United States Government Accountability Office

GAO

Testimony

Before the Subcommittee on Oversight and Investigations, Committee on Financial Services, House of Representatives

For Release on Delivery
Expected at 2:00 p.m. EDT
Wednesday, July 12, 2006

FINANCIAL SERVICES INDUSTRY

Overall Trends in Management-Level Diversity and Diversity Initiatives, 1993-2004

Statement of Orice M. Williams, Director
Financial Markets and Community Investment

GAO
Accountability * Integrity * Reliability

GAO-06-843T

GAO Accountability·Integrity·Reliability

Highlights

Highlights of GAO-06-843T, a testimony before the Subcommittee on Oversight and Investigations, Committee on Financial Services, House of Representatives

July 12, 2006

FINANCIAL SERVICES INDUSTRY

Overall Trends in Management-Level Diversity and Diversity Initiatives, 1993-2004

Why GAO Did This Study

A July 2004 congressional hearing raised concerns about the lack of diversity in the financial services industry, particularly in key management positions. Some witnesses noted that these firms (e.g., banks and securities firms) had not made sufficient progress in recruiting minorities and women at the management level. Others raised concerns about the ability of minority-owned businesses to raise debt and equity capital.

At the request of the House Financial Services Committee, GAO was asked to provide a report on overall trends in management-level diversity and diversity initiatives from 1993 through 2004. This testimony discusses that report and focuses on (1) what the available data show about diversity at the management level, (2) the types of initiatives that the financial services industry has taken to promote workforce diversity and the challenges involved, and (3) the ability of minority- and women-owned businesses to obtain capital and initiatives financial institutions have taken to make capital available to these businesses.

For our analysis, we analyzed data from the Equal Employment Opportunity Commission (EEOC); reviewed select studies; and interviewed officials from financial services firms, trade organizations, and federal agencies.

GAO makes no recommendations at this time.

www.gao.gov/cgi-bin/getrpt? GAO-06-843T.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Orice M. Williams at (202) 512-5837 or williamso@gao.gov.

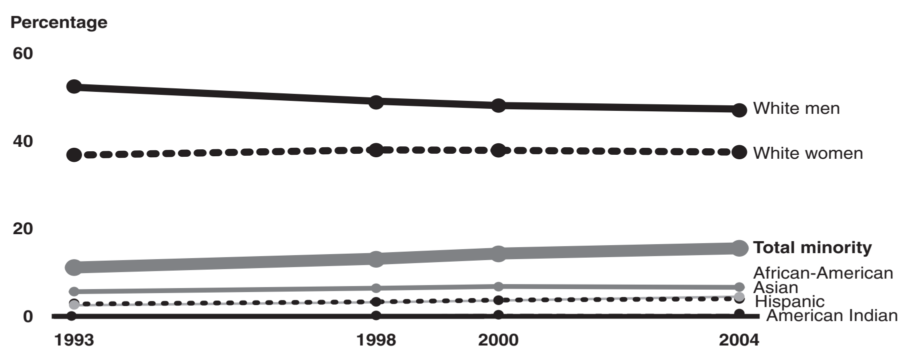
What GAO Found

From 1993 through 2004, overall diversity at the management level in the financial services industry did not change substantially, but some racial/ethnic minority groups experienced more change in representation than others. EEOC data show that management-level representation by minority women and men overall increased from 11.1 percent to 15.5 percent (see fig. below). Specifically, African-Americans increased their representation from 5.6 percent to 6.6 percent, Asians from 2.5 percent to 4.5 percent, Hispanics from 2.8 percent to 4.0 percent, and American Indians from 0.2 percent to 0.3 percent.

Financial services firms and trade groups have initiated programs to increase workforce diversity, but these initiatives face challenges. The programs include developing scholarships and internships, partnering with groups that represent minority professionals, and linking managers' compensation with their performance in promoting a diverse workforce. Some firms have developed indicators to measure progress in achieving workforce diversity. Industry officials said that among the challenges these initiatives face are recruiting and retaining minority candidates, as well as gaining the "buy-in" of key employees, such as the middle managers who are often responsible for implementing such programs.

Research reports suggest that minority- and women-owned businesses have difficulty obtaining access to capital for several reasons, such as that these businesses may be concentrated in service industries and lack assets to pledge as collateral. Some studies suggest that lenders may discriminate, but proving such an allegation is complicated by the lack of available data. However, some financial institutions, primarily commercial banks, said that they have developed strategies to serve minority- and women-owned businesses. These strategies include marketing existing financial products specifically to minority and women business owners.

Workforce Representation in the Financial Services Industry at the Management Level by Racial/Ethnic Group and Gender (1993, 1998, 2000, and 2004)



Source: GAO analysis of EEOC data.

Madam Chairwoman and Members of the Subcommittee:

I am pleased to be here today to discuss our work on two important issues: workforce diversity in the financial services industry and access to capital for minority- and women-owned businesses. Two years ago, this subcommittee held a hearing that raised concerns about the lack of diversity in the financial services industry, particularly in key management positions.[1] As you may recall, some witnesses noted that these firms—banks and securities firms, for example—had not made sufficient progress in recruiting minorities and women at the management level. Others expressed concerns about the ability of minority-owned businesses to raise debt and equity capital.

My remarks are based on our report that is being released today, which we prepared at the request of the Chairman and Ranking Minority Member of the full committee, the Chairman and Ranking Minority Member of the Subcommittee on Oversight and Investigations, and Representative David Scott.[2] Specifically, I will discuss (1) what the available data show about diversity at the management level in the financial services industry from 1993 through 2004, (2) the types of initiatives that the financial services industry and related organizations have taken to promote workforce diversity and the challenges involved, and (3) the ability of minority- and women-owned businesses to obtain capital and initiatives financial institutions have taken to make capital available to these businesses.[3]

For our analysis, we used the Equal Employment Opportunity Commission's (EEOC) Employer Information Report (EEO-1) data on

[1] *Diversity in the Financial Services Industry and Access to Capital for Minority Owned Businesses: Challenges and Opportunities*, Hearing Before the Subcommittee On Oversight and Investigations of the House Committee on Financial Services, 108th Cong. (2004).

[2] GAO, *Financial Services Industry: Overall Trends in Management-Level Diversity and Diversity Initiatives, 1993–2004*, GAO-06-617 (Washington, D.C.: June 1, 2006).

[3] A minority-owned business is defined by the U.S. Census Bureau as a business in which a minority owns 51 percent or more of the stock or equity in the business. A woman-owned business is defined by Census as a business in which a woman owns 51 percent or more of the stock or equity in the business.

financial services firms with 100 or more employees.[4] We also reviewed publicly available information, including reports, and interviewed officials from a variety of financial services firms, including commercial banks, securities firms, and private equity/venture capital organizations, as well as representatives from industry trade organizations and federal agencies.

In summary:

From 1993 through 2004, overall workforce diversity at the management level in the financial services industry did not change substantially, but some racial/ethnic minority groups experienced more change in representation than others.[5] EEO-1 data show that management-level representation by minority women and men overall increased from 11.1 percent to 15.5 percent. Specifically, African-Americans increased their representation from 5.6 percent to 6.6 percent, Asians from 2.5 percent to 4.5 percent, Hispanics from 2.8 percent to 4.0 percent, and American Indians from 0.2 percent to 0.3 percent. Representation by white women remained constant at slightly more than one-third during this period, while representation by white men declined from 52.2 percent to 47.2 percent. Depository institutions, such as commercial banks, and insurance companies generally were more diverse at the management level than securities firms. In addition, according to the 2004 EEO-1 data, minorities held 13.5 percent and white women held 32.4 percent of all "officials and managers" positions in the accounting industry.

Although financial services firms and trade groups have initiated programs to increase workforce diversity, these initiatives face challenges that may help explain why overall diversity at the management level has not changed substantially. Officials at financial services firms said that diversity was an important goal and that top leadership was committed to recruiting and retaining minority and women candidates. Some financial services firms have established scholarship and internship programs or partnered with groups that represent minority professionals. Officials from

---

[4]We used the EEO-1 "officials and managers" job category as the basis for our discussion of management-level diversity within the financial services industry. EEOC defines the job category of "officials and managers" as occupations requiring administrative and managerial personnel, who set broad policies, exercise overall responsibility for execution of these policies, and direct individual departments or special phases of a firm's operation.

[5]For the purposes of this testimony, we focused the diversity discussion on changes in management-level representation over time by racial/ethnic minority groups, including African-Americans, Asians, Hispanics, and American Indians.

a few firms told us that they had begun linking managers' compensation to their performance in promoting workforce diversity, and some firms had developed indicators (e.g. representation by minorities and women in key positions) to measure progress in achieving workforce diversity. Industry officials said that among the challenges these initiatives face are recruiting and retaining minority candidates, as well as gaining the "buy-in" of key employees, such as the middle managers who are often responsible for implementing such programs.

Research reports and discussions with financial services firms and relevant trade groups suggest that minority- and women-owned businesses generally have difficulty obtaining access to capital in conventional financial markets. A 2004 report by the U.S. Department of Commerce's Minority Business Development Agency (MBDA) stated that minority-owned businesses may have difficulty obtaining capital because they are often concentrated in service industries and lack sufficient assets to pledge as collateral.[6] Some studies suggest that lenders may discriminate in deciding whether to make loans to minority businesses, but proving such an allegation is complicated by the lack of available data. In particular, the Federal Reserve's Regulation B prohibits financial institutions from requiring information on race and gender from applicants for nonmortage credit products.[7] Some federal financial regulators have stated that removing the prohibition would allow them to better monitor and enforce laws prohibiting discrimination in lending. Some financial institutions, primarily commercial banks, said that they have developed strategies to serve minority- and women-owned businesses. These strategies include marketing existing financial products specifically to minority and women business owners.

[6]U.S. Department of Commerce, MBDA, "Expanding Financing Opportunities for Minority Businesses" (2004).

[7]The Federal Reserve's Regulation B implements the Equal Credit Opportunity Act (ECOA). ECOA, 15 U.S.C. §§ 1691-1691f, makes it unlawful for a creditor to discriminate against an applicant in any aspect of a credit transaction on the basis of the applicant's national origin, religion, sex, color, race, age (provided the applicant has the capacity to contract). Racial and gender information can be collected in two very limited circumstances, neither of which results in publicly available data regarding the race/ethnicity or gender of the bank's nonmortgage credit applicants.

Background

We defined the financial services industry to include the following sectors:

- depository credit institutions, which include commercial banks, thrifts (savings and loan associations and savings banks), and credit unions;
- holdings and trusts, which include investment trusts, investment companies, and holding companies;
- nondepository credit institutions, which extend credit in the form of loans, include federally sponsored credit agencies, personal credit institutions, and mortgage bankers and brokers;
- the securities sector, which is made up of a variety of firms and organizations (e.g., broker-dealers) that bring together buyers and sellers of securities and commodities, manage investments, and offer financial advice; and
- the insurance sector, including carriers and insurance agents, which provides protection against financial risks to policyholders in exchange for the payment of premiums.

Additionally, the financial services industry is a major source of employment in the United States. According to the EEO-1 data, the financial services firms we reviewed for this testimony, which have 100 or more staff, employed nearly 3 million people in 2004. Moreover, according to the U.S. Bureau of Labor Statistics, employment in management and professional positions in the financial services industry was expected to grow at a rate of 1.2 percent annually through 2012. Finally, a recent U.S. Census Bureau report based on data from the 2002 Economic Census stated that, between 1997 and 2002, Hispanics in the United States opened new businesses at a rate three times faster than the national average.[8]

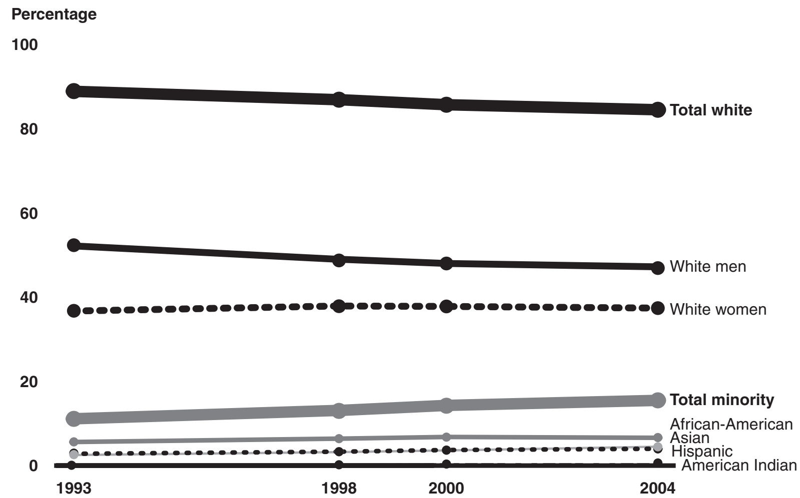
[8]U.S. Census Bureau, *Survey of Business Owners: Hispanic-Owned Firms: 2002 (March 2006).*

Diversity in the Financial Services Industry at the Management Level Did Not Change Substantially between 1993 and 2004

Overall EEO-1 data do not show substantial changes in diversity at the management level and suggest that certain financial sectors are more diverse at this level than others. Figure 1 shows that overall management-level representation by minorities increased from 11.1 percent to 15.5 percent from 1993 through 2004. Specifically, African-Americans increased their representation from 5.6 percent to 6.6 percent, Asians from 2.5 percent to 4.5 percent, Hispanics from 2.8 percent to 4.0 percent and American Indians from 0.2 to 0.3 percent. Management-level representation by white women was largely unchanged at slightly more than one-third during the period, while representation by white men declined from 52.2 percent to 47.2 percent.

EEO-1 data may actually overstate representation levels for minorities and white women in the most senior-level positions, such as Chief Executive Officers of large investment firms or commercial banks, because the category that captures these positions—"officials and managers"—covers all management positions. Thus, this category includes lower level positions (e.g., assistant manager of a small bank branch) that may have a higher representation of minorities and women. In 2007, EEOC plans to use a revised form for employers that divides this category into "executive/senior-level officers and managers" and "first/mid-level officials," which could provide a more accurate picture of diversity among senior managers.

Figure 1: EEO-1 Data on Trends in Workforce Diversity in the Financial Services Industry at the Management Level by Racial/Ethnic Group and Gender (1993, 1998, 2000, and 2004)



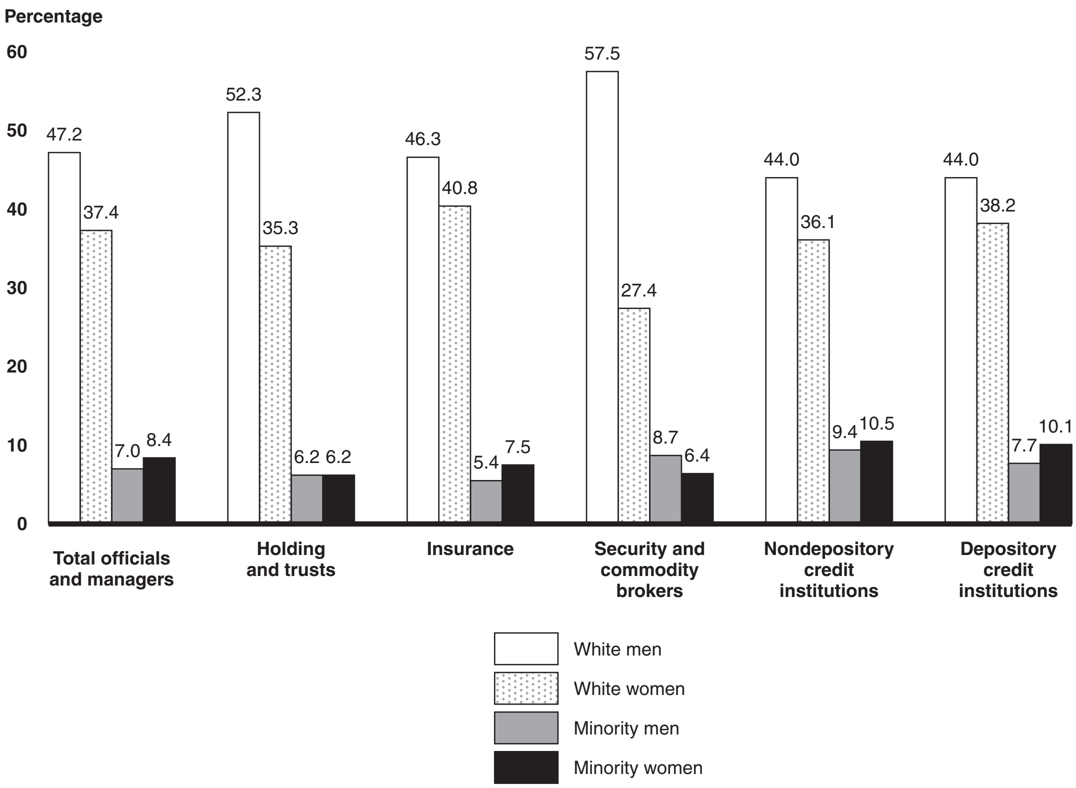
	1993	1998	2000	2004
Total white	**88.9%**	**86.9%**	**85.7%**	**84.5%**
White men	52.2	49.0	48.0	47.2
White women	36.7	37.9	37.8	37.4
Total minority	**11.1%**	**13.1%**	**14.3%**	**15.5%**
African-American	5.6	6.4	6.8	6.6
Hispanic	2.8	3.3	3.7	4.0
Asian	2.5	3.2	3.6	4.5
American Indian	.2	.2	.3	.3

Source: GAO analysis of EEOC data.

Note: Percentages may not always add to 100 due to rounding.

As shown in figure 2, EEO-1 data also show that the depository and nondepository credit sectors, as well as the insurance sector, were somewhat more diverse at the management level than the securities and holdings and trust sectors. In 2004, minorities held 19.9 percent of management-level positions in nondepository credit institutions, such as mortgage bankers and brokers, but 12.4 percent in holdings and trusts, such as investment companies.

Figure 2: EEO-1 Data on Workforce Diversity in the Financial Services Industry at the Management Level by Sector (2004)



Source: GAO analysis of EEOC data

Note: Percentages may not always add to 100 due to rounding.

You also asked that we collect data on the accounting industry. According to the 2004 EEO-1 data, minorities held 13.5 percent, and white women held 32.4 percent of all "officials and managers" positions in the accounting industry.

Initiatives to Promote Workforce Diversity in the Financial Services Industry Face Challenges

Minorities' rapid growth as a percentage of the overall U.S. population and increased global competition have convinced some financial services firms that workforce diversity is a critical business strategy. Officials from the firms with whom we spoke said that their top leadership was committed to implementing workforce diversity initiatives, but noted that they faced challenges in making such initiatives work. In particular, they cited ongoing difficulties in recruiting and retaining minority candidates and in gaining employees' "buy-in" for diversity initiatives, especially at the middle management level.

Financial Services Firms Have Implemented a Variety of Diversity Initiatives

Since the mid-1990s, some financial services firms have implemented a variety of initiatives designed to recruit and retain minority and women candidates to fill key positions. Officials from several banks said that they had developed scholarship and internship programs to encourage minority students to consider careers in banking. Some firms and trade organizations have also developed partnerships with groups that represent minority professionals and with local communities to recruit candidates through events such as conferences and career fairs. To help retain minorities and women, firms have established employee networks, mentoring programs, diversity training, and leadership and career development programs.

Officials from some financial services firms we contacted, as well as industry studies, noted that that financial services firms' senior managers were involved in diversity initiatives. For example, according to an official from an investment bank, the head of the firm meets with every minority and female senior executive to discuss his or her career development. Officials from a few commercial banks said that the banks had established diversity "councils" of senior leaders to set the vision, strategy, and direction of diversity initiatives. A 2005 industry trade group study and some officials also noted that some companies were linking managers' compensation with their progress in hiring, promoting, and retaining minority and women employees.[9]

A few firms have also developed performance indicators to measure progress in achieving diversity goals. These indicators include workforce representation, turnover, promotion of minority and women employees, and employee satisfaction survey responses. Officials from several financial services firms stated that measuring the results of diversity efforts over time was critical to the credibility of the initiatives and to justifying the investment in the resources such initiatives demanded.

[9]Securities Industry Association, *2005 Report on Diversity Strategy, Development and Demographics: Executive Summary* (November 2005).

Several Challenges May Have Affected the Success of Workforce Diversity Initiatives in the Financial Services Industry

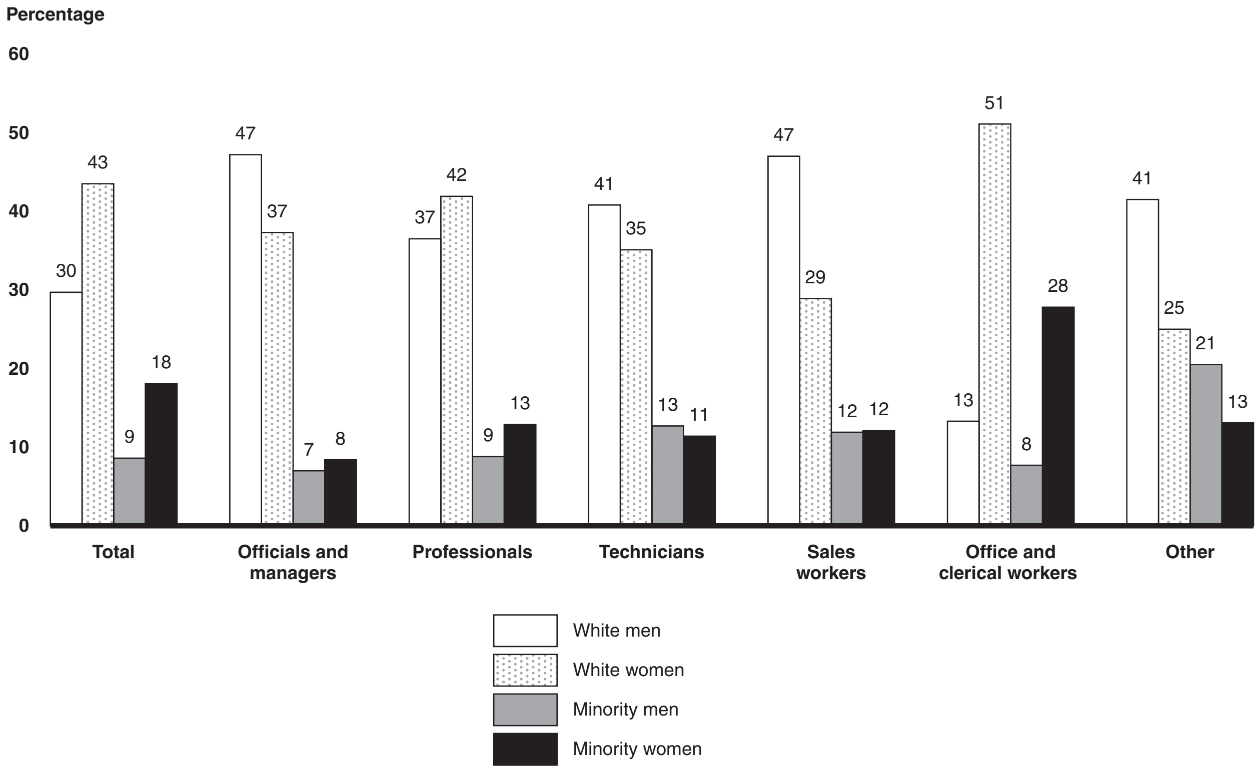
The financial services firms and trade organizations we contacted that had launched diversity initiatives cited a variety of challenges that may have limited the success of their efforts. First, officials said that the industry faced ongoing challenges in recruiting minority and women candidates. According to industry officials, the industry lacks a critical mass of minority employees, especially at the senior levels, to serve as role models to attract and retain other minorities. Available data on minority students enrolled in Master of Business Administration (MBA) programs suggest that the pool of minorities, a source that may feed the “pipeline” for management-level positions within the financial services industry and other industries, is relatively small.[10] In 2000, minorities accounted for 19 percent of all students enrolled in MBA programs in accredited U.S. schools; in 2004, that student population had risen to 23 percent. Financial services firms compete for this relatively small pool not only with one another but also with firms from other industries.

Evidence suggests, however, that the financial services industry may not be fully leveraging its “internal” pipeline of minority and women employees for management-level positions. As shown in figure 3, there are job categories within the financial services industry that generally have more overall workforce diversity than the “official and managers” category, particularly among minorities. For example, minorities held 22 percent of “professional” positions in the industry in 2004 as compared with 15 percent of “officials and managers” positions. According to a recent EEOC report, the professional category represented a possible pipeline of available management-level candidates.[11] The EEOC states that the chances of minorities and women (white and minority combined) advancing from the professional category into management-level positions is lower when compared with white males.

[10]Association to Advance Collegiate Schools of Business.

[11]See EEOC, *Diversity in the Finance Industry* (April 2006).

Figure 3: EEO-1 Data (Percentage) on Workforce Diversity in the Financial Services Industry by Position, Gender, and Racial/Ethnic Group (2004)



Source: GAO analysis of EEOC data.

Note: Percentages may not always add to 100 due to rounding.

Many officials from financial services firms and industry trade groups agreed that retaining minority and women employees represented one of the biggest challenges to promoting workforce diversity. One reason they cited is that the industry, as described previously, lacks a critical mass of minority men and women, particularly in senior-level positions, to serve as role models. Without a critical mass, the officials said that minority or women employees may lack the personal connections and access to informal networks that are often necessary to navigate an organization's culture and advance their careers. For example, an official from a commercial bank we contacted said he learned from staff interviews that African-Americans believed that they were not considered for promotion as often as others partly because they were excluded from informal employee networks needed for promotion or to promote advancement.

In addition, some industry officials said that achieving “buy-in” from key employees such as middle managers could be challenging. Middle managers are particularly important to diversify institutions because they are often responsible for implementing key aspects of diversity initiatives and for explaining them to other employees. However, the officials said that middle managers may be focused on other aspects of their responsibilities, such as meeting financial performance targets, rather than the importance of implementing the organization’s diversity initiatives. Additionally, the officials said that implementing diversity initiatives represents a considerable cultural and organizational change for many middle managers and employees at all levels. An official from an investment bank told us that the bank has been reaching out to middle managers who oversee minority and women employees by, for example, instituting an “inclusive manager program.”

Minority- and Women-Owned Businesses Often Face Difficulties in Obtaining Capital

Studies and reports, as well as interviews we conducted, suggest that minority- and women-owned businesses face challenges obtaining bank credit in conventional financial markets for several reasons, including business characteristics (e.g., small firm size) and the possibility that lenders may discriminate. Some business characteristics may also limit the ability of minority- and women-owned businesses to raise equity capital.[12] However, some financial institutions, primarily commercial banks, have recently begun marketing their loan products and offering technical assistance to minority- and women-owned businesses.

[12]Equity capital can be raised from several sources including venture capital funds, private stock sales, or issuing stock in public financial markets.

Business Characteristics May Affect Minority- and Women-Owned Businesses' Access to Commercial Loans and Equity Capital

Reports and other research, as well as interviews we conducted with commercial banks, including minority-owned banks and trade groups representing minority- and women-owned businesses, highlight some of the challenges these businesses may face in obtaining commercial bank credit. For example, many minority-owned businesses are in the retail and service sectors and may have few assets to offer as collateral.[13] Further, many of these businesses are relatively young and may not have an established credit history.[14] Many also are relatively small and often lack technical expertise.[15]

On the other hand, some studies suggest that lenders may discriminate against minority-owned businesses. We reviewed one study that found given comparable loan applications—by African-American and Hispanic-owned firms and white-owned firms—the applications by the African-American and Hispanic-owned firms were more likely to be denied.[16] However, assessing such alleged discrimination may be complicated by limitations in data availability. The Federal Reserve's Regulation B, which implements the Equal Credit Opportunity Act, prohibits financial institutions from requiring information on race and gender from applicants for nonmortgage credit products.[17] Although the regulation was initially implemented to prevent such information from being used to discriminate against certain groups, some federal financial regulators have stated that

---

[13]U.S. Department of Commerce, Minority Business Development Agency, *Expanding Financing Opportunities for Minority Businesses* (2004). U.S. Department of Commerce, Minority Business Development Agency, *Keys to Minority Entrepreneurial Success, Capital, Education, and Technology* (September 2002). U.S. Department of Commerce, Minority Business Development Agency, *State of Minority Business Enterprises: A Preliminary Overview of the 2002 Survey of Business Owners* (September 2005).

[14]U.S. Census Bureau, "2002 Survey of Business Owners, Women-Owned Firms" (Jan. 26, 2006).

[15]U.S. Department of Commerce, Minority Business Development Agency, *Keys to Minority Entrepreneurial Success, Capital, Education, and Technology* (September 2002). U.S. Small Business Administration, Office of Advocacy, *Financing Patterns of Small Firms: Findings from the 1998 Survey of Small Business Finance* (September 2003). All small businesses may face challenges in obtaining credit due to the risks and costs involved in such lending. See Board of Governors of the Federal Reserve System, *Report to the Congress on the Availability of Credit to Small Businesses* (September 2002).

[16]Blanchard, Lloyd, John Yinger, and Bo Zhao (2005), "Do Credit Market Barriers Exist for Minority and Women Entrepreneurs?" Syracuse University, Center for Policy Research Working Paper No. 74.

[17]The Equal Credit Opportunity Act (ECOA), 15 U.S.C. §§ 1691-1691f.

removing the prohibition would allow them to better monitor and enforce laws prohibiting discrimination in lending. Likewise, at least one bank official noted that Regulation B limited the bank's ability to measure the success of its efforts to provide financial services to minority groups. We note that under the Home Mortgage Disclosure Act (HMDA), lenders are required to collect and report data on racial and gender characteristics of applicants for mortgage loans. Researchers have used the HMDA data to assess potential mortgage lending discrimination by financial institutions.

Research also suggests that some business characteristics (e.g., limited technical expertise) that may affect the ability of many minority- and women-owned businesses to obtain bank credit, as discussed earlier, may also limit their capacity to raise equity capital.[18] Although venture capital firms may not have traditionally invested in minority-owned businesses, a recent study suggests that firms that do focus on such entities can earn rates of return comparable to those earned on mainstream private equity investments.[19]

Some Commercial Banks Have Developed Programs for Minority- and Women-Owned Businesses

Officials from some financial institutions we contacted, primarily large commercial banks, told us that they are reaching out to minority- and women-owned businesses by marketing their financial products to them (including in different languages), establishing partnerships with relevant trade and community organizations, and providing technical assistance. For example, officials from some banks said that they educate potential business clients by providing technical assistance through financial workshops and seminars on various issues, such as developing a business plans and obtaining commercial bank loans. While these efforts take time and resources, the officials we spoke with indicated that their institutions recognize the benefits of tapping this growing segment of the market.

Madam Chairwoman, this concludes my prepared statement. I would be pleased to respond to any questions you or other Members of the Subcommittee may have.

[18]Center for Women's Business Research, *Access to Capital: Where We've Been, Where We're Going* (March 2005). Brush, C. G.; Carter, N.; Gatewood, E.; Greene P. G.; and Hart, M. M. *Gatekeepers of Venture Growth: A Diana Project Report on the Role and Participation of Women in the Venture Capital Industry* (Oct. 20, 2001).

[19]Bates, Timothy and William Bradford (2003). "Minorities and Venture Capital, A New Wave in American Business." Kauffman Foundation.

Staff Contact and Acknowledgments

For further information about this testimony, please contact Orice M. Williams on (202) 512-8678 or at williamso@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this statement. Individuals making key contributions to this testimony include Wesley M. Phillips, Assistant Director; Emily Chalmers; William Chatlos; Kimberly Cutright; Simin Ho; Marc Molino; Robert Pollard; LaSonya Roberts; and Bethany Widick.

GAO's Mission

The Government Accountability Office, the audit, evaluation and investigative arm of Congress, exists to support Congress in meeting its constitutional responsibilities and to help improve the performance and accountability of the federal government for the American people. GAO examines the use of public funds; evaluates federal programs and policies; and provides analyses, recommendations, and other assistance to help Congress make informed oversight, policy, and funding decisions. GAO's commitment to good government is reflected in its core values of accountability, integrity, and reliability.

Obtaining Copies of GAO Reports and Testimony

The fastest and easiest way to obtain copies of GAO documents at no cost is through GAO's Web site (www.gao.gov). Each weekday, GAO posts newly released reports, testimony, and correspondence on its Web site. To have GAO e-mail you a list of newly posted products every afternoon, go to www.gao.gov and select "Subscribe to Updates."

Order by Mail or Phone

The first copy of each printed report is free. Additional copies are $2 each. A check or money order should be made out to the Superintendent of Documents. GAO also accepts VISA and Mastercard. Orders for 100 or more copies mailed to a single address are discounted 25 percent. Orders should be sent to:

U.S. Government Accountability Office
441 G Street NW, Room LM
Washington, D.C. 20548

To order by Phone:	Voice:	(202) 512-6000
	TDD:	(202) 512-2537
	Fax:	(202) 512-6061

To Report Fraud, Waste, and Abuse in Federal Programs

Contact:

Web site: www.gao.gov/fraudnet/fraudnet.htm
E-mail: fraudnet@gao.gov
Automated answering system: (800) 424-5454 or (202) 512-7470

Congressional Relations

Gloria Jarmon, Managing Director, JarmonG@gao.gov (202) 512-4400
U.S. Government Accountability Office, 441 G Street NW, Room 7125
Washington, D.C. 20548

Public Affairs

Paul Anderson, Managing Director, AndersonP1@gao.gov (202) 512-4800
U.S. Government Accountability Office, 441 G Street NW, Room 7149
Washington, D.C. 20548