717) 763-3292.

Sincerely,

A handwritten signature in cursive script that reads "Everett F. Bryant". The signature is written in dark ink and is positioned above the printed name.

Everett F. Bryant  
Senior Vice President  
Government Business

EFB/RRE/DLF/mak