

Report Recipients:

J/Assistant Administrator
for Management Systems
M/Associate Administrator
for Space Flight
KSC/AA/Director, Kennedy
Space Center

**JOHNS, BUBBERS & JOHNS, P.A., AUDITS OF
KENNEDY SPACE CENTER EXCHANGE
FINANCIAL STATEMENTS
FOR FISCAL YEARS ENDED
SEPTEMBER 30, 2000, AND 2001**

May 28, 2003

cc:

M/Audit Liaison
Representative
JM/Director,
Management
Assessment Division
KSC/GG-B/Chair,
Kennedy Space Center
Exchange
KSC/QA-D/Audit Liaison
Representative



National Aeronautics and
Space Administration

OFFICE OF INSPECTOR GENERAL

Released by: [Original Signed By]

David Cushing, Assistant Inspector General for Auditing

NASA Office of Inspector General

IG-03-016
A-02-029-00

May 28, 2003

Johns, Bubbers & Johns, P.A., Audits of Kennedy Space Center Exchange Financial Statements for Fiscal Years Ended September 30, 2000, and 2001

The Inspector General Act of 1978, as amended, mandates Inspectors General to ensure that work performed by non-Federal auditors complies with generally accepted government auditing standards (GAGAS) issued by the Comptroller General of the United States. As part of our continuing oversight of non-Federal audit work at NASA Exchanges, we reviewed the audits by Johns, Bubbers & Johns, P.A., related to audits of the NASA Kennedy Space Center (Kennedy) Exchange financial statements for fiscal years (FYs) 2000 and 2001 to ensure that the audit work complied with GAGAS. Details on the scope and methodology of our review are in Appendix B.

During the FYs 2000 and 2001 audits, Johns, Bubbers & Johns issued unqualified opinions on the financial statements. We found that Johns, Bubbers & Johns audit work complied with applicable auditing standards for FYs 2000 and 2001. Nevertheless, we found audit-related problems caused by Kennedy Exchange management. Specifically, Exchange management:

- did not disclose an alleged embezzlement by an employee, which affected the auditors' ability to adequately evaluate the need for expanded testing of internal controls; and
- did not respond in a timely manner to findings in prior audits involving internal control deficiencies.

Lack of Full Disclosure in Management's Representations Concerning Financial Statements

During an Exchange audit, management makes both written and oral representations to the auditor concerning the financial statements and the supporting data. The auditors may use these representations, as well as their own prior knowledge and understanding of the Exchange's internal control system to assist with planning and performing the audit.

As part of the FY 2001 audit, Kennedy Exchange management provided Johns, Bubbers & Johns a Management Representation Letter dated December 31, 2001. The letter stated, in part:

We confirm to the best of our knowledge and belief, as of September 30, 2001, the following representations made to you during your audit. There has been no: a) fraud involving management or employees who have significant roles in internal control; b) fraud involving others that could have a material effect on the financial statements.

In contrast to the statement in the representation letter, on July 11, 2001, a former employee was charged, in the Eighteenth Judicial Circuit of Florida, with violating Florida Statute, Title XLVI, Chapter 812, Section 775.082, Grand Theft. The employee allegedly embezzled money from the Exchange's fund and took cash from the Exchange store register. The Treasurer of the Kennedy Exchange did not disclose the alleged theft in the representation letter because he did not recall the incident at the time the letter was signed. However, he believed the matter was not significant because the employee involved had resigned, and the alleged missing amount was under \$500. As a result of the nondisclosure, Johns, Bubbers & Johns lacked information that would have allowed the auditors to assess the risk of material misstatement due to the alleged fraud and to design appropriate audit procedures.

Kennedy Exchange Response to Prior Audit Findings

The audit firm identified 11 reportable conditions (see Appendix D), including 4 that had occurred in both years. Reportable conditions are matters that come to the auditor's attention that could adversely affect the Exchange's ability to record, process, summarize, and report financial data. Although the Exchange had taken action to correct 5 of the conditions, the Exchange had not yet taken actions on the other 6 conditions or formally responded to the audit firm on any of the 11 reportable conditions.

The Kennedy Chief Financial Officer (CFO) told us that he believed the audit recommendations were made solely for the information and use of the Council Members, management, and others within the organization. The Kennedy Exchange Council reviewed the recommendations, discussed them, and took action where deemed appropriate. The CFO also stated that if an audit identifies a significant deficiency, immediate action is taken to correct it. However, if the recommended actions are for process improvements, they will be planned for if they are affordable and needed to assure that Exchange operations are sound and that business processes are reasonable.

The Exchange and the audit firm should work together to obtain a mutually agreeable solution to the conditions identified in the audits. The Kennedy Exchange Council and the CFO are required to review financial statements and audit reports under NASA Policy Directive (NPD) 9050.6G, "NASA Exchange Activities," September 6, 2001. The NPD requires that the Kennedy CFO monitor the Exchange's compliance with sound and responsible business practices. The Office of Management and Budget Circular A-50, "Audit Followup," September 29, 1982, requires Federal agencies to respond to audit recommendations, including those received from non-Federal Auditors. The Office of Management and Budget states that audit follow-up is an integral part of good

management and requires prompt resolution and corrective actions on audit recommendations. Corrective action taken on resolved findings and recommendations is essential to improving the effectiveness and efficiency of operations.

Recommendations for Corrective Action

The Chairman of the Kennedy Exchange should:

1. Notify Johns, Bubbers, & Johns of all pertinent information related to the alleged employee theft so that the audit firm can assess whether the information affects the FYs 2000 and 2001 financial statements.

Management Response. Concur. Exchange officials did inform the auditors of the alleged theft in their FY 2002 Management Representation Letter. In addition, the alleged theft was discussed with the auditors during their field work on the FY 2002 financial statement audit.

Evaluation of Management Response. Management actions for the recommendation are responsive to the recommendation. Based on our review of the FY 2002 Management Representation Letter, the recommendation is resolved, dispositioned, and closed for reporting purposes.

2. Provide a written response to Johns, Bubbers & Johns on the status of the reportable conditions in the FYs 2000 and 2001 audits.

Management Response Concur. Exchange officials met with the auditors and reviewed the FY 2002 audit findings, which contain many of the same findings that had been documented in the FYs 2000 and 2001 financial statement audits. The officials concluded that many of the findings did not warrant corrective action by the Exchange Council. Exchange officials will document their rationale for not implementing suggested corrective action on these findings and provide this information to Johns, Bubbers & Johns for resolution.

Evaluation of Management Response. Management's planned action for the recommendation is responsive. The recommendation is resolved but will remain undispositioned and open until the agreed-to corrective action is completed.

3. Johns, Bubbers & Johns should evaluate the information described in recommendation 1 and take action as needed for the FYs 2000 and 2001 audit reports.

Management Response. Concur. Exchange officials will request that Johns, Bubbers & Johns evaluate the information described in Recommendation 1 and take action as needed for the audit reports.

Evaluation of Management Response. Management's planned action for the recommendation is responsive. The recommendation is resolved but will remain undispositioned and open until the agreed-to corrective action is completed.

4. The Assistant Administrator for Management Systems should revise NPD 9050.6G to reference Office of Management and Budget Circular A-50 for requirements on responding to audit reports and resolution of findings and recommendations.

Management Response. Concur. The Office of Management Systems will revise NPD 9050.6G in accordance with the recommendation.

Evaluation of Management Response. Management's planned action for the recommendation is responsive. The recommendation is resolved but will remain undispositioned and open until the agreed-to corrective action is completed.

Appendices

Among the appendices, note that Appendix A details the status of the current audit recommendations; Appendix C contains requirements related to audits of the NASA Exchanges; and Appendix D discusses Johns, Bubbers & Johns audit results and recommendations for FYs 2000 and 2001 and the Exchange's response. Appendix E contains management's response to our report.

List of Appendices

Appendix A – Status of Recommendations

Appendix B – Objectives, Background, Scope, and Methodology

Appendix C – Requirements Applicable to Audits of NASA Exchanges

Appendix D – Johns, Bubbers & Johns, P.A., Audits of the Kennedy Exchange

Appendix E – Management’s Response

Appendix F – Report Distribution

Acronyms Used in This Report

AICPA	American Institute of Certified Public Accountants
CFO	Chief Financial Officer
FY	Fiscal Year
GAAP	Generally Accepted Accounting Principles
GAAS	Generally Accepted Auditing Standards
GAGAS	Generally Accepted Government Auditing Standards
NPD	NASA Policy Directive

Appendix A. Status of Recommendations

Recommendation No.	Resolved	Unresolved	Open/ECD	Closed
1	X			X
2	X		6/15/2003	
3	X		6/15/2003	
4	X		11/15/2003	

* Estimated Completion Date

Appendix B. Objectives, Background, Scope, and Methodology

Objectives

The quality control review objective was to determine whether Johns, Bubbers & Johns audits for the FYs 2000 and 2001 financial statements for the Kennedy Space Center Exchange were performed in accordance with applicable auditing standards. We also determined whether the Kennedy Exchange Council had taken corrective actions in response to recommendations resulting from the audits.

Background

The Kennedy Exchange retained Johns, Bubbers & Johns, P.A., a public accounting firm licensed to practice in the state of Florida, to perform the audits of the Kennedy Exchange financial statements. The Kennedy Exchange is a Government instrumentality operating under NASA's control. It operates and generates revenues from gift shops, barbershops, a recreation park, and a child care center. For the fiscal year ended September 30, 2001, the Kennedy Exchange reported a cash balance, including amounts in money market accounts, of \$924,975 and a net loss of \$6,855.

Scope and Methodology

In performing the quality control review, we used an internal work program that incorporated the auditing standards issued by the Comptroller General of the United States and the American Institute of Certified Public Accountants (AICPA). Based on those standards, we developed and organized the work program according to the general, field work, and reporting standards for financial audits. Our review focused on the auditors' qualifications, independence, peer review report, audit programs for appropriate procedures, and working paper documentation to include the results of the control risk assessment,¹ fraud risk assessment,² and controls testing. We also assessed plans and actions taken by the Kennedy Exchange Council to implement the auditors' recommendations.

To determine whether Johns, Bubbers & Johns had established and implemented an adequate quality control system, we reviewed the May 22, 2001, report on the most recent peer review of the audit firm performed by David Logan, CPA, P.A. A peer review is a certified public accounting firm review of another certified public accounting firm's compliance with its quality control system. The purpose of a peer review is to determine and report whether a certified public accounting firm developed adequate policies and

¹ AICPA Codification of Statements on Auditing Standards, Section 319, "Consideration of Internal Control in a Financial Statement," states that auditors are required to document the basis for concluding that control risk is below the maximum level.

² AICPA Codification of Statements on Auditing Standards, Section 316, "Fraud in a Financial Statement Audit," states that auditors are required to specifically assess the risk of material misstatement of the financial statements due to fraud and to document in the working papers evidence of their assessment.

Appendix B

procedures of quality control and complied with them in performing accounting and auditing services for clients. David Logan, CPA, P.A., performed a peer review of the system of quality control for the accounting and auditing practice of Johns, Bubbers & Johns in effect for the year ended November 30, 2000. David Logan, CPA, P.A., found that the system had "been designed to meet the requirements of the quality control standards for an accounting and auditing practice established by the AICPA and was complied with during the year then ended to provide the firm with reasonable assurance of complying with professional standards."

Audit Field Work

We performed the quality control review from June through December 2002.

Appendix C. Requirements Applicable to Audits of NASA Exchanges

Generally accepted government auditing standards (GAGAS) are broad statements of the auditors' responsibilities, promulgated by the Comptroller General of the United States. The standards apply to audits of government organizations, programs, activities, and functions. They prescribe the minimum hours of continuing education requirements and additional standards for field work and reporting. The GAGAS incorporate, by reference, the American Institute of Certified Public Accountants (AICPA) generally accepted auditing standards (GAAS) of field work and reporting.

GAAS also (1) require that an independent auditor obtain written representations from management as a part of an audit of financial statements performed in accordance with GAAS and (2) provide guidance on the representations to be obtained. Management's representation letter should disclose information concerning fraud involving (1) management, (2) employees who have significant roles in internal control, or (3) others where the fraud could have a material effect on the financial statements.

In addition, GAAS requires that if information comes to the attention of the auditors after the issuance of the audit report, the auditor should evaluate the information to determine whether it is reliable and whether the facts existed at the date of the audit report. If these conditions are present, the auditor should take action to determine whether the audit report would have been affected if the information had been known.

NASA Policy Directive (NPD) 9050.6G, "NASA Exchange Activities," September 6, 2001, authorizes Center Directors to establish an Exchange to contribute to the efficiency, welfare, and morale of NASA personnel. Center Directors are required to appoint an Exchange Council to oversee the Exchange operations. The Council must consist of at least five Center employees who perform their duties without pay from the Exchange. Exchange-operated activities are generally self-sustained (that is, supported by nonappropriated funds³). The NPD also requires the Center Chief Financial Officer (CFO) to monitor Exchange compliance with the NPD and to review financial statements and audit reports to ensure that the Exchange is financially sound and that responsible business practices are being followed. In addition, the Directive requires annual audits of the Exchange's financial statements and the annual submission of the statements and the audit reports to the Center CFO by December 31.

Office of Management and Budget Circular A-50, "Audit Followup," September 29, 1982, provides policies and procedures for executive agencies, including NASA, and for other audit organizations, including non-Federal auditors, when follow-up is necessary. The Circular requires management officials to receive and analyze audit reports, provide timely responses to the audit organization, and take corrective action where appropriate.

³ Nonappropriated funds are those received from sources other than congressional appropriations.

Appendix D. Johns, Bubbers & Johns, P.A., Audits of the Kennedy Space Center Exchange

Audit Scope. Johns, Bubbers & Johns conducted the FYs 2000 and 2001 audits in accordance with generally accepted government auditing standards, reported on internal controls and compliance with laws and regulations, and opined on the fair presentation of the financial statements.

Audit Results. In its audit reports dated December 21, 2000, and December 31, 2001, Johns, Bubbers & Johns rendered unqualified opinions on the Kennedy Exchange FYs 2000 and 2001 Balance Sheets, Statements of Revenue, Expenses and Changes in Retained Earnings, and Cash Flows. An unqualified opinion means that the auditors determined that the financial statements present fairly the organization's financial position, changes in net assets, and cash flows in conformity with generally accepted accounting principles (GAAP). GAAP are a common set of accounting standards and procedures established by the accounting profession as a general guide to accounting theory and practice. GAAP include financial accounting standards, interpretations, and concepts set forth in the pronouncements of the Financial Accounting Standards Board and its predecessor agencies.

Recommendations. In separate communications to the Executive Council of the Kennedy Exchange, Johns, Bubbers & Johns reported several control deficiencies identified during its audits of the FYs 2000 and 2001 financial statements and recommended improvements to correct the deficiencies, including improvements to internal controls. The significant recommendations follow.

Johns, Bubbers, & Johns Recommendations from FYs 2000 and 2001 Audits

Recommendations	Status
Manual Accounting System* - Implement a computerized accounting and inventory system to improve internal controls and limit error in recording transactions. This recommendation had been reported in the five previous audits.	Corrected
Cash Balances* - Excess cash balances should be transferred to money market or investment accounts. In addition, the Federal Deposit Insurance Corporation does not insure amounts greater than \$100,000 in one financial institution. This recommendation had been reported in the five previous audits.	Open
Investments - Consider diversifying Exchange investments to reduce risk of loss, and evaluate periodically.	Corrected
Cash Receipts and Disbursements - Ensure the correct posting of cash receipts to income and expense accounts.	Open
Preparation of Quarterly Tax Returns* - Form 941s should be reviewed prior to mailing to ensure accuracy and reduce the risk of penalty.	Open
Accuracy of Accounting Records - A supervisor should perform a detailed review of the ledger and financial statements to reduce discrepancies and need for adjustments.	Open
Attraction Tickets* - Stricter controls should be placed on the sale of attraction tickets to reduce the risk of loss and improve accountability.	Open
Child Care Development Center - Detailed cash receipts should be submitted to improve traceability and stricter controls placed on enrollment and fee collection.	Corrected
Minutes of Exchange Council not Available - Minutes of the Exchange Council should document decisions made by and implemented by the Council.	Corrected
Accumulated Cash - Review Exchange objectives and goals to determine whether excess cash is being accumulated. Cash and investments had increased from \$796,232 on September 30, 1996, to \$1,167,858 on September 30, 2000.	Corrected
Board of Directors Meeting Minutes - The Board of Directors meeting minutes should contain adequate documentation of investment transfers from one fund to the other.	Open

*These four recommendations were made in both years.

Kennedy Exchange Response to Audit Recommendations. Johns, Bubbers & Johns told us that there were no formal written responses to the audit recommendations by the Kennedy Exchange for either year's audit work we reviewed, although a meeting had been held to discuss them.

Appendix E. Management's Response

National Aeronautics and
Space Administration
John F. Kennedy Space Center
Kennedy Space Center, FL 32899



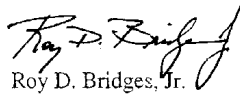
April 15, 2003

Reply to Attn of: QA-D

TO: NASA Headquarters
Attn: W/Assistant Inspector General for Auditing
THRU: J/Associate Administrator for Management Systems *JS 4/25/03*
M/Associate Administrator for Space Flight *04/24*
FROM: AA/Director
SUBJECT: Draft Quality Control Review Report – Johns, Bubbers & Johns, P.A., Audits
of Kennedy Space Center Exchange Financial Statements for Fiscal Years
Ended September 30, 2000, and 2001, Assignment Number A-02-09-029-00

Regarding your letter dated March 26, 2003, subject as above, KSC has considered the recommendations made in the draft report.

Our specific comments related to this matter are enclosed.


Roy D. Bridges, Jr.

Enclosure

RECOMMENDATION 1

The Chairman of the Kennedy Exchange should notify Johns, Bubbers, & Johns of all pertinent information related to the alleged employee theft so that the audit firm can assess whether the information affects the FYs 2000 and 2001 financial statements.

NASA RESPONSE

Concur. Although the FY-2001 Management Representation Letter to the auditors did not refer to the alleged theft, Exchange officials did inform the auditors of the alleged theft in their FY-2002 Management Representation Letter. In addition, the alleged theft was discussed with the auditors during their fieldwork on the FY 2002 Financial Statement Audit. Including information on the alleged theft in the FY-2002 Management Representation Letter and discussion of the alleged theft during the auditors fieldwork on the FY-2002 Financial Statement Audit satisfy the intent of this recommendation. We consider this action complete.

ESTIMATED CORRECTIVE ACTION COMPLETION DATE – Corrective action already completed

RECOMMENDATION 2

The Chairman of the Kennedy Exchange should provide a written response to Johns, Bubbers & Johns on the status of the reportable conditions in the FYs 2000 and 2001 audits.

NASA RESPONSE

Concur. During a February 4, 2003 meeting with the auditors to discuss their draft audit report of the FY-2002 Financial Statements, the CPA firm's representatives presented many of the same findings that they had documented in the FY 2000 and 2001 Financial Statement audits. We reviewed their findings and came to the conclusion that many of the findings did not warrant corrective action by the Exchange Council. In accordance with your observations, we will document our rationale for not implementing suggested corrective action on these findings. This documentation will be provided to Johns, Bubbers & Johns, P.A. by June 15, 2003.

ESTIMATED CORRECTIVE ACTION COMPLETION DATE – June 15, 2003

RECOMMENDATION 3

Johns, Bubbers & Johns should evaluate the information described in Recommendation 1 and take action as needed for the FYs 2000 and 2001 audit reports.

NASA RESPONSE

Concur. We will request that Johns, Bubbers & Johns evaluate the information described in Recommendation 1 and take action as needed for the FY-2000 and FY-2001 audit reports.

ESTIMATED CORRECTIVE ACTION COMPLETION DATE – June 15, 2003

Enclosure 1

Appendix E

RECOMMENDATION 4

The Assistant Administrator for Management Systems should revise NPD 9050.6G to reference Office of Management and Budget Circular A-50 for requirements on responding to audit reports and resolution of findings and recommendations.

NASA RESPONSE

Concur. The Management Systems Organization will revise NPD 9050.6G in accordance with your recommendation.

ESTIMATED CORRECTIVE ACTION COMPLETION DATE – November 15, 2003

cc:
KSC/AA-A/Mr. Kennedy
KSC/CC/Mr. Hendriksen
KSC/CC/Mr. Stubbs
KSC/GG/Mr. Carroll
KSC/GG-B/Mr. Lenck
KSC/GG-C-C/Mr. Scoville
KSC/OP/Mr. Hattaway, Jr.
KSC/OP/Ms. Wilson
KSC/OP-AM/Mr. Smith
KSC/QA/Mr. Toledo
KSC/QA-D/Mr. Nary
HQ/JG/Mr. Parker
HQ/M/Mr. Gregory.
HQ/M-2/Mr. Suzuki
GRC/W/Mr. Sipsock
MSFC/W/Ms. Vansant

Appendix F. Report Distribution

Independent Audit Firm

Ms. Marianna Brock, CPA
Johns, Bubbers & Johns, P.A.
Certified Public Accountants
1941 Michigan Avenue
Cocoa, FL 32922

National Aeronautics and Space Administration (NASA) Headquarters

AD/Associate Deputy Administrator
AA/Chief of Staff
ADI/Associate Deputy Administrator for Institutions and Asset Management
B/Deputy Chief Financial Officer for Financial Management
B/Deputy Chief Financial Officer for Resources (Comptroller)
BF/Director, Financial Management Division
G/General Counsel
J/Assistant Administrator for Management Systems
JM/Director, Management Assessment Division
JR/Director, Contractor Industrial Relations
M/Associate Administrator for Space Flight

NASA Centers

KSC/AA/Director, Kennedy Space Center
KSC/GG-B/Chairman, NASA Exchange Kennedy Space Center
KSC/CC/Chief Counsel, John F. Kennedy Space Center

Non-NASA Federal Organizations and Individuals

Assistant to the President for Science and Technology Policy
Deputy Associate Director, Energy and Science Division, Office of Management and Budget
Branch Chief, Science and Space Programs Branch, Energy and Science Division, Office of Management and Budget
Managing Director, Acquisition and Sourcing Management Team, General Accounting Office
Managing Director, Financial Management and Assurance, General Accounting Office
Senior Professional Staff Member, Senate Subcommittee on Science, Technology, and Space

Chairman and Ranking Minority Member – Congressional Committees and Subcommittees

Senate Committee on Appropriations
Senate Subcommittee on VA, HUD, and Independent Agencies
Senate Committee on Commerce, Science, and Transportation
Senate Subcommittee on Science, Technology, and Space
Senate Committee on Governmental Affairs
House Committee on Appropriations
House Subcommittee on VA, HUD, and Independent Agencies
House Committee on Government Reform
House Subcommittee on Government Efficiency and Financial Management
House Subcommittee on Technology, Information Policy, Intergovernmental Relations,
and the Census
House Committee on Science
House Subcommittee on Space and Aeronautics, Committee on Science

Congressional Member

Honorable Pete Sessions, U.S. House of Representatives

NASA Assistant Inspector General for Auditing Reader Survey

The NASA Office of Inspector General has a continuing interest in improving the usefulness of our reports. We wish to make our reports responsive to our customers' interests, consistent with our statutory responsibility. Could you help us by completing our reader survey? For your convenience, the questionnaire can be completed electronically through our homepage at <http://www.hq.nasa.gov/office/oig/hq/audits.html> or can be mailed to the Assistant Inspector General for Auditing; NASA Headquarters, Code W, Washington, DC 20546-0001.

Report Title: Johns, Bubbers & Johns, P.A., Audits of Kennedy Space Center Exchange Financial Statements for Fiscal Years Ended September 30, 2000, and 2001

Report Number: _____ **Report Date:** _____

Circle the appropriate rating for the following statements.

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	N/A
1. The report was clear, readable, and logically organized.	5	4	3	2	1	N/A
2. The report was concise and to the point.	5	4	3	2	1	N/A
3. We effectively communicated the audit objectives, scope, and methodology.	5	4	3	2	1	N/A
4. The report contained sufficient information to support the finding(s) in a balanced and objective manner.	5	4	3	2	1	N/A

Overall, how would you rate the report?

Excellent Fair Very Good Poor Good

If you have any additional comments or wish to elaborate on any of the above responses, please write them here. Use additional paper if necessary. _____

How did you use the report? _____

How could we improve our report? _____

How would you identify yourself? (Select one)

- | | |
|---|--|
| <input type="checkbox"/> Congressional Staff | <input type="checkbox"/> Media |
| <input type="checkbox"/> NASA Employee | <input type="checkbox"/> Public Interest |
| <input type="checkbox"/> Private Citizen | <input type="checkbox"/> Other: _____ |
| <input type="checkbox"/> Government: _____ Federal: _____ State: _____ Local: _____ | |

May we contact you about your comments?

Yes: _____ No: _____
Name: _____
Telephone: _____

Thank you for your cooperation in completing this survey.

Additional Copies

To obtain additional copies of this report, contact the Assistant Inspector General for Auditing at (202) 358-1232, or visit www.hq.nasa.gov/office/oig/hq/issuedaudits.html.

Suggestions for Future Audits

To suggest ideas for or to request future audits, contact the Assistant Inspector General for Auditing. Ideas and requests can also be mailed to:

Assistant Inspector General for Auditing
Code W
NASA Headquarters
Washington, DC 20546-0001

NASA Hotline

To report fraud, waste, abuse, or mismanagement contact the NASA Hotline at (800) 424-9183, (800) 535-8134 (TDD), or at www.hq.nasa.gov/office/oig/hq/hotline.html#form; or write to the NASA Inspector General, P.O. Box 23089, L'Enfant Plaza Station, Washington, DC 20026. The identity of each writer and caller can be kept confidential, upon request, to the extent permitted by law.

Reader Survey

Please complete the reader survey at the end of this report or at www.hq.nasa.gov/office/oig/hq/audits.html.

Major Contributors to the Report

Chester A. Sipsock, Associate Director, Quality Control Division

Karen VanSant, Project Manager

Ellis Lee, Auditor

Annette Huffman, Program Assistant