

GAO

Report to the Chairmen, Committees on
Armed Services, House of Representatives
and U.S. Senate

March 1989

DOD CONTRACTING

Air Force and Navy Maintenance of Training Aircraft and Training Equipment





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

National Security and
International Affairs Division

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March 20, 1989

The Honorable Les Aspin
Chairman, Committee on Armed Services
House of Representatives

The Honorable Sam Nunn
Chairman, Committee on Armed Services
United States Senate

This report is in response to the Conference Report to the National Defense Authorization Act for Fiscal Year 1989, which directed us to perform a study of the contracting for maintenance of training aircraft and training equipment at Lowry Air Force Base (AFB), Colorado, and Columbus AFB and Meridian Naval Air Station (NAS), Mississippi. The study was to provide an assessment of the following issues associated with the contracting out of these functions:

- The validity of projected cost savings from contracting out.
- The potential impact on personnel and equipment readiness.
- The economic impact on the local communities.
- The impact on wartime mobilization requirements, the ship-to-shore rotation schedule for Navy maintenance personnel, and the overseas rotation schedule for Air Force maintenance personnel.
- Other impacts on base functions caused by the reduction of the military population (reduction of base medical facilities; commissary; exchange; and morale, welfare, and recreation facilities).

Office of Management and Budget Circular A-76 requires executive branch agencies to procure commercial services from the private sector when the same quality work can be accomplished at less cost than government operation. The circular requires that a cost comparison be made to determine whether the commercial activities should be performed in-house using government personnel or under contract by commercial sources.

After Circular A-76 cost comparisons, the Air Force converted the maintenance of training support equipment to contractor operations at Lowry AFB in May 1988 and the maintenance of training aircraft at Columbus AFB in April 1988. As part of two consolidated contracts involving a number of bases, the Navy converted the maintenance of T-2 and A-4 training aircraft to contractor operations at Meridian NAS in August 1985 and April 1988, respectively.

With regard to the issues raised, we found the following.

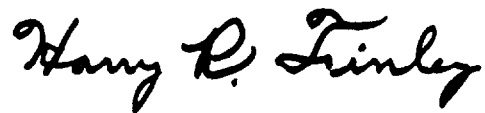
- It appears that the projected savings of \$3.4 million at Lowry AFB and most of the \$52.6 million projected savings for the two consolidated Navy contracts will be realized. However, because of less-than-satisfactory contractor performance, Columbus AFB is not likely to achieve the \$4.2 million projected savings and could possibly incur additional costs beyond those initially estimated for in-house maintenance.
- Most civilian government employees obtained other government employment. Military personnel were transferred to other military installations, retired, or left the service.
- According to the services, the economic impact on the local communities appears to be minimal.
- According to Air Force and Navy officials, contracting the functions will not affect wartime mobilization requirements, the Navy ship-to-shore rotation schedule, or the Air Force overseas rotation schedule for maintenance personnel. Air Force and Navy officials told us that the maintenance positions have the same peacetime and wartime role and would not be deployed.
- Since the maintenance functions at the bases were being performed primarily by military personnel, the loss of these personnel had some impact on other base functions, but the impact has not been significant.

As requested by your offices, we did not obtain official agency comments on this report. However, the views of responsible Air Force and Navy officials were sought during the course of our work and are incorporated where appropriate.

Our findings are discussed in more detail in appendix I. Our objectives, scope, and methodology are described in appendix II. GAO staff members who made major contributions to this report are listed in appendix III.

Unless you publicly announce its contents earlier, we plan no further distribution of this report until 30 days after its issue date. At that time we will send copies to the Secretaries of Defense, the Air Force, and the

Navy; the Director, Office of Management and Budget; and the Administrator, Office of Federal Procurement Policy. We will also make copies available to other interested parties upon request.

A handwritten signature in black ink that reads "Harry R. Finley". The signature is written in a cursive style with a large, prominent "H" and "F".

Harry R. Finley
Director, Air Force Issues

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Abbreviations

AFB	Air Force Base
ATC	Air Training Command
DOD	Department of Defense
GAO	General Accounting Office
NAS	Naval Air Station

Review of Contracting For Maintenance of Training Aircraft and Training Equipment at Lowry AFB, Columbus AFB, and Meridian NAS

The results of our review of the issues relevant to the contracting for maintenance of training aircraft and training equipment functions at Lowry Air Force Base (AFB), Columbus AFB, and Meridian Naval Air Station (NAS) are discussed below.

Lowry AFB, Colorado

The Air Force performed an Office of Management and Budget Circular A-76 cost comparison for the maintenance of aircraft, missiles, munitions, and avionics assigned to technical training groups; unique trainers used to support technical training; and the calibration and maintenance of precision measurement equipment assigned to the Air Force and other agencies in the local area. The cost comparison showed that over a 4-1/2-year period in-house costs would be \$26.4 million and contracting costs would be \$23 million, or a savings of \$3.4 million by contracting. In December 1987 the Air Force awarded a contract to perform the work, which was being performed by government personnel, and the function was converted to contractor performance on May 16, 1988.

A union appeal of the Air Force comparison of in-house and contractor cost was made in January 1988. The appeal alleged that

- two military personnel were improperly employed by the apparent successful contractor, thus influencing the outcome of the cost study;
- the proposed in-house civilian work force was too large and positions were graded too high, thus making the government in-house "bid" non-competitive; and
- certain other costs were either erroneously added or excluded from the study.

An installation appeal review team examined each of the appeal items and determined that no grounds existed for changing the results of the cost comparison. The union was advised that the cost comparison study was accurate and complete and that the decision to convert to a contractor operated function was fair, equitable, and in accordance with established policy. Air Training Command (ATC) Headquarters also reviewed the allegations and found that the cost comparison study was properly conducted and upheld the initial decision to convert the maintenance function to contract.

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Validity of Projected Savings

Changes to the contract through 1988 have resulted in a decrease of \$558,000 in contract price because the contractor began work May 16, 1988, instead of April 1, 1988. The Air Force concluded that the contractor had been providing satisfactory service during the period in accordance with the contract terms and conditions. Therefore, it appears that the \$3.4 million savings will be realized.

Impact on Personnel

A June 1987 Air Force study showed 244 military personnel were assigned to the function when it was being considered for contracting. Attrition reduced the number in succeeding months, but records were not available to determine the specific disposition of all 244 military personnel. ATC provided documentation for 191 reassignments of the military personnel. The dispositions of the remaining 53 military personnel who left the organization after data were obtained for the June 1987 study, but who were not on the reassignment listing, could not be positively determined. However, ATC stated that these 53 individuals probably retired, were separated from military service, or were cross-trained into another specialty.

The June 1987 study also showed that 46 civilian employees were assigned to this function. Although records were not available to document their dispositions, a Lowry AFB official provided the information shown in table I.1.

Table I.1: Disposition of Personnel at Lowry AFB

Military		Civilian	
Reassigned Lowry AFB	48	Placed at Lowry AFB	33
Reassigned United States	114	Placed at other federal	
Reassigned overseas	29	government locations	2
		Retired	8
		Resigned	3
Total	191^a		46

^aAccording to Air Force officials, reassignments were to unfilled authorized positions.

Air Force officials advised us that they expended considerable effort to place civilian employees and accommodate the wishes of military personnel regarding their location preferences. The civilian staffing specialist at Lowry AFB stated that no civilian employees were involuntarily separated. Of the three civilians who resigned, two were believed by the staffing specialist to have been hired by the contractor.

Impact on Personnel and
Equipment Readiness

An official in resource planning at Lowry AFB said he does not believe there has been an impact on readiness. He explained that maintenance personnel were only intended to provide training support, and the squadron had not been tasked for wartime deployment. He added that the contractor has been responsive to needs for maintenance and that instructors and students have reported that they are satisfied with the support being provided.

Economic Impact on Local
Community

The Air Force estimated that the annual economic impact on the local community would be a decrease in annual spending by Lowry AFB of \$3.8 million, or 1 percent.

Impact on Wartime
Mobilization Requirements
and Overseas Rotation
Schedules

The Air Force annually matches funded personnel authorizations to wartime and overseas rotation base requirements to identify shortfalls and/or overages by specialty. This match is performed by the Air Force before a function is considered for cost comparison. In the case of Lowry AFB, this match was completed before the training equipment maintenance function was announced to the Congress in October 1986 for cost comparison. Analyses of Air Force's personnel requirements continued to indicate that there were sufficient aircraft maintenance personnel resources to meet wartime tasking and satisfy overseas rotation needs. Also, the Lowry AFB training equipment maintenance function has no military wartime mobility role, and, therefore, military personnel are not required to perform the maintenance function.

Impact on Other Base
Functions

Air Force officials said the phase-out of the 244 military personnel had no significant impact on base functions such as the commissary, exchange, clinic, and recreational activities. Lowry AFB services about 4,000 permanent military personnel including those at nearby Buckley Air National Guard Base. We were told that the student population is normally in the 1,800 to 2,000 range and as many as 18,000 military retirees are estimated to live in the vicinity.

Columbus AFB,
Mississippi

On February 14, 1986, the Department of Defense (DOD) Inspector General issued a report, Maintenance of Training Aircraft (No. 86-066). The report concluded that (1) aircraft maintenance performed by government personnel (predominantly military) at five of six ATC pilot training bases was not as cost effective as the contractor operations performed at the other base, (2) the Air Force could save \$43 million annually if

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the aircraft maintenance operations at the five bases using government personnel were as cost effective as the contractor maintenance operation, and (3) ATC should perform a study under Office of Management and Budget Circular A-76 to develop and implement a cost-effective maintenance work force for the T-37 and T-38 training aircraft.

As a result of the DOD Inspector General report, the Air Force performed a Circular A-76 cost comparison of the training aircraft maintenance function for T-37 and T-38 aircraft at Columbus AFB,¹ which showed that over a 4-1/2-year period in-house costs would be \$62.9 million and contracting costs would be \$58.7 million, or a savings of \$4.2 million by contracting rather than performing the work in-house with civilian employees. In November 1987 the Air Force announced a decision to contract for the aircraft maintenance function, and it was converted to contractor performance on April 1, 1988.

**Validity of Projected
Savings**

As of December 15, 1988, 10 modifications were made to the contract; only 1 resulted in a contract price increase. The amount of the increase was \$140. However, the contract cost could increase further because Air Force officials told us that the contractor's performance has been less than satisfactory and, as a result, the Air Force advised the contractor in February 1989 that it will not exercise the option to renew the contract for fiscal year 1990. The Air Force plans to resolicit bids for the maintenance work. It appears likely that this will result in costs higher than the current contract costs. Therefore, the projected \$4.2 million savings could be reduced and costs could possibly be greater than if the function had initially remained in-house. Air Force officials told us the contractor's problems stemmed from inexperienced personnel, a high turnover rate, and using a lesser number of personnel to hold down costs.

Impact on Personnel

Contracting out affected 144 civilian employees and 837 military personnel. Air Force officials advised us that they expended considerable effort to place civilian employees and accommodate the wishes of military personnel regarding their relocation preferences. Table I.2 shows what happened to employees affected by contracting out.

¹Contracting of this function was the subject of an earlier report, *Air Force Contracting: Contracting for Maintenance of Training Aircraft at Columbus AFB* (GAO/NSIAD-88-136BR, April 6, 1988).

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Table I.2: Disposition of Personnel at Columbus AFB

Military		Civilian	
Reassigned Columbus AFB	42	Placed at Columbus AFB	31
Reassigned United States	612	Placed at other DOD locations	23
Reassigned overseas	106	Involuntarily separated	
Retired	27	(55 went with contractor)	57
Early out	50 ^a	Regular retirement	32
		Resigned	1
Total	837^{ab}		144

^aSome early outs may have resulted from an Air Force-wide early-out program to meet reduced personnel levels.

^bAccording to Air Force officials, reassignments were to unfilled authorized positions.

Impact on Personnel and Equipment Readiness

According to Air Force officials, Columbus AFB's wartime mission is to train pilots, the same as its peacetime mission. Therefore, the base has no mobility tasking for either maintenance personnel or training aircraft. We were also told that even though the contractor has been experiencing some backlog on aircraft maintenance, it has not yet affected mission capability. However, Air Force officials stated that there is concern this could happen in the future.

Economic Impact on Local Community

The Air Force estimated that the economic impact on the local community (within a 50-mile radius of the center of Columbus AFB) would be a decrease in annual spending by Columbus AFB of \$1.4 million, or 1.3 percent.

Impact on Wartime Mobilization Requirements and Overseas Rotation Schedules

The February 1986 DOD Inspector General report questioned the necessity for military personnel to perform maintenance of training aircraft. The report found that (1) there was no evidence in the personnel tracking system that ATC maintenance authorizations had a direct combat support role, (2) excluding the ATC authorizations (5 percent of total Air Force maintenance authorizations), the Air Force still had more than enough authorizations to maintain a satisfactory overseas rotation base, and (3) the majority of the ATC maintenance positions have the same peacetime and wartime requirements and will not be deployed to other sites.

As a result of this report, the Air Force conducted an analysis of ATC aircraft maintenance personnel resources to determine the degree to

which these resources would be needed to support Air Force wartime needs. The Air Force concluded that military personnel were not essential to perform ATC aircraft maintenance in wartime because there was no combat theater role, no deployment role, and no casualty replacement role. In addition, when wartime aircraft maintenance requirements were compared to total wartime supply (active, reserves, retirees), the supply exceeded the wartime demand for aircraft maintenance personnel, even when ATC maintenance personnel were excluded. Also, since military personnel are not required to perform training aircraft maintenance in either wartime or peacetime, the Air Force concluded that an Air Force civilian or private contractor work force would fully meet its wartime maintenance capabilities.

Impact on Other Base Functions

According to Air Force officials, the reduction in the number of authorized military positions—from 2,126 in January 1988 to 1,238 in January 1989, or 42 percent—did not generally reduce services provided by other base functions. The officials told us the following.

- There has been no overall effect on hospital services. Any increased availability of services caused by the loss of maintenance personnel has been filled by retirees.
- Commissary sales have fluctuated greatly since the conversion. This is partly due to the maintenance conversion and partly due to two major supermarkets opening in Columbus. There has been no reduction in service or operating hours.
- The Army and Air Force Exchange Service has had a decrease in sales, which has resulted in a decrease in staffing. The Military Clothing Sales Store and Shopette (convenience store) will be moved to the main store for economy and efficiency.
- There has been no reduction in morale, welfare, and recreation facilities hours or services other than the Enlisted Club. The number of members has dropped from about 1,700 before the conversion to about 900 members. As a result, the Enlisted Club has eliminated operations on Sundays and reduced operating hours during the week. Also, even though there is less involvement in intramural sports programs, such as fielding fewer intramural softball teams, the basic programs are the same.

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**Meridian NAS,
Mississippi**

The Navy contracted out organizational maintenance² of T-2 training aircraft in 1985 and A-4 training aircraft in 1987 after performing Circular A-76 cost comparisons, which showed contracting would be less costly than performing the maintenance in-house. The T-2 maintenance contract involves three bases, and the A-4 contract involves four bases; Meridian NAS is included in both contracts.

A third cost comparison, which is expected to be completed in April 1989, involves T-2 and A-4 intermediate maintenance³ at six bases, including Meridian NAS. Since this cost comparison has not been finalized, we limited our work primarily to the two contracts currently in effect.

**T-2 Organizational
Maintenance Contract**

The Navy performed a cost comparison of the T-2 maintenance function, which included the requirements for Meridian NAS; Chase Field NAS, Texas; and Kingsville NAS, Texas. The cost comparison showed that the in-house costs would be \$107.6 million and contracting costs would be \$71.8 million, or a savings of \$35.9 million over the 4-1/2-year contract period. The maintenance functions at the three bases were converted to contractor operations at various times in 1985; Meridian NAS was converted in August.

**A-4 Organizational
Maintenance Contract**

The cost comparison for the A-4 maintenance function encompassed the requirements for Meridian NAS; Chase Field NAS; Kingsville NAS; and Pensacola NAS, Florida. The cost comparison showed the in-house costs to perform the work would be \$92 million over a 3-1/2-year period, whereas contracting costs would be \$75.3 million, or a savings of \$16.7 million. The maintenance functions at the bases were converted to contract at various times in 1987 and 1988; Meridian NAS was converted in April 1988.

²This type of maintenance is the responsibility of and performed by a using organization on its assigned equipment. Its phases normally consist of inspecting, servicing, lubricating, adjusting, and replacing parts, minor assemblies, and subassemblies.

³This type of maintenance is the responsibility of and performed by designated maintenance activities for direct support of using organizations. Normally, its phases consist of calibrating, repairing, or replacing damaged or unserviceable parts, components, or assemblies; the emergency manufacturing of nonavailable parts; and providing technical assistance to using organizations.

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**Status of T-2 and A-4
Intermediate Maintenance
Cost Comparison**

A cost comparison is in process for intermediate maintenance for the T-2 and A-4 training aircraft, which includes requirements for Meridian NAS; Chase Field NAS; Kingsville NAS; Pensacola NAS; Corpus Christi NAS, Texas; and Whiting Field NAS, Florida. The tentative contract award date is May 1, 1989, and conversion to full performance by the contractor is expected on September 1, 1989.

**Validity of Projected
Savings on the T-2 and A-4
Contracts**

Projected savings over the 4-1/2-year contract period for T-2 maintenance were estimated to be \$35.9 million. Changes to the T-2 contract since it started in 1985 through January 1989 have resulted in a net increase in the contract of \$13.7 million—from \$55.9 million to \$69.6 million. However, most of the increase resulted from new work requirements such as increased flying requirements, including weekend flying, and increases in wages authorized by the Service Contract Act.⁴ If the functions had remained in-house, the additional work load and costs would likely have increased as well. Costs of \$2.2 million resulting from changes to resolve contract ambiguities, \$1.4 million for projected increases in contract administration, and \$341,000 for a termination settlement for fiscal year 1985 (minimum flying requirements in contract were not met) will result in a \$3.9 million reduction in the projected savings. Therefore, it appears that about \$32 million of the projected savings will be realized.

Changes to the A-4 contract since it started in May 1987 through January 1989 have resulted in a net increase of \$10.2 million in the contract price—from \$40 million to \$50.2 million. (These figures do not include \$20.8 million for the fiscal year 1990 option period.) The increase resulted from new work requirements, such as establishing a detachment at El Centro, California, and changing from a 5- to a 6-day flying week. The additional work would have been required, and costs would have increased, regardless of whether the work remained in-house or was contracted out. Therefore, it appears that the projected savings of \$16.7 will be realized.

⁴The Service Contract Act of 1965, as amended (41 U.S.C. 351 et seq.), requires federal contractors to pay their employees not less than the prevailing minimum wage, as determined by the Department of Labor, based on the type of work and the locale. Contractor bids and in-house cost estimates do not include costs for future wage increases. Consequently, when the prevailing minimum wage increases, contracts are modified to reimburse contractors for the increased wages.

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Since indications are that most of the projected savings will be realized under the T-2 and A-4 contracts, we did not break out costs and projected savings between the various bases involved in each of the contracts.

**Impact on Personnel at
Meridian NAS**

Contracting out of the T-2 and A-4 maintenance functions at Meridian NAS affected 17 civilian employees and 543 military personnel—8 civilian and 218 military for T-2 maintenance and 9 civilian and 325 military for A-4 maintenance. Table I.3 shows what happened to employees affected by contracting out T-2 maintenance, and table I.4 shows what happened to employees affected by contracting out A-4 maintenance.

Table I.3: Disposition of T-2 Maintenance Personnel at Meridian NAS

Military		Civilian	
Reassigned Meridian NAS	30	Placed at Meridian NAS	8
Reassigned United States	188		
Total	218^a		

^aAccording to Navy officials, reassignments were to unfilled authorized positions.

Table I.4: Disposition of A-4 Maintenance Personnel at Meridian NAS

Military		Civilian	
Reassigned Meridian NAS	23	Placed at Meridian NAS	5
Reassigned United States	302	Placed at other DOD locations	3
		Regular retirement	1
Total	325^a		9

^aAccording to Navy officials, reassignments were to unfilled authorized positions.

**Impact on Personnel and
Equipment Readiness**

Navy officials told us that even if the training aircraft maintenance functions at the pilot training bases were not contracted out, these bases could not be looked upon to provide military personnel in case of an emergency because the personnel would be needed at the bases during wartime and peacetime. Navy officials told us that the contractor's work has been satisfactory and that the quality of service has been better with contractor personnel than it was previously with military personnel. We were also told that the condition of the aircraft improved under contract maintenance.

Economic Impact on Local Communities

The Navy's economic impact statement regarding the contracting out of the T-2 aircraft maintenance function stated that, in the combined three communities, the contract was expected to add a total of 511 new civilian jobs. The statement also said that indirect benefits to each community in increased real estate sales and rentals; purchases of local goods, services, and utilities; increased local banking; and an increase to the local tax base were expected as military personnel were replaced by contractor personnel.

In addition, the statement said that contracting would add \$3.3 million to total personal income over the contract period (\$660,000 annually). Navy officials were unable to recall how this figure was derived. Based on the projected savings of \$35.9 million over the 4-1/2-year contract period, it appears that the average annual dollars available in the local communities would be about \$8 million less than if the functions were performed in-house. However, as discussed earlier, contract amounts have increased to some extent, which would offset some of this reduction.

Navy documents stated that because the A-4 aircraft maintenance function would continue to be performed in the same areas by local residents, it was anticipated that the economic effect on the business volume of the local communities will be a positive one, since the contractor would be providing more than 600 new jobs in a wide range of skills. The documents contained no information regarding the economic impact on the local communities. Using the same methodology as that above for the T-2, the projected savings of \$16.7 million over a 3-1/2-year period would result in an average annual reduction of \$4.8 million available in the local communities. Again, contract amounts have increased to some extent, which would offset some of this reduction.

Navy officials told us that performance of the maintenance functions in-house by civilian employees or by contractor personnel would be of greater benefit to the local communities than if military personnel performed the work because civilians would live and shop in the communities, whereas many military personnel live, shop, and use other facilities at the bases.

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**Impact on Wartime
Mobilization Requirements
and Ship-to-Shore Rotation
Schedules**

Navy officials told us that pilot training is required during wartime and peacetime. If the maintenance function were not contracted out, military personnel performing this function would not be called upon in an emergency because they would be required to perform maintenance on the training aircraft. Navy officials told us that there is no impact on the ship-to-shore rotation schedule. Sufficient aircraft maintenance personnel are available at other naval air stations to meet their requirements.

**Impact on Other Base
Functions**

We were told by Navy officials that the reduction of military personnel from contracting out the maintenance function did not have a significant impact on other base functions at Meridian NAS. The number of military personnel (including students) has fluctuated after the contracting of the maintenance functions from 2,746 on September 30, 1985, to 3,017 on September 30, 1987, to 2,579 on January 31, 1989. About 575 retirees also use the base facilities. The activities that have been somewhat affected are morale, welfare, and recreation, since they are nonappropriated fund activities that generate fees for operation.

Objectives, Scope, and Methodology

The Conference Report (100-989, September 28, 1988) to the National Defense Authorization Act for Fiscal Year 1989 directed us to perform a study concerning the contracting out of maintenance of training aircraft and training equipment at Lowry AFB, Colorado, and Columbus AFB and Meridian NAS, Mississippi.

The objectives of our work were to provide an assessment of the following issues associated with the contracting out of these functions: (1) the validity of projected cost savings from contracting out, (2) the potential impact on personnel and equipment readiness, (3) the economic impact on the local communities, (4) the impact on wartime mobilization requirements, the ship-to-shore rotation schedule for Navy maintenance personnel, and the overseas rotation schedule for Air Force maintenance personnel, and (5) other impacts on base functions caused by the reduction of the military population (reduction of base medical facilities; commissary; exchange; and morale, welfare, and recreation facilities).

To accomplish our objectives, we reviewed Office of Management and Budget Circular A-76, the summary statistical data from the Air Force and Navy cost comparisons that were used to justify conversions to contract, and other related documents. We did not evaluate the cost comparisons or their underlying support. We also obtained information from the Air Force and the Navy pertaining to the economic impacts on the local communities, impacts on personnel and equipment readiness, wartime mobilization requirements, rotation schedules, and impacts on other base functions caused by the reduction in the number of military personnel. We did not verify that reassigned military personnel were placed in unfilled authorized positions. Reassignments that exceed authorizations would reduce savings because the government would be paying contractor personnel as well as the additional cost of reassigned military personnel that were placed in organizations where there was no apparent need.

To obtain Air Force data relevant to Lowry and Columbus AFBS, we visited and interviewed Air Force officials responsible for the activities at Air Force Headquarters, Washington, D.C., and Lowry and Columbus AFBS.

To obtain Navy data relevant to Meridian NAS, we visited and interviewed officials responsible for the activities at Navy Headquarters, Washington, D.C., and Chief of Naval Air Training, Corpus Christi, Texas. We also interviewed the Base Commander, Meridian NAS; officials

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of the Naval Aviation Depot Operations Center, Patuxent River, Maryland; and Chief of Naval Education and Training, Pensacola NAS, Florida.

We performed our work from September 1988 to February 1989 in accordance with generally accepted government auditing standards.

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