



DEPARTMENT OF HEALTH & HUMAN SERVICES

Program Support Center
Financial Management Service
Division of Cost Allocation

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April 5, 2005

Mr. Jorge Ohy
Manager, Costing Policy & Analysis
Office of the President
The University of California
1111 Franklin Street, 10th Floor
Oakland, CA 94607-5200

Dear Mr. Ohy:

This is in response to your letter which transmitted the revised Disclosure Statement (CASB Form DS-2) for the University of California, Los Angeles. We have reviewed the DS-2 based on the results of the DHHS' Office of the Inspector General Report entitled *Adequacy and Compliance Audit of the University of California, Los Angeles Disclosure Statement*.

As the Administrative Contracting Officer (ACO), I am required to determine the adequacy and compliance of submitted DS-2s. In accordance with Cost Accounting Standards Board (CASB) procedures, the ACO decision will be based on recommendations issued by the cognizant agency auditor. Based on our review and consultation with audit staff, we have determined that your DS-2 adequately discloses the cost accounting practices required to be disclosed by CASB's rules, regulations, and standards, and that those practices are compliant with applicable Federal cost accounting principles.

Should you have any questions, please contact Jay Mervis of my staff on (202) 260-2381.

Sincerely,

Robert I. Aaronson
Acting Director
Division of Cost Allocation

cc: Dave Low