



DEPARTMENT OF JUSTICE CONFERENCE EXPENDITURES

U.S. Department of Justice
Office of the Inspector General
Audit Division

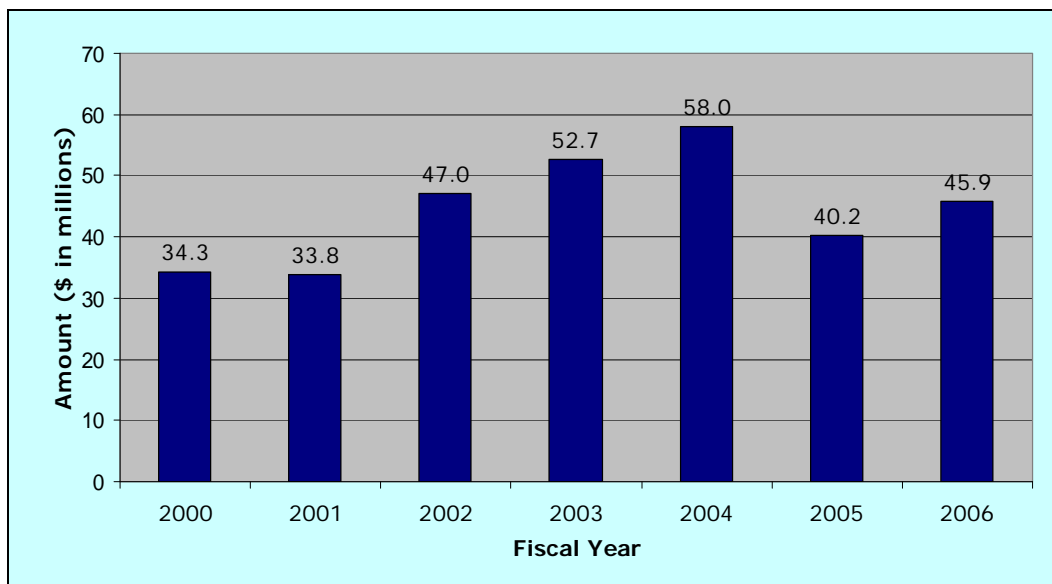
Audit Report 07-42
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DEPARTMENT OF JUSTICE CONFERENCE EXPENDITURES

EXECUTIVE SUMMARY

The Department of Justice (DOJ) often hosts and participates in various conferences with other federal, state, and local law enforcement agencies and organizations.¹ According to financial reports compiled by the DOJ Justice Management Division (JMD), DOJ components spent a total of \$45.9 million on conferences, including costs for general support, programming, and travel during fiscal year (FY) 2006. Although this amount represented an increase of 34 percent compared to the \$34.3 million DOJ components reported they spent on conferences during FY 2000, it is 21 percent less than the \$58 million spent in FY 2004.

DOJ CONFERENCE EXPENDITURES FROM FYs 2000 TO 2006



Source: JMD reports on DOJ component conference expenditures

In the summer of 2005, the U.S. Senate Committee on Homeland Security and Governmental Affairs, Subcommittee on Federal Financial Management, Government Information, and International Security (Subcommittee), initiated an inquiry into conference spending by federal agencies. As a result of its

¹ According to 41 C.F.R. § 301-74 (2006), a conference is a "meeting, retreat, seminar, symposium, or event that involves attendee travel."

examination, the Subcommittee expressed concern about the time, money, and human capital spent by federal agencies to sponsor conferences and the practice of sending federal employees to meetings held in resort locations.

Audit Approach and Objectives

Subsequent to the Subcommittee's examination, the U.S. Senate Committee on Appropriations, Subcommittee on Commerce, Justice, Science, and Related Agencies requested that the DOJ Office of the Inspector General (OIG) perform an audit of the 10 most expensive DOJ conferences. The OIG agreed to conduct this review and examined the nine most expensive DOJ conferences held in the United States between October 2004 and September 2006 and the single most expensive international conference held during that same time period. For these conferences, our objectives were to review: (1) the justifications offered for the event; (2) the site-cost comparisons on where to hold the event; and (3) certain conference-related costs – including food and beverages, external event planning, and audio-visual – for compliance with applicable laws and regulations. Appendix I describes our scope and methodology related to the audit objectives.

As shown in the following table, of the top 10 conferences reviewed, 6 were sponsored by program offices within the Office of Justice Programs (OJP), 3 were sponsored by the Federal Bureau of Investigation (FBI), and 1 was funded by the Office of Community Oriented Policing Services (COPS).

FYs 2005 AND 2006 DOJ CONFERENCES SELECTED FROM JMD RECORDS

Formal Conference Name	DOJ Sponsor	Short Name	Location Held	Dates Held	Reported Cost (\$)*
Coordinating Council on Juvenile Justice and Delinquency Prevention's National Conference: "Building On Success: Providing Today's Youth With Opportunities for a Better Tomorrow"	OJP, Office of Juvenile Justice and Delinquency Prevention (OJJDP)	OJJDP National Conference	Washington, D.C.	Jan. 9 - 13, 2006	1,085,568
2005 Community Capacity Development Office (CCDO) National Conference: "Strengthening Communities One Block at a Time"	OJP, CCDO	Weed and Seed Conference	Los Angeles, CA	Aug. 22 - 25, 2005	875,000
2006 Project Safe Neighborhoods (PSN) National Conference	OJP, Bureau of Justice Assistance (BJA)	PSN National Conference	Denver, CO	May 2 - 5, 2006	864,110
4th National Symposium on Victims of Federal Crime	OJP, Office for Victims of Crime (OVC)	OVC National Symposium	Atlanta, GA	March 7 - 11, 2005	727,300
2006 CCDO Law Enforcement Conference: "The Spirit of Service: Enforce, Empower, and Revitalize"	OJP, CCDO	LEC Conference	Phoenix, AZ	Aug. 14 - 17, 2006	610,000
7th Annual Technologies for Critical Incident Preparedness Conference and Exposition	OJP, National Institute of Justice (NIJ)	NIJ Technology Conference	San Diego, CA	Oct. 31 - Nov. 2, 2005	575,550
FBI Annual Polygraph Examiner's Conference	FBI	FBI Polygraph Conference	Minneapolis, MN	June 26 - July 1, 2005	532,000
2006 National Community Policing Conference: "Community Policing: Leading the Way to a Safer Nation"	COPS	COPS National Conference	Washington, D.C.	July 27 - 29, 2006	525,000
2006 FBI Information Technology Exchange Conference (ITEC)	FBI	FBI ITEC Conference	San Antonio, TX	Aug. 7 -10, 2006	500,000
FBI, Office of International Operations (OIO) Asia Unit Regional Training Conference	FBI	FBI Cambodia Conference	Phnom Penh, Cambodia	March 12 - 17, 2006	167,480

Sources: FY 2005 and 2006 conference expenditure listings compiled by JMD, as combined by the OIG

* "Reported Costs" may be estimates that do not necessarily include personnel or travel costs.

AUDIT RESULTS

The DOJ does not maintain a single financial system capable of providing the costs of DOJ conferences. As a result, when asked to provide conference expenditures to Congress, DOJ components did not uniformly report these expenditures. Our audit found that some components reported budgeted, awarded, and estimated conference costs instead of actual expenses, while others did not uniformly include travel or personnel costs.² Our audit also determined that although sponsors and planners for the 10 DOJ conferences reviewed by the OIG provided justifications to hold their events, comparisons of costs between different sites were not consistently performed or documented.

Federal agencies have considerable discretion in deciding how much to spend on a conference. In our review, we found that three types of costs – external event planning, food and beverages, and audio-visual – represented 71 percent, of the \$6.2 million spent to plan and host the 10 conferences. As discussed in this report, some of the incurred expenses, while allowable, appear to have been extravagant. Furthermore, we found that OJP may have inappropriately charged and retained registration fees for one of its conferences.

Conference Justifications

Individual DOJ components manage and approve their respective participation in conferences. According to DOJ officials, the decision to host an event or send employees to attend a conference is subject to the availability of funds from individual component appropriations. We considered an adequate justification for a conference to include, at the very least, a programmatic reason to hold the event and an approval from an appropriate sponsoring agency official. Our review of conference justifications concluded that appropriate reasons and approvals for these 10 events were developed by their sponsoring components.

² For FY 2006, the JMD Budget Staff received another conference expenditure request from the Subcommittee and compiled conference expenditure information in a similar manner.

Site Comparisons

The Federal Travel Regulation (FTR) requires that agencies sponsoring conferences provide appropriate management oversight of the conference planning process. In this vein, the FTR requires that conference planners conduct site comparisons to consider lower cost conference locations and venues. The FTR defines a conference “site” as both its geographic location, and the specific facility used to hold the event. According to the FTR, adequate cost comparisons should compare the availability of lodging rooms at per diem rates, the convenience of the conference location, availability of meeting space, equipment and supplies, and the commuting or travel distance of attendees. The FTR states that conference planners must keep records showing both the comparisons and the rationale for selecting the specific place to hold a conference.³

Our audit found that not all conference event planners were certain what type of comparisons – whether by city, by venue, or by both city and venue – were specifically required by the FTR. For example, while the FTR requires a minimum of three cost comparisons, it does not specify whether these comparisons need to include different cities or just comparable facilities in the same market. As shown in the following table, conference planners performed inconsistent site comparisons.

DOJ CONFERENCES SITE SELECTION METHODS

Conference Name	City	Venue	Both	Other
OVC National Symposium	X			
FBI Polygraph Conference			X	
Weed and Seed Conference				X
NIJ Technology Conference			X	
OJJDP National Conference		X		
FBI Cambodia Conference				X
PSN National Conference	X			
COPS National Conference		X		
FBI ITEC Conference			X	
LEC National Conference				X

Source: DOJ component and event planning files

³ 41 C.F.R. § 301-74 (2006).

Only FBI and NIJ conference planners examined and documented cost comparisons for both alternate cities and venues within the selected city. To ensure that the government obtains the best conference location for the best value, we believe that conference planners should compare multiple sites in multiple cities, unless an overriding operational reason is documented to hold the conference in a specific city.

Conference Costs

According to the FTR, an adequate conference planning process should minimize costs while maximizing the use of government-owned or publicly provided facilities. The FTR provides that to minimize costs to the federal government, the planning agency should consider all direct and indirect costs incurred to sponsor the conference. These include: (1) attendee-related costs, such as travel, per diem, lodging, and time required to travel to and attend the conference; (2) rentals for audio-visual and other equipment; (3) computer and telephone access fees; (4) printing; and (5) light refreshments.

Because DOJ does not have a single financial reporting system that can consistently identify and report conference-related costs incurred by different components, we worked with the sponsoring DOJ components and external event planners to develop a consistent breakdown of expenses for all 10 conferences. As shown in the following table, planning and hosting the 10 conferences totaled nearly \$6.2 million, while DOJ collectively spent an additional \$1.9 million to send employees to these events.

CONFERENCE EXPENSES BY COST CATEGORY

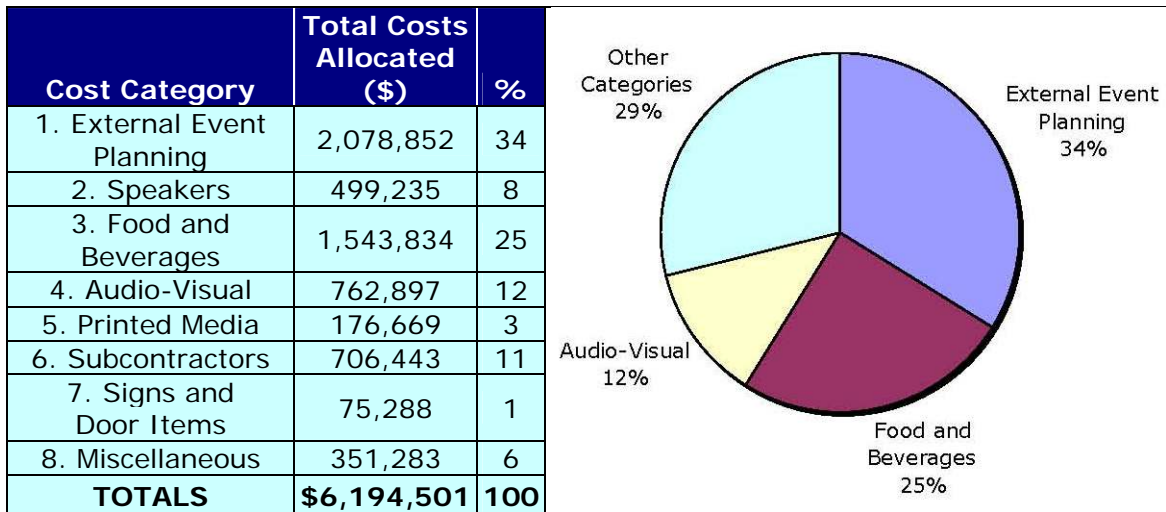
Cost Category	OJJDP National Conference (\$)	Weed and Seed Conference (\$)	PSN National Conference (\$)	OVC National Symposium (\$)	LEC Conference (\$)	NIJ Technology Conference (\$)	FBI Polygraph Conference (\$)	COPS National Conference (\$)	FBI ITEC Conference (\$)	FBI Cambodia Conference (\$)	TOTALS
No. of Days	5	4	4	5	4	3	6	3	4	6	
No. of Registrants	1,831	1,542	1,330	787	1,329	1,315	98	1,437	306	46	
Planning & Hosting (P&H) Costs											
1. External Event Planning	605,619	197,565	196,798	310,394	145,767	409,535	n/a	213,174	n/a	n/a	2,078,852
2. Speakers	35,742	82,229	31,561	55,356	96,759	95,473	3,682	94,486	0	3,947	499,235
3. Food and Beverages	291,940	394,008	108,866	98,350	181,002	175,101	7,468	274,546	8,334	4,219	1,543,834
4. Audio-Visual	62,930	147,779	143,469	148,738	122,577	38,976	1,496	89,185	7,747	0	762,897
5. Print Media	39,040	35,131	9,463	35,077	18,223	14,860	0	24,875	0	0	176,669
6. Subcontractors	313,914	27,623	69,052	103,744	38,972	82,531	0	69,683	0	924	706,443
7. Signs and Door Items	2,407	47,215	15,322	3,856	0	0	0	6,488	0	0	75,288
8. Miscellaneous	52,367	10,022	221,473	11,548	0	4,974	0	50,668	0	231	351,283
Total P&H Costs	1,403,959	941,572	796,004	767,063	603,300	821,450	12,646	823,105	16,081	9,321	6,194,501
Multi-Component Costs											
9. DOJ Employee Travel	0	105,105	638,371	318,631	124,411	17,576	117,251	1,754	364,966	172,327	1,860,392
Total Multi-Component Costs	0	105,105	638,371	318,631	124,411	17,576	117,251	1,754	364,966	172,327	1,860,392
SUBTOTAL	1,403,959	1,046,677	1,434,375	1,085,694	727,711	839,026	129,897	824,859	381,047	181,648	8,054,893
Other Revenue	(505,657)	0	0	0	0	(561,938)	0	0	0	0	(1,067,595)
FINAL DOJ COST	\$898,302	\$1,046,677	\$1,434,375	\$1,085,694	\$727,711	\$277,088	\$129,897	\$824,859	\$381,047	\$181,648	\$6,987,298

Source: OIG analysis of financial summary reports, drawdowns, and supporting invoices received from sponsoring components and external event planning companies and DOJ travel vouchers from DOJ attendees.

Neither the sponsoring components' cost nor the total DOJ cost for each event matches the cost information reported to the Subcommittee for DOJ conferences held in FYs 2005 and 2006. We discussed the difference between the reported and actual DOJ costs with both JMD and sponsoring component officials. Despite specific instructions, components did not uniformly report their conference costs to JMD. Regarding the 10 conferences we selected for review, the discrepancies between the OIG-calculated conference costs and the JMD-reported costs stem primarily from components: (1) reporting budgeted, awarded, or estimated costs instead of actual expenses; and (2) inconsistently including travel and personnel costs in their figures.

We reviewed in detail the three largest cost categories – external event planning, food and beverages, and audio-visual for the 10 conferences. As shown by the following table, these three cost categories represent over 70 percent of the total planning and hosting costs.

PLANNING AND HOSTING COST CATEGORY EXPENSES



Source: OIG analysis of component and external event planning records

Event Planning

Although conference event planners play an important role in determining how much an event will cost, the FTR does not specify how a sponsoring agency should select a conference planner. Our audit found that the FBI internally planned its three events while OJP and COPS hired private contractors to plan their conferences. As shown in the following table, OJP procured external conference planners by either awarding a contract through its Acquisition Management Division (AMD) or through a cooperative agreement awarded by the individual OJP program office.⁴

PROCUREMENT VEHICLES USED TO HIRE CONFERENCE EXTERNAL EVENT PLANNERS

Conference Name	Contract	Cooperative Agreement
Weed and Seed Conference	X	
NIJ Technology Conference		X
PSN National Conference	X	
COPS National Conference		X
LEC National Conference	X	
OJJDP National Conference ⁵	X	X
OVC National Symposium	X	

Source: OIG analysis of event planning documents

To analyze how the event planners were hired and the costs they charged, we reviewed three large, national scope conferences identified in the following table.⁶

⁴ According to the OJP Financial Guide, a cooperative agreement is a type of award used when OJP anticipates substantial involvement with the recipient during performance of the contemplated activity. Cooperative agreements can be awarded to states, units of local government, or private organizations.

⁵ The OJJDP National Conference initially used a contract to hire an external event planner to provide logistical support. At some point while planning the event, OJP issued a cooperative agreement with this event planner to continue planning activities.

⁶ Appendix I outlines the methodology used to choose conferences to review their event planning costs.

OJP EXTERNAL EVENT PLANNING COSTS

Conference	External Event Planning Cost (\$)	Number of Registrants	Percentage of Planning and Hosting Cost
OJJDP National Conference	605,619	1,831	43
NIJ Technology Conference	409,535	1,315	50
CCDO LEC Conference	145,767	1,329	24
TOTALS	\$1,160,921	4,475	

Source: OIG analysis of external event planner financial records

All three reviewed event planners provided logistical and administrative support to help OJP program offices prepare for their respective conferences. These services included performing location visits and site selection analysis, establishing contracts with venues or hotels for meeting space and attendee rooms at per diem rates, and preparing budgets and reports for review by OJP officials.

Each of the event planners used by OJP examined in this review employed a different mechanism or rate to capture indirect costs, thereby causing event planning expenses to vary considerably. For example, OJJDP and NIJ event planners applied approved overhead rates of about 82 and 131 percent, respectively, on all direct labor charges. In addition, event planners also applied a general and administrative charge on all direct conference costs. The following table shows the impact of the NIJ event planner's 131-percent overhead rate, as well as a 15-percent general and administrative rate, on conference planning costs.

NIJ TECHNOLOGY CONFERENCE EVENT PLANNING COSTS

Type of Cost	Amount (\$)
Direct Labor (3,525 hours)	126,077
Overhead (131% of direct labor cost)	164,669
NIJ Event Planner Travel	14,074
General and Administrative (15% of all conference costs)	104,715
TOTAL	\$409,535

Source: OIG analysis of NIJ event planner records

In contrast to the OJJDP and NIJ conference event planners, the LEC event planner charged a flat hourly labor rate that included all direct and indirect labor costs. This event planner then charged a 3 percent handling fee to all non-labor conference planning costs as shown in the following table.

SUMMARY OF LEC EVENT PLANNER COSTS

Type of Cost	Amount (\$)
Labor Charges (1,464 hours)	121,691
Travel and other related costs	4,355
Fixed Fee (3% handling charge applied to costs totaling \$458,246)	13,748
NIH Fee (1% of all costs totaling \$597,327)	5,973
TOTAL	\$145,767

Source: Event planner invoices and accounting records

Event planners told us they provided different levels of logistical support for the various OJP conferences, which could impact the number of hours necessary to plan an event. However, the number of hours billed by event planners does not speak to the level of indirect rates charged to plan a conference. As a general rule, indirect rates are determined by a company’s overhead and equipment costs, facility fees, debt payments, and administrative expenses. This means that companies performing technical or scientific services may charge high indirect cost rates.

No single entity within OJP monitors conference costs to ensure they are appropriate or that the event planners hired actually offer the best value for the fees they charged. As a sponsor of many large, national-scope conferences each year, we believe that OJP should evaluate how it solicits, hires, and assesses event planners. As exhibited by the wide-range of hours and indirect rates charged by these three event planners, we believe that oversight is necessary to ensure that event planning costs comply with FTR and DOJ conference planning guidelines.

Food and Beverages

The Government Employees Training Act (Training Act) states that a federal agency may serve food and beverages at sponsored conferences concerned with the functions or activities for which they receive funding.⁷ Under the Training Act, the Government Accountability Office has identified three circumstances where federal agencies may provide food and beverages to conference attendees.

- The provided meals and refreshments are incidental to the conference;
- Attendance at functions where food and refreshments are provided is necessary to ensure full participation in essential discussions, lectures, or speeches concerning the purpose of the conference; and
- The meals and refreshments are part of the formal conference that includes substantial functions occurring separately from when the food is served.

To review food and beverage costs, we selected the four conferences identified in the following table.⁸

REVIEWED FOOD AND BEVERAGE COSTS

Conference	Food and Beverage Cost (\$)	Number of Registrants	Percentage of Planning and Hosting Cost
Weed and Seed Conference	394,008	1,542	42
COPS National Conference	274,546	1,437	33
FBI Polygraph Conference	7,468	98	59
FBI Cambodia Conference	4,219	46	45
TOTAL	\$680,241	3,123	

Source: OIG analysis of conference financial records

⁷ 5 U.S.C. § 4110 (2006).

⁸ Appendix I outlines the methodology used to choose conferences to review their food and beverage costs.

Of the four selected conferences, the Weed and Seed Conference and the COPS National Conference were attended primarily by non-DOJ employees, while FBI employees constituted the majority of attendees at both of its conferences. To review the amount and cost of food and beverages served at each conference, we identified the list price of the items and calculated the actual price charged by the venue, which included applicable taxes and service charges paid for each menu item. We also examined the purpose of the functions where food and beverages were provided, and whether food and beverage costs were in compliance with applicable rules and regulations.

Our audit found that the food and beverages provided to attendees at the Weed and Seed and COPS conferences were furnished by large hotels that applied significant service charges. For example, as part of the Weed and Seed Conference, OJP spent \$394,008 on continental breakfasts, lunches, snack items, beverages, and a “themed networking reception.” As shown in the following table, the \$394,008 cost included the food and beverage menu price (list price), a 20 percent service charge applied to the list price, and an 8.25 percent sales tax applied to the subtotaled list price and service charge.⁹

⁹ The 8.25 percent sales tax for food and beverages amounted to \$30,028. Although the federal government is exempt from local taxes on direct payments, the external event planning contractor for the Weed and Seed Conference paid the hotel directly and was therefore assessed the sales tax on all goods, rents, and services provided.

**COSTS OF FOOD AND BEVERAGES PROVIDED
AT THE WEED AND SEED CONFERENCE
August 22 to 25, 2005**

Food/Beverage	Total Number	List Price Per Unit or Serving (\$)	Paid Price Per Unit or Serving* (\$)	Adjusted Total Cost* (\$)
Breakfasts				
Continental Breakfasts	4,600	16.75	21.76	100,096
Lunches				
Deli Lunch Buffets	45	29.00	37.67	1,695
Salmon Lunches	1,476	38.50	50.01	73,815
Chicken Lunches	1,316	29.75	38.65	50,863
Working Groups Lunch Buffets	120	41.00	53.26	6,391
CCDO Staff Meeting Lunches	30	34.00	44.16	1,325
Snacks				
Cookies and Brownies	3,804	2.67	3.47	13,199
Granola Bars	40	3.00	3.89	156
Bags of Chips	2,280	2.50	3.25	7,410
Yogurt	6	3.75	4.87	29
1 Large Fruit Display	50 Servings	3.90	5.06	253
1 Small Fruit Display	15 Servings	3.33	4.33	65
CCDO Staff Meeting Snacks	30	19.00	24.68	740
Beverages				
Cups of Columbian Coffee	15,520	2.15	2.79	43,301
Bottles of Water	4,304	3.75	4.87	20,960
Cans of Soda	2,872	3.50	4.55	13,067
CCDO Staff Meeting Soft Drinks	27	3.25	4.22	114
Reception				
"Stars and Stripes" Networking Reception	1,000	41.00	53.26	53,260
3 Cheese Trays	300 Servings	4.40	5.72	1,716
3 Vegetable Trays	300 Servings	3.65	4.74	1,422
6 California Roll Trays	300 Pieces	7.30	9.48	2,844
6 Roasted Vegetable Wrap Trays	300 Pieces	3.30	4.29	1,287
TOTAL				\$394,008*

Source: OIG analysis of component and external party planner documents

* Certain costs and amounts are rounded to equal the total charge

Applying the total \$394,008 cost to each of the 1,542 conference registrants, OJP spent an average of \$256 per person, or \$64 per day, on food and beverages. The average conference attendee received four breakfasts, two lunches, one reception, and an assortment of light refreshments over the four days of the conference.

OJP also provided its employees with lunch during a staff meeting held on the last day of the Weed and Seed Conference. Unlike the rest of the conference, which was attended primarily by representatives of Weed and Seed program grantees, this staff meeting was composed of only OJP employees traveling on a per diem rate. OJP provided, at no cost to 30 of its employees, a sandwich buffet lunch that cost \$44 per person and a themed "at-the-movies" snack, consisting of candy, popcorn, and soft drinks, for \$25 per person.

The Weed and Seed Conference also featured a \$60,000 networking reception for 1,000 attendees after the first full day of the conference. The following menu details the items served at the Weed and Seed Conference's networking reception.

OJP WEED AND SEED NETWORKING RECEPTION



Source: Venue catering menu

Similarly, the COPS National Conference provided attendees a \$60,000 networking reception with carved beef and turkey and penne pasta. Besides the reception, the COPS conference also provided attendees with two themed breaks that cost a total of \$42,000.

COPS NATIONAL CONFERENCE THEMED BREAKS

Thursday, July 27, 2006 3:15 to 3:45 PM	Friday, July 28, 2006 3:15 to 3:30 PM
<p>~ THE BIG CHILL ~</p> <p>Assorted Gourmet Ice Cream Bars, Ice Cream Sandwiches, Fruit Bars Fabulous Fruit Smoothies</p> <p>(Attendants Required) * * *</p> <p>Freshly Brewed Coffee, Regular and Decaffeinated Assorted Teas Including Herbal Served with Lemon Wedges Hot Chocolate Assorted Soft Drinks</p>	<p>~ AT THE STADIUM ~</p> <p>Warm Giant Pretzels and Hot Dogs with Deli Mustard, Cracker Jacks, Popcorn, and Peanuts * * *</p> <p>Freshly Brewed Regular and Decaffeinated Coffee ICED TEA Hot Chocolate Assorted Soft Drinks Root Beer</p>
<p>Note: "Attendants Required" means hotel staff (attendants) were required to serve themed break items.</p>	

Source: Venue event order form

The sheer volume of food and beverages resulted in OJP and COPS spending, respectively, an average of \$64 and \$83 on food and beverages each day for each person. The meals and incidental expenses (M&IE) rate for government employees attending the Weed and Seed Conference was \$51 per day, while the rate at the COPS National Conference was \$64.¹⁰ We examined planning documents for these conferences and found no written explanations justifying the need to offer conference attendees such costly meals and networking receptions.

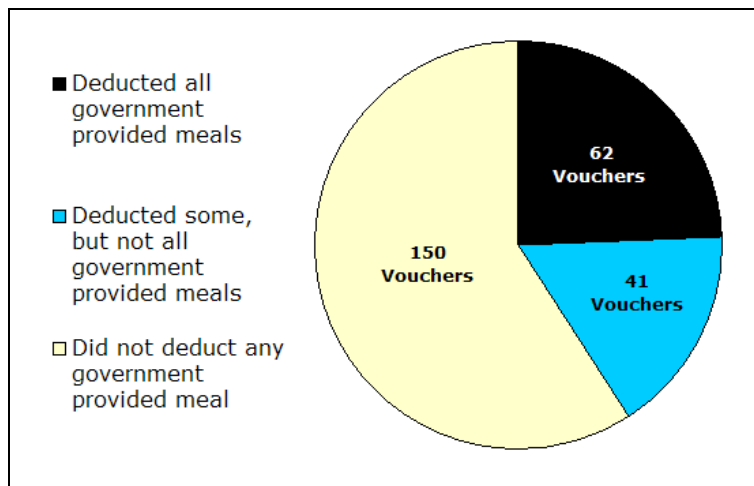
Considering the provision of full meals to DOJ employees at 8 of the 10 conferences we examined in this audit, we reviewed a sample of 253 vouchers to determine if attendees deducted conference-provided meals from their travel vouchers. According to the FTR, federal travelers should adjust their per diem reimbursement requests and deduct for meals furnished by the government. To ensure that federal employees deduct the proper amount, GSA has calculated

¹⁰ Federal employees may receive reimbursement for meals incurred during official travel according to a locality's M&IE per diem rate established by GSA.

predetermined figures that a traveler should deduct depending on the meal that was provided by the government.

When federal attendees do not deduct meals provided at government expense, the government effectively pays for the employee’s meal twice – once at the conference, and again when the employee receives reimbursement after submitting their travel voucher. Of the 253 tested vouchers, we found that only 62 properly deducted all meals provided at the conferences, 41 deducted some of the meals, and 150 vouchers did not deduct any of the provided meals.

OIG VOUCHER TESTING RESULTS



Source: OIG analysis

Audio-Visual Equipment and Services

Since audio-visual equipment and services comprised the third largest category of conference expenditures, we selected three conferences and reviewed their audio-visual costs.¹¹

¹¹ Appendix I outlines the methodology used to choose conferences to review their associated audio-visual costs.

REVIEWED AUDIO-VISUAL COSTS

Conference	Audio-Visual Cost (\$)	Number of Registrants	Percentage of Planning and Hosting Cost
PSN National Conference	143,469	1,330	18
OVC National Symposium	148,738	787	19
FBI ITEC Conference	7,747	306	48
TOTALS	299,954	2,423	

Source: OIG analysis of conference financial records

Similar to rules governing food and beverage costs, federal agencies have considerable discretion in how much they choose to spend on audio and visual equipment and services at government-sponsored conferences. We reviewed the audio-visual costs and compared costs of rentals with the services provided at the three selected conferences. Our review found no unallowable audio-visual equipment costs.

However, OJP and FBI conference sponsors achieved cost savings by bargaining with audio-visual subcontracting firms for services and equipment rentals. For example, the OVC subcontractor provided the National Symposium a discount rate on equipment rentals during the last two days of its conference. The FBI ITEC Conference received nearly a 30-percent discount from its total audio-visual bill by booking services more than 30 days in advance.

Registration Fees

OJP event planners for the OJJDP National Conference and the NIJ Technology Conference solicited and retained registration fees from conference attendees and vendors. According to 31 U.S.C. § 3302(b), an official or agent of the government receiving funds “from any source shall deposit the money in the Treasury as soon as practicable without any deduction for any charge or claim.” The rationale underlying this rule, also known as the miscellaneous receipts statute, is that in order to maintain Congress’s “power of the purse,” an agency should not augment its appropriations from sources outside the government without statutory authority.

In March 2005, the GAO, applying § 3302(b), held that neither federal agencies nor contractors acting on their behalf may charge and retain conference fees without specific statutory authority to do so. In light of this ruling, we considered the decision to charge conference

fees in connection with the OJJDP and NIJ conferences. We concluded that, in the absence of specific statutory authority, outside entities retained by OJP should not charge conference fees in those cases where they have been retained primarily to provide conference planning services.

As discussed previously, OJJDP originally entered into a contract with an event planner to provide conference planning services for the OJJDP National conference. Thereafter, OJP and the event planner entered into a cooperative agreement pursuant to which these planning activities would continue. The Federal Grant and Cooperative Agreements Act of 1977, 31 U.S.C. § 6305, directs executive agencies to use cooperative agreements to reflect the relationship between the federal government and another entity when:

- (1) the principal purpose of the relationship is to transfer a thing of value to the . . . recipient to carry out a public purpose . . . authorized by law . . . instead of acquiring property or services for the direct benefit or use of the . . . government; and
- (2) substantial involvement is expected between the executive agency and the . . . recipient when carrying out the activity contemplated in the agreement.

By contrast, executive agencies are directed to use contracts when “the principal purpose is to acquire . . . property or services for the direct benefit or use of the . . . government.” *Id.* at § 6303. Pursuant to DOJ regulations, such as 28 C.F.R. § 70.24, non-profit organizations that enter into cooperative agreements with the Department may retain program income earned during the project period.¹²

We inquired as to why OJJDP entered into a cooperative agreement with the conference planner when a contract for such services was already in place. According to conference planning documents, OJP officials believed that the event planner would be prohibited from charging conference fees if they proceeded under the

¹² This provision is part of the Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and other Non-Profit Organizations. It does not apply to agreements with for-profit corporations such as the event planner for the OJJDP conference.

contract.¹³ By opting for a cooperative agreement instead, OJP believed that it would be permissible for the event planner to charge and retain registration fees as program income.

We believe there are two problems with OJP's approach. First, it does not appear that a cooperative agreement was the proper vehicle for OJJDP to use in this case. As is evident from the choice of a contract as the original procurement vehicle, the primary purpose of the agreement between OJJDP and the conference planner was for OJJDP to acquire conference planning services. As discussed above, a contract is the proper vehicle when federal agencies are securing such services for their use. Second, even if a cooperative agreement would have been appropriate in these circumstances, the regulations relating to program income do not apply to agreements with for-profit entities like the event planner involved in the OJJDP conference. Accordingly, we believe that absent specific statutory authority to charge conference fees, it was inconsistent with the miscellaneous receipts statute for the OJJDP conference planner to charge and retain registration fees.

In September 2005, NIJ entered into a cooperative agreement with a non-profit entity related to the technology conference. As part of the agreement, the non-profit was to provide planning and other services for the technology conference. The agreement provided that the event planner would collect anticipated program income generated by charging fees to conference exhibitors and attendees.

In light of the March 2005 GAO decision concerning conference registration fees, we asked OJP officials whether NIJ had statutory authority to collect fees in connection with the technology conference. According to OJP, such authority was not required. OJP reasoned that because the event planner in this case provided more than just pure planning services, a cooperative agreement was the appropriate funding vehicle and the fees collected were allowable program income under that agreement. Specifically, OJP noted that in addition to purely logistical support, the NIJ conference planner also performed such programmatic tasks as identifying possible participants and coordinating among the sponsoring government agencies.¹⁴

¹³ This document, dated August 9, 2005, suggests that OJP was aware of the GAO decision and its potential implications for the OJJDP conference.

¹⁴ For purposes of this review, programmatic support means a service designed to achieve the award or agreement's mission or objectives.

We believe that whether it was appropriate to charge registration fees in connection with the NIJ conference is a close question. We recognize that: (1) cooperative agreements may be appropriate funding vehicles in cases where OJP is transferring funds to a non-profit entity primarily to permit that entity to carry out a programmatic function of OJP; and (2) the governing regulations permit the retention of program income when such agreements are utilized. However, we believe that OJP must ensure that cooperative agreements are not utilized inappropriately as a means of avoiding the strictures of the miscellaneous receipts statute. Accordingly, we recommend that OJP develop and implement clear guidance outlining the specific circumstances under which event planners retained to assist with OJP conferences may charge and retain conference fees.

Conclusions and Recommendations

DOJ components sponsoring conferences have a responsibility to: (1) justify sponsoring a conference; (2) conduct cost comparisons to consider lower cost conference locations and venues; and (3) reduce costs incurred by hosting and traveling to these events. Our audit determined that DOJ sponsors adequately justified their conferences, but inconsistently performed and documented comparisons of costs between different potential sites. In addition, our analysis of event planning costs found that such expenses varied widely. We also found that using appropriated funds to pay for expensive meals and snacks at certain DOJ conferences, while allowable, appear to have been extravagant.

As a result of our review, we provide 14 recommendations to DOJ and its components, including the following:

- Implement specific guidance regarding what comparisons of costs between different sites conference planners should perform to ensure the best location for the best value.
- Develop and implement conference food and beverages policies.
- Instruct DOJ component Chief Financial Officers to develop and implement procedures that ensure employees deduct the appropriate amount from the M&IE rate for government-provided meals from their submitted travel vouchers.

- Evaluate methods to solicit, hire, and assess external event planners to ensure that conference planning costs comply with FTR and DOJ conference planning guidelines.
- Develop and implement policies and procedures to ensure compliance with the miscellaneous receipts statute

**DEPARTMENT OF JUSTICE
CONFERENCE EXPENDITURES**

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Chapter 1: INTRODUCTION

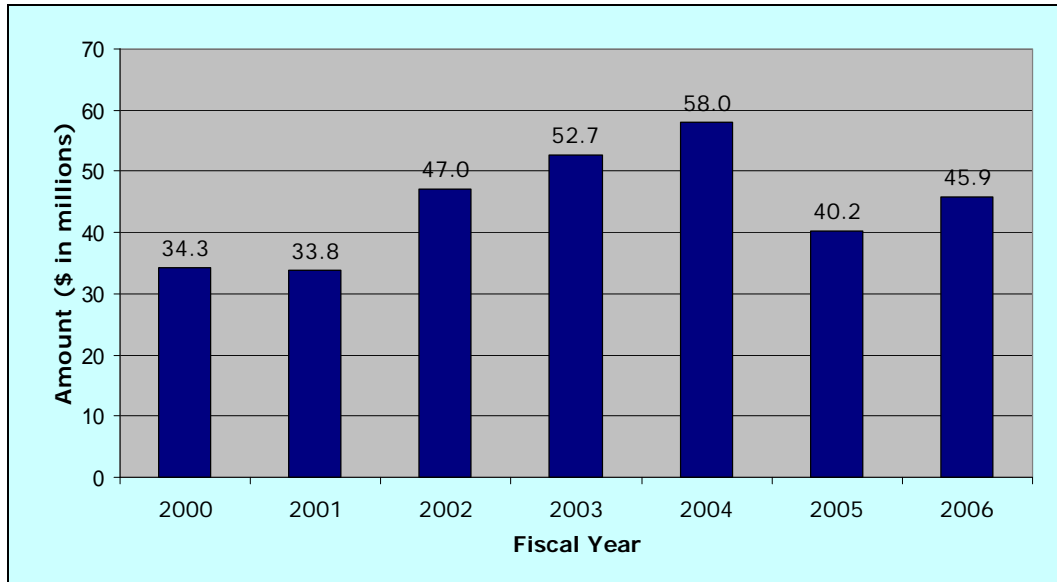
In the summer of 2005, the U.S. Senate Committee on Homeland Security and Governmental Affairs, Subcommittee on Federal Financial Management, Government Information, and International Security (Subcommittee), launched a government-wide inquiry into conference spending. As part of this examination, the Subcommittee asked federal agencies to report on their conference sponsorship and participation from fiscal years (FY) 2000 to 2005. The inquiry found that since FY 2000, federal agencies spent at least \$1.4 billion underwriting or sending employees to conferences. The inquiry also revealed that federal agencies did not consistently or transparently track funds spent on conferences and related travel. In light of these findings, the Subcommittee expressed concern about the time, money, and human capital spent by federal agencies to sponsor conferences.

Background

According to financial reports compiled by the Justice Management Division (JMD), during FY 2006 Department of Justice (DOJ) components spent a total of \$45.9 million on conference-related activities, which included costs for general support, programming, and travel. Although this amount represented an increase of 34 percent compared to the \$34.3 million DOJ components reported they spent during FY 2000, it is 21 percent less than the \$58 million spent in FY 2004, as shown in Table 1-1.

Table 1-1

**DOJ CONFERENCE EXPENDITURES
FROM FY 2000 TO 2006**



Source: JMD reports on DOJ component conference expenditures

Different federal statutes and regulations authorize agencies to sponsor conferences and meetings, the most relevant of which we discuss below.

Government Employees Training Act (Training Act)

Enacted in 1958, the Training Act gives federal agencies the general authority to train employees. Among its many provisions, this law authorized the use of conferences to meet identified training needs.¹⁵ The Training Act authorizes agencies to pay expenses incurred by employees attending meetings or conferences that are concerned with agency mission-related functions or activities. The Training Act also stipulates that a meeting or conference may be mission-related if it will contribute to the improved conduct, supervision, or management of mission-related functions.

Federal Travel Regulation

The General Services Administration (GSA) issued the Federal Travel Regulation (FTR) to implement statutory requirements and

¹⁵ Pub. L. No. 85-507 (1958) and 5 U.S.C. §§ 4100 to 4110 (2006).

federal travel policies for government employees and others attending conferences at public expense. The FTR, which defines a conference as a “meeting, retreat, seminar, symposium, or event that involves attendee travel,” holds conference-sponsoring agencies responsible for providing appropriate management oversight of the conference planning process.¹⁶

According to the FTR, an adequate planning process should minimize conference planning costs while maximizing the use of government-owned or publicly provided facilities. To minimize costs to the federal government, the planning agency should consider all costs, both direct and indirect, incurred by sponsoring the conference. These include: (1) attendee-related costs, such as travel per diem, lodging, and time required to travel to and attend the conference; (2) rentals for audio-visual and other equipment; (3) computer and telephone access fees; (4) printing; and (5) light refreshments. Additionally, the FTR requires that federal agencies develop and establish internal policies that ensure these conference planning standards are met.

DOJ Travel and Conference Policies

Individual DOJ components manage and approve their respective participation in conferences. The decision to host an event or send employees to attend a conference is subject to the availability of funds from individual component appropriations. However, JMD has played an increasingly important role in establishing uniform travel rules and conference policies that apply to all DOJ components. In July 2001, JMD issued a Temporary Duty Travel Guide (Travel Guide) for DOJ employees describing the DOJ’s travel reimbursement process. The Travel Guide also includes checklists to be used by officials who authorize travel, approve vouchers, and certify travel payments and examples of and instructions to forms required to authorize and pay travel expenses.

In addition, the Violence Against Women and DOJ Reauthorization Act of 2005 requires that each “predominantly internal” DOJ conference receive the approval of the Assistant Attorney General for Administration if it is to be held in a non-governmental facility.¹⁷ In January 2006, JMD issued guidance to DOJ components

¹⁶ 41 C.F.R. § 301-74 (2006).

¹⁷ Pub. L. No. 109-162 (2005) § 1173.

stating that a predominantly internal conference occurs when more than 50 percent of the attendees are DOJ employees. The approval requirement applies to all such events, regardless of anticipated size or expense.

In an effort to streamline the predominantly-internal conference review process, JMD established an internal Web site where DOJ conference planners and training officials can electronically submit pertinent information about each event for JMD review, follow-up, and approval. However, since the policy applies only to predominantly-internal conferences, conferences for non-DOJ employees, such as panel bankruptcy trustees, state and local law enforcement officials, or grant recipients, need not obtain JMD review or approval, even if they are large, national-scope events.

Audit Approach and Objectives

The U.S. Senate Committee on Appropriations, Subcommittee on Commerce, Justice, Science, and Related Agencies requested that the DOJ Office of the Inspector General (OIG) perform an audit of the 10 most expensive DOJ conferences. The OIG agreed to conduct this review and examined the nine most expensive DOJ conferences held in the United States between October 2004 and September 2006 and the single most expensive international conference held during that time period, as identified by JMD records. For these conferences, our objectives were to review: (1) the justifications offered for the event; (2) the site-cost comparisons on where to hold the event; and (3) certain conference-related costs – including food and beverages, external event planning, and audio-visual – for compliance with applicable laws and regulations.¹⁸

This audit report contains 8 chapters. Chapter 2 explains how we identified and selected conferences to review and assessed their costs. Chapters 3 and 4 describe the conferences' justifications and how sponsoring components documented required city and venue comparisons. We review and compare the methods used to hire event planners and their related costs in Chapter 5, while Chapters 6 and 7 describe the costs associated with providing food and beverages and audio-visual equipment and other related services. Chapter 8 discusses whether event planners appropriately charged and retained registration fees to defray conference costs.

¹⁸ Appendix I describes our Objectives, Scope, and Methodology, while Appendix IV lists acronyms used throughout the report.

Chapter 2: CONFERENCE COSTS

At the outset of our review, we examined information prepared by the JMD Budget Staff in response to the following request from the Subcommittee for conference expenditure information.

Table 2-1

SUBCOMMITTEE REQUEST FOR DOJ CONFERENCE INFORMATION

1. The total amount spent by DOJ and its agencies and offices on conferences – including general support, programming, staff salaries, travel and other associated costs – in each of the previous five FYs, beginning with the most recent year for which such data is available;
2. A full listing of each conference that received support from DOJ and its agencies and offices during the FY 2005, including the location of the conference, the number of DOJ employees who attended, and the primary sponsor of the conference; and
3. An estimate of the amount DOJ expects to spend on conferences and related expenses in FY 2006.

Source: Subcommittee request for DOJ conference information dated June 2005

DOJ Conference Lists Compiled by JMD

An official from JMD Budget Staff told us that DOJ does not maintain a single financial reporting system capable of providing the information requested by the Subcommittee. Therefore, to respond to the Subcommittee's request, JMD issued a data call to financial officials from each DOJ component. The data call stressed that JMD required the actual amount each component spent for each of the three items requested by the Subcommittee. Once JMD Budget Staff received the information from the component contacts, they combined the component figures into a single spreadsheet to represent DOJ FY 2005 expenditures.

During our preliminary discussions with JMD Budget Staff in August 2006, we were told that the Subcommittee had also requested FY 2006 conference-related expenses. JMD officials told us that they were compiling the FY 2006 list in a similar manner as the FY 2005 list. In October 2006, JMD provided us with the final results of their 2006 data call that showed both the updated total conference-related costs in FY 2005 and conference activity for FY 2006 as reported by DOJ components.

A member of JMD's Budget Staff confirmed that the information provided on the FY 2005 and 2006 lists was, "only as good as the information provided to us by each component." A review of the JMD conference expenditure lists revealed that DOJ components did not provide JMD with the actual costs for each individual conference, as requested. Instead, we found that some components listed charges related to a series of separate events as individual costs on a single line-item. For instance, a \$1.3-million expense reported on the JMD list was actually the annual total cost incurred by sending employees to a DOJ training facility. In another case, a group of training events that occurred at separate locations were identified by a single line-item.

Of particular note, the Drug Enforcement Administration (DEA) submitted the total amount spent on its FY 2006 conferences and provided specific cost information for only three events. We contacted DEA officials, who told us that while the DEA's financial management system could identify the total amount of conference costs, the system could not readily identify specific conferences and associated expenses.

We asked DEA officials how they responded to the JMD data call. An official with DEA's Office of Resource Management told us that the DEA could only obtain the requested information by making a data call of its own from each DEA office with a conference budget. The official also told us that because the DEA could not accomplish such a data call within the short period of time allotted by JMD for a response, the DEA would only provide specific cost information for three of its conferences, all of which were sponsored by offices within DEA headquarters in Arlington, Virginia.

Conference Universe and Selection

To produce a single list from which to sort reported conference activity, we combined the individual conference data listed in the final conference listings for FYs 2005 and 2006 compiled by JMD into one spreadsheet and excluded any line-item that encapsulated more than one event. From this list we selected 9 of the most expensive DOJ conferences held within the United States and the most expensive DOJ conference held in a foreign location.

As shown in Table 2-2, six conferences were sponsored by program offices within the Office of Justice Programs (OJP), three were sponsored by the Federal Bureau of Investigation (FBI), and one was funded by the Office of Community Oriented Policing Services (COPS).¹⁹

¹⁹ Appendix III presents facts, figures, and summaries pertaining to each selected conference.

Table 2-2

DOJ CONFERENCES SELECTED FROM JMD RECORDS

Formal Conference Name	DOJ Sponsor	Short Name	Location Held	Dates Held	Reported Cost (\$) *
Coordinating Council on Juvenile Justice and Delinquency Prevention's National Conference: "Building On Success: Providing Today's Youth With Opportunities for a Better Tomorrow"	OJP, Office of Juvenile Justice and Delinquency Prevention (OJJDP)	OJJDP National Conference	Washington, D.C.	Jan. 9 - 13, 2006	1,085,568
2005 Community Capacity Development Office (CCDO) National Conference: "Strengthening Communities One Block at a Time"	OJP, CCDO	Weed and Seed Conference	Los Angeles, CA	Aug. 22 - 25, 2005	875,000
2006 Project Safe Neighborhoods (PSN) National Conference	OJP, Bureau of Justice Assistance (BJA)	PSN National Conference	Denver, CO	May 2 - 5, 2006	864,110
4th National Symposium on Victims of Federal Crime	OJP, Office for Victims of Crime (OVC)	OVC National Symposium	Atlanta, GA	March 7 - 11, 2005	727,300
2006 CCDO Law Enforcement Conference: "The Spirit of Service: Enforce, Empower, and Revitalize"	OJP, CCDO	LEC Conference	Phoenix, AZ	Aug. 14 - 17, 2006	610,000
7th Annual Technologies for Critical Incident Preparedness Conference and Exposition	OJP, National Institute of Justice (NIJ)	NIJ Technology Conference	San Diego, CA	Oct. 31 - Nov. 2, 2005	575,550
FBI Annual Polygraph Examiner's Conference	FBI	FBI Polygraph Conference	Minneapolis, MN	June 26 - July 1, 2005	532,000
2006 National Community Policing Conference: "Community Policing: Leading the Way to a Safer Nation"	COPS	COPS National Conference	Washington, D.C.	July 27 - 29, 2006	525,000
2006 FBI Information Technology Exchange Conference (ITEC)	FBI	FBI ITEC Conference	San Antonio, TX	Aug. 7 -10, 2006	500,000
FBI, Office of International Operations (OIO) Asia Unit Regional Training Conference	FBI	FBI Cambodia Conference	Phnom Penh, Cambodia	March 12 - 17, 2006	167,480

Source: FY 2005 and 2006 conference expenditure listings compiled by JMD, as combined by the OIG

* "Reported Costs" may be estimates that do not necessarily include personnel or travel costs

Conference Cost Categories

Since components did not provide JMD with consistent conference cost information, we sought to validate the actual DOJ cost for each event selected from the combined FY 2005 and 2006 conference lists. We worked with the sponsoring DOJ components and external event planners to develop a consistent breakdown of expenses for all 10 conferences. We then sorted each type of identified expense into different general categories that provided an overview of the types of conference costs, as shown in Table 2-3.

Table 2-3

CONFERENCE COST CATEGORIES

External Event Planning. Labor and indirect costs, overhead fees, general and administrative charges, and travel and related expenses incurred by the event planning contractor or awardee.

Speakers. All speaker or presenter travel and related expenses, honoraria, and fees.

Food and beverages. Any fees or costs regarding food or beverages provided to conference attendees and staff, such as refreshments, breakfasts, and lunches.

Audio-Visual. Expenses related to computers, projectors, lighting, stages, technical assistance, and similar material or services.

Print Media. All costs associated with photography, printing, copying, press release development, Web site design and hosting, and postage.

Subcontractors. Hotels, exhibitors, set-up, security, contracted technical assistance, and payment processing costs, excluding audio-visual assistance and catering services.

Signs and Door Items. Badges, podium logos, gifts, signs, banners, and notepads.

Miscellaneous. All other variable costs that are not captured by the above categories.

DOJ Employee Travel. All training or conference expenses incurred by DOJ employees who traveled to the event.

Source: OIG analysis of conference expenditures

As shown in Table 2-4, the total cost to plan and host these conferences was nearly \$6.2 million.²⁰ After calculating each event's planning and hosting costs, we identified DOJ employees on conference attendee or registration lists. We found that many DOJ personnel who attended these events were not employees of the sponsoring component. Consequently, as described in Appendix I, we requested and received voucher expense information from DOJ components that sent employees to each conference. Using this voucher information, we calculated that DOJ components collectively spent almost \$1.9 million to send employees to these 10 conferences.

²⁰ This figure does not include DOJ personnel or other operational costs.

Table 2-4

ALLOCATION OF CONFERENCE COSTS BY CATEGORY

Cost Category	OJJDP National Conference (\$)	Weed and Seed Conference (\$)	PSN National Conference (\$)	OVC National Symposium (\$)	LEC Conference (\$)	NIJ Technology Conference (\$)	FBI Polygraph Conference (\$)	COPS National Conference (\$)	FBI ITEC Conference (\$)	FBI Cambodia Conference (\$)	TOTALS
No. of Days	5	4	4	5	4	3	6	3	4	6	
No. of Registrants	1,831	1,542	1,330	787	1,329	1,315	98	1,437	306	46	
Planning & Hosting (P&H) Costs											
1. External Event Planning	605,619	197,565	196,798	310,394	145,767	409,535	n/a	213,174	n/a	n/a	2,078,852
2. Speakers	35,742	82,229	31,561	55,356	96,759	95,473	3,682	94,486	0	3,947	499,235
3. Food and Beverages	291,940	394,008	108,866	98,350	181,002	175,101	7,468	274,546	8,334	4,219	1,543,834
4. Audio-Visual	62,930	147,779	143,469	148,738	122,577	38,976	1,496	89,185	7,747	0	762,897
5. Print Media	39,040	35,131	9,463	35,077	18,223	14,860	0	24,875	0	0	176,669
6. Subcontractors	313,914	27,623	69,052	103,744	38,972	82,531	0	69,683	0	924	706,443
7. Signs and Door Items	2,407	47,215	15,322	3,856	0	0	0	6,488	0	0	75,288
8. Miscellaneous	52,367	10,022	221,473	11,548	0	4,974	0	50,668	0	231	351,283
Total P&H Costs	1,403,959	941,572	796,004	767,063	603,300	821,450	12,646	823,105	16,081	9,321	6,194,501
Multi-Component Costs											
9. DOJ Employee Travel	0	105,105	638,371	318,631	124,411	17,576	117,251	1,754	364,966	172,327	1,860,392
Total Multi-Component Costs	0	105,105	638,371	318,631	124,411	17,576	117,251	1,754	364,966	172,327	1,860,392
SUBTOTAL	1,403,959	1,046,677	1,434,375	1,085,694	727,711	839,026	129,897	824,859	381,047	181,648	8,054,893
Other Revenue	(505,657)	0	0	0	0	(561,938)	0	0	0	0	(1,067,595)
FINAL DOJ COST	\$898,302	\$1,046,677	\$1,434,375	\$1,085,694	\$727,711	\$277,088	\$129,897	\$824,859	\$381,047	\$181,648	\$6,987,298

Sources: OIG analysis of financial summary reports, drawdowns, and supporting invoices received from sponsoring components and external event planning companies and DOJ travel vouchers from DOJ attendees

The total planning and hosting cost incurred by sponsoring components or their event planners includes all variable expenses related to supporting the conference, regardless of the payment's source. As shown in Table 2-4, however, the total DOJ component cost was offset, in part, for two conferences.

- *OJJDP National Conference.* Although the OJJDP National Conference cost \$1,403,959 to sponsor, the OJJDP event planner collected \$505,657 in registration fees from attendees and exhibitors to offset the total cost of the event.
- *NIJ Technology Conference.* The NIJ Technology Conference cost \$821,450 to plan and host. However, we found that the Department of Homeland Security (DHS), Directorate of Science and Technology, provided NIJ with \$150,024 to pay for a portion of the event. The NIJ event planner also collected \$411,914 in registration fees from attendees and exhibitors, which was used to offset the total cost.

These two events used more than \$1 million in non-appropriated DOJ funds to offset the sponsoring component's hosting and planning costs. Consequently, our review also captures activities paid for by these non-DOJ sources.

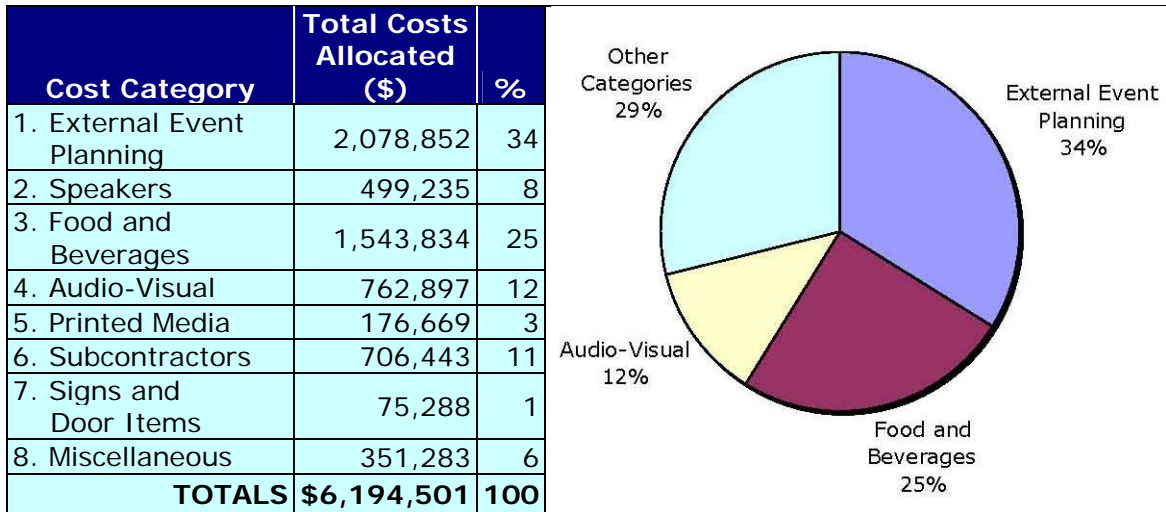
Neither the sponsoring component nor the total DOJ cost for each event reconciles to the corresponding cost reported to and used by JMD for its FY 2005 and 2006 conference expenditure lists submitted to the Subcommittee. We discussed the difference between the reported and actual DOJ costs with both JMD and sponsoring component officials. Despite specific instructions to component officials, we confirmed that components did not uniformly report their conference costs to JMD. Regarding the 10 conferences we selected for review, the discrepancies between calculated conference costs and the JMD-reported costs stem primarily from components: (1) reporting budgeted, awarded, or estimated costs instead of actual expenses; and (2) inconsistently including travel and personnel costs in their figures.

Selecting Conference Costs

Since our audit involved 10 different conferences that had different sponsors, event planners, attendees, and locations, we focused our review on certain types of costs that were incurred at each of the conferences. Excluding the DOJ employee travel costs incurred

and approved by several different components, we compared the total amounts spent by sponsoring components or event planners for each cost category. As shown in Table 2-5, three cost categories – external event planning, food and beverages, and audio-visual – represent nearly \$4.4 million, or 71 percent, of the \$6.2 million spent to plan and host the 10 conferences.

**Table 2-5
PLANNING AND HOSTING COST CATEGORY EXPENSES**



Source: OIG analysis of component and external event planning records

Considering the amount spent on event planning, food and beverages, and audio-visual equipment varied greatly between conferences, we focused our review on these three cost categories. See Appendix I for more details on our methodology.

Conclusion

Our selection of 10 high dollar conferences to review for the audit revealed that DOJ components did not report individual conference expenditures consistently. In particular, we found that the DEA reported only the total amount spent on its conferences and detailed specific cost information for only three FY 2006 events. When components report only estimated or budgeted conference costs instead of actual costs, DOJ cannot completely or accurately report the actual cost of its conferences.

Recommendations

We recommend that JMD:

- 1) Work with DOJ components to provide a uniform way to calculate and report conference costs.

We recommend that the DEA:

- 2) Implement procedures allowing for it to report individual conference expenditures when requested by JMD or other oversight entity.

Chapter 3: JUSTIFICATIONS

The DOJ's traditional law enforcement responsibilities and its emphasis on prevention of terrorist acts require coordination of efforts among all levels of government. To help fulfill DOJ's mission, components have used a variety of information-sharing approaches. One of these approaches has included hosting and participating in conferences with other federal, state, and local law enforcement agencies and organizations.

Individual DOJ components manage and approve their respective participation in conferences. According to DOJ officials, the decision to host an event or send employees to attend a conference is subject to the availability of funds from individual component appropriations. Since components have significant discretion regarding conferences, we considered an adequate conference justification to include, at the very least, a programmatic reason to hold the event and an approval from an appropriate sponsoring agency official. The method used to justify each event depended on whether the event was planned internally or by an external event planner. Of the 10 conferences we reviewed, 7 hired external event planners through either contracts or cooperative agreements. In contrast, the FBI planned its three conferences. We examined the justifications provided for the 10 conferences in the following sections of the report.

Justifications for Internally Planned FBI Events

The FBI's Training and Development Division (TDD) serves as the FBI's primary conference and training planner. TDD personnel receive conference information from FBI sponsors that document reasons and appropriate approvals to hold and finance FBI meetings and other events. Once notified that an event is approved, the TDD assists the FBI conference sponsor by arranging logistics for the event and documenting site comparisons.

We found that both the FBI ITEC Conference and the FBI Polygraph Conference had justifications listed directly on approval documents and TDD event-request forms. For instance, a November 2004 communication for the FBI Polygraph Conference stated that the conference curriculum would satisfy much of the biennial, 80-hour continuing education requirement mandated by the Department of Defense Polygraph Institute that governs polygraph examiner certification. Further, the event-request form provided a concise

written statement of the purpose of the conference, its needs, logistical requirements, and locations of similar previous conferences.

With respect to the third FBI conference, the FBI's Office of International Operations (OIO) deploys legal attachés to U.S. embassies to foster cooperation with foreign law enforcement agencies. According to OIO conference planners, the reason to hold the FBI Cambodia Conference was based on a recommendation contained in a recent OIO inspection report issued by the FBI Inspections Division. The inspections report found that OIO did not perform adequate pre-deployment training and oversight of its legal attachés. In response to this finding, an FBI conference planning official told us that OIO decided to conduct annual week-long regional trainings at each legal attaché office.²¹

OJP and COPS Justifications for Contracts and Awards

OJP and COPS hired external event planners to provide logistical support and help plan seven of the conferences selected for review. Justifications for these conferences are found on various types of documents depending on how the sponsoring component procured the event planner for each conference. Table 3-1 lists how each conference's external event planner was hired, either by contract or cooperative agreement.²²

²¹ We noted that OIO did not follow the FBI's general conference planning procedure by contacting TDD for assistance because FBI policies do not explicitly include foreign conferences in TDD's area of responsibility.

²² According to the OJP Financial Guide, a cooperative agreement is a type of award used when OJP anticipates substantial involvement with the recipient during performance of the contemplated activity. Cooperative agreements can be awarded to states, units of local government, or private organizations.

**Table 3-1
PROCUREMENT VEHICLES USED TO HIRE
CONFERENCE EXTERNAL EVENT PLANNERS**

Conference Name	Contract	Cooperative Agreement
Weed and Seed Conference	X	
NIJ Technology Conference		X
PSN National Conference	X	
COPS National Conference		X
LEC National Conference	X	
OJJDP National Conference ²³	X	X
OVC National Symposium	X	

Source: OIG analysis of event planning documents

When sponsoring components hired event planners via a contract, we found summary purposes or reasons to hold the events in the solicitation's Statement of Work. For example, the OVC National Symposium's Statement of Work stated that the conference would provide training that would be "essential to ensure that ... personnel can effectively work with victims, provide them with services that foster healing, and enhance their satisfaction with and participation in the federal criminal justice system." The Director of OVC approved this solicitation, its stated reason, and its associated requisition form in June 2003. Planning documents for the Weed and Seed Conference, the PSN National Conference, and the LEC National Conference, which were also supported by contracts, offered similar types of reasons and approvals.

The NIJ Technology Conference, the OJJDP National Conference, and the COPS National Conference used cooperative agreements to hire external event planners. Each cooperative agreement used to hire an event planner documented approval by an appropriate official and contained additional narratives adequately describing the reason to hold each conference.

²³ The OJJDP National Conference used a contract to initially hire an external event planner to provide logistical support. At some point during the planning process, OJP issued this event planner a cooperative agreement to continue event planning activities. See Chapter 5 for more information regarding this conference.

Chapter 4: SITE COMPARISONS

The FTR requires that, before selecting a conference's location, conference planners compare the costs of different sites. The FTR defines a conference "site" as both its geographic location and the specific facility used to hold the event. According to the FTR, adequate cost comparisons should compare the availability of lodging rooms at per diem rates; the convenience of the conference location; availability of meeting space, equipment, and supplies; and the commuting or travel distance of attendees. Additionally, the FTR states that conference planners must also keep records of the comparisons to show that the comparisons were performed and that there was an appropriate rationale in selecting where to hold a conference.²⁴

OJP and the FBI have developed additional policies governing conference site selection to supplement cost comparison guidance provided by the FTR. The policy at OJP requires conference planners to consider at least three sites for each event. The policy also gives OJP's Office of Administration, Acquisition Management Division (AMD) the responsibility for both maintaining the records showing the selection of a conference site and assuring that appropriate cost analysis has been conducted and documented.²⁵ In 2006, AMD proposed a "Best Practices Guide" to be used by OJP conference planners. Although not yet final, the draft guide requires that conference sponsors document the purpose of the meeting, the reason for choosing the location, a justification for use of non-federal facilities, and cost estimates for market surveys.

Since FY 2005, FBI training and conference planners have been required to contact the TDD to determine if space is available to hold a conference at the FBI Academy in Quantico, Virginia. If space is not available, the TDD performs market surveys of potential locations that compare one primary and two alternative sites. TDD market surveys are completed on a standardized form and also include estimates for applicable audio-visual and food and beverage costs. In 2006, the TDD expanded this market analysis to include a review of three government and three non-government facilities for availability, location, and cost.

²⁴ 41 C.F.R. § 301-74 (2006).

²⁵ OJP memorandum, dated March 27, 2001.

Analysis of Conference Site Comparisons

We interviewed officials who planned or coordinated each conference to ascertain whether they performed site comparisons required by the FTR. Some event planners told us that they were not certain what type of comparisons – whether by city, by venue, or by city and venue – were specifically required by the FTR. For example, although the FTR requires conference planners to conduct a minimum of three site comparisons, the FTR does not specify that these comparisons need to include different cities or just directly comparable facilities in the same market.

As shown in table 4-1, planners for only 3 of the 10 conferences performed and documented cost comparisons for both alternate cities and venues within the selected city. The FBI's TDD performed market surveys that compared different cities and venues for the FBI Polygraph Conference and the FBI ITEC Conference. Conference planners for the NIJ Technology Conference also compared logistics for both cities and venues.

Table 4-1
DOJ CONFERENCES SITE SELECTION METHODS

Conference Name	City	Venue	Both	Other
OVC National Symposium	X			
FBI Polygraph Conference			X	
Weed and Seed Conference				X
NIJ Technology Conference			X	
OJJDP National Conference		X		
FBI Cambodia Conference				X
PSN National Conference	X			
COPS National Conference		X		
FBI ITEC Conference			X	
LEC National Conference				X

Source: DOJ component and event planning files

The conference planners for the PSN National Conference and the OVC National Symposium documented site comparisons for different cities but not venues within the city selected for their respective events. For example, the event planning contractor for the OVC National Symposium compared per diem rates and airfare costs for Atlanta, Dallas, Houston, and Memphis. OJP officials told us they chose Atlanta based on its convenience and lower travel cost as a major airline hub. We were also told that OJP contacted large hotel

chains to negotiate favorable rates, but these discussions were not documented in the conference file.

Certain conference sponsors selected a particular city for logistic and programmatic considerations. Since both the OJJDP National Conference and the COPS National Conference were to be held in Washington, D.C., which mitigated most federal employee travel costs, sponsors performed no city cost comparisons. However, the sponsoring organizations or their event planners each reviewed alternative venues within Washington, D.C.

FBI Cambodia Conference planners did not conduct site selection comparisons, but organizers told us that Cambodia was selected for the Asia Region's training because of programmatic considerations. An FBI official said that Phnom Penh was selected because the FBI wanted to show interest in Cambodia as a potential legal attaché office and to provide support to a training conference for local Cambodian National Police leaders scheduled for the same week. We asked why the conference planners did not compare venues within Cambodia for this event. The planner stated that the classified nature of the topics discussed at the conference required a level of security that could only be achieved by the U.S. Embassy and therefore the FBI relied on arrangements made by the embassy. The FBI event planner also told us that U.S. embassies often find western-style hotels for visiting officials based on security, proximity to the embassy, and acceptance of government per diem.

We found that the OJP's Community Capacity Development Office (CCDO) did not document uniform cost comparisons when it selected locations for either the LEC Conference and the Weed and Seed Conference. In both instances, however, CCDO told us that it was primarily concerned with selecting host cities for programmatic reasons. For the LEC Conference, CCDO officials told us that they requested hosting proposals from several different cities, but only two, Seattle, Washington, and Phoenix, Arizona, submitted proposals. Event planners told us that because the LEC Conference was held "off-season" and the Phoenix Convention Center was "brand new," CCDO was not charged for breakout meeting room space in Phoenix. Furthermore, Seattle could not guarantee hotel rooms at authorized per diem rates. Consequently, CCDO chose to hold the LEC Conference in Phoenix.

For the Weed and Seed Conference, CCDO and OJP officials said they selected Los Angeles as the host city for programmatic reasons. CCDO told us that Los Angeles was selected because a primary topic of the Weed and Seed Conference was anti-gang initiatives. CCDO and OJP then received a presentation from a private, not-for-profit travel bureau located in Los Angeles. As part of this presentation, CCDO was told that the only hotel in Los Angeles large enough to host the Weed and Seed Conference was the Westin Bonaventure Hotel and Suites (Bonaventure).

We researched the travel bureau and found that representatives from area hotels comprise a portion of its board of directors. Since the leadership of the travel bureau includes representatives of certain area hotels, recommendations made by the travel bureau may not be unbiased and in the best economic interest of the government. Consequently, by relying solely on a travel bureau with vested interests to recommend site locations, we do not believe that CCDO conducted adequate site comparisons that ensured the best location for the best available price.

Conclusion

Event planners for the 10 conference we reviewed told us that they were not always certain what types of site cost comparisons are required by the FTR. Conference planners for only 3 conferences provided us documentation showing that they conducted both city and venue comparisons. To ensure that the government obtains the best conference location for the best value, conference planners should compare multiple sites in multiple cities. When an overriding programmatic reason justifies holding an event in a particular city, we believe that conference planners should at least conduct site comparisons of different venues within that city.

Recommendations

We recommend that JMD:

- 3) Implement specific guidance regarding what comparisons of costs between different sites conference planners should perform to ensure the best location for the best value.

We recommend that OJP:

- 4) Ensure that its conference planners develop and retain documents that evidence complete site cost comparisons.

Chapter 5: EXTERNAL EVENT PLANNING

Conference planners play an important role in determining how much an event will cost. While few rules or regulations describe exactly how DOJ components must select and plan their conferences, the FTR provides suggestions to federal agencies planning conferences. According to the FTR, conference planners should work closely with sponsoring agency officials to recommend and select the best location, agenda, and dates for the conference. The FTR is primarily concerned with whether the government is receiving the best value for its event-coordinating dollar. To this end, the FTR states that conference planners should:

- Minimize all conference costs, including administrative costs, conference costs, attendee travel costs, and conference attendee time costs;
- Maximize the use of government-owned or government provided conference facilities as much as possible;
- Identify opportunities to reduce costs in selecting a particular conference, location, and facility; and
- Develop and establish internal policies to ensure that FTR standards are being met.

In January 2000, JMD updated DOJ's conference planning rules to reflect the conference planning guidance suggested by the FTR.²⁶

Procurement and Costs

The FTR does not regulate how a sponsoring agency should select a conference planner. The FBI planned its three conferences internally, while OJP and COPS hired external event planners to work with and plan the seven conferences they sponsored. To review how the event planners were hired and the costs they charged, we selected

²⁶ JMD Financial Management Policies and Procedures Bulletin No. 00-10 (January 2000)

and reviewed three large, national scope conferences identified in Table 5-1.²⁷

**Table 5-1
OJP EXTERNAL EVENT PLANNING COSTS**

Conference	External Event Planning Cost (\$)	Number of Registrants	Percentage of Planning and Hosting Cost
OJJDP National Conference	605,619	1,831	43
NIJ Technology Conference	409,535	1,315	50
CCDO LEC Conference	145,767	1,329	24
TOTALS	\$1,160,921	4,475	

Source: OIG analysis of external event planner financial records

OJP hired event planners by either awarding a contract through its Acquisition Management Division (AMD) or through a cooperative agreement awarded by the individual OJP program office. For the OJJDP National Conference, OJP first contracted with and then awarded a cooperative agreement to an external event planning firm. To pay external event planning costs associated with the 2005 NIJ Technology Conference, OJP provided funds via a supplement to an already-existing cooperative agreement to a private, non-profit technology commercialization company. OJP awarded a different event planning firm a task order to plan and support two separate events, including the CCDO LEC Conference, under an existing contract the event planning firm had with the National Institutes of Health (NIH).

We met with officials from OJP who had hired external event planners and were told that contractors and awardees conduct much of the conference planning work, but sponsoring program officials are “constantly involved” with the external event planning process. In all cases, planning officials told us that they spent considerable time and effort working closely with those providing logistical support for these events.

²⁷ Appendix I outlines the methodology used to choose conferences to review their event planning costs.

According to OJP officials, program offices used cooperative agreements to hire event planners to provide both programmatic and logistical support for a conference.²⁸ Event planners hired under both types of procurement vehicles supplied logistical services for each event, including to: (1) perform location visits and contract with a hotel and other subcontractors; (2) promote the conference and manage its registration process; and (3) manage all on-site activities during the conference.

Our review of the charges paid by OJP to plan each conference found that indirect charges incurred under the two cooperative agreements appear to comprise a much more significant portion of the total external event planning cost than the conference planned under a contract.²⁹ The following sections describe how OJP hired these event planners and different types of direct and indirect costs they incurred.

OJJDP National Conference

In June 2003, OJP's AMD awarded a blanket purchase agreement valued at \$10 million to a company to provide broad administrative support and technical assistance to OJJDP and the Coordinating Council on Juvenile Justice and Delinquency Prevention (Coordinating Council).³⁰ The wide-ranging support provided by the contractor as part of this agreement is referred to as the Juvenile Justice Resource Center (JJRC). In part, the JJRC contract tasks the event planner to provide logistical support to Coordinating Council and OJJDP events.³¹

²⁸ For the purposes of this review, programmatic support means a service designed to achieve the OJP conference's mission or objective, while logistical or administrative support includes activities required to plan and host a large-scale, national conference separate from the conference's specific mission or objective.

²⁹ Indirect costs are incurred charges that cannot be readily identified with a particular direct or final cost, such as those relating to facility use and depreciation, debt interest, capital improvements, equipment costs, maintenance, and administration.

³⁰ Established by the Juvenile Justice and Delinquency Prevention Act, the Coordinating Council is an independent body within the executive branch of the federal government to coordinate federal juvenile delinquency prevention programs and activities. The Coordinating Council is chaired by the Attorney General, while the OJJDP Administrator serves as vice-chair.

³¹ We note that the company selected by the JJRC contract specializes in more than just event planning activities. We found that the contractor also provides OJP and other DOJ components information technology services, program consulting, curriculum development, and law enforcement research support.

In May 2005, OJP requested that the contractor begin planning the OJJDP National Conference under the JJRC contract. The work order detailed that the event planner was to perform both logistical and programmatic tasks to select the conference location, speakers, attendees, and calendar. Among other things, the contractor was directed to develop an exhibitor marketing plan and to work with OJJDP to set registration fees that would be charged to conference attendees.

In subsequent work orders, OJP also requested that the contractor select and hire subcontractors to provide technical assistance support for certain aspects of the conference. For example, the OJJDP event planner used the JJRC contract to secure a subcontractor to design the plenary session stage and supply the video, lighting, and computer equipment for the event. As shown in Table 5-2, our review of financial records showed that the JJRC contract charged \$345,854 for planning the OJJDP event.

**Table 5-2
JJRC CONTRACT CONFERENCE COSTS**

Cost Category	Activity	Amount Billed (\$)
External Event Planning	Direct Labor and Indirect Rates associated with 1,735 work hours.	107,910
Subcontractors	Technical assistance support for conference related activities. ³²	237,944
TOTAL		\$345,854

Source: OJJDP event planner budget records

³² JJRC contract work orders numbered 3-70, 3-75, and 3A-15 requisitioned a subcontractor to provide technical assistance support such as audio, lighting, staging, and video services for the conference's five plenary sessions and its "Town Hall" meeting. We do not consider these services "external event planning costs" since these services are technical support and not performed by the external event planner.

While planning the conference under the JJRC contract, however, the contractor applied for a new cooperative agreement from OJP to manage and coordinate “pre-conference, on-site, and post-conference support” activities for the OJJDP National Conference. An attachment to the submitted cooperative agreement entitled “FY05 Continuation Solicitation” listed collecting, processing, and tracking exhibitor and attendee fees among other conference support duties the event planner agreed to perform. The attachment added that the registration fees would be used to “offset expenses for meals and other conference expenses.”

On September 14, 2005, OJP awarded the contractor a cooperative agreement with an approved budget totaling \$1,780,561 to continue planning the conference. OJJDP officials told us that OJP did not use a formal competitive announcement process to award this cooperative agreement because they wanted to continue using the same contractor who already provided conference “pre-planning” under the JJRC contract.³³ The approved budget for the cooperative agreement allocated \$780,561 of DOJ funds and provided for an additional \$1,000,000 in “program income,” which was to be generated by the event planner charging and collecting exhibitor and attendee registration fees.³⁴

We examined the types of event planning costs incurred by the OJJDP event planner while performing duties under the cooperative agreement. Working with the event planner to capture and categorize conference costs, we found that the event planner charged a total \$497,709 under the cooperative agreement for salaries, indirect costs based on overhead and general and administrative rates, and travel expenses for event planners to staff the conference as shown in Table 5-3.

³³ OJP awarded cooperative agreement number 2005-MX-FX-K001 under 42 U.S.C. §5665 (2005), which gives the OJJDP Administrator the authority to make grants and contracts with private agencies and organizations to carry out projects for the development, testing, and demonstration of promising initiatives and programs to prevent, control, or reduce juvenile delinquency.

³⁴ According to Office of Management and Budget Circular A-110, Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations, program income is income directly generated by a supported activity or earned as a result of the award.

Table 5-3
OJJDP COOPERATIVE AGREEMENT
EVENT PLANNING COSTS

Type of Cost	Amount (\$)
Direct Labor (Salaries)	203,528
Overhead (82% of direct labor cost)	167,552
OJJDP Event Planner Employee Travel	5,730
General and Administrative (13% of all costs totaling 937,206)	120,899
TOTAL	\$497,709

Source: OJJDP event planner billing and accounting records

Direct Labor and Travel Costs

For the direct labor charges, we analyzed time reports showing the employee name and the hours spent performing conference planning functions. According to the terms of the cooperative agreement, event coordinator employee pay was based on their position or role in planning the conference. For example, the agreement paid administrative support employees \$18 per hour while the project coordinator received \$58 per hour. Under the cooperative agreement, we found that 68 event planner employees worked a total of 7,648 hours and incurred \$5,730 in travel costs.³⁵

Indirect Costs

For cooperative agreement indirect costs, we found the event planner applied an overhead rate of about 82 percent to direct labor costs and a general administrative rate of nearly 13 percent to all costs. Both of these rates were based on the results of an accounting report on the event planner's adjusted cost schedule performed during June 2005 and approved by OJP in October 2005. Applied to the \$203,528 direct labor charge, the 82-percent overhead rate totaled \$167,552. According to event planner officials, since overhead rates are based on costs associated with providing the direct labor, the overhead rate can only be charged against direct labor costs.

³⁵ These figures do not include any subcontractor employees or hours worked by subcontractors on conference-related activities. These costs would be captured under the "Subcontractors" cost category.

The OJJDP event planner also applied a general and administrative flat-rate charge of almost 13 percent, or \$120,899, to all program costs as shown in Table 5-4.

Table 5-4

**OJJDP COOPERATIVE AGREEMENT
GENERAL AND ADMINISTRATIVE COSTS**

Cost Category	Direct and Overhead Program Costs (\$)	General & Administrative Rate Charge (\$)
External Event Planning*	376,810	48,608
Speakers	35,742	4,611
Food and Beverages	291,940	37,660
Audio-Visual	62,930	8,118
Print Media	39,040	5,036
Subcontractors*	75,970	9,800
Signs and Door Items	2,407	311
Miscellaneous	52,367	6,755
SUBTOTAL	\$937,206	\$120,899
TOTAL	\$1,058,105³⁶	

Source: OJJDP event planner conference cost reports.

* Costs captured in these categories include only expenses incurred and charged by the OJJDP event planner under the cooperative agreement and not the JJRC contract.

We asked OJP and OJJDP officials why they awarded the contractor a cooperative agreement when it was already performing conference planning duties under the 2003 JJRC contract (discussed further in Chapter 8). OJP officials stated that a Government Accountability Office (GAO) decision issued in March 2005 disallowed federal agencies or their contractors from charging or using conference registration fees without specific authorization from Congress.³⁷ Without being able to charge registration fees, OJP officials told us that OJJDP would not be able to host the event.

³⁶ The total does not apply the \$505,657 collected as registration fees since the OJJDP event planner did not use this revenue to offset conference costs before calculating its general and administrative rate charges. The OJJDP event planner told us the money collected as registration fees was used to offset certain types of conference costs, such as the entire cost of food and beverages.

³⁷ Comptroller General Decision B-300826, National Institutes of Health – Food at Government-Sponsored Conferences, issued March 3, 2005.

OJP officials also told us that canceling the OJJDP National Conference in light of the GAO decision was not an option because the date was set and agreed to by the Coordinating Council. Since the conference still required the financial support provided by registration fees and contractors could not collect registration fees, OJP decided to award the event planner a cooperative agreement. By performing event planning duties under a cooperative agreement, the event planner technically ceased to be a contractor and OJP officials told us they could then collect registration fees as program income.

Since OJP paid external event planning costs under both the JJRC contract and a cooperative agreement, we added the amount charged and hours worked under both procurement instruments to determine the total event planning costs for the OJJDP National Conference. As shown by Table 5-5, the OJJDP event planner spent 9,383 work hours to provide external event planning services for the event.

Table 5-5
TOTAL OJJDP EVENT PLANNER
DIRECT LABOR HOURS AND COSTS

Instrument	Hours Worked	Amount Charged (\$)
Contract	1,735	107,910
Cooperative Agreement	7,648	497,709
TOTALS	9,383 hours	\$605,619

Source: OJJDP event planner billing and accounting records

Residual Funds

Since the OJJDP event planner used the \$505,657 in registration fees to offset conference costs, we found that the cooperative agreement award had a remaining balance of \$225,117. We spoke to OJJDP event planning officials and they indicated that there were no further logistical support duties planned for the OJJDP National Conference. Therefore, we recommend that OJP deobligate the remaining balance of \$225,117, thereby allowing these funds to be put to a better use.³⁸

³⁸ Appendix II lists our schedule of dollar-related findings.

NIJ Technology Conference

In July 2004, the Department of Homeland Security's (DHS) Directorate of Science and Technology entered into an arrangement with NIJ to collaborate and coordinate demonstrating, evaluating, and testing certain technologies related to law enforcement and counterterrorism. The collaboration recognized that since NIJ and DHS have similar missions to support research and technology development for national public safety interests, both organizations should work together to give technology assistance to state and local public safety agencies.

The NIJ Technology Conference provided a forum for state and local emergency responders to meet and discuss their technological needs with federal, private, and academic technology developers. To plan this conference, NIJ hired a not-for-profit technology commercialization company (NIJ event planner) to provide overall program management by awarding a \$550,000 supplement to an existing cooperative agreement.³⁹ In addition, NIJ received \$150,024 from DHS, which it used to pay a portion of event planning costs for the Technology Conference.⁴⁰

Although the cooperative agreement was not awarded until September 2005, the Statement of Work detailed the agreement's period of performance from January to December 2005. The NIJ event planner told us that conference planning activities began in April 2005. We asked why the event planner began work on the agreement before it was actually awarded. Officials with the NIJ event planner told us that several months of dedicated effort were required to: (1) secure an appropriate venue that could accommodate the conference's attendees, (2) notify and select vendors who would exhibit technology at the event, and (3) choose and secure speakers.

³⁹ Besides planning the Technology Conference, the officials with the company selected by NIJ told us they also provide services related to technology research and policy development, marketing and industry consultation, and security and management planning.

⁴⁰ In November 2005, a similar agreement between NIJ, DHS, and the Department of Defense (DoD), Office of the Assistant Secretary of Defense for Homeland Security was established. According to the conference's final report prepared by the non-profit planner, DoD provided an additional \$50,000 to the event planner to provide specified conference-related tasks. The final report states that these funds were used to pay for certain on-site personnel expenses and the cost of transporting attendees to off-site programs and tours.

The cooperative agreement charged the NIJ event planner with providing both logistical and programmatic support for the conference. We examined the types of event planning costs incurred by the NIJ event planner and charged to the NIJ cooperative agreement. We found that the non-profit planner billed a total \$409,535 for salaries, indirect costs based on overhead and general and administrative rates, and travel expenses for event planners to staff the conference as shown in Table 5-6.

Table 5-6
NIJ TECHNOLOGY CONFERENCE NON-PROFIT
EVENT PLANNER COSTS

Type of Cost	Amount (\$)
Salaries (3,525 hours)	126,077
Overhead (131% of direct labor cost)	164,669
NIJ Event Planner Travel	14,074
General and Administrative (15% of all costs totaling \$716,735)	104,715
TOTAL	\$409,535

Source: NIJ event planner billing and accounting records

Direct Labor and Travel Costs

For the direct labor charges, we analyzed individual employee time sheets showing the employee name and the hours spent working on Technology Conference duties. According to terms of the cooperative agreement, employee pay was based on their position or role in planning the conference. For example, the agreement paid administrative staff about \$17 per hour while the project manager received \$54 per hour. We found that event planner employees worked a total of 3,525 hours on cooperative agreement activities and incurred \$14,074 in travel costs.

Indirect Costs

For cooperative agreement indirect costs, we found that the NIJ event planner applied an overhead rate of almost 131 percent to direct labor costs and a general and administrative rate of nearly 15 percent to all costs. Both the overhead rate and the general and administrative rate were set by a March 2005 review performed by the non-profit planner’s cognizant federal agency, the Department of Defense. Applied to the \$126,077 direct labor charge, the 131 percent overhead rate totaled \$164,669. According to event planner officials,

since overhead rates are based on costs associated with providing the direct labor, the overhead rate was only charged to direct labor costs.

The NIJ event planner also applied a general and administrative flat-rate charge of almost 15 percent, or \$104,715, to all program costs, which under the cooperative agreement totaled \$716,735, as noted in Table 5-7.

Table 5-7

**NIJ COOPERATIVE AGREEMENT
GENERAL AND ADMINISTRATIVE CHARGES**

Cost Category	Direct and Overhead Program Costs (\$)	General & Administrative Rate Charge (\$)
External Event Planning	304,820	44,534
Speakers	95,473	13,949
Food and Beverages	175,101	25,582
Audio-Visual	38,976	5,694
Print Media	14,860	2,171
Subcontractors	82,531	12,058
Signs and Door Items	0	0
Miscellaneous	4,974	727
SUBTOTAL	\$716,735	\$104,715
TOTAL		\$821,450⁴¹

Source: NIJ event planner financial records.

With \$304,820 charged for external event planning activities and \$104,715 for general and administrative costs, the NIJ event planner spent a total of \$409,535 to provide external event planning services for the NIJ Technology Conference.

Residual Funds

NIJ event planner records show that the Technology Conference cost a total of \$821,450. Since the NIJ event planner applied the collected \$411,914 in registration fees as revenue to offset the total conference cost, the NIJ event planner used \$409,536 of the awarded \$550,000 to pay for the conference. Officials at the event planning

⁴¹ The total does not apply the \$411,914 collected as registration fees since the non-profit planner did not use the revenue to offset conference costs before calculating its general and administrative rate charges.

agency told us that the residual \$140,464 was reprogrammed for them to fund “pre-planning” tasks for NIJ’s 2006 Technology Conference in Atlanta, Georgia.

CCDO LEC Conference

OJP’s AMD issued a request for quote for a contractor to support two separate CCDO events. The first event, called the Strategy Development Training Conference, was set for March 2006, while the second event, the LEC Conference, was to be held in August 2006. In July 2005, the LEC event planner submitted a quote and was subsequently awarded a \$1 million task order by OJP under the event planner’s government-wide contract with the Department of Health and Human Services, National Institutes of Health (NIH), Office of Procurement Management.⁴²

The NIH contract was in the form of a government-wide 5-year indefinite-delivery agreement with an estimated value of \$80 million. Under its terms, the LEC event planner would perform logistical event planning work described in task orders that would be individually competed and priced by either NIH or another requesting federal agency. The NIH contract also established firm-fixed, hourly rates that included labor and associated overhead costs, while all other expenses would be “passed-through” and billed on an actual cost basis. The contract permitted the event planner to assess a pre-defined handling charge based on a percentage of pass-through costs, as established in a task order bid. All non-NIH task orders would be assessed a fee of 1 percent that would be applied to the total event planning cost.

Since the OJP task order used to hire the CCDO event planner encompassed two different CCDO events, we met with event planning officials to determine how best to identify only LEC conference-related costs. LEC event planning officials told us that the labor charges incurred through April 2006 primarily involved planning, hosting, and closing out the Strategy Development Training Conference, which they told us occurred sometime in March 2006. Consequently, we considered the labor rates that were billed beginning in May 2006 related to the LEC conference since the Strategy Development Training Conference was completed by that time.

⁴² Unlike the OJJDP and NIJ event planners, the LEC event planning company’s primary concern was to provide conference and meeting management and support.

Using May 2006 as the starting period for LEC conference costs, we found that the LEC event planner charged a total of \$145,767 under the task order for labor rates, travel costs, and other associated fees, as shown in Table 5-8.

Table 5-8
SUMMARY OF LEC EVENT PLANNER COSTS

Type of Cost	Amount (\$)
Labor Charges (1,464 hours)	121,691
Travel and other related costs	4,355
Fixed Fee (3% handling charge applied to costs totaling \$458,246)	13,748
NIH Fee (1% of all costs totaling \$597,327)	5,973
TOTAL	\$145,767

Source: Event planner invoices and accounting records

We analyzed time reports showing employee names and the hours charged to perform conference planning activities. According to terms of the contract, the event planner was paid for work based on fixed labor rates, not actual payroll costs. We found that 19 LEC event planner employees charged a total of 1,464 hours, at a cost of \$121,691. The event planning company also incurred \$4,355 in travel and other related costs.

As shown in Table 5-9, the event planner applied a 3 percent handling fee totaling \$13,748 to all non-labor actual costs charged to the task order. Since the task order was under the comprehensive NIH contract, NIH assessed a fee of \$5,973, or 1 percent of all task order costs, including the handling charge, totaling \$597,327.

Table 5-9

**CHARGES AND FEES APPLIED TO
LEC CONFERENCE COSTS**

Cost Category	Direct Program Costs (\$)	Handling Fee (\$)
External Event Planning	126,046	105
Speakers	96,759	2,903
Food and Beverages	181,002	5,430
Audio-Visual	122,577	3,677
Print Media	18,223	464
Subcontractors	38,972	1,169
Signs and Door Items	0	0
Miscellaneous	0	0
SUBTOTAL	583,579	13,748
TOTAL DIRECT AND HANDLING COSTS		597,327
NIH Fee (1% of subtotal)		5,973
TOTAL		\$603,300

Source: LEC event planner invoices.

Conclusion

Our review of the three large, national-scope conferences found that OJP hired external event planners by issuing contracts or awarding cooperative agreements from its appropriated grant funds. Contracting officers at AMD issued contracts, while cooperative agreements were issued and managed by individual program offices within OJP. In the case of the OJJDP National Conference, OJP hired its external event planner first through a contract and subsequently through a cooperative agreement.

All three of the event planners reviewed provided logistical and administrative support to help OJP program offices prepare for their respective conferences. These services included performing location visits and site selection analysis, establishing contracts with venues or hotels for meeting space and attendee rooms at per diem rates, and preparing budgets and reports for review by OJP officials. These activities directly relate to FTR and DOJ rules requiring that conference planners try to obtain the best value for the government.

However, although the conferences were similar in scope and size – all 3 events had multi-day programs and over 1,300 registrants – the number of hours billed by the event planners ranged from over 9,000 hours to under 1,500 hours, as shown in Table 5-10.

Table 5-10

**EXTERNAL EVENT PLANNING COSTS
OF SELECTED CONFERENCES**

Name of Conference	Procurement Vehicle	External Event Planning Cost (\$)	Number of labor hours billed	Percentage of Planning and Hosting Cost
OJJDP National Conference	JJRC Contract <u>and</u> Cooperative Agreement	605,619	9,383	43
NIJ Technology Conference	Cooperative Agreement	409,535	3,525	50
CCDO LEC Conference	Contract	145,767	1,464	24

Source: OIG analysis of event planner performance and financial records

Event planners told us they provided different levels of logistical support for each of the conferences. For example, the OJJDP event planners told us they worked closely with OJJDP officials and other members of the Coordinating Council to develop and evaluate conference workshop themes and select speakers at these functions. Similarly, the NIJ event planner told us it worked with NIJ, DHS, and DoD officials to identify the attendee and exhibitor audience and put together significant off-site incident response tours.

While the above may help explain differences in the amount of hours billed by the individual event planners, it does not speak to the level of indirect rates charged to plan each of the conferences. As a general rule, indirect rates are determined by a company's overhead and equipment costs, facility fees, debt payments, and administrative expenses. This means that companies performing technical or scientific services may have high indirect cost rates to pay for the tools necessary to conduct these activities. Under cooperative agreements, the OJJDP and NIJ event planners applied overhead rates of 82 and 131 percent, respectively, on all direct labor charges. In addition, both event planners charged a general and administrative rate ranging from 13 to 15 percent to all conference planning expenses.

Meanwhile, the LEC event planning company, whose business almost solely focuses on providing conference and meeting support, charged a flat hourly rate. This event planner then applied a 3 percent fixed fee to all non-labor conference planning charges.

Since OJP program offices award event planning cooperative agreements and the AMD awards event planning contracts, no one office within OJP assesses all event planning expenses. As a sponsor of many large, national-scope conferences each year, we believe that OJP should evaluate how it solicits, hires, and assesses event planners. As exhibited by the wide-range of hours and indirect rates charged by these three event planners, we believe that such oversight is necessary to ensure that event planning costs comply with FTR and DOJ conference planning guidelines.

Recommendations

We recommend that OJP:

- 5) Deobligate the \$225,117 remaining balance of cooperative agreement number 2005-MX-KX-K001.
- 6) Evaluate methods to solicit, hire, and assess external event planners to ensure that conference planning costs comply with FTR and DOJ conference planning guidelines.

Chapter 6: FOOD AND BEVERAGES

Federal agencies have considerable discretion in providing food and beverages during a government-sponsored conference. According to the FTR, agencies may provide light refreshments to employees attending conferences. Light refreshments include coffee, tea, milk, juice, soft drinks, donuts, bagels, fruit, pretzels, cookies, chips, or muffins.⁴³ The Training Act also permits federal agencies to pay for necessary costs of training, which can include food and beverages at conferences that relate to functions or activities for which they receive funding.⁴⁴ In interpreting the Training Act, the GAO identified three circumstances where federal agencies may provide food and beverages to conference attendees.

- The provided meals and refreshments are incidental to the conference;
- Attendance at functions where food and refreshments are provided is necessary to ensure full participation in essential discussions, lectures, or speeches concerning the purpose of the conference; and
- The meals and refreshments are part of the formal conference that includes substantial functions occurring separately from when the food is served.

Although the Training Act focuses on costs related to training federal employees, conferences may involve non-federal employees. In a March 2005 decision, the GAO stated that the identity or status of the food and beverage recipient should not change the character of the expense from allowable to unallowable.⁴⁵ As a result, the three circumstances necessary to provide food and beverages to federal employees should be the same for a federally funded conference involving private citizens whose participation is necessary to achieve the conference's program or objective.

⁴³ 41 C.F.R. § 301-74.11

⁴⁴ 5 U.S.C. §§ 4109 - 4110 (2006).

⁴⁵ Comptroller General Decision B-300826, National Institutes of Health – Food at Government-Sponsored Conferences, March 3, 2005.

According to the OJP Financial Guide, Chapter 7, expenses incurred for food and beverages provided at OJP-financed events should be: (1) reasonable, (2) related to the subject of a work-related event, and (3) not directly related to amusement or social events.⁴⁶

Itemized Food and Beverage Costs

For the 10 conferences we reviewed, DOJ components collectively spent over \$1.5 million on food and beverages, which represents approximately one quarter of the \$6.2 million spent to plan and host the conferences. To review food and beverage costs, we selected the four conferences identified in Table 6-1.⁴⁷

Table 6-1
REVIEWED FOOD AND BEVERAGE COSTS

Conference	Food and Beverage Cost (\$)	Number of Registrants	Percentage of Planning and Hosting Cost
Weed and Seed Conference	394,008	1,542	42
COPS National Conference	274,546	1,437	33
FBI Polygraph Conference	7,468	98	59
FBI Cambodia Conference	4,219	46	45
TOTALS	\$680,241	3,123	

Source: OIG analysis of conference financial documents

Of the four selected conferences, the Weed and Seed Conference and the COPS National Conference were attended primarily by non-DOJ employees, while FBI employees constituted the majority of attendees at both of its conferences. To review the amount and cost of food and beverages served at each conference, we identified the list price of the items and calculated the actual price charged by the venue, which included applicable taxes and service charges paid for each menu item. We also examined the purpose of the functions

⁴⁶ According to the OJP Financial Guide, “reasonable” means those costs that a prudent person would have incurred under the circumstances prevailing at the time the decision to incur the cost was made. The Guide specifies costs that should be considered when making judgments about reasonableness including the cost of food and beverage, total cost of the event, and costs incurred relative to costs in the geographical area. The exception of this definition is lodging costs for events of 30 or more participants, when the event is funded with an OJP award. For these events, reasonable is defined as the federal per diem rate for lodging.

⁴⁷ Appendix I outlines the methodology used to choose conferences to review their food and beverage costs.

where food and beverages were provided, and whether food and beverage costs incurred were in compliance with applicable rules and regulations.

Weed and Seed Conference

As part of its Weed and Seed program, CCDO has held national conferences for program partners approximately every other year since 1994.⁴⁸ Focusing on subjects like re-entry programs for released inmates, effective law enforcement strategies, and improving community relations, 1,542 community representatives, law enforcement officials, and local, state, and federal prosecutors registered to attend for the August 2005 conference, which was held at the Bonaventure Hotel in Los Angeles, California.

OJP and CCDO hired an event planning company to provide logistical support for the conference. As detailed in Chapter 4, CCDO told us that the Bonaventure was selected as the venue for the conference because a private travel bureau reported that it was the only hotel in the Los Angeles area that could accommodate the large number of people attending the event. Since the Bonaventure was pre-selected by OJP and CCDO officials, the event planner worked with the hotel to provide the meals and refreshments for the conference.

CCDO spent \$394,008 to provide 4,600 continental breakfasts, 2,987 lunches, 6,225 snack items, 22,723 beverages, and a \$60,000-themed networking reception for the 1,500 attendees and staffers. As shown in Table 6-2, the \$394,008 cost included the menu price (list price), a 20 percent service charge the Bonaventure applied to the list price, and an 8.25 percent California and locality sales tax that was applied to the subtotaled list price and service charge.⁴⁹

⁴⁸ The Weed and Seed program seeks to reduce violent and drug-related crime (“weed”) and to promote community development (“seed”).

⁴⁹ Although the federal government is exempt from local taxes on direct payments, the contractor paid the hotel directly and was therefore assessed the sales tax on all goods, rents, and services provided.

**Table 6-2
WEED AND SEED CONFERENCE FOOD AND BEVERAGE COSTS
August 22 to 25, 2005**

Food or Beverage	Number Purchased	List Price Per Unit or Serving (\$)	Price Paid Per Unit or Serving (\$) *	Adjusted Total Cost * (\$)
Breakfasts				
Continental Breakfasts	4,600	16.75	21.76	100,096
Lunches				
Deli Lunch Buffets	45	29.00	37.67	1,695
Salmon Lunches	1,476	38.50	50.01	73,815
Chicken Lunches	1,316	29.75	38.65	50,863
Working Groups Lunch Buffets	120	41.00	53.26	6,391
CCDO Staff Meeting Lunches	30	34.00	44.16	1,325
Snacks				
Cookies and Brownies	3,804	2.67	3.47	13,199
Granola Bars	40	3.00	3.89	156
Bags of Chips	2,280	2.50	3.25	7,410
Yogurt	6	3.75	4.87	29
1 Large Fruit Display	50 Servings	3.90	5.06	253
1 Small Fruit Display	15 Servings	3.33	4.33	65
CCDO Staff Meeting Snacks	30	19.00	24.68	740
Beverages				
Cups of Columbian Coffee	15,520	2.15	2.79	43,301
Bottles of Water	4,304	3.75	4.87	20,960
Cans of Soda	2,872	3.50	4.55	13,067
CCDO Staff Meeting Soft Drinks	27	3.25	4.22	114
Reception				
"Stars and Stripes" Networking Reception	1,000	41.00	53.26	53,260
3 Cheese Trays	300 Servings	4.40	5.72	1,716
3 Vegetable Trays	300 Servings	3.65	4.74	1,422
6 California Roll Trays	300 Pieces	7.30	9.48	2,844
6 Roasted Vegetable Wrap Trays	300 Pieces	3.30	4.29	1,287
TOTAL				\$394,008 *

Source: OIG analysis of component and external party planner documents

* Figures adjusted to account for rounding due to a 20-percent service charge and sales taxes applied to individual receipts.

Applying the total \$394,008 cost to each of the 1,542 conference registrants, CCDO spent an average of \$256 per person, or \$64 per day, on food and beverages. The average conference attendee received four breakfasts, two lunches, one reception, and an assortment of light refreshments over the four days of the conference. For comparison purposes, the GSA meals and incidental expenses (M&IE) rate for Los Angeles for August 2005 was \$51 per day for breakfast, lunch, and dinner.⁵⁰

According to CCDO officials, the conference's packed agenda required them to provide meals and refreshments to attendees. The dozens of breakout sessions, learning labs, and working groups that addressed different types of community development and outreach efforts meant that CCDO had limited opportunities to address all conference attendees. Therefore, CCDO decided to host two lunches and a networking reception during the 4-day conference. CCDO officials said they used these two "working lunches" to present honor awards to outstanding Weed and Seed program partner sites, while the networking reception featured poster and video awards. CCDO officials also told us that the awards ceremonies at lunch and the reception gave them a chance to highlight the attributes that made each partner site exemplary.

We discussed the \$394,008 cost of food and beverages with CCDO officials and the event planner. The event planner told us that it is well known that food and beverage charges at hotels in large cities are "often shocking." We asked whether the event planner considered less expensive catering solutions for the conference other than those provided by the hotel. The event planner told us that when an event such as the Weed and Seed Conference takes place at a hotel, the hotel does not allow outside caterers to use their facilities. Consequently, since OJP chose the Bonaventure Hotel as the Weed and Seed Conference's venue, the event planner had to use the hotel's caterer for the event.

The event planner stated that food and beverage costs can be used as leverage to obtain better deals with hotels when negotiating their hosting contracts. For the Weed and Seed Conference, the event planner said that in light of the amount of food and beverages, the hotel offered lodging for attendees and conference meeting facilities at either reduced rates or no cost. Since the meeting facilities and

⁵⁰ Federal employees may receive reimbursement for meals incurred during official travel according to a locality's M&IE per diem rate established by GSA.

lodging were acquired at reduced rates, the event planner said that the food and beverage cost appears to constitute a disproportionate percentage of the planning and hosting cost.

In an effort to mitigate food and beverage charges, the Weed and Seed event planner told us that it chose among the least expensive items on the hotel menu. We reviewed the hotel's catering menu and confirmed that the event planner selected lower-priced or mid-range menu options to serve during the conference's two lunch sessions. While typical of food and catering prices observed at large hotels, many of the items served during the Weed and Seed Conference were costly and appear extravagant. The following highlights the food and beverages served at three of the conference events.

\$53-Per-Person Lunch Buffet

On the last day of the conference, CCDO invited 120 members of the Strategy Development Training and Indian Country Working Groups (Working Groups) to a workshop that featured a lunch buffet costing over \$6,000. With a list price of \$41 per person, the lunch buffet cost more than any of the other lunches provided to conference attendees. Service charges and applicable sales taxes increased the actual price of the Working Group lunch buffet from \$41 to over \$53 per person. The hotel's catering menu shows that each member of these Working Groups was served a choice of soups, a salad bar, one chicken entrée, one beef entrée, and two desserts. Figure 6-A details the lunch buffet menu.

Figure 6-A

WORKING GROUP LUNCH BUFFET

LUNCH BUFFET

Soups
(Please Select One)

Corn and Crabmeat Chowder
Tortilla Soup
Roasted Tomato Bisque with a Chiffonade of Basil
Spring Vegetable Soup
Senate Bean Soup

Bonaventure Salad Bar

Assorted Field Greens served with Cherry Tomatoes, French Bread Croutons,
Sliced Mushrooms, Chopped Egg, Alfalfa Sprouts, Sliced Cucumber,
Shredded Carrots and Red Cabbage
Vinaigrette, Bleu Cheese and Thousand Island Dressings
Tuna Salad and Chicken Salad

Choice of One Beef and One Chicken Entrees:

Beef Tips Stroganoff
Hungarian Goulash
Beef Bourguignon
Roast Sirloin of Beef with Mushroom Sauce

Chicken Breast Picatta
Chicken a la King with Country Biscuits
Teriyaki Chicken
Sautéed Chicken with Lemon Caper Berries

Chef's Selection of Starch and Vegetable
Rolls and Butter

Desserts
(Please Select Two)

New York Style Cheesecake
Chocolate Layer Cake
Cream Cheese Frosted Carrot Cake
Lemon Cake

Freshly Brewed Regular and Decaffeinated Coffee, and Select Teas

Source: Bonaventure Catering Menu, 2005

Networking Reception

After the first full day of the conference, CCDO hosted a networking reception and spent over \$60,000 on food and beverages for Weed and Seed Conference attendees, as shown in Table 6-3.

Table 6-3

FOOD AND BEVERAGE COSTS OF WEED AND SEED NETWORKING RECEPTION August 23, 2005

Item Description	List Price (\$)	Number Purchased	Total Cost (\$)
"Stars and Stripes" Themed Reception	41.00	1,000	41,000
Large Cheese Tray	440.00	3	1,320
Large Vegetable Crudités Display	365.00	3	1,095
California Roll, Soy Sauce, and Pickled Ginger Trays	365.00	6	2,190
Roasted Vegetable Wrap Trays	165.00	6	990
Bottles of Water	3.75	618	2,318
Service Charge (20%)			9,782
Tax (8.25%)			4,842
TOTAL			\$ 63,537

Source: OIG analysis of CCDO and external party planner documents

According to the conference program, the networking reception featured a speech on community and private industry partnership by an executive from the Los Angeles Dodgers professional baseball team. CCDO also used the 1-hour event to present awards for videos produced by program partner sites and to announce Weed and Seed poster contest winners. The event planner told us that food and beverages were purchased for 1,000 of the nearly 1,500 conference attendees in an effort to save funds and because not every conference attendee was expected to attend the reception.

Figure 6-B lists the types of food and beverages served at the CCDO's Weed and Seed networking reception.

Figure 6-B

**FOOD AND BEVERAGES PROVIDED
AT WEED AND SEED NETWORKING RECEPTION**



Source: Bonaventure Catering Menu, 2005

In addition to the above reception food items, 300 servings each of cheeses, California rolls, vegetable crudité's, and roasted vegetable wraps were provided to the reception's attendees.

Although the FTR allows agencies to serve light refreshments at conference events, we believe that the volume and type of food and beverages served at the reception does not appear appropriate. As previously discussed, OJP food and beverage policies prohibit food and beverage expenses for amusement or social events. CCDO officials told us that the reception provided essential information-sharing opportunities concerning the overall purpose of the conference. However, serving items associated with state fairs and amusement parks, such as cotton candy, popcorn, caramel apples, ice cream, and licorice, invariably increases the likelihood that the reception would be considered a social event by attendees rather than directly related to the objectives of the Weed and Seed Program.

CCDO Staff Meeting

On the afternoon of the last day of the conference, CCDO held a staff meeting for 30 of its employees at the nearby Millennium Biltmore Hotel (Biltmore). Unlike the rest of the conference, which was attended primarily by representatives of Weed and Seed program grantees, this staff meeting was composed of only CCDO employees traveling on per diem. As part of this meeting, CCDO paid for its employees to be served a sandwich buffet lunch that cost \$44 per person and a themed "at-the-movies" snack consisting of candy, popcorn, and soft drinks for about \$25 per person. The food and beverage cost of the afternoon meeting totaled over \$2,100 for the 30 participants, or \$69 per staff member.

We asked CCDO officials why the staff meeting could not have been scheduled back in Washington, D.C., instead of while employees were in travel status. According to CCDO officials, conducting the staff meeting "off location" provided CCDO employees a chance to exchange perspectives of local Weed and Seed programs exhibited during the conference. A CCDO official also told us that the conference occurred after the busiest period of the CCDO work year, when staff had just spent months reviewing, evaluating, and awarding grants for the next fiscal year. According to CCDO officials, the timing of the conference, coupled with the fact that all employees were present, provided CCDO the best opportunity to have a staff meeting.

Following our review of event planner records, an official with OJP's AMD contacted the event planner and obtained copies of the Weed and Seed Conference's food and beverage invoices. We subsequently met with CCDO officials regarding the overall cost of the meals and refreshments provided to conference attendees. During this meeting, we inquired whether CCDO could have done anything to reduce the \$394,008 cost of food and beverages served at the Weed and Seed Conference.

According to one CCDO official, the Weed and Seed Conference was the first large-scale event that this official had helped plan. Since the conference, this CCDO official stated that they have learned that contractors who plan events require different levels of interaction with and oversight from sponsoring component officials. For example, not all contractors are aware of the unique rules that apply to public funds.

Another official stated that since the August 2005 Weed and Seed Conference, CCDO reviews the way meals and breaks are provided to conference attendees. For example, a CCDO official said it now tries not to incur a service charge if wait staff are not required at an event. We asked whether these reviews are maintained at or submitted to a central office within OJP. We were told that no single office reviews food and beverage costs at OJP-sponsored events.

COPS National Conference

The 2006 COPS National Conference was held at the Hilton Washington Hotel in Washington, D.C.⁵¹ Over 1,100 law enforcement officials, educators, and community representatives – including over 110 DOJ employees – attended the 3-day conference that focused on community policing law enforcement issues.

The \$274,546 spent on food and beverages constituted a third of the total \$823,105 hosting and planning cost of the conference. As shown in Table 6-4, a total of 1,350 lunches, 3,433 continental breakfasts, 5,884 beverages, a \$60,000 networking reception, and two afternoon break sessions were provided to conference attendees. Applying the total food and beverage cost to each of the 1,102 conference attendees, COPS spent an average of \$249 per person, or \$83 per day, on just food and beverages. The average conference attendee received 2 breakfasts, a lunch, one reception, and an assortment of light refreshments over the 3 days of the conference. For comparison purposes, the GSA M&IE per diem rate for Washington, D.C at the time was \$64 per day for breakfast, lunch, and dinner.

⁵¹ COPS awarded a cooperative agreement to a consortium of policing organizations to help plan the COPS National Conference.

Table 6-4

**BREAKDOWN OF COPS NATIONAL CONFERENCE
FOOD AND BEVERAGE COSTS
July 27 to 29, 2006**

Item Description	Number	List Price Per Unit or Serving (\$)	Paid Price Per Unit or Serving* (\$)	Adjusted Total Cost* (\$)
Breakfasts				
Continental Breakfasts	3,433	20.90	24.67	84,692
Lunches				
Lunches	1,350	38.95	45.96	62,046
Beverages				
Cups of Coffee	4,560	3.09	3.64	16,598
Bottles of Water	781	3.80	4.48	3,499
Cans of Soda	543	3.80	4.48	2,433
Reception Costs				
Reception	1,000	42.75	50.45	50,450
Swedish Meatballs	400	4.04	4.77	1,908
Miniature Pastries	850	5.00	5.90	5,015
Reception Staff Fee	8	300.00	300.00	2,400
Juice, Punch, Iced Tea	1,200	2.61	3.08	3,696
Snacks				
"The Big Chill" Themed Break	1,200	14.25	16.81	20,172
"At the Stadium" Themed Break	1,200	15.20	17.94	21,528
Cookies	24	3.83	4.52	109
TOTAL FOOD AND BEVERAGE COSTS				\$274,546 *

Source: OIG analysis of component and external party planner data

* Total includes rounded figures due to 18-percent service charge applied to all items.

Similar to our discussion of the food and beverages provided at the Weed and Seed Conference, some of the food and beverage costs associated with themed breaks and a networking reception at the COPS National Conference were so expensive that they may not be considered reasonable uses of appropriated funds. In addition, we found that the method used by COPS to pay for conference food and beverages resulted in unnecessary indirect costs.

Themed Break Sessions

Attendees were provided two themed afternoon breaks during the 3-day conference. As shown in Figure 6-C, the themed break menus included coffee, tea, and soft drinks and a variety of ice cream desserts, hot dogs, warm pretzels, and popcorn snacks.

**Figure 6-C
COPS NATIONAL CONFERENCE THEMED BREAKS**

<p>Thursday, July 27, 2006 3:15 to 3:45 PM</p>	<p>Friday, July 28, 2006 3:15 to 3:30 PM</p>
<p style="text-align: center;">~ THE BIG CHILL ~</p> <p>Assorted Gourmet Ice Cream Bars, Ice Cream Sandwiches, Fruit Bars Fabulous Fruit Smoothies</p> <p>(Attendants Required) * * *</p> <p>Freshly Brewed Coffee, Regular and Decaffeinated Assorted Teas Including Herbal Served with Lemon Wedges Hot Chocolate Assorted Soft Drinks</p>	<p style="text-align: center;">~ AT THE STADIUM ~</p> <p>Warm Giant Pretzels and Hot Dogs with Deli Mustard, Cracker Jacks, Popcorn, and Peanuts * * *</p> <p>Freshly Brewed Regular and Decaffeinated Coffee ICED TEA Hot Chocolate Assorted Soft Drinks Root Beer</p>
<p>Note: "Attendants Required" means hotel staff (attendants) were required to serve themed break items.</p>	

Source: Hilton Event Order Form

Each themed break cost approximately \$17 per person and together cost COPS nearly \$42,000.

Networking Reception

The conference also had a “networking reception” that cost more than \$60,000, or \$57 per attendee, for food and beverages. According to the conference’s agenda, the purpose of the reception was to provide attendees a “forum to network with [their] peers.” The reception contained six designated “topic areas” where attendees could meet and discuss: (1) Drugs and Crime, (2) School and Campus Safety, (3) Community Policing Training, (4) Homeland Security, (5) Anti-Gang Initiatives, and (6) Organizational Change. COPS provided experts on each topic. Attendees were also given bookmarks that listed relevant publications and resources for each designated topic. Figure 6-D shows that the networking reception featured chef-carved meats and penne pasta.

Figure 6-D

COPS NETWORKING RECEPTION

<p>~ RECEPTION ~</p> <p>Vegetarian Antipasto Display Fresh Mozzarella, Prosciutto, Tomatoes, Marinated Artichokes and Mushrooms, Grilled Peppers and Zucchini, Green Beans with Pine Nuts, White Bean Salad, Olives, Salami, Provolone with Bread Sticks * * *</p> <p>From Silver Chafing Dishes: Butterfly Shrimp with Cocktail Sauce Chicken Wellington Dijonnaise Vegetable Spring Rolls Coconut Lobster Skewers * * *</p> <p>Carved by Uniformed Chef: (See Labor Fee in Misc.) Roasted Turkey Breast Roasted Top Round of Beef Accompanied By Silver Dollar Rolls and Stone Ground Mustard, Mayonnaise, Cranberry Sauce * * *</p> <p>Penne Pasta Station Prepared by an Attendant (See Labor Fee in Misc.) Roasted Red Pepper and Creamy Basil Sauces, Focaccia, Pine Nuts, Parmesan Cheese, Cracked Pepper</p> <p>\$42.75 Per person</p> <p>~ ADDITIONAL ITEMS ~</p> <p>400 Pcs. Swedish Meatballs @ \$4.04 per piece</p> <p>850 Pcs. Assorted Miniature Gourmet Pastries @ \$5.00 Each</p>

Source: Hilton Event Order Form

The reception also served conference attendees several hundred Swedish meatballs and miniature pastries. With applicable service charges, each meatball cost nearly \$5, and each piece of pastry cost almost \$6. The reception also included four different cash bars. Although attendees paid for their own alcoholic beverages, the conference paid a \$300 fee for each attendant, which included a bartender and a cashier at each of the four stations, for an additional \$2,400 to staff the four cash bars.

Financing Conference Food and Beverages

COPS awarded a \$525,000 cooperative agreement to the Police Executive Research Forum (PERF) to plan and support the conference. According to COPS officials, PERF was a member of the Community Policing Consortium (Consortium) and acted as its "prime grantee," and therefore was responsible for administering contracts with other Consortium member organizations.

According to COPS officials, the Consortium served as a "convening body" with COPS since 1994 and helped to provide law enforcement training and technical assistance. The Consortium, disbanded in 2006, was comprised of five member organizations: PERF, the International Association of Chiefs of Police (IACP), the National Sheriffs' Association (NSA), the Police Foundation, and the National Organization of Black Law Enforcement Executives (NOBLE).

According to financial records provided by COPS, the projected budget for the conference was over \$800,000, which far exceeded the amount of support provided by the \$525,000 cooperative agreement. However, PERF documents note that Consortium members IACP and NSA received COPS awards for other projects prior to PERF's \$525,000 cooperative agreement. As shown in Table 6-5, COPS approved the IACP, the NSA, and the Police Foundation to use certain funds remaining in prior IACP and NSA awards to cover the conference's food and beverage costs.

Table 6-5
CONSORTIUM FOOD AND BEVERAGE PAYMENTS

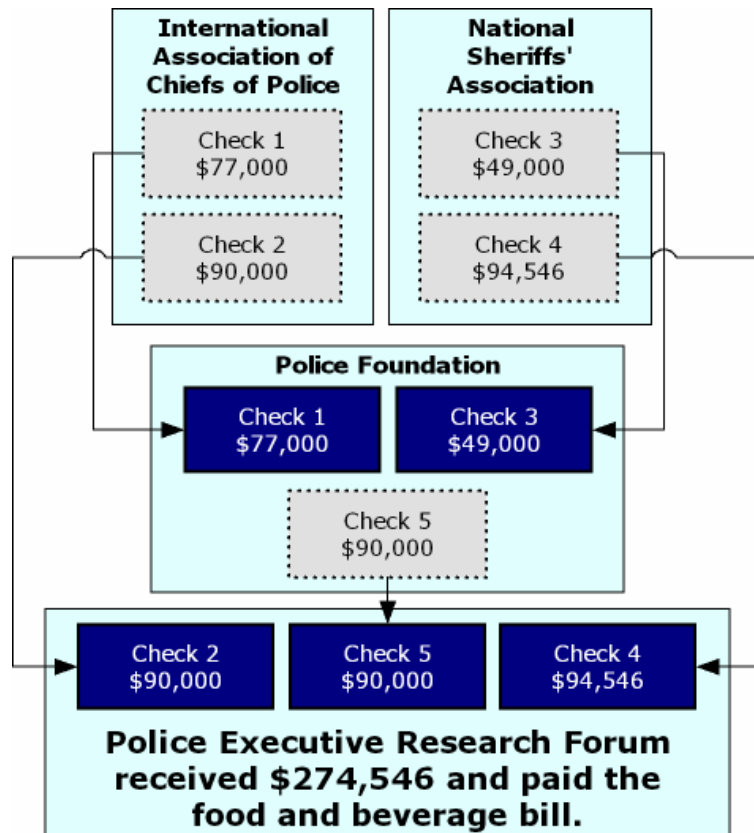
Consortium Member	Amount Agreed To Support for Food and Beverages (\$)
International Association of Chiefs of Police	90,000
National Sheriffs' Association	94,546
Police Foundation	90,000
TOTAL	\$274,546

Source: COPS and Consortium conference planning documents

Our review of the Consortium's method to pay for food and beverages found that member organizations charged nearly \$104,000 in indirect fees to pay the conference's food and beverage bill.

We reviewed copies of checks and invoices of separate Consortium member organizations to determine how they transferred funds from different COPS awards to pay for the conference's food and beverage costs. Although the Police Foundation was to provide \$90,000 to finance food and beverages, the Police Foundation did not use its own grant funds to cover this expense. Instead, as shown in Figure 6-E, the IACP, NSA, and the Police Foundation issued five different checks, three made out to PERF as the prime grantee and two made out to the Police Foundation. After receiving one check each from the IACP and the NSA, the Police Foundation sent a check for \$90,000 to PERF.

**Figure 6-E
CONSORTIUM ORGANIZATION CHECKS USED
TO PAY FOOD AND BEVERAGES**



Source: OIG analysis of COPS and consortium documents

The convoluted process used by the consortium to pay food and beverage costs meant that the IACP paid a total of \$167,000, the NSA paid \$143,546, and Police Foundation received a total of \$126,000 from the IACP and the NSA to only pay \$90,000 to PERF as the prime grantee. The staggered payment process used by the consortium provided the Police Foundation with an extra \$36,000 in IACP and NSA COPS awards.

Since the Consortium was not operational during our audit, we relied on COPS officials to explain why the IACP and NSA provided COPS funds to the Police Foundation instead of directly to the prime grantee, PERF, to pay for conference food and beverage costs. COPS officials offered records showing that the IACP and NSA established separate agreements with the Police Foundation to provide support staff for the COPS National Conference. Although these agreements may demonstrate that the Police Foundation had a role in supporting

the conference, they do not address the Police Foundation’s role in paying food and beverage costs.

In addition to the \$36,000 received by the Police Foundation, we found that the IACP and the NSA also charged indirect costs to COPS awards resulting from the four checks used to pay food and beverage costs.⁵² Using approved budgets and COPS award drawdown activity, we calculated the amount of indirect charges applied by the IACP and the NSA for each check written to finance conference food and beverages, as shown in Table 6-6.

Table 6-6
INDIRECT COSTS TO PAY FOR COPS
NATIONAL CONFERENCE FOOD AND BEVERAGES

Check Identification Number	Recipient	Face Amount of Check (\$)	Calculated Indirect Cost Charged (\$)	Total Amount of COPS Funding (\$)
IACP				
Check 1	Police Foundation	77,000	0*	77,000
Check 2	PERF	90,000	32,886	122,886
Subtotal IACP		167,000	32,886	199,886
NSA				
Check 3	Police Foundation	49,000	7,731	56,731
Check 4	PERF	94,546	27,276	121,822
Subtotal NSA		143,546	35,007	178,553
TOTAL COSTS		\$310,546	\$67,893	\$378,439

Sources: OIG analysis of award drawdown information and COPS documents

* Using drawdown figures, the IACP did not appear to charge indirect rates to the \$77,000 check sent to the Police Foundation.

Although indirect cost rates charged by the IACP and the NSA to their respective awards complied with indirect cost rates approved by COPS, these organizations drew down \$378,439 from their respective COPS awards and issued four checks totaling only \$310,546.⁵³ In effect, it appears as though the IACP and NSA charged COPS a total of \$67,893 to issue the four checks which were ultimately used by PERF to pay the food and beverage bill.

⁵² Since these indirect and overhead amounts were paid for with COPS funds in support of the conference, we consider these indirect costs charged by consortium members to be part of the conference’s overall cost.

⁵³ The \$67,893 amount does not include the \$36,000 received by the Police Foundation.

We asked COPS officials if funds could have been reprogrammed out of the award and transferred directly to PERF, which as the Consortium's prime grantee for the conference, was responsible for administering contracts. COPS told us that its appropriation prohibits reprogramming prior fiscal year award balances to fund current activities. Consequently, the only way COPS believed it could finance the conference with prior year awards provided to consortium members was to have the consortium members themselves issue checks from their respective COPS awards. Since these organizations were actually the ones financing the consortium, they could then charge approved indirect cost rates against their award.

We reviewed COPS appropriation legislation for FY 2005, the year in which the funds were provided to award the \$525,000 cooperative agreement to the consortium.⁵⁴ The legislation prohibits COPS from reprogramming prior year funds "unless the Appropriations Committees of both Houses of Congress are notified 15 days in advance of such reprogramming of funds." According to COPS officials, this provision prevented them from reprogramming the funds remaining in the accounts of consortium members from prior fiscal years to FY 2006 to pay for the conference. However, nothing in the law prohibited COPS from reprogramming FY 2005 funding. Rather, the cited legislation merely required COPS to provide the requisite notice to Congress before doing so.

Considering both the total \$67,893 charged by the IACP and the NSA and the \$36,000 extra received by the Police Foundation, we believe that COPS could have achieved a savings of nearly \$104,000 by reprogramming funds to PERF. COPS should have notified Congress about its plan to transfer prior fiscal year funds, thereby eliminating the indirect costs charged by consortium member organizations.

⁵⁴ Pub. L. No. 108-447, 118 Stat. 2809, 2913 (2005).

FBI Polygraph Conference

Each year, the FBI's Security Division sponsors a week-long polygraph training conference. The 2005 Polygraph Conference was held at the Marriott City Center in Minneapolis, Minnesota, and was attended by nearly 100 polygraph examiners and staff. As an internal training conference, the Polygraph Conference was attended solely by federal employees in contrast to the externally oriented conferences sponsored by CCDO and COPS. During the conference, the Security Division provided light refreshments and no full meals to attendees.

As shown in Table 6-7, food and refreshments provided at the conference included bagels, muffins, cookies, soda, tea, coffee, and juices totaling \$7,468, or \$15 per attendee per day.

Table 6-7

**FOOD AND BEVERAGE COSTS AT THE
FBI POLYGRAPH CONFERENCE
June 26 to July 1, 2005**

Item Description	Number	List Price Per Unit or Serving (\$)	Paid Price Per Unit or Serving*	Adjusted Total Cost*
Snacks				
Cookies	360	2.17	2.86	1,029
Muffins-Bagels	960	2.17	2.86	2,745
Beverages				
Cups of Coffee	960	1.80	2.38	2,284
Bottles of Water	60	2.25	2.97	178
Cans of Soda	183	2.25	2.97	543
Juice, Punch, Iced Tea	190	2.75	3.63	689
TOTAL FOOD AND BEVERAGE COSTS				\$7,468

Source: OIG analysis of FBI conference documents

* Figures adjusted to account for rounding due to service charge and sales taxes applied to individual items.

FBI Cambodia Conference

In March 2006, 46 legal attachés and other federal officials attended the FBI Cambodia Conference in Phnom Penh. Similar to the FBI Polygraph Conference, the Cambodia Conference was an internal training event oriented primarily to a federal audience. The FBI's Office of International Operations (OIO) arranged to have a hotel provide beverages and light snacks to conference attendees. OIO hosted a "welcome reception" for the attendees on the first day and a "liaison dinner" for attendees and high-level representatives from the Cambodian National Police (CNP) at a restaurant in Phnom Penh. The OIO also paid for a conference meeting at the residence of the U.S. Ambassador as detailed in Table 6-8.

Table 6-8

**BREAKDOWN OF FOOD AND BEVERAGE
COSTS AT THE FBI CAMBODIA CONFERENCE
March 12 to 17, 2006**

Description	Number	Paid Price Per Unit or Serving (\$)	Total Cost (\$)
Welcome Reception			
Welcome Reception Food Items	36	25.00	900
Welcome Reception Drinks	36	11.00	396
Reception Room	1	350.00	350
Welcome Reception Subtotal			\$1,646
Ambassador's Function	1	482.36	482
U.S. Embassy Breaks			
Coffee/Tea (Unit)	405	1.50	608
CNP Liaison Dinner			
Food Platters	5	238.00	1190
Beverage Service	1	100.00	100
Individual Beverages	69	2.80	193
CNP Liaison Dinner Subtotal			\$1,483
FOOD AND BEVERAGE TOTAL			\$4,219

Source: OIG analysis of component data

At the time of the FBI Cambodia Conference, the M&IE per diem rate for Phnom Penh was \$72 per person. Using the figures shown in Table 6-8, the welcome reception cost about \$42 per attendee, and the liaison dinner cost \$21 per person. We asked the FBI for an explanation why these functions were part of its Cambodia Conference. FBI officials said that the conference's welcome reception was used to provide attendees an opportunity to meet presenters from the FBI, the Department of Defense, and the Central Intelligence Agency. According to an OIO official, the liaison dinner served to both foster cooperation between the FBI and the CNP and discuss common regional law enforcement opportunities.

Per Diem Meal Deductions

According to 5 U.S.C. § 5702 (2006), federal agencies may use appropriated funds to pay subsistence costs of employees traveling on official business. To implement this rule, GSA annually establishes M&IE per diem rates to compensate federal employees on travel status the cost of meals during official travel. According to the FTR, federal travelers must adjust their per diem M&IE reimbursement requests to deduct for meals furnished by the government during an official function, such as a government-sponsored conference.

Accordingly, the FTR provides a pre-determined amount that a traveler should deduct for each meal provided by the government. We selected a judgmental sample of 253 travel vouchers submitted by DOJ employees who attended the reviewed conferences to see if appropriate deductions were made for each meal provided by the government. As shown in Table 6-9, the amount that a federal traveler should deduct when provided a meal by the government depends on the total amount of the daily M&IE reimbursement rate.⁵⁵

⁵⁵ In addition to meal costs, the M&IE reimbursement rate also includes a set amount for "incidentals" expenses that a federal traveler can claim each day. For FY 2006, this incidentals expense was \$3 per day.

Table 6-9
M&IE DEDUCTIONS FOR MEALS PROVIDED AT
GOVERNMENT EXPENSE

For FY 2005:

Total M&IE	\$31	\$35	\$39	\$43	\$47	\$51
Deductions per provided meal:						
Breakfast	6	7	8	9	9	10
Lunch	6	7	8	9	11	12
Dinner	16	18	20	22	24	26

For FY 2006:

Total M&IE	\$39	\$44	\$49	\$54	\$59	\$64
Deductions per provided meal:						
Breakfast	7	8	9	10	11	12
Lunch	11	12	13	15	16	18
Dinner	18	21	24	26	29	31

Source: FTR § 301-11.18 and GSA Web site

For example, government employees attending the FY 2005 OVC National Symposium were permitted \$43 per day for M&IE. During the 5-day conference, each attendee was provided 5 breakfasts (\$9 times 5 days or \$45), a working lunch (\$9), and a dinner (\$22). Therefore, the total proper per diem deduction in a federal employee's reimbursement request for the entire event would be \$76.

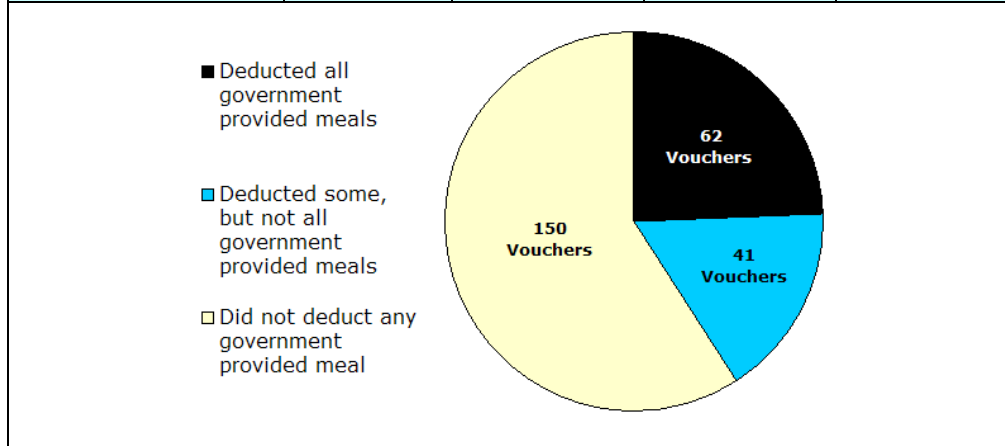
Table 6-10 shows the results of our travel voucher review. We analyzed vouchers to determine whether the M&IE reimbursement was adjusted to reflect meals provided at 8 of the 10 reviewed conferences.⁵⁶ Of the 253 vouchers examined, we found that 62 properly deducted meals, 41 deducted some but not all meals, while 150 failed to deduct any meals at all.

⁵⁶ Two of the 10 conferences were not included in our meal deduction analysis. The FBI Polygraph Conference did not provide meals to its conference attendees, and attendees at the OJJDP National Conference, held in Washington, D.C., were not on conference-related travel.

Table 6-10

DOJ TRAVEL VOUCHER TESTING RESULTS

Conference Name	Number of Vouchers Tested	All Meals Properly Deducted	Some Meals Deducted	No Meals Deducted
OVC National Symposium	54	1	11	42
Weed and Seed Conference	22	2	13	7
NIJ Technology Conference	13	0	3	10
FBI Cambodia Conference	9	6	0	3
PSN National Conference	94	52	2	40
COPS National Conference	2	0	0	2
FBI ITEC Conference	27	1	0	26
CCDO LEC Conference	32	0	12	20
TOTAL	253	62	41	150



Source: OIG analysis of component vouchers

When federal attendees do not deduct meals provided at government expense, and when component managers do not systematically review vouchers to ensure that such deductions are made, the government effectively pays for the meal twice, once when the meal is provided at the conference and again when employees receive reimbursement based on the submitted charges in their travel voucher.

Conclusion

Federal agencies have considerable discretion in how much they choose to spend on food and beverages for a conference. Both the Weed and Seed Conference and COPS National Conference used hotel catering services to provide costly food and beverage items to conference attendees. While the price of the food and beverages may have been standard and allowable – especially considering that large hotels served as venues for the events – the sheer volume of food and beverages purchased resulted in CCDO and COPS spending, respectively, an average of \$64 and \$83 on food and beverages each day for each person. For comparison purposes, the GSA M&IE rate for the Weed and Seed Conference was only \$51 per day, while the M&IE for the COPS National Conference's was \$64.

For example, the Weed and Seed Conference spent \$60,000 on cotton candy, popcorn, caramel apples, ice cream, and licorice for a reception held to announce video and poster award winners. We believe that serving such items at an event gives the appearance that the reception was intended more for social rather than purposes directly related to the objectives of the Weed and Seed Program. Similarly, the COPS National Conference's networking reception cost \$60,000 and featured four cash bar stations, carved beef and turkey, and penne pasta.

During our review of food and beverage costs, we examined planning files and found no written evidence explaining or expressly justifying the need to offer conference attendees full meals and networking receptions. Although OJP has developed its own policy regarding the proper provision of food and beverages at its conferences, we were not provided with evidence that any mechanism exists within OJP to ensure that its food and beverage rules are consistently followed or even provided to contracted conference planners.

In addition, our examination of DOJ travel vouchers showed that more than 75 percent of the vouchers examined claimed reimbursement for the cost of meals provided to them at government expense at these conferences. When DOJ attendees do not deduct such meals, the government effectively pays for the same meal twice. The high rate of improper meal deduction evidenced by our sample shows that adequate controls have not been implemented to ensure that employees who prepare and managers who review travel vouchers deduct the appropriate cost of government provided meals from the M&IE rate.

We believe that federal conference planners have a responsibility to critically assess and specifically justify serving food and beverages at conference's paid for by public funds. To carry out this responsibility, DOJ conference planners require clear and consistent guidelines to use when planning conferences where food and beverages will be served. Since appropriated monies are used to pay for food and beverage costs of attendees, we believe that these guidelines should provide oversight of and procedures for justifying such costs.

Recommendations

We recommend that JMD:

- 7) Develop and implement general food and beverage policies that DOJ conference planners can use when planning events.
- 8) Instruct DOJ component Chief Financial Officers to develop and implement procedures that ensure employees deduct the appropriate amount from the M&IE rate for government-provided meals from their submitted travel vouchers.
- 9) Ensure components that sponsor conferences with costly food and beverages develop a mechanism to adequately document reasons and approval for food and beverage costs.

We recommend that OJP:

- 10) Develop procedures that ensure compliance with existing policies governing the reasonableness of conference food and beverage costs.

We recommend that COPS:

- 11) Develop procedures that ensure compliance with existing policies governing the reasonableness of conference food and beverage costs.
- 12) Develop and implement policies to reprogram unused award funds in ways that mitigate unnecessary indirect costs.
- 13) Account for the \$103,893 in COPS award funds passed to a consortium member organization to pay for food and beverage costs at the 2006 COPS National Conference.

Chapter 7: AUDIO-VISUAL EQUIPMENT AND SERVICES

Similar to rules governing food and beverage costs, federal agencies have considerable discretion in how much they choose to spend on audio and visual equipment and services at government-sponsored conferences. Components and event planners spent \$762,897 on audio-visual equipment and services for the 10 conferences we examined, making audio-visuals the third largest category of conference expenditures.

Audio-visual equipment includes microphones, projectors, screens, computers, lights, stages, and sound systems. This chapter reviews the nearly \$300,000 cost associated with providing audio-visual equipment and technical services for three conferences, as shown in Table 7-1.⁵⁷

Table 7-1
AUDIO-VISUAL COSTS BY CONFERENCE

Description	PSN National Conference (\$)	OVC National Conference (\$)	FBI ITEC Conference (\$)
<i>Equipment Rentals</i>			
Plenary Sessions	38,977	37,280	4,253
Breakout Sessions	27,910	45,594	4,335
Other Support	3,935	819	525
<i>Labor and Other Costs</i>			
Direct Labor	59,889	53,795	2,100
Other Costs or Offsets	12,758	11,250	(3,466)*
TOTAL	\$143,469	\$148,738	\$7,747
Number of Registrants	1,330	787	306

Source: OIG analysis of conference financial records

* The FBI ITEC Conference received a discount averaging 30 percent of the audio-visual cost, which was applied to certain equipment and labor costs.

BJA held the 2006 PSN National Conference in Denver, Colorado, in May 2006 and issued a contract task order to an event planner to provide planning and logistical support. In turn, the event planner hired an audio-visual firm (PSN subcontractor) to provide equipment and technical assistance during the conference. The total cost of audio-visual support totaled \$143,469 for the PSN National Conference.

⁵⁷ Appendix I outlines the methodology used to choose conferences to review their associated audio-visual costs.

OVC held its National Symposium for federal, tribal, and military criminal justice officials at the Atlanta Hilton in March 2005. Like PSN, OVC issued a contract task order to an event planner for planning and logistical support. As part of the contract, the event planner engaged the services of an audio-visual firm (OVC subcontractor) to provide equipment and technical assistance. The total cost of audio-visual support for the OVC National Symposium totaled \$148,738.

The FBI's ITOD sponsored its 2006 ITEC conference at the Hyatt Regency in San Antonio, Texas. Unlike BJA or OVC, the FBI did not use a third-party event planner for the ITEC conference. Instead, the FBI paid the venue's in-house audio-visual firm to provide audio-visual equipment or technical assistance for the conference. Because the FBI used the services of the in-house audio-visual firm, it received a discount of \$3,466 or nearly 30 percent on the total cost of the equipment and services provided.

Using conference planning records, agendas, specifications, and audio-visual invoices from each event's sponsoring component and event planner, we compared the type and amount of audio-visual equipment and support obtained for each of the three conferences incurred audio-visual costs associated with conducting plenary sessions attended by all conference attendees, several breakout sessions, and labor and travel costs for audio-visual firm employees.

Equipment Costs

The plenary sessions for each conference were held in large rooms and used audio-visual equipment to allow each attendee to hear and see presentations and speeches. Breakout sessions were held in separate rooms at each venue and required separate audio-visual equipment and technical support. The following sections review the audio-visual costs incurred for the plenary and breakout sessions of the three conferences we examined in detail.

PSN National Conference

PSN spent \$38,977 to rent audio-visual equipment for the three plenary sessions held in the main ballroom of the Denver Convention Center. Each session was attended by over 1,200 people. The PSN subcontractor provided a large-venue audio-visual system that included 14 microphones, 5 Digital Light Processing® projectors and accompanying screens, a 42-inch flat-screen monitor, a complete lighting package, 9 smaller monitors, and stages with black drapery backgrounds. As part of its agreement with the event planner, the PSN subcontractor also filmed each plenary session.

Figure 7-A shows that the plenary session stage used three large screens to project and magnify a video image of the speakers. Two rectangular screens were placed on the far left and right side of the stage. A third screen was placed in the center, and two images were projected on either side. Depending on the size, projector, and drapery, rental of each screen cost between \$2,700 to \$2,900 for the event.

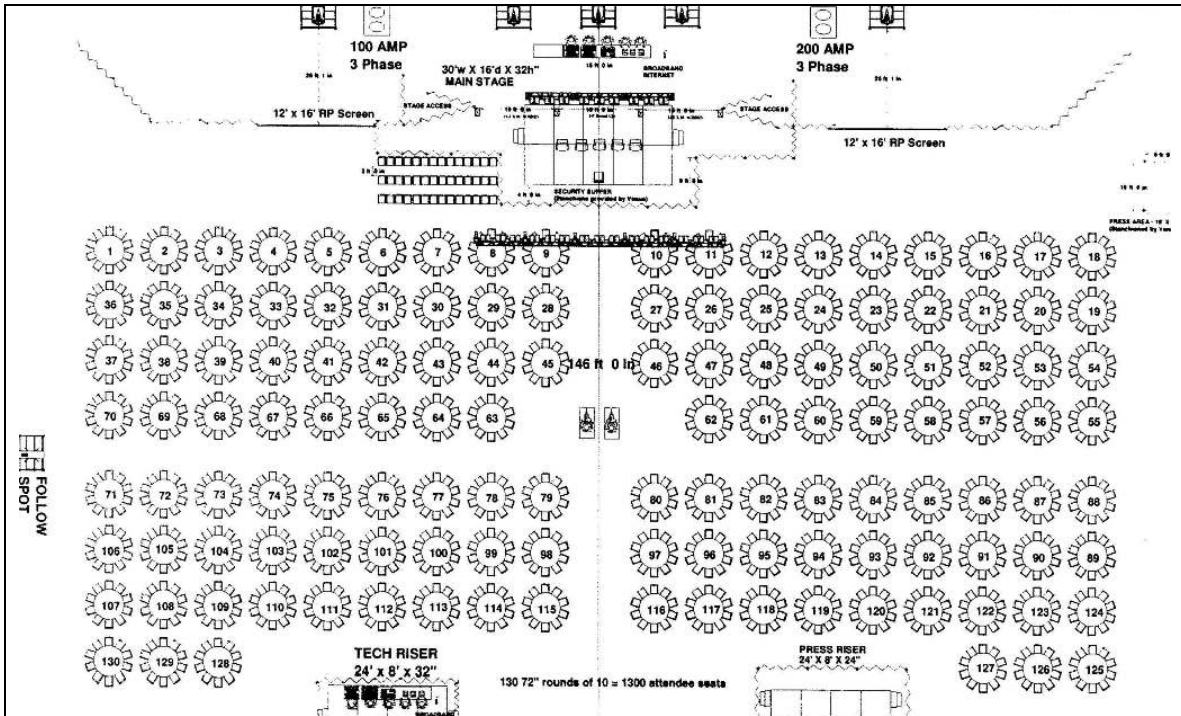
Figure 7-A
MOCK-UP OF PSN NATIONAL CONFERENCE
PLENARY SESSION STAGE



Source: PSN event planner

Considering the dimensions of the 1,300-person ballroom, the event planner told us that it was standard to have screens at each end and one in the center. Figure 7-B is a diagram, provided by the event planner, showing the stage and the seating layout of the plenary session.

Figure 7-B
STAGE AND SEATING LAYOUT FOR PSN NATIONAL
CONFERENCE PLENARY SESSIONS



Source: PSN event planner

As shown above, 10 attendees were seated at each of the 130 tables. According to the event planner, the number of attendees, the seating configuration, and the dimensions of the ballroom required the use of three screens during the plenary session.

The PSN National Conference included a total of 46 breakout sessions during the 4-day conference. As shown in Table 7-2, each of the breakout session rooms used a projector, stand, screen, a laptop, four microphones, a sound mixer, a laser-pointer, and a remote control. The daily rate for the audio-visual equipment in each breakout session room was \$605, for a total cost of \$27,910 for the conference.⁵⁸

⁵⁸ According to invoices, two breakout sessions rented a dual Video Home System (VHS) and Digital Versatile Disc (DVD) media player, which cost an additional \$80.

**Table 7-2
PSN BREAKOUT SESSION AUDIO-VISUAL COSTS**

Description	Number of Rentals	Daily Rate (\$)	Total Cost (\$)
Computer screen projectors	46	200	9,200
Projection screens	46	15	690
Laptop computers	46	130	5,980
Flipcharts	46	22	1,012
Wired Microphone (2 at each session)	92	10	920
Wireless Microphone (2 at each session)	92	60	5,520
6 Channel Microphone Mixers	46	20	920
Portable Projection Stands	46	8	368
Laser Pointers	46	25	1,150
Wireless Remote Controls	46	45	2,070
VHS-DVD Players	2	40	80
TOTAL FOR BREAKOUT SESSION EQUIPMENT			\$27,910

Source: Audio-visual subcontractor data and OIG analysis

Wireless microphones cost \$50 more to rent per day than wired microphones. We asked the event planner the reason for incurring an additional \$4,600 to rent 92 wireless microphones. The event planner told us that the audiovisual package for each room needed to be flexible to accommodate the needs of each speaker. The ability to move about the room freely was important to some presenters and a wired microphone would not be of assistance in these cases.

The PSN subcontractor also outfitted audio-visual and computer equipment for seven rooms used by conference administrators and staff, at a cost of \$3,935. These spaces also contained backup equipment that could be used if equipment failed during a breakout or plenary session.

OVC National Symposium

The OVC spent \$37,280 to rent audio-visual equipment for two plenary sessions and one working dinner for its nearly 800 attendees. The OVC event planner provided a large-venue audio-visual system similar to the one used by PSN that included 14 microphones, 4 projectors and accompanying screens, 5 mid-sized flat-screen monitors, a complete lighting package, and stages with black drapery backgrounds. As part of its agreement with the event planner, the OVC subcontractor also filmed each plenary session.

Figure 7-C shows the main stage as it appeared before OVC National Symposium's dinner session.

Figure 7-C
DINNER AND STAGE AT THE OVC NATIONAL SYMPOSIUM



Source: OVC event planner

The OVC spent \$45,594 to provide audio-visual equipment for 201 separate breakout session meetings held in 90 rooms. For these 90 breakout rooms, the OVC subcontractor provided a package of audiovisual equipment that included computer projectors, laptop computers, flipcharts, wired and wireless microphones, and other equipment.

As part of its agreement with the event planner, the OVC subcontractor agreed to offer a discount rate on certain breakout session equipment rentals. Generally, the discount rate applied to equipment rented for the full five days of the conference. On the fourth day, certain breakout equipment was charged only about 30 percent of the daily rate, and on the fifth day the breakout equipment rental charge was waived. Once applied to the bill, the discount meant that although OVC rented 90 portable projectors (one for each breakout session), it incurred the normal daily rate for only 63

projectors. With this discount, we calculated that the audio-visual equipment rate incurred by each breakout session room averaged \$507.

FBI ITEC Conference

The FBI spent approximately \$3,000 to rent audio visual equipment and services for two plenary sessions for nearly 300 attendees. The equipment included three microphones, one screen, an LCD monitor, connecting equipment, remote control, and draperies. The in-house audio-visual firm also filmed these sessions.

Using discounted rates, the FBI spent another \$3,000 to rent audio-visual equipment for 25 separate breakout sessions held over the 4-day event. In addition to the equipment rented for each breakout session, the FBI used its own laptops, projectors, flip-chart pads, and cables which reduced costs associated with the breakout sessions. According to invoices for the event, the FBI also received a 30 percent discount on equipment because it booked the audio-visual firm's services 30 days in advance.

Labor and Other Costs

Along with equipment rental fees, each of the three conferences incurred costs resulting from labor provided to set up and operate audio-visual equipment. This section reviews the labor costs associated with providing audio-visual support for each event.

PSN spent \$59,889 on labor associated with providing audio-visual support. Our review of the audio-visual subcontract and associated invoices found that the event planner hired a communications consultant, show manager, technical directors, lighting directors, audio-visual technicians, camera operators, audio assistants, and other professionals. These individuals charged 1,079 direct labor hours to set up, stage, and operate rented audio-visual equipment during the conference and \$12,758 in non-labor expenses to pay for equipment delivery fees and employee travel expenses.

The OVC spent \$53,795 on subcontractor audio-visual technical assistance. The OVC subcontractor used 31 technicians and staff to provide this support. These workers billed a total of 1,032 hours of labor during the conference and charged \$11,250 in non-labor expenses to pay for equipment delivery fees and employee travel expenses.

Applying the audio-visual discount, the in-house firm at the FBI ITEC Conference charged a total of \$1,470 for 34 hours of audio-visual labor. The in-house firm helped the FBI set up each breakout session and provided technical assistance for the ITEC Conference's plenary sessions.

To determine whether the audio-visual rates were relative to each other, we calculated and compared the average audio-visual assistance hourly rate for each conference as shown in Table 7-3.

Table 7-3
AVERAGE AUDIO-VISUAL HOURLY DIRECT LABOR RATES

Conference Name	Number of Hours	Total Amount Charged (\$)	Average Per Hour Rate (\$)
PSN National Conference	1,079	59,889	56
OVC National Symposium	1,032	53,795	52
FBI ITEC Conference	34	1,470*	43

Source: OIG analysis of direct labor audio-visual costs

* Applies 30 percent discount uniformly to \$2,100 subtotal labor cost.

As Table 7-3 shows, the average hourly labor rate for audio-visual support fell between \$56 and \$43 per hour. Although the hourly rate for the FBI ITEC Conference was the lowest, we noted that the FBI used its own employees to provide most of the audio-visual technical support for the event, resulting in only 34 hours of direct audio-visual labor provided by non-FBI employees.

The event planners for both PSN and OVC conferences told us that they required extensive audio-visual technical assistance at their events given the complexity of the equipment. We were also told that the rates charged by the respective audio-visual subcontractors were generally less than the average hourly event planner rate. Further, event planners told us that the presentation directors and technicians helped to minimize technical problems with overhead presentations and allowed for smoother transitions between different speakers.

Conclusion

For the three conferences examined, we reviewed and compared the cost of the items rented and the services provided. We found that although expensive, the audio-visual equipment costs were allowable given the considerable discretion federal agencies have regarding how much to spend on audio and visual equipment and services. Although audio-visual equipment and services comprised the third largest category of conference expenditures, our review showed that conference sponsors and event planners can achieve cost savings by bargaining for services and equipment rentals with audio-visual subcontracting firms. The OVC subcontractor provided the National Symposium a discount rate on equipment rentals during the last two days of the conference. The FBI received nearly a 30 percent discount from its total audio-visual bill by booking the firm's services over 30 days in advance. We believe that obtaining such discount rates for audio-visual equipment constitutes a conference planning best practice.

Chapter 8: REGISTRATION FEES

As discussed in Chapters 2 and 5, we found that OJP event planners for the OJJDP National Conference and the NIJ Technology Conference solicited and retained registration fees from conference attendees and vendors. According to 31 U.S.C. § 3302(b), an official or agent of the government receiving funds “from any source shall deposit the money in the Treasury as soon as practicable without any deduction for any charge or claim.” The rationale underlying this rule, also known as the miscellaneous receipts statute, is that in order to maintain Congress’s “power of the purse,” an agency should not augment its appropriations from sources outside the government without statutory authority.

Analysis

In March 2005, the GAO, applying § 3302(b), held that neither federal agencies nor contractors acting on their behalf may charge and retain conference fees without specific statutory authority to do so. In light of this ruling, we considered the decision to charge conference fees in connection with the OJJDP and NIJ conferences. We concluded that, in the absence of specific statutory authority, outside entities retained by OJP should not charge conference fees in those cases where they have been retained primarily to provide conference planning services.

OJJDP National Conference

As discussed above, OJJDP originally entered into a contract with an event planner to provide conference planning services for the OJJDP National Conference. Thereafter, OJP and the event planner entered into a cooperative agreement pursuant to which these planning activities would continue.

An attachment to the application for the cooperative agreement indicated that the event planner would offset the expenses associated with providing meals and refreshments by charging registration fees. The amount charged to exhibitors ranged from \$300 for a tabletop display to \$1,000 for an exhibitor package. Attendee fees for the conference ranged from a high of \$525, noted as a late registration, to a low “discounted rate” of \$225. Some attendees, such as federal officials and presenters, received complimentary registrations, while

the event planner offered \$100-a-day registration fees to attendees who could not attend the entire conference.

According to the event planner's records, the fees collected from the conference totaled \$505,657. We asked event planner officials how these fees were applied, and they confirmed that the collected monies were used to pay for food and beverages provided to attendees at the conference.

As noted above, OJJDP first entered into a contract with the planner and thereafter switched to a cooperative agreement. The Federal Grant and Cooperative Agreements Act of 1977, 31 U.S.C. § 6305, directs executive agencies to use cooperative agreements to reflect the relationship between the federal government and another entity when:

- (1) the principal purpose of the relationship is to transfer a thing of value to the . . . recipient to carry out a public purpose . . . authorized by law . . . instead of acquiring property or services for the direct benefit or use of the . . . government; and
- (2) substantial involvement is expected between the executive agency and the . . . recipient when carrying out the activity contemplated in the agreement.

By contrast, executive agencies are directed to use contracts when "the principal purpose is to acquire . . . property or services for the direct benefit or use of the . . . government." *Id.* at § 6303. Pursuant to DOJ regulations, such as 28 C.F.R. § 70.24, non-profit organizations that enter into cooperative agreements with the Department may retain program income earned during the project period.⁵⁹

We inquired as to why OJJDP entered into a cooperative agreement with the conference planner when a contract for such services was already in place. According to conference planning documents, OJP officials believed that the event planner would be prohibited from charging conference fees if they proceeded under the

⁵⁹ This provision is part of the Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and other Non-Profit Organizations. It does not apply to agreements with for-profit corporations such as the event planner for the OJJDP conference.

contract.⁶⁰ By opting for a cooperative agreement instead, OJP believed that it would be permissible for the event planner to charge and retain registration fees as program income.

We believe there are two problems with OJP's approach. First, it does not appear that a cooperative agreement was the proper vehicle for OJJDP to use in this case. As is evident from the choice of a contract as the original procurement vehicle, the primary purpose of the agreement between OJJDP and the conference planner was for OJJDP to acquire conference planning services. As discussed above, a contract is the proper vehicle when federal agencies are securing such services for their use.

Second, even if a cooperative agreement would have been appropriate in these circumstances, the regulations relating to program income do not apply to agreements with for-profit entities like the event planner used in the OJJDP conference.

Accordingly, we believe that absent specific statutory authority to charge conference fees, it was inconsistent with the miscellaneous receipts statute for the OJJDP conference planner to charge and retain registration fees. In response to questions from the OIG, OJP has not identified any such statutory authority.

NIJ Technology Conference

In September 2005, NIJ entered into a cooperative agreement with a non-profit entity related to the technology conference. As part of the agreement, the non-profit was to provide planning and other services for the technology conference. The agreement provided that the event planner would collect anticipated program income generated by charging fees to conference exhibitors and attendees.

The Statement of Work attached to the cooperative agreement indicated that the NIJ event planner would consult with NIJ and DHS to establish the conference's registration fee schedule. Once collected, the registration fees would be used to offset conference costs, including providing attendees "two breakfasts, two lunches, numerous breaks, and access to all sessions and special events." The fee charged to rent a booth in the conference's exhibition hall ranged from

⁶⁰ This document, dated August 9, 2005, suggests that OJP was aware of the GAO decision and its potential implications for the OJJDP conference.

\$1,300 for government and non-profit exhibitors to \$1,800 for private industry exhibitors. Attendee fees for the conference ranged from a high of \$550 for private industry attendees to a \$225 special registration fee. Speakers and staff received complimentary registrations.

Summary financial records indicated that the NIJ event planner collected \$411,914 in attendee and exhibitor fees. We asked NIJ event planner officials how the revenue was applied to offset conference costs. An official with the NIJ event planner told us that the collected registration revenue offset the general cost of the Technology Conference and was not applied against any specific type or category of conference cost.

In light of the March 2005 GAO decision concerning conference registration fees, we asked OJP officials whether NIJ had statutory authority to collect fees in connection with the technology conference. According to OJP, such authority was not required. OJP reasoned that because the event planner in this case provided more than just pure planning services, a cooperative agreement was the appropriate funding vehicle and the fees collected were allowable program income under that agreement. Specifically, OJP noted that in addition to purely logistical support, the NIJ conference planner also performed such programmatic tasks as identifying possible participants and coordinating among the sponsoring government agencies.⁶¹

We believe that whether it was appropriate to charge registration fees in connection with the NIJ conference is a close question. We recognize that cooperative agreements may be appropriate funding vehicles in cases where OJP is transferring funds to a non-profit entity primarily to permit that entity to carry out a programmatic function of OJP. We also recognize that the governing regulations permit the retention of program income when such agreements are utilized. However, we believe OJP must ensure that cooperative agreements are not utilized inappropriately as a means of avoiding the strictures of the miscellaneous receipts statute. Accordingly, we recommend that OJP develop and implement clear guidance outlining the specific circumstances under which event planners retained to assist with OJP conferences may charge and retain conference fees.

⁶¹ For purposes of this review, programmatic support means a service designed to achieve the award or agreement's mission or objectives.

Conclusion

Each conference can present unique circumstances that make consistent application of the miscellaneous receipts statute difficult. Because OJP is a sponsor of many conferences each year, we recommend that OJP develop and implement policies and procedures to ensure compliance with the statute. We believe these policies should prohibit the charging and retaining of registration fees by conference planners in the absence of specific statutory authority when the primary purpose of the transfer of OJP funds is to procure event planning services for an OJP-sponsored conference.

Recommendation

We recommend that OJP:

- 14) Develop and implement policies and procedures to ensure compliance with the miscellaneous receipts statute.

STATEMENT ON INTERNAL CONTROLS

In planning and performing this audit of DOJ conference expenditures, we considered the internal controls of DOJ and its various components, including the FBI, DEA, OJP, COPS, and JMD. We used our understanding of these controls to determine proper audit procedures.

Although the audit was not performed for the purpose of providing assurance on the internal control structure of each component, this audit notes certain matters we consider to be reportable conditions under the *Government Auditing Standards*. Reportable conditions involve matters that came to our attention during our review that relate to component conference sponsors incurring and reporting conference expenditures and components reviewing employee travel vouchers. In our judgment, reported issues could adversely affect the ability of DOJ conference sponsors and employees to use appropriated funds efficiently and effectively.

Because we are not expressing an opinion on DOJ or DOJ component internal controls over conference expenditures as a whole, this statement is intended solely for the information and use of DOJ and its components in planning and paying for conferences and paying for employees to attend conferences. This restriction is not intended to limit the distribution of this report which is a matter of public record.

OBJECTIVES, SCOPE, AND METHODOLOGY

Objectives

The objectives of the audit were to review: (1) the justifications offered for the event; (2) the site-cost comparisons on where to hold the event; and (3) certain conference-related costs – including food and beverages, external event planning, and audio-visual – for compliance with applicable laws and regulations, related to the nine highest dollar conferences held within the United States, and the most expensive DOJ conference held in a foreign location.⁶²

Scope and Methodology

Our audit was limited to a review of 10 conferences held between October 2004 and September 2006. We performed the audit in accordance with the *Government Auditing Standards*, and included tests and procedures we believed necessary to accomplish the audit objectives. As detailed in Chapter 2, JMD prepared the listing of more than 3,000 conferences in response to congressional inquiries. Using the JMD list, we selected 10 conferences – nine conferences held in the United States and one conference held overseas – that reported the highest cost.

We conducted our internal audit fieldwork at DOJ, FBI, OJP, and COPS offices in Washington D.C., and Quantico, Virginia. We also contacted, visited, and performed work at private-sector and non-profit organizations that were provided DOJ funds to plan and administer the Department-sponsored conferences. In addition, we identified and reviewed federal acquisition and travel regulations, GAO decisions, DOJ directives, and component-level guidance regarding conference planning, travel, and allowable expenditures. We also reviewed and analyzed conference planning documents and summaries, conference attendance lists, memoranda of understanding, invoices, and relevant congressional testimony.

⁶² As described in Chapter 2, we used conference expenditure lists compiled by JMD to identify the 10 highest-dollar conferences to review for the audit.

Planning and Hosting Costs

As discussed in Chapter 2, we selected conferences with expenses in the three largest overall categories to review and identify unallowable and extravagant costs. We reviewed and verified expenditures for conference planning and hosting costs from event planner and supplier invoices and assigned each expense to one of eight categories for comparative purposes. To select the one cost category to review for each event, we ranked each conference according to the amount spent in each category as shown in Table I-1.

**Table I-1
RANK OF SELECTED COST CATEGORIES BY CONFERENCE**

Conference Name	External Event Planning (\$)	Rank	Food and Beverages (\$)	Rank	Audio-Visual (\$)	Rank
OJJDP National Conference	605,619	1	291,940	2	62,930	6
Weed and Seed Conference	197,565	5	394,008	1	147,779	2
PSN National Conference	196,798	6	108,866	6	143,469	3
OVC National Symposium	310,394	3	98,350	7	148,738	1
LEC Conference	145,767	7	181,002	4	122,577	4
NIJ Technology Conference	409,535	2	175,101	5	38,976	7
FBI Polygraph Conference	n/a	8	7,468	9	1,496	9
COPS National Conference	213,174	4	274,546	3	89,185	5
FBI ITEC Conference	n/a	8	8,334	8	7,747	8
FBI Cambodia Conference	n/a	8	4,219	10	0	10
TOTALS	\$2,078,852		1,543,834		762,897	

Source: OIG analysis of component and external event planning records

Our rankings found that the OJJDP National Conference spent the most on external event planners with \$605,619 in allocated costs. The Weed and Seed Conference, with \$394,008, spent more on food and beverages than any other selected conference. Likewise, the OVC National Symposium incurred \$148,738 in audio-visual expenses, the highest of any event.

To determine the cost category reviewed for three of the remaining seven unselected conferences, we selected the highest ranked unselected conference in each cost category. We chose the NIJ Technology Conference's \$409,535 external event planning charges, the COPS National Conference's \$274,546 food and beverage expense, and the PSN Conference's \$143,469 audio-visual equipment and services cost.

To provide a contrast to the two high-dollar figures selected for each of the three categories, we judgmentally chose the cost category to review for the remaining four conferences. Since the FBI Cambodia Conference did not report any external event planning or audio-visual charges, we chose to review this event’s food and beverage costs. Likewise, we chose external event planning costs for the LEC Conference since this was the only remaining event reporting such expenses. For the remaining two FBI events, we selected which conference to review audio-visual and food and beverage costs to maximize the dollar amount reviewed. This meant that we chose food and beverage costs for the FBI Polygraph Conference and audio-visual costs for the FBI ITEC Conference. Table I-2 presents the results of this selection by cost category.

**Table I-2
COST CATEGORY SELECTION**

Conference Name	Amount Reviewed (\$)
<i>External Event Planning</i>	
OJJDP National Conference	605,619
NIJ Technology Conference	409,535
LEC Conference	145,767
<i>Food and Beverages</i>	
Weed and Seed Conference	394,008
COPS National Conference	274,546
FBI Polygraph Conference	7,468
FBI Cambodia Conference	4,219
<i>Audio-Visual</i>	
OVC National Symposium	148,738
PSN National Conference	143,469
FBI ITEC Conference	7,747
TOTAL AMOUNT SELECTED	\$2,141,116

Source: OIG analysis of component and external event planning records

Chapters 5, 6, and 7 detail the results of our review of the above-selected costs totaling \$2.1 million.

Multi-Component Costs

Other DOJ components, including sponsoring components, incurred almost \$1.9 million in costs resulting from sending employees to attend the 10 reviewed conferences. To review the travel expenses incurred by various DOJ components that sent employees to the reviewed events, we obtained and counted the number of DOJ attendees appearing on each event's registration or attendance list. These listings served as our basis for determining our sample of employee travel vouchers to test.

As shown in Table I-3, we found that 1,841 DOJ employees registered to attend the 10 conferences.⁶³

Table I-3
DOJ EMPLOYEES REGISTERED TO ATTEND REVIEWED CONFERENCES

Name of Conference	Location and Date	Number of DOJ Employees
OVC Symposium	Atlanta, Georgia March 7 - 11, 2005	302
FBI Polygraph Conference	Minneapolis, Minnesota June 26 - July 1, 2005	98
Weed and Seed Conference	Los Angeles, California August 22 - 25, 2005	127
NIJ Technology Conference	San Diego, California October 31 - November 2, 2005	23
OJJDP National Conference	Washington, D.C. January 9 - 13, 2006	31
FBI Cambodia Conference	Phnom Penh, Cambodia March 12 - 17, 2006	41
PSN National Conference	Denver, Colorado May 2 - 6, 2006	641
COPS National Conference	Washington, D.C. July 27 - 29, 2006	140
FBI ITEC Conference	San Antonio, Texas August 7 - 11, 2006	293
LEC Conference	Phoenix, Arizona August 14 - 17, 2006	145
TOTAL NUMBER OF DOJ EMPLOYEES		1,841

Sources: OIG analysis of conference registration lists, component financial data, and voucher records

⁶³ Some conference planners or sponsors did not have finalized attendance rosters showing who actually attended the event. Consequently, we used each conference's most recently available registration list to identify DOJ employees.

A total of 12 different DOJ components sent employees to the 10 reviewed conferences.

- Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF),
- Executive Office for United States Attorneys (EOUSA),
- Federal Bureau of Prisons (BOP),
- Community Resource Service (CRS),
- U.S. Marshals Service (USMS),
- U.S. Parole Commission (USPC),
- DEA,
- Criminal Division,
- FBI,
- OJP,
- COPS, and
- DOJ administrative offices.

We randomly selected travel vouchers to sample and test for compliance with pertinent travel rules and regulations. Since each component is responsible for authorizing and approving individual employee travel vouchers, we based the number of vouchers to sample on vouchers generated by employees of each component who actually traveled to attend a conference. We determined which employees generated travel vouchers to attend the 10 conferences and selected a number of travel vouchers we believed necessary to provide a reasonable assurance that the components and their employees complied with travel rules and regulations.⁶⁴

As shown in Table I-4, we selected a sample of 253 travel vouchers generated by DOJ employees from the 12 components and offices to test the 10 reviewed conferences' multi-component costs.

⁶⁴ For each component, we selected: (1) 10 percent of the number of vouchers for each conference if 100 or more employees attended; (2) 10 vouchers, if less than 100 attended; or (3) all vouchers if less than 10 employees attended.

Table I-4

**DOJ EMPLOYEES REGISTERED OR
ATTENDING REVIEWED CONFERENCES**

Component	Number of Vouchers Tested	Component	Number of Vouchers Tested
COPS	6	EOUSA	58
BOP	2	OJP	35
FBI	60	DEA	17
USPC	4	CRS	2
ATF	29	USMS	15
Criminal Division	11	DOJ Headquarters	14

Source: OIG selection of travel vouchers

Chapter 6 details the results of our review of multi-component travel voucher costs.

SCHEDULE OF DOLLAR-RELATED FINDINGS


<u>Dollar-Related Finding</u>	<u>Funds To Be Put To A Better Use (\$)*</u>	<u>Page Number</u>
Deobligate remaining funds from award number 2005-MX-KX-K001.	\$225,117	30
TOTAL FUNDS TO BE PUT TO A BETTER USE:	<u>\$225,117</u>	

* *Funds to be put to a better use* are monies that could be used more efficiently if management took actions to implement and complete audit recommendations.


CONFERENCE FACTS AND SUMMARIES

The following charts contain facts and summaries for the 10 conferences selected for our audit.


1. OJJDP National Conference

Formal Name: The Coordinating Council on Juvenile Justice and Delinquency Prevention’s National Conference: “Building on Success: Providing Today’s Youth With Opportunities for a Better Tomorrow”	
	DOJ Sponsor: OJP/OJJDP
	Dates Held: January 9 to 13, 2006
	Venue: Washington Hilton Hotel
	Location: Washington, D.C.
	No. of Registrants: 1,831
	No. of DOJ Registrants: 31
Conference Summary: Held following the report issued by the White House’s Task Force on Disadvantaged Youth, the conference was sponsored by the Coordinating Council and OJJDP to bring together the programs, practices, and strategies to promote the collaboration of federal, state, and local juvenile justice and delinquency prevention collaboration programs. Conference speakers included the Attorney General, who chairs the Coordinating Council, and First Lady Laura Bush.	


2. Weed and Seed Conference

Formal Name: The 2005 Community Capacity Development Office National Conference: "Strengthening Communities One Block at a Time"	
	DOJ Sponsor: OJP/CCDO
	Dates Held: August 22 to 25, 2005
	Venue: Westin Bonaventure Hotel
	Location: Los Angeles, CA
	No. of Registrants: 1,542
	No. of DOJ Registrants: 127
<p>Conference Summary: As part of its mission to help communities develop solutions to public safety problems and strengthen community leadership to implement and sustain those solutions, the CCDO held the 2005 Weed and Seed Conference. The conference included discussions of community policing, neighborhood restoration, Weed and Seed program administration, community engagement.</p>	


3. PSN National Conference

Formal Name: The 2006 Project Safe Neighborhoods National Conference	
	DOJ Sponsor: OJP/BJA
	Dates Held: May 2 to 5, 2006
	Venue: Denver Convention Center
	Location: Denver, CO
	No. of Registrants: 1,330
	No. of DOJ Registrants: 641
<p>Conference Summary: The PSN National Conference offered training to representatives from judicial districts and the PSN task forces to highlight best practices from successful programs, collaboration techniques, and effective methods for combating gun crime. According to BJA, participants learned the latest and most promising practices in reducing gun crime from national and local experts. Keynote speeches were given by the Attorney General, Deputy Attorney General, while President Bush offered remarks via videotape.</p>	


4. OVC National Symposium

Formal Name: The Fourth National Symposium on Victims of Federal Crime	
	DOJ Sponsor: OJP/OVC
	Dates Held: March 7 to 11, 2005
	Venue: Atlanta Hilton Hotel & Towers
	Location: Atlanta, GA
	No. of Registrants: 787
	No. of DOJ Registrants: 302
<p>Conference Summary: According to OVC, the Symposium brought together representatives from federal, tribal, and military criminal programs to improve federal crime victim assistance. Victim advocates, mental health practitioners, law enforcement officers, criminal investigators, prosecutors, correctional officers, members of the clergy, and physicians learned from national experts about the impact of crime on individuals and the latest and most promising practices being developed across the country.</p>	


5. CCDO LEC Conference

Formal Name: The 2006 CCDO Law Enforcement Conference: "The Spirit of Service: Enforce, Empower, and Revitalize"	
	DOJ Sponsor: OJP/CCDO
	Dates Held: August 14 to 17, 2006
	Venue: Phoenix Convention Center
	Location: Phoenix, AZ
	No. of Registrants: 1,329
	No. of DOJ Registrants: 145
<p>Conference Summary: The focus of the CCDO Law Enforcement Conference was to present the latest technology trends in law enforcement to assist communities with preventing and controlling crime. Participants from local, state, and federal law enforcement organizations met with community leaders and received information on crime abatement, community development and strategic planning, neighborhood revitalization efforts, and safety.</p>	


6. NIJ Technology Conference

Formal Name: The Seventh Annual Technologies for Critical Incident Preparedness Conference and Exposition		
	DOJ Sponsor:	OJP/NIJ
	Dates Held:	October 31 to November 2, 2005
	Venue:	Marriott Hotel and Marina
	Location:	San Diego, CA
	No. of Registrants:	1,315
	No. of DOJ Registrants:	23
<p>Conference Summary: The NIJ Technology Conference is an annual event held for law enforcement representatives and technology developers. This conference focused on informing the first responder community of the federal government's technology efforts by sharing research initiatives. The conference was also supported by the Department of Homeland Security and the Department of Defense.</p>		


7. FBI Polygraph Conference

Formal Name: FBI Annual Polygraph Examiner's Conference		
	DOJ Sponsor:	FBI
	Dates Held:	June 26 to July 1, 2005
	Venue:	Marriott Center City Hotel
	Location:	Minneapolis, MN
	No. of Registrants:	98
	No. of DOJ Registrants:	98
<p>Conference Summary: Held each year, the FBI Polygraph Conference addresses Department of Defense Polygraph Institute training requirements for field division polygraph examiners. Specifically, the conference taught polygraph examination and interrogation techniques that should be used in counterterrorism and counterintelligence cases.</p>		

8. COPS National Conference

Formal Name: 2006 National Community Policing Conference: "Community Policing: Leading the Way to a Safer Nation"	
	DOJ Sponsor: COPS
	Dates Held: July 27 to 29, 2006
	Venue: Washington Hilton Hotel
	Location: Washington, D.C.
	No. of Registrants: 1,437
	No. of DOJ Registrants: 140
<p>Conference Summary: According to COPS, attendees at the COPS National Conference discussed and learned new strategies on cutting-edge community policing approaches. The conference also featured interactive forums and training sessions to network and build partnerships with leaders from various public safety disciplines. Attendees included representatives from federal, state, and local law enforcement organizations, school and campus safety officials, community groups, and training academies.</p>	

9. FBI ITEC Conference

Formal Name: The 2006 FBI Information Technology Exchange Conference	
	DOJ Sponsor: FBI
	Dates Held: August 7 to 10, 2006
	Venue: Hyatt Regency Hotel
	Location: San Antonio, TX
	No. of Registrants: 306
	No. of DOJ Registrants: 293
<p>Conference Summary: The FBI ITEC Conference presented network, computer, and case software updates to FBI field division personnel who work with information technology.</p>	

10. FBI Cambodia Conference

Formal Name: The FBI Office of International Operations Asia Unit Regional Training Conference



DOJ Sponsor:	FBI
Dates Held:	March 12 to 17, 2006
Venue:	U.S. Embassy
Location:	Phnom Penh, Cambodia
No. of Registrants:	46
No. of DOJ Registrants:	41

Conference Summary: FBI legal attaches in the Office of International Operation's Asia Unit attended the training and networking conference to discuss common regional problems and issues. According to the FBI, the conference provided a focused learning environment that included presenters from DOJ and federal intelligence organizations.

ACRONYMS

AMD	OJP's Acquisitions Management Division
ATF	Bureau of Alcohol, Tobacco, Firearms and Explosives
BJA	Bureau of Justice Assistance
BOP	Federal Bureau of Prisons
CCDO	Community Capacity Development Office (OJP)
C.F.R.	Code of Federal Regulations
COPS	Office of Community Oriented Policing Services
CRS	Community Resource Service
DEA	Drug Enforcement Administration
DHS	U.S. Department of Homeland Security
DoD	U.S. Department of Defense
DOJ	U.S. Department of Justice
DVD	Digital Versatile Disc
EOUSA	Executive Office for United States Attorneys
FBI	Federal Bureau of Investigation
FTR	Federal Travel Regulation
FY	Fiscal Year
GAO	Government Accountability Office
GSA	General Services Administration
ITEC	Information Technology Exchange Conference
JMD	Justice Management Division
LEC	Law Enforcement Conference
M&IE	Meals and Incidental Expenses
NIH	National Institutes of Health
NIJ	National Institute of Justice
OIG	Office of the Inspector General
OIO	FBI Office of International Operations
OJJDP	Office of Juvenile Justice and Delinquency Prevention
OJP	Office of Justice Programs
OVC	Office for Victims of Crime
P&H	Planning and Hosting
PSN	Project Safe Neighborhood
TDD	FBI's Training and Development Division
U.S.C.	United States Code
USMS	United States Marshals Service
USPC	United States Parole Commission
VHS	Video Home System

CONSOLIDATED DOJ RESPONSE TO AUDIT REPORT RECOMMENDATIONS




U.S. Department of Justice
Justice Management Division

August 28, 2007

Washington, D.C. 20530

MEMORANDUM

TO: Raymond J. Beaudet
Acting Assistant Inspector General
for Audit

FROM: Lee J. Lofthus 
Assistant Attorney General
for Administration

SUBJECT: Response to recommendations contained in the Office of the Inspector General's
(OIG) Draft Report: Department of Justice Conference Expenditures

This responds to the Office of the Inspector General's (OIG) draft audit report: Department of Justice Conference Expenditures.

Recommendation 1: Work with DOJ components to provide a uniform way to calculate and report conference costs.

Response: The Justice Management Division (JMD) concurs with the recommendation. By March 31, 2008, the JMD will issue guidance to all DOJ components to provide a uniform method for calculating and reporting conference costs.

Status: The JMD considers this recommendation to be resolved.

Recommendation 2: Implement procedures allowing for it to report individual conference expenditures when requested by JMD or other oversight entity.

Response: The Drug Enforcement Administration (DEA) concurs with the recommendation. On October 1, 2006, the DEA implemented procedures that enabled it to report individual conference expenditures when requested by JMD or other oversight entities on October 1, 2006. The DEA added a new category code in the Federal Financial System (FFS) to identify conference costs. Guidance for the new procedures was distributed via a CFO Bulletin and FFS Bulletin.

Status: The DEA considers this recommendation closed.

Memorandum for Raymond J. Beaudet
Subject: Response to recommendations contained in the Office of the Inspector
General's (OIG) Draft Report: Department of Justice Conference Expenditures

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Recommendation 3: Implement specific guidance regarding what comparisons of costs between different sites conference planners should perform to ensure the best location for the best value.

Response: The JMD concurs with the recommendation. By March 31, 2008, the JMD will implement specific guidance regarding what comparisons of costs between different sites conference planners should perform to ensure the best location for the best value.

Status: The JMD considers this recommendation resolved.

Recommendation 4: Ensure that its conference planners develop and retain documents that evidence complete site cost comparisons.

Response: The Office of Justice Programs (OJP) concurs with the recommendation. By March 31, 2008, the OJP will ensure that its conference planners develop and retain documents that evidence complete site cost comparisons.

Status: The OJP considers this recommendation resolved.

Recommendation 5: Deobligate the \$225,117 remaining balance of cooperative agreement number 2005-MX-KX-K001.

Response: The OJP concurs with the recommendation. By September 30, 2007, the OJP will work with program offices to deobligate the \$225,117 remaining balance of cooperative agreement number 2005-MX-KX-K001.

Status: The OJP considers this recommendation resolved.

Recommendation 6: Evaluate methods to solicit, hire, and assess external event planners to ensure that conference planning costs comply with FTR and DOJ conference planning guidelines.

Response: The OJP concurs with the recommendation. By March 31, 2008, the OJP will evaluate methods to solicit, hire, and assess external event planners to ensure that conference planning costs comply with FTR and DOJ conference planning guidelines.

Status: The OJP considers this recommendation resolved.

Memorandum for Raymond J. Beudet
Subject: Response to recommendations contained in the Office of the Inspector
General's (OIG) Draft Report: Department of Justice Conference Expenditures

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Recommendation 7: Develop and implement general food and beverage policies that DOJ conference planners can use when planning events.

Response: The JMD concurs with the recommendation. By March 31, 2008, the JMD will develop and implement general food and beverage policies that DOJ conference planners can use when planning events.

Status: The JMD considers this recommendation resolved.

Recommendation 8. Instruct DOJ component Chief Financial Officers to develop and implement procedures that ensure employees deduct the appropriate amount from the M&IE rate for government-provided meals from their submitted travel vouchers.

Response: The JMD concurs with the recommendation. By September 30, 2007, the JMD will instruct DOJ component Chief Financial Officers to develop and implement procedures that ensure employees deduct the appropriate amount from the M&IE rate for government-provided meals from their submitted travel vouchers.

Status: The JMD considers this recommendation resolved.

Recommendation 9: Ensure components that sponsor conferences with costly food and beverages develop a mechanism to adequately document reasons and approval for food and beverage costs.

Response: The JMD concurs with the recommendation. By March 31, 2008, the JMD will develop policy requiring components that sponsor conferences with costly food and beverages develop a mechanism to adequately document reasons and approval for food and beverage costs.

Status: The JMD considers this recommendation resolved.

Recommendation 10: Develop procedures that ensure compliance with existing policies governing the reasonableness of conference food and beverage costs.

Response: The OJP concurs with the recommendation. By March 31, 2008, the OJP will develop procedures that ensure compliance with existing policies governing the reasonableness of conference food and beverage costs.

Status: The OJP considers this recommendation resolved.

Memorandum for Raymond J. Beaudet
Subject: Response to recommendations contained in the Office of the Inspector
General's (OIG) Draft Report: Department of Justice Conference Expenditures

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Recommendation 11: Develop procedures that ensure compliance with existing policies governing the reasonableness of conference food and beverage costs.

Response: The Office of Community Oriented Policing Services (COPS) concurs with the recommendation. The COPS will develop procedures that ensure compliance with existing policies governing the reasonableness of conference food and beverage costs.

Status: The COPS considers this recommendation resolved.

Recommendation 12: Develop and implement policies to reprogram unused award funds in ways that mitigate unnecessary indirect costs.

Response: The COPS concurs with the recommendation. The COPS will develop and implement policies to reprogram unused award funds in ways that mitigate unnecessary indirect costs.

Status: The COPS considers this recommendation resolved.

Recommendation 13: Account for the \$103,893 in COPS award funds passed to a consortium member organization to pay for food and beverage costs at the 2006 COPS National Conference.

Response: The COPS concurs with the recommendation. The COPS has accounted for the \$103,893 in COPS award funds passed to a consortium member organization to pay for food and beverage costs at the 2006 COPS National Conference.

Status: The COPS considers this recommendation closed.

Recommendation 14: Develop and implement policies and procedures to ensure compliance with the miscellaneous receipts statute.

Response: The OJP concurs with the recommendation. By March 31, 2008, the OJP will develop and implement policies and procedures to ensure compliance with the miscellaneous receipts statute.

Status: The OJP considers this recommendation resolved.

If you have any questions concerning this subject, please contact Chris Alvarez, Deputy Director, JMD/Finance Staff, on (202)616-5234, or Lori Arnold, Assistant Director, Financial Management Policies and Requirements Group, JMD/Finance Staff, on (202)616-5216.

Attachments

**OIG SUMMARY AND ANALYSIS OF ACTIONS
NECESSARY TO CLOSE REPORT**

The OIG provided a draft audit report to the components involved in this audit. Since our report recommendations involve matters of policy over which JMD has oversight responsibilities, the OIG agreed with DOJ officials that JMD should work with the other components and prepare a consolidated DOJ response.

We attached JMD's consolidated response in this report at Appendix V. Since JMD and the applicable components agreed and proposed actions consistent with all of our report's recommendations, we consider 12 recommendations resolved and 2 recommendations closed. The following is a summary of actions necessary to close each recommendation.

1. **Resolved.** This recommendation is resolved based on JMD's proposal to issue guidance, by March 31, 2008, to all DOJ components for calculating and reporting conference costs. This recommendation can be closed when we review and evaluate the implemented guidance.
2. **Closed.** This recommendation is closed based on evidence we received showing DEA's tracking of individual conference expenditure data. The DEA provided sufficient evidence that it has implemented a procedure to permit assessing individual conference expenses.
3. **Resolved.** This recommendation is resolved based on JMD's agreement to implement, by March 31, 2008, specific guidance to all DOJ components on what comparisons of costs between different sites conference planners should perform to ensure the best location for the best value. This recommendation can be closed when we review and evaluate the implemented guidance.

4. **Resolved.** This recommendation is resolved based on OJP's proposal to implement guidance, by March 31, 2008, to conference planners on developing and retaining documents that evidence complete site cost comparisons. This recommendation can be closed when we review and evaluate the implemented guidance.
5. **Resolved.** This recommendation is resolved based on OJP's proposal to work with program offices to deobligate the \$225,117 remaining balance of cooperative agreement number 2005-MX-KX-K001, by September 30, 2007. This recommendation can be closed when we receive evidence that \$225,117 has been deobligated.
6. **Resolved.** This recommendation is resolved based on OJP's proposal to evaluate, by March 31, 2008, methods to solicit, hire, and assess external event planners to ensure that conference planning costs comply with FTR and DOJ conference planning guidelines. This recommendation can be closed when we review and evaluate evidence that OJP implemented procedures for soliciting, hiring, and assessing external event planners that will ensure that conference planning costs comply with FTR and DOJ conference planning guidelines.
7. **Resolved.** This recommendation is resolved based on JMD's agreement to develop and implement, by March 31, 2008, general food and beverage policies that DOJ conference planners must use when planning events. This recommendation can be closed when we review and evaluate JMD's general food and beverage policies.
8. **Resolved.** This recommendation is resolved based on JMD's agreement to instruct DOJ component Chief Financial Officers, by September 30, 2007, to develop and implement procedures that ensure employees deduct the appropriate amount from the M&IE rate for government-provided meals. This recommendation can be closed when we review and evaluate evidence that component Chief Financial Officers developed and implemented procedures that ensure employees are deducting from their travel vouchers the appropriate amount from the M&IE rate for government-provided meals.

9. **Resolved.** This recommendation is resolved based on JMD's agreement to develop and implement, by March 31, 2008, a specific policy requiring components sponsoring conferences with costly food and beverages to develop a mechanism that adequately documents the reason for and approval of these food and beverage costs. This recommendation can be closed when we review and evaluate JMD's implemented policy and procedures for adequately documenting the reason for and approval of costly food and beverages.
10. **Resolved.** This recommendation is resolved based on OJP's agreement to develop and implement policies and procedures, by March 31, 2008, to ensure compliance with existing policies governing the reasonableness of conference food and beverage costs. This recommendation can be closed when we review and evaluate OJP's implemented procedures for ensuring the reasonableness of conference food and beverage costs.
11. **Resolved.** This recommendation is resolved based on the COPS Office's agreement to develop procedures that ensure compliance with existing policies governing the reasonableness of conference food and beverage costs. This recommendation can be closed when we review and evaluate the COPS Office's implemented procedures for ensuring the reasonableness of conference food and beverage costs.
12. **Resolved.** This recommendation is resolved based on the COPS Office's agreement to develop and implement policies to reprogram unused award funds in ways that mitigate unnecessary indirect costs. This recommendation can be closed when we review and evaluate the COPS Office's policies for reprogramming unused award funds in ways that will mitigate unnecessary indirect costs.
13. **Closed.** The COPS Office provided an accounting of food and beverage indirect costs that included a breakdown of indirect cost totals among consortium organizations. This recommendation is considered closed based on the accounting provided by the COPS Office.

14. **Resolved.** This recommendation is resolved based on OJP's agreement to develop and implement policies and procedures, by March 31, 2008, to ensure compliance with the miscellaneous receipts statute. This recommendation can be closed when we review and evaluate OJP's policies and procedures for ensuring compliance with the miscellaneous receipts statute.