

**Coburn Amendment #2060: To provide transparency, accountability, and limitations of government sponsored conferences.**

Government-wide spending on conferences and junkets for federal employees are an area of Washington's endless spending spree in dire need of reform.

**There is no better evidence for this than the recent reports of excessive, lavish, and even fraudulent conference spending by the General Services Administration (GSA).**

Just this month the GSA Inspector General (IG) released a scathing report detailing the waste and even criminal allegations from spending for a 2010 Las Vegas costing taxpayers nearly \$823,000, including a \$2,000 party in the hotel suite of GSA's public buildings service chief. Their report resulted in the resignation and firing of several top GSA officials, and even this week congressional committee are holding hearings to further investigate this blatant misuse of federal funds.

**The federal government spent at least \$2 billion on conferences between 2000 and 2006.<sup>1</sup>**

Even this conservative estimate on government wide conference spending is simply unacceptable given our current fiscal crisis.

Even more so when it remains impossible to track conference expenditures online, and in light of reports like that of the GSA, which make it clear many times these conferences have little to do with work training or agency improvement and more closely resemble vacations for federal employees, charged to taxpayers.

**This amendment would provide a first step in comprehensive conference spending and transparency reform by scaling back overall conference spending, establishing attendance limitations to protect from excessive and unnecessary travel, and require full online transparency of all conference spending. These reforms could save more than \$65 million every year.**

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<sup>1</sup> David Fredosso, *The Washington Examiner*, —*Government Conference Spending Gone Wild!!*, August 25, 2009, <http://washingtonexaminer.com/blogs/beltway-confidential/2009/08/government-conference-spending-gone-wild>.

## **Amendment Summary**

This amendment would require a quarterly summary posted on the agency's website of each conference supported or attended by an agency in the preceding 3 months, including:

- An explanation how the conference advanced the mission of the agency;
- Total cost of attendance and support for the conference;
- Primary sponsor of the conference;
- Location of the conference;
- A justification of the location including cost efficiency of the location;
- The dates; and
- The number and a listing by title of agency and non-federal employees whose attendance at the conference was paid for by the agency.

The amendment would require the posting on the agency's website of minutes, presentations, exhibits and recordings from the conference.

### **Amendment #2060 establishes a basic set of requirements for conference spending, including the following:**

- Reduces the amount an agency can spend on conferences to 80 percent of the amount spent in 2010.
- Caps amount that can be spent on a single conference at \$500,000 (unless the agency is the primary sponsor).
- Allows non-federal foundations and sources to provide financial support for a conference, but requires a listing of such sponsors and a certification that there is no conflict of interest resulting from support received from each.
- Prohibits sponsoring more than one conference per year per organization.
- Limits to 50 the number of employees from a single agency traveling to an international conference.

**The General Services Administration spent more than \$820,000 on a Las Vegas Conference, resulting in a criminal investigation and waste of taxpayer funding.**

Just this month, lavish spending and excessive spending on conferences at the General Services Administration (GSA) was exposed by the GSA Inspector General, resulting in the resignation and firing of top GSA officials.

The IG's scathing report details the waste and even criminal allegations from spending for a 2010 Las Vegas conference attended by 300 individuals, sponsored by the GSA and costing taxpayers nearly \$823,000, including a \$2,000 party in the hotel suite of GSA's public buildings service chief.

Not only did the GSA frivolously spend taxpayer money, but the IG report details that much of the conference spending was actually prohibited in current law.

For example, spending on meals and refreshments exceeded per diem limits, including \$44 per person on breakfast, and close to \$95 per individual for the final reception and dinner.

Even more, the Inspector General's findings have even resulted in a criminal investigation by the Department of Justice (DOJ). The excess conference spending included the purchase numerous electronic devices, such as iPads, meant to be prizes at the event. However, according to the IG, more than 100 electronic devices are missing, and the DOJ is investigating possible bribery and fraud.

According to the IG report, "GSA spending on conference planning was excessive, wasteful, and in some cases impermissible. To select a venue and plan the conference, GSA employees conducted two "scouting trips," five off-site planning meetings, and a "dry run." Travel expenses for conference planning totaled \$100,405.37, and catering costs totaled over \$30,000. GSA spent money on refreshment breaks during the planning meetings, which it had no authority to do, and the cost of catered meals at those meetings exceeded per diem limits."

The IG report also reveals GSA used highly inappropriate and unethical practices in planning the conference, including the following

- Disclosed a competitor's proposal price to a favored contractor;
- Awarded a \$58,000 contract to a large business in violation of small-business set-asides;
- Promised the hotel an additional \$41,480 in catering charges in exchange for the "concession" of the hotel honoring the government's lodging cost limit;
- Provided free rooms to contractor's employees even though the contract cost included lodging; and
- Disclosed to the team-building contractor the agency's maximum budget for one day of training, then agreeing to pay the contractor that amount (\$75,000).

Other "impermissible and questionable miscellaneous expenses," as described in the report, included "mementos for attendees, purchases of clothing for GSA employees, and tuxedo rentals."

### **Questionable Travel Spending by the United State Postal Service**

Despite its troubled financial situation, the Postal Service has also come under fire for excessive travel and conference costs, refusing to cut back even in a budget crunch.

In February, the Financial Times reported that the Postal Regulatory Commission Chairman Ruth Goldway, has taken 34 trips, costing taxpayers almost \$71,000, during her time as Chairman. According to the article, "Of the 34 trips listed in commission records, 11 involved overseas postal events in Switzerland, Portugal and other countries. Closer to home, Goldway participated in numerous commission field hearings and mailing industry conferences."

Goldway also used taxpayer funding to pay for two trips to New York, one to speak at a conference on nanotechnology and one to attend a business meeting on promotion the use of electric cars.

## **Excess and Waste in Conference Spending is Not New**

From USDA employees attending conferences at spa resorts in Hawaii and attending martini and cigar receptions to \$4 meatballs and \$16 muffins at Department of Justice conferences, excessively wasteful spending of taxpayer funding at agency conference is nothing new.

Yet, Congress continues to ignore the problem, and has failed to implement government-wide reforms or transparency requirements.

The recent GSA scandal is only the latest example of out of control federal spending on conferences by agencies that refuse to scale back, and condoned by a Congress refusing to conduct oversight, require transparency in agency conference spending, or reduce conference spending levels through the appropriations process.

In one recent example, the National Institutes of Health recently awarded a sole-source contract worth more than \$115 million, to the company *Experient*, located in Arlington, Virginia, hiring the company to provide “conference and administrative travel services.” This \$115 million will be spent on conferences and travel for NIH employees instead of on the crucial cancer and disease research conducted by NIH scientists.

In another more example, the Social Security Administration spent \$770,000 on a conference in 2009 at the Biltmore Hotel in Phoenix, Arizona. The three-day conference included private dance recitals, paid motivational speakers, and an optional, non-government-funded casino trip.<sup>2</sup>

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<sup>2</sup> David Fredosso, *The Washington Examiner*, —*Government Conference Spending Gone Wild!!*, August 25, 2009, <http://washingtonexaminer.com/blogs/beltway-confidential/2009/08/government-conference-spending-gone-wild>.

**In May of 2008, the Federal Financial Management Subcommittee released a report on the Department of Agriculture conference spending.**

Among many items, the subcommittee report found the following:

- The Department sent employees to Las Vegas for “7 Habits of Highly Effective People” conferences, to resorts in Australia for conferences on mushrooms and crawdads, and to Disney resorts to discuss competitive intelligence; and
- In 2006, one entity within USDA, the Animal and Plant Health Inspection Service (APHIS) sent 47 people (44 of whom were employees) to 10 conferences in Hawaii at a cost of \$71,412. The conferences took place on the Islands of Maui, Oahu, Honolulu, and Molokai. One was a “Congressional” seminar to educate attendees on the U.S. Congress, though the event location — the Hilton Hawaiian Village Beach Resort and Spa— is 4,500 miles from Congress.<sup>3</sup>

Additionally, according to data submitted to a Senate oversight subcommittee, in just 2006 alone:

- 213 USDA employees attended approximately 94 separate conferences in Las Vegas at a cost of \$254,755;
- 64 USDA employees (and 3 non-employees on USDA’s dime) traveled to Hawaii to attend approximately 28 separate conferences for a total cost of \$130,600;
- 270 USDA employees went to approximately 59 separate conferences in Orlando, Florida — home to Disney World — at a cost of \$282,656;
- 112 employees went to 34 conferences in Anchorage, Alaska at a cost of \$227,000;
- 247 employees went to approximately 89 conferences in Phoenix, Arizona at a cost of \$321,000;

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<sup>3</sup> 2008 FFM Subcommittee Report on Department of Agriculture Conference Spending  
[http://coburn.senate.gov/public/index.cfm?a=Files.Serve&File\\_id=c6ae538f-1708-4c93-8024-4696bc38a9a2](http://coburn.senate.gov/public/index.cfm?a=Files.Serve&File_id=c6ae538f-1708-4c93-8024-4696bc38a9a2)

- 141 employees went to approximately 46 conferences in Tucson, Arizona at a cost of \$132,700; and
- 20,959 employees went to 6,719 conferences and training activities across the nation and around the world, at an unknown cost to taxpayers in lost productivity.<sup>4</sup>

**Teleconferencing technology is available now, which will lead to reduced conference spending and also help mitigate environmental concerns associated with travel.**

Given the tremendous technological advancements the world has made lately with teleconferences, enabling people to interface directly from around the world, it has greatly negated the need for cost prohibitive expenses that comes with conferences.

The strides made in the availability of video and teleconferences, the overhead costs of conferences should be drastically reduced government-wide.

At a minimum, with the advent of these more efficient communication devices, lavish conferences at exotic locations are certainly not necessary and should be prevented in the future.

**This amendment will increase accountability and transparency and require all agencies to scale back during this time of budget constraints**

Currently, there is no uniform requirement for all federal agencies to provide to the public a full accounting of their conference spending. This amendment would establish a single cross-agency conference spending transparency policy, ensuring all federal agencies are reporting the same data and are fully accountable for conference spending.

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<sup>4</sup> 2008 FFM Subcommittee Report on Department of Agriculture Conference Spending [http://coburn.senate.gov/public/index.cfm?a=Files.Serve&File\\_id=c6ae538f-1708-4c93-8024-4696bc38a9a2](http://coburn.senate.gov/public/index.cfm?a=Files.Serve&File_id=c6ae538f-1708-4c93-8024-4696bc38a9a2)

**All conference spending data would be posted online, and available for full review every three months. This represents a shift from current practices, which do not require conference spending to be posted online or available for review by the public.**

Taxpayers should not be forced to wait two years for an Inspector General report to reveal this kind of gross mismanagement and waste, but instead should have access to all conference spending details online, and in the same year in which they are incurred. Transparency and sunlight in conference spending will provide true accountability ensuring taxpayers can hold Washington bureaucrats and elected officials responsible for such mismanagement of their money.

Though GSA remains the most recent example, similarly outrageous wastes of taxpayer funding on conferences have been brought to light for more than two decades, yet, the pattern continues. Congress can no longer ignore its duty of conducting oversight and protecting taxpayers from this type of abuse and mismanagement of their hard-earned money. All agencies would see their conference budgets reduced to 80 percent of the amount spent in 2010, and would be subject to similar limitations on number of conference attendees, international conference attendance, and allowable spending levels for each conference.

This amendment would take the first steps in addressing this ongoing abuse of taxpayer funding by reducing federal conference spending, and placing commonsense limits on conference attendance. Further it would help ensure future abuses do not go unnoticed, by requiring transparency in all government conference spending.