AUDIT OF DEPARTMENT OF JUSTICE CONFERENCE PLANNING AND FOOD AND BEVERAGE COSTS

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

Audit Report 11-43
September 2011

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EXECUTIVE SUMMARY

Department of Justice (DOJ) components host and participate in conferences to work with officials from other DOJ and federal entities, state and local law enforcement agencies, Native American and Alaskan Native tribes, and non-profit organizations. A DOJ Office of the Inspector General (OIG) audit issued in September 2007 examined expenditures for 10 major DOJ conferences held between October 2004 and September 2006.[1] The audit found that DOJ had few internal controls to limit the expense of conference planning and food and beverage costs at DOJ conferences. We identified several conference expenditures that were allowable but appeared to be extravagant. For example, one conference had a luncheon for 120 attendees that cost $53 per person, and another conference had a $60,000 reception that included platters of Swedish meatballs at a cost of nearly $5 per meatball. The audit further found that DOJ components permitted event planners to charge a wide array of costs for logistical services, such as venue selection and hotel negotiations. We made 14 recommendations intended to help the Justice Management Division (JMD) and other DOJ components implement stronger oversight of conference expenditures. In response to these recommendations, JMD implemented guidelines in April 2008 that established DOJ-wide conference food and beverage spending limits based on meals and incidental expenses (M&IE) rates set by the General Services Administration (GSA).

Since 2008, DOJ appropriation acts have required that the Office of the Attorney General report conference costs quarterly.[2] For fiscal years (FY) 2008 and 2009, DOJ reported that it hosted or participated in 1,832 conferences. As shown in the exhibit below, the reports detailed that the conference activity over these 2 years cost a total of $121 million.

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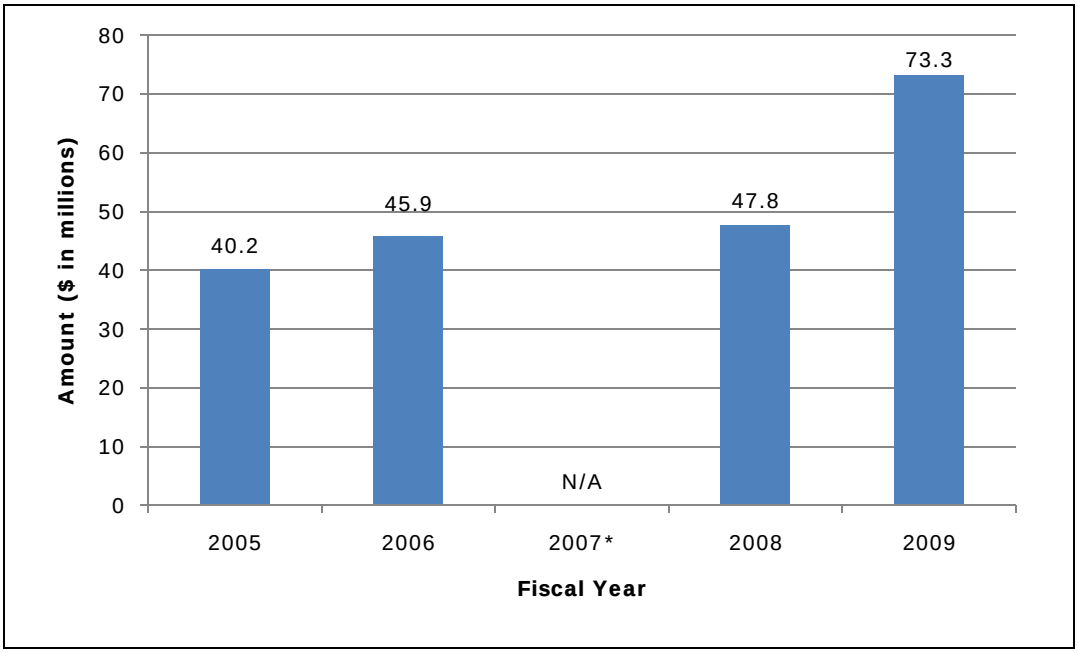
[1] U.S. Department of Justice Office of the Inspector General, *Department of Justice Conference Expenditures,* Audit Report 07-42 (September 2007).

[2] The Attorney General must submit quarterly reports to the DOJ Inspector General regarding the costs and contracting procedures for each conference held by DOJ for which the cost to the government was more than $20,000. Pub. L. No. 110-161 § 218 (2008) and Pub. L. No. 111-8 § 215 (2009). The Attorney General has delegated the responsibility to compile these reports to the Finance Staff of the Justice Management Division (JMD). Each component therefore submits to JMD a quarterly report of its respective conference costs.

REPORTED DOJ CONFERENCE COSTS
FYs 2005 TO 2009



Source: DOJ component conference expenditures reports. Conference cost reports for FYs 2005 and 2006 were completed at the request of the U.S. Senate Committee on Homeland Security and Governmental Affairs, Subcommittee on Federal Financial Management, Government Information and International Security. Conference cost reports for FYs 2008 and 2009 were issued through DOJ appropriation act requirements.

Note: DOJ did not compile conference expenditure reports for FY 2007 because there were no requests from Congress or legislative requirements to compile and report this information.

OIG Audit Approach

For this audit, the OIG reviewed a judgmental sample of 10 DOJ conferences that occurred between October 2007 and September 2009 to determine whether DOJ components properly accounted for and minimized costs of conference planning, meals, and refreshments. The 10 sampled conferences cost $4.4 million, as detailed in the following exhibit.

DOJ CONFERENCES SELECTED FOR REVIEW[3]

Sponsoring Component(s)	Conference Title	Location - Dates	Total Cost ($)*
Criminal Division and the Organized Crime Drug Enforcement Task Force (OCDETF)	OCDETF National Leadership Conference (OCDETF National Conference)	Washington, D.C. July 20 – 23, 2009	360,185
Drug Enforcement Administration (DEA)	International Drug Enforcement Conference (DEA IDEC)	Istanbul, Turkey July 8 – 10, 2008	1,181,902
Executive Office for Immigration Review (EOIR)	Legal and Interpreters Training Conference (EOIR Legal Conference)	Washington, D.C. Aug. 3 – 7, 2009	688,904
Executive Office for U.S. Attorneys (EOUSA)	2008 U.S. Attorneys National Conference (EOUSA National Conference)	Washington, D.C. Feb. 11 – 14, 2008	259,648
Federal Bureau of Investigation (FBI)	Director's Advisory Committee Symposium (FBI Director's Symposium)	Washington, D.C. April 14 – 16, 2009	302,428
Office of Justice Programs (OJP), Bureau of Justice Assistance (BJA) and Office of Sex Offender Sentencing, Monitoring, Apprehending, Registering, and Tracking (SMART Office) (Co-sponsors)	Indian Country Sex Offender Pre-Conference Institute (BJA and SMART Office Indian Country Pre-Conference)	Palm Springs, CA Dec. 10, 2008	90,201
OJP, Office for Victims of Crime (OVC)	11th National Indian Nations Conference (OVC Indian Nations Conference)	Palm Springs, CA Dec. 11 – 13, 2008	583,392
OJP, BJA	BJA Walking on Common Ground II	Palm Springs, CA Dec. 9 – 10, 2008	132,222
OJP, Office of Juvenile Justice and Delinquency Prevention (OJJDP)	America's Missing: Broadcast Emergency Response (AMBER) Alert National Conference (OJJDP AMBER Alert Conference)	Denver, CO Nov. 13 – 16, 2007	657,773
Office on Violence Against Women (OVW)	Enhancing Judicial Skills in Domestic Violence Cases Workshop (OVW Enhancing Judicial Skills Workshop)	San Francisco, CA March 28 – April 1, 2009	148,877
		TOTAL	**$4,405,532**

Source: FY 2008 and 2009 DOJ conference expenditure reports
Note: Total cost based on OIG audit figures. For the OVC Indian Nations Conference, the event planner reported that it applied almost $78,000 in non-DOJ contributions and other fees to pay for conference costs.

[3] See Appendix II for additional details and summaries of these 10 conferences.

For each of the 10 selected conferences, we assessed event planning and food and beverage costs to identify whether there were expenditures indicative of wasteful or extravagant spending.

Appendix I contains a more detailed description of our audit objective, scope, and methodology.

Results in Brief

DOJ spent over $4.4 million on the 10 conferences reviewed by this audit. The audit focused on two major conference cost categories that our September 2007 report revealed as most potentially susceptible to wasteful spending – event planning services and food and beverages. For event planning services, DOJ spent $600,000 (14 percent of costs) to hire training and technical assistance providers as external event planners for 5 of the 10 conferences reviewed.[4] This was done without demonstrating that these firms offered the most cost effective logistical event planning services. Further, these event planners did not accurately track and report conference expenditures.

In addition, DOJ spent about $490,000 (11 percent of costs) on food and beverages at the 10 conferences. All the conferences occurred at major hotels that applied service fees – usually around 20 percent – to the cost of already expensive menu items. Our assessment of food and beverage charges revealed that some DOJ components did not minimize conference costs as required by federal and DOJ guidelines. For example, one conference served $16 muffins while another served Beef Wellington hors d'oeuvres that cost $7.32 per serving. Coffee and tea at the events cost between $0.62 and $1.03 an ounce. At the $1.03 per-ounce price, an 8-ounce cup of coffee would have cost $8.24.[5]

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[4] Training and technical assistance providers are firms or personnel procured by DOJ awarding agencies to provide support and offer specialized assistance on specific grant initiatives.

[5] Components and event planners reviewed procured beverages (coffee and tea) by the gallon and not by single serving size. Because there are 128 ounces in each gallon and conference attendees could have received different serving sizes of hot beverages, our audit applies the standard 8-ounce measurement for one cup as a single serving of beverages procured by the gallon but served individually.

In April 2008, JMD implemented new conference reporting and meal and refreshment cost limits for some DOJ conferences.[6] These rules required that components hosting conferences minimize costs at every opportunity and made components responsible for tracking and reporting conference expenditures. The meal and refreshment limits generally prohibited components from spending more than 150 percent of the applicable GSA per diem rate for meals served at a DOJ conference.[7] However, these limits specifically did not apply to conferences funded via cooperative agreements, which are a type of funding vehicle awarded by a DOJ component (particularly an awarding agency) when it expects to be substantially involved in the work performed.

Of the 10 conferences reviewed, 5 conferences were planned by training and technical assistance providers hired by two DOJ components: the Office of Justice Programs (OJP) and the Office on Violence Against Women (OVW).[8] We found that OJP and the OVW did not collect salary and benefit cost data from their external event planners for these five conferences. As a result, the mandated DOJ conference cost reports did not include over $556,000 – or 93 percent of the total estimated $600,000 – spent on event planning services for these five events.

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[6] Appendix III presents the April 2008 JMD policy that established meal and refreshment cost limits for DOJ conferences.

[7] The term "per diem" refers to the travel allowance provided to federal employees for meals and incidental expenses. GSA breaks down the daily per diem rate into allocations for breakfast, lunch, dinner, and incidentals. For example, when a federal traveler receives $64 per day, GSA allocates $12 for breakfast, $18 for lunch, and $31 for dinner, with the remaining $3 for incidentals, such as gratuities. Under the JMD rules, the 150 percent threshold is applied to each of these individual meal allocations and includes applicable service charges.

[8] The five other conferences were planned internally by full-time DOJ employees.

The OJP and OVW training and technical service providers that were hired via cooperative agreements to serve as event planners charged over $242,000 in indirect costs, which was about 40 percent of the total event planning cost for the five OJP and OVW events.[9] We found that some of the event planners applied indirect rates only to their staff salary and benefit expenses, while others applied indirect rates to the cost of every service or item procured for a conference, such as employee travel, food and beverages, and audio-visual rentals. We concluded that applying indirect rates to all costs, although allowable under some cooperative agreement terms, increased the final price of already-expensive conference services and items.[10]

We also found that even though JMD established food and beverage cost thresholds in April 2008 – no more than 150 percent of the GSA per diem meal allocation – DOJ guidelines still provide conference hosts with a large amount of discretion over the food and beverages served at their events.[11]

Some conferences featured costly meals, refreshments, and themed breaks that we believe were indicative of wasteful or extravagant spending – especially when service charges, taxes, and indirect costs are factored into the actual price paid for food and beverages. For example, with these other charges, the OVW spent $76 per person on the "Mission Dolores" lunch for 65 people at the Enhancing Judicial Skills Workshop in San Francisco, California. This conference was planned under a cooperative agreement and the JMD meal price thresholds were therefore not applicable to it. Had the

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[9] Indirect costs are those expenses that cannot readily be identified with a particular cost objective (activity or item) of a cooperative agreement. Indirect costs can include items such as administrative salaries and benefits, printing, telephone, supplies, postage, leases, insurance, rent, audit, and property taxes. Generally, indirect cost rates are agreed upon percentages of direct costs charged by cooperative agreement recipients to recover administrative and overhead expenses incurred while performing award work. These rates, however, must first be approved by the recipient's cognizant federal agency before it can apply the rate to recover costs. 2 C.F.R. § 230 (2011).

[10] For example, when one event planner applied an approved 15-percent indirect cost rate to the price of food and beverages at a conference, the cost of one soda increased from $4.84 to $5.57.

[11] We could only apply the JMD thresholds that limited meals and beverage expenses as a benchmark to gauge the extravagance of conference meals and refreshments. JMD issued this guidance in April 2008, by which time 2 of the 10 conferences included in our audit had occurred and several others were in planning stages. In addition, five conferences included in our review were planned under cooperative agreements, and therefore did not have to follow the April 2008 JMD thresholds.

JMD rules been applicable, this lunch would have exceeded the allowable JMD per person rate of $27 by $49 (181 percent). OVW conference attendees received Cracker Jacks, popcorn, and candy bars at a single break that cost $32 per person. Coffee and tea also cost the OVW about $1.03 per ounce. A single 8-ounce cup of coffee at this price would have cost $8.24. Examples of costly items at other DOJ conferences included $16 muffins at an Executive Office for Immigration Review (EOIR) conference and $7.32 Beef Wellington hors d'oeuvres at an Executive Office for U.S. Attorneys (EOUSA) conference.

We concluded that DOJ components hosting conferences in FY 2008 and FY 2009 did not adequately attempt to minimize conference costs as required by federal and DOJ guidelines. Two of the audited conferences occurred prior to April 2008, when the DOJ issued new policies and procedures to control conference spending. The Attorney General, the Deputy Attorney General, and the Assistant Attorney General for Administration have each issued memoranda to DOJ component heads directing them to reign in conference spending. JMD has also developed an internal website that consolidates relevant policies and other rules for DOJ conference planners. JMD officials stated that due to these efforts, components have improved compliance with meal and refreshment thresholds from the time since our audit scope (FYs 2008 and 2009).

However, we note that 8 of the 10 reviewed conferences occurred after the April 2008 DOJ policy.[12] Thus, we remain concerned that not all components will take into account service fees, taxes, and indirect costs when deciding what food and beverages – if any – should be served at a DOJ conference. In our opinion, the lack of documentation we found regarding the necessity of costly food and beverage items indicated that not all sponsors were seriously questioning the need for expensive meals and refreshments at their events.

In addition, because the JMD policy limiting meal and refreshment costs did not apply to conferences planned under cooperative agreements, DOJ awarding agencies can circumvent meal and refreshment cost limits by using cooperative agreements to support their conferences. We therefore recommend that DOJ apply its meal and refreshment cost limits to all conferences regardless of the type of procurement vehicle used to fund a conference.

[12] Because some major conferences reportedly require up to a year or more to plan, we were not able to determine definitively how many of the conferences audited were in the planning stages prior to the implementation of the April 2008 policy.

In our report, we make 10 recommendations to assist DOJ in properly accounting for and minimizing conference costs.

Our report contains detailed information on the full results of our review of DOJ conference expenditures. The remaining sections of this Executive Summary describe in more detail our audit findings.

External Event Planning

The Federal Travel Regulation and DOJ policies require that agencies sponsoring conferences – and consequently any entity hired to plan such an event – minimize conference costs, including expenses associated with event planning. Some DOJ components hire outside firms as event planners to perform many of the logistical services associated with hosting a conference, such as selecting venues, negotiating food, lodging, and meeting space prices with hotels, drafting and sending invitations, and booking travel.

We analyzed the various costs associated with event planning and found that outside firms provided logistical event planning services for 5 of the 10 conferences we reviewed.[13] Both OJP and the OVW used their award-making authority to hire firms that served as their training and technical assistance providers as well as their event planners for the remaining five conferences. As training and technical assistance providers, many of these firms worked on an assortment of grant project activities unrelated to the conferences they planned, such as developing training, and producing newsletters, publications, and other documents to promote the different grant program objectives. Outside firms serving as event planners did not always distinguish costs associated with event planning from these other programmatic functions. We therefore had to rely on cost estimates prepared by event planners to determine how much they spent planning these five conferences.

As shown in the following exhibit, event planning services cost an estimated $600,000, or 37 percent of the $1.6 million total cost of the 5 conferences that used external event planners.

[13] The Drug Enforcement Administration (DEA), the Executive Office of Immigration Review (EOIR), the Executive Office of United States Attorneys (EOUSA), the Federal Bureau of Investigation (FBI), the DOJ's Criminal Division, and the Organized Crime Drug Enforcement Task Force (OCDETF) planned their conferences internally and therefore did not procure external (non-DOJ) event planning costs.

EXTERNAL EVENT PLANNING COSTS

Conference	Award Number	Award Amount ($)	Award Funds Used on Conference Event Planning ($)	Total Conference Cost ($)	Event Planning Portion of Total Conference Costs (%)
BJA and SMART Office Indian Country Pre-Conference	2008-DD-BX-K002	600,000	7,000	90,201	8
OVC Indian Nations Conference	2005-VR-GX-K001	500,000	267,966	583,392*	46
BJA Walking on Common Ground II	2007-IC-BX-K001	1,420,000	75,644**	132,222	57
OJJDP AMBER Alert Conference	2005-MC-CX-K034	4,913,216	180,479	657,773	27
OVW Enhancing Judicial Skills Workshop***	2006-WT-AX-K046	1,700,000	69,186	148,877	46
	2008-TA-AX-K038	600,000			
	TOTALS	**$9,733,216**	**$600,275**	**$1,612,465**	**37 percent**

Source(s): OIG review of actual and estimated external event planning costs

Notes:
* The total cost of the OVC Indian Nations Conference is greater than the amount of the award because this conference's event planner received non-DOJ contributions and charged other fees to pay for conference costs.

** The $75,644 in event planning costs for the Walking on Common Ground II conference includes $63,604 in subrecipient event planning costs.

*** The OVW procured event planning services from two separate entities for its Enhancing Judicial Skills Workshop.

Overall, the following sections detail the specific concerns we identified pertaining to cooperative agreement event planning costs.

Unreported Event Planning Costs

Event planners incurred an estimated $600,000 in salary and benefit costs associated with employee time spent facilitating and planning conferences. However, neither OJP nor the OVW required event planners to track and report salary and benefit costs. OJP and the OVW furthermore did not report the cost of these salaries and benefits to JMD. As a result, we found that over $556,000, or 93 percent of the total estimated $600,000 spent on event planning services, was not reported on DOJ conference cost reports.

UNREPORTED COOPERATIVE AGREEMENT RECIPIENT EVENT PLANNING COSTS

Component and Program Office	Conference Title	Identified Unreported Costs ($)
OJP – BJA and SMART Office	Indian Country Pre-Conference	7,000
OJP – OVC	Indian Nations Conference	240,588
OJP – BJA	Walking on Common Ground II	70,760
OJP – OJJDP	AMBER Alert Conference	170,338
OVW	Enhancing Judicial Skills Workshop	67,903
	TOTAL	**$ 556,589**

Source: OIG assessment of salaries, benefits, and indirect costs

Cooperative agreement recipients should report all relevant costs incurred from conference activity so that required DOJ conference cost reports are accurate. We therefore recommend that OJP and the OVW update guidance provided to award recipients that ensures reporting of all conference costs, including expenses associated with staff salaries and benefits.

Unallowable Event Planning Direct Costs

The audit identified two unallowable costs associated with event planning for the OVC Indian Nations Conference. First, the event planning firm hired a consultant located in Anchorage, Alaska, to act as the liaison with the conference hotel located in Palm Springs, California. The consultant, who worked under contract with the event planner for prior OVC Indian Nations Conferences, was hired for the 2008 event without the

benefit of an open solicitation. The hiring of the consultant was part of the event planner's conference budget approved by the OVC.

In our judgment, the OVC and its event planner missed an opportunity to minimize costs by not soliciting a public bid for a consultant that was closer to the conference's venue in Palm Springs. Because the consultant was based in Anchorage, Alaska, the consultant had to travel the 2,400-mile distance to Palm Springs at least 3 times and subsequently billed $3,454 in travel costs. While we believe costs associated with travel can be necessary and allowable, we consider the travel costs for this consultant unreasonable due to the traveling distance between Palm Springs, California, and Anchorage, Alaska. Therefore, we believe that the event planning firm did not minimize conference costs, as required by DOJ guidelines, and we question the consultant's travel expenses totaling $3,454 as unallowable costs.[14]

Additionally, OVC's event planner held a conference planning committee meeting in January and February 2008, about a year before the conference took place, at the Palm Springs hotel. The purpose of this meeting was to assess what was needed for a successful conference and generate interest among all relevant parties about the upcoming event. The planning meeting had 36 attendees, mostly representatives from the hosting firm, other training and technical service providers, OJP, and the OVW. The event planner incurred a total of $29,365 in travel, lodging, and food and beverage costs for the face-to-face meeting.

The decision to conduct a face-to-face planning meeting that incurred nearly $30,000 in costs is troubling to us. An event planning official told us that the OVC specifically directed it to host a "major meeting" for the conference's planning committee. Nevertheless, we found that the firm's cooperative agreement application stated that the conference planning committee did not require a face-to-face meeting to perform its work effectively. In fact, this document said that planning committee work could be effective via long distance. We also note that the conference's venue had been the same for the prior three (2002, 2004, and 2006) Indian Nations conferences. Considering these points, we believe it was unnecessary to have attendees from across the United States travel to Palm Springs in January and February to have a face-to-face planning meeting at the same

[14] Questioned costs are expenditures that do not comply with legal, regulatory or contractual requirements, or are not supported by adequate documentation at the time of the audit, or are unnecessary or unreasonable. Questioned costs may be remedied by offset, waiver, recovery of funds, or the provision of supporting documentation.

hotel where the conference had been held biennially since at least 2002. Had the OVC event planner instead conducted a planning meeting via teleconference, we believe that participants could still have discussed the planning issues without incurring travel, lodging, and food and beverage costs.

Planning meetings represent important opportunities for sponsoring components to gauge the conference's potential programmatic success. While planning meetings may be justifiable, extensive costs associated with traveling, lodging, and providing food may not be appropriate if the costs were not necessary. The cooperative agreement application submitted by the event planner for this conference indicates that a face-to-face planning meeting was not necessary. As a result, we do not believe the $29,365 spent on lodging, travel, and food and beverages costs was necessary. Because the costs were unnecessary, we question them as an unallowable use of OJP grant funds. We recommend that OJP: (1) remedy $29,365 in questioned planning meeting travel, lodging, and food and beverage costs and (2) ensure that its event planners justify the need for significant costs associated with future face-to-face conference planning meetings.

Indirect Costs

Indirect costs are a type of expense that cannot easily be attributed to a particular cost objective (activity or item) funded by an award. Examples of indirect costs include administrative salaries, rent, and utility charges. Cooperative agreement recipients may charge indirect costs to recover expenses incurred as a result of their work, provided that their cognizant federal agency reviews and approves an indirect cost rate or application method for each recipient. As shown by the following exhibit, external event planners charged over $242,000 in indirect costs incurred while planning OJP and OVW conferences.[15]

[15] One external event planner hired by OJP did not charge indirect costs to its event planning award.

INDIRECT COSTS FOR OJP AND OVW CONFERENCES

Conference Planner		Indirect Cost Rate Charged (%)	Amount ($)
OVC Indian Nations Conference Event Planner		n/a (allocation plan)	102,622
BJA Walking on Common Ground II	Primary Event Planner	31.4	968
	Subrecipient 1	96	27,270
	Subrecipient 2	20	1,839
OJJDP AMBER Alert Conference Event Planner		15	85,797
OVW Enhancing Judicial Skills Workshop	Event Planner 1	17.51	16,936
	Event Planner 2	24.1	6,847
		TOTAL	**$242,279**

Source: OIG review of event planning records

The $242,000-figure represents about 40 percent of the total $600,000 spent to plan the OJP and OVW events.

As demonstrated by the exhibit above, the indirect cost rates varied widely from 15 percent to 96 percent among the different event planners. In addition, the event planners applied their respective indirect cost rates to different categories of direct costs. The event planner with a 96-percent indirect cost rate applied the rate only to salary or labor costs, while the event planner with a 15-percent indirect cost rate applied the rate to all conference expenses – including the cost of food and beverages served at the Office of Juvenile Justice and Delinquency Prevention (OJJDP) America's Missing: Broadcast Emergency Response (AMBER) Alert Conference. Although allowable, this practice increased the price OJP was charged for food and beverages at this conference by 15 percent. For example, while the event planner incurred a cost of $4.84 for each soda, after the indirect cost rate, OJP was charged $5.57 for each soda.

The training and technical assistance providers reviewed for this audit generally require personnel with specialized skills – such as attorneys and professors – to provide programmatic support necessary for OJP and OVW grant initiatives. For example, in addition to providing event planning services, the OJJDP training and technical assistance provider developed and hosted a series of seminars on responding to missing and exploited children. Such programmatic services are not logistical in nature. We believe that organizations that perform programmatic tasks generally require far more overhead and administrative support, which results in these firms incurring more indirect costs and applying higher indirect cost rates to recover these costs. This is especially troubling to us because the training and technical assistance providers that served as event planners applied the same indirect rate to costs associated with performing programmatic and logistical activities. Consequently, these firms might be applying high indirect rates to OJP and the OVW for logistical activities that do not require specialized programmatic skills when they: (1) provide programmatic support as a training and technical assistance provider and (2) charge the same indirect rates to all expenses (regardless of whether the expense was associated with a programmatic or logistical activity).

Both the Federal Travel Regulation and DOJ conference planning policies seek to ensure that the government receives the best value for all event planning services, including logistical tasks. Indirect costs totaled $240,000 and constituted about 40 percent of the total event planning cost for the five OJP and OVW conferences. DOJ components that hired outside event planners that charged indirect costs need to ensure that these costs are minimized. We therefore recommend that OJP and the OVW demonstrate that a training and technical assistance provider offers the most cost-effective logistical services before awarding a cooperative agreement that supports conference planning to such a firm. To accomplish this, we believe that OJP and the OVW should: (1) identify the specific event planning activities that are logistical (and therefore do not require specialized programmatic support) and (2) solicit bids from different vendors to perform these activities. Such solicitations should be directed to all firms capable of performing logistical tasks and not just to training and technical assistance providers.

The event planner for the December 2008 Indian Nations Conference in Palm Springs, California, used an allocation plan instead of an indirect rate to recover indirect costs. Under this method, the event planner charged $102,622 in indirect costs to OJP based on the proportion of its total payroll costs specifically associated with planning the conference. However, the indirect cost allocation plan did not receive the required approval by OJP or any other federal agency beforehand. This meant that the charges were not allowable and should not have been charged to the OJP cooperative agreement. As a result, we recommend that OJP remedy the $102,622 that the event planner charged in unallowable indirect costs.

Food and Beverages

Food and beverages at the 10 conferences cost DOJ components nearly $490,000, or 11 percent of the total $4.4 million estimated cost of these events. The exhibit below details the food and beverage costs incurred for each conference.

DOJ CONFERENCE FOOD AND BEVERAGES

Conference Title	Location (City, State or Country)	Length of Conference (Days)	Number of Participants or Attendees*	Overview of meals offered to participants**	Total DOJ Food and Beverage Cost*** ($)
EOUSA National Conference	Washington, D.C.	4	166	325 breakfasts, 285 lunches, and 247 dinners over 4 days	54,275
EOIR Legal Conference	Washington, D.C.	5	534	No full meals, only refreshments served	39,360
OCDETF Conference	Washington, D.C.	4	1,348	925 lunches, and 1,200 dinners over 3 days	137,655
OJJDP AMBER Alert Conference	Denver, CO	4	367	1,461 breakfasts, 1,080 lunches over 4 days	90,197
OVC Indian Nations Conference	Palm Springs, CA	3	750	322 breakfasts, 505 lunches, and 530 dinners over 3 days	77,399
BJA Walking on Common Ground II	Palm Springs, CA	2	153	300 breakfasts and 300 lunches over 2 days	17,814
BJA and SMART Office Indian Country Pre-Conference	Palm Springs, CA	1	144	150 breakfasts over 1 day	5,541
OVW Enhancing Judicial Skills Workshop	San Francisco, CA	4	66	195 breakfasts and 65 lunches over 4 days	20,407
DEA IDEC	Istanbul, Turkey	3	368	320 lunches over 1 day	26,980
FBI Director's Symposium	Washington, D.C.	3	242	No full meals, only refreshments served	19,965
				TOTAL	**$489,593**

Source: OIG analysis of vendor invoices

Notes:
* We applied the total number of participants (presenters, facilitators, and attendees) if that figure was ascertainable and these personnel received food and beverages at the respective conference.
** Number of meals provided at official conference events paid for with DOJ funds. Meal counts exclude those provided to planning staff or presenters at pre-events. The cost of food served at pre-events is included in total cost column.
*** Total DOJ food and beverage costs includes hotel service charges but does not include indirect charges.

As shown in the exhibit above, DOJ components typically provided breakfasts, lunches, and dinners to conference participants. Hotels that catered meals and refreshments also routinely applied service charges, generally about 20 percent, to the total cost of the food and beverages.

In April 2008, JMD issued guidelines requiring that components limit the cost of conference meals to 150 percent of the applicable M&IE per diem rate that the GSA allocated to each meal.[16] For example, in a location where the M&IE per diem rate was $39, GSA allocated $11 of that amount for lunch. Under the JMD guidelines, a component could provide lunch at a conference so long as the cost of that lunch did not exceed 150 percent of the $11 allocation, or $16.50. The JMD guidelines also required that DOJ components not spend more than 23 percent of the total per diem rate for light refreshments per attendee each day.[17]

However, because the JMD guidance was not implemented until April 2008, the meal and refreshment cost thresholds may not have applied to many of the 10 conferences we reviewed because they were either held or were being planned by the time the rules were issued. Further, the JMD policy stipulated that the meal and refreshment limits did not apply to conferences funded through cooperative agreements. As a result, the event planners for the OJP and OVW conferences we reviewed (all of which were planned with cooperative agreements) were not required to follow the 150-percent meal and 23-percent refreshment thresholds. We nevertheless applied the April 2008 JMD thresholds as a benchmark to ascertain objectively whether the meals and refreshments appeared to be extravagant or wasteful uses of taxpayer funds.

Meals

Eight of the conferences we reviewed provided at least one meal to attendees. The cost of 29 out of the 35 total meals (83 percent) provided at the conferences exceeded 150 percent of the per diem meal allocation. These meals exceeded the JMD cost threshold by varying amounts (up to $49 per meal per person). Detailed below are the costs associated with five meals provided to participants.

- On the first night of the 2008 U.S. Attorneys National Conference, 84 officials attended a dinner with the Attorney General. The

[16] JMD cost limitations (included in the policy found at Appendix III) require that the maximum percentage include any applicable service charge and tax.

[17] Light refreshments include coffee, tea, milk, juice, soft drinks, donuts, bagels, fruit, pretzels, cookies, chips, or muffins. 41 C.F.R. § 301-74.11 (2011)

dinner cost $5,431, or almost $65 per person, which is $18.50 (40 percent) more than the $46.50 that would have been permitted under the JMD thresholds for dinner. This conference was held in February 2008, about two months before the JMD issued its food and beverage cost thresholds.

- On the second day of the 2008 U.S. Attorneys National Conference, 118 participants attended a dinner in Alexandria, Virginia, at the Mount Vernon Inn. The dinner featured a choice of entrees including crusted red snapper, stuffed chicken breast, or beef medallions, all with an assortment of hors d'oeuvres, side dishes, and salads. The dinner cost $58 per person, or almost $12 more (25 percent) than the $46.50 that would have been permitted under the JMD thresholds for dinner.

- At the OJJDP AMBER Alert Conference, one of the lunches cost almost $15,000 for 360 people, or $47 per person, including service and indirect charges. The lunch, served on the second day of the conference, included "five-spiced beef short rib" entrees with vegetables and crème brulee for dessert. This meal cost $27.50 (141 percent) more than the $19.50 that would have been permitted under the JMD thresholds for lunch. This conference occurred in November 2007 and was planned under a cooperative agreement. The JMD meal price thresholds were therefore not applicable to the conference.

- At the Indian Nations Conference, OJP's Office for Victims of Crime provided a hot breakfast for 322 people that cost $28.80 per person. This cost would have exceeded the JMD food and beverage thresholds by $12.30 (74 percent) per person had the conference not been planned under a cooperative agreement and if the JMD meal price thresholds were applicable.

- At the Enhancing Judicial Skills Workshop, the OVW provided the "Mission Dolores" lunch for 65 people. The menu price of this lunch was $49 per person. However, added to this cost were service charges, taxes, and event planner indirect cost rates, resulting in the OVW incurring $76 for each "Mission Dolores" lunch served. This conference was planned under a cooperative agreement and the JMD meal price thresholds were not applicable to it. Considering this price, had the JMD rules been applicable, the OVW would have exceeded the allowable JMD lunch rate of $27 by $49 (181 percent).

Refreshments

The conferences selected for our review included breaks when attendees received refreshments such as coffee, soda, cookies, bagels, and pastries. Under the April 2008 JMD conference food and beverage price policy, DOJ components should not spend more than 23 percent of the applicable M&IE rate each day for refreshments per attendee. As detailed below, in our opinion, the price of individual food items served as refreshments appeared excessive.

- Considering the EOIR reported that at least 534 people received refreshments at its 2009 Legal Training Conference in Washington, D.C., it spent an average of $14.74 per attendee per day on food and beverages – just above the $14.72 JMD limit for refreshments. We credit the EOIR for implementing the following controls to reduce food and beverage costs: (1) it provided just refreshments and not full meals, (2) it ordered fewer refreshments than the total number of reported attendees, and (3) it received 15 gallons of coffee, 30 gallons of iced tea, and 200 pieces of fruit for free. However, many individual food and beverage items listed on conference invoices and paid by the EOIR were very costly. The EOIR spent $4,200 on 250 muffins and $2,880 on 300 cookies and brownies. By itemizing these costs, we determined that, with service and gratuity, muffins cost over $16 each and cookies and brownies cost almost $10 each.

- At the AMBER Alert Conference, the OJJDP spent over $23,000 on a continuous beverage service that provided 367 attendees with coffee and soda over 4 days. The high cost of refreshments was caused in part by applying hotel service charges and event planner indirect costs to each food and beverage item, resulting in each can of soda costing $5.57 and each ounce of coffee costing $0.65. At this price, one 8-ounce cup of coffee would cost $5.20.

- At the OVW Enhancing Judicial Skills Workshop, the 66 conference participants received, on average, $30 in refreshments per day, or about $15 more than the $14.72 allowed per day under the JMD guidelines. However, because this conference was planned under a cooperative agreement, the JMD thresholds did not apply to the OVW or its conference planner. During a single break, attendees were served items like Cracker Jacks, popcorn, and candy bars that cost $32 per person, including service charges and indirect costs. The OVW also provided a “deluxe” ice cream assortment

that cost $10 per person including service charges and indirect costs. By applying service charges and taxes, each ounce of coffee and tea purchased cost $1.03. At this price, a single 8-ounce cup of coffee or tea would have cost $8.24 and account for almost 56 percent of the 23-percent per diem limit ($14.72) that JMD established for refreshments.

- At the Drug Enforcement Administration (DEA) International Drug Enforcement Conference (IDEC), 300 participants attended two coffee breaks on the same day at a total cost of $15,600. Therefore, the DEA spent $52 per person on breaks during this day, which was about double the $26.22 limit for breaks under the JMD guidelines.

- During the Federal Bureau of Investigation (FBI) Director's Symposium, the FBI spent almost $20,000 on refreshments for over 240 people over 3 days. The FBI spent $26.62 on refreshments per person each day, even though the limit under JMD guidelines was $14.72. This resulted in the FBI spending $8,925 more than it should have over the 3-day period on refreshments.

Justifications for Meals and Refreshments

Sponsoring components and event planners were unable to provide adequate justifications for the expensive food and beverages at the reviewed FY 2008 and 2009 conferences. Event planners sometimes attributed the expense of food and beverages to the high cost of locations where some of the reviewed conferences were held, such as San Francisco, California. Other event planners said that because previous conferences always featured meals, attendees have come to expect meals at their conferences. We do not believe that these reasons appropriately justify using DOJ funds to serve expensive meals.

In addition to the April 2008 policy, the Attorney General, the Deputy Attorney General, and the Assistant Attorney General for Administration have each issued memoranda to DOJ component heads directing them to reign in conference spending.[18] In addition, JMD has developed an internal website that consolidated relevant policies and other rules for DOJ

[18] Copies of the memoranda from the Attorney General, the Deputy Attorney General, and the Assistant Attorney General for Administration are included in Appendices IV, V, and VI.

conference planners. Considering these efforts, JMD officials stated they believed that components improved compliance with meal and refreshment thresholds during more recent events (FYs 2010 and 2011) compared to what we found during the scope of our review (FYs 2008 and 2009).

Despite the JMD conference cost thresholds, consolidated conference planning website, and memoranda from DOJ leadership to component heads, we remain concerned that components will not take into account service fees, taxes, and indirect costs when deciding what food and beverages – if any – should be served at a conference. In our opinion, the lack of justifications component sponsors provided for food and beverages served at the 10 audited conferences makes it appear as though many sponsors did not seriously question the need for expensive meals and refreshments at their events.

We also identified several instances when event planners reported that hotels waived meeting space rental fees when the event planners incurred a minimum food and beverage cost. Although free meeting space may provide an opportunity for DOJ components to save money, we found no evidence that components or event planners determined that the cost of meals and refreshments was less than what the cost of meeting space would have been had the meeting space not been provided for free. Without this type of cost-benefit analysis, DOJ components and event planners cannot demonstrate that they complied with the Federal Travel Regulation or DOJ guidelines that require that conference costs are kept to a minimum.

DOJ components provided expensive food and beverages to attendees regardless of whether internal DOJ staff planned the conference or the sponsoring component hired an external event planner via a cooperative agreement. The April 2008 JMD policy specifically excludes cooperative agreement recipients from complying with meal and beverage threshold limits. Although the OJP Financial Guide (which the OVW also applies as criteria for its awards) requires cooperative agreement recipients to ensure that the cost of food and beverage is reasonable and work-related, it does not establish strict food and beverage limitations like those found in the JMD policy. As a result, DOJ awarding agencies can circumvent meal and refreshment cost limits by simply using a cooperative agreement instead of a grant or contract to support a conference.

Guidance limiting meal and refreshment costs should be in place regardless of the funding instrument used to fund a conference. Therefore, we recommend that OJP and the OVW ensure that cooperative agreement recipients comply with established JMD conference food and beverage

thresholds that limit meals to 150 percent of the M&IE allocated to that meal and refreshments to 23 percent of the total applicable daily per diem.

Conclusion and Recommendations

DOJ components sponsoring conferences have a responsibility to: (1) minimize conference planning costs and (2) ensure the food and beverages provided are incidental, reasonable, and only provided at work-related events. Our audit determined that DOJ components that sponsored conferences did not track and report external event planning costs as required, and that these costs, especially indirect costs, varied widely. In addition, individual conferences featured full meals, beverages, and snacks that were costly, especially after hotel service charges and event planner indirect costs were applied to each meal and refreshment. By itemizing each item of food or beverage provided to conference attendees, we found that one conference had $16 muffins while another had coffee and tea that cost more than $1 per ounce.

Our audit work and findings resulted in 10 recommendations to help DOJ components properly account for and minimize conference costs. For example, we recommend that pertinent DOJ components ensure that:

- Conference cost reports are accurate in that they include all salaries, benefits, and other costs charged to the government by all associated funding recipients, and

- Cooperative agreements with training and technical assistance providers are used to procure logistical event planning services only once it is demonstrated that this method is the most cost effective approach.

AUDIT OF DEPARTMENT OF JUSTICE CONFERENCE PLANNING AND FOOD AND BEVERAGE COSTS

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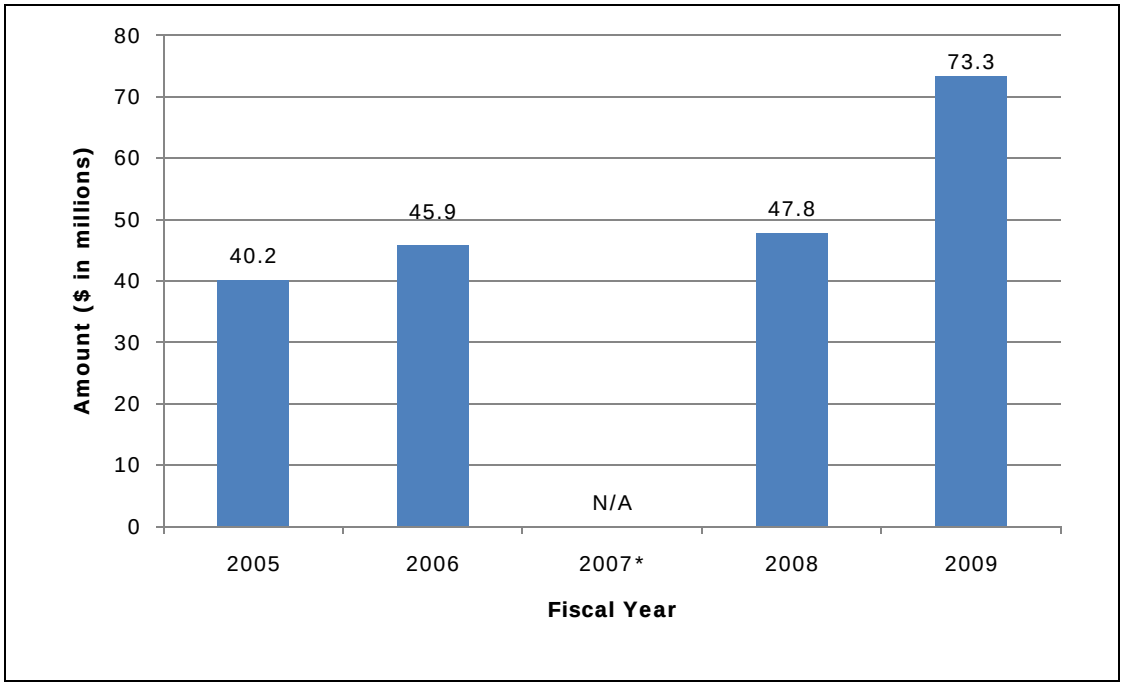
INTRODUCTION

Department of Justice (DOJ) components host and participate in conferences to work with officials from other DOJ and federal entities, state and local law enforcement agencies, Native American and Alaskan Native tribes, and non-profit organizations. To mitigate the potential waste and abuse of appropriated funds, every DOJ component that sponsors a conference must ensure that the event not only is necessary, but also incurs the minimal costs required to achieve its objective.

Since 2008, DOJ appropriation acts have required that the Office of the Attorney General report conference costs quarterly.[19] For fiscal years (FY) 2008 and 2009, DOJ reported that it hosted or participated in 1,832 events. The reports detailed that the conference activity over these 2 years cost a total of $121 million. DOJ spent about $73 million to host conferences during FY 2009, which, as shown in Exhibit 1, is $25.5 million (53 percent) more than what was reported spent on conferences in FY 2008.

[19] The Attorney General must submit quarterly reports to the DOJ Inspector General regarding the costs and contracting procedures for each conference held by the DOJ for which the cost to the government was more than $20,000. Pub. L. No. 110-161 § 218 (2008) and Pub. L. No. 111-8 § 215 (2009). The Attorney General has delegated the responsibility to compile these reports to the Justice Management Division (JMD) Finance Staff. Each component therefore submits to JMD a quarterly report of its respective conference costs.

EXHIBIT 1: REPORTED DOJ CONFERENCE COSTS FYs 2005 TO 2009



Source: DOJ component conference expenditures reports. Conference cost reports for FYs 2005 and 2006 were completed at the request of the U.S. Senate Committee on Homeland Security and Governmental Affairs, Subcommittee on Federal Financial Management, Government Information and International Security. Conference cost reports for FYs 2008 and 2009 were issued through DOJ appropriation mandates.

Note: DOJ did not compile conference expenditure reports for FY 2007 because there were no requests from Congress or legislative requirements to compile and report this information.

According to Justice Management Division (JMD) officials charged with compiling the conference cost reports, the increase in costs reported between 2008 and 2009 is partially attributable to components improving how they internally report conference costs. Since mid-2008, individual DOJ components have been required to submit cost data to JMD on a quarterly basis by specified cost categories, such as meals and refreshments, event planning, and audio-visual costs.

Prior OIG Audit

In September 2007, the DOJ Office of the Inspector General (OIG) released an audit report on conference expenditures associated with 10 major DOJ events held between October 2004 and September 2006.[20] The conferences reviewed included 9 events that were held in the United States and 1 international event. The audit detailed how DOJ components procured event planning services from outside firms and assessed the prices of food and beverages served to conference attendees. The audit found that components used different methods to hire external event planners for logistical service support (such as selecting venues, negotiating lodging rates, and working with hotels on menus). Some event planners were hired as contractors, others via a cooperative agreement, which is a type of funding vehicle a DOJ agency can award if it expects to be substantially involved in the work performed. As a result, event planners charged a wide array of costs associated with event planning services. A major January 2006 conference supported by a cooperative agreement incurred over $600,000 in planning costs, while another major conference in August 2006 planned via a contract with a professional event planner incurred about $145,000 in planning costs.

The audit also concluded that while using appropriated funds to pay for food and beverages at DOJ conferences might be allowable, some of the food and beverage costs – particularly those associated with meals and receptions – appeared to be extravagant. For example, the audit found that one DOJ event in Los Angeles, California, featured a 2-entrée lunch for 120 attendees that cost $53 per person. In another instance, a DOJ component spent $60,000 on a reception that featured chef-carved roast beef and turkey, a penne pasta station, and platters of Swedish meatballs at a cost of nearly $5 per meatball. The audit made 14 recommendations to JMD and other DOJ components to help implement stronger policies that oversee conference expenditures and ensure that conference planners justify significant food and beverage costs.

[20] U.S. Department of Justice Office of the Inspector General, *Department of Justice Conference Expenditures,* Audit Report 07-42 (September 2007).

In response to the recommendations included in the September 2007 audit, JMD updated its guidelines on conference planning and expenditure reporting in an effort to help minimize conference costs DOJ-wide. In April 2008 JMD established DOJ food and beverage thresholds based on General Services Administration (GSA) per diem rates.[21] This guidance provides that components should not spend more than: (1) 150 percent of the applicable GSA per diem rate allocated to each meal and (2) 23 percent of the total per diem per person on refreshments.[22]

OIG Audit Approach and Objective

The objective of this audit was to review a sample of conferences that occurred between October 2007 and September 2009 to determine whether DOJ components properly accounted for and minimized costs associated with conference planning, meals, and refreshments. Using DOJ conference cost reports, we selected a judgmental sample of 10 high-dollar DOJ conferences.[23] Our audit determined that DOJ sponsoring components spent an estimated $4.4 million on these 10 events.

Exhibit 2 details the 10 conferences selected for our review.

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[21] The term "per diem" refers to the travel allowance provided to federal employees for meals and incidental expenses. Per diem rates are generally established for each county in the United States. However, when a per diem rate is not established for a particular locale, the base continental United States per diem rate applies.

[22] GSA breaks down the daily per diem rate into allocations for breakfast, lunch, dinner, and incidentals. For example, when a federal traveler receives $64 per day, GSA allocates $12 for breakfast, $18 for lunch, and $31 for dinner, with the remaining $3 for incidentals. Under the JMD rules, the 150 percent threshold is applied to each of these individual meal allocations and includes applicable service charges.

[23] To select this sample, we identified: (1) events sponsored by components that reported a large number of conferences and (2) events with high reported costs in particular conference cost categories, such as food and beverages. Because both federal and DOJ guidelines require that sponsoring components minimize the cost of their conferences, we assessed 2 types of costs for these 10 events that we believe constitute the most significant drivers of conference expenditures: outside event planning services and food and beverages.

EXHIBIT 2: DOJ CONFERENCES SELECTED FOR REVIEW

Sponsoring Component(s)	Conference Title	Location - Dates	Total Cost ($)*
Criminal Division and the Organized Crime Drug Enforcement Task Force (OCDETF)	OCDETF National Leadership Conference (OCDETF National Conference)	Washington, D.C. July 20 – 23, 2009	360,185
Drug Enforcement Administration (DEA)	International Drug Enforcement Conference (DEA IDEC)	Istanbul, Turkey July 8 – 10, 2008	1,181,902
Executive Office for Immigration Review (EOIR)	Legal and Interpreters Training Conference (EOIR Legal Conference)	Washington, D.C. Aug. 3 – 7, 2009	688,904
Executive Office for U.S. Attorneys (EOUSA)	2008 U.S. Attorneys National Conference (EOUSA National Conference)	Washington, D.C. Feb. 11 – 14, 2008	259,648
Federal Bureau of Investigation (FBI)	Director's Advisory Committee Symposium (FBI Director's Symposium)	Washington, D.C. April 14 – 16, 2009	302,428
Office of Justice Programs (OJP), Bureau of Justice Assistance (BJA) and Office of Sex Offender Sentencing, Monitoring, Apprehending, Registering, and Tracking (SMART Office) (Co-sponsors)	Indian Country Sex Offender Pre-Conference Institute (BJA and SMART Office Indian Country Pre-Conference)	Palm Springs, CA Dec. 10, 2008	90,201
OJP, Office for Victims of Crime (OVC)	11th National Indian Nations Conference (OVC Indian Nations Conference)	Palm Springs, CA Dec. 11 – 13, 2008	583,392
OJP, BJA	BJA Walking on Common Ground II	Palm Springs, CA Dec. 9 – 10, 2008	132,222
OJP, Office of Juvenile Justice and Delinquency Prevention (OJJDP)	America's Missing: Broadcast Emergency Response (AMBER) Alert National Conference (OJJDP AMBER Alert Conference)	Denver, CO Nov. 13 – 16, 2007	657,773
Office on Violence Against Women (OVW)	Enhancing Judicial Skills in Domestic Violence Cases Workshop (OVW Enhancing Judicial Skills Workshop)	San Francisco, CA March 28 – April 1, 2009	148,877
		TOTAL	**$4,405,532**

Source: FY 2008 and 2009 DOJ conference expenditure reports

Note: Total cost based on OIG audit figures. For the OVC Indian Nations Conference, the event planner reported that it applied almost $78,000 in non-DOJ contributions and other fees to pay for conference costs.

For each conference, we assessed costs reported in specific categories to identify whether there were any expenditures indicative of wasteful or extravagant spending. We focused this audit on two major conference cost categories that our September 2007 audit report identified as the most susceptible to waste and misuse – external event planning and food and beverages. We used the April 2008 JMD thresholds as a benchmark to ascertain whether specific conference meals and refreshments appeared to be extravagant and therefore constituted an unreasonable use of taxpayer funds. This is because the 10 reviewed conferences included 2 conferences that occurred before April 2008 and several others that were or may have been in planning stages when JMD issued its meal and refreshment thresholds.[24] We also note that events planned with cooperative agreements (all awarding agency sponsored events reviewed) did not need to comply with the 150-percent meal and 23-percent refreshment threshold.

Appendix I contains a more detailed description of our audit objective, scope, and methodology, and details how we selected conferences for this review.

[24] Because some major conferences reportedly require up to a year or more to plan, we were not able to determine definitively how many of the conferences audited were in the planning stages prior to the implementation of the April 2008 policy.

FINDINGS AND RECOMMENDATIONS

I. EXTERNAL EVENT PLANNING

Although firms hired by DOJ components to plan conferences incurred over $600,000 in planning costs, about $556,000 in charges (93 percent) were not included on mandated DOJ conference costs reports. Over $240,000 in indirect costs were billed to DOJ, constituting 40 percent of total external event planning costs. We found that over $100,000 of these indirect costs were charged via an unapproved allocation plan, and therefore were not allowable. Furthermore, the outside firms that served as event planners were also the training and technical assistance providers that offered programmatic services, such as curriculum development, to DOJ awarding agencies. These firms applied the same indirect cost rate to both programmatic and logistical service expenses, such as selecting meals and booking travel. Because logistical services are primarily administrative and do not require the specialization of programmatic services, training and technical assistance providers may not be offering the most cost-effective logistical event planning services to DOJ awarding agencies.

DOJ conference policies state that a component hosting a conference should work closely with conference planners to minimize event costs. DOJ guidelines also mirror those outlined by the Federal Travel Regulation, which applies to all federal agencies hosting conferences that require federal employee travel.[25] The Federal Travel Regulation specifies that sponsoring components and their conference planners should implement policies that:

- Minimize all conference costs, including administrative costs, conference costs, attendee travel costs, and conference attendee time costs;

- Maximize the use of government-owned or government-provided conference facilities as much as possible; and

- Identify opportunities to reduce costs in selecting a particular conference location and facility.

[25] 41 C.F.R. § 301-74 (2011)

The Federal Travel Regulation and DOJ conference planning policies seek to ensure that components sponsoring conferences receive the best value for logistical services.

Use of External Event Planners

Our September 2007 audit found that training and technical assistance providers served as the event planner for many DOJ conferences. Training and technical assistance providers are usually non-profit organizations hired to help awarding agencies perform an assortment of projects associated with a particular grant program, such as juvenile delinquency prevention, law enforcement outreach, and law enforcement technology development. In addition to offering logistical support for their particular event, training and technical assistance providers reviewed by the 2007 audit also provided programmatic conference planning services stemming from their special role with a particular award program office or bureau. Specialized skills and expertise are generally required to perform programmatic services successfully, such as determining the conference agenda, writing publications, and identifying appropriate speakers, topics, and participants.

The audit found that when the same firm performed both logistical and programmatic event planning functions, the firm generally applied the same indirect rate to both logistical service costs and programmatic service costs.[26] This practice resulted in increasing the amount of indirect costs firms charged to perform logistical services. The 2007 audit identified some cases in which indirect costs, once charged to an award, nearly doubled the cost of logistical services performed while planning an event.

Conversely, the 2007 audit reviewed one conference that was planned by a professional event planning firm instead of a programmatic subject matter expert. The awarding agency worked on programmatic aspects of the event while the event planning firm worked to select meals, secure audio-visual services, and generate publicity for the event. That conference incurred the lowest costs charged for logistical event planning services among those conferences reviewed that used external entities to plan the conference. In this case, the granting agency was responsible for developing the programmatic aspects of the conference.

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[26] Indirect costs are expenses incurred for a common or joint objective that cannot be readily identified with a particular activity supported by or item purchased with a grant, contract, or cooperative agreement. Indirect costs generally include items such as administrative salaries, printing, telephone, supplies, postage, leases and rents, insurance, and property taxes.

Following the September 2007 audit, JMD issued guidance which emphasized that DOJ components should only use external event planners when necessary to achieve a cost effective and efficient conference. Of the 10 conferences this audit reviewed, full-time DOJ employees planned 5 conferences while external entities were hired to plan the remaining 5 conferences, as shown in Exhibit 3.

EXHIBIT 3: CONFERENCE PLANNERS

Planned by DOJ Employees	Planned by External Event Planners
OCDETF National Conference	BJA and SMART Office Indian Country Pre-Conference
DEA IDEC	OVC Indian Nations Conference
EOIR Legal Conference	BJA Walking on Common Ground II
EOUSA National Conference	OJJDP AMBER Alert Conference
FBI Director's Symposium	OVW Enhancing Judicial Skills Workshop

Source: DOJ

When DOJ employees plan a conference, the cost of planning the event is comprised mostly of fixed costs associated with full-time salaries and benefits. Unless a DOJ component specifically hired an employee to plan a particular conference, these costs are retrospective or sunk costs, and the component would have incurred the same employee salary and benefit costs regardless of its decision to sponsor or host an event. Our audit did not identify any cases when a DOJ component hired an employee specifically to plan any of the conferences reviewed. We therefore do not consider planning costs derived from DOJ employee salaries and benefits – including costs associated with employees who worked with external event planners – as conference-related costs.

However, when a DOJ component hires an external entity to perform conference planning work, we believe that salary and benefit costs should be viewed as a direct result of the conference. Unlike full-time DOJ salary costs, external event planner salary costs would not have been charged to the government had the conference not occurred.

Accounting For External Event Planning Costs

The five conferences planned by external entities were comprised of four Office of Justice Programs (OJP) conferences and one Office on Violence Against Women (OVW) conference. OJP and the OVW used their authority to

award cooperative agreements to procure external event planners for these events. Awarding agencies may award a cooperative agreement to an entity instead of a formal grant or contract when the agency expects to be substantially involved in the project or in objective-driven work to be performed under the agreement.[27]

Tracking Event Planning Costs

Because the event planning firms hired under cooperative agreements were also training and technical assistance providers for specific grant programs, the cooperative agreements in some cases included funding for other projects in addition to planning a conference. As training and technical assistance providers, some firms worked on an assortment of grant project activities unrelated to conference planning, such as developing training, and producing newsletters, publications, and other documents to promote the different grant program objectives. Generally, we found that recipients did not track event planning activities separately from non-conference work. As a result, external event planners could not provide us specific costs associated with planning their conferences.

In response to our questions, officials with these groups consulted time and activity reports to estimate the time spent planning the conferences. These estimates accounted for the time spent on both logistical services associated with the conference and programmatic activities, such as curricula development. Based on these estimates, we determined that the event planners spent over $600,000 to plan the five conferences. As shown by Exhibit 4, event planning costs ranged from 8 percent to about 57 percent of the total cost of each event.

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[27] Cooperative agreements may be awarded when: (1) the principal purpose of the relationship is to transfer a thing of value to the recipient to carry out a public purpose authorized by law instead of acquiring property or services for the direct benefit or use of the government; and (2) substantial involvement is expected between the executive agency and the recipient when carrying out the activity contemplated in the agreement. 31 U.S.C. § 6305 (2011).

In addition, the directors or administrators of specific bureaus and program offices within OJP have distinct authority to issue grants and cooperative agreements to support programmatic functions: See 42 U.S.C. § 10603 (C)(1)(B) (2010) for the Office for Victims of Crime, 25 U.S.C. § 3681 (a) (2010) and 42 U.S.C. § 3751 (2010) for the Bureau of Justice Assistance, and 42 U.S.C. § 5775 (2010) for the Office of Juvenile Justice and Delinquency Prevention.

EXHIBIT 4: ESTIMATED EXTERNAL EVENT PLANNING COSTS

Conference	Award Numbers	Award Amount ($)	Award Funds Used on Conference Event Planning ($)	Total Conference Cost ($)	Event Planning Portion of Total Conference Costs (%)
BJA and SMART Office Indian Country Pre-Conference	2008-DD-BX-K002	600,000	7,000	90,201	8
OVC Indian Nations Conference	2005-VR-GX-K001	500,000	267,966	583,392*	46
BJA Walking on Common Ground II	2007-IC-BX-K001	1,420,000	75,644**	132,222	57
OJJDP AMBER Alert Conference	2005-MC-CX-K034	4,913,216	180,479	657,773	27
OVW Enhancing Judicial Skills Workshop***	2006-WT-AX-K046	1,700,000	69,186	148,877	46
	2008-TA-AX-K038	600,000			
	TOTALS	**$9,733,216**	**$600,275**	**$1,612,465**	**37 percent**

Source(s): OIG review of actual and estimated external event planning costs

Notes:

* The total cost of the OVC Indian Nations Conference is greater than the amount of the award because this conference's event planner received non-DOJ contributions and charged other fees to pay for conference costs.

** The $75,644 in event planning costs for the Walking on Common Ground II conference includes $63,604 in subrecipient event planning costs.

*** The OVW procured event planning services from two separate entities for its Enhancing Judicial Skills Workshop.

We conclude that because cooperative agreement recipients did not track conference planning costs separately, OJP and the OVW were not in a position to ensure that cooperative agreements used to support the conference incurred only the minimum costs necessary to achieve an effective and efficient conference, as required by conference planning guidelines. We therefore recommend that OJP and the OVW require that award recipients using DOJ funds to plan conferences track time and activities performed to plan conferences.

Unreported Event Planning Costs

In response to JMD's conference cost reporting guidance, OJP requires that cooperative agreement recipients report conference-related costs via the Grants Management System. However, as shown by Exhibit 5, OJP's guidance does not consider costs associated with staff time (salaries and benefits) as reportable conference costs.[28]

EXHIBIT 5: ADDITIONAL OJP CONFERENCE COST REPORTING GUIDANCE

Category	OJP Guidance
Staff Time	At this time, the cost of funding recipient staff time should generally not be included on this conference cost reporting form.
Event Planner	An event planner is a contractor (not salaried staff) hired by a funding recipient to perform the logistical planning necessary to hold a conference. "Logistical planning" may include: interacting with caterers, recommending venues, developing programs, advertising, setting the stage and audio-visual equipment, securing hotel rooms, and other non-programmatic functions.
Event Facilitator	An event facilitator is generally a contractor (not salaried staff) hired by a funding recipient to host the event (as distinguished from planning the event) and make sure the event goes according to plan.
Meals and Incidental Expenses	If the cost of an event includes travel and per diem reimbursements, any meals provided to conference attendees during the conference must be deducted from the Meals and Incidentals Expense (M&IE) portion of the per diem in accordance with the schedule listed in the Federal Travel Regulations.

Source: OJP conference cost reporting guidance, April 2009

[28] The OVW currently requires its award recipients to follow the OJP Financial Guide and other OJP conference-related guidance and criteria.

OJP and the OVW did not require its event planners to report costs associated with staff time, such as salaries and benefits. However, the majority of event planning costs are associated with staff salaries and benefits. As shown in Exhibit 6, we found that $556,589, or 93 percent of the estimated $600,000 spent on event planning by outside firms, was not reported to OJP and the OVW. OJP and the OVW therefore did not report these costs to JMD for inclusion in the DOJ quarterly conference cost report.

EXHIBIT 6: UNREPORTED COOPERATIVE AGREEMENT RECIPIENT EVENT PLANNING COSTS

Component - Program Office	Conference	Identified Unreported Costs ($)
OJP – BJA and SMART Office	Indian Country Pre-Conference	7,000
OJP – OVC	Indian Nations Conference	240,588
OJP – BJA	Walking on Common Ground II	70,760
OJP – OJJDP	AMBER Alert Conference	170,338
OVW	Enhancing Judicial Skills Workshop	67,903
	TOTAL	**$556,589**

Source: OIG assessment of estimated salaries, benefits, and indirect costs incurred by event planning awardees and subrecipients

OJP officials told us that their policy not to require event planners report staff time was a result of conversations with JMD over which expenses should be included in the quarterly conference cost reports. Under the JMD reporting framework, federal employee time spent planning conferences is not reported as an event planning cost. This is because the salaries of federal employees are not a direct result of the conference. In implementing this rule, OJP applied this exclusion to time spent by cooperative agreement recipients planning conferences, which resulted in entities not reporting event planning costs.

However, as discussed previously, OJP and the OVW use cooperative agreements as vehicles to pay for conference planning activities. Cooperative agreement recipient personnel incur salaries, benefits, and indirect costs associated with planning events. Unlike federal employee salary and benefit costs, which are retrospective expenses and not attributable to a specific event, the salary and benefit costs of cooperative agreement recipients were the direct result of the conferences being planned. To ensure that DOJ conference cost reports are accurate, we believe that cooperative agreement recipients should report these costs to

OJP and the OVW for inclusion in quarterly conference cost reports. By not reporting these event planner costs, OJP and the OVW effectively underreported the cost of these 5 conferences by over $550,000, or about 35 percent of their total cost. We therefore recommend that OJP and the OVW update guidance provided to award recipients to ensure that they report all costs associated with time spent planning conferences, including salaries and benefits.

OJP and the OVW also did not adequately capture conference planning costs when multiple organizations helped plan conferences. This is because sponsoring components did not combine event planning costs incurred by separate entities. For example, while two entities received cooperative agreements to help plan OVW's Enhancing Judicial Skills Workshop, one entity reported $76,711 in conference costs (not including staff time, as noted above), while the other did not report any costs even though, according to estimates, it spent $35,255 to help plan the event.

We recommend that JMD work in cooperation with OJP, the OVW, and other awarding components to ensure that conference cost reports include all salaries, benefits, and other costs charged to the government by all associated funding recipients.

Assessment of External Event Planning Costs

We reviewed costs charged by the external event planners to their cooperative agreements and identified two primary categories of costs. The first category of event planning charges is direct costs, which mostly consisted of staff salaries, benefits expenses, travel, and subrecipient fees. The other category of expenses is indirect costs, which were usually based on a rate charged by the event planning firm against other conference-related expenses.

We reviewed event planning costs to ensure that they were supported and allowable under the respective cooperative agreements to which the costs were charged. The following sections first present an overview of our findings pertaining to direct costs, and the section that follows summarizes the results of our review of indirect costs.

Direct Event Planning Costs

As shown by Exhibit 7, the five conferences charged a total of almost $360,000 in direct costs associated with event planning. Conference planners and their subrecipients incurred over $258,000, or over 70 percent of the total amount of direct costs, for salary and benefits.

EXHIBIT 7: OVERVIEW OF DIRECT EVENT PLANNING COSTS

Conference		Salaries and Benefits ($)	Travel ($)	Subrecipient Expenses ($)	Total Direct Charges ($)
BJA and SMART Office Indian Country Pre-Conference Event Planner		7,000	0	n/a	7,000
OVC Indian Nations Conference Event Planner		137,967	1,124	26,254	165,345
BJA Walking on Common Ground II	Primary Event Planner	1,036	273	See below	1,309
	Subrecipient 1	28,406	7,928	n/a	36,334
	Subrecipient 2	6,655	1,269	n/a	7,924
OJJDP AMBER Alert Conference Event Planner		36,448	10,141	48,093	94,682
OVW Enhancing Judicial Skills Workshop	Event Planner 1	15,712	2,464	n/a	18,176
	Event Planner 2	25,294	1,934	n/a	27,228
	TOTALS	**$258,518**	**$25,133**	**$74,347**	**$357,998**

Source: Event planner cost estimates

Event planning staff incurred salaries and benefits performing various activities, such as acquiring audio-visual services, compiling registration and marketing materials, helping attendees make travel arrangements, and negotiating food and beverage costs with hotels. As stated previously, some event planners also provided programmatic support such as developing curricula, drafting the agenda, and identifying speakers for the event.

The event planning costs we reviewed appeared to be allowable and supported by sufficient documentation to show that they were allocated appropriately to the relevant cooperative agreement, except for costs pertaining to two items that occurred in conjunction with the Office for Victims of Crime (OVC) Indian Nations Conference held in Palm Springs, California, in December 2008.

Consultant Travel Costs

The non-profit firm that served as the primary event planner for the OVC Indian Nations Conference awarded a non-competitive agreement to a consultant event planner in Anchorage, Alaska. Hired without the benefit of an open solicitation, the consultant previously worked under contract with the event planner.[29] Event planner officials stated they worked with the consultant in the past and chose to work with this person for this event even though this person was located 2,400 miles away from the conference's venue. The hiring of a consultant was part of the event planner's budget approved by the OVC. The event planning firm formally hired the consultant after Palm Springs was selected as the conference's venue.

The consultant's primary responsibility was to serve as a "hotel liaison" and work closely with hotel representatives to solicit bids for audio-visual services, coordinate travel arrangements, book rooms at the hotel for conference presenters, and oversee all arrangements with the hotel for meeting space prior to and during the conference.[30] The consultant would also serve as the primary liaison between attendees and the event planning firm during the conference.

The consultant's contract provided a fixed-price of $22,800, plus travel-related expenses. The consultant subsequently billed the OVC event planner $3,454 for travel costs associated with three separate trips to the hotel in Palm Springs, California from Anchorage, Alaska.

To be allowable, costs must be reasonable to accomplish the objectives of the award.[31] While we believe costs associated with consultant travel can be necessary and allowable, we consider the travel costs for this consultant excessive and unreasonable because the consultant traveled to Palm Springs, California, from Anchorage, Alaska. In our judgment, the event planning firm could have minimized costs by soliciting different bids

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[29] The consultant has worked with the OVC event planning firm for 8 years and specifically helped plan the past three Indian Nations Conferences. In addition, the event planner worked closely with employees in the firm's Alaska office, which recently closed.

[30] The consultant's contract also stated that this official performed some ancillary duties such as participating in planning committee meetings, sending awardee staff reminders on tasks, developing conference announcement material, and mailing confirmation letters for faculty, exhibitors, and entertainers.

[31] 2 C.F.R. § 230 (2011)

for consultants closer to the conference's known venue of Palm Springs. Such a consultant would not have incurred such high travel costs.

Considering these points, we believe that the OVC and its event planner missed an opportunity to minimize conference costs as required by DOJ guidelines. As a result, we question the consultant's travel expenses totaling $3,454 as unallowable costs. We therefore recommend that OJP remedy the $3,454 and ensure that event planners in the future attempt to minimize costs, as applicable, by soliciting bids for sub-awards from entities that are closer to anticipated conference venues.[32]

Early 2008 Conference Planning Committee Meeting

The OVC event planner charged $137,967 to the cooperative agreement for salary and benefit costs and over $1,000 for travel expenses.[33] Included in the labor and travel costs are those associated with a 2-day planning meeting at the conference's hotel in Palm Springs in January and February 2008. The purpose of this face-to-face meeting was to assess what was needed for a successful conference and generate interest among all relevant parties about the upcoming event. Award recipient officials said the meeting was also held to ensure that agencies notified pertinent grantees of the conference and to persuade agencies to allow grantees to use award funds to attend the event.

The planning meeting had 36 attendees, mostly representatives from the event planning firm, other training and technical service providers, OJP, and the OVW. A total of $29,365 in travel, lodging, and food and beverage costs for the meeting was charged to the OVC event planning award.

The decision to conduct a face-to-face planning meeting that incurred nearly $30,000 in costs is troubling to us. An event planning official stated that the OVC specifically requested a "major" planning committee meeting for the conference. Nevertheless, we found that the approved cooperative agreement application submitted by the event planning firm stated that the

[32] Questioned costs are expenditures that do not comply with legal, regulatory or contractual requirements, or are not supported by adequate documentation at the time of the audit, or are unnecessary or unreasonable. Questioned costs may be remedied by offset, waiver, recovery of funds, or the provision of supporting documentation.

[33] Because the OVC event planning award recipient did not track time to a specific program within each cooperative agreement, we could not differentiate between the time its personnel spent on logistics and curriculum development. However, we consider both logistical planning and curricula development as part of event planning services and therefore all event planning costs are assessed as added costs to the government.

planning committee did not require a face-to-face meeting to be effective. In fact, the proposal said that planning committee work could be effective via long distance. Moreover, the conference's venue had been the same for the prior three (2002, 2004, and 2006) Indian Nations conferences.

Considering these points, we believe it was unnecessary to have attendees from across the United States travel to Palm Springs in January and February 2008 for a face-to-face planning meeting at the same hotel where the conference had been held biennially since at least 2002. Had the event planner instead conducted this meeting via teleconference, we believe that the participants could still have discussed the conference planning issues without incurring travel, lodging, and food and beverage costs.

Planning meetings represent important opportunities for sponsoring components to gauge the conference's potential programmatic success. While planning meetings may be justifiable, extensive costs associated with traveling, lodging, and providing food and beverages may not be appropriate if the costs were not necessary. The cooperative agreement application itself indicated that such a face-to-face planning meeting was not necessary. As a result, we do not believe the $29,365 spent on lodging, travel, and food and beverages costs was necessary.

Because these costs were unnecessary, we question them as an unallowable use of OJP grant funds and recommend that OJP: (1) remedy $29,365 in questioned planning meeting travel, lodging, and food and beverage costs and (2) ensure that its planners justify the need for significant costs associated with future face-to-face conference planning meetings.

Indirect Event Planning Costs

Indirect costs are a type of event planning expense that cannot easily be attributed to a particular cost objective of the event planning award. Examples of indirect costs include administrative salaries, rents, and utility charges. To recover costs associated with these items, cooperative agreement recipients may sometimes charge indirect costs to their award.[34]

[34] Indirect costs are usually recovered via indirect cost rates that are percentages of direct costs. Indirect rates must be approved by each recipient's cognizant federal agency before it can apply the rate and recover costs. 2 C.F.R. § 230 (2011)

Most conference planners charged indirect costs to their cooperative agreements.[35] As shown by Exhibit 8, DOJ was charged a total of over $242,000 in indirect costs for the OJP and OVW conferences. This figure is about 40 percent of the total cost of the event planning charges incurred for these events. The indirect rates applied to costs varied widely from 15 percent to 96 percent between different organizations hired to perform event planning services.

EXHIBIT 8: OVERVIEW OF INDIRECT CONFERENCE COSTS

Conference		Indirect Cost Rate Charged (%)	Amount ($)
OVC Indian Nations Conference Event Planner		n/a (allocation plan)[36]	102,622
BJA Walking on Common Ground II	Primary Event Planner	31.4	968
	Sub-recipient 1	96	27,270
	Sub-recipient 2	20	1,839
OJJDP AMBER Alert Conference Event Planner		15	85,797
OVW Enhancing Judicial Skills Workshop	Event Planner 1	17.51	16,936
	Event Planner 2	24.1	6,847
		TOTAL	**$242,279**

Source: OIG review of event planning records

Exhibit 8 shows that the percentage of indirect cost rates does not proportionally align with the amount charged in indirect costs. This is in part because event planners applied their respective indirect cost rate to different categories of direct costs. While one event planner applied an indirect cost rate of 96 percent only to salary or labor costs, another firm applied a 15-percent indirect cost rate to all conference costs, including food and beverages procured for attendees at the Office of Juvenile Justice and Delinquency Prevention (OJJDP) America's Missing: Broadcast Emergency Response (AMBER) Alert Conference. Although allowable and approved by the firm's cognizant federal agency (the U.S. Department of Education),

[35] One external event planner hired by OJP did not charge indirect costs to its event planning award.

[36] An allocation plan is one method by which an award recipient can charge indirect costs. Allocation plans charge different rates to direct costs based on the activity of set periods of time. Indirect cost rates, however, are a fixed percentage applied to a universe of direct costs.

applying the indirect cost rate in this way increased the price of all items procured for the conference by 15 percent. For example, although the hotel charged the event planner $4.84 for each soda, after applying the indirect rate, the event planner charged OJP $5.57 for each soda.

Unapproved Indirect Cost Allocation

Award recipients need to establish and receive approval from a federal agency for an indirect cost rate or allocation plan before they may receive payment for indirect expenses.[37] According to the OJP Financial Guide, if an award recipient does not have an approved indirect cost rate or allocation plan, funds budgeted for indirect costs cannot be recoverable until a rate or allocation plan is approved. An award recipient should propose an indirect cost rate to OJP that: (1) outlines what costs are encompassed in its indirect cost pool and (2) establishes how payments will be allocated to its federal grants. The proposal should also certify that the indirect costs include only allowable expenditures.[38] Once approved, the recipient can use its indirect cost rate or allocation plan to recoup expenses incurred when performing award-related activities.

The event planner for the December 2008 OVC Indian Nations Conference in Palm Springs, California, used an allocation plan to charge indirect costs to its cooperative agreement. The allocation plan charged indirect costs to each award or funding source based on the total payroll incurred from time spent working on each project. For example, if time spent working on a particular project cost the firm 15 percent of its total payroll during a pay period, the resulting indirect cost allocation plan charged the project 15 percent of the total indirect costs incurred during that same pay period.

Under this allocation plan, $102,622 in indirect costs was charged to the OVC cooperative agreement. However, the award recipient did not submit its indirect cost allocation plan to OJP for review and approval prior to charging these costs to the cooperative agreement, as required by both 2 C.F.R. § 230 and the OJP Financial Guide. Such a submission is necessary to certify that all indirect costs charged to the cooperative agreement

[37] 2 C.F.R. § 230 (2011)

[38] According to the limitations listed in the indirect cost agreement template, DOJ's acceptance of the indirect cost rates is predicated on whether: (1) indirect costs are not claimed as direct costs, and (2) the grantee's proposal accords consistent accounting treatment to similar types of costs. Once the rate or allocation is approved, the organization can apply the indirect rate to costs.

appropriately relate to conference activities and items. The OJP or another federal agency did not approve or otherwise review the appropriateness of the indirect cost allocation plan. The indirect costs charged to the cooperative agreement thus were not certified as appropriate and were not allowable. We recommend that OJP remedy $102,622 in questioned costs and work with this award recipient to approve a future indirect cost rate or allocation plan.

Different Indirect Costs for Programmatic and Logistical Services

The training and technical assistance providers reviewed by this audit generally require personnel with specialized skills – such as attorneys and professors – to provide programmatic support necessary for OJP and OVW grant initiatives. For example, in addition to planning a conference, one training and technical assistance provider developed and hosted a series of seminars on responding to missing and exploited children. Such programmatic services are not logistical in nature. We believe firms that perform programmatic tasks generally require far more overhead and administrative support, which results in such firms incurring more indirect costs and applying higher indirect cost rates to recover these costs. This is especially troubling to us because the training and technical assistance providers that served as event planners applied the same indirect rate to costs associated with performing programmatic and logistical activities. Consequently, these firms might be applying high indirect rates to OJP and the OVW for logistical activities that do not require specialized programmatic skills when they: (1) provide programmatic support as a training and technical assistance provider and (2) charge the same indirect rates to all expenses (regardless of whether the expense was associated with a programmatic or logistical activity).

Both the Federal Travel Regulation and DOJ conference planning policies seek to ensure that the government receives the best value for all event planning services, including logistical tasks. Indirect costs totaled $240,000 and constituted about 40 percent of the total event planning cost for the five OJP and OVW conferences. DOJ components that hire outside event planners that charge indirect costs need to ensure that these costs are minimized. We therefore recommend that OJP and the OVW demonstrate that a training and technical assistance provider offers the most cost-effective logistical services before awarding a cooperative agreement that supports conference planning to such a firm. To accomplish this, we believe that OJP and the OVW should: (1) identify the specific event planning activities that are logistical (and therefore do not require specialized programmatic support) and (2) solicit bids from different vendors to perform

these activities. Such solicitations should be directed to all firms capable of performing logistical tasks and not just to training and technical assistance providers.

Recommendations

We recommend that JMD:

1. Work in cooperation with OJP, the OVW, and other awarding components to ensure that conference cost reports include all salaries, benefits, and other costs charged to the government by all associated funding recipients.

We recommend that OJP and the OVW:

2. Require that award recipients using DOJ funds to plan conferences track time and activities performed to plan conferences.

3. Update guidance provided to award recipients to ensure that recipients report all costs associated with time spent planning conferences, including salaries and benefits.

4. Demonstrate that a training and technical assistance provider offers the most cost-effective logistical services before awarding a cooperative agreement that supports conference planning to such a firm.

We recommend that OJP:

5. Remedy $3,454 in questioned costs, and ensure that event planners in the future attempt to minimize consultant travel costs, as applicable, by soliciting bids for sub-awards from entities that are closer to anticipated conference venues.

6. Remedy $29,365 by justifying the need for costs associated with travel, lodging, and food and beverages for attendees at this planning meeting.

7. Ensure that external event planners justify the need for travel, lodging, and food and beverage costs associated with future conference planning meetings.

8. Remedy $102,622 in questioned costs and work with the event planner to approve a future indirect cost rate or allocation plan.

II. FOOD AND BEVERAGES

The 10 conferences reviewed by this audit collectively incurred about $490,000 in food and beverage costs. Once applicable service charges, local sales taxes, and indirect costs were factored into the final prices, some meals and refreshments not only exceeded what would have been allowable under April 2008 JMD meal and refreshment cost limits, but also they appeared extravagant and potentially wasteful: $65 dinners, $76 lunches, $41 breakfasts, $32 per person refreshments at a single break, $16 muffins, and coffee and tea that cost as much as $8 per 8-ounce cup.

The JMD meal and refreshment cost limits did not apply to cooperative agreements, which were used to plan all reviewed OJP and OVW conferences. We found that this exclusion provided an opportunity for these event planners to circumvent JMD limits on conference meal and refreshment prices. DOJ needs to ensure that all components: (1) reassess and document the reasons that meals and costly refreshments are necessary for each future conference and (2) adhere to JMD food and beverage limits, regardless of whether a cooperative agreement is being used to support the conference.

DOJ Conference Food and Beverage Guidelines

Our September 2007 audit determined that DOJ components spent considerable funds to provide food and beverages to conference attendees. The audit identified several instances where food and beverages appeared to be extravagant and potentially wasteful considering the purpose of the conference. In April 2008, JMD issued new guidelines requiring that components stay within certain pricing limits for food and beverages at future conferences: 150 percent of the local per diem the GSA allocates for that meal and 23 percent of the total per diem rate per person for "light refreshments."[39] Exhibit 9 shows that, under these rules, a component may provide a lunch that costs less than $16.50. This is because the $16.50 figure is 150 percent of $11, which is the amount of the $39 per diem the GSA allocates to lunch.

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[39] JMD Financial Management Policies and Procedures Bulletin No. 08-08 (April 2008) limits include applicable service charges and taxes (see Appendix III). Light refreshments include items such as coffee, tea, milk, juice, soft drinks, donuts, bagels, fruit, pretzels, cookies, chips, or muffins. 41 C.F.R. § 301-74.11

EXHIBIT 9: EXAMPLES OF DOJ CONFERENCE FOOD AND BEVERAGE COST THRESHOLDS

GSA Per Diem Rate ($)	JMD Breakfast Limit ($)	JMD Lunch Limit ($)	JMD Dinner Limit ($)	JMD Refreshments Limit ($)
39.00	10.50	16.50	27.00	8.97
49.00	13.50	19.50	36.00	11.27
64.00	18.00	27.00	46.50	14.72

Source: JMD April 2008 meal policy based on GSA per diem meal allotments

In addition, the JMD policy stipulated that these threshold limits did not apply to conferences funded through cooperative agreements. According to JMD officials, this exclusion was added to the policy because they believed they had limited authority to oversee funds distributed through cooperative agreements. As a result, the event planners for the OJP and OVW conferences (all five of which were planned with cooperative agreements) were not required to follow the 150-percent meal and 23-percent refreshment thresholds for their conferences.

The OJP Financial Guide is the only DOJ or component-level policy we identified that applies to conferences planned under OJP and OVW cooperative agreements. The OJP Financial Guide allows event planners to pay for food and beverages at conferences, provided they meet the following three requirements:

- The food and beverage provided are incidental to a work-related event,
- The food and beverage provided during the conference are not related directly to amusement and social events, and
- The cost of the food and beverage provided is considered to be reasonable.[40]

[40] The OJP Financial Guide defines "reasonable" costs as those that a prudent person would have incurred under the circumstances at the time the cost was incurred. Items to consider in gauging the reasonableness of food and beverage charges include the cost of the food or beverage, the total cost of the event, and the cost of food and beverage relative to the cost in the geographical area.

Both JMD and OJP food and beverage guidelines provide sponsoring components considerable discretion regarding what food and beverages can be served at DOJ conferences. Because the JMD food and beverage thresholds do not apply to conferences funded through cooperative agreements and the OJP Financial Guide does not establish strict limits on the cost of conference food and beverages, awarding agencies and their event planners have even greater discretion over the meals and refreshments offered at events supported by cooperative agreements.

We also note that the JMD guidance was not implemented until April 2008. At least two of the conferences we reviewed had occurred and several others were in planning stages before this time. The meal cost thresholds established in the guidance therefore did not apply to these events.

Even though some of the reviewed conferences were planned under cooperative agreements or had occurred or were being planned before JMD issued its meal and refreshment cost limits in April 2008, we nevertheless used the 150- and 23-percent thresholds as an objective benchmark to gauge whether the costs of meals and refreshments served at the 10 reviewed conferences were indicative of wasteful or extravagant spending.

The following section itemizes the cost of food and beverages served at each of the reviewed events.

Itemized Conference Food and Beverage Costs

The sponsoring DOJ components spent over $489,000 on food and beverages at the 10 conferences we reviewed, which is about 11 percent of the total $4.4 million cost of these events. Exhibit 10 overviews the food and beverage costs and details the number of meals served to participants at each conference.

EXHIBIT 10: OVERVIEW OF CONFERENCE FOOD AND BEVERAGES

Conference Title	Location (City, State or Country)	Length of Conference (Days)	Number of Participants or Attendees*	Overview of meals offered to participants**	Total DOJ Food and Beverage Cost*** ($)
EOUSA National Conference	Washington, D.C.	4	166	325 breakfasts, 285 lunches, and 247 dinners over 4 days	54,275
EOIR Legal Conference	Washington, D.C.	5	534	No full meals, only refreshments served	39,360
OCDETF National Conference	Washington, D.C.	4	1,348	925 lunches, and 1,200 dinners over 3 days	137,655
OJJDP AMBER Alert Conference	Denver, CO	4	367	1,461 breakfasts, 1,080 lunches over 4 days	90,197
OVC Indian Nations Conference	Palm Springs, CA	3	750	322 breakfasts, 505 lunches, and 530 dinners over 3 days	77,399
BJA Walking on Common Ground II	Palm Springs, CA	2	153	300 breakfasts and 300 lunches over 2 days	17,814
BJA and SMART Office Indian Country Pre-Conference	Palm Springs, CA	1	144	150 breakfasts over 1 day	5,541
OVW Enhancing Judicial Skills Workshop	San Francisco, CA	4	66	195 breakfasts and 65 lunches over 4 days	20,407
DEA IDEC	Istanbul, Turkey	3	368	320 lunches over 1 day	26,980
FBI Director's Symposium	Washington, D.C.	3	242	No full meals, only refreshments served	19,965
				TOTAL	**$489,593**

Source: OIG analysis of vendor invoices

Notes: * We applied the total number of participants (presenters, facilitators, and attendees) if that figure was ascertainable and these personnel received food and beverages at the respective conference.

** Number of meals provided at official conference events paid for with DOJ funds. Meal counts exclude those provided to planning staff or presenters at pre-events. The cost of food served at pre-events is included in total cost column. Total DOJ food and beverage costs includes hotel service charges but does not include indirect charges.

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The reviewed DOJ conferences included meals and refreshments served to attendees. In most cases, refreshments served were coffee, tea, soda, cookies, bagels, and pastries. Catering hotels also routinely applied service charges – generally about 20 percent of the menu price – to the total cost of the food and beverages. The following sections present a summary of the itemized cost of food and beverages provided at each of the 10 reviewed conferences.

Executive Office for United States Attorneys (EOUSA) National Conference

The U.S. Attorneys National Conference was held at the J.W. Marriott in Washington, D.C., in February 2008. The conference is held annually to bring together the Attorney General and the U.S. Attorneys for training and discussion regarding DOJ's priorities. EOUSA contracted directly with the hotel to provide conference services.

The solicitation for the hotel included a statement of work detailing the services required. EOUSA solicited bids from area hotels and identified the venues that best fit their needs. An EOUSA official stated that they selected the J.W. Marriott hotel because it was the only four or five star venue that bid for the contract. The EOUSA official also told us that only a four or five star hotel was capable of providing the level and quality of services expected by senior executives and other political appointees.

Exhibit 11 details the more than $54,000 in meals, beverages, and snacks provided at the EOUSA National Conference, which includes a 22-percent service charge applied by the hotel to the price of all food and beverage items.

EXHIBIT 11: EOUSA NATIONAL CONFERENCE FOOD AND BEVERAGE COSTS

Food or Beverages	Quantity	List Price ($ per unit)	Price Charged ($ per unit)*	Adjusted Total Cost ($)
Breakfasts				
Country Style Sausage Patty Biscuits	100	4.50	5.49	549.00
Nut Breads and Muffins (Half-Dozen)	1	26.60	32.00	32.00
Marquis Continental Breakfast	100	23.75	28.98	2,898.00
Continental Breakfast (Capital)	35	21.00	25.63	897.05
Signature Breakfast Buffet	190	34.00	41.48	7,881.20
Lunches				
Luncheons	65	40.00	48.80	3,172.00
"Taste of Italy" Luncheon	110	49.50	60.39	6,642.90
"Chesapeake Classic" Luncheon	110	50.50	61.61	6,777.10
Dinners and Hors d'Oeuvres				
Tuna Wasabi Canapé (Dozen)	8	66.00	80.50	644.00
Miniature Beef Wellington (Dozen)	8	72.00	87.88	703.04
Phyllo filled Spinach and Feta Cheese (Dozen)	8	72.00	87.88	703.04
Dinner (1)	84	53.00	64.65	5,430.60
Dinner (2)	45	54.00	65.89	2,965.05
Snacks				
Gourmet Chips, Popcorn, Pretzels, and Candy (Per Person)	40	6.95	8.48	339.20
Granola Bars and Power Bars (Per Unit)	75	4.95	6.04	453.00
Cookies and Brownies (Dozen)	9	48.00	58.56	527.04
Beverages				
Coffee (Gallon)	48	87.95	107.29	5,149.92
Coffee (Half Gallon)	1	43.95	54.00	54.00
Republic of Tea Assortment (Gallon)	9	59.95	73.11	657.99
Iced Tea (Gallon)	5	59.95	73.20	366.00
Assorted Regular and Diet Soft Drinks	95	4.95	6.04	573.80
Water (Per Bottle)	3	4.95	6.00	18.00
Fruit Juice (Per Bottle)	4	5.95	7.25	29.00
Off-Site Dinner at the Mount Vernon Inn				
Smoked Salmon Platter (serves 50)	2	150.00	187.50	375.00
Hot Crab Dip (serves 50)	3	80.00	100.00	300.00
Vegetable Crudité (serves 50)	2	80.00	100.00	200.00
Swedish Meatballs (100 pieces)	1.5	60.00	75.33	113.00
Smoked Duck Breast Biscuits with Apricot Preserves (100 pieces)	1.5	90.00	112.67	169.01
Scallops Wrapped in Bacon (100 pieces)	2	100	125.00	250.00
Coconut Shrimp (200 pieces)	1	430.00	538.00	538.00
Dinner	118	33.00	41.25	4,867.50
			TOTAL	**$54,275.44**

Source: OIG analysis of the banquet checks and invoices

Note: Price charged per unit includes the service charge that was applied by the hotel to all food and beverages, as well as taxes if applicable.

An EOUSA official explained that EOUSA has always provided food and beverage items during this conference, which occurs about every year. This official also stated that the service of meals and beverages was necessary because they needed to use the time when meals were served to host speakers. Using meal times in this way allowed EOUSA to address a large amount of material in a limited amount of time.

EOUSA provided food and beverage items in conjunction with evening events, which we detail below.

Event 1: Hotel Dinner and Reception

On the first night of the conference, EOUSA invited attendees to a dinner and reception with the Attorney General. The total cost of the dinner and reception for 84 attendees, including service charges, was $7,481. The dinner cost $5,431, or almost $65 per person, while the hors d'oeuvres served at the reception preceding the dinner cost $2,050, or $24 per person. As shown in Exhibit 12, the reception included an assortment of hors d'oeuvres: Beef Wellington, tuna canape, and spinach and feta cheese-filled phyllo. With service charges, each piece of Beef Wellington and spinach and feta filled-phyllo cost $7.32, while each tuna canape cost $6.71.

EXHIBIT 12: EOUSA NATIONAL CONFERENCE RECEPTION AND DINNER COSTS

6:00PM DINNER ARRANGEMENTS SALON II

(8) Tuna Wasabi Canape $66.00 per dozen

(8) Miniature Beef Wellington $72.00 per dozen

(8) Phyllo filled Spinach and Feta Cheese $72.00 per dozen

Bread Service
Assorted Fresh Dinner Rolls and Breads served with Piped Butter Rosettes on Lemon Leaf, French Bread, Walnut Rolls, Whole Wheat Rolls and Lavosh

Mediterranean Tomato Salad
Marinated Vine Ripened Tomatoes with Fresh gota cheese and mache salad with balsamic vinaigrette

Breast of Chicken au Poivre
Boneless Breast of Chicken with Green Peppercorn Sauce

The Chocolate Tulip
Dark Chocolate Mousse topped with Berries in a Dark and White Chocolate Tulip Cup

Freshly Brewed Starbucks Coffee, Decaffeinated Coffee and Herbal Teas
$53.00 per person

Source: Banquet event orders

This conference took place in February 2008, before JMD issued its guidelines in April 2008. Had the JMD threshold (150 percent of the GSA per diem meal allocation) been in effect, EOUSA should have spent only $46.50 per person for dinner. The $65 per person dinner therefore would have exceeded JMD's dinner limit by $18.50, or 40 percent, per person.

Event 2: Dinner at the Mount Vernon Inn

On the second day of the conference, participants attended a working dinner at the Mount Vernon Inn located in Alexandria, Virginia. According to an EOUSA official, the dinner at Mount Vernon offered a better price than dinners offered at the hotel and also provided an opportunity for attendees to see Mount Vernon, the home of George Washington, which is about 20 miles south of the conference's venue in Washington, D.C.

The dinner held at Mount Vernon featured a choice of entrees (crusted red snapper, stuffed chicken breast, or beef medallions), all with an assortment of hors d'oeuvres, side dishes, and salads. All the food served at the dinner cost over $6,800 for 118 attendees, or $58 per person. If the JMD threshold for this dinner had been in effect, EOUSA should have spent only $46.50 per person for the meal. The cost of the Mount Vernon dinner

therefore would have exceeded JMD's dinner limit by almost $12, or 25 percent, per person.

Executive Office for Immigration Review (EOIR) Legal Conference

The 5-day EOIR Legal Training Conference was held at the Capital Hilton in Washington, D.C., in August 2009. The purpose of the conference was to provide mandatory training to EOIR staff members, on various topics including ethics, religious freedom, and immigration law and policies. Attendance records provided by the EOIR list 410 people (including invited guests and speakers) at the conference. An EOIR official told us that at least 534 people actually attended the conference because the list did not include staff and interpreters attending a corresponding event held at the same time and location. EOIR officials said that since the staff and interpreters attended the breaks, they should be counted when averaging costs.

EOIR officials stated that because they hosted two events at once, the hotel provided meeting space without charge. To minimize the cost of food, an official said that the EOIR purposefully did not serve full meals at the event and only refreshments at breaks. An EOIR official also told us that the EOIR ordered less numbers of refreshment items than the total number of conference participants in an effort to minimize costs and comply with the JMD refreshment limit of $14.72 per person per day (23 percent of the applicable $64 per diem rate). Conference planning records indicate the EOIR requested that the hotel provide refreshments costing no more than $14.29 per person per day.

The EOIR spent nearly $40,000 on refreshments at the conference. The service and gratuity charges applied to each bill equaled 20 percent of the total price of refreshments. Applying the 534-attendee figure to the total cost of refreshments over the 5 days of the event, EOIR spent an average of $14.74 per person per day on refreshments – just above the $14.72 JMD limit.

We reviewed invoices and banquet checks that detailed the food and beverages served to attendees each day, along with the prices charged for each item. Exhibit 13 itemizes the prices of EOIR conference refreshments according to the invoices and shows that the hotel provided EOIR with 15 gallons of coffee, 30 gallons of iced tea, and 200 pieces of fruit at no cost.

EXHIBIT 13: EOIR LEGAL CONFERENCE FOOD AND BEVERAGE COSTS

Food or Beverages	Quantity	List Price ($ per unit)	Price Charged ($ per unit)*	Adjusted Total Cost ($)
Pastries				
Breakfast Breads, Bagels, Muffins, and Croissants	300	14.00	16.80	5,040.00
Assorted Danish, Assorted Scones	300	14.00	16.80	5,040.00
Assorted Bagels	300	14.00	16.80	5,040.00
Assorted Muffins	250	14.00	16.80	4,200.00
Snacks				
Assorted Fruit and Granola Bars	300	8.00	9.60	2,880.00
Assorted Cookies and Brownies	300	8.00	9.60	2,880.00
Bag of Chips, Pretzels, Popcorn	300	8.00	9.60	2,880.00
Assorted Fruit and Granola Bars 2	250	3.50	4.20	1,050.00
Pieces of Whole Fruit	200	Free	Free	0.00
Beverages				
Coffee and Tea (Per Person)	1,250	6.00	7.20	9,000.00
Complimentary Iced Tea (Gallons)	30	Free	Free	0.00
Complimentary Coffee (Gallons)	15	Free	Free	0.00
Soft Drinks	250	4.50	5.40	1,350.00
			TOTAL	**$39,360.00**

Source: OIG analysis of banquet checks and invoices
Note: Price charged per unit includes the service charge applied by the hotel to food and beverage prices.

EOIR officials stated that the breaks played an integral role in the conference because the breaks provided opportunities for attendees to interact and discuss immigration law issues between formal presentations.

We credit the EOIR for generally complying with JMD refreshment price limits by limiting the number of food and beverage items served and deciding to only serve refreshments and not full meals at its 5-day conference. However, with service and gratuity charges, the refreshments served were very expensive. According to conference invoices that detail the price of food and beverages, the EOIR spent $4,200 on 250 muffins and $2,880 on 300 cookies and brownies. By itemizing these costs, with service and gratuity, muffins cost over $16 each and cookies and brownies cost almost $10 each.

Organized Crime Drug Enforcement Task Force (OCDETF) National Conference

The Criminal Division and OCDETF sponsored the OCDETF National Conference in July 2009 at the Omni Shoreham Hotel in Washington, D.C. A total of about 1,300 people attended at least part of the 4-day conference, which is held every 2 or 3 years to share information and recognize the program achievements of different federal, state, and local law enforcement agencies.

As shown in Exhibit 14, the food and beverages served at the OCDETF National Conference cost over $137,000. This figure comprised 38 percent of the total $360,000 the OCDETF and Criminal Division spent on the conference.

EXHIBIT 14: OCDETF NATIONAL CONFERENCE FOOD AND BEVERAGE COSTS

Food or Beverages	Quantity	List Price Per Unit ($ per unit)	Price Charged ($ per unit)*	Adjusted Total Cost ($)
Breakfast Items				
Assorted Breakfast Pastries (Dozen)	128	49.00	57.82	7,400.96
Bagels (Dozen)	67	49.00	57.82	3,873.94
Lunches				
2-Course Plated Lunch	925	22.88	27.00	24,975.00
Assorted Sandwiches	10	8.00	9.40	94.00
Dinners				
Plated Dinner	1,200	39.41	46.50	55,800.00
Snacks and Assorted Fare				
Jumbo Cookies (Dozen)	183	42.00	49.56	9,069.48
Large Display of Fresh Vegetables	3	550.00	649.00	1,947.00
Large Fresh Fruit Display	2	600.00	708.00	1,416.00
Large Mediterranean Mezze Display	1	795.00	938.00	938.00
Baked Brie en Croute Display	1	150.00	177.00	177.00
Large Antipasto Supreme Display	2	795.00	938.00	1,876.00
Large International Cheese Display	2	850.00	1003.00	2,006.00
Vegetable Spring Rolls	100	3.75	4.43	443.00
Chicken Satay with Thai Peanut Sauce	100	3.75	4.43	443.00
Beverages				
Coffee (Gallon)	139	67.00	79.06	10,989.34
Decaf (Gallon)	38	67.00	79.05	3,003.90
Tea (Gallon)	25	67.00	79.08	1,977.00
Lemonade (Gallon)	5	30.00	35.40	177.00
Soda and Water	2,371	3.95	4.66	11,048.86
			TOTAL	**$137,655.48**

Source: OIG analysis of banquet checks and invoices
Note: Price charged per unit includes the service charge that was applied by the hotel to all food and beverages.

OCDETF officials stated that providing meals at the event was necessary for two reasons. First, requiring people to leave the venue for lunch would require additional time from the agenda and they would not be able to stay on schedule if the attendees left the hotel for lunch. Second, meals provided opportunities for speakers and presentations.

To decide what meals and beverages to serve, OCDETF officials indicated that they stipulated the total meal budget in the statement of work provided to the hotel. Rather than choosing options from the menu, OCDETF officials worked with the hotels to select items that fit within their budget. OCDETF officials stated that they showed the hotel the JMD policy and the policy's associated food and beverage cost limits. OCDETF officials

told us that in general, hotels have been receptive to working with them to ensure that the conference complies with the food and beverage rules.

Morning and Afternoon Breaks

Over a 4-day period, the OCDETF National Conference featured 15 breaks with snacks and beverages. Served at the breaks were 202 gallons of coffee and tea and 2,371 bottles of soda and water. With service charges and taxes, the coffee and tea cost $79 per gallon (or just less than $0.62 per ounce) while the bottles of water and soda cost $4.66 each. At the $0.62 per-ounce price, an 8-ounce cup of coffee or tea would have cost OCDETF almost $5.

Awards Banquet

An awards banquet reception and dinner was held at the conclusion of the third day of the OCDETF National Conference. Along with these costs, the OCDETF spent nearly $6,000 on appetizers at this reception: two $550 vegetable displays, a $600 fruit display, two $795 “antipasto supreme” displays, and two $850 cheese displays as detailed in Exhibit 15.

EXHIBIT 15: OCDETF NATIONAL CONFERENCE AWARDS BANQUET RECEPTION MENU

(2) Large Market Display of Fresh Vegetable

Zucchini, Broccoli, Radishes, Peppers, Celery, Cauliflower, Baby Carrots and Cucumbers
Served with Curried Yogurt and Blue Cheese Dip
(2 Large Display @ $550.00 each - -Serves 200 Guests total)

$1,100.00

(1) Large Mosaic of Fresh Fruit Display

Golden Pineapple, Honeydew, Cantaloupe, Strawberries and Seasonal Fruits and Berries
(Large Display-Serves 100 Guests)

$600.00

(2) Large Antipasto Supreme Display

Buffalo Mozzarella, Provolone, Genoa Salami, Soppressata, Roasted Peppers, Grilled Eggplant, Zucchini and Yellow Squash Marinated Sun-Dried Tomatoes, Ripe and Green Olives, Artichoke Hearts, Focaccia Bread and Olive Rolls
(2 Large Display @ $795.00 each - Serves 200 Guests total)

$1,590.00

(2) Large International Cheese Display

Includes: Saga Blue, Port-Salute, Bel Paese, Jarlsburg, Havarti, Brie, Boursin, Goat Cheese, & Gouda.

Including Grapes, Strawberries, Water Crackers, and Sliced French Baguettes.
(2 Large Display@ $850.00 each - Serves 200 Guests total)

$1,700.00

Source: Event banquet order

Following the reception, which cost about $5 per person, the Criminal Division and OCDETF hosted a formal, three-course dinner for 1,200 participants. Including the hotel service charge, each dinner cost $46.50. At the time of the conference (July 2009) the GSA per diem allotment for dinner was $31. This means that the amount spent on dinner per person was exactly at the JMD 150-percent threshold. Exhibit 16 details the full menu served to participants at the awards dinner.

EXHIBIT 16: OCDETF NATIONAL CONFERENCE DINNER MENU

Plated Dinner

Seasonal Mixed Green Salad
Cherry Tomatoes, Sliced Radishes and Carrots
Basil Vinaigrette
****

Lemon Infused Filet of Salmon
Creamy Polenta, Julienne Vegetables and Red Pepper Coulis
****

Individually Set Freshly Baked Roll, Hibiscus Butter, and Lemon Leaf
****

Chocolate Opera Cake
****

Freshly Brewed Starbucks Coffee, Starbucks Decaffeinated Coffee and a selection of Tazo Teas with Honey and Lemon

1,200 people @ $39.41 Per Person

Source: Event banquet order

We determined that the lunches and dinners provided to OCDETF National Conference attendees fell within the established JMD meal price thresholds.

OJJDP AMBER Alert Conference

The OJJDP held a 4-day AMBER Alert Conference for 367 attendees at the Grand Hyatt in Denver, Colorado, in November 2007. The purpose of this event was to increase collaboration between state AMBER Alert coordinators and their media and transportation partners. The conference provided a continental breakfast, a lunch, and multiple breaks each day.

As discussed previously, the external event planner hired by OJJDP via a cooperative agreement applied a 15-percent indirect cost rate to food and beverages purchased for the conference. Although allowable under the cooperative agreement terms, the practice of charging indirect costs to these items increased the total cost of food and beverages (including service charges) by about $13,500, from just over $90,000 to almost $104,000. Exhibit 17 details the menu price, the price with service charges, and the price with indirect costs of food and beverages served across the 4 days of the OJJDP AMBER Alert Conference.

EXHIBIT 17: OJJDP AMBER ALERT CONFERENCE FOOD AND BEVERAGE COSTS

Food or Beverages	Quantity	List Price ($ per unit)	Price with Hotel Service Charges ($ per unit)	Subtotal Service Charges ($)	Price with Event Planner Indirect Costs ($ per unit)	Subtotal Event Planner Indirect Costs ($)	Adjusted Total Cost ($)
Breakfasts							
Daily Continental Breakfast	1,461	17.00	20.57	30,052.77	23.66	4,507.92	34,560.69
Lunches							
Plated Lunch (Day One)	350	29.00	35.09	12,281.50	40.35	1,842.23	14,123.73
Plated Lunch (Day Two)	360	34.00	41.14	14,810.40	47.31	2,221.56	17,031.96
Plated Lunch (Day Three)	370	29.00	35.09	12,983.30	40.35	1,947.50	14,930.80
Continuous Beverage Service							
Coffee (Gallon)	187.5	60.00	72.60	13,612.50	83.49	2,041.88	15,654.38
Cans of Soda	1,334	4.00	4.84	6,456.56	5.57	968.48	7,425.04
			TOTALS	**$90,197.03**		**$13,529.57**	**$103,726.60**

Source: OIG analysis of banquet checks

Food and Beverage Charges for Free Meeting Space

The event planner contracted with the hotel to secure free meeting space for the conference provided. The event planner told us that the hotel waived meeting space fees so long as the conference incurred at least $50,000 on food and beverages, not including service charges. Excluding service charges, the event planner nevertheless spent over $74,543 on food and beverages, or more than $24,000 over the minimum amount established for free meeting space. Because the firm did not conduct a cost-benefit analysis comparing the price of meeting space rentals to the meal and refreshment price, we could not determine if the amount spent on food and beverages was less expensive than the cost of meeting space would have been had the space not been provided for free.[41]

An official told us that meals and refreshments were provided because good meal options helped ensure that the conference was "a nice event" for attendees. This official also stated that the meals and beverages helped ensure that the conference was an appropriate "showcase" for the DOJ AMBER Alert program.

Continuous Beverage Service

The event planner procured from the hotel what was referred to as "continuous beverage service" throughout the 4 days of the conference. As implied by its name, the continuous beverage service provided attendees with unlimited soda, water, coffee, and tea during conference sessions. With service charges and the 15-percent indirect cost rate charged on all items provided for the conference, the total cost of the beverage service was over $23,000. Each can of soda cost the OJP $5.57 while each gallon of coffee cost more than $83, or $0.65 per ounce. At this price, an 8-ounce cup of coffee would have cost $5.20.

$47-Per-Person Lunch

On the second day of the conference, 360 attendees were served 3-course lunches that featured "five-spiced beef short rib" entrees with vegetables and crème brulee desserts. Including service charges and

[41] We were told that hotels determine the price of meeting space on a case-by-case basis. The price a hotel charges for meeting space depends on a number of factors, such as the size of the group, time of the year, and the duration of the conference. As a result, we were unable to determine how much the meeting space would have cost had the hotel not waived the requirement to rent the space after enough food and beverages were ordered.

indirect cost rates, the lunch cost OJP over $47 per person. Had the April 2008 JMD meal and refreshment threshold applied, the price of the lunch should not have cost more than $19.50 per person. The price for the lunch at this event was $27.50 (141 percent) more than the JMD limit price.

OVC, Bureau of Justice Assistance (BJA), and the Office of Sex Offender Sentencing, Monitoring, Apprehending, Registering, and Tracking (SMART Office) Conferences Held in Palm Springs, California

In December 2008, three OJP grant program offices – the OVC, BJA, and SMART Office – held a series of three events in Palm Springs, California, that focused on addressing specific criminal justice needs of Native American and Alaskan Native tribes. All three events were planned by outside firms hired via cooperative agreements, and therefore did not have to comply with JMD April 2008 thresholds that limit the amount spent on meals to 150 percent of the applicable GSA per diem meal allocation.

- The OVC hosted its 2008 Indian Nations Conference to train a total of 750 victim service providers, law enforcement officials, court officials, health professionals, and victim advocates from tribal, federal, state, and local levels.

- The BJA and the SMART Office co-hosted an Indian Country Pre-Conference immediately before the OVC Indian Nations Conference to review tribal community efforts to monitor and register sex offenders. This event had 144 participants.

- The BJA also hosted the Walking on Common Ground II conference as an initiative to sustain and enhance ongoing tribal court-related program efforts. This event had 153 participants.

The Wyndham Hotel served as the venue for all these events. Because these events were held in conjunction with each other, the three events used the same hotel contract that the OVC event planner established to procure meals. The meals and refreshments were from the same menu and had the same service charges. Exhibit 18 details the food and beverages served at the Palm Springs conferences.

EXHIBIT 18: FOOD AND BEVERAGES SERVED AT THE PALM SPRINGS, CALIFORNIA CONFERENCES

Food or Beverages	Quantity	List Price ($ per unit)	Price Charged ($ per unit)*	Adjusted Total Cost ($)
OVC INDIAN NATIONS CONFERENCE**				
Breakfasts				
Hot Breakfast Buffet	322	24.00	28.80	9,273.60
Lunches				
Tortellini and Smoked Chicken	505	23.00	27.60	13,938.00
Dinners				
Prime Rib	430	36.00	43.20	18,576.00
Breast of Chicken	85	36.00	43.20	3,672.00
Penne Pasta	15	36.00	43.20	648.00
Beverages and Snacks				
Cookies (Dozen)	2	30.00	36.00	72.00
Iced Tea (Gallon)	4	38.00	45.50	182.00
Coffee and Tea (Gallon)	6	40.00	48.00	288.00
Breaks				
2 Breaks Per Day	100	20.00	24.00	2,400.00
1 Break Per Day	900	24.00	28.80	25,920.00
			Subtotal	**$74,969.60**
BJA WALKING ON COMMON GROUND II				
Breakfasts				
Continental Breakfast	312	18.25	23.60	7,363.20
Lunches				
The Sportsman	150	19.50	25.21	3,781.50
Deli Lunch Buffet	150	28.95	37.43	5,614.50
Beverages and Snacks				
Coffee (Gallon)	12	40.00	51.75	621.00
Cookies and Brownies (Dozen)	12	28.00	36.17	434.04
			Subtotal	**$17,814.24**
BJA AND SMART OFFICE INDIAN COUNTRY PRE-CONFERENCE				
Breakfasts				
Continental Breakfast	150	18.25	23.60	3,540.00
Breaks				
"Stay Fit" Break	150	9.25	11.96	1,794.00
Beverages				
Coffee and Tea (Gallon)	4	40.00	51.75	207.00
			Subtotal	**$5,541.00**
			TOTAL	**$98,324.84**

Source: OIG analysis of banquet checks

Notes: * Price charged per unit includes the service charge that was applied by the hotel to all food and beverages, as well as taxes if applicable.

** Food and Beverages shown for the OVC Indian Nations conference do not include almost $2,500 in costs associated with breakfasts, cookies, soda, and coffee for the 40 attendees at the January 2008 pre-conference planning meeting. These costs are instead questioned as unnecessary expenses in the External Event Planning finding of this report.

An average of 540 people per day attended the 3 Palm Springs events that spanned the dates December 9 to 13, 2008. The meals and refreshments (including service charges) provided for these events cost more than $98,000. The food and beverages provided by the OVC during the Indian Nations Conference cost over three-quarters of this amount, or nearly $75,000, for 750 people.[42]

Food and Beverage Charges for Free Meeting Space

To secure free meeting space for all three events, the sponsoring components and event planners were contractually obligated to purchase a minimum of $35,000 in food and beverages excluding service charges. The cost for food and beverages at these three events was over $82,000 excluding service charges, which was more than $47,000 over the minimum required by the contract. Obtaining free meeting space by agreeing to incur a set amount of food and beverage charges may achieve cost savings only when the price of the meeting space (that was waived) would have been greater than the price of the food and beverages that the conference was obligated to order.

None of the sponsoring components or event planners for the three Palm Springs events conducted a cost-benefit analysis to show that ordering more than $82,000 (or $98,325 with service charges and taxes) worth of food and beverages achieved cost savings over the waived price of the meeting space at the hotel. As discussed previously, because hotel meeting space rental prices depended on a number of variables, we were unable to make this comparison and determine whether the cost of meals and refreshments was less than what the cost of meeting space would have been had the hotel not provided its meeting space for free.

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[42] Cooperative agreement officials stated that the firm collected non-DOJ funds via contributions, conference registration fees, and private sponsorships, which it used to pay for some of the food and beverage costs. The officials also stated that it used non-DOJ funds to also pay for other types of conference costs, particularly music performances held during the conference.

The cooperative agreement recipient did not always segregate DOJ funds from contributions and registration fees when paying for conference costs. As a result, the firm was not able to detail the food and beverage costs that were offset by contributions and registration fees. Therefore, we assessed the reasonableness of all food and beverage charges associated with the Indian Nations Conference.

Breakfast and Lunch

Over the course of the 3-day event, the OVC Indian Nations Conference included one hot breakfast and one lunch for participants. The hot breakfast was served to 322 attendees and included fruit, french toast, scrambled eggs, bacon, sausage, potatoes, and pastries, while the lunch was tortellini and smoked chicken. The OVC spent $28.80 per person on the breakfast and $27.60 per person on the lunch. The cost of the breakfast and lunch exceeded JMD per person meal limits by $12.30 (74 percent) and $3.60 (15 percent) respectively.

OVW Enhancing Judicial Skills Workshop

The March 2009 Enhancing Judicial Skills Workshop was one in a series of training courses offered by the OVW for state judges overseeing domestic violence cases. Held at a Hilton hotel in San Francisco, California, the conference had an initial planning day for the faculty and 4 days of course work for the participants. The conference, which was planned by two different OVW training and technical service providers, included breakfasts, lunches, and several themed breaks.

As shown by Exhibit 19, one event planner applied a 17.51-percent indirect cost rate to food and beverage charges. Although the application of the indirect rate was allowable under the terms of the cooperative agreement, the indirect rates applied to the direct food and beverage charges increased the OVW's cost of meals and refreshments by $3,573.

EXHIBIT 19: ENHANCING JUDICIAL SKILLS WORKSHOP FOOD AND BEVERAGE COSTS

Food or Beverages	Quantity	List Price ($ per unit)	Price With Hotel Service Charges ($ per unit)	Subtotal Service Charges ($)	Price with Event Planner Indirect Costs ($ per unit)	Subtotal Event Planner Indirect Costs ($)	Adjusted Total Cost ($)
Breakfast							
Continental Breakfast (3 days)	145	31.00	41.03	5,949.35	48.21	1,041.73	6,991.08
Arise Breakfast (1 day)	65	30.00	39.71	2,581.15	46.66	451.96	3,033.11
Lunches							
Restaurant Lunch	16	14.13	18.69	299.04	21.96	52.36	351.40
"Mission Dolores"	65	49.00	64.86	4,215.90	76.22	738.20	4,954.10
Beverages							
Coffee and Tea (Gallon)	11	85.00	112.55	1,238.05	132.26	216.78	1,454.83
Water and Soda	242	5.00	6.62	1,602.04	7.78	280.52	1,882.56
Themed Breaks (Per Person)							
Cheese Tasting	17	14.50	19.18	326.06	22.54	57.09	383.15
"The Ballpark"	65	20.50	27.14	1,764.10	31.89	308.89	2,072.99
The "Awake" Break	65	8.00	10.58	687.70	12.43	120.42	808.12
The "Aware" Break	65	14.00	18.54	1,205.10	21.79	211.01	1,416.11
"Deluxe" Ice Cream Break	65	6.25	8.28	538.20	9.73	94.24	632.44
			TOTALS	**$20,406.69**		**$3,573.20**	**$23,979.89**

Source: OIG analysis of banquet checks

Not including the $1,900 cost of food and beverages served to faculty on the day before the workshop, the OVW spent $22,063 on food and beverages for the 66 attendees during the 4 days of the Enhancing Judicial Skills Workshop. The meals and refreshments cost the OVW almost $84 per person each day. In particular, the conference spent, on average, almost $30 each day on just refreshments (beverages and break snacks) for each attendee. Although the JMD guidance did not apply to this event since it was planned under a cooperative agreement, the $30 spent on refreshments per person is about $15 more than the $14.72 (103 percent) that would have been allowable under JMD guidelines.

Food and Beverage Charges for Free Meeting Space

The Enhancing Judicial Skills Workshop was held in conjunction with the Continuing Judicial Skills Workshop, a separate OVW event that was also for state judges overseeing domestic violence cases.[43] The event planning firms entered into one hotel contract that covered meeting space and food and beverages for both events. The hotel agreed to waive the cost of renting meeting space if the workshops collectively incurred more than $25,000 in food and beverage costs. However, the OVW and its event planners spent $49,743 on food and beverages. This means that the workshops – one of which was the Enhancing Judicial Skills Workshop – collectively exceeded the minimum for free meeting space by $24,743.

As discussed in previous sections, we could not determine the cost of meeting space. Similar to the other event planners, the OVW event planners did not conduct a cost-benefit analysis to determine if the amount spent on food and beverages was less than the cost of what the meeting space would have been had the hotel not waived the rental fees.

Officials with one of the OVW event planners said that attendees have come to expect food and beverages at these workshops. Officials also explained that the high prices associated with food and beverages were due to the fact that "San Francisco is an expensive city." We asked why San Francisco was chosen as the location of the conference if it was known to be so expensive. Officials told us that San Francisco was selected because it draws a large number of judges for attendance.

The sections below detail the most expensive food and beverage costs of this event.

[43] The audit did not examine the OVW Continuing Judicial Skills workshop expenses.

"Mission Dolores" Lunch

On the third day of the conference, 65 workshop participants received a "Mission Dolores" lunch that had a menu price of $49 per person. Exhibit 20 details the "Mission Dolores" menu selection.

EXHIBIT 20: LUNCH AT THE OVW ENHANCING JUDICIAL SKILLS WORKSHOP

11:30 AM Lunch
Mission Dolores

Tortilla Soup
Served with Cojita Queso, Crispy Tortilla Strips, Cilantro,

Hearts of Romaine Salad with Jicama, Oranges, Citrus Vinaigrette

Slow Cooked Berkshire Pork Carnitas

Flat Iron Steak Carne Asada, Lime and Chiles

Mexican Rice, Chorizo, Peppers, Tomatoes,

Black Beans, Flour and Corn Tortillas

Pico de Gallo, Guacamole, Sour Cream

Tres Leches Cake

Churros

Freshly Brewed Tully's Fair Trade Coffee, Iced Tea available based upon request

Water

@ $49.00 Per Person ++

Source: Banquet event order

Including the hotel service charge, taxes, and indirect costs, each Mission Dolores lunch actually cost the OVW $76. Although the JMD thresholds did not apply to this conference because it was planned under a cooperative agreement, the final cost of the meal exceeded the JMD lunch rate of $27 by $49 – or 181 percent – per person.

Themed Breaks

Throughout the workshop, expensive themed break packages were offered to attendees. Food items in these snack packages included popcorn, Cracker Jacks, candy, and ice cream.

EXHIBIT 21: THEMED BREAKS AT THE ENHANCING JUDICIAL SKILLS WORKSHOP

PM Break The Ballpark Assorted Thomas Kemper's Soda's Freshly Popped Popcorn Cracker Jack's and Candy Bars Assorted Soft Drinks and Mineral Water- **50% Diet soda and 50% bottled waters** @ $20.50 Per Person ++	PM Break Deluxe Ice Cream Assortment @ $6.25 Each ++ Assorted Gourmet Ice Cream Bars Assorted Soft Drinks and Bottled Water @ $5.00 ++ Per Bottle Charged on Consumption **50% Diet Sodas and 50% bottled waters**

Source: Banquet event orders

Applying service charges, taxes, and indirect charges to the base prices listed in the menu above, the "Ballpark" and "Deluxe" Ice Cream Assortment ended up costing the OVW about $32 and $10 per person respectively.

Coffee and Tea Costing More Than $8 Per 8-ounce Cup

The 11 gallons of coffee and tea served at the conference had a menu price of $85 per gallon. Considering that there are 128 ounces in one gallon, the price for a single ounce of coffee or tea at the menu price would have been more than $0.66. However, the OVW also paid service fees, taxes, and indirect costs for each gallon of coffee or tea. We found that these costs increased the price paid for each gallon of coffee or tea by 55 percent to over $132. The actual price of coffee or tea at the workshop ultimately cost the OVW more than $1.03 an ounce. An 8-ounce cup of coffee at this price would cost $8.24 and account for almost 56 percent of the 23-percent per diem limit ($14.72) that JMD established for refreshments.

In total, the 11 gallons of coffee and tea served over 5 days to a total of 66 conference participants cost the OVW almost $1,500.

Drug Enforcement Administration (DEA) International Drug Enforcement Conference (IDEC)

The DEA co-hosted the 26th IDEC with the Turkish National Police at the Conrad Hotel in Istanbul, Turkey, in July 2008. The event served as a forum for international law enforcement officials to share drug investigation information, identify common targets, and coordinate law enforcement efforts against regional and international drug cartels. The Association of Former Federal Narcotics Agents (AFFNA) sponsored most of the food and beverages for the event. As a result, the DEA only spent a total of $26,980 on food and beverages for the 368 attendees throughout the 3-day event. This equals $24 per person per day for meals and refreshments.[44]

July 10 Coffee Breaks

According to summary documents, the food and beverage charges paid directly by the DEA stemmed from the cost of refreshments served during various coffee breaks. What appeared to be the two most costly of these breaks occurred on the morning and the afternoon of July 10, the last day of the conference. Both breaks served an average of 300 attendees and cost a total of $15,600, or $26 per attendee.

According to JMD conference cost thresholds, total refreshments provided to attendees should cost no more than 23 percent of the applicable GSA meals and incidental expenses (M&IE) per diem rate. The DEA provided documents showing that its employees who helped plan the conference were cognizant of the established DOJ limits for the cost of meals and refreshments served during the event. At the time of the conference, the per diem rate for Istanbul, Turkey, was $114. However, attendees received two breaks that each cost $26 per person on July 10. This means that the DEA actually spent $52 per person on breaks during this day. Applying the JMD's 23-percent GSA M&IE limit to the $114 per diem, the DEA should have spent no more than $26.22 on each attendee for both breaks. By spending $52 per attendee total on these breaks, the DEA spent almost twice as much as the DOJ threshold allows.

[44] According to the DEA, the AFFNA directly paid the Conrad Hotel $132,000 for meal and refreshment costs associated with an evening reception, lunches, and coffee breaks. Because the DEA did not incur and pay these costs directly, we did not include these expenses in our review of IDEC food and beverage costs.

Federal Bureau of Investigation (FBI) Director's Symposium

The FBI's Office of the Ombudsman holds a symposium every other year to provide training and information to members of the Director's Advisory Committees. The 3-day conference was held at the L'Enfant Plaza Hotel in Washington, D.C., in April 2009. The FBI reported that at least 242 Advisory Committee members and other officials attended the event. The FBI provided two coffee breaks each day to all conference attendees at a total cost of $19,965.

According to the hotel banquet orders, the FBI purchased refreshments for the attendees at each of the breaks. The refreshments served included fruit, bagels, muffins, cookies, brownies, coffee, and soda charged on a per person basis instead of a la carte. According to JMD food and beverage guidelines, the FBI was allowed to spend $14.72 each day on refreshments for each person, which equates to a total allowance of $3,680 per day on refreshments.

However, the FBI spent $26.62 per person per day on just refreshments. This is $11.90 more than what would have been allowed under the JMD threshold. As a result, the FBI overspent on refreshments by $2,975 per day for 3 days, for a total of $8,925.

Analysis of Itemized Food and Beverage Costs

Food and beverages served to attendees of the 10 reviewed conferences cost a total of almost $490,000. While JMD food and beverage cost limits were not in effect or otherwise did not apply to most of these events, we considered the April 2008 JMD thresholds (150 percent of the GSA per diem meal allocation for limits to costs of meals served and 23 percent of the GSA per diem rate for the limit of the cost of daily refreshments) during our review to gauge whether the food and beverage costs were indicative of extravagance or waste. We also note that 5 of the 10 conferences were funded by OJP or OVW cooperative agreements governed by the OJP Financial Guide, which requires that food and beverage costs be reasonable.

Our review of food and beverage prices leaves us concerned about the broad discretion that components and event planners have regarding the provision of meals and refreshments at DOJ events. Of the 35 instances in which meals were served at the 10 conferences, 29 (83 percent) had meals that exceeded JMD thresholds of 150 percent of the GSA per diem M&IE allocation. In our opinion, some of the prices incurred for meals and

refreshments appear particularly expensive and indicative of wasteful or extravagant spending once service and indirect charges are applied to the cost of each meal or refreshment. For example, we note that OVW incurred $76 per person for a lunch and over $8 per cup of coffee or tea (after applying service fees and indirect charges to each item).

Lack of Justifications for Costly Food and Beverages

We found that event planners were unable to provide adequate justifications for the high cost of food and beverages at their FY 2008 and 2009 conferences. Many event planners stated that full meals were always provided at past conferences and therefore should be provided at current and future events to meet participant expectations. Event planners also explained that they viewed the provision of food and beverages as a very important part of the perceived success of the conference.

We find such justifications to be inadequate considering the high cost of the food and beverages at the reviewed events. The respective goal of each of the reviewed conferences was to offer attendees an opportunity to receive and discuss necessary programmatic information with DOJ partners. In no instance did an event planner or component successfully demonstrate to us that providing food and beverages with costs that exceeded JMD thresholds was needed to achieve the goals of the conference.

We discussed our concern of costly food and beverage prices with JMD officials responsible for developing the April 2008 policy. The Attorney General, the Deputy Attorney General, and the Assistant Attorney General for Administration have each issued memoranda to DOJ component heads directing them to reign in conference spending.[45] In addition, JMD has developed an internal website that consolidated relevant policies and other rules for DOJ conference planners. Considering these efforts, JMD officials stated they believed that components improved compliance with meal and refreshment thresholds during more recent events (FYs 2010 and 2011)

[45] On June 5, 2008, the Assistant Attorney General for Administration wrote to DOJ component heads to highlight the April 2008 JMD policy that established meal and refreshment cost limits, see Appendix IV. About a year later, on May 4, 2009, the Deputy Attorney General also issued a memorandum to DOJ component heads highlighting important aspects of the JMD policy. In particular, the memorandum emphasized that conferences should only occur if there was a business need and that costs must be minimized, see Appendix V. In a January 21, 2011 memorandum that announced a temporary DOJ-wide hiring freeze, the Attorney General specifically instructed component heads to suspend all non-essential travel, training, and conferences and minimize the number of DOJ attendees at such events, see Appendix VI.

than we found was the case during the scope of our review (FYs 2008 and 2009).

The JMD conference cost thresholds, consolidated conference planning website, and memoranda from leadership to component heads constitute positive steps towards mitigating the purchase of high-priced food and beverages at future DOJ conferences. Nevertheless, because 8 of the 10 reviewed conferences occurred following the April 2008 policy, we remain concerned that not all components are taking into account service fees, taxes, and indirect costs when deciding what food and beverages – if any – should be served at a conference. We are also troubled by the lack of justifications components provided for food and beverages at the 10 conferences reviewed by this audit. In our opinion, the lack of documentation makes it appear as though many were not seriously questioning the need for their events to include expensive meals and refreshments.

Documenting Savings as a Result of Free Meeting Space

Another justification offered for food and beverages at conferences is that hotels sometimes agree to waive meeting space rental fees provided that DOJ purchase a minimum amount of food and beverages for the event. For the reviewed conferences, this minimum amount ranged from between $25,000 and $50,000; however, conference planners spent much more on food and beverages than what would have been required for free space. For example, the OVC alone spent almost $30,000 more on food and beverages than the minimum $35,000 the hotel required for free meeting space.

Although free meeting space may provide an opportunity to save money, no component or event planner reviewed assessed whether the cost of meals and refreshments was less than the cost that meeting space would have been had it not been provided by the hotels for free. Without a cost-benefit analysis that compares the value of free meeting space to the cost of meals and refreshments, we could not determine whether conference costs were reduced by a component or event planner ordering a set amount of food and beverages and receiving meeting space at no cost.

The waiver of meeting space rental fees can only serve as a justification for serving food and beverages at conferences when it results in saving DOJ money. As a result, we recommend that JMD require that components and their event planners conduct a cost-benefit analysis whenever they justify ordering food and beverages to obtain free meeting space for their conferences. Such a cost-benefit analysis should show that

the cost of the meeting space would have been greater than the food and beverage cost had the hotel not waived its meeting space rental charges.

Need for Food and Beverage Limits for Cooperative Agreements

The JMD meal and refreshment thresholds are based on individual GSA per diem rates. These rates consider cost of living and price disparities between different cities across the United States. The GSA updates per diem rates at least annually, and some rates are even seasonable to account for times when costs at a particular locality are potentially at a premium. Because the JMD price limits are based on GSA per diem rates, the price limits need not be updated and are higher in cities experiencing a higher cost of living.

As stated previously, although the April 2008 JMD guidance sets strict limits on the cost components can incur for meals and refreshments, it specifically does not apply to conferences funded through cooperative agreements. Other than the OJP's Financial Guide rule that requires award recipients to ensure that the cost of food and beverage is "reasonable," no criteria exists that actually limits or otherwise minimizes the cost of food and beverages served at OJP and OVW conferences.

We believe that OJP's rule requiring that conference food and beverage prices be "reasonable" falls short of ensuring that cooperative agreement recipients select lower-priced food and beverages for their events and minimize DOJ conference costs. The OJP rule is difficult to apply retroactively and we could not determine whether a cooperative agreement recipient complied with the "reasonable" requirement. This is because the OJP Financial Guide circularly defines "reasonable" prices as the prices that would have been incurred under the circumstances at the time the cost was incurred by a prudent person. As shown by the high cost of individual meals and refreshments incurred by the OJP and OVW events reviewed – $47 and $76 lunches and $8 cups of coffee – we do not believe that event planners took the steps necessary to minimize meal and refreshment costs.

By not ensuring that cooperative agreement recipients comply with JMD cost limits, cooperative agreement recipients are afforded an opportunity to circumvent what otherwise would be strict limits on meal and refreshment prices. Without clear cost limits, OJP and the OVW are not adequately ensuring that their event planners are complying with the Federal Travel Regulation and other DOJ guidelines that require that conference costs be minimized. We therefore recommend that OJP and the

OVW establish and implement guidelines on conference food and beverage limits for cooperative agreement recipients congruent with DOJ-wide rules.

Recommendations

We recommend that JMD:

9. Require that components and their event planners conduct a cost-benefit analysis whenever they justify ordering food and beverages to obtain free meeting space for their conferences.

We recommend that OJP and the OVW:

10. Establish and implement guidelines on conference food and beverage limits for conferences supported with cooperative agreement funds congruent with DOJ-wide rules.

STATEMENT ON INTERNAL CONTROLS

As required by the *Government Auditing Standards,* we tested, as appropriate, internal controls we considered significant within the context of our audit objectives. A deficiency in an internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to timely prevent or detect: (1) impairments to the effectiveness and efficiency of operations, (2) misstatements in financial or performance information, or (3) violations of laws and regulations. Our evaluation of each sponsoring component's internal controls was *not* made for the purpose of providing assurance on its internal control structure as a whole. Component level management is responsible for the establishment and maintenance of internal controls.

As noted in the Findings and Recommendations section of this report, within the context of the audit objectives and based upon the audit work performed, we identified certain deficiencies in DOJ's internal controls that we believe adversely affect the DOJ conference sponsors' ability to use appropriated funds efficiently and effectively. During our review, we identified reportable conditions relating to how component conference sponsors incur and report conference expenditures.

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

STATEMENT ON COMPLIANCE WITH LAWS AND REGULATIONS

As required by the *Government Auditing Standards* we tested, as appropriate given our audit scope and objectives, selected records, procedures, and practices, to obtain reasonable assurance that DOJ and its components complied with federal laws and regulations for which noncompliance, in our judgment, could have a material effect on the results of our audit. DOJ and its component level management are responsible for ensuring compliance with federal laws and regulations applicable to conference planning. In planning our audit, we identified the following laws and regulations that concerned the operations of DOJ and its components that were significant in the context of the audit objectives:

- Pub. L. No. 110-161 § 218 (2008)
- Pub. L. No. 111-8 § 215 (2009)
- 41 C.F.R. § 301-74 (2011)
- 2 C.F.R. § 230 (2011)
- 31 U.S.C. § 6305 (2011)
- 42 U.S.C. § 10603 (C)(1)(B) (2010)
- 25 U.S.C. § 3681 (a) (2010)
- 42 U.S.C. § 3751 (2010)
- 42 U.S.C. § 5775 (2010)

Our audit included examining, on a test basis, whether different DOJ components complied with the laws and regulations cited above and whether non-compliance could have a material effect on DOJ components' operations. Through interviews with responsible officials, analyzing conference cost reports, obtaining and testing cost data, we determined that components did not always work to minimize conference costs, and did not appropriately track and report conference costs. Our report provides recommendations that, once implemented, will help ensure that the audited components comply with the regulations while planning, hosting, and reporting conference cost data.

SCHEDULE OF DOLLAR-RELATED FINDINGS

QUESTIONED COSTS[46]	AMOUNT ($)	PAGE
Unallowable Costs		
1. Consultant travel costs	3,454	17
2. Planning meeting travel, lodging, and food and beverage costs	29,365	18
Less consultant travel costs to planning meeting questioned as unallowable in Line 1.	(1,009)	
3. Unapproved indirect costs	102,622	21
Total Questioned Costs	**$134,432**	

[46] *Questioned costs* are expenditures that do not comply with legal, regulatory or contractual requirements, or are not supported by adequate documentation at the time of the audit, or are unnecessary or unreasonable. Questioned costs may be remedied by offset, waiver, recovery of funds, or the provision of supporting documentation.

ACRONYMS

AFFNA	Association of Former Federal Narcotics Agents
AMBER	America's Missing: Broadcast Emergency Response
ATF	Bureau of Alcohol, Tobacco, Firearms and Explosives
BJA	Bureau of Justice Assistance
C.F.R.	Code of Federal Regulations
COPS Office	Office of Community Oriented Policing Services
DEA	Drug Enforcement Administration
DOJ	Department of Justice
EOIR	Executive Office for Immigration Review
EOUSA	Executive Office for United States Attorneys
FBI	Federal Bureau of Investigation
FY	Fiscal Year
GSA	General Services Administration
IDEC	International Drug Enforcement Conference
JMD	Justice Management Division
M&IE	Meals and Incidental Expenses
OCDETF	Organized Crime Drug Enforcement Task Force
OIG	Office of the Inspector General
OJJDP	Office of Juvenile Justice and Delinquency Prevention
OJP	Office of Justice Programs
OVC	Office for Victims of Crime
OVW	Office on Violence Against Women
SMART	Sex Offender Sentencing, Monitoring, Apprehending, Registering, and Tracking
U.S.C.	United States Code
USMS	United States Marshals Service

APPENDIX I

OBJECTIVE, SCOPE, AND METHODOLOGY

Objective

The objective of this audit was to review a sample of conferences that occurred between October 2007 and September 2009 to determine whether Department of Justice (DOJ) components properly accounted for and minimized conference planning, meal, and refreshment costs.

Scope and Methodology

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

In order to achieve the audit objectives, we reviewed 10 high-dollar DOJ conferences from fiscal years (FY) 2008 and 2009. We included tests and procedures to identify unallowable and extravagant costs. To test and develop conclusions regarding both the overall cost of each conference and the cost of each conference category, we (1) assessed how components obtained event planning services, (2) evaluated whether components and event planners used effective and efficient procurement methods, and (3) identified food and beverage items provided by sponsoring components indicative of potentially extravagant and wasteful spending.

Throughout the audit, we relied on computer-generated data provided by the Justice Management Division (JMD), component-level conference planners, and training and technical assistance providers. This data included conference cost reports, expense summaries, and invoices considered while conducting the analysis necessary to accomplish our audit objectives. Although we did not assess the reliability of such computer-derived information, we do not believe our reliance on this data affects our findings and recommendations.

Conference Universe and Selection

JMD prepared a listing of the 1,832 conferences hosted by DOJ during FYs 2008 and 2009. To accomplish our audit objectives, we selected a

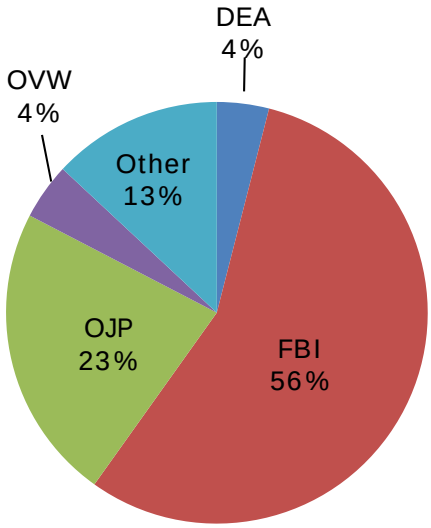
judgmental sample of conferences reported on this list to evaluate the nature of the event and their respective level of expenditures. From this initial sample, we would select ten events to test for this audit.

For the initial selection, we identified primarily high-dollar events that listed high total conference costs, high costs in any single cost category – including high food and beverage costs per person per day – and the most expensive international conference. We also identified events held in what appeared to be resort locations. Finally, we identified conferences that were held in conjunction with other reported events. We applied this judgmental sampling design to identify events that provided a broad exposure to numerous facets of the universe of DOJ conferences held during the scope of our audit. This non-statistical sample design applied to identify conferences worthy of review precludes us from projecting the results of our testing to all DOJ hosted conferences.

As shown in Exhibit I-1, the Federal Bureau of Investigation (FBI) and the Office of Justice Programs (OJP) accounted for 79 percent of the reported 2008 and 2009 conference expenditures.

EXHIBIT I-1: DOJ COMPONENT CONFERENCE EXPENSES FY 2008 AND 2009

Component	Total Cost ($)
Drug Enforcement Administration (DEA)	4,830,298
FBI	67,748,009
OJP	27,599,265
Office on Violence Against Women (OVW)	5,240,666
Other	15,846,209
TOTAL	**$121,264,447**



Source: JMD FY 2008 and 2009 Conference Expenditure Reports

The FBI reported a number of training events in its conferences report submissions. For example, for FY 2009, we estimated that the FBI included about $28 million in costs associated with training. Although we do not take

issue with the FBI including these events in its conference reports, we did not find other components uniformly reporting training events on their respective reports. As a result, we believe the total reported costs for the FBI was disproportionate to the total cost reported by other DOJ components. Nevertheless, because the FBI and OJP accounted for a very large part of the reported conference costs, we included in our initial selection of 37 a representative sample of FBI and OJP conferences.

Considering these facets, and based on JMD reported conference costs for FYs 2008 and 2009, we identified 37 events hosted by 10 different components that, in our opinion, merited additional review. Detailed in Exhibit I-2 are the 37 conferences selected and reviewed during the survey phase of the audit.

EXHIBIT I-2: CONFERENCES SELECTED FOR PRELIMINARY REVIEW

Agency	Conference Title	Location	Attendees	Total Cost ($)
ATF	Columbus Field Division All Hands	Columbus, OH	170	91,327.81
ATF	Grade 14 Assessment Center	Grapevine, TX	405	543,668.00
COPS	SEARCH/COPS Tech TA	Mesa, AZ	174	165,313.00
COPS	CSPP Kick-Off Conference	Dallas, TX	91	42,059.00
CRM	Organized Crime Drug Enforcement Task Force National Conference	Washington, D.C.	1348	429,698.40
CRM	Financial Investigations Seminar	San Diego, CA	132	200,337.03
DEA	International Drug Enforcement Conference	Istanbul, Turkey	368	1,182,138.98
DEA	Internet Telecommunications Exploitation Program	Chantilly, VA	26	71,625.10
DEA	Basic Telecommunications Exploitation Program	Chantilly, VA	26	66,966.33
DEA	Human Resources Leadership Conference	Potomac, MD	28	64,502.72
EOIR	Legal Training Conference	Washington, D.C.	306	638,650.00
EOUSA	2008 U.S. Attorneys National Conference	Washington, D.C.	178	278,734.55
FBI	2008 Infragard Coordinators Annual Training	Baton Rouge, LA	73	115,084.34
FBI	2008 Infragard Conference	Baton Rouge, LA	73	107,469.19
FBI	Navigating Strategic Change	Evanston, IL	56	178,023.58
FBI	Navigating Strategic Change	Evanston, IL	53	177,955.96
FBI	The Emerging Executive	Ashland, MA	42	115,544.19
FBI	National Executive Institute	Sydney, Australia	36	219,233.21
FBI	Directors Advisory Committee National Symposium	Washington, D.C.	194	303,279.80
OJP	AMBER Alert the Media	Denver, CO	44	44,767.00
OJP	AMBER Forensics Training	Denver, CO	56	67,761.00
OJP	AMBER Leadership	Denver, CO	48	52,003.00
OJP	AMBER Alert National Conference	Denver, CO	316	481,963.00
OJP	Accessing and Sustaining Resources for Community & Faith Based Organizations	Philadelphia, PA	259	194,581.46
OJP	SVAA Cluster Meeting	Washington, D.C.	50	55,386.25
OJP	Walking on Common Ground II	Palm Springs, CA	157	64,705.00
OJP	Indian Country Sex Offender Registration and Notification Pre-Conference Institute	Palm Springs, CA	150	83,202.00
OJP	Office for Victims of Crime 11th National Indian Nations Conference	Palm Springs, CA	750	222,835.00
OJP	NLC Protects: Confronting the Challenge of Sexual Exploitation Crimes	Orlando, FL	301	178,516.00
OVW	Building Momentum 2008	Anchorage, AK	250	250,000.00
OVW	IACP National Law Enforcement Leadership Initiative on Violence Against Women	Charleston, SC	36	84,990.74
OVW	Leadership Institute #10	Charleston, SC	37	84,069.93
OVW	Leadership Institute #11	Chicago, IL	40	89,427.59
OVW	2009 Regional Law Enforcement Training Symposium and Violence Against Women	National Harbor, MD	235	133,708.00
OVW	Enhancing Judicial Skills in Domestic Violence Cases Workshop	San Francisco, CA	65	76,710.76
USMS	Mobile Force Protection Training	Melbourne, FL	57	246,974.60
USMS	Post Training Tactical Operations Division	Melbourne, FL	53	244,550.17
			TOTAL	**$7,647,762.69**

Source: JMD Quarterly Reports

We subsequently met with responsible officials from these 10 components and obtained background information on these 37 selected events. The information solicited included an overview of each event's purpose, site selection, planning procedures, applicable contracts and cooperative agreements, and budget estimates. We also discussed how each component compiled and reported conference cost data to JMD. We then reviewed and analyzed the documents received and applied 20 different conference variables to identify the 10 conferences that we proposed reviewing for the audit. The exhibit below features a selection of the variables used to narrow our selection to 10 conferences.

EXHIBIT I-3: SELECTION OF VARIABLES USED TO IDENTIFY 10 CONFERENCES

- Resort or perceived resort area
- Expensive food items
- Networking receptions, banquets, awards ceremonies
- Agendas with significant free time
- Hosted at a private facility (hotel)
- Use of outside entity to plan conference
- Limited documentation provided during entrance conference

Source: OIG analysis

For our judgmental selection of ten conferences, we identified conferences that reported high total costs or high costs in one cost category. For example, we analyzed cost of meals and refreshments provided at the conference to further our selection and determine if any of the expenditures were expensive or extravagant.

In addition to utilizing what we consider to be variables which represent risk factors, we eliminated certain conferences out of the 37 due to their distinct purpose in law enforcement training. In our narrowed selection of 37 conferences, these training events included both Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) conferences, along with training courses held by the Drug Enforcement Administration (DEA) and FBI, and both U.S. Marshals Service (USMS) conferences. For our judgmental selection of 10 conferences, we identified 3 OJP conferences all held in conjunction with each other in what appeared to be a resort location in Palm Springs, California with similar program-related purposes. Combined, these costs for the OJP Palm Springs conferences constituted one

of the highest total costs for the component's reported conferences. Also, we selected the DEA International Drug Enforcement Conference (IDEC), which reported the highest cost for an international DOJ conference.

We then took into account those conferences with high food and beverage costs, including those with extremely high per person per day meal and refreshment costs. The Organized Crime Drug Enforcement Task Force (OCDETF) National Conference incurred the highest food and beverage costs to the government, totaling $137,655. Also, the OJP America's Missing: Broadcast Emergency Response (AMBER) Alert Conference totaled over $90,000 in food and beverage costs. Finally, we chose those conferences with very high total conference costs, including the Executive Office for Immigration Review's (EOIR) Legal Training Conference. This conference also consisted of high-priced unit costs of each food item offered.

Finally, in order to consider a sample of conferences planned through in-house measures and not by a third party source, we selected the FBI Director's Symposium and the Executive Office for U.S. Attorneys (EOUSA) National Conference.

Exhibit I-4 shows the 10 conferences from 8 DOJ components we selected for further review. In total, these 10 events accounted for over $4.4 million of the total $121 million in conference costs reported for FYs 2008 and 2009.

EXHIBIT I-4: FINAL DOJ CONFERENCES SELECTED FOR REVIEW

Sponsoring Component(s)	Conference Title	Location - Dates	Total Cost ($)
Criminal Division and OCDETF	National Conference	Washington, D.C. July 20 – 23, 2009	360,185
DEA	IDEC	Istanbul, Turkey July 8 – 10, 2008	1,181,902
EOIR	Legal Training Conference	Washington, D.C. Aug. 3 – 7, 2009	688,904
EOUSA	National Conference	Washington, D.C. Feb. 11 – 14, 2008	259,648
FBI	Directors Symposium	Washington, D.C. April 14 – 16, 2009	302,428
OJP, BJA and SMART Office (Co-sponsors)	Indian Country Pre-Conference	Palm Springs, CA Dec. 10, 2008	90,201
OJP, OVC	Indian Nations Conference	Palm Springs, CA Dec. 11 – 13, 2008	583,392
OJP, BJA	Walking on Common Ground II	Palm Springs, CA Dec. 9 – 10, 2008	132,222
OJP, OJJDP	AMBER Alert Conference	Denver, CO Nov. 13 – 16, 2007	657,773
OVW	Enhancing Judicial Skills Workshop	San Francisco, CA March 28 – April 1, 2009	148,877
		TOTAL	**$4,405,532**

Source: FY 2008 and 2009 conference expenditure listings compiled by JMD
Note: Total cost based on OIG audit figures.

Audit Fieldwork

We conducted our internal audit fieldwork with the DEA, FBI, EOUSA, EOIR, OJP, and OVW. We also contacted, visited, and performed fieldwork at private and non-profit organizations that were awarded DOJ funding to plan and host these conferences.

During our fieldwork, we identified and reviewed federal acquisition and travel regulations, Government Accountability Office decisions, DOJ directives, and component-level guidance regarding conference planning, travel, and allowable expenditures. We also reviewed and analyzed conference planning documents and summaries, conference attendance lists, memoranda of understanding, and invoices. We subsequently met with the hotels hosting the conferences we reviewed, either on site or via teleconference, to obtain final payment documentation and food and beverage banquet checks.

After meeting with all DOJ components, technical assistance providers, and hotels, we conducted our analysis of conference event planning, as detailed in Finding I.

Event Planning Costs

In our review, we considered event planning to include both logistical services, such as hotel arrangements, and programmatic support, such as curricula development. Event planners were not able to provide specific event planning costs relating to their DOJ conferences because they were not required to track and report salaries and benefits relating to their work on each conference. Therefore, upon meeting with the event planners during our audit, we asked them to estimate conference event planning costs. During our audit, we relied on these estimates to compute event planning salaries, benefits, and indirect costs previously not reported for those conferences planned through cooperative agreements. In some cases, it was not possible to match invoiced costs to specific reimbursements or drawdowns because some planners working under cooperative agreements tracked costs by award instead of by conference.

We did not test travel vouchers when conducting analysis on conference costs to determine compliance with pertinent travel rules and regulations. We relied on those travel costs provided by the event planners and did not test these costs using timesheets or drawdown payments.

Food and Beverage Costs

Upon meeting with the hotels and obtaining final food and beverage invoices and payments, we analyzed the nearly $490,000 in food and beverage costs for the 10 conferences, as detailed in Finding II. For those conferences serving both food and beverages, we assessed both costs, while for those conferences that did not serve meals, we based our analysis on the refreshment costs only.

Because the JMD guidance was not implemented until April 2008, the meal and refreshment cost thresholds did not apply to many of the 10 conferences reviewed because they were either held or were being planned by the time the rules were issued. Further, the JMD policy stipulated that the meal and refreshment limits did not apply to conferences funded through cooperative agreements. As a result, the event planners for the reviewed OJP and OVW conferences (all of which were planned with cooperative agreements) were not required to follow the 150-percent meal and 23-percent refreshment thresholds. We nevertheless applied the April 2008 JMD thresholds as a benchmark to ascertain objectively whether meals and refreshments appeared to be extravagant or wasteful uses of taxpayer funds.

When conducting our analysis, we itemized the food costs based on the hotel banquet checks. We calculated an updated unit price of each food item offered at the conferences by adding applicable service charge and tax to total an updated itemized cost. Unless stated otherwise in the report, we relied on the banquet invoices provided by the component, planner, or hotels hosting the conference. Itemized costs of food and beverages throughout the report include minimal adjustments due to rounding the per item price to the nearest cent. These rounded figures did not affect the overall calculated cost of the conferences presented in the report.

Because there are 128 ounces in each gallon and conference attendees could have received different serving sizes of hot beverages, our audit applied the standard 8-ounce measure for one cup as a single serving of beverages procured by the gallon but served individually.

CONFERENCE FACTS AND SUMMARIES

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

1. Criminal Division and OCDETF National Conference

Formal Name: Organized Crime Drug Enforcement Task Force and Asset Forfeiture and Money Laundering Section National Leadership Conference

DOJ Sponsor:	Criminal Division and OCDETF
Dates Held:	July 20 to 23, 2009
Venue:	Omni Shoreham Hotel
Location:	Washington, D.C.
No. of Participants:	1,348

Conference Summary: Conducted in partnership with the Department of Justice Asset Forfeiture and Money Laundering Section, this conference worked to prohibit financial infrastructure that supports drug trade. Conference attendees included United States Attorneys, Agency Headquarters leadership, money laundering specialists, and other senior leadership from agencies and components participating in the Department of Justice and Department of Treasury Asset Forfeiture Programs.

2. DEA IDEC

Formal Name: 26th Annual International Drug Enforcement Conference	
DOJ Sponsor:	DEA
Dates Held:	July 8 to 10, 2008
Venue:	Conrad Hotel Istanbul
Location:	Istanbul, Turkey
No. of Participants:	368
Conference Summary: For the past 26 years, the DEA has sponsored the IDEC in partnership with a foreign law enforcement agency. The purpose of the conference is to share drug-related law enforcement information, identify common targets, and develop a coordinated regional and global approach to law enforcement efforts against international drug trafficking organizations, money laundering operations, and the diversion of essential and precursor chemicals.	

3. EOIR Legal Conference

Formal Name: 2009 Legal and Interpreters Training Conference	
DOJ Sponsor:	EOIR
Dates Held:	August 3 to 7, 2009
Venue:	Capital Hilton Hotel
Location:	Washington, D.C.
No. of Participants:	534
Conference Summary: As the first comprehensive program offered by the EOIR, this event served as training for attorneys, paralegals, immigration judges, and representatives from the EOIR Office of the General Counsel. The training was comprised of various breakout sessions covering immigration law and custody and bond issues, and the conference served as a means for agency and court officials to discuss important issues and policy reform.	

4. EOUSA National Conference

Formal Name: 2008 United States Attorneys' National Conference	
DOJ Sponsor:	EOUSA
Dates Held:	February 11 to 14, 2008
Venue:	J.W. Marriott
Location:	Washington, D.C.
No. of Participants:	166
Conference Summary: The United States Attorneys' National Conference is generally held annually and brings together all 93 U.S. Attorneys for training and to discuss the prosecution priorities of the Department of Justice, such as terrorism matters, Project Safe Childhood, and violent crime matters, among others. At the 2008 United States Attorneys' National Conference, EOUSA coordinated a half-day orientation for new United States Attorneys, held a half-day Attorney General's Advisory Committee (AGAC) meeting, and held eight separate AGAC subcommittee meetings in an effort to enhance the work of each of these groups.	

5. FBI Director's Symposium

Formal Name: Director's Advisory Committee National Symposium	
DOJ Sponsor:	FBI
Dates Held:	April 14 to 16, 2009
Venue:	L'Enfant Plaza Hotel
Location:	Washington, D.C.
No. of Participants:	242
Conference Summary: This Symposium is held every other year and provides training and information dissemination to representatives of the Director's three Advisory Committees (Special Agent, Mid-Management, and Aegis). A large number of Assistant Directors and Unit Chiefs present information during breakout sessions. The Director also provides a general session to all committee representatives.	

6. BJA and SMART Office Indian Country Pre-Conference

Formal Name: Indian Country Sex Offender Registration and Notification Pre-Conference Institute	
DOJ Sponsor:	OJP/BJA and SMART Office
Dates Held:	December 10, 2008
Venue:	Wyndham Palm Springs Hotel
Location:	Palm Springs, CA
No. of Participants:	144
Conference Summary: The Office of Sex Offender Sentencing, Monitoring, Apprehending, Registering, and Tracking organized this pre-conference institute to focus on issues related to Sex Offender Registration and Notification in Indian Country. The audience was primarily tribal criminal justice professionals and tribal leaders. This institute covered essential information for tribes seeking to timely comply with the Sex Offender Registration and Notification Act's requirements.	

7. BJA Walking on Common Ground II

Formal Name: Walking on Common Ground II	
DOJ Sponsor:	OJP/BJA
Dates Held:	December 9 to 10, 2008
Venue:	Wyndham Palm Springs
Location:	Palm Springs, CA
No. of Participants:	153
Conference Summary: Walking on Common Ground II brought together tribal, state, and federal justice communities and was a continuation of the 2005 Walking on Common Ground Conference. This gathering worked to improve the understanding, coordination, collaboration, and communication among tribal, federal, and state court relations. Those in attendance included judges, court commissioners, court administrators, peacemakers, and attorneys, among others.	

8. OJJDP AMBER Alert Conference

Formal Name: 2007 National AMBER Alert Conference: AMBER Alert Training and Technical Assistance Program

DOJ Sponsor:	OJP/OJJDP
Dates Held:	November 13 to 16, 2007
Venue:	Grand Hyatt Denver
Location:	Denver, CO
No. of Participants:	367

Conference Summary: The 2007 National AMBER Alert Conference included a gathering of law enforcement officers, media representatives, transportation officials, and missing children clearinghouse coordinators brought together to protect children by improving the response to and handling of missing children and abduction cases. Participants worked together to establish stronger lines of communication, discuss promising practices used in different jurisdictions, and identify all available resources at their disposal.

9. OVC Indian Nations Conference

Formal Name: 11th National Indian Nations Conference: "Strengthening the Heartbeat of All our Relations"	
DOJ Sponsor:	OJP/OVC
Dates Held:	December 11 to 13, 2008
Venue:	Wyndham Palm Springs
Location:	Palm Springs, CA
No. of Participants:	750
Conference Summary: This conference demonstrated methods and strategies to improve safety as well as promote justice and healing for crime victims through cooperation and collaboration between tribal, federal, state, and private entities in American Indian and Alaska Native communities.	

10. OVW Enhancing Judicial Skills Workshop

Formal Name: Enhancing Judicial Skills in Domestic Violence Cases Workshop

DOJ Sponsor:	OVW
Dates Held:	March 28 to April 1, 2009
Venue:	Hilton San Francisco Financial District
Location:	San Francisco, CA
No. of Registrants:	66

Conference Summary: Held numerous times in a grant period, this conference offers interactive workshops that provide a foundation for new and experienced state and tribal court judges to enhance their skills in handling civil and criminal domestic violence cases. Through hypothetical case problems, role-play exercises, small-group discussions, and faculty demonstrations, judges in various jurisdictions learn from one another in various domestic violence case scenarios.

APPENDIX III

APRIL 2008 JUSTICE MANAGEMENT DIVISION CONFERENCE COST POLICY

FINANCIAL MANAGEMENT
POLICIES AND PROCEDURES BULLETIN

No. 08-08 ***April 2008***

TO: Executive/Administrative Officers
Offices, Boards, and Divisions

JMD Senior Staff

Bureau Chief Financial Officers

/s/
FROM: Melinda B. Morgan
Director
Finance Staff
Justice Management Division

SUBJECT: Conference Planning, Conference Cost Reporting, and Approvals to Use Nonfederal Facilities

1. PURPOSE. This policy provides guidance to components when planning and reporting on conferences. This policy also lays out the requirement for components to seek approval prior to using a non-federal facility for a predominantly internal training or conference meeting.

2. BACKGROUND. In the summer of 2005, a subcommittee of the U.S. Senate Committee on Homeland Security and Governmental Affairs launched a government-wide inquiry into conference spending. The inquiry found that since fiscal year (FY) 2000, federal agencies spent at least $1.4 billion on conferences and did not consistently or transparently track funds spent on

conferences and related travel. In September 2007, the Department of Justice's (Department) Inspector General (IG) released a report highlighting the high costs and inconsistent or nonexistent reporting procedures of 10 conferences conducted by the Department in FY 2006. The IG Report recommended that the Department develop and implement consistent conference planning and reporting procedures. The procedures contained in this policy are consistent with the recommendations contained in the IG Report. Additionally. Section 218 of the Department of Justice Appropriations Act, 2008 (Title II, Division B, Public Law 110-161), requires the Attorney General to submit quarterly reports to the IG regarding the costs and contracting procedures for each conference held by the Department for which the cost to the government was more than $20,000. Therefore, each component is required to submit to the Justice Management Division a quarterly report regarding the conferences it funds.

Finally, section 1173 of Public Law 109-162, the Violence Against Women and Department of Justice Reauthorization Act of 2005, states that unless authorized in writing by the Attorney General, the Department (and each entity within it) shall use for any predominantly internal training or conference meeting only a facility that does not require a payment to a private entity for the use of the facility. The Act also requires the Attorney General to prepare an annual report to the Chairmen and ranking minority members of the Committees on the Judiciary of the Senate and of the House of Representatives that details each training and conference meeting that required specific authorization. The report must include an explanation of why the facility was chosen and a breakdown of any expenses incurred in excess of what would have been the cost of conducting the training or conference meeting at a facility that did not require such authorization. The Attorney General has delegated his responsibilities under this provision to the Assistant Attorney General for Administration (AAG/A).

3. DIRECTIVES AND SOURCES REFERENCED.

- 5 U.S.C. §4101(6), Definitions, Non-Government Facility
- 31 U.S.C. §3302, Custodians of Money ("Miscellaneous Receipts Act")
- 31 U.S.C. §6305, Using Cooperative Agreements
- Department of Justice Appropriations Act, 2008 (Title II, Division B, Public Law 110-161)
- The Violence Against Women and Department of Justice Reauthorization Act of 2005 (Public Law 109-162)
- Federal Travel Regulation (FTR), 41 C.F.R. §300-3.1 and §301-74
- Department of Justice, Office of the Inspector General, "Department of Justice Conference Expenditures," Audit Report 07-42, September 2007 ("IG Report")
- Uniform Administrative Requirements for Grants and Cooperative Agreements with Non-Profit Organizations (28 C.F.R. part 70)
- Federal Acquisition Regulation (FAR), Volume I, Part 10
- Office of Management and Budget (OMB) Cost Principles Circular A-122, 2 C.F.R. 230
- Office of Justice Programs Financial Guide
- Financial Management Memorandum 08-07, Implementation Guide for Financial Management Policies and Procedures Bulletin 08-08, Conference Planning, Conference Cost Reporting, and Approvals to Use Non-federal Facilities

4. DIRECTIVES RESCINDED.

- Financial Management Policies and Procedures Bulletin 06-12, Use of Non-federal Conference and Training Facilities
- Financial Management Policies and Procedures Bulletin 00-19, Refreshments at Conferences

5. DEFINITIONS.

a. Conference. The FTR defines "conference," in part, as a meeting, retreat, seminar, symposium, event or training activity. 41 C.F.R. §300-3.1. A conference is typically a prearranged event with designated participants and/or registration, a published substantive agenda, and scheduled speakers or discussion panels on a particular topic.

This Bulletin applies to any conference planned and held by components themselves, and conferences funded by a component but conducted by an outside entity through the use of a contract or a cooperative agreement. **For a conference conducted through the use of a cooperative agreement, *only* §§9 and 10(b) of this guidance are applicable.** With respect to conferences funded by more than one agency, this Bulletin applies if the Department provides more funding than any other agency. When reporting on such conferences, a component should only account for the funding provided by the Department.

The following types of activities are excluded from the definition of "conference" for the purposes of the §10(a) reporting requirement *only*. (Examples for each of the following types of activities that are excluded can be found in Attachment A.)

1) Law enforcement planning, staging, surveillance, undercover, or other meetings related to a law enforcement operation, and meetings to coordinate the Department's investigative, intelligence and/or prosecutorial efforts in connection with a pending case, specific criminal activity or a threat against the United States, including those that occur at law enforcement or security operational centers;

2) Training courses taught at federal training centers, such as the National Advocacy Center, the Federal Law Enforcement Training Center, the Federal Bureau of Investigation National Academy, and the Drug Enforcement Administration Training Academy;

3) Undercover activities and training conducted in accordance with the Attorney General's guidelines; or

4) Testing where the primary purpose of the event is to evaluate an applicant's qualifications to perform certain duties necessary to perform his or her job. In order for an event involving testing to be excluded from the reporting requirement, the majority of the event must be devoted to the administration and taking of the test. An event is *not* excluded from the reporting requirement if a test is incidental to the training course and is given upon its completion to determine satisfactory participation.

b. Predominantly internal training or conference meeting. A predominantly internal training or conference meeting is one that is held by the Department and where the majority (more than 50%) of the attendees are Department employees. As above, "training or conference meeting" is defined broadly to include a meeting, retreat, seminar, symposium, event or training activity. 41 C.F.R. §300-3.1. The above list of activities (§5(a)(1)-(4)) that are excluded from the conference reporting requirements of §10(a) are *not* excluded from this definition. For the purposes of this bulletin, "predominantly internal training or conference meetings" will be referred to as "predominantly internal events."

c. Federal facility. Federal facility means property owned, leased, or substantially controlled by the federal Government or the Government of the District of Columbia.

d. Non-federal facility. Non-federal facility is any facility that is not a federal facility. For further clarification see the definition of "non-Government facility" in 5 U.S.C. §4101(6).

e. Conference or Event planner. A conference or event planner is a contractor hired by a component to perform the logistical planning necessary to hold a conference. "Logistical planning" may include: interacting with caterers, recommending venues, developing programs, advertising, setting the stage and audio/visual (a/v) equipment, securing hotel rooms, and other non-programmatic functions.

6. CONFERENCE PLANNING.

a. Conference Justification. The decision to host any event, whether it be a conference or predominantly internal event, or to send employees to attend an event, requires fiscal prudence and is subject to the availability of funds from individual component appropriations. Components must document a written justification for each conference that includes a programmatic reason to hold the event and an approval from an appropriate sponsoring agency official.

b. Planning Requirements. When planning a conference, components are required to follow Part 301-74 of Title 41 of the Code of Federal Regulations, entitled "Conference Planning." These regulations, in part, require that components:

1) Minimize all conference costs, including administrative costs, conference attendees' travel costs, and conference attendees' time costs;

2) Maximize the use of Government-owned or Government provided conference facilities as much as possible; and

3) Identify opportunities to reduce costs in selecting a particular conference location and facility (e.g., through the availability of lower rates during the off-season at a site with seasonal rates). 41 C.F.R. §301-74.1.

c. Use of External Conference Planners. Minimizing conference costs must be a critical consideration in a component's decision whether to plan a conference with internal Department staff or to enter into a contract with an external conference planner. The use of an external conference planner should be used only when necessary and conference planning costs should always be kept to a minimum.

d. Large and/or Expensive Conferences. The appropriate Component Procurement Chief must review and approve all conferences exceeding $500,000, or that will have over 500 attendees. Such approval must be in writing and submitted with the report required in §10(a).

e. Charging Conference Fees. A component cannot charge fees to conference attendees to cover its costs unless the component has very specific statutory authority to do so. *See* 31 U.S.C. §3302. However, if the component uses a private contractor (such as an external event planner, hotel, or other third party) to facilitate the conference or provide goods and services to the attendees, the contractor may charge fees. It is important that the fees charged by the contractor cover *only* the goods and/or services provided to the attendees by the contractor (or subcontractor(s)) and do not cover or defray costs that are the responsibility of the component. For example, if a contractor such as a hotel is providing attendees with lodging, meals and refreshments for a conference, the hotel may charge attendees directly for the costs of those items. The contractor must deal directly with the attendees to collect the fees; the component must not be involved in any such collection.

f. Selecting a Location. An event location is comprised of two variables: the city and the facility in which the event takes place. To ensure that the government obtains the best conference location for the best value, conference planners must compare multiple facilities in multiple cities, unless an overriding operational reason is documented to hold the conference in a specific city. Adequate cost comparisons should compare and document the availability of lodging rooms at per diem rates, the convenience of the conference location, availability of meeting space, equipment and supplies, and the commuting or travel distance of attendees.

To ensure that components maximize the use of federal facilities and minimize total costs to the Department, conference planners shall first consider all federal facilities in the locations identified via city-level cost comparison analysis. A list of some federal facilities is available on the Non-federal Facility Request Center web site: http://10.173.2.12/jmd/fs/nfrc/index.htm. If a federal facility meets the component's needs at a reasonable price, there is no requirement that non-federal facilities be considered. The component may consider non-federal facilities if:

1) federal facilities are not available or do not meet the component's requirements (e.g., size of the meeting room, necessary technological equipment, sufficient lodging at the facility or in the proximity of the facility); or

2) the component believes that a non-federal facility can be procured at a lower cost taking into account all costs described in this section.

If a federal facility cannot meet the component's needs at a reasonable price, the conference planner must conduct and make available market research to determine the facility that best meets the needs of the conference as set forth in the Federal Acquisition Regulation (FAR), Volume 1, Part 10. In order for this market research to be effective, the components must communicate the same sufficiently detailed requirements to all potential facilities. During the market research, components must not make any commitments to any of the facilities. The market research must determine the cost of the event with respect to each of the three (or more) facilities, broken down as follows. Costs related to attendees *(e.g.,* travel, lodging, per diem) must include costs of all attendees whose expenses are being covered by the component; therefore, include Department employees as well as non-Department attendees *(e.g.,* facilitators, guest speakers) whose expenses are being covered by the component.

1) conference and meeting space, including rooms for break-out sessions;
2) audio visual services;
3) other equipment costs *(e.g.,* computer fees, telephone fees);
4) printing and distribution;
5) meals provided by the Department;
6) refreshments provided by the Department;
7) meals and incidental expenses for attendees (M&IE portion of per diem);
8) lodging costs;
9) transportation to/from conference location (e.g., common carrier, POV);
10) local transportation (e.g., rental car, POV) at event location;
11) conference planners;
12) conference facilitators;
13) any other costs associated with the conference.

Any component wishing to hold a predominantly internal event at a non-federal facility that requires payment to that facility for the event (including any payment for meals, lodging, or other expenses related to the event) must obtain approval from the AAG/A before entering into a contract with such facility. *See* §8(b). Special approval is also required to hold such an event in certain locations. §8(b)(3).

7. MEALS AND REFRESHMENTS.

a. When permissible to provide.

1) *Federal Government Employees.* Meals and/or refreshments[47] may be paid for by the Department and provided to federal Government employees at conferences or training sessions where *all three* of the following are true:

[47] [Original Footnote 1] Note that the rules are the same regardless of whether the component is providing a meal or merely refreshments.

a) the meals and refreshments are incidental to the conference or training;

b) attendance at the meals and when refreshments are served is important for the host agency to ensure attendees' full participation in essential discussions, lectures, or speeches concerning the purpose of the conference or training; AND

c) the meals and refreshments are part of a conference or training that includes not just the meals and refreshments and discussions, speeches, lectures, or other business that may take place when the meals and refreshments are served, but also includes substantial functions occurring separately from when the food is served.

While as a general rule the Department does not pay for meals and/or refreshments for employees at their duty stations, if a conference or training meets the above criteria, meals and refreshments may be served to employees who are not on travel. With respect to Department employees who are on travel, they must deduct from their per diem the amount for each meal provided by the Department.

2) *Non-Federal Government Attendees.* The Department can only pay for the meals and/or refreshments[48] of non-federal attendees at conferences IF ONE of the following applies:

a) The component has specific statutory authority permitting it *(e.g.,* 42 U.S.C. §3788(f) for programs covered by the Omnibus Crime Control and Safe Streets Act; 42 U.S.C.A. §3771 and *note);*

b) The non-federal attendees qualify as individuals serving the Department pursuant to 5 U.S.C. §5703;[49] OR

c) The expenses can be considered official reception and representation expenses (28 U.S.C. §530C(b)(1)(D), and are counted towards the Department's Representation Fund limitations *(see* DOJ Order 2110.31 B).

3) Charging Non-Federal Attendees. As discussed in §6(e), a private contractor (such as an external event planner, hotel, or other third party) can charge fees to non-federal attendees to cover the costs of such goods and services as meals and/or refreshments. The contractor must deal directly with the attendees to collect the fees for the meals and/or refreshments; the component must not be involved in any such collection.

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[48] [Original Footnote 2] Note that the rules are the same regardless of whether the component is providing a meal or merely refreshments.

[49] [Original Footnote 3] Non-federal attendees who are provided any travel, lodging or meals and/or refreshments by the Department pursuant to 5 U.S.C. §5703 must be issued invitational travel orders. These are required even when a non-federal attendee is "local" to the conference and is only being provided meals and/or refreshments.

b. Minimizing costs of meals and refreshments. Components (as well as contractors hired as conference or event planners) must adhere to the following cost thresholds, described further in Attachment B, for the costs of the meals and refreshments provided at the conference.

1) *Refreshments.* Refreshments include light food and drink served at breaks, such as coffee, tea, milk, juice, soft drinks, donuts, bagels, fruit, pretzels, cookies, chips, or muffins. The cost of these items, plus any hotel service costs, cannot exceed 23% of the locality M&IE rate per person per day. For example, if the M&IE rate for a particular location is $54.00 per person per day, then the total refreshments costs cannot exceed $12.42 ($54.00 x 23%) per person per day.

2) *Meals.* The cost of any meal provided, plus any hotel service costs, cannot exceed 150% of the locality M&IE rate per meal. For example, if dinner will be provided in a locality with a $49.00/day M&IE rate, the dinner rate in the locality is $24.00 per dinner. Therefore, the cost of the dinner provided at the conference cannot exceed $36.00 ($24.00 x 150%) per person. All Department employees attending the conference must ensure that the provided meal is deducted from their claimed M&IE; in this example the employee would deduct $24.00 from claimed M&IE for the provided dinner.

3) Component Heads must request approval from the AAG/A to provide refreshments or meal costs that exceed these thresholds. *See* §8(d).

8. SPECIAL APPROVALS.

a. Use of Non-Federal Facilities for Predominantly Internal Events.

1) Any component wishing to hold a predominantly internal event at a non-federal facility that requires payment to that facility for the event (including any payment for meals, lodging, or other expenses related to the event) must obtain approval from the AAG/A before entering into a contract with such facility. Such requests must be submitted by no lower than the management official responsible for approving the conference in the component and must be sent to the Director, Finance Staff, using the Conference Reporting and Non-federal Facility Request Center web site, http://10.173.2.12/jmd/fs/nfrc/index.htm. Any request for approval of a non-federal facility must include the following:

a) Statement of the purpose of the training or conference meeting;
b) Number of attendees and their organizations and duty stations (components must also indicate which, if any, of the attendees who are not Departmental employees will have their expenses paid for by the component);
c) Frequency of the training or conference meeting and the date of the last such event, if applicable;
d) Dates of the training or conference meeting;
e) Location of the training or conference meeting (city/state) and reason(s) for choosing the location;

f) Reason why a location where a federal facility is located was not considered, if applicable;
g) List of federal and non-federal facilities considered;
h) Estimated costs of using each of the federal and non-federal facilities considered, including all costs listed in §6(f) as determined by the market research, itemized and broken out by category;
i) Reasons why the federal facilities did not meet the meeting's requirements, if applicable (refer to §6(f));
j) Justification for the use of a non-federal facility; and
k) Gift acceptance approval, if required.

2) Approval for Certain Locations. Any request to hold a predominantly internal event in a non-federal facility in the following locations must be submitted by the Component Head, and this responsibility cannot be redelegated.

a) Any location outside the continental United States (including Hawaii and Alaska);
b) Any location known for gambling (e.g., Las Vegas, Nevada; Reno, Nevada; Atlantic City, New Jersey);
c) Any location considered a tourist attraction or common vacation location (e.g., Disney World and Orlando, Florida; Niagara Falls, New York; Lake Tahoe); or
d) Any resort facility or resort location (e.g., Hilton Head, South Carolina; Sonoma Valley, California).

b. Large and/or Expensive conferences. The appropriate Component Procurement Chief must review and approve all conferences exceeding $500,000, or that will have over 500 attendees. Such approval must be in writing and submitted with the report required in §10(a).

c. Meals and Refreshments Exceeding Thresholds. Component Heads must request approval from the AAG/A to provide meals and/or refreshments that exceed the cost thresholds described in §7(b). Component Heads must submit a memorandum to the AAG/A through JMD Finance Staff acknowledging that the proposed meals and refreshments exceed these thresholds and explaining why this is deemed necessary. This responsibility cannot be redelegated. When the conference at issue also requires a request to use a non-federal facility, this memorandum must be submitted with the non-federal facility request form. For all other events, the memorandum must be submitted to Conferences.and.Non-federal.Center@usdoj.gov.

9. CONFERENCES HELD BY COOPERATIVE AGREEMENT RECIPIENTS.

a. When to Use Cooperative Agreement. A cooperative agreement may not be chosen in order to avoid the statutory and regulatory requirements associated with the use of a contract. The decision to use a cooperative agreement, as opposed to a contract or grant, should be made in consultation with the component's legal counsel, applying the standards set forth in 31 U.S.C. §6305, which, in general, authorizes the use of a cooperative agreement where the conference would carry out a **public** purpose of support or stimulation of outside entities, and substantial involvement by the Department is expected. Although the standards in §6305

must govern the choice of vehicle, in determining if a conference **would** carry out such a public purpose (as opposed to merely providing a direct benefit to the Department or its employees), a significant factor is whether the primary beneficiaries of the conference are outside the federal Government.

b. Cost Principles that Apply to Non-Profit Cooperative Agreement Recipients.

1) Directives. Non-Profit cooperative agreement recipients must comply with the Uniform Administrative Requirements for Grants and Cooperative Agreements with Non-Profit Organizations (28 CFR Part 70), OMB Cost Principles Circular A-122, 2 C.F.R. 230, and, if applicable, the Office of Justice Programs Financial Guide, or any other component-specific guidance. According to A-122: "Costs of meetings and conferences, the primary purpose of which is the dissemination of technical information, are allowable. This includes costs of meals, transportation, rental of facilities, speakers' fees, and other items incidental to such meetings or conferences."

2) Reasonable Standard. The amount spent on conference costs is governed by the general principle that the costs be "reasonable," which is further defined in OMB Circular A-122, Attachment A, paragraph 3. Furthermore, cooperative agreement recipients must comply with the travel guidelines at OMB Circular A-122, Attachment B, paragraph 51, and the OJP Financial Guide (if applicable), which require that if a recipient does not have a written travel policy, the recipient must abide by the rates and amounts established by the General Services Administration (GSA) in the Federal Travel Regulations, 41 C.F.R. ch. 30l.[50]

c. Required Special Condition For New Awards. All cooperative agreements that include holding a conference as a recipient responsibility must include the following special condition:

"Within 45 days after the end of any conference, meeting, retreat, seminar, symposium, training activity. or similar event funded under this award, and the total cost of which exceeds $20,000 in award funds, the recipient must provide the program manager with the following information and itemized costs:

1) name of event;
2) event dates;
3) location of event;
4) number of federal attendees;
5) number of non-federal attendees;
6) costs of event space, including rooms for break-out sessions;
7) costs of audio visual services;
8) other equipment costs *(e.g.*, computer fees, telephone fees);
9) costs of printing and distribution;

[50] [Original Footnote 4] GSA's regulations and per diem rates may be found at www.gsa.gov.

10) costs of meals provided during the event;
11) costs of refreshments provided during the event;
12) costs of event planner;
13) costs of event facilitators; and
14) any other direct costs associated with the event.

The recipient must also itemize and report any of the following attendee (including participants, presenters, speakers) costs that are paid or reimbursed with cooperative agreement funds:

1) meals and incidental expenses (M&IE portion of per diem);
2) lodging;
3) transportation to/from event location (e.g., common carrier, privately owned vehicle (POV)); and
4) local transportation (e.g., rental car, POV) at event location.

Note that if any item is paid for with registration fees, or any other non-award funding, then that portion of the expense does not need to be reported."

d. Information Gathered From Former or Existing Cooperative Agreement Recipients. Components are required to gather the specific information listed in section (c) from any cooperative agreement recipient that held a conference between October 1, 2007 and the present, and from any cooperative agreement recipient that holds a conference under the terms of an existing cooperative agreement.

e. Review and Reporting. Each sponsoring component must review the itemized costs and clarify any of the reported information with the cooperative agreement recipient, as necessary. The component must also itemize all of the transportation costs, M&IE, per diem, and lodging costs *paid by the component itself* to send either its component employees or employees of another DOJ component to the event. The DOJ employee travel costs paid by the component should be added to each itemized category as well as the overall cost of the event. Within 45 calendar days following the close of each fisca1 quarter, the component shall submit a report on each conference costing more than $20,000 held by its cooperative agreement recipients, as described in §10(b).

10. REPORTING.

a. Quarterly Reporting of Conference Costs. The Attorney General is required to submit quarterly reports to the IG regarding the costs and contracting procedures relating to each conference held by the Department for which the total cost of the conference was more than $20,000. To facilitate this process, each office holding a conference as defined by §5(a) and costing more than $20,000, is required to submit the following information to the appropriate office within its component:

1) a description of the purpose of each conference, the number of participants attending the conference, and how many were federal government employees;

2) a detailed list of all costs categorized in §6(f), and any issues encountered in determining the costs related to that conference; and
3) a description of the contracting procedures with respect to each contract relating to that conference, including:
   a) whether contracts were awarded on a competitive basis for that conference; and
   b) a discussion of any cost comparison conducted by the Department in evaluating potential contractors for that conference.

No later than 45 calendar days following the close of each fiscal quarter, every component that has held a conference as defined by §5(a) during that quarter must submit a report, signed by the Component Head, which includes the above information for each such conference. The template at Attachment B should be used to compile the information and submit this report. The component must also submit any special approvals required by §8 with this report. The report must be submitted to Conferences.and.Non-federal.Center@usdoj.gov.

b. Quarterly Reporting on Cooperative Agreement Conferences. No later than 45 calendar days following the close of each fiscal quarter, every component that has held a conference as defined by §5(a), through the use of a cooperative agreement as described in §9 and costing more than $20,000, shall report on the event using the template at Attachment B. The report must be submitted to Conferences.and.Non-federal.Center@usdoj.gov.

c. Quarterly Reporting on Use of Non-Federal Facilities for Predominantly Internal Events. Within 45 calendar days following the close of each fiscal quarter, every component that has held a predominantly internal event at a non-federal facility must submit a report, signed by the Component Head, to Conferences.and.Non-federal.Center@usdoj.gov. The template at Attachment B should be used to compile the information and submit this report. The report must highlight and explain any increases in costs above those submitted with the original request for approval. All market research data and cost analysis/actual cost information must remain on file with the component.

11. QUESTIONS. Questions regarding these requirements may be directed to Lori Armold, Assistant Director, Financial Management Policies and Requirements Group, Finance Staff, on (202) 616-5216, or Melinda Jones, of her staff, on (202) 353-2527.

Attachments

[Attachment A]

Activities Not Reported as Conferences under §10 (a)

Activity Type 1:
Law enforcement planning, staging, surveillance, undercover, or other meetings related to a law enforcement operation, and meetings to coordinate the Department's investigative, intelligence and/or prosecutorial efforts in connection with a pending case, specific criminal activity or a threat against the United States, including those that occur at law enforcement or security operational centers.

Activity
Meeting of attorneys to discuss a pending case
Meeting of DOJ agents to discuss strategy in an ongoing hostage situation

Activity Type 2:
Training courses taught at federal training centers, such as the National Advocacy Center, the Federal Law Enforcement Training Center, the Federal Bureau of Investigation National Academy, and the Drug Enforcement Administration Training Academy.

Activity Type 3:
Undercover activities and training conducted in accordance with the Attorney General 's guidelines.

Activity Type 4:
Testing where the primary purpose of the event is to evaluate an applicant's qualifications to perform certain duties necessary to perform his or her job. In order for an event involving testing to be excluded from the reporting requirement, the majority of the event must be devoted to the administration and taking of the test. An event is not excluded from the reporting requirement if a test is incidental to the training course and is given upon its completion to determine satisfactory participation.

Activity
Quarterly Firearms Certification

[Attachment A]

(continued)

Activities Reported as Conferences under §10(a) if over $20,000

Activity	Description
OCDETF Financial Investigations Seminar	Mandated seminar to learn financial investigative techniques of criminal enterprise
Computer Analysis and Response Team Moot Court	Attendees meet to gain exposure to cross examination from attorneys on cases they have investigated
OIG Investigations Managers Conference	Meeting of Senior Managers from within the Investigations Division
Immigration Judge Training	Immigration judges from across the U.S. gain training and participate in policy discussions
Operational Medic Program	Attendees are trained in order to comply with National Registry of Emergency Technicians national standards

[Attachment B]

Quarterly Report on Conference Costs

Component: _____ **Telephone:** _____

Point of Contact: _____ **Email:** _____

	Conferences/Events					
Conference Title:						
Event Type	**Non-Federal Facility**	**Conference over $20,000**	**Non-Federal Facility**	**Conference over $20,000**	**Non-Federal Facility**	**Conference over $20,000**
	☐	☐	☐	☐	☐	☐
Conference Data (Start & End)						
Facility Name						
City and State						
Number of Federal Attendees						
Number of non-Federal Attendees						
Total Number of Attendees						

Purpose of the Conference			
Conference Costs:			
Conference/Meeting Space (incld. Break out Room Cost)	**$0.00**	**$0.00**	**$0.00**
A/V Equipment & Services	**$0.00**	**$0.00**	**$0.00**
Other Equipment Costs	**$0.00**	**S0.00**	**$0.00**
Printing and Distribution	**$0.00**	**$0.00**	**$0.00**
Govt Provided Meals	**$0 00**	**$0.00**	**$0.00**
Refreshments	**$0.00**	**$0.00**	**$0.00**
M&IE	**$0.00**	**$0.00**	**$0.00**
Lodging	**$0.00**	**$0.00**	**$0.00**
Transportation	**$0.00**	**$0.00**	**$0.00**
Local Transportation	**$0.00**	**S0.00**	**$0.00**
Conference Planner	**$0.00**	**$0.00**	**$0.00**
Conference Facilitator	**$0.00**	**$0.00**	**$0.00**
Other Costs	**$0.00**	**$0.00**	**$0.00**
Total Conference Coat	**$0.00**	**$0.00**	**$0.00**
Average Cost per Attendee	**$0.00**	**$0.00**	**$0.00**

Describe any issue encountered in determining the cost related to the conference[1]			
Description of contracting procedures[2]			

For Events In Nonfederal Facilities Only			
Total Original Coat Estimate	**$0.00**	**$0.00**	**$0.00**
Variance (Actual vs. Estimated)	**$0.00**	**$0.00**	**$0.00**
Variance Justification[3]:			

[1]Attach additional page to explain methodology if you are unable to capture costs as described in Policy XX or if any coats appear to be out of the ordinary.

[2]Attach additional pages to explain contracting procedures.

[3]Use Attachment C to provide a justification narrative for all events in which the actual coat exceeds the estimate, the justification needs to be itemized.

[Attachment C]

Non-federal Facility Event Variance Justification

Conference Title: _____
Conference Date: _____
City and State: _____

Conference Costs:	Estimated Cost	Reported Cost	Variance	Justification[1]
Conference/Meeting Space	$0.00	$0.00	$0.00	
A/V Equipment & Services	$0.00	$0.00	$0.00	
Other Equipment Costs	$0.00	S0.00	$0.00	
Printing and Distribution	$0.00	$0.00	$0.00	
Govt Provided Meals	$0 00	$0.00	$0.00	
Refreshments	$0.00	$0.00	$0.00	
M&IE	$0.00	$0.00	$0.00	
Lodging	$0.00	$0.00	$0.00	
Transportation	$0.00	$0.00	$0.00	
Local Transportation	$0.00	S0.00	$0.00	
Conference Planner	$0.00	$0.00	$0.00	
Conference Facilitator	$0.00	$0.00	$0.00	
Other Costs	$0.00	$0.00	$0.00	
Total Conference Coat	$0.00	$0.00	$0.00	

Conference Title: _____
Conference Date: _____
City and State: _____

Conference Costs:	Estimated Cost	Reported Cost	Variance	Justification[1]
Conference/Meeting Space	$0.00	$0.00	$0.00	
A/V Equipment & Services	$0.00	$0.00	$0.00	
Other Equipment Costs	$0.00	S0.00	$0.00	
Printing and Distribution	$0.00	$0.00	$0.00	
Govt Provided Meals	$0 00	$0.00	$0.00	
Refreshments	$0.00	$0.00	$0.00	
M&IE	$0.00	$0.00	$0.00	
Lodging	$0.00	$0.00	$0.00	
Transportation	$0.00	$0.00	$0.00	
Local Transportation	$0.00	S0.00	$0.00	
Conference Planner	$0.00	$0.00	$0.00	
Conference Facilitator	$0.00	$0.00	$0.00	
Other Costs	$0.00	$0.00	$0.00	
Total Conference Coat	$0.00	$0.00	$0.00	

[1] **Attach additional pages to describe justification**

APPENDIX IV

ASSISTANT ATTORNEY GENERAL FOR ADMINISTRATION MEMORANDUM SUMMARIZING CONFERENCE POLICY

U.S. Department of Justice

Justice Management Division

Washington, D.C. 20530

JUNE 5, 2008

MEMORANDUM FOR COMPONENT HEADS

FROM: Lee J. Lofthus
Assistant Attorney General
for Administration

SUBJECT: Conference Planning, Conference Cost Reporting, and Approvals to Use Non-federal Facilities

Attached is Financial Management Policies and Procedures Bulletin (P&P) 08-08, Conference Planning, Conference Cost Reporting, and Approvals to Use Non-federal Facilities, which covers the new conference planning and reporting requirements. The prior Bulletin, Use of Non-federal Conference and Training Facilities, 06-12, has been rescinded and is combined with this policy. The attached Executive Summary explains the new requirements contained in this policy. The two primary goals of the new policy are to keep conference costs to a minimum and to ensure we can fulfill the statutory reporting requirements to Congress. In addition, I want to remind you of some considerations to help ensure your approval requests and reports are processed smoothly.

- Avoid locations and accommodations that give the appearance of being lavish or are resort destinations. Component Heads are required to submit written justification if the facility gives the appearance of being lavish or is a resort location. This cannot be re-delegated.
- **Ensure the selected lodging location is within per diem.**
- Ensure the costs of meals and refreshments are within the prescribed limits.
- Ensure meals provided by the government are deducted from Meals and Incidentals Expenses (M&IE) claimed by all Department of Justice attendees (by meal).
- Ensure that multiple facilities in multiple cities are compared when considering conference locations.
- Ensure proper requests are submitted to the Justice Management Division in time to allow for appropriate review prior to your contract commitment.
- Ensure that reporting of costs for all Non-federal Facility events and Conferences are submitted by Component Heads no later than 45 days following the close of each fiscal quarter.

If you have questions, please let me know or your staff may contact Lori J. Armold, Assistant Director, Financial Management Policies and Requirements Group, on (202) 616-5216.

[Attachment]

Conference Planning, Conference Cost Reporting, and Approvals to Use Non-federal Facilities Policy Executive Summary

- Consolidated Policy - The Conference Planning and Reporting has been combined with the Approvals to Use Non-federal Facilities Policy. Policy & Procedures Bulletin 06-12 has been rescinded.

- Conference Definition (Section 5a) - The conference definition is broad and includes the training activities. Exclusions are defined.

- Selecting a Location (Section 6f) - A location is comprised of both the city and the facility in which the conference will be held.

- Calculating Conference Costs (Section 6f) - Components are required to be able to report actual cost for 13 cost categories.

- Provided Meals and Refreshments (Section 7a) - Meals and refreshments may not be provided at government expense unless certain criteria is met.

- Minimizing costs of Meals and Refreshments (Section 7b) - Meals and refreshments must fall within established thresholds.

- Large Conferences (Section 8c) - The Component Procurement Chief must review and approve all conferences that exceed $500,000 or 500 attendees.

- Conferences held by Cooperative Agreement (Section 9) - Different planning and reporting (Section l0b) requirements are explained.

- Quarterly Reporting of Conference Costs (Section l0a) - Pursuant to Section 218 of the Consolidated Appropriations Act, Component Heads are required to report on all conferences exceeding $20,000.

- Reporting Deadline (Sections l0a, b, and c) - Reports are due 45 calendar days after the end of each fiscal quarter.

- Reporting on Events Held in Non-federal Facilities (Section 10c) - Component Heads are required to prepare a consolidated quarterly report of all events held in a non-federal facility rather than report after each event.

- New Email Inbox - All non-federal facility requests and reports and conference reports must be sent to the new address entitled Conferences.and.Non-federal.Center@usdoj.gov. The previous email address, Non-fed.Facility.Reguest.Center@usdoj.gov, has been deactivated.

We understand that some components want to provide meals and refreshments to non-federal attendees and object to the requirement that they may be provided only under certain conditions. The Office of Legal Counsel recently reviewed their opinion in light of these concerns yet concluded there is no basis for overturning their original conclusion.

[Note: June 5, 2008 Memorandum attached policy included at Appendix III]

APPENDIX V

DEPUTY ATTORNEY GENERAL MEMORANDUM

U.S. Department of Justice

Office of the Deputy Attorney General

Washington, D.C. 20530

May 4, 2009

MEMORANDUM FOR HEADS OF DEPARTMENT COMPONENTS

FROM: David W. Ogden
Deputy Attorney General

SUBJECT: Conference and Premium Class Travel Expenditures

As the Department of Justice works to accomplish its vital mission on a daily basis, we must also make certain we do so with a focus on accountability and transparency to the American taxpayers. As Department leadership, we must ensure that our financial resources are utilized in the most advantageous and responsible manner. I am writing to highlight two areas of significant fiscal importance that receive significant attention from the Department's Office of the Inspector General, Congressional oversight offices, and the Governmental Accountability Office. Component Heads must ensure that adequate internal controls exist in these areas and authorizing officials are focused on their individual responsibilities.

Conferences: The Department spent over $47 million on conferences and training events in fiscal year 2008. Section 218 of the Department of Justice Appropriations Act, 2008 (Title II, Division B, Public Law 110-161), requires the Attorney General to submit quarterly reports to the Inspector General regarding the costs and contracting procedures for each conference held by the Department for which the cost to the government exceeds $20,000. Justice Management Division (JMD) Financial Management Policies and Procedures Bulletin (P&P) 08-08, *Conference Planning, Conference Cost Reporting, and Approvals to Use Non-federal Facilities* includes guidance for keeping conference costs to a minimum and avoiding potentially extravagant locations, along with ensuring the Department can fulfill the statutory reporting requirements. Important aspects of that policy that must be followed include:

- Conference locations are to be selected based on business need and minimization of travel and other costs.
- Locations and accommodations should not be selected based on their lavish or resort qualities. Component Heads are required to submit a written justification in advance if a proposed facility gives the appearance of being lavish or is a resort location. The Component Head approval cannot be re-delegated.

- Components must restrict the number of people traveling to conferences to the minimum necessary to accomplish the official purpose.
- Ensure the selected lodging location is within per diem rates.
- Meals should be provided on an infrequent basis and only as a working meal when necessary to accomplish the purpose of the event. Refreshments should be kept to an absolute minimum. Grant making organizations should instruct grant recipients that Department grant funding is not to be used for lavish food, refreshments, or entertainment purposes.
- Ensure that travelers are aware of their responsibility to reduce per diem when meals are provided at the conference.
- Ensure that reporting of costs for all non-federal facility events and conferences are submitted by Component Heads no later than 45 days following the close of each fiscal quarter.

Premium Class Travel: The Federal Travel Regulations (FTR) require travel be accomplished by the means most advantageous to the government. For airfare, that means using government contract coach fares unless certain circumstances make it absolutely necessary to use higher cost premium class fares. In response to January 2008 guidance from the Office of Management and Budget, the JMD issued P&P 08-07, *Use of Premium Class Travel Accommodations.* Important aspects of the policy include:

- Premium class travel includes both business and first class accommodations.
- Premium class travel must be authorized by the Component Head or Principal Deputy.
- Premium class travel must be authorized on a case by case basis with an acceptable justification as stated in the FTR. The justification must be documented on the travel authorization.
- Business class travel justified on the basis of the 14-hour rule must demonstrate mission criteria and why coach travel, with or without a rest stop or rest period en route, cannot accomplish the official purpose for the travel. The 14-hour rule may not be used as a justification for first class travel

In closing, I want to emphasize the need to maximize our financial resources, ensure we are prudent in our spending, and avoid the fact or appearance of extravagant spending, especially during these challenging financial times.

APPENDIX VI

ATTORNEY GENERAL MEMORANDUM

Office of the Attorney General
Washington, D.C. 20530

January 21, 2011

MEMORANDUM FOR HEADS OF DEPARTMENT COMPONENTS
AND UNITED STATES ATTORNEYS

FROM: THE ATTORNEY GENERAL

SUBJECT: Temporary Freeze of Hiring and Non-Essential Spending

The Department is currently operating under a Continuing Resolution (CR) through March 4, 2011, with funding under the CR limited to last fiscal year's budget level. While we do not yet know what action will be taken to fund the Department for the remainder of the year, there is a realistic prospect that we will have to operate the entire year at last year's levels despite the higher cost of our staffing and operations this year. Accordingly, I am ordering a Department-wide temporary freeze on hiring. I am also ordering reductions to non-personnel spending.

The actions I am taking, including the general freeze on hiring, are designed to keep the Department operating effectively within constrained funding levels. They will also help us avoid more severe measures such as employee furloughs. I am fully aware of the difficult situation this creates for your operations and that many important activities will be curtailed. Nonetheless, we must take these actions to maintain our essential public safety responsibilities and meet our responsibility to ensure our financial solvency and accountability.

Temporary Hiring Freeze

Effective immediately, I am directing a temporary freeze on all new hiring in all DOJ Components. The following conditions will apply:

1. Written commitments formally issued by your component's servicing human resources office on or before the date of this memorandum will be honored.
2. Hiring for agents, deputy U.S. Marshals, intelligence analysts, and correctional officers is frozen, but essential backfills in these position categories, not to exceed current staffing levels or available funding, are authorized to maintain public safety and national security protections. Current staffing levels are defined as positions filled as of the pay period ending January 1, 2011 .
3. Attorney General Honors Program (HP) and Summer Legal Intern Program (SLIP) commitments already built into this current budget cycle will be honored.
4. Hiring in the Working Capital Fund is frozen. Hiring in non-appropriated (e.g., fee-based) accounts is permitted subject to funding availability. Hiring with funding from reimbursable resources is subject to the same freeze restrictions as hiring with direct funding.

5. Career ladder promotions are not subject to the freeze.
6. Position changes within a component are not subject to the freeze since internal hires without backfill do not increase overall staffing levels, but any such changes must be within a component's available funding.
7. Conversion of personnel in career trainee/intern programs into permanent appointments (e.g., conversion of Federal Career Intern participants, Presidential Management Fellows) are allowed.
8. Other personnel actions that are not impacted by the freeze include non-competitive temporary promotions not to exceed 120 days, within grade increases, payroll corrections, retirements, voluntary early retirements, voluntary separation incentive payments, and disciplinary/adverse actions.

There may be hiring circumstances affected by external entities, e.g., the Merit Systems Protection Board, the Equal Employment Opportunity Commission, etc. Similarly, there may be hiring actions resulting from formal Reemployment Priority List actions. Consult the Justice Management Division (JMD) Human Resources Staff for guidance in these special circumstances.

I will consider a very limited number of exemptions from the freeze for individual positions, in extraordinary circumstances and on a case-by-case basis. Requests must include the position description and a justification regarding the critical need to fill the position, impact on mission if left unfilled, and why current staff levels are not sufficient to fulfill the duties during the hiring freeze. The request should also include confirmation that your component has available funding for the hire. Please submit exemption requests to the JMD Deputy Assistant Attorney General/Controller.

Non-Personnel Expenses

Also effective immediately and continuing through the remainder of FY 2011, components should suspend all non-essential travel, training, and conferences. The number of Department attendees at all conferences must be minimized. Component expenditures across the board - e.g., vehicles, employee permanent change-of-station moves, information technology (IT) projects, equipment, supplies, contracts - should be held to essential needs. Given the difficult funding environment, your reductions to non-personnel expenditures will help ensure you have the necessary funds for staff and essential operations.

Components are to manage their operations within apportioned budget authority. Component full year operating plans should be formulated in a manner that avoids any reliance on staff furloughs in order to maintain solvency.

We anticipate revisiting the freeze and the other measures discussed above once we have a better understanding of our full year funding situation; however, all restrictions described herein will remain in effect until further notice. For questions regarding these subjects, please contact Lee Lofthus, Assistant Attorney General for Administration, on 202-514-3101.

APPENDIX VII

JUSTICE MANAGEMENT DIVISION RESPONSE TO THE DRAFT REPORT

U.S. Department of Justice

Justice Management Division

Washington, D.C. 20530

September 12, 2011

MEMORANDUM FOR CYNTHIA SCHNEDAR
ACTING INSPECTOR GENERAL

/s/
FROM: Lee J. Lofthus
Assistant Attorney General
for Administration

SUBJECT: Response to the Office of the Inspector General's Draft Audit Report: Department of Justice Conference Planning and Food and Beverage Costs

This responds to the Office of the Inspector General's (OIG) draft audit report: Department of Justice Conference Planning and Food and Beverage Costs. The OIG recommendation numbers 1 and 9 were addressed to the Justice Management Division and our responses to those recommendations are presented below. Recommendations 2, 3, 4 and 10 were addressed to the Office of Justice Programs (OJP) & the Office on Violence Against Women (OVW), and recommendations 5, 6, 7, and 8 were addressed solely to the OJP. The OJP and OVW provided separate memorandums to the OIG responding to the recommendations addressed to their component, thus JMD is not providing specific additional responses to these recommendations. JMD believes an important first step is that OJP and OVW have implemented the Departmental meal and refreshment thresholds for FY 2011 agreements and is optimistic that it will further ensure that conference costs are reasonable.

Recommendation 1: Work in cooperation with OJP, the OVW, and other awarding components to ensure that conference cost reports include all salaries, benefits, and other costs charged to the government by all associated funding recipients.

Response: The JMD concurs with the recommendation. JMD will continue to work with the Department's awarding components to ensure all award recipients submit complete and accurate cost reports and include all salaries, benefits, and other costs charged to the government by the

award recipients. In addition, by October 31, 2011, JMD will review the current conference policy to determine if there are any revisions necessary related to reporting requirements for award recipients.

Recommendation 9: Require that components and their event planners conduct a cost-benefit analysis whenever they justify ordering food and beverages to obtain free meeting space for their conferences.

Response: The JMD concurs with the recommendation. By October 31, 2011, JMD will issue guidance to the Department components requiring them to conduct a cost-benefit analysis whenever they justify ordering food and beverages to obtain free meeting space. Also by October 31, 2011, JMD will review the current conference policy to determine if there are any revisions necessary related to conducting cost-benefit analysis.

If you have any questions on this subject, please have your staff contact Melinda Morgan, Director, JMD Finance Staff, on (202) 616-5809, or Christopher Alvarez, Deputy Director, JMD Finance Staff, on (202) 616-5234.

cc: Raymond J. Beaudet
Assistant Inspector General for Audit
Office of the Inspector General

Troy M. Meyer
Regional Audit Manager
Washington Regional Audit Office
Offices of the Inspector General

APPENDIX VIII

OFFICE OF JUSTICE PROGRAMS RESPONSE TO THE DRAFT REPORT

U.S. Department of Justice

Office of Justice Programs

Washington, D.C. 20531

August 31, 2011

MEMORANDUM TO: Cynthia A. Schnedar
Acting Inspector General
United States Department of Justice

THROUGH: Raymond J. Beaudet
Assistant Inspector General for Audit
Office of the Inspector General
United States Department of Justice

/s/
FROM: Laurie O. Robinson
Assistant Attorney General

SUBJECT: Response to the Office of the Inspector General's Draft Audit Report, *Department of Justice Conference Planning and Food and Beverage Costs*

This memorandum provides a response to the Office of the Inspector General's (OIG's) August 12, 2011 draft audit report, entitled *Department of Justice Conference Planning and Food and Beverage Costs*. The Office of Justice Programs (OJP) appreciates the opportunity to review and comment on the draft report.

While OJP generally concurs with the recommendations and language included in this draft audit report, we believe that clarification is needed with regard to grantees selected by OJP to conduct conferences for the benefit of practitioners in the field. Specifically, OJP believes that applying the term "external event planner" to such grantees is misleading, as it understates the role of these organizations. OJP grantees are more than just event planners. These grantees are selected for their substantive, programmatic knowledge and expertise; and for their ability to develop a comprehensive training agenda that is evidence-based, and which focuses on building

practitioners' skills in criminal and tribal justice systems, and responding to victims' needs. Further, when the training focuses on Indian Country, the amount of substantive knowledge required is even greater. Expertise in tribal culture, traditions, justice systems, and a myriad of jurisdictional issues that typically attach to victimization of American Indians/Alaskan Natives (AI/AN) is essential.

The draft audit report contains 10 recommendations and $134,432 in questioned costs, of which Recommendation Numbers 2-8 and 10, and $134,432 in questioned costs pertains to OJP. For ease of review, these recommendations are restated in bold and are followed by OJP's response.

2. We recommend that OJP and OVW require that award recipients using DOJ funds to plan conferences track time and activities performed to plan conferences.

The Office of Justice Programs agrees with the recommendation. By September 30, 2011, OJP will update its policies and procedures to require that award recipients, involved in planning OJP conferences, separately track time and activities related to conference planning. The Office of Justice Programs considers this recommendation resolved and requests written acceptance of this action from your office.

3. We recommend that OJP and OVW update guidance provided to award recipients to ensure that recipients report all costs associated with time spent planning conferences, including salaries and benefits.

The Office of Justice Programs agrees with the recommendation. By September 30, 2011, OJP will update its policies and procedures to require that award recipients, involved in planning OJP conferences, separately track and report all costs associated with conference planning, including salaries and benefits. The Office of Justice Programs considers this recommendation resolved and requests written acceptance of this action from your office.

4. We recommend that OJP and OVW demonstrate that a training and technical assistance provider offers the most cost-effective logistical services before awarding a cooperative agreement that supports conference planning to such a firm.

The Office of Justice Programs agrees with the recommendation. By December 31, 2011, OJP will develop and implement a process for determining whether training and technical assistance providers offer the most cost-effective logistical services related to conference planning, prior to awarding cooperative agreements for this purpose. OJP will develop methods to evaluate the cost-effectiveness of the logistical component of these awards, which may include developing logistical services cost benchmarks, based upon past cooperative agreements and contracts data; or requiring award recipients, for certain types of conferences, to competitively bid the logistical services component of their awards. The Office of Justice Programs considers this recommendation resolved and requests written acceptance of this action from your office.

5. **We recommend that OJP remedy $3,454 in questioned costs, and ensure that event planners in the future attempt to minimize consultant travel costs, as applicable, by soliciting bids for sub-awards from entities that are closer to anticipated conference venues.**

The Office of Justice Programs agrees with the recommendation, and provides the following justification to support that the $3,454 in questioned travel costs are allowable under cooperative agreement number 2005-VR-GX-K001. OJP's Office for Victims of Crime (OVC) conducted an in-depth review of all the facts associated with the $3,454 in questioned travel costs, associated with three separate trips the consultant billed to the cooperative agreement. OVC believes that executing the 2008 Indian Nations Conference required: 1) in-depth knowledge of the event location (including lodging and conference sites); 2) experience with Federal grant requirements; 3) substantive knowledge of Native American traditions and cultures; 4) expertise in multi-jurisdictional issues associated with crime in tribal communities; and 5) an overall understanding of the unique challenges that Alaska Natives face. The consultant selected was based in Anchorage, Alaska. Moreover, the following reasons support OVC's decision to approve the hiring of the consultant in the event planner's conference budget.

- The grantee indicated to OVC that the consultant was the only event planner who had the expertise and knowledge in all of the areas described above. Additionally, as the consultant had worked on earlier Indian Nations Conferences, they were able to assist the grantee in procuring lodging rates well below the government per diem rate. This resulted in substantial savings for conference attendees, including the grantee that paid the lodging costs of the trainers, and the various Federal agencies who sent employees to the conference.

- The grantee also had a branch office in Alaska. Several grantee employees in the Alaska office worked on the 2008 Indian Nations Conference with the contractor. As such, the grantee's Alaska location was actually beneficial to the consultant's overall effectiveness. The OIG report does not acknowledge the vital importance of including Alaska Native issues, Alaska Native presenters, and Alaska Native participants in the 2008 Indian Nations Conference. However, it should be noted that: (a) 229 of the 564 federally recognized tribes are located in Alaska; (b) many of the OVC tribal grantees (a primary target audience at the 2008 Indian Nations Conference) are located in Alaska. For example five of the 23 OVC Native American Children's Justice Act (CJA) grantees were located in Alaska at the time of the conference; (c) presenters for 11 of the 60 conference workshops were located in Alaska; and (d) 75 of the 750 total conference participants were from Alaska.

- Finally, OVC determined that it was very important that the conference event planner be familiar with Alaska-specific issues, including unique Alaska travel issues.

OJP believes that the grantee would have had to spend substantially more money to obtain similar services from a local event planner. The consultant was hired under a firm fixed-price contract, which provided substantial cost-savings for OVC. Based on the cost of living in the Los Angeles area, the overall cost for hiring a consultant would have been much greater than in Alaska. Further, the number of people in the Los Angeles area with the necessary skills and knowledge – especially the necessary Indian country knowledge and experience, including the specific knowledge and experience of Alaska Natives – was extremely limited. As a result, OJP believes that the $3,454 in questioned travel costs were reasonable, necessary, and allowable under cooperative agreement number 2005-VR-GX-K001. Accordingly, the Office of Justice Programs requests closure of the $3,454 in questioned costs associated with this recommendation.

Additionally, the Office of Justice Programs agrees that appropriate procedures should be implemented to ensure that event planners minimize future consultant travel costs, as applicable, by soliciting bids for sub-awards from entities that are closer to anticipated conference venues. As such, by September 30, 2011, OJP will update its policies and procedures to require that event planners attempt to minimize consultant travel costs, by soliciting bids for sub-awards from entities that are closer to anticipated conference venues. The Office of Justice Programs considers this recommendation resolved and requests written acceptance of this action from your office.

6. We recommend that OJP remedy $29,365 by justifying the need for costs associated with travel, lodging, and food and beverages for attendees at this planning meeting.

The Office of Justice Programs agrees with the recommendation, and provides the following justification to support OVC's approval of the $29,365 in travel, lodging, and food and beverage costs, charged to cooperative agreement number 2005-VR-GX-K001, for attendees at the pre-planning meeting for the 2008 Indian Nations Conference.

The grantee conducted an in-person planning meeting at the direction of OVC. Although the grantee provided input, the OVC Director made the final decision, which included: 1) directing the grantee to hold the meeting; 2) selecting the attendees for the meeting; and 3) authorizing the expenses for the meeting.

In order to produce the most effective conference that also effectively addressed the myriad of complex jurisdictional issues, OVC determined that it was essential to bring together a proven group of experts in this field. This group considered earlier Indian Nations Conferences' reports, agendas, and evaluations to craft effective training sessions. The planners also used this session to identify a list of proven, experienced trainers for the conference. Finally, the planners made critical decisions on training formats (i.e., lectures, plenary sessions, and workshops) and the conference agenda. The conference agenda was designed to meet gaps and the needs expressed by service providers, while the session formats were designed to produce the greatest level of understanding and applicability for attendees. Without the vast experience of these planners, the grantee's and OVC's planning efforts would have been severely constrained.

Further, as part of its conference planning process, OVC typically requires an initial in-person, intensive planning meeting. Neither OVC, nor most tribal organizations, had video-conferencing capacity at the time of the meeting. Therefore, at a minimum, trying to conduct a planning meeting by phone for two full days would not have been effective. OVC believes that the planning meeting served as the foundation for a highly successful conference. As a result, OJP believes that the $29,365 in questioned travel, lodging, and food and beverage costs were reasonable, necessary, and allowable under cooperative agreement number 2005-VR-GX-K001. Accordingly, the Office of Justice Programs requests closure of this recommendation.

7. We recommend that OJP ensure that external event planners justify the need for travel, lodging, and food and beverage costs associated with future conference planning meetings.

The Office of Justice Programs agrees with the recommendation. By September 30, 2011, OJP will update its policies and procedures to require that external event planners justify the need for travel, lodging, and food and beverage costs associated with future conference planning meetings. The Office of Justice Programs considers this recommendation resolved and requests written acceptance of this action from your office.

8. We recommend that OJP remedy $102,622 in questioned costs and work with the event planner to approve a future indirect cost rate or allocation plan.

The Office of Justice Programs agrees with the recommendation. We will coordinate with the grantee to remedy the $102,622 in questioned costs related to unapproved indirect costs associated with cooperative agreement number 2005-VR-GX-K001. If the costs are determined to be unallowable, we will request that the grantee return the funds to the DOJ, and submit a revised final Federal Financial Report for the agreement. The Office of Justice Programs considers this recommendation resolved and requests written acceptance of this action from your office.

10. We recommend that OJP and the OVW establish and implement guidelines on conference food and beverage limits for conferences supported with cooperative agreement funds congruent with DOJ-wide rules.

The Office of Justice Programs agrees with the recommendation. All cooperative agreements awarded during the fiscal year 2011 cycle, as well as future cooperative agreements, will include the following special condition:

<u>Conference Cost Limitations for Refreshments and Meals</u>

"Recipient understands and acknowledges that for purposes of this cooperative agreement, food and/or beverage expenses are deemed reasonable and allowable for training sessions, meetings, conferences, or other similar functions only to the extent that the: 1) break or other refreshment costs, plus any hotel service costs (e.g., labor cost for room setup), do not exceed 23 percent of the current General

Services Administration (GSA) Meals and Incidental Expenses (M&IE) rate per attendee per day; and 2) the cost of any individual meal, plus any hotel service costs (e.g., labor cost for room setup), does not exceed 150 percent of the GSA M&IE rate for that meal in that locality per attendee. Current GSA M&IE rate breakdown by meal and by locality can be found at http://www.gsa.gov/portal/content/101518."

In addition, food and beverage guidance was expanded in the 2011 version of the OJP Financial Guide. The updated guidance is accessible on the web at http://www.ojp.usdoj.gov/financialguide/PostawardRequirements/chapter15page3.htm. Accordingly, the Office of Justice Programs requests closure of this recommendation.

Thank you for your continued support and assistance. If you have any questions regarding this response, please contact Maureen A. Henneberg, Director, Office of Audit, Assessment, and Management, on (202) 616-3282.

Attachments

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APPENDIX IX

OFFICE ON VIOLENCE AGAINST WOMEN RESPONSE TO THE DRAFT REPORT

U.S. Department of Justice

Office on Violence Against Women

Washington, D.C. 20530

September 1, 2011

MEMORANDUM

TO: Troy M. Meyer
Regional Audit Manager
Washington Regional Audit Office
Office of the Inspector General

/s/
FROM: Susan B. Carbon
Director

SUBJECT: Audit of Department of Justice Conference Planning and Food and Beverage Costs

The Office on Violence Against Women (OVW) is providing this response to the above-titled audit. We will first provide a general response and then respond to the specific recommendations.

General Discussion

In general, OVW does not engage "event planners" or put on conferences. The conference discussed in the report was organized by the National Council of Juvenile and Family Court Judges (NCJFCJ) and the Family Violence Prevention Fund (FVPF) to train judges who handle domestic violence cases. The cooperative agreement for this conference was part of OVW's Training and Technical Assistance initiative (TTA). Each year, OVW puts out a competitive solicitation for TTA, identifying the categories of grantees, the purpose areas for the grant programs, and the priority areas that OVW has identified in terms of needs for such training and assistance. Recipients are selected based on such factors as expertise in the subject matter, ability to carry out the training or technical assistance described, and the need for the project. The budget is also evaluated for cost-effectiveness.

OVW's use of cooperative agreements for its technical assistance awards was not an attempt to circumvent JMD's 2008 policy revision. Since 1996, when the Office first began making training and technical assistance awards, it has consistently used cooperative agreements as the funding instrument. OVW selected the vehicle of a cooperative agreement rather than a grant due to the high degree of OVW involvement in these projects. However, as with a grant, a technical assistance project is the recipient's project. In fact, all cooperative agreements, including the ones examined for this audit include the following special condition:

> All materials and publications (written, visual, or sound) resulting from award activities shall contain the following statements: "This project was supported by Grant No. 2006-WT-AX-K046 and 2008-TA-AX-K038 awarded by the Office on Violence Against Women, U.S. Department of Justice. The opinions, findings, conclusions, and recommendations expressed in this publication/program/exhibition are those of the author(s) and do not necessarily reflect the views of the Department of Justice, Office on Violence Against Women.

Any materials produced for the judicial training institutes should have had this language, making it clear that this was not an OVW conference.

Specific Recommendations

OVW continues to be committed to policies and guidelines that ensure costs for conferences, trainings, and other events are kept as low as possible. Below are our responses to the specific recommendations in the report:

I. External Event Planning

OIG Recommendation Number 2: Require that award recipients using DOJ funds to plan conferences track time and activities performed to plan conferences.

OVW will add a special condition to all cooperative agreements that include an element of conference planning requiring that they track time and activities for the logistics of their events separate from the substantive portion of the events. This special condition will apply to cooperative agreements funded under the FY2011 appropriations and later.

OIG Recommendation Number 3: Update guidance provided to award recipients to ensure that recipients report all costs associated with time spent planning conferences, including salary and benefits.

OVW will provide updated guidance that the conference reporting special condition includes reporting all costs associated with time spent planning conferences, including salary and benefits, and that the new condition will require them to track time and activities separate from activities spent on substantive matters of the cooperative agreement.

In addition, OVW plans to address this issue at a November 14-16, 2011 meeting with its technical assistance providers.

OIG Recommendation Number 4: Demonstrate that a training and technical assistance provider offers the most cost-effective logistical services before awarding a cooperative agreement that supports conference planning to such a firm.

As discussed above, OVW is not awarding cooperative agreements for the purpose of conference planning but for a substantive training and technical assistance purpose. We do evaluate the cost-effectiveness of the proposals, but each recipient chooses the method for delivery of the technical assistance, whether through webinars, teleconferences or in-person and justifies that method. In addition, the recipient proposes how they will meet their logistical needs, whether through in-house support or through a sub-contract. Although cost-effectiveness is one factor, it is also important to weigh whether the provider is substantively qualified to provide the technical assistance that they are proposing, whether they will be able to reach the audience they plan to, and whether there is a need for the project. In this example, these organizations have a wealth of experience working with judges and on the subject matter and there is evidence of the harm that can come to victims when judges do not understand the complex dynamics of domestic violence. We have experienced over the years that judges learn best in person and from other judges, which is why this is an in person training.

All solicitations, including TTA make it clear that we can negotiate budgets, including to reduce unnecessary costs. Part of our review of each application includes a comprehensive review of the budget to ensure, among other things that they are cost-effective. We often reduce funding amounts to eliminate costs that are not cost-effective.

II. Food and beverages

OIG Recommendation 11: Establish and implement guidelines on conference food and beverage limits congruent with DOJ-wide rules for conferences supported with cooperative agreement funds.

Beginning June 1, 2010, OVW's own Grants Financial Management Division (GFMD) became operational and began reviewing the budgets for applications recommended for award, a task that previously had been performed by OJP's OCFO. Starting with Fiscal Year 2010, GFMD completed OVW budget reviews and applied the JMD food and beverage rules to all cooperative agreements as well as making sure that the provision of food and beverages is linked to dissemination of technical information as required by Cost Principles for Nonprofit Organizations at 2 CFR Part 230, Appendix B. OVW is currently in the process of the final review and approval of its own Financial Guide, and it will be clear that the food and beverage guidelines apply to grants as well as cooperative agreements.

To eliminate the possibility of any possible confusion about the application of the JMD food and beverage rules, OVW will add a new special condition mandating compliance

with those rules to all technical assistance cooperative agreements awarded from FY 2011 appropriations.

Finally, at OVW's upcoming meeting with its technical assistance providers, to be held November 14-16, 2011, OVW's GFMD staff will provide training for these providers on how to implement cost-effective conference planning practices, including applying the JMD food and beverage rules.

APPENDIX X

OFFICE OF THE INSPECTOR GENERAL ANALYSIS AND SUMMARY OF ACTIONS NECESSARY TO CLOSE THE REPORT

The OIG provided a draft of this audit report to the Justice Management Division (JMD), which is responsible for implementing DOJ-wide financial policies, and the 9 components that sponsored the 10 conferences reviewed by this audit. We received responses from the three components that received report recommendations – JMD, the Office of Justice Programs (OJP), and the Office on Violence Against Women (OVW). The JMD response is incorporated in Appendix VII, the OJP response is incorporated in Appendix VIII, and the OVW response is incorporated in Appendix IX.

The responses from OJP and the OVW addressed information in our report that did not pertain to our recommendations. The next two sections present our analysis first of OJP's response and second of OVW's response. The third section describes actions taken by JMD, OJP, and the OVW to address report recommendations.

Analysis of OJP's Response

In its response, OJP stated that it believes a clarification is needed with regard to applying the term "external event planner" to award recipients that work to plan conferences and meetings. OJP highlighted that its award recipients were training and technical service providers and therefore "more than just event planners." OJP stated that as a result, referring to these groups as "event planners" is misleading because such a designation understates both the role these organizations have as training and technical assistance providers and the substantive knowledge and programmatic expertise they maintain.

This report stresses the important role of training and technical assistance providers and their focused programmatic expertise. Nevertheless, we remain concerned about OJP's hiring of such organizations to perform the logistical services associated with hosting conferences, such as selecting venues and negotiating food, lodging, and meeting space prices with hotels, that do not require such programmatic expertise. We believe that efficient and effective logistical conference planning requires a different cohort of skills and specialties that may not be offered by training and technical service providers. Such skills include how best to: (1) negotiate low lodging and meeting space prices, (2) use technological solutions to

minimize travel costs for planning purposes, and (3) ensure that possible locations have the infrastructure necessary (airports, hotels, and restaurants) to host a major event.

In addition, the fact that training and technical assistance providers may be focused more on programmatic instead of logistical services is underscored by the disparate indirect rates these organizations charged OJP to provide logistical services. These indirect rates appeared geared to support programmatic functions, which traditionally require higher supporting costs, than logistical event planning services. As such, the report concludes that because OJP hired training and technical assistance providers to perform logistical conference planning without first ascertaining whether firms that specialized in event planning could have offered such services more cost effectively and at lower rates, OJP was not positioned to show that it minimized conference costs.

Analysis of OVW's Response

In its response, the OVW stated that it does not engage with "event planners" or otherwise put on conferences. Rather, the OVW stated that even though the conference was funded through a cooperative agreement, it was organized by training and technical assistance providers selected following a competitive solicitation. The OVW also noted that it did not use cooperative agreements for its technical assistance awards to try to circumvent meal and refreshment cost limits. The OVW added that it included a special condition in its awards that "the opinions, findings, conclusions, and recommendations" of the event did not necessarily reflect its views.

We note that the training and technical assistance providers served as the event planners because they performed both the logistical and programmatic aspects of the conference. Although our report does take issue with the expensive food and beverages served at the event, it does not dispute: (1) the method by which the OVW selected its training and technical assistance providers; (2) the programmatic purpose of the event or the use of cooperative agreements for programmatic planning; or (3) "the opinions, findings, conclusions, and recommendations" exchanged at the event. This is because such items were beyond the scope of this review.

We note that the OVW response stated that the OVW decided to award the project via a cooperative agreement (instead of a grant or contract) due to the "high degree" of anticipated OVW involvement in the project. Because the conference was funded with OVW program funds, the OVW had

an important responsibility to provide stewardship over how conference funds were used regardless of whether or not it directly "put on" the conference. DOJ components using funds to sponsor conferences have a responsibility to: (1) minimize conference planning costs; and (2) ensure the food and beverages provided are incidental, reasonable, and only provided at work-related events. This responsibility, coupled with OVW's stated "high degree" of involvement in the project, means that the OVW cannot absolve itself from how its program funds were used to pay for expensive food and beverages.

Summary of Actions Necessary to Resolve and Close the Report

1. **Resolved.** JMD concurred with our recommendation to work in cooperation with OJP, the OVW, and other awarding components to ensure that conference cost reports include all salaries, benefits, and other costs charged to the government by all associated funding recipients. JMD stated in its response that it will continue to work with DOJ awarding components to ensure all award recipients submit complete and accurate cost reports and include all salaries, benefits, and other costs charged to the government by the award recipients. JMD also stated that by October 31, 2011, it will review the current conference policy to determine if there are any revisions necessary related to reporting requirements for award recipients.

   This recommendation can be closed when: (1) we receive evidence that JMD has adequately worked with awarding components to ensure complete and accurate conference costs reports and (2) JMD provides evidence of a review of the current conference policy and documentation determining whether revisions are necessary.

2. **Resolved.** OJP and the OVW concurred with our recommendation to require that award recipients using DOJ funds to plan conferences track the time and activities performed to plan conferences. OJP stated in its response that it will update its policies and procedures by September 30, 2011. The OVW stated in its response that it will add a special condition to its future cooperative agreements.

   This recommendation can be closed when we receive evidence that OJP and the OVW have developed and implemented these policies to ensure that award recipients track time and activities performed to plan conferences.

3. **Resolved.** OJP and the OVW concurred with our recommendation to update guidance provided to award recipients to ensure that recipients report all costs associated with time spent planning conferences, including salaries and benefits. OJP stated in its response that it will update its policies and procedures by September 30, 2011. The OVW stated in its response that it will provide updated guidance, which it plans to address at a November 2011 meeting with its technical assistance providers.

   This recommendation can be closed when we receive evidence that OJP and the OVW have updated guidance to ensure that award recipients report all costs associated with time spent planning conferences.

4. **Unresolved.** We recommended that OJP and the OVW demonstrate that a training and technical assistance provider offers the most cost-effective logistical services before awarding a cooperative agreement that supports conference planning to such a firm. This recommendation is resolved with regard to OJP, but is unresolved with regard to the OVW.

   OJP concurred with our recommendation and stated that it will develop and implement a process to evaluate the cost-effectiveness of these logistical services by December 31, 2011.

   The OVW did not concur with this recommendation. Instead, the OVW stated that although it evaluates the cost-effectiveness of training and technical assistance proposals, the recipient chooses the method by which it delivers the technical assistance. The OVW added that the recipient also proposes how it will meet the conference's logistical needs, whether through in-house support or through a sub-contract. Overall, the OVW stated that it is important to weigh whether the provider is substantively qualified to provide the technical assistance and emphasized that its cooperative agreements are awarded for a substantive training and technical assistance purpose rather than for conference planning purposes.

   Our report does not discredit the importance of using cooperative agreements as a vehicle to support programs needing the highly specialized subject-matter expertise of these training and technical assistance providers. We further do not question the programmatic-based funding provided to such firms. However, as stated previously, we are concerned with the cost-effectiveness of having

training and technical assistance providers also offer logistical conference planning services such as selecting venues and negotiating of meal and refreshment costs. The report found that training and technical assistance providers charge high indirect cost rates, which are based on maintaining the specialized services provided by training and technical service providers. Such skills are not, in our opinion, necessary to provide efficient and effective logistical event planning services.

Moreover, although the OVW stated that it is the responsibility of the recipient to decide how to meet its logistical needs, as the awarding agency, the OVW must be responsible for its funding and ensure it is used in a cost-effective manner. As such, the report recommends that the OVW evaluate the cost-effectiveness of using training and technical assistance providers to perform logistical services before awarding cooperative agreements to such firms.

Therefore, although this recommendation is resolved with regard to OJP, it is unresolved with regard to the OVW. The OVW can resolve this recommendation when we receive evidence that it agrees to assess the cost-effectiveness of using training and technical assistance providers to provide logistical event planning services. With regard to OJP, this recommendation can be closed when we receive evidence that OJP has adequately implemented procedures to evaluate the cost-effectiveness of logistical services before awarding cooperative agreements to such firms.

5. **Resolved.** OJP concurred with our recommendation to remedy $3,454 in questioned costs and ensure that event planners in the future attempt to minimize consultant travel costs, as applicable, by soliciting bids for sub-awards from entities that are closer to anticipated conference venues. OJP stated that it will update its policies and procedures to require that event planners attempt to minimize consultant travel costs by September 30, 2011. The policy will require that event planners solicit bids for sub-awards from entities that are closer to anticipated conference venues.

However, OJP stated in its response that the $3,454 in questioned travel costs were reasonable, necessary, and allowable under cooperative agreement number 2005-VR-GX-K001. OJP reported that the award recipient executing the 2008 Indian Nations Conference required: (1) in-depth knowledge of the event location (including lodging and conference sites), (2) experience with Federal

grant requirements; (3) substantive knowledge of Native American traditions and cultures, (4) expertise in multi-jurisdictional issues associated with crime in tribal communities, and (5) an overall understanding of the unique challenges that Alaska Natives face. According to OJP, the award recipient indicated that the consultant (who resided in Anchorage, Alaska) was the only event planner who had the expertise and knowledge in all of the areas described above. Because the consultant had worked on earlier Indian Nations Conferences, OJP stated that the consultant was able to negotiate lodging rates well below the government per diem rate from the venue, which resulted in substantial savings. OJP also stated that it believed that the award recipient would have had to spend substantially more money to obtain similar services from a consultant that lived closer to the venue (in the Los Angeles area) due to the high cost of living in Los Angeles and that number of people in the Los Angeles area with the necessary skills and knowledge was extremely limited.

OJP's response also stressed the major role that Alaska Native issues, presenters, and participants had in the 2008 Indian Nations Conference. OJP noted that 229 of the 564 federally recognized tribes are located in Alaska. In addition, many of the Office of Victims of Crime tribal grantees (a primary target audience of the 2008 Indian Nations Conference) are located in Alaska.

Our report does not dispute that the consultant maintained the skills OJP says were required to provide logistical services for the event. Instead, the report questions: (1) why the award recipient hired a consultant that lived in Anchorage, Alaska, to help plan a conference it knew was to be held in Palm Springs, California; and (2) the need of the consultant to travel three times from Alaska to California. The aforementioned reasons offered by OJP do not justify or address either of these concerns. In addition, because the consultant had knowledge of the hotel from prior conferences, we believe that the consultant should not have needed to travel to Palm Springs, California three times to perform the logistical services under the sub-agreement.

In addition, the consultant was hired under a firm-fixed price agreement and the award recipient did not openly solicit applications from others to procure this consultant. An open solicitation would have provided an opportunity for all interested parties to apply for the sub-award. Because of this, neither OJP nor the award recipient

can affirmatively demonstrate that: (1) the consultant was the only entity that had the experience required; and (2) no other entity closer to the venue, regardless of whether the entity was in the Los Angeles area or Alaska, would have had comparable experience.

According to documents received from the award recipient, the primary responsibility of the hired consultant was to serve as a "hotel liaison" and provide logistical conference planning services. Considering the role maintained by the primary award recipient, OVW has not demonstrated why substantive knowledge of Alaska Native traditions and cultures, expertise in multi-jurisdictional issues associated with crime in tribal communities, and an overall understanding of the unique challenges that Alaska Natives face were necessary requirements for the consultant. Even if these requirements are prerequisites, the fact that the consultant met them does not justify that the consultant took three trips from Anchorage, Alaska, to Palm Springs, California, to perform pre-conference logistical services.

This recommendation can therefore be closed when OJP: (1) remedies the $3,454 in questioned costs, and (2) provides evidence that policies and procedures have been updated to require that event planners attempt to minimize consultant travel costs by soliciting bids for sub-awards from entities that are closer to anticipated conference venues.

6. **Resolved.** OJP concurred with our recommendation to remedy $29,365 by justifying the need for costs associated with travel, lodging, and food and beverages for attendees at this planning meeting**.** OJP stated in its response that $29,365 in travel, lodging, and food and beverage costs, charged to cooperative agreement number 2005-VR-GX-K001, for attendees at the pre-planning meeting for the 2008 Indian Nations Conference were reasonable, necessary, and allowable, and it provided justifications for the costs.

OJP reported that to produce the most effective conference that addressed the myriad of complex jurisdictional issues, OJP determined that it was essential to bring together a proven group of experts with vast experience. OJP also reported that its Office for Victims of Crime (OVC) typically requires an initial in-person, intensive planning meeting and neither OVC, nor most tribal organizations, had adequate video-conferencing capacities at the time of the meeting. Because OVC believed that trying to conduct a

2-day planning meeting by phone would be ineffective, OJP stated that the Director of OVC asked the grantee to hold the planning meeting, selected its attendees, and authorized its expenses.

The audit report stresses that planning meetings with responsible officials and experts represent important opportunities for sponsoring components to gauge the conference's potential programmatic success. However, given that this was the 11th time this conference occurred and at least the third time this conference was located at the same venue, we do not believe that such an extensive in-person meeting in Palm Springs, California, was necessary. While technology solutions may have been unavailable at the time, we do not believe that having the planning meeting in Palm Springs in January and February, incurring expensive travel costs, and providing food and beverages was necessary to accomplish program objectives. Therefore, we do not believe that this information adequately justifies the award recipient spending $29,365 on travel, lodging, and food and beverage costs for the planning meeting.

As a result, this recommendation can be closed when we receive evidence that OJP has remedied the $29,365 in questioned costs.

7. **Resolved.** OJP concurred with our recommendation to ensure that external event planners justify the need for travel, lodging, and food and beverage costs associated with future conference planning meetings. OJP stated in its response that by September 30, 2011, it will update its policies and procedures to require that external event planners justify the need for travel, lodging, and food and beverage costs associated with future conference planning meetings.

   This recommendation can be closed when we receive evidence that OJP's policies and procedures have been updated to require that external event planners justify the need for travel, lodging, and food and beverage costs associated with future conference planning meetings.

8. **Resolved.** OJP concurred with our recommendation to remedy $102,622 in questioned costs related to unapproved indirect costs. OJP stated in its response that it will coordinate with the grantee to remedy the $102,622 in questioned indirect costs that were charged to cooperative agreement number 2005-VR-GX-K001. If the costs are determined to be unallowable, OJP will request that the grantee

return the funds to the DOJ, and submit a revised final Federal Financial Report for the grant.

This recommendation can be closed when we receive evidence that OJP and has worked with the event planner to remedy $102,622 in unapproved indirect costs. We note that such an effort should also address how the organization should properly allocate indirect costs on future OJP awards.

9. **Resolved.** JMD concurred with our recommendation to require that components and their event planners conduct a cost-benefit analysis whenever they justify ordering food and beverages to obtain free meeting space for their conferences. JMD stated in its response that by October 31, 2011, it will issue guidance to DOJ components requiring them to conduct a cost-benefit analysis when justifying ordering food and beverages to obtain free meeting space. Also, by October 31, 2011, JMD stated that it will review the current conference policy to determine if there are any revisions necessary related to conducting a cost-benefit analysis.

   This recommendation can be closed when: (1) we receive evidence that JMD has implemented guidance to DOJ components requiring them to conduct a cost-benefit analysis, and (2) JMD provides evidence of a review of the current conference policy and documentation determining whether revisions are necessary.

10. **Resolved.** OJP and the OVW concurred with our recommendation to establish and implement guidelines regarding conference food and beverage limits for conferences supported with cooperative agreement funds congruent with DOJ-wide rules.[51] OJP stated in its response that all cooperative agreements awarded during the fiscal year 2011 cycle, as well as future cooperative agreements, will include a new special condition relating to these cost limitations. The OVW stated in its response that it will clearly implement these limitations in its own Financial Guide, which is currently in the process of final review and approval. The OVW also stated that it will add a new special condition mandating compliance with these rules to all technical assistance cooperative agreements awarded from FY 2011 appropriations. Finally, the OVW stated that its staff will

[51] In OVW's response it appears to inadvertently refer to recommendation 10 as recommendation 11. Because this report only includes 10 recommendations and the text of OVW's response clearly refers to recommendation 10, we considered this to be a typographical error.

provide training to these providers to implement cost-effective conference planning practices.

This recommendation can be closed when we receive evidence that OJP and the OVW have established and implemented guidelines regarding conference food and beverage limits for conferences supported with cooperative agreement funds.