



OFFICE OF INSPECTOR GENERAL

U.S. Department of Energy

INSPECTION REPORT

DOE-OIG-20-56

September 2020

**FOLLOWUP ON CONFERENCE
MANAGEMENT AT SELECTED
DEPARTMENT SITES**



Department of Energy
Washington, DC 20585

September 30, 2020

MEMORANDUM FOR THE DEPUTY SECRETARY OF ENERGY

A handwritten signature in black ink, appearing to read "Jennifer L. Quinones".

FROM: Jennifer L. Quinones
Deputy Inspector General
Office of Inspector General

SUBJECT: INFORMATION: Inspection Report on "Followup on Conference Management at Selected Department Sites"

RESULTS IN BRIEF

While we found that the Department of Energy had taken steps to strengthen conference management, our testing revealed that the Department's Conference Management Tool (CMT) database still contained inaccurate attendance and/or cost incurred data for Department element-sponsored conferences and lacked evidence of adequate cost comparisons. We also found that the Department's monthly or quarterly reports and annual reports to the Office of Inspector General (OIG) contained inaccurate attendance and/or cost incurred data for Department element-sponsored conferences. Although these inaccuracies and omissions did not materially impact the overall cost of conferences sponsored by the Department, the accuracy of the data input into CMT by responsible personnel and reported to the OIG is important to effective conference management by the Department. Also, effective and continual use of cost comparisons is important to providing assurance that Federal funds are being spent efficiently, appropriately, and in the taxpayer's best interest.

BACKGROUND

In support of its diverse science, energy, and national security missions, the Department sponsors and/or funds attendance of both Federal and contractor employees at a variety of conferences and meetings. During the period October 1, 2016, through February 28, 2019, the Department's CMT contained planning information for 858 events estimated to cost approximately \$51 million. To help ensure that such events are cost effective and relate to Federal agencies' core missions, the Office of Management and Budget (OMB) issued Memorandum M-12-12 *Promoting Efficient Spending to Support Agency Operations* in May 2012; amended in November 2016 by Memorandum M-17-08, *Amending OMB Memorandum M-12-12, Promoting*

Efficient Spending to Support Agency Operations. These memoranda established and refined conference controls, including approval for high-cost events and requirements to report expenses.

In August 2015, the Department issued a memorandum, *Updated Guidance on Conference-Related Activities and Spending*, which further refines the Department's conference management policies and procedures using a risk-based approach, while meeting all legal requirements and ensuring cost-effectiveness. Under this guidance, Department-sponsored conferences include those that meet one or both of the following criteria: (1) a Department element or contractor contributes appropriated funding for the planning, promotion, or implementation of a conference, and (2) a Department element or contractor authorizes use of the official Department seal or other seals/logos/trademarks to promote a conference. There are different reporting requirements based on whether the conference is planned and implemented by a Department element (Department element-sponsored), a Department contractor, or another party that has authorization to use Department logos to promote the conference. This guidance also includes exemptions to conference reporting requirements for certain mission-related events.

Our report on *Conference Management at Selected Department Sites* (DOE/IG-0913, June 2014) revealed opportunities to improve conference management and reporting activities across the Department. Specifically, we identified inconsistent application of event exemption criteria, a need for updated training to provide detailed steps on how to interpret and apply established event-exemptions, issues with CMT data integrity, a lack of performing periodic reconciliations to mitigate inaccurate and duplicate data in CMT, issues with approvals for food costs, and missing and undocumented cost comparisons. As a result, we included recommendations designed to improve the monitoring and reporting of conferences. We initiated this followup inspection to determine if the Department has fully implemented the recommendations and procedures to effectively manage expenditures for conferences it has sponsored or co-sponsored.

RESULTS OF INSPECTION

While we found that the Department had taken steps to strengthen conference management, the Department had not fully implemented recommendations from the prior report. Specifically, opportunities still exist to improve database accuracy and cost comparisons for conferences. To the Department's credit, we found that it had established procedures to ensure event exemptions are appropriately applied, and provided training for interpreting and applying established event exemptions. Further, we did not identify any issues with the breakdown of food costs in conference approval packages. However, despite these improvements, our testing revealed that the Department's CMT still contained inaccurate attendance and/or cost incurred input entries by responsible personnel for Department element-sponsored conferences and did not always include evidence of adequate cost comparisons for Department element-sponsored conferences. We also found that the Department's monthly or quarterly reports and annual reports to the OIG contained inaccurate attendance and/or cost incurred data for Department element-sponsored conferences.

Inaccurate Attendance and/or Cost Incurred Data

The Department's CMT, which is used to track, monitor, and report conference expenditures, still contained inaccurate attendance and/or cost incurred data for Department element-sponsored conferences. Department elements and contractors must update the prior fiscal year's actual cost and attendance figures in CMT annually (by December 15th) for each conference they sponsor that exceeds a cost of \$100,000. Our review of 12 Department element-sponsored conferences identified 11 conferences that exceeded the \$100,000 threshold. At the time of our inspection, we found that 2 of the 11 conferences contained inaccurate attendance and/or cost incurred data. Specifically, we identified the following discrepancies:

- The costs incurred for the *RAP 60th Anniversary* conference (held September 2018) in CMT were inaccurate. Total costs included in CMT for the conference were \$262,895; however, we found that certain cost categories supporting this total cost were inaccurate. Specifically, (1) meeting space costs of \$4,500 were overstated by \$1,750, (2) food and beverage costs of \$1,500 were understated by \$1,119, and (3) audio visual costs of \$5,000 were overstated by \$5,000. Additionally, we determined that reported travel costs of \$121,895 were also inaccurate. We found that the costs for one employee to travel from Savannah River Site to Washington, DC was erroneously entered as \$77,889 when the actual cost was only \$778.89. The conference sponsor's point-of-contact acknowledged these errors and indicated that the costs incurred needed to be corrected in CMT for this conference. The conference sponsor's point-of-contact also stated that the attendance of 51 attendees in CMT was also incorrect and needed to be adjusted to the actual attendance.
- The costs incurred for the *DOE Cyber Conference 2018* (held June 2018) in CMT of \$574,172 were overstated by \$4,200 in registration fees that were never paid. The costs in CMT included registration fees, despite a statement in the pre-approval package that registration fees would not be charged. Upon further inquiry, the conference sponsor's point-of-contact acknowledged that it was a data entry error and that these registration fees were never actually charged or paid.

Inaccurate Information in Reports to the Office of Inspector General

We also found that the Department's monthly or quarterly reports and annual reports to the OIG contained inaccurate attendance and/or cost incurred data for Department element-sponsored conferences. The Department memorandum requires Department elements to update actual attendance figures in CMT within 10 days of the end of a conference sponsored by a Department element with costs exceeding \$20,000. This information is used to prepare the statutorily-mandated¹ quarterly reports. We identified inaccurate attendance data for all 12 Department element-sponsored conferences meeting the requirement to be reported quarterly to the OIG. In one case, conference attendance was overstated by 186 employees.

¹ The 2017, 2018, and 2019 Consolidated Appropriations Acts require the Department to provide periodic reports to the OIG on incurred costs and attendance of conferences.

In addition to the monthly or quarterly reports, the actual cost and attendance data entered in CMT for conferences with costs exceeding \$100,000 is used to prepare the annual statutorily-mandated reports for the OIG. As stated above, Department elements and contractors must update the prior fiscal year's actual cost and attendance figures in CMT annually (by December 15th) for conferences they have sponsored with costs exceeding \$100,000. In our review of 12 Department element-sponsored conferences, we found that 11 of them exceeded the \$100,000 threshold. Of these conferences, 9 were included in prior year annual reports to the OIG. We found that conference attendance and/or cost incurred data was inaccurately reported for 5 of these 9 conferences in the annual reports to the OIG. For example, a conference with reported costs of \$284,765 was understated by more than \$20,000. The remaining 2 conferences will be reported in future annual reports to the OIG.

Although these errors did not impact the total actual cost of conferences incurred by the Department, the accuracy of the data input into CMT by responsible personnel and reported to the OIG is important to effective conference management by the Department.

Undocumented Cost Comparisons

Additionally, Department officials still did not always adequately document cost comparisons. Federal Travel Regulations require a minimum of three cost comparisons and that responsible officials maximize the use of Government-owned or Government-provided conference facilities to the extent possible. Of the 12 Department element-sponsored conferences we reviewed in CMT, we found that 2 did not have adequately documented cost comparisons. The 2 conferences with a combined estimated cost of \$831,025 were:

- The *Nuclear and Facility Safety Programs Annual Workshop 2017* (held May 2017), with an estimated cost of \$731,827 in CMT. A Department official told us that other facilities were researched but could not provide documentation to support this assertion. The Department official also told us that the sponsoring organization has since taken measures to improve its records retention processes and practices so that this situation does not occur again.
- The *2017 Analytical Services Program (ASP) Workshop* (held September 2017), with an estimated cost of \$99,198 in CMT. A Department official told us that the sponsoring organization had discussed multiple facilities with another organization but could not provide documentation to support these discussions nor any other cost estimates considered.

While informal venue expenditure inquiries may contribute to discounts and lower costs, cost comparisons are important in providing assurance that Federal funds are being spent efficiently, appropriately, and in the taxpayer's best interest.

Data Entry, Reconciliation, and Documentation

The issues we identified with conference management occurred, at least in part, because management did not ensure those charged with reporting or making conference-related decisions

adhered to or properly interpreted established requirements. Of particular concern, we found that despite continual training by the Office of Management/Conference Management Program officials, responsible personnel are still not correctly entering required information into CMT. Further, periodic reconciliations to ensure that information is entered correctly into CMT are not being performed. Specifically, responsible personnel are not updating actual attendance figures in CMT within 10 days of the completion of each Department element-sponsored conference with costs exceeding \$20,000. Also, personnel responsible for planning events are not always maintaining documentation to support required cost comparisons prior to selecting conference venues.

Impact

Inaccurate information in the Department's CMT continues to impact the effectiveness of the Department's management of conferences. Although the inaccuracies and omissions discussed above did not materially impact the overall cost of conferences sponsored by the Department, the accuracy of the data input into CMT by responsible personnel and reported to the OIG is important to effective conference management by the Department. Also, effective and continual use of cost comparisons is important to providing assurance that Federal funds are being spent efficiently, appropriately, and in the taxpayer's best interest.

RECOMMENDATIONS

While it appears that the Department has taken steps towards improving conference management, more needs to be done to promote transparency and assure that Government funds are spent appropriately and efficiently. Based on the issues identified in this report and the recurrence of previously reported issues, we believe that the Department can take additional steps to improve the monitoring and reporting of conferences. To address the ongoing concerns outlined in our report, we recommend that the Deputy Secretary of Energy direct sponsoring organizations to:

1. Perform periodic reconciliations to mitigate inaccurate data in the Department's Conference Management Tool, such as ensuring conference cost and attendance data in the Department's Conference Management Tool is updated in a timely manner, as required; and
2. Complete, document, and maintain required cost comparisons prior to conference approval.

MANAGEMENT RESPONSE

Management concurred with each of the report's recommendations.

INSPECTOR COMMENTS

Management's comments and planned corrective actions are responsive to our recommendations. Management's comments are included in Attachment 3.

Attachments

cc: Chief of Staff

Director, Office of Management

Deputy Director, Office of Enterprise Assessments

OBJECTIVE, SCOPE, AND METHODOLOGY

OBJECTIVE

We conducted this followup inspection to determine if the Department of Energy has fully implemented the recommendations and procedures to effectively manage expenditures for conferences it has sponsored or co-sponsored.

SCOPE

We conducted the fieldwork for this performance inspection between February 2019 and June 2020. We obtained a spreadsheet from the Office of Management/Conference Management Program on March 26, 2019, which included all Department-sponsored conferences included in the Department's Conference Management Tool with start dates for the period October 1, 2016, through February 28, 2019. This spreadsheet contained a total of 858 conferences with a total estimated cost of \$50,973,102. The inspection was conducted under Office of Inspector General project number S19IS003.

METHODOLOGY

To accomplish the inspection objective, we:

- Reviewed applicable regulations, directives, and policies related to conference management.
- Interviewed Office of Management/Conference Management Program officials from Headquarters.
- Selected a judgmental sample of 25 Department-sponsored conferences with a total estimated cost of \$7,456,478 to review in detail. The sample included 12 Department element-sponsored conferences with a total estimated cost of \$5,632,455. The remaining 13 conferences were planned and implemented by Department contractors or other parties authorized to use Department logos to promote the conference. Because sample selection was not statistical, the results and overall conclusions were limited to the conferences reviewed and could not be projected to the entire population of conferences.
- Reviewed and analyzed information for the judgmentally sampled conferences regarding justification for event exemptions and information contained in the Department's Conference Management Tool required for documenting and approving Department conferences.
- Obtained supporting documentation and clarification regarding costs incurred for conferences in our judgmental sample from sponsoring organization points-of-contact.²

² Besides specific examples noted in the report, we did not perform a detailed review of travel-related conference costs.

This inspection was conducted in accordance with the Council of the Inspectors General on Integrity and Efficiency, *Quality Standards for Inspection and Evaluation*. Those standards require that we plan and perform the review to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our inspection objective. We believe that the evidence obtained provided a reasonable basis for our findings and conclusions based on our inspection objective. The inspection included tests of controls and compliance with laws and regulations to the extent necessary to satisfy the inspection objective. Because our review was limited, it would not necessarily have disclosed all internal control deficiencies that may have existed at the time of our inspection. We were unable to rely on computer-processed data in the Department's Conference Management Tool. To test the reliability of this data, we reviewed source documents supporting data in the system for the conferences we sampled. We identified inaccurate or incomplete information in the Conference Management Tool caused by poor controls over data entry, reconciliation, and documentation. Our findings are discussed in detail in our report.

Management waived an exit conference on September 10, 2020.

PRIOR REPORTS

- Inspection Report on [Management of Department of Energy-Sponsored Conferences Costing More Than \\$20,000](#) (INS-L-15-02, February 2015). The objective of this review was to determine whether Department of Energy-sponsored conferences were adequately processed and if expenditures were supported. The report determined that while the Department had made progress in the management of conference expenditures, more could be done to control costs and ensure that funds were spent appropriately. Specifically, identified issues were similar to those described in the previous report on this matter and involved problems with database entries, cost comparisons, use of Government facilities, adherence to Department guidance, social event sponsorship, and annual report requirements. As of November 2014, three of six recommendations from the previous report were considered open, and the Department was in the process of implementing corrective actions. Based on the Department's assurances that it was addressing conference issues identified in the previous report, this report did not include any new recommendations.
- Inspection Report on [Conference Management at Selected Department Sites](#) (DOE/IG-0913, June 2014). The objective of this review was to determine whether the Department had effectively managed conference expenditures and related activities. The review also involved inquiring into the circumstances surrounding two allegations, namely: (1) that a conference was not properly reported, and (2) that there had been a misuse of conference funds. The report determined that while the Department had strengthened conference reporting and approval controls, opportunities existed to improve the management process in this important area. Specifically, program offices inconsistently applied the event exemption criteria; the Department's Conference Management Tool contained data that was either inaccurate, incomplete or both; program officials failed to properly report and breakout food costs resulting in a situation where food costs were unknowingly approved; and adequate cost comparisons were not completed. These issues occurred, at least in part, because management did not ensure those charged with reporting or making conference-related decisions adhered to or properly interpreted established requirements. Of particular concern, responsible personnel had not been adequately trained to appropriately apply established event exemptions and to correctly enter required information into the Conference Management Tool. Further, program officials did not always ensure that approval packages appropriately identified food costs, as required. Finally, event coordinators stated that they did not conduct cost comparisons and search for alternative venues because they believed or assumed that there were no other available venues. In some cases, event coordinators believed that the Government was already getting a good deal. Whereas, the Department had taken a number of positive actions to cancel a number of conferences, reduce the frequency of recurring meetings, and broaden the use of video conference technology, additional effort is necessary to improve transparency and assure that Government funds are being spent appropriately, efficiently, and in the best interest of the taxpayer. The specific allegations were not substantiated. However, the inspectors found that a contractor employee attended a non-Department sponsored, 8-day conference on a cruise ship at Government expense. Even though the employee's attendance was approved by contractor management officials, the

cruise was inconsistent with the Department guidance that such events "should not be held at resorts." After Federal officials were notified of this event, the responsible contractor reimbursed the Department for the cost of the trip to avoid any negative publicity.

- Audit Report on [*The Department of Energy's Energy Innovation Hubs*](#), (OAS-M-13-08, September 2013). The audit was initiated to determine whether the Department was effectively managing its Energy Innovation Hubs (Hubs) program. The report determined that the Department had not effectively managed conference and meeting costs for Hubs. The Hubs claimed costs for "working" meals and meeting refreshments that were unreasonable when considered in light of recent attempts to reduce and control travel and conference-related spending. Specifically, it was determined that the Buildings and Modeling Hubs frequently provided group meals and refreshments at meetings and conferences, expenditures that amounted to \$103,472 through May 2012. The Sunlight Hub spent \$157,991 on conferences and meetings where meals and refreshments were served through May 2012. Of this amount, \$123,808 was spent to host two annual all-hands conferences and another \$11,411 was spent on an annual performance review.
- Inspection Report on [*Office of Science Laboratory Conferences*](#), (DOE/IG-0794, May 2008). The objective of this review was to determine whether conferences were managed cost effectively and consistent with applicable policies and regulations. The report determined that the Oak Ridge National Laboratory incurred "unreasonable" costs associated with conference-provided meals. At one 4-day conference in 2007, the Department spent over \$230,000 to provide meals for approximately 318 attendees. While it is an admittedly subjective judgment, we found these meals to be upscale and elaborate, which was reflected in the cost of the conference. Such costs are generally treated as unallowable. Additionally, Oak Ridge National Laboratory had not requested or obtained Department approvals prior to holding a number of conferences during fiscal years 2005 through 2007. Such approvals help ensure, among other things, that conference locations and costs are appropriate. Oak Ridge National Laboratory also had not provided conference information for inclusion in the Department's Conference Management System database, resulting in a material understatement of Department conferences and conference costs.

MANAGEMENT COMMENTS



Department of Energy
Washington, DC 20585

August 19, 2020

MEMORANDUM FOR JENNIFER L. QUINONES
ASSISTANT INSPECTOR GENERAL
FOR AUDITS AND INSPECTIONS
OFFICE OF INSPECTOR GENERAL

FROM: INGRID KOLB
DIRECTOR
OFFICE OF MANAGEMENT

Ingrid A.C. Kolb
Digitally signed by
Ingrid A.C. Kolb
Date: 2020.08.20
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SUBJECT: Response to Draft Inspection Report on "Followup on
Conference Management at Selected Department Sites" (S19IS003)

The Office of Management (MA) appreciates the work done by the Department's Office of Inspector General in conducting a review of DOE's Conference Management at Selected Department Sites. MA is continually looking for ways to improve the accuracy of the data in the Department's Conference Management database and to educate the DOE Conference Management community by providing a series of best practices. As a result of the recommendations, the DOE community will be more aware of the importance of timely and accurate reporting of conference costs and attendance.

The attachment provides a response to address the recommendations in the report. OIG should direct any questions to Marilyn Dillon, Director, Office of Corporate Business Operations, at (202) 586-4919 or MARILYN.DILLON@hq.doe.gov.

Attachment(s)

Management Response
Draft Inspection Report on
“Followup on Conference Management at Selected Department Sites (S19IS003)”

Recommendation 1: Perform periodic reconciliations to mitigate inaccurate data in the Department’s Conference Management Tool, such as ensuring conference cost and attendance data in the Department’s Conference Management Tool is updated in a timely manner, as required.

Management Response: *Concur*

Corrective Action: To ensure DOE Program and Staff office employees and supervisors are aware of their responsibilities, the Office of Management will provide two webinars annually to re-emphasize the responsibilities of each Departmental Element and M&O contractor to have in place:

- Effective end-to-end processes to manage their conference activity, participation and metrics reporting;
- Staff who are responsible for accurately recording, reconciling and reporting their organization’s conference management activity into the Department’s Conference Management Tool.

Recommendation 2: Complete, document, and maintain required cost comparisons prior to conference approval.

Management Response: *Concur*

Corrective Action: The Office of Management will provide to the DOE Conference Management community a set of best-practices for managing conference activity, including early planning timelines, proper documentation for procurement of event services and material that captures cost comparisons, maintenance of event participation, and cost history. These best-practices will be shared twice annually with DOE Conference Management points of contact to ensure their organization(s) have a complete understanding of the Department’s requirements and institute the necessary internal procedures and controls established by each organization. This information will also be posted to the Department’s Conference Management Powerpedia page available at [https://powerpedia.energy.gov/wiki/Conference_Management_\(DOE\)](https://powerpedia.energy.gov/wiki/Conference_Management_(DOE)).

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