



# Smithsonian Institution

Office of the Inspector General

Date October 28, 2008

To The Honorable Robert A. Brady, Chairman, Committee on House Administration  
The Honorable Dianne Feinstein, Chairman, Senate Committee on Rules and  
Administration  
The Honorable Chuck Grassley, Ranking Member, Senate Committee on Finance

cc Board of Regents, Smithsonian Institution  
G. Wayne Clough, Secretary, Smithsonian Institution

From   
A. Sprightley Ryan, Inspector General

Subject W. Richard West, Jr.

In January 2008, you asked our office to look into various issues raised by media reports on W. Richard West, Jr., the retired founding director of the Smithsonian's National Museum of the American Indian (NMAI). Chairman Brady asked that we examine Mr. West's travel and other expenses as well as the commissioning of a portrait of Mr. West. He also asked that we examine Smithsonian policies related to these areas. Chairman Feinstein asked that we look at Mr. West's travel as well as the costs of his retirement party. Senator Grassley also asked for a detailed review of Mr. West's travel and his retirement party, and that we consider whether and to what extent Mr. West's behavior changed after the Regents' oversight reforms.

The attached report responds to these questions. We have divided it into sections covering Mr. West's (1) portrait; (2) farewell parties and tribute video; (3) travel; (4) non-travel business expenses; and (5) honoraria. (Although you did not specifically request that we examine honoraria, our review led us to this topic.)

We had Mr. West review the voluminous underlying documentation and answer our correspondingly extensive questions. As we explain in more detail in the individual sections of the report, he will reimburse the Smithsonian for a number of payments that he should not have received, totaling over \$9,700. We also had Mr. West review a draft of this report, as we always have the subjects of our audits and reviews do. We carefully considered his comments and responded as appropriate.

At the outset we would like to point out that it is a critical part of any Smithsonian director's job – especially a founding director's – to travel, promote the Institution and his or her museum or research center, build and maintain relationships with important constituencies, and continually develop new funding sources. Thus, it was entirely appropriate that Mr. West traveled extensively. We do not question the need for Mr. West's travel, or the volume of his travel; similarly, we believe it was appropriate for him

to entertain and cultivate donors and potential donors, and for him to devote significant time to his leadership efforts in the national and international museum communities. All these activities were not only integral to his work as Director of NMAI, they also greatly benefitted the entire Smithsonian Institution.

It is in that context that we offer two general observations based on our review: first, Mr. West should have exercised better judgment in spending NMAI's limited resources when it came to his travel and other expenses; and second, the Institution bears much of the responsibility for the issues we identify in our report, because Smithsonian policies in these areas were flawed, and management failed to engage in any meaningful oversight.

The following briefly summarizes the results of our review.

1. *Portrait.* NMAI paid \$48,500 for an oil portrait of Mr. West out of unrestricted trust funds (non-federal money) and, although according to one museum official some donors made specific contributions toward the portrait, we were unable to determine what portion came from specific donations and what portion came from the museum's unrestricted funds. The museum also paid \$2,230 towards the \$17,293 dinner for the unveiling. With the exception of inexpensive photographs of former Zoo Directors, the Smithsonian had never paid for portraits of Museum Directors, although in the past it has paid for portraits of Secretaries.
2. *Farewell Parties and Tribute Video.* NMAI held three farewell events in honor of Mr. West's retirement, two at the Mall museum, and one in Los Angeles. These were also donor appreciation and fundraising events, which raised a total of over \$96,000: over \$45,000 for an NMAI traveling exhibits endowment; over \$25,000 for NMAI's unrestricted trust funds, and almost \$25,000 to underwrite the events themselves. In total, these events cost about \$76,000, of which tickets covered approximately \$25,000, and NMAI unrestricted trust funds (including the unrestricted funds raised by the events) covered approximately \$51,000.

The museum also paid over \$30,000 for an eight-minute video extolling Mr. West's leadership at NMAI. Almost \$25,000 of the total went to pay for the final 60 seconds of the video. More than half the money for the video came from appropriated funds, an allocation management approved on the grounds that the video could be used for training purposes. Although producing the video violated no rules, and did yield archival footage and possibly some material useful for employee training, we do not believe it was a prudent use of NMAI funds, given its cost.

3. *Travel.* Mr. West was the most prodigious traveler at the Institution. His travel was an essential part of his duties and did advance the Smithsonian mission. And

with the exception of the specific instances we describe below, his travel conformed to the rules. However, we did find some problems: (1) improper reimbursements; (2) inadequate documentation; (3) an appearance of lavish entertainment expenses and premium travel; and (4) reimbursement for mixed business and personal international travel that may need to be treated as income to Mr. West. The Institution was largely to blame: even minimal oversight would likely have caught these problems, yet approving officials never questioned Mr. West's travel. For example, approving officials rarely, if ever, reviewed receipts to justify expenses; did not require justifications for exceeding federal per diem limits; and were unfamiliar with some of the travel regulations. And the complexity of Mr. West's travel – which often combined official Smithsonian business, non-Smithsonian professional activities, and personal travel – required special scrutiny. While oversight became more substantial throughout the Institution when governance reforms began in early 2007, we observed no significant changes in the manner of Mr. West's travel or in the oversight of his travel throughout 2007.

4. *Non-travel Expenses.* We found a number of issues with Mr. West's non-travel business expenses, including inadequate contemporaneous documentation of the business purpose of certain meals and lack of detail on certain meal receipts. We also note that Mr. West received reimbursement of his wife's meals as well as meals with other family members without contemporaneous written justification. And while he appropriately cultivated many donors and potential donors over lunch and dinner, he was also reimbursed for a number of meals with advisors and others that could be considered extravagant for a director at a non-profit institution. Mr. West has agreed to reimburse the Smithsonian for two meals with family members that were for legitimate business purposes but created an appearance of impropriety (of using Smithsonian resources for private gain). Finally, we found that there was no effective oversight of Mr. West's non-travel expenses.
5. *Honoraria.* From 2003 through his retirement in 2007, Mr. West personally received at least \$68,500 in honoraria for presenting 24 speeches, as well as \$27,766 in 2006 for serving as a guest professor at the University of Oregon Law School. Retaining honoraria for speeches did not violate Smithsonian policy, and Mr. West obtained the required approvals for almost all of these activities. But we question Smithsonian officials' decisions to allow him to keep honoraria, especially for speeches that had significant content related to Mr. West's responsibilities at the Institution. We have urged the Office of General Counsel to reconsider its policy of allowing employees, particularly executives – whose responsibilities include representing and promoting the Institution – to retain honoraria when speaking on Smithsonian-related topics.

It is regrettable that Mr. West's expenditures were not more in keeping with the prudence demanded of a non-profit leader and, more importantly, that the Institution, because of its anemic oversight, permitted these types of expenditures and errors. However, although Smithsonian policies and oversight were lacking, we note that many of Mr. West's expenditures were not typical of the Smithsonian. For example, as a rule, no museum has paid for a portrait of its Director; the number of days Mr. West spent on travel and the amounts expended on his travel were unmatched in the rest of the Institution; and we found no other Directors who retained honoraria for outside speaking engagements that related to their Smithsonian positions.

At the same time, Mr. West was a beloved and accomplished leader at NMAI, the Smithsonian as a whole, and in the larger museum world. He played a critical role in bringing the NMAI on the Mall into existence; he has been a champion of Native American culture throughout the United States and abroad. His leadership as the founding director and chief fundraiser for NMAI, and his work with the American Association of Museums, the International Council of Museums, and other such bodies advanced the interests of the Institution and the museum world as a whole.

And we are optimistic that the Institution is engaging in greater oversight. The stricter and more publicized rules that grew out of the reforms in 2007 have greatly reduced the risk of such behaviors going undetected. The Institution's Statement of Values and Code of Ethics, which embodies the commitment of the Regents and management to more rigorous stewardship, demands greater prudence and responsibility by all at the Smithsonian. Institution management continues to refine its policies in these areas (for example, the Office of the Under Secretary for Finance and Administration now reviews all executive travel that exceeds certain thresholds), and will be conducting regular reviews of such expenditures to report to the Regents' Audit and Review Committee. In our ongoing audit work on travel oversight, we have seen significant evidence of positive change.

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I would be pleased to answer any of your questions or to discuss this report further.

# 1. PORTRAIT

We reviewed the commissioning of an oil portrait of Mr. West, which now hangs in the NMAI Donor's Lounge. Mr. West chose the artist. The museum paid \$48,500 for the portrait out of unrestricted trust funds (non-federal funds). Although according to one museum official some donors made specific contributions toward the portrait, we were unable to determine what portion came from specific donations and what portion came from the museum's unrestricted funds. The museum also paid \$2,230 towards the \$17,293 dinner for the unveiling. We also found that with the exception of inexpensive photographs of former Zoo Directors, the Smithsonian had not previously paid for portraits of Museum Directors, although it had paid for portraits of Secretaries prior to the 1970's.

## Selection and Contracting of Artist

Sometime in 2002 or 2003 Elizabeth Duggal Taghipour, then NMAI's Director of External Affairs, began a project to commission a portrait of Mr. West. According to Duggal Taghipour, she spoke informally with a few members of the NMAI Board of Trustees who thought that having a portrait of the founding director of the museum was a good idea.<sup>1</sup> She stated that it was never brought to the Board of Trustees as an agenda item. Jill Udall, a consultant to NMAI, assisted in the project.

- Duggal Taghipour and Udall compiled a list of ten to twelve artists (some of whom were suggested by staff at the National Portrait Gallery) and from that compiled a notebook with comparables. NMAI staff was unable to find this notebook, but did find a spreadsheet comparing five finalists. The prices ranged from \$15,000 to \$40,000; however, there is no indication of the size of the portraits on this list, and some prices may have been for smaller-sized portraits than the one commissioned.<sup>2</sup>
- Duggal Taghipour stated that Mr. West selected Burton Silverman of Silverman Studios.
- On February 11, 2004, Mr. West signed a Confirmation of Agreement with Silverman. This agreement indicated that Silverman would produce a 36 x 48 inch oil painting of Mr. West for \$48,500.00.<sup>3</sup> Mr. West signed this agreement without contracting authority and without approval from the Smithsonian Office of Contracting (OCon), not realizing that he needed such authority.
- On May 4, 2004, Duggal Taghipour initiated a requisition to OCon in the amount of \$48,500 and provided a copy of the agreement.<sup>4</sup> OCon files do not contain a list of comparables or a sole source justification. A Contract Negotiator/Attorney then negotiated a contract agreement that Silverman signed on June 4, 2004.

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<sup>1</sup> Duggal Taghipour recalled speaking with Charles Diker and James Block, among others.

<sup>2</sup> Silverman's was the second highest price of the five, \$35,000. He had previously done a portrait of Smithsonian Secretary Adams.

<sup>3</sup> West had previously signed another version of the Agreement (dated January 27, 2004) for a smaller painting, 28 x 36 inches, for the same price. On February 9, 2004 Udall reviewed this signed agreement and pointed out to West that it was inconsistent with Silverman's price list.

<sup>4</sup> The copy of the agreement sent to OCon does not bear Mr. West's signature.

- The portrait has not been accessioned into the NMAI or National Portrait Gallery collections.

### **Funding of Portrait**

NMAI used unrestricted trust monies (801 Fund) to pay for the portrait. According to Duggal Taghipour, this fund included money from some individuals who donated specifically for the portrait but allowed their donations to be listed as unrestricted donations. Consequently, we could not determine how much was donated (or by how many) specifically for the portrait.

### **Dinner for the Unveiling**

On Wednesday, September 14, 2005, the NMAI Board of Trustees, along with Fried, Frank, Harris, Shriver & Jacobson, LLP,<sup>5</sup> hosted a private dinner at NMAI to celebrate the unveiling of Mr. West's portrait. The host speaker was NMAI Trustee Dwight Gourneau. Guest speakers featured at the unveiling and dinner were Senator Daniel K. Inouye; Burt Silverman, artist; James Block, member of the George Gustav Heye Center Board of Directors and former member of NMAI board of Trustees; Richard A. Sauber, Fried, Frank, Harris, Shriver & Jacobson, LLP; and Sheila Burke, Smithsonian Deputy Secretary and Chief Operating Officer. Approximately 106 guests attended. The dinner was also used as an occasion to launch an endowment in West's honor.

- Co-host Fried, Frank agreed to pay for 80 guests (of which 40 were their guests) through a \$15,000 donation for this event.
- The event cost \$17,292.83. The caterer, Ridgewell's Caterers, was paid \$11,148.88 to provide refreshments at a reception from 6:30 p.m. to 7:30 p.m., followed by dinner from 7:30 p.m. to 9:00 p.m. Other costs included \$509.83 for beverages; \$1,595.00 for invitations; \$1,440.00 for floral arrangements; and approximately \$2,600 in security and facility management charges. All costs were paid from trust funds (801 Fund) which included the \$15,000 donated by Fried, Frank specifically for this event, and \$2,292.83 in undesignated trust funds.

### **Portraits of Current and Former Smithsonian Secretaries and Museum Directors**

To our knowledge, there is no Institution policy on commissioning portraits of Directors (or Secretaries). The OIG contacted 27 Smithsonian museums and research centers to determine whether any had commissioned portraits of their Directors. We also contacted the curator of the Smithsonian Institution Building (the Castle) to learn about how the Institution acquired the portraits of former Secretaries that hang in the Regents' Room there. The following table summarizes the results.

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<sup>5</sup> West is a former partner at this law firm.

National Museum of African American History and Culture	No
Cooper-Hewitt, National Design Museum	No
Freer and Sackler Galleries	No
National Air & Space Museum	No
Smithsonian Environmental Research Center	No
Hirshhorn Museum & Sculpture Garden	Promised gift of a Daguerreotype Portrait (8" tall x 6.25" wide) of former Director Jim Demetrios from the artist. Portrait was not commissioned and has not been accessioned into the museum's collection. It is in the storage at the museum.
Smithsonian American Art Museum	No
Smithsonian Institution Building (Castle)	Portraits of former Secretaries are on exhibit in the Regents' Room. These items are on loan from the National Portrait Gallery. See comments below.
National Museum of Natural History	Yes. See comments below.
National Postal Museum	No
National Zoological Park	Yes. Approximately 10 portraits of former directors. See comments below.
National Museum of African Art	No
Anacostia Museum	Photograph portrait of founding Director John Kinard taken by staff.
Smithsonian Libraries	No
Smithsonian Tropical Research Institute	No
National Portrait Gallery	No. NPG does have a portrait of founding director Charles Nagel, as well as of former director Alan Fern. Both were gifts.
National Museum of American History	No

**National Museum of Natural History** – NMNH has four portraits. They are:

1. Spencer Fullerton Baird (Assistant Secretary 1850-1878 and Secretary 1878-1887): marble bust, ca. 1880, accessioned by the Smithsonian American Art Museum (SAAM), gift of the American Museum of Natural History, located in the Baird Ambulatory.
2. Leonhard Stejneger (USNM 1881-1943, Head Curator of Biology 1911-1943): oil portrait, 1936, accessioned by SAAM, gift of Friends of Dr. Stejneger, located in Amphibians and Reptiles Library.
3. Alexander Wetmore (USNM 1925-1978, Secretary 1945-1952, Birds Curator): oil portrait, ca. 1941, purchased at auction for \$70 in 1998 at Weschler's Auction by J. Philip Angle (former Collections Manager in Birds) using personal funds,<sup>6</sup> located in the 6<sup>th</sup> floor corridor, east wing.
4. G. Arthur Cooper (Paleobiology Chair 1963-1967): oil portrait, ca. 1965, paid for by staff member donations, located in the Cooper Room.

<sup>6</sup> It is unclear whether the museum or Angle owns the portrait.

**National Zoological Park** – According to NZP, there are approximately 10 portraits of former directors. There are a few oil paintings predating the Second World War, and the remainders are photographs. The portraits of the last two directors, Michael Robinson and Lucy Spellman, cost about \$55.00 each and were done by a staff photographer.

**Castle** – The two most recent portraits of former Secretaries (Robert McCormick Adams, 1984-1994, and I. Michael Heyman, 1994-1999) were gifts to the Institution. They are on loan from the National Portrait Gallery's (NPG) permanent collection. According to NPG records, the oil on canvas portrait of Secretary Adams was a gift to the Smithsonian in 1994 from the family of Secretary Adams. The portrait was painted by Burton Philip Silverman, the same artist who painted the West portrait. The Heyman portrait is a photograph by Arnold Newman. According to the accession records, it was a gift from the Regents, staff, and friends of the Smithsonian Institution.

The Smithsonian has in the past paid for portraits of some Secretaries, although the accession records are incomplete. For example, in 1961 the Institution paid \$4,000 (approximately \$27,000 in 2006 dollars) for an oil portrait of Secretary Leonard Carmichael (1953-1964), and in 1968 paid \$6,000 (approximately \$35,000 in 2006 dollars) for an oil portrait of S. Dillon Ripley (1974-1984). These and all other Secretarial portraits hang in the Regents' Room and are all part of the National Portrait Gallery's permanent collection.



## 2. FAREWELL PARTIES AND TRIBUTE VIDEO

We reviewed the cost of the parties held in honor of Mr. West's retirement as well as of a video tribute to him. Two of the parties were held at NMAI (a dinner on September 20, 2007 and a reception on October 16, 2007) and one in Los Angeles on October 9, 2007. These events raised a total of \$96,255: \$45,460 for a NMAI traveling exhibits endowment, \$25,845 for NMAI's unrestricted trust funds, and \$24,950 specifically to underwrite the costs of the events. The total cost of the three events was \$76,047.23. NMAI used \$51,097.23 from unrestricted trust funds to help pay for these events, an amount that included the \$25,845 in unrestricted funds raised by the events themselves. We set forth the detailed costs in Appendix 2-A.

In addition, the museum paid \$30,585.56, more than half of which came from federally appropriated funds, to produce an eight-minute video extolling Mr. West's leadership at NMAI. This video premiered at the September 20<sup>th</sup> dinner.

### Farewell Dinner

As part of the Third Anniversary of the NMAI Mall Museum, on Thursday, September 20, 2007 the museum hosted a dinner to honor Mr. West, its Founding Director. The event began with a pre-reception in the Patrons lounge for dinner underwriters and NMAI Board of Trustees members, followed by a general reception on the third-floor overlook where West made brief remarks and dedicated a plaque in honor of the late John L. Colonghi, the first Director of the National Campaign for the NMAI. A sit-down dinner followed for approximately 225 guests in the Potomac Atrium. After dinner, there were remarks by speakers, including the presentation to Mr. West of the Joseph Henry medal on behalf of the Board of Regents, and then an eight-minute film presentation on Mr. West's leadership at NMAI.

- In July 2007 NMAI mailed "save the date" notices to prospective invitees that included a solicitation for gift donations to the W. Richard West Jr. Endowment for Traveling Exhibitions and a solicitation for donations to underwrite the dinner. Subsequent formal invitations included a solicitation for unrestricted contributions to NMAI. Because these notices and invitations did not result in substantial funds to underwrite the dinner, in August 2007 letters were sent to prospective donors specifically requesting donations to cover the costs of the dinner. The three solicitations for the dinner raised a total of \$80,095 (\$35,050 for the Endowment; \$19,200 to underwrite the event; and \$25,845 in unrestricted trust fund donations). The dinner cost a total of \$47,331. Of that amount, \$45,045 came from the underwriting and unrestricted donations and \$2,615 came from the Director's discretionary unrestricted trust fund.<sup>1</sup> None of the money raised for the Endowment was used for this event.
- NMAI received approval from Sheila Burke, Deputy Secretary and Chief Operating Officer, to use unrestricted trust monies (Fund 402) to cover the difference between the underwriting and the final cost of the dinner (\$25,845 of these unrestricted trust monies was raised as a direct result of the mailings for this event). Ordinarily, the Unit Director would be required to approve the use of these funds as well as

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<sup>1</sup> There is currently a balance of \$ 328.83 in unrestricted trust monies, which will be donated to the Endowment after NMAI concludes its review of the funding.

approve the purchase of food and beverages, including alcohol. However, because the event was honoring the Unit Director, the Deputy Secretary authorized official use of 402 funds and employee participation in the event.

### **Reception in Los Angeles**

On Tuesday, October 9, 2007, the museum hosted a farewell reception for 100 at the Autry National Center, Los Angeles, California. The invitation indicated that this was a ticketed event at \$60 per person and included a solicitation for donations to the W. Richard West Jr. Endowment for Traveling Exhibitions. Because the event was designed more as donor cultivation (NMAI members who donate at \$500 and above are provided with at least one event a year with the director, and this event fulfilled that obligation to the members), all monies received as result of the invitation--including ticket sales--were considered donations to the Endowment.

- This reception resulted in \$1,145 in donations to the Endowment. The event cost a total of \$12,116.73, funded entirely by unrestricted trust funds that were budgeted for membership cultivation and development.

### **Reception in Washington, D.C.**

On Tuesday, October 16, 2007 the museum hosted a farewell reception for 110 in the Potomac Atrium at NMAI. This was a ticketed event at \$75 per person. This event was also partially designed to be for donor cultivation; however the ticket sales proceeds for this event were used to offset the costs of the reception. The invitations also included a solicitation for donations to the W. Richard West Jr. Endowment for Traveling Exhibitions.

- This reception resulted in \$9,265 in donations to the Endowment. This event cost a total of \$16,599, of which \$5,750 came from ticket sales and the balance from unrestricted donations that were budgeted for membership cultivation and development.

### **Tribute Video**

NMAI produced a video to mark the end of West's leadership at NMAI. This eight-minute video, which focuses almost exclusively on Mr. West's accomplishments and vision for the future of the museum, premiered at the September 20<sup>th</sup> dinner and has since been shown at other events in which Mr. West has participated.

- Producing the video cost a total of \$30,585.56. The original contract for 8 hours of filming and producing the video was \$13,758.69; however, because of changes in Mr. West's schedule, the contract was modified to two 7-hour days of filming at a total cost of \$24,593.69. The script cost \$3,000, and travel to New York and Oklahoma City to conduct interviews and record the narration cost \$2,991.87. The bulk of the funds (\$24,593) paid for the final 60 seconds of the eight and one-half minute video, which show Mr. West approaching the NMAI exit dressed in a business suit and then emerging from the building in his Cheyenne Chief regalia.<sup>2</sup>

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<sup>2</sup> The last 60 seconds of the video cost so much because the two scenes required a professional film and production company that brought in a film crew and filming equipment, including a large camera boom for the sweeping, elevated shots. Furthermore, because of last-minute changes in Mr. West's schedule, each scene had to be shot on a different day, requiring set up and breakdown each day.

- Of the total cost, \$19,750.56 came from federally appropriated funds and \$10,835 from unrestricted trust funds. The Smithsonian's Office of Planning, Management and Budget approved the use of both federal and trust funds, because the video served two distinct purposes: to train visitor services staff and to honor the Museum's former Director.
- NMAI reduced costs by using existing video footage and NMAI staff to conduct interviews and research that was used in the video. Video documentation of interviews with 16 people that had long histories with NMAI resulted in approximately 3 hours of unedited material on the beginnings of NMAI as well as West's role in development of NMAI. That documented oral history has been archived for researchers and others to use for other media pieces related to the start of NMAI.
- The video has been shown at all three NMAI facilities as part of the new employee orientation program and is used by managers of Visitor Services, Cultural Interpreters and Volunteer Coordination.

### 3. TRAVEL

We reviewed Mr. West's travel expenses from 2003 through 2007. We focused on vouchers submitted for reimbursement during 2006 and 2007, the period shortly before and after the Smithsonian instituted governance reforms to increase oversight of senior executives' travel. (We provide an overview of his travel in that period in Appendix 3-A.)

In April 2007, the Regents directed that all Smithsonian travelers follow federal travel rules, and the Institution phased in its new electronic travel system over the summer of 2007.<sup>1</sup> These measures were intended to improve oversight and fiscal responsibility. In an audit of travel oversight that we are completing,<sup>2</sup> we found that these governance changes did enhance overall oversight and accountability of Smithsonian travel. However, we observed no significant changes in the manner of Mr. West's travel or any significant increase in management oversight of his travel throughout 2007.

We noted several issues: (1) improper reimbursements; (2) inadequate documentation; (3) an appearance of lavish entertainment expenses and premium travel; and (4) reimbursement for mixed business and personal international travel that may need to be treated as income to Mr. West.

#### 1. Improper Reimbursements

We found numerous reimbursements that were improper because they (a) resulted in Mr. West being reimbursed twice for the same expense, (b) violated policy, (c) lacked sufficient documentation, or (d) were claimed erroneously. These improper reimbursements occurred because Institution officials failed to review claims for reimbursement; approving officials lacked knowledge of the regulations; and the documentation sometimes had vague or inaccurate information.

As we describe in more detail below, seven of Mr. West's travel claims associated with sponsored travel resulted in duplicate reimbursements totaling \$6,284.61. We also found one lodging expenditure totaling \$869.40 that was reimbursed without being incurred and ten entertainment and meals and incidental expenses (M&IE) expenditures<sup>3</sup> totaling \$810.45 that were erroneously claimed. In addition, 31 expenditures<sup>4</sup> totaling \$1,379.36 did not conform to regulations. These items total \$9,343.82. Mr. West reviewed these findings and has agreed to reimburse the Smithsonian \$9,062.14.<sup>5</sup>

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<sup>1</sup> The GovTrip system incorporates mechanisms designed to improve oversight and control travel costs if used effectively. We discuss details of the system later in this report.

<sup>2</sup> Audit Report number A-08-02 (forthcoming).

<sup>3</sup> These include two entertainment expenses inadvertently claimed, two entertainment expense overpayments due to administrative errors, four M&IE claims while on other than official travel, one M&IE claim that should have been reduced due to an associated entertainment expense (dinner), and one inadequately supported business expense.

<sup>4</sup> These include 30 laundry/dry cleaning claims while on foreign travel and one rail upgrade to first class.

<sup>5</sup> This amount reflects the total of all improper reimbursements (\$9,343.82) less \$107.68, the amount Mr. West overpaid the NMAI when repaying an airfare reimbursement from Stanford for a December 2006 trip, and less two M&IE claims of \$111 and \$63 that are still being reviewed by Mr. West.

### *(a) Duplicate Reimbursements*

Our review revealed that on seven occasions Mr. West's assistant submitted claims for reimbursement on his behalf, totaling \$6,284.61, to the Smithsonian as well as to another organization for the same travel costs and received reimbursement from both. Mr. West has stated to us that some of these instances were the result of administrative errors because the claims should not have been submitted to the Smithsonian.<sup>6</sup> Further, he stated that he believed the sponsoring organizations were reimbursing the Smithsonian directly.

On most occasions, the non-Smithsonian organization required original receipts for reimbursement, while Smithsonian officials approved travel documents without original receipts. Smithsonian policy requires the submission of proper receipts, but there is no indication that approving officials questioned the absence of such receipts or requested a justification for any missing receipts. Indeed, the Senior Program Officer who had the authority (delegated by the Deputy Secretary and Chief Operating Officer) to approve Mr. West's travel stated that she did not see or require hard-copy vouchers or receipts from travelers, as these documents were kept on file in the individual units' offices.

The seven instances were as follows:

- Mr. West traveled to Palo Alto, CA February 8 to 12, 2004. The travel authorization stated the purpose was for development meetings and did not indicate any leave during the travel or that any portion of the travel was to be reimbursed by non-Smithsonian sources. Mr. West received reimbursement of \$906.20 from the Smithsonian for the full round-trip airfare.

Mr. West attended a Stanford University Board of Trustees meeting in Palo Alto on February 9 and 10. Stanford normally underwrites all travel costs associated with board meetings.<sup>7</sup> (Mr. West receives no compensation for serving on the Stanford Board.) Mr. West's assistant submitted a claim to Stanford for this trip on Smithsonian letterhead that included airfare, lodging, meals, parking, rental car and taxis and asked that payment be directed to Mr. West at his home address. Stanford confirmed that they reimbursed him for travel costs in the amount of \$1,533, including \$900.20 for airfare. There is no record of Mr. West reimbursing the Institution for funds he received from Stanford for the airfare.

Mr. West has agreed to reimburse the Smithsonian the \$900.20.

- Mr. West traveled to Palo Alto, CA February 6 to 8, 2005. The travel authorization stated the purpose was for information meetings and did not indicate any leave during the travel or that any portion of the travel was to be reimbursed by non-

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<sup>6</sup> Administrative staff stated Mr. West's procedures were to submit a Smithsonian claim for all travel with a follow-up claim to the sponsor so he would not have outstanding amounts on his government credit card pending payments from outside organizations, with the understanding he would reimburse the Smithsonian as necessary for duplicate payments. We note that Mr. West rarely signed his travel documents though travel policy required the traveler's signature on all vouchers before they were submitted electronically to approving officials; his administrative staff signed his name throughout most of 2006.

<sup>7</sup> Mr. West often combined Smithsonian business with Stanford meetings and would have the Smithsonian cover all or part of the airfare costs associated with the trip. From 2003 to 2007, he combined 14 out of 20 trips to Stanford board meetings with Smithsonian business. We note that it is not improper to combine Smithsonian and non-Smithsonian business on official travel.

Smithsonian sources. Mr. West received reimbursement of \$1,882.09 from the Smithsonian covering airfare, full per diem, rental car, and taxi.

Mr. West attended a Stanford board meeting in Palo Alto on February 7 and 8. Mr. West's assistant submitted a claim to Stanford for this trip on Smithsonian letterhead that included airfare, lodging, meals, rental car and taxis and asked that payment be directed to Mr. West at his home address. Stanford confirmed that they reimbursed him for travel costs in the amount of \$1,841.55. There is no record of Mr. West reimbursing the Institution for the funds he received from Stanford.

Mr. West stated the Smithsonian was erroneously charged for this trip, which he said was dedicated solely to Stanford business.<sup>8</sup> In April 2005, Mr. West detected this error and directed his assistant to have Stanford reimburse the Smithsonian;<sup>9</sup> however, Stanford sent the reimbursement to Mr. West as always.

Mr. West has agreed to reimburse the Smithsonian the \$1,882.09.

- Mr. West traveled to Los Angeles, San Francisco and Palo Alto, CA October 7 to 12, 2005. The travel authorization stated the purpose was to meet with potential donors and did not indicate any leave during the travel or that any portion of the travel was to be reimbursed by non-Smithsonian sources. Mr. West received reimbursement of \$1,542.87 from the Smithsonian, including airfare of \$519.60.<sup>10</sup>

Mr. West attended a Stanford board meeting in Palo Alto on October 10 and 11. Mr. West's assistant submitted a claim to Stanford for this trip on Smithsonian letterhead on October 12 that included airfare, indicating it was half of the total cost, and asked that payment be directed to Mr. West at his home address. Stanford confirmed that they reimbursed him for travel costs, including \$260 towards airfare. There is no record of Mr. West reimbursing the Institution for funds he received towards his airfare from Stanford.

Mr. West stated this trip combined Smithsonian and Stanford business, thus he intended for each to pay half of the airfare. He has agreed to reimburse the Smithsonian the \$260.

- Mr. West traveled to Palo Alto, CA December 11 to 14, 2005. The travel authorization stated the purpose was to meet with potential donors and did not indicate any leave during the travel or that any portion of the travel was to be reimbursed by non-Smithsonian sources. Mr. West received reimbursement of \$805.65 from the Smithsonian, including roundtrip airfare of \$761.40.

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<sup>8</sup> We note that the airfare was purchased through the Smithsonian travel office and charged to Mr. West's government travel card.

<sup>9</sup> This was the one occasion where a sponsor was directed to reimburse the Smithsonian rather than Mr. West. We note that he personally signed the final Smithsonian travel voucher related to this trip on April 21, the same day his assistant sent the letter to Stanford pointing out she had erroneously filed a Smithsonian claim for expenses.

<sup>10</sup> The receipt attached to the travel claim was for a different traveler and different dates of travel.

Mr. West attended a Stanford board meeting in Palo Alto on December 12 and 13. Mr. West's assistant submitted a claim to Stanford for this trip on Smithsonian letterhead on December 28 that included this airfare, stating it was half of the total cost,<sup>11</sup> and asked that payment be directed to Mr. West at his home address. Stanford confirmed that they reimbursed him for travel costs, including \$260 towards airfare. There is no record of Mr. West reimbursing the Institution for funds he received towards his airfare from Stanford.

Mr. West stated this trip combined Smithsonian and Stanford business, thus he intended for each to pay half of the airfare. He has agreed to reimburse the Smithsonian the \$260.

- In January 2006, Mr. West traveled to Vienna, Austria for a presentation at an IFK<sup>12</sup> meeting. The travel authorization did not indicate any portion of the travel was to be reimbursed by non-Smithsonian sources; however, the travel voucher included an IFK Travel Expense Refund form indicating the travel was partially sponsored.<sup>13</sup>

Mr. West's assistant submitted two travel vouchers for this trip: one for \$4,195.80 for the full amount of the airfare purchased through the Smithsonian travel office, and one for \$1,724.78 for full per diem, taxi and telephone costs.<sup>14</sup> The voucher showed no reduction in the allowable lodging or meals and incidental expenses (M&IE) rate. Mr. West received a reimbursement of \$5,920.58 from the Smithsonian for this trip.

The IFK confirmed they reimbursed Mr. West for travel costs in the amount of €820 (\$992.20) on February 7, 2006. This amount included €530 (\$641.30) for airfare, €180 (\$217.80) towards hotel costs and €110 (\$133.10) for taxis in Vienna. We found no record of Mr. West reimbursing the Institution for the funds he received from the IFK.

Mr. West confirmed that he received a wire transfer of \$927.10<sup>15</sup> for travel costs from the IFK, stating his routine practice was to then reimburse the Smithsonian, but he could find no record of the reimbursement. He has agreed to reimburse the Smithsonian \$917.10.

- Mr. West traveled to Palo Alto, CA and Manhattan, NY February 8 to 10, 2006. The travel authorization stated the purpose of the trip was to attend a George

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<sup>11</sup> The total airfare for the trip was \$761.40, according to the passenger receipt submitted.

<sup>12</sup> International Research Center for Cultural Studies (Germany).

<sup>13</sup> The form was signed W. Richard West by his assistant and certified the traveler would not seek reimbursement of the travel costs from another source or institution. IFK had initially made his air and hotel arrangements, but Mr. West advised IFK via email that he would prefer to make his own travel arrangements and asked if they could instead provide a cash reimbursement for costs they would cover.

<sup>14</sup> We note the IFK requested original receipts for reimbursement, and this corresponding travel voucher is one of the ones that cannot be located by the unit. In addition, the voucher for airfare only has a copy of the passenger receipt.

<sup>15</sup> This amount differs from the amount IFK provided to us; however, Mr. West provided a copy of his bank statement showing an incoming wire in the amount of \$927.10 and a wire transfer fee of \$10. We have no explanation for the discrepancy.

Gustav Heye Center board meeting and dinner in New York, but stated no purpose for the travel to Palo Alto.<sup>16</sup>

Mr. West spoke at Stanford University in Palo Alto on February 8 and received an honorarium for his presentation, which was meant to cover his travel and other expenses.<sup>17</sup> Mr. West's assistant filed four travel vouchers for this trip and the Smithsonian reimbursed him for all his expenses, including those incurred while in Palo Alto.

Mr. West stated that several administrative errors occurred with this travel and that no Palo Alto expenses should have been charged to the Smithsonian. He had charged the ticket to Palo Alto on his personal credit card and intended to submit only the New York portion of the trip for reimbursement. He has agreed to reimburse the Smithsonian for all expenses associated with the Palo Alto travel, totaling \$1,048.62.<sup>18</sup>

- Mr. West traveled to Palo Alto, CA on April 9 to 12, 2006. The travel authorization stated the purpose of the trip was to meet with donors and did not indicate any leave during the travel or that any portion of the travel was to be reimbursed by non-Smithsonian sources. Mr. West's assistant submitted a claim of \$1,016.60 and received that amount in reimbursement from the Smithsonian, the amount of the roundtrip airfare.

Mr. West attended a Stanford board meeting in Palo Alto on April 10 and 11. Mr. West's assistant submitted a claim to Stanford for this trip on Smithsonian letterhead on April 12 that included this airfare and asked that payment be directed to Mr. West at his home address. Stanford confirmed that they reimbursed him for all travel costs, including airfare of \$1,008.60.<sup>19</sup> There is no record of Mr. West reimbursing the Institution for funds he received from Stanford.

Mr. West stated this trip was solely for a Stanford board meeting with no Smithsonian-related purpose and that the airfare was submitted for reimbursement to the Smithsonian without his knowledge and contrary to his intentions. Mr. West has agreed to reimburse the Smithsonian \$1,016.60.

### *(b) Claims and Reimbursements that Violated Policy*

The Federal Travel Regulation (FTR) prohibits the use of premium-class service on common carrier transportation unless specifically authorized or obtained at the employee's own expense. It also prohibits employees from accepting payments from a non-federal source without prior approval. Smithsonian travel policy states that all requests for premium travel must be accompanied by a written explanation justifying the expense and a

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<sup>16</sup> We note that this travel was approved by management and reimbursed even though there was no explanation provided for the travel to Palo Alto and no receipt provided for the airfare related to this travel.

<sup>17</sup> We discuss this activity in detail in Section 5 of this review. It was understood that travel involving honoraria that Mr. West would keep would not be Smithsonian business and would be done on his own time. He received \$2,000 for the presentation; his travel expenses were \$1,048.62.

<sup>18</sup> This amount includes airfare (\$673.61); taxi (\$70); hotel (\$219); hotel tax (\$22.01); and M&IE (\$64).

<sup>19</sup> Stanford reimbursed Mr. West the cost of the airfare less the \$8 fee imposed by the government travel office.



notation on the travel authorization. Smithsonian policy also requires approval for all situations where expense reimbursements are expected, identifying the proposed source.

- Mr. West traveled to Newark, NJ March 22 and 23, 2006 via rail to lecture at Seton Hall University on Smithsonian business. His travel documents did not indicate any portion of the travel was to be reimbursed. His assistant submitted a travel claim to the Smithsonian on March 29 that included \$165 for rail fare, providing just his boarding passes as a receipt. The boarding passes showed rail fare of \$290 plus an accommodations charge of \$165 for an upgrade to first class.<sup>20</sup> Mr. West then submitted a personal invoice to Seton Hall on April 6 that included the actual rail fare of \$290, attaching the Smithsonian-purchased passenger receipt. (In other words, Seton Hall paid the base fare, and the Smithsonian paid for the upgrade.) There is no record that Smithsonian officials approved premium rail travel for this trip, or that Mr. West notified the Smithsonian about accepting the payment from the non-federal source.

Mr. West has agreed to reimburse the Smithsonian \$165 for the upgrade to first class.

The FTR allows separate claims for laundry and dry cleaning expenses on domestic travel that lasts a minimum of four consecutive nights. However, separate claims for laundry and dry cleaning expenses while on foreign travel are not allowed, as the foreign per diem rate includes such incidental expenses.

- From 2005-2007, Mr. West's assistant submitted 30 separate claims for his laundry and dry cleaning expenses while on foreign travel and he received reimbursements totaling \$1,214.36. The approving official was not aware that the regulation did not permit such claims, and there is no indication that she sought advice prior to approving them.

Mr. West noted that he too was unaware of this regulation and that no one had brought this issue to his attention previously. He has agreed to reimburse the Smithsonian \$1,214.36 for these expenses.

The FTR requires travelers to use their government-issued travel charge card for all official travel expenses unless they have obtained an exemption. Smithsonian travel policy also requires all employees to use their Smithsonian-issued travel card for expenses<sup>21</sup> associated with official Smithsonian travel unless they obtain an exemption from the Chief Financial Officer (CFO).

However, it is unclear whether the Institution ever enforced the policy regarding mandatory use of government-issued travel cards. Thus, although Mr. West used personal charge cards for the majority (75%) of his travel expenses, including lodging, and he did not request an exemption from using his travel card, we offer no recommendations regarding his failure to use his travel card.

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<sup>20</sup> Mr. West stated that this occurred due to an administrative error and that he had placed the charges for the upgrade on his personal credit card with no intention of seeking reimbursement for the upgrade.

<sup>21</sup> We note, however, that Smithsonian policy in effect from February 7, 2003 to May 22, 2007 prohibited travelers from using travel cards for entertainment expenses, even while on travel.

### *(c) Claims and Reimbursements Lacking Supporting Documentation or Receipts*

During 2006 and early 2007, Mr. West received reimbursement for 11 travel expenditures totaling \$17,620.76 that had no supporting documentation whatsoever, primarily transportation expenses.<sup>22</sup>

For example, approving officials approved the following reimbursements without adequate documentation:

- Six airfare claims that had no ticket receipt, itinerary, or cost attached
- One airfare claim for \$4,228.40 accompanied only by an itinerary for \$823.40<sup>23</sup>
- One claim for a rail ticket accompanied only by an itinerary with estimated costs
- Three sedan service claims accompanied only by reservations with estimated costs

After the Smithsonian instituted governance reforms to increase the oversight of senior executives' travel and expenditures in April 2007, directing that reimbursements be denied for inadequately documented expenditures, approving officials still failed to review vouchers properly. We found three travel claims totaling \$1,272.40 that were approved for reimbursement without required receipts or documentation, one resulting in an improper reimbursement of costs that Mr. West had not incurred:

- June 2, 2007 travel to Venice: A travel voucher was approved for 6 nights' lodging at \$869.40 per night accompanied by an invoice for 5 nights' lodging. A proper review of this travel claim would have revealed this error.<sup>24</sup>
- July 16, 2007 travel to New York: A travel voucher was approved supported only by an Amtrak reservation with an estimated fare of \$262.
- July 31, 2007 travel to New York: A travel voucher was approved supported only by an Amtrak reservation with an estimated fare of \$141.

While these expenditures were approved for reimbursement without the proper documentation, they were for costs incurred pursuant to approved official travel and were in furtherance of the Institution's mission; thus, we do not believe reimbursement for these expenses is necessary, with the exception of the additional night's lodging in Venice. Mr. West has agreed to reimburse the Smithsonian \$869.40 for this additional lodging charge.

### *(d) Erroneously Claimed Expenses*

We found that Mr. West received reimbursement for several travel-related M&IE and entertainment expenditures that were erroneously claimed, largely because of administrative errors.

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<sup>22</sup> Travel policy requires receipts for all lodging and for all expenses over \$75, as well as an explanation for the approving official to approve when receipts cannot be provided. There were no explanations provided for the following missing receipts: \$16,922.27 (airfare), \$282 (rail fare), and \$416.49 (sedan services). We note the approving official approved these claims for reimbursement without the required receipts or an explanation.

<sup>23</sup> The ticket did cost \$4,228.40; the approving official did not question the inaccurate amount on the itinerary.

<sup>24</sup> We note this was Mr. West's last travel claim processed in the old travel management system (TMS) and was likely approved electronically without any review of the hard copy voucher or supporting receipts.

- Mr. West traveled to Peru on June 24 to July 3, 2004 and claimed a dinner in the amount of \$95 as a business expense. The receipt submitted supporting this claim showed the cost of the dinner was \$35, resulting in an overpayment of \$60.<sup>25</sup> He has agreed to reimburse the Smithsonian \$60 for this overpayment.
- Mr. West traveled to Santa Fe, NM and Durango, CO on July 7 to 12, 2004 and claimed two dinners on his travel voucher as business expenses. He stated that he had two dinners with the same donors in close sequence and only intended to claim one, but his assistant mistakenly claimed both. He has agreed to reimburse the Smithsonian \$146.45 for the dinner that should not have been claimed as a business expense.
- Mr. West traveled to Oklahoma City, OK and Denver, CO on November 18 to 20, 2005 and claimed a breakfast in the amount of \$100<sup>26</sup> as a business expense. The receipt submitted supporting this claim showed the cost of the breakfast was \$48.94, resulting in an overpayment of \$51.06. He has agreed to reimburse the Smithsonian \$51.06 for this overpayment.
- Mr. West traveled to Australia on August 7 to 22, 2006 and claimed a lunch in the amount of \$138.19 as a business expense. He stated that this lunch was mistakenly claimed by his assistant and has agreed to reimburse the Smithsonian \$138.19.
- Mr. West traveled to Paris, France from February 2 to 8, 2007 and claimed a dinner on February 3 in the amount of \$209.30 as a business expense. He also claimed full M&IE of \$156 on that day, resulting in an overpayment of per diem in the amount of \$63.<sup>27</sup> We believe Mr. West should reimburse the Smithsonian this \$63.
- Mr. West traveled to Australia, New Zealand, and France from February 28 to March 21, 2007. His travel documents stated he would be on personal leave March 8 through March 14; however, he claimed M&IE of \$111 on March 8. We believe Mr. West should reimburse the Smithsonian this \$111.
- Mr. West traveled to San Francisco, CA from October 12 to 16, 2007, combining a Stanford University Law School reunion with a donor cultivation meeting. He was reimbursed for an improper M&IE claim in the amount of \$64 on this trip, as his official travel day for business should have been October 14, and he received full per diem that day as well as travel per diem on October 12. He has agreed to reimburse the Smithsonian \$64 for this improper claim.

Nearly a third of Mr. West's travel mixed official Smithsonian business with outside activities, resulting in complex travel documents that required close scrutiny and strong internal controls. The weaknesses previously mentioned illustrating inadequate oversight

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<sup>25</sup> This error occurred on account of the currency conversion; Mr. West's assistant penciled in the correct U.S. dollar amount on the receipt but then mistakenly entered the foreign currency amount on the voucher.

<sup>26</sup> Mr. West's assistant entered the total amount authorized on the travel authorization for entertainment expenses instead of the actual cost he incurred.

<sup>27</sup> Full M&IE in Paris included allowances for breakfast (\$23); lunch (\$39); dinner (\$63); and incidentals (\$31).

by approving officials and resulting in these improper reimbursements undermine our confidence that approved expenses were always reasonable and appropriately justified. In addition to the occasions discussed above that combined Smithsonian travel with other organizations' activities and resulted in duplicate reimbursements, we found incomplete or inaccurate information in other travel documents, as well as questionable reimbursements, again often the result of administrative error and overlooked by approving officials.

- During September and October 2006, Mr. West traveled to Eugene, Oregon for an extended assignment as a guest professor at the University of Oregon. His supervisor orally approved this extended visit as a paid outside activity,<sup>28</sup> and he received a salary of \$27,766 for his work there while continuing to be paid by the Smithsonian.<sup>29</sup>

Mr. West's travel expenses were to be paid by the University; however, because he went on some Smithsonian travel during the assignment and the trip concluded with sponsored travel paid for by the National Parks and Conservation Association, the related travel claims are complicated.<sup>30</sup> The Smithsonian paid \$3,034.90 in air travel for the entire trip, including the airfare to Oregon, and the University was to reimburse the Smithsonian \$265.60. In addition, Mr. West was erroneously reimbursed for \$44 in M&IE on September 18 while he was on assignment in Oregon. He has agreed to reimburse the Smithsonian \$44 for this improper claim.

- From January 17 to 22, 2007, Mr. West traveled to Omaha, NE and Chicago, IL. The travel authorization stated the purpose of the travel was to deliver a presentation on the NMAI at the Omaha Opera and to visit the Field Museum.

Mr. West spoke at the Omaha Opera on January 17. His supervisor and the Office of General Counsel approved his speech as a paid outside activity, and he received an honorarium for his presentation.<sup>31</sup>

Mr. West was reimbursed \$36.75 for M&IE on January 17 while traveling to Omaha. This per diem claim related to the speaking engagement in Omaha should not have been paid by the Smithsonian since it was not official business but instead a paid outside activity for which Mr. West kept the honorarium. He then received full M&IE of \$64 on January 18 in Chicago, which should have been his travel day on official business at a rate of \$48, resulting in an overpayment of \$16. He has agreed to reimburse the Smithsonian \$52.75 for these overpayments.

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<sup>28</sup> There is no documentation of this approval.

<sup>29</sup> Mr. West presented several major addresses on the development and work of the NMAI while on this assignment.

<sup>30</sup> We note that the travel office encouraged Mr. West not to submit the University of Oregon sponsored airfare on a Smithsonian travel voucher because it complicated the reimbursement process; however, Mr. West directed his assistant to do so to avoid any lag time in reimbursement.

<sup>31</sup> We discuss Mr. West's honoraria in Section 5 of this review.

## **2. Inadequate Documentation**

### *Lack of Documentation for Travel on Actual Expenses*

The Federal Travel Regulation allows travel on actual expenses, rather than per diem, and Smithsonian travel policy states that actual expenses are allowed if authorized in advance and justified in writing. Essentially all of Mr. West's lodging was on actual expenses, rather than being limited to federal per diem rates; however, his travel authorizations rarely included adequate justification, and approving officials did not follow travel policy and require a written explanation justifying actual expenses.<sup>32</sup>

The approving official for Mr. West's travel documents acknowledged she was responsible for "determining if actual expenses were justified" but stated "at the time I began approving travel in this office (2001) it had been customary (per word of mouth) to approve actuals for directors if they requested it." She said she would call the staff preparing the paperwork if she had questions, but the executives she approved travel for were not required to justify the need to travel on actual expenses.

There is no evidence that travel authorizations for executives were handled any differently immediately following the governance reforms in April 2007; travel documents prepared between that date and the implementation of GovTrip still lacked written justification where actual expenses had been authorized, and approving officials stated they still "did not receive written justification separate from the [TMS] request."

The new electronic travel system implemented in the summer of 2007, GovTrip, automatically flags all requests for actual expenses, requiring the preparer to enter a written explanation supporting the request. Approving officials cannot electronically approve the document unless this entry has been made, and since its implementation, justifications have been recorded. In addition, the Smithsonian updated the travel policy on June 22, 2007, reiterating that actual expenses must be authorized in advance and supported by an acceptable explanation; however, we question whether the justifications provided and accepted are adequate.<sup>33</sup>

### *Occasional Vague or Inaccurate Purpose and Details Provided for Travel*

Travel authorizations cited vague reasons for travel and at times failed to identify sponsored travel. Authorizations related to conferences and presentations were generally more detailed, citing the conference or the audience for the presentation. The information in the travel authorizations became more comprehensive in mid-2006, in that they more clearly identified details regarding the purpose of the trip, whether it involved sponsored travel, and if there was personal leave associated with it.

While Smithsonian travel policy does not specify how much information is required on a travel authorization, it does state that the person initiating the authorization should have

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<sup>32</sup> The new electronic travel system, GovTrip, flags unusual circumstances such as actual expenses, and now approving officials cannot process a voucher for payment unless a justification is entered. However, the previous Travel Management System (TMS) lacked this feature, so travel could be processed and approved without documented justifications.

<sup>33</sup> We address this issue in our forthcoming audit of travel oversight and have also alerted management about our concerns in a separate Management Advisory.

full knowledge of the proposed travel. Moreover, because officials approve travel based on the rationale and information provided in the request, approving a travel request consisting of vague language or inaccurate information is not effective oversight. There is no indication that approving officials ever questioned Mr. West's travel requests.

Two of the trips we discussed previously involving improper reimbursements were a result of travel authorizations being approved with vague or inaccurate information: Mr. West's February 8 to 10, 2006 trip to Palo Alto, CA and Manhattan and his April 9 to 12, 2006 trip to Palo Alto.

### *Inadequate Contemporaneous Documentation for Business Purpose of Expenses*

We reviewed Mr. West's travel-related entertainment expenses from 2003 to 2007, focusing on 2006 and 2007. Mr. West's 1990 employment contract provided for a "business and representation fund":<sup>34</sup>

*This fund will be available to finance any miscellaneous expenses that you may deem to be advantageous to the successful conduct of the Museum's business, such as donor entertainment expenses or club memberships.*

In reviewing Mr. West's expenses, we looked to Internal Revenue Service rules regarding business expenses and the fiduciary obligations of the Smithsonian. As a trust instrumentality of the United States and as a charitable organization under the Internal Revenue Code, the Smithsonian must ensure that expenditures on behalf of the Institution are reasonable. The expenses also must be properly documented; be for a Smithsonian purpose; and not be lavish or extravagant.

Because the Smithsonian's travel policy meets IRS accountable plan rules,<sup>35</sup> we focused our analysis on those 2006-2007 transactions we identified as inadequately supported and whether those expense transactions met the requirements of the accountable plan rule. When particular expenses do not meet accountable plan requirements, then those expenses must be reported as taxable income.

Not surprisingly, given that fundraising was a critical component of Mr. West's duties, approximately half of Mr. West's travel vouchers included claims for entertainment or representational expenses. Slightly over half of the receipts he submitted for reimbursement did not have adequate support in that he often only provided the names of the persons present, not specific information regarding the nature of the business discussed; therefore, they lacked a full statement of business purpose.<sup>36</sup> We note that Smithsonian policy and practice through most of our review period did not touch on such matters, and approvers did not ask for such information.

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<sup>34</sup> The contract provided for \$5,000 per year for such expenses. We were unable to locate any written or other official change in that amount over Mr. West's 17-year employment period.

<sup>35</sup> Under IRS rules, for business expenses reimbursed by an employer to be excluded from the employee's taxable income, they must be reimbursed under an arrangement that is an "accountable plan." Treas. Reg. § 1.62-2. To be an accountable plan, the expenses arrangement must meet three requirements: a business connection, proper substantiation, and return of any excess advance payments. Treas. Reg. § 1.62-2(c)(2)(i).

<sup>36</sup> Under IRS rules, adequate records for entertainment expenses must include documentation of the amount, time, place, business, purpose, and business relationship of the person entertained. Tr. Reg. § 1.274-5T(a)-(c).

The Smithsonian reimbursed Mr. West a total of \$12,683.63 for the 44 travel-related entertainment and representational expense claims he submitted in 2006 and 2007. Our initial review found that 26 (or 60%) of these expenses, totaling \$5,935.05, were inadequately supported, meaning that they had receipts but often lacked the name of the parties entertained or the business purpose of the meeting.

We asked Mr. West to examine these expense receipts, and he provided information that adequately supported all but three of the expenditures. As previously mentioned, Mr. West stated that on two occasions, he inadvertently submitted receipts that were for personal meals and will reimburse the Smithsonian for those amounts (\$138.19 and \$146.45). On the third occasion, Mr. West submitted a beverage receipt in the amount of \$80 but cannot recall the parties present; therefore we consider this an inadequately supported business expense. Mr. West has agreed to reimburse the Smithsonian \$80. We do not believe reimbursement for the remaining expenses is necessary.

### **3. Premium Travel and Appearance of Lavish Expenses**

Mr. West's travel expenditures, including entertainment, were governed by applicable law, his employment agreement, Smithsonian policies regarding the expenditure of trust funds, and his fiduciary duty as an official of a nonprofit organization.

The Federal Travel Regulation requires travelers to exercise the same care in incurring expenses that a prudent person would exercise if traveling on personal business. While the majority of Mr. West's expenditures did not violate policy, and he received nominal approval for them, we question whether they were always in keeping with his fiduciary obligation to the Smithsonian. For example, Mr. West always used actual expenses for his lodging,<sup>37</sup> and his hotel charges exceeded federal per diem rates 80 percent of the time.<sup>38</sup> These practices did not violate the rules, but they may not always have been appropriate.

Much of the responsibility rests with Smithsonian management, which did not enforce or monitor compliance with its policies and thereby condoned his expenditures, some of which had the appearance of being excessive.

#### ***Hotel Accommodations***

The criteria for traveling on actual expenses rather than being limited to federal per diem rates are so loose as to be almost meaningless. Smithsonian policy, which is virtually identical to the FTR, states: "[a]ctual expenses may... be warranted because of mission requirements or any other reason approved by SI." In June 2007, Smithsonian revised the travel policy to read "actual expenses must be... supported by an acceptable explanation," but we found no evidence that approving officials required such explanations or questioned the frequency of Mr. West's need to travel on actual expenses.

In 2006, Mr. West's lodging expenditures exceeded the government lodging per diem rate by 10%-162%. For 2007, we reviewed the period before and after Senator Grassley's

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<sup>37</sup> He only claimed M&IE reimbursements within the federal per diem limits, but we note that he also received reimbursements for representational expenses, including meals, separately from his travel reimbursements.

<sup>38</sup> The Washington Post erroneously reported that expenses for New York trips often ran more than \$1,000 a night. We found that, on the twelve trips to New York in the review period, the highest lodging expenditure was \$559 per night, approximately 98% over the per diem rate of \$282.



February 21 letter to the Chancellor regarding former Secretary Small's travel expenditures and the period after June 2007 when the Smithsonian instituted governance reforms to increase oversight of senior executives' travel.

Mr. West's use of actual expenses rather than per diem did not change significantly in 2007. During January and February, each of Mr. West's five overnight trips exceeded the government lodging rate from 36%-160%, although they did not exceed the 300% per diem ceiling. In March and April, his lodging charges exceeded the government rate from 32%-74% at all but one of the many locations he visited those months. After the Smithsonian instituted governance reforms, 80 percent of Mr. West's lodging expenses exceeded per diem by 50%-140%.

Those locations where he substantially exceeded per diem included Venice, Vienna, Paris, and Florence, which are undeniably expensive, but we note he stayed in 4-star and 5-star accommodations at these locations. Mr. West preferred to stay in Starwood properties to accumulate points, which would allow him to upgrade his accommodations.<sup>39</sup> His stay in Venice in 2007 cost over \$1,000 a night for hotel and M&IE, and we see no justification for this level of accommodation. Mr. West stated these accommodations allowed him to host two social events in his room which would have cost more in rented hotel space. (We list examples of his 2006 and 2007 lodging expenses in Appendix 3-A.)

#### *Air and Rail Transportation*

With one minor exception,<sup>40</sup> Mr. West's air and rail transportation conformed to policies and regulations. He did insist on flying on United Airlines for his mileage program benefits whether it was the contract carrier or not. The Travel Office was generally able to accommodate his requests to fly on United with rare exceptions. He often used his frequent flyer miles to obtain upgrades at his own expense. The Smithsonian did not pay for any first-class airfares. Any business class air travel he took was for foreign travel and in compliance with travel regulations.

#### *Sedan Services*

Mr. West did use sedan services while traveling, and all of these expenses were authorized and did not appear to be excessive. He used them primarily for transportation to and from the airports while traveling and had negotiated a rate with a company who handled his services at most locations that was comparable to other forms of transportation. We noted a substantial decline in the use of sedan services during 2007.

#### *Entertainment and Representational Expenses*

As noted earlier, approximately half of Mr. West's travel included claims for entertainment or representational expenses, which was appropriate given how important fundraising was in his position. He submitted a total of \$7,662 in entertainment expenses associated with

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<sup>39</sup> In addition, his preferred membership also allowed him to obtain reduced room rates; however these rates were still often above the per diem rate for the location. On one trip to Paris, he incurred a charge of \$510 a night and claimed just \$390 per night, which still exceeded per diem by 32%.

<sup>40</sup> As noted earlier, we found one instance of premium rail travel due to an administrative error that violated policy, his March 2006 travel to Seton Hall University in Newark, NJ via the Acela Express. Mr. West has agreed to reimburse the Smithsonian for his first-class expense.



travel in 2006 and a total of \$6,094 in entertainment expenses associated with travel in 2007.<sup>41</sup>

Mr. West's employment contract provided a business fund for donor cultivation, and as a director, he had overall responsibility for fundraising for his museum. Further, one of his performance objectives was to demonstrate that he devoted at least 50 percent of his time to fundraising. The total amount of private support raised during his tenure from 1990 through 2007 exceeded \$155 million.

The policy on the use of trust funds for representational expenses issued by the Office of Planning, Management and Budget (OPMB) allows for discretionary funds to be used for "social events and other supporting activities associated with raising funds and donor cultivation." Smithsonian policy authorizes the use of trust funds to purchase meals, light refreshments and alcoholic beverages when they are a component of a fundraising activity.

Governance reforms instituted in April 2007 directed that representational funds only be expended for "reasonable expenses" and not for "expenses that are lavish or excessive." Our review did not find that Mr. West's entertainment expenditures associated with travel were excessive, given the status and level of donors he was cultivating, although they were certainly costly. It was difficult to determine the average cost of meals as receipts often did not provide the number in the party, but the information later provided to support the business purpose of the expenditures indicated that costs appeared to be reasonable.

#### **4. Combined International Business and Personal Travel**

Our review of Mr. West's international travel revealed that the Smithsonian's reimbursement of Mr. West's travel expenses on international trips that combined official business and personal vacation may have tax implications. Under Internal Revenue Service (IRS) rules, tax liability may result when an individual travels outside the United States for business but spends a portion of the trip on personal activities. 26 U.S.C. § 274(c); 26 C.F.R. § 1.274-4. Because of the complexities of tax law governing such circumstances, we hired outside counsel to review four such trips. Based on that counsel's advice, we are recommending that the Smithsonian Office of General Counsel closely examine two of these trips that the Smithsonian paid for and issue revised tax forms as appropriate showing the amounts allocable to his vacation time as taxable income. Specifically, the Institution should closely review his August 7 to 22, 2006 trip to Australia and his March 4 to 17, 2007 trip to Australia and New Zealand. We note that the Institution did not pay for his lodging or other expenses during the time he was on vacation on these two trips.

We set forth our detailed analysis in Appendix 3-B.

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<sup>41</sup> Mr. West only worked 11 months in 2007 due to his retirement.

## 4. NON-TRAVEL EXPENSES

We reviewed Mr. West's non-travel business expenses paid from 2003 through 2007. In that period, Mr. West submitted 98 vouchers for reimbursement for a total cost of \$18,091.52.<sup>1</sup> The majority of the vouchers (82) were for meals. None of these expenses were paid for with federal funds.

### Reimbursements for Meals

Mr. West's 1990 employment contract provided for a "business and representation fund:"<sup>2</sup>

This fund will be available to finance any miscellaneous expenses that you may deem to be advantageous to the successful conduct of the Museum's business, such as donor entertainment expenses or club memberships.

From 2003 through 2007 West submitted 82 vouchers for meals with donors and others at a total cost of \$17,331.46 (see Appendix 4-A).

2003:	22 meals for total cost of \$ 4,503.32
2004:	26 meals for total cost of \$ 5,191.31
2005:	11 meals for total cost of \$ 2,009.92
2006:	17 meals for total cost of \$ 4,680.61
2007:	6 meals for total cost of \$ 946.30

The business purposes of these meals fell into three different categories: 33 were with donors; 27 were with advisors; and 22 were for other business purposes. Although these expenses did not violate any rules or policies, we found areas of concern: (1) inadequate contemporaneous documentation of the business purpose of certain meals; (2) lack of detail on certain meal receipts; (3) reimbursement of Mr. West's wife's costs at meals without contemporaneous written justification; (4) reimbursement of meal expenses for other members of Mr. West's family; and (5) extravagant meal expenses. We also found there was essentially no oversight of these expenses, as his vouchers were signed by his subordinates (which was permitted under Smithsonian procedures) and, to our knowledge, were never reviewed by anyone outside NMAI.

### 1. Inadequate Contemporaneous Documentation of Business Purpose

Slightly more than half of the vouchers he submitted (43) did not have adequate support in that they lacked a statement of the business purpose on the receipt or the voucher.<sup>3</sup> This problem diminished considerably through 2006, and all the vouchers in 2007 stated a business purpose for the meal. In May 2008, Mr. West examined the vouchers from 2004 through 2007 that lacked adequate support (at that time the petty cash vouchers for 2003

<sup>1</sup> We found one receipt for \$219.40 for a dinner on November 6, 2006, but could not find either a voucher or a charge associated with it. Accordingly, because the Smithsonian did not pay for the expense, we did not include this receipt in the analysis.

<sup>2</sup> The contract provides for \$5,000 per year for such expenses. We were unable to find any written or other official change in that amount over the 17-year period of Mr. West's employment.

<sup>3</sup> Under IRS rules, adequate records for entertainment expenses that the employer reimburses and does not treat as income to the employee must include documentation of the amount, time, place, business purpose, and business relationship to the person entertained. Treas. Reg. § 1.274-5T(a)-(c).

were unavailable) and he clarified the business purpose or further identified the person entertained for all of those occasions.

## 2. Lack of Detailed Meal Receipts

Mr. West submitted vouchers for 43 meals with no detailed receipt of the meal (i.e. only the final charge receipt is attached), for a total of \$ 9,296.25, and mostly in 2003 through 2005. Because of the lack of a detailed receipt or itemization of costs on the justification form, in many instances we could not determine how many parties were covered by the charge (and therefore how much the per-person cost was).

## 3. Reimbursements of Mrs. West's Meals

Vouchers, receipts or subsequent identification by Mr. West indicate a total of 36 meals where Mr. West's wife was present. Only one of those had the amount claimed reduced for her meal. We estimate the total cost of her portion of the meals that were claimed to be \$2,795.30 (an average of \$77.65 per meal).<sup>4</sup> Deriving a more accurate estimate is further complicated because on some occasions we cannot determine whether the amount claimed was for the entire party, for just Mr. West, or for Mr. West and his wife.

Smithsonian policy on reimbursing costs for spouses is not clear. On August 9, 2007, the Associate Director of the Office of Planning, Management and Budget (OPMB) responded to an inquiry from NMAI about including a spouse at an official dinner (this response was included with the justification for dinner with two major donors and Mr. West's wife on July 19, 2007). OPMB stated that spouses can be included when an event is at a personal residence and the spouse purchased, prepared and served food, or when the spouse is volunteering and has a direct business role in the event (as any involved volunteer). OPMB stated that at restaurants, in lack of clear policy,<sup>5</sup> a spouse should not be included unless the spouse's presence is critical to the cultivation of one or more donors, in which case there should be advance written approval from Deputy Secretary.<sup>6</sup> We were unable to find any documentation of this policy, other than in this email. We were also unable to find any other pertinent policies. We note that fundraising efforts at the Smithsonian and elsewhere often include spouses.

## 4. Reimbursement for Meals with Other Family Members

On two occasions, Mr. West received reimbursements for dinners that included his brother, Jim West. Jim West is president of Futures for Children, a non-profit organization that assists in locating mentors for Native American youth. There was insufficient contemporaneous documentation of the business purpose of these dinners. Mr. West responded to our inquiry about their business purpose by explaining that, on the first occasion, he was advising Futures for Children with respect to its development activities and operations, and on the second occasion he was updating Futures for Children on continuing development of NMAI; expressing the gratitude of the Museum for their continuing and significant advertising in the NMAI quarterly membership publication; and

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<sup>4</sup> We derived this estimate by dividing the total bill by the estimated number in the party.

<sup>5</sup> OPMB is still drafting a Smithsonian Directive to address role of spouses and other individuals in fundraising events, but the policy is combined with other issues and may require approval from the Board of Regents.

<sup>6</sup> We found no evidence that the Deputy Secretary approved the reimbursement of Mrs. West's meals.

discussing the planned honoring of a supporter of Futures for Children and Trustee of NMAI.

While these dinners superficially qualify as legitimate business meals, they do not appear to have been prudent. They give the appearance that Mr. West received a private benefit from using Institution resources: expensive dinners with his family (\$270 and \$410, the latter for Mr. West, his brother, and their wives) at Smithsonian expense. Mr. West has agreed to reimburse the Smithsonian for the \$680.

#### **5. Meals that Appeared Lavish**

Approximately 11 of the 82 meals submitted for reimbursement cost more than \$100 per person. For seven of these meals, there was no detailed receipt, so we calculated cost per person by dividing the total bill by the number of persons present. Five of these meals were with donors, two were with advisors, and four were for other business purposes.

While it is appropriate to be generous with donors and potential donors, we question whether such lavish meals with advisors and others are in the best interests of the Institution.

#### **Other Petty Cash Reimbursements**

The other reimbursements we reviewed included five local taxi rides, all of which were fully justified, as well as parking associated with various dinners and other events. In addition, there were reimbursements for two gifts: (1) flowers for the funeral of a former Trustee, and (2) an "Honor Drum" for the memorial service of a former Trustee. Mr. West's employment agreement allowed him to use Smithsonian funds for those purposes.

## 5. HONORARIA

From 2003 through his retirement in 2007, Mr. West gave over 110 speeches, the majority as part of his official duties. For 24 of those speeches, he personally received at least \$68,500 in honoraria,<sup>1</sup> as well as \$27,766 in 2006 for his time as a guest professor at the University of Oregon Law School. (Appendix 5-A lists the honoraria.) Retaining these honoraria for speeches did not violate Smithsonian policy, and Mr. West obtained the required approvals for almost all of these activities. But our review has led us to question the Institution's decisions in some instances and has prompted us to urge the Office of General Counsel to amend the Institution's standards governing employees' paid outside activities.

The Smithsonian Standards of Conduct permit individuals, including museum directors, to keep honoraria for speeches even if those speeches were about the Smithsonian or about the individual's work for the Smithsonian, so long as the individual obtained approval from his or her supervisor and from an ethics counselor, and gave the speech on his or her own time.<sup>2</sup> There was also a widely held understanding throughout the Institution – although one not shared by Mr. West – that if someone received an honorarium for a speech that concerned the Smithsonian in any significant way, the person should give the fee to his or her unit, regardless of whether the speech occurred on official or personal time.

Because Mr. West had unlimited leave throughout the period of this review (until October 1, 2007, trust executives neither earned nor used annual leave or sick leave), and there was no accounting for leave time for executives, he could essentially be on leave status at any time and for any length of time.

There are four instances where, notwithstanding his adherence to the rules – which, as noted above, we consider too lax – we believe that the Office of General Counsel, or Mr. West's supervisor, should have required Mr. West to give the honorarium to NMAI rather than allowed him to retain it. In these speeches in particular, his topic was primarily or entirely the NMAI. It is difficult to understand how a museum director's speaking about the museum he directs could be considered an "outside activity" rather than part of his official duties.

- Mr. West gave a speech at the 2005 Massachusetts Cultural Leadership Conference entitled "Museums and Native America: Changing Experiences." As he noted in the speech, its subject was "how that native place on the National Mall came to be." He received a \$5,000 honorarium. He did obtain ethics clearance and did disclose

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<sup>1</sup> We found one honorarium that he did not seek clearance for or report on his annual financial disclosure forms (\$2,500 for a speech to the Tuckahoe Women's Club in 2005).

<sup>2</sup> Section 7(c)(2) of the Institution's current standards of conduct (Smithsonian Directive (SD) 103) states that employees may engage in paid outside activities "that are similar or related to their Smithsonian responsibilities or areas of expertise" if the supervisor approves the activity and an ethics officer has approved the activity. Section 7(f) of SD 103 says that paid outside activities must be carried out on employees' personal time, and notes that the Smithsonian prohibits employees from receiving outside compensation for work carried out during time already being paid for by the Smithsonian. Under the previous version of SD 103, which was in force through February, 2006 – and therefore governed the majority of Mr. West's activities – the latter section (7(c)) was the same, but the language regarding outside activities "related to Smithsonian employment" was slightly different, requiring approval by the appropriate Assistant Secretary and the Under Secretary to receive payment for speaking on "the Smithsonian itself, [and] its collections, programs or operations."

the income on his annual financial statement, and the organization underwrote all his travel expenses.

- Mr. West gave a speech at the 2006 National Park System Advisory Board Conference in Philadelphia entitled “The National Museum of the American Indian: Journeys in the Post-Colonial World.” He received a \$1,000 honorarium. He disclosed this income on his annual financial disclosure form, which indicated he had received ethics clearance.<sup>3</sup> (The Smithsonian paid the \$498 in travel expenses; Mr. West has agreed to reimburse that amount to the Institution.)
- Mr. West gave the 2006 Wilsey Distinguished Lecture at Stanford University, which was entitled “The National Museum of the American Indian: Journeys in the Post-Colonial World.” He received a \$2,000 honorarium.<sup>4</sup> He disclosed this income on his annual financial disclosure form, which indicated he had received ethics clearance. (The Smithsonian paid for his travel; Mr. West has agreed to reimburse that amount because he received a duplicate payment from Stanford.)
- Mr. West gave an endowed lecture in 2006 at the University of Washington entitled “Native America in Museums: The Passing of the Talking Stick.” A significant portion of the speech – approximately one-third – was devoted to NMAI’s “experience in developing the inaugural permanent exhibit installations for its museum on the National Mall.” He received a \$5,000 honorarium.<sup>5</sup>

In addition to those four instances, we question the approval of Mr. West’s visiting professorship. During the fall of 2006, Mr. West spent approximately a month at the University of Oregon Law School co-teaching a course on Indian law, delivering several lectures, and participating at a conference and symposium on Native community museums. He obtained the oral approval of his supervisor to do so; there is no evidence of this approval in writing.

There is also no evidence that he sought or obtained clearance from an ethics counselor. The lack of ethics clearance appears to violate the Standards of Conduct, which require ethics officer clearance for any paid outside activities, as well a long-standing Smithsonian Directive entitled “Teaching at Universities” (SD 203), which requires approval not only from a supervisor but also from an ethics counselor prior to undertaking off-duty teaching that “involves a personal payment and is similar or related to Smithsonian responsibilities.” Mr. West’s work at Oregon, according to an email he sent to his colleagues and Board members, would “have a heavy Native culture and arts component that includes the National Museum of the American Indian itself.” Moreover, he wrote, he would “be delivering several major addresses on the development and work of the NMAI, as well as

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<sup>3</sup> There is no record of the clearance in the Office of General Counsel. There were two other speeches, both in 2003, for which there is no record of a written clearance by the Office of General Counsel, but in both instances Mr. West reported the honoraria as outside income on his annual financial disclosure form.

<sup>4</sup> The University referred to the payment as an honorarium, but also said it was for his travel and other expenses. Travel in that instance amounted to \$1,048.62.

<sup>5</sup> Mr. West obtained ethics clearance for this speech (and reported the income on his annual financial disclosure), but his clearance form did not list the actual speech he gave. Instead, the form stated that the speech would be his “Native America in the 21<sup>st</sup> Century: Out of the Mist and Beyond Myth” speech. He had received clearance from the Office of General Counsel for this speech, which he gave many times in various forms.

participating in a major conference and symposium held at the University on Native community museums,” all work that we believe is similar or related to Mr. West’s Smithsonian responsibilities as the founding director of NMAI.

We found only two occasions when outside organizations paid honoraria directly to the NMAI, both for speaking engagements in late 2004.<sup>6</sup> There is no record of Mr. West turning over any honoraria to the Institution.

Finally, we question the propriety of Mr. West’s having used Smithsonian resources, such as staff time, computer resources, photocopying and the like, for his paid outside activities. There are numerous emails between his assistants and the outside organizations, and Mr. West and his assistants, discussing logistics and topics, arranging his travel, and even specifying how Mr. West would receive his payment. Mr. West also used the Smithsonian Travel Office to obtain flights (thus securing government rates),<sup>7</sup> even in those cases where his outside activity did not overlap with other Smithsonian travel.

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<sup>6</sup> These payments were a \$500 honorarium from Capital University and a \$250 honorarium from the National Defense University.

<sup>7</sup> In most instances, except those that we describe in the section of this report on Mr. West’s travel, the organizations directly reimbursed the Smithsonian for any travel purchased by the Smithsonian for these activities.

FAREWELL PARTIES AND TRIBUTE VIDEO

	Dinner 9/30/07	Reception 10/9/07	Reception 10/16/07	Totals
<b>TOTALS RECEIVED</b>				
Donations to WRW Endowment for Traveling Exhibits	\$ 35,050.00	\$ 1,145.00	\$ 9,265.00	\$ 45,460.00
<i>Total donations to WRW Endowment</i>				
Donations to underwrite the event	\$ 19,200.00			
Tickets sold for event			\$ 5,750.00	
Donations to NMAI's Unrestricted Trust Fund	\$ 25,845.00			
<i>Total Raised for dinners and receptions</i>				
	\$ 45,045.00	\$ -	\$ 5,750.00	\$ 50,795.00
<i>Grand Total of funds raised for events and WRW Endowment</i>				
	\$ 80,095.00			\$ 96,255.00
<b>ACTUAL EXPENSES</b>				
	\$ 47,331.17	\$ 12,116.73	\$ 16,599.33	\$ 76,047.23
<b>FUNDS USED TO PAY FOR EVENT</b>				
Donations to underwrite the event and tickets sold	\$ 19,200.00		\$ 5,750.00	\$ 24,950.00
<i>Subtotal of donations to underwrite event and tickets sold</i>				
Unrestricted trust fund donations as result of invitations	\$ 25,845.00			
Director's Discretionary Acct (402 - unrestricted Trust)	\$ 2,615.00			
Development Operations (402 - unrestricted Trust)		\$ 12,116.73		
Membership Cultivation (402 - unrestricted Trust)			\$ 10,849.33	
<i>Less balance in 50WRWHONOR to go into Endowment</i>				
			(328.83)	
<i>Subtotal of Unrestricted Trust funds used to pay for event</i>				
	\$ 47,331.17	\$ 12,116.73	\$ 16,599.33	\$ 51,097.23
<i>Total Funds used to pay for event</i>				
				\$ 76,047.23

<b>COSTS FOR VIDEO</b>	
Filming of video	\$ 24,593.69
Script writing	\$ 3,000.00
Travel	\$ 2,991.87
<b>Total</b>	<b>\$ 30,585.56</b>
<b>FUNDING FOR VIDEO</b>	
Office of External Affairs - Federal money	\$ 19,750.56
Office of External Affairs - Trust money	\$ 10,835.00
<b>Total</b>	<b>\$ 30,585.56</b>



**SUMMARY OF TRAVEL AND TRAVEL EXPENSES**  
**2006-2007**

In 2006 and 2007, approximately 30% of Mr. West's official trips involved foreign travel and another 25% involved sponsored travel, where all or part of the expenses were paid by other organizations. Approximately 30% of the trips also involved multiple destinations and combined Smithsonian-paid travel with sponsored travel (travel paid by non-Smithsonian organizations).

Occasionally, Mr. West took time off during official travel; approximately 25% of the trips included time we will refer to as "leave during travel." This leave refers to business days associated with official travel (taken during the course of or at either end of an official trip) that involved either a paid outside activity, board participation, or personal days. We had to reconstruct this time based on Mr. West's personal calendars and other documentation because, for most of the period we reviewed, such time was not regulated. The Smithsonian allowed top trust executives unlimited annual leave and sick leave and did not require that their leave be recorded or monitored.<sup>1</sup> (All other Smithsonian executives and employees were under either the federal or trust leave systems.) In June 2007, the Regent's Governance Committee and the Independent Review Committee recommended that these senior trust employees, including Mr. West, be placed on a leave accrual system. These senior executives transitioned to the leave system as of October 1, 2007.

In 2006, Mr. West took 35 trips (25 domestic and 10 foreign) totaling 141 business days,<sup>2</sup> during which time he also took leave days. He took five business days of personal leave while on foreign travel, and 28 business days of leave during domestic travel (seven days for outside board activities and 21 days for paid speaking engagements). These amounts represent time that could be verified associated with travel, including the 17 business days while on assignment as a guest professor at the University of Oregon.<sup>3</sup> Determining the amount of leave associated with travel was difficult because vouchers did not always capture whether leave was taken and inconsistently identified such times; in some instances, leave days would simply show a zero-subsistence claim. As mentioned earlier, the Smithsonian did not track executive leave because it was unlimited. We relied in part on Mr. West's personal calendars, but we could not locate his calendars for January to June 2006.

In 2007, Mr. West took 32 trips<sup>4</sup> (19 domestic and 11 foreign) totaling 132 business days.<sup>5</sup> Of those, he took 12 business days of personal leave while on foreign travel, and 9 business

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<sup>1</sup> For example, executive employment agreements would specify that the executive was "entitled to the reasonable exercise of unlimited annual and sick leave." Mr. West's June 14, 1990 employment contract did not have such language, but it was understood that he had unlimited leave.

<sup>2</sup> The actual number of days on official travel, including weekends, totaled 200.

<sup>3</sup> Mr. West took an additional 14 business days as personal leave days during the year, for a total of 155 business days away from the Smithsonian in 2006 out of 250 business days (62%).

<sup>4</sup> Electronic travel systems document only 30 trips. Two were not documented because staff neglected to enter a no-cost travel authorization for sponsored travel in August 2007 to the New York Seneca Nation of Indians museum opening; and Mr. West's supervisor rejected a no-cost travel authorization prepared for a speaking engagement in November 2007, saying it was not needed as the travel was on a weekend and did not involve SI funds, although in fact Smithsonian policy required a no-cost authorization in that circumstance. In addition, one of the 32 trips was claimed as official Smithsonian business due to an administrative error. Mr. West is reimbursing the costs of that trip; therefore, there were only 31 official Smithsonian trips in 2007.



## APPENDIX 3-A

days of leave while on domestic travel (four days for outside board activities, four days for paid speaking engagements, and one personal day).<sup>6</sup>

In 2006, the cost to the Smithsonian of Mr. West's domestic travel totaled \$39,594; his foreign travel, \$71,009. Ten of the trips were at least partially sponsored by other organizations.

In 2007, the cost to the Smithsonian of Mr. West's domestic travel totaled \$23,366; his foreign travel, \$83,104. Twelve of the trips were at least partially sponsored by other organizations.

	TOTAL TRIPS	DOMESTIC TRIPS / COST	FOREIGN TRIPS / COST	SPONSORED TRIPS	LEAVE DURING TRAVEL	TOTAL DAYS
2006	35	25 / \$ 39,594	10 / \$ 71,009	10	33 (days)	141
2007	32	21 / \$ 23,366	11 / \$ 83,104	12	21 (days)	132

Annual overall travel costs were comparable for the two years: \$110,603 in 2006 on 35 trips, and \$106,470 in 2007 on 32 trips. We did note a decline in the use and costs of sedan services after May 2007.

	TOTAL COSTS*	TRANSPORT COSTS	LODGING COSTS	M&IE COSTS	TAXI OR SEDAN	ENTERTAINMENT COSTS
2006	\$110,603	\$56,853	\$20,999	\$10,599	\$6,830	\$7,662
2007	\$106,470	\$51,587	\$27,042	\$12,090	\$4,945	\$6,094

\* Note that this amount reflects the total cost of all travel for the year; thus it is slightly greater than the total of the primary travel costs presented, which do not include minor miscellaneous expenses. Also note that the total cost to the Smithsonian reflected for these years will be slightly less once Mr. West reimburses the Institution for those duplicate payments and claims that did not conform to policy discussed in our report.

<sup>5</sup> The actual number of days, including weekends, on official travel totaled 187 through December 7, 2007 (Mr. West worked only one week in December due to his retirement).

<sup>6</sup> In 2007, Mr. West took an additional 34 business days as personal leave days, 10 of which were associated with board activities or speaking engagements, for a total of 166 business days away from the Smithsonian out of 251 business days (66%).

APPENDIX 3-A

**OVERVIEW OF SELECTED LODGING EXPENDITURES**

The following chart illustrates the lodging allowance for some of the various cities Mr. West traveled to and the actual costs he incurred. The left-hand columns list selected travel before governance reforms and the right-hand columns list travel after governance reforms.

2006	PER DIEM	COST	% OVER		May-Dec 2007	PER DIEM	COST	% OVER
New York	\$196	\$216	10%		Zagreb, Croatia*	--	SP	--
New York	\$311	\$399	28%		Chicago	\$169	\$259	53%
New York	\$274	\$395	44%		Venice	\$365	\$870	138%
Madrid, SP	\$240	\$396	65%		Hanover, NH	--	1-day	--
Rome, IT	\$327	\$607	86%		San Francisco	\$140	\$265	90%
New York	\$282	\$550	95%		Los Angeles	\$110	\$110	0%
Florence, IT	\$316	\$732	132%		New York	\$196	\$216	10%
Paris, FR	\$285	\$689	142%		Shepardstown	\$69	\$110	60%
Los Angeles	\$114	\$299	162%		London	\$337	\$395	18%
Vienna	\$142	\$498	350%		New York	\$196	\$339	73%
					Vienna	\$159	\$379	140%
					Abu Dhabi*	--	SP	--
Jan -Feb 2007	PER DIEM	COST	% OVER		New York	\$274	\$395	45%
					Santa Fe*	--	SP	--
San Diego	\$131	\$229	75%		Temecula, CA	\$105	\$99	0%
Chicago	\$138	\$188	36%		Redlands, CA*	--	SP	--
Santa Fe	\$83	\$217	160%		Los Angeles	--	1-day	--
Paris, FR	\$297	\$438	48%		Chattanooga*	--	SP	--
New York	\$214	\$409	92%		New York	\$311	\$399	28%
					San Francisco	\$168	\$294	75%
					Anchorage	\$99	\$160	62%
Mar-Apr 2007	PER DIEM	COST	% OVER		Sydney	\$188	\$306	63%
					Brisbane	\$194	\$213	10%
Albuquerque	\$70	\$109	55%		Paris	\$303	\$278	0%
New Zealand	\$161	\$238	48%		Abu Dhabi*	--	SP	--
Sydney, AUS	\$172	\$299	74%		Berlin*	--	SP	--
Paris, FR	\$297	\$512	72%		New York	\$311	\$399	28%
Paris, FR	\$297	\$390	32%		Paris	\$321	\$310	0%
Phoenix	\$141	\$141	0%		Cardiff, Wales*	--	SP	--

We note that following the Regent's reforms in April 2007, Mr. West exceeded the daily lodging limit in 15 out of the 19 trips he took where he incurred lodging expenses.

\* Indicates travel where sponsoring organization paid lodging expenses (SP)



**ANALYSIS OF MIXED BUSINESS AND PERSONAL  
INTERNATIONAL TRAVEL**

A trip is considered *entirely* for business – and does not create a tax liability– if it meets one of the following conditions:

1. The total period of the trip outside the United States is less than one week. 26 C.F.R. § 1.274-4(c);
2. If trip outside the United States is more than a week, and the traveler spends less than 25% of the total time on personal activities. *Id.* § 1.274-4(d);
3. Considering all the facts and circumstances, the individual did not have substantial control over arranging the business trip. “Any individual who travels on behalf of his employer under a reimbursement or other expense allowance arrangement shall be considered not to have had substantial control over the arranging of his business trip, provided the employee is not” a managing executive. *Id.* § 1.274-4(f)(5)(i). Managing executive “includes only an employee who, by reason of his authority and responsibility, is authorized, without effective veto procedures, to decide upon the necessity for his business trip.” *Id.* § 1.274-4(f)(5)(i)(a); or
4. Considering all facts and circumstances, the individual can establish that “he did not have a major consideration, in determining to make the trip, of obtaining a personal vacation or holiday.” *Id.* § 1.274-4(f)(5)(ii).

If, however, the trip does not meet either of these conditions, then the trip is considered *primarily* for business, and the personal portion of the travel expenses is taxable to that individual.<sup>1</sup> The allocation of the personal portion is determined by the total number of non-business days divided by the total number of days outside the United States.

We believe that Mr. West, as Director of NMAI, was a managing executive of the Smithsonian. First, he was a senior executive with enormous authority and responsibility. Additionally, we found no evidence that there were effective veto procedures in place to determine the necessity of Mr. West’s business trips. Approving officials never questioned Mr. West’s travel requests and did not provide effective oversight. Therefore, we find that Mr. West did have substantial control over his business trip arrangements.

Our analysis of the two trips for which we believe, based on all the available evidence and outside counsel’s advice, that “obtaining a personal vacation or holiday” was “a major consideration” is as follows:

**August 7-22, 2006: Australia**

Trip total: 16 days

Business days: 9 (56%)

- Travel days are business days: August 7 through 9, and August 21 and 22
- Business meetings, day of speech and any “reasonably necessary” stand-by days between travel and speech are business days (*Id.* § 1.274-4(d)(2)(v))
  - Mr. West had business meetings on August 9, 10, and 11.

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<sup>1</sup> If the trip outside the United States is primarily for vacation or investment purposes, the entire cost of the trip is considered a personal expense. The travel vouchers that we reviewed, however, were either entirely or primarily for business.

## APPENDIX 3-B

- It is not clear whether Mr. West had a business event on August 12. Nevertheless, it can be deemed a reasonably necessary stand-by day.
- Mr. West delivered the keynote address at the Selling Yarns conference on Sunday morning, August 13 (<http://www.sellingyarns.com/2006/std.php>).

Personal days: 7 (44%)

- Vacation to Bali is all personal: August 14 through 20

It appears that the only mandated business activity during this 16-day trip was one speech he delivered at Darwin Northern University.<sup>2</sup> Given that there was also a trip to Bali scheduled as part of the overall trip and that he conducted no business after Bali, it appears that vacation may have been a “major consideration” for scheduling this speech in such a remote location.

Therefore, unless the Smithsonian determines that there was a compelling business reason for Mr. West to deliver the keynote address at the Selling Yarns conference (especially in light of the expense and lengthy travel time), it should allocate Mr. West’s travel between business and personal days and issue him an amended W-2 for 2006 showing the reimbursements for personal travel as additional income. The Smithsonian should consider 7 of his days as personal days and allocate 7/16<sup>ths</sup> of the travel expense to personal income.

### March 4-17, 2007: Australia & New Zealand

Trip total: 14 days

Business days: 7 days (50%)

- Travel days: March 4 through 6, and March 16 and 17
- Work events: March 7, 15, and 16

Personal days: 7 days (50%)

- Personal leave: March 8 through 14

Mr. West attended a conference at the University of Queensland on March 15 and 16, where he presented a public lecture and taught a Masterclass on indigenous peoples at the University’s Pacific Asia Observatory. After learning of his trip to Brisbane for the lecture on March 15 and 16, Mr. West was invited by the Director of the Te Papa Tongaroa Museum to make a presentation to the museum staff in Wellington. Mr. West also visited two museums in Sydney.

This trip extended from a Sunday night to a Saturday two weeks later, requiring two full weeks out of the office. Given that the original business reason for making the trip was for an evening lecture followed by a morning class at the end of that two-week period, it is hard to understand why the other visits in Wellington and Sydney could not have been grouped closer in time, rather than being divided by a full week of intervening personal leave. This is especially true given that the visits to Wellington and Sydney were scheduled

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<sup>2</sup> The business meetings appear to be donor cultivation events. Given the frequency with which Mr. West traveled to Australia over this 12-18 month period, he had other opportunities to conduct the donor meetings. Therefore, these business meetings do not weigh strongly when determining the main reasons for making this international trip.

## APPENDIX 3-B

to take advantage of Mr. West's already scheduled trip to Brisbane. Presumably, there was some flexibility on the part of those other museums to accommodate Mr. West's schedule. This full week break in the middle of the trip – as opposed to a few personal days tacked on at the beginning or end of the trip – seem to indicate that personal vacation may have been a “major consideration” in scheduling this trip.

Therefore, unless the Smithsonian determines that there was a compelling business reason for Mr. West to attend the University of Queensland conference (especially in light of the expense and lengthy travel time), it should allocate Mr. West's travel between business and personal days and issue him an amended W-2 for 2007 showing the reimbursements for personal travel as additional income. The Smithsonian should consider 7 of his days as personal days and allocate 7/14<sup>ths</sup> of the travel expense to personal income.

W. Richard West  
Non-Travel Expenses - Meals  
2003 through 2007

Date	Amount	Location	Classification	Justification
2/15/03	\$ 138.25	Greenwood - DC	O	Dinner with College President
3/17/03	\$ 135.80	DC	A	Lunch with advisor re design of eco-environment outside NMAI
3/17/03	\$ 120.93	Customs House	A	Dinner with advisors re designing and development of new museum
3/22/03	\$ 266.38	Corduroy - DC	A	Dinner with advisors re fundraising
4/10/03	\$ 285.24	Bistro bis - DC	O	Lunch with NMAI staffer and congressional staffer re budget issues
4/22/03	\$ 116.75	DC Coast - DC	O	Lunch with Executive Director of National Indian Justice Center
5/1/03	\$ 127.09	DC Coast - DC	D	Dinner with donors
5/12/03	\$ 652.25	Gallieo - DC	O	Lunch re museum opening
6/24/03	\$ 54.32	Lowes - DC	O	Lunch re museum opening
8/7/03	\$ 126.93	Lowes - DC	O	Lunch with NMAI staffer and congressional staffer re budget issues
8/16/03	\$ 44.00	Denny's	A	Lunch with advisor, Native leader
8/16/03	\$ 128.06	Primos - DC	A	Dinner with advisor, Native leader
8/26/03	\$ 245.15	Zola - DC	A	Dinner with advisors on design and development of new museum
9/9/03	\$ 66.55	DC Coast - DC	O	Lunch with Director of Oklahoma Arts Council
9/19/03	\$ 253.40	Zola - DC	D	Dinner with donors
10/15/03	\$ 325.98	Zola - DC	D	Dinner with donors and design advisor
11/13/03	\$ 81.84	Hilton - DC	A	Dinner with advisor, Native leader
11/15/03	\$ 743.80	Equinox Rest - DC	O	Dinner with SI Associates for Stanford Symposium
12/3/03	\$ 94.49	Lowes - DC	A	Lunch with filmmaker regarding community film projects
12/10/03	\$ 75.80	Lowes - DC	A	Breakfast meeting with Latin American museum director re collaborative projects
12/10/03	\$ 130.00	Butterfield 9 - DC	A	Lunch with advisor and staff re collaboration on film projects
12/27/03	\$ 290.31	Mon Ami Gabi	D	Dinner with donors
1/1/04	\$ 54.05	no receipt *	O	Lunch with contractor
1/1/04	\$ 440.66	Market Pavilion	D	Dinner with donors
2/7/04	\$ 195.90	Palette - DC	D	Dinner with donors re donor cultivation
2/12/04	\$ 82.59	Lowes - DC	D	Lunch with donors re advice on repatriation.
2/25/04	\$ 103.90	TenPenth - DC	O	Lunch with Building Museum Dir & ROI chair
2/27/04	\$ 126.75	Gallieo - DC	A	Dinner with advisor and NMAI Board member
3/2/04	\$ 431.10	Celiba - DC	D	Dinner with donor
3/9/04	\$ 81.65	DC Coast - DC	D	Dinner with prospective donor
3/17/04	\$ 268.90	receipt illegible	O	Dinner with President of major American Indian non-profit re development activities
3/31/04	\$ 74.70	TenPenth - DC	D	Lunch with advisor re repatriation
3/31/04	\$ 152.30	Nectar	A	Dinner with advisor re NMAI opening and general exhibition openings
5/17/04	\$ 207.48	receipt illegible	A	Dinner with advisor re NMAI relationships with Indian organizations
5/21/04	\$ 124.17	Bombay Club - DC	D	Lunch with advisor and potential donor
5/29/04	\$ 498.30	Mandarin - DC	A	Dinner with advisor and filmmaker re NMAI film project
10/18/04	\$ 105.73	Bistro Bis - DC	A	Lunch with advisor and NMAI Board member re NMAI opening and exhibitions
10/25/04	\$ 611.23	Citronelle - DC	D	Dinner with donors
10/27/04	\$ 12.72	NMAI	O	Lunch with reporter
10/30/04	\$ 156.04	Mon Ami Gabi	D	Dinner with donor re underwriting \$250k program
11/6/04	\$ 290.35	Café Atlantico - DC	D	Dinner with donors re donor cultivation
11/7/04	\$ 226.73	Zola - DC	D	Lunch with donors
11/9/04	\$ 20.81	NMAI	A	Lunch with advisor re media relations
11/20/04	\$ 54.32	Bottino - (NY ?)	O	Lunch re museum opening
11/29/04	\$ 240.46	Green Papaya	D	Dinner with donors
11/29/04	\$ 60.60	Indique Rest - DC	A	Lunch with advisor re tribal museum cooperation and relationships
12/3/04	\$ 399.30	Indique Rest - DC	D	Dinner with potential donors

W. Richard West  
 Non-Travel Expenses - Meals  
 2003 through 2007

Date	Amount	Location	Classification	Justification
12/23/04	\$ 170.57	Grapeseed - DC	D	Dinner with donors
2/25/05	\$ 65.84	TenPenth - DC	D	Lunch with donor
3/16/05	\$ 19.89	NMAI	O	Lunch with reporter
3/24/05	\$ 174.49	unk	D	Dinner with donors
4/20/05	\$ 409.39	Café Atlantico - DC	O	Dinner with President of major American Indian non-profit re development activities and support of NMAI through paid advertising
4/28/05	\$ 75.38	NMAI	O	NMAI official lunch for Southwest Museum/ Autry Center stewardship Committee
5/6/05	\$ 104.35	Mandarin - DC	A	Lunch with advisor re collaborative relationship between NMAI and Australian museum
9/21/05	\$ 539.90	Mandarin - DC	D	Dinner with members of NMAI National Council re NMAI programs on the year anniversary of the museum
11/29/05	\$ 134.50	Nora Rest. - DC	A	Dinner with advisor re restructuring NMAI after opening
12/21/05	\$ 118.93	NMAI	D	Lunch with potential donors
12/22/05	\$ 42.20	Indique Rest. - DC	A	Lunch with advisor re NMAI opening and exhibitions
12/27/05	\$ 325.05	La Chaumière - DC	D	Dinner with NMAI donors
2/4/06	\$ 240.40	Indebieu - DC	D	Dinner with NMAI donors
2/19/06	\$ 196.90	Safeway, Whole fids	O	Dinner for Venice Biennale artists
2/19/06	\$ 621.15	Gallieo - DC	O	Dinner with ICOM members re code of ethics and diversity committee
3/24/06	\$ 838.05	Citronelle - DC	O	Dinner with Asian museum curator and official
4/3/06	\$ 547.16	Equinox Rest. - DC	D	Dinner with potential donor re NMAI programming
4/12/06	\$ 80.60	Bistro Bis - DC	O	Lunch with contractor re treaty show planning
5/17/06	\$ 176.96	Mourayo - DC	D	Dinner with donor and advisor re NMAI exhibitions and efforts to bring Native sites into collections of
5/19/06	\$ 147.70	Equinox Rest. - DC	O	Business lunch with President of AAM re SI political situation and future of NMAI
7/11/06	\$ 168.95	La Bergerie	A	Dinner with advisor re changes in NMAI exhibitions
7/11/06	\$ 23.88	NMAI	A	Lunch with advisor re NMAI opening and exhibitions
8/31/06	\$ 226.50	Dino - D.C.	A	Dinner with advisor re film project
9/9/06	\$ 194.39	Café Atlantico - DC	D	Dinner with donors re NMAI and the NMAI National Council
9/24/06	\$ 156.00	Oregon	D	Brunch with donor, advisor, NMAI member re potential tribal gifts
10/4/06	\$ 248.75	Oregon	D	Dinner with potential donor re NMAI programming
11/22/06	\$ 47.74	SI - DC	D	Lunch with NMAI donors
12/14/06	\$ 657.63	TenPenth - DC	O	Development dinner re Venice Biennale 2007, including staff
12/22/06	\$ 187.85	Chevy Chase	D	Development dinner with donors re the National Council and updates on NMAI
1/31/07	\$ 245.90	Olivia, Art.Va	D	Dinner with donor
4/26/07	\$ 129.45	Dino - D.C.	A	Dinner with advisor re collaboration between NMAI and Autry Heritage Center
4/30/07	\$ 32.52	SI - DC	A	Lunch with advisor re film project
5/22/07	\$ 167.26	NYC	A	Dinner with advisor re NMAI fundraising strategies
7/13/07	\$ 272.57	Charleston, SC	D	Dinner with advisor re book on Native cultural sites, proceeds of which go to NMAI
7/19/07	\$ 98.60	Whole Foods	A	

Meal Total \$ 17,331.46

Classification Key: D = Donor; A = Advisor; O = Other

\* NOTE: There is no requirement for a receipt for expenses under \$75. Moreover, this expense was incurred beyond the 3-year IRS Statute of Limitations.



W. Richard West  
 Non-Travel Expenses - Meals  
 2003 through 2007

Meals	82	Total number of vouchers with meals on them
Receipt missing *	1	Total number with no receipt
	\$ 54.05	Total value with no receipt
Justification	43	Total number of meals without contemporaneous business purpose; purpose later provided by Mr. West
	\$ 9,670.05	Total cost of meals lacking contemporaneous business purpose; purpose later provided by Mr. West
Wife present	36	Total number of meals that wife was indicated as present.
	\$ 11,008.38	Total cost of meals where wife was present
	\$ 2,795.30	Estimated cost of meals where wife was present (dividing total bill by estimated number in party)
Detailed receipt	43	Total number with no detailed receipt of meal - just the final charge - therefore can't determine how many parties in the charge
	\$ 9,296.25	Total value with no detailed receipt of meal
Over \$99 each	4	Total number of occasions where individual meal is estimated to be over \$99 when there is a detailed receipt
	6	Total number of occasions where individual meal is estimated to be over \$99 when there is not a detailed receipt
Donors	33	Total meals with donors
Advisors	27	Total meals with advisors
Other	22	Total meals for other business purposes
	5	Meals with donors over \$100 each per person
	2	Meals with advisors over \$100 each per person
	4	Meals for other business over \$100 each per person

Appendix 5-A

**W. RICHARD WEST HONORARIA  
2003-2007**

Organization	Amount (\$)
<u>2003</u>	
Gilcrease Museum*	3,000
University of Oklahoma*	3,000
Pueblo of Acoma	2,000
Yale University	2,500
<u>2004</u>	
Virginia Commonwealth University	1,000
Harvard University	1,000
Metlife	1,500
Americans for the Arts	5,000
University of Minnesota	5,000
Georgetown University	4,500
Urban League	1,000
<u>2005</u>	
Nantucket Historical Society	1,000
Massachusetts Cultural Leadership Conference	5,000
Metlife	1,500
University of Tulsa	10,000
Clark University	1,000
Shenandoah University	500
Tuckahoe Women's Club**	2,500
<u>2006</u>	
University of Oregon***	27,766
Stanford University****	2,000
National Park Foundation****	1,000
University of Washington Graduate School	5,000
<u>2007</u>	
University of Redlands	6,000
Opera Omaha	2,500
Jamestown/Yorktown Foundation	1,000
	=====
Total	\$96,266

\*No ethics clearance form could be located, but Mr. West reported the amount on his annual financial disclosure form.

\*\*No ethics clearance form could be located and he did not report the amount on his annual financial disclosure form.

\*\*\*This payment was for his six-week professorship at the University of Oregon law school.

\*\*\*\*The Smithsonian paid for the travel associated with these speeches. Mr. West has agreed to reimburse the travel costs to the Smithsonian.