



Office *of the* Inspector General

SOCIAL SECURITY ADMINISTRATION

*Audit Report*

Social Security Administration  
Conference Expenditures in Fiscal  
Year 2013

*A-05-14-24070 | November 2014*

**OIG** Office of the Inspector General  
SOCIAL SECURITY ADMINISTRATION

**MEMORANDUM**

**Date:** November 13, 2014

**Refer To:**

**To:** The Commissioner

**From:** Inspector General

**Subject:** Social Security Administration Conference Expenditures in Fiscal Year 2013 (A-05-14-24070)

The attached final report presents the results of our audit. Our objective was to assess the Agency's compliance with conference reporting requirements under the *Consolidated and Further Continuing Appropriations Act of 2013*.

If you wish to discuss the final report, please call me or have your staff contact Steven L. Schaeffer, Assistant Inspector General for Audit, at (410) 965-9700.



Patrick P. O'Carroll, Jr.

Attachment

# Social Security Administration Conference Expenditures in Fiscal Year 2013 A-05-14-24070



November 2014

Office of Audit Report Summary

## Objective

To assess the Agency's compliance with conference reporting requirements under the *Consolidated and Further Continuing Appropriations Act of 2013*.

## Background

The *Consolidated and Further Continuing Appropriations Act of 2013* requires that the Social Security Administration (SSA) submit an annual report to the Office of the Inspector General (OIG) on the costs and contracting procedures related to conferences the Agency held in Fiscal Year (FY) 2013 for which the cost to the United States exceeded \$100,000.

The annual report should describe the conference's purpose; the number of participants attending; a detailed statement of the costs of any beverages, audio-visual services, and employee or contractor travel to and from the conference; a discussion of the methodology used to determine which costs relate to the conference; and the contracting procedures used.

The Act also requires that SSA notify the OIG within 15 days the date, location, and number of employees attending a conference held by the Agency for which the cost exceeded \$20,000.

## Our Findings

The Agency generally complied with the reporting and notification provisions under the *Consolidated and Further Continuing Appropriations Act of 2013*. However, we found SSA did not use its Conference Planning and Approval System (CPAS) to track about 23 percent of FY 2013 reported conference costs, primarily because (1) the new conference reporting provisions were implemented mid-year and (2) the Agency did not require that all components use CPAS for conference approvals. In addition, SSA did not adequately retain market research documentation and information on availability of Federal space for the only conference held outside of federally owned space, which it was required to do under SSA's conference approval policy. We noted improvements in FY 2014 in terms of CPAS completeness and documentation.

In FY 2013, SSA reported it held 49 conferences exceeding \$20,000 for about 11,000 employees and incurred costs of approximately \$7.8 million. The Office of Disability Adjudication and Review sponsored approximately 61 percent of conferences, whereas the Office of Human Resources incurred about 63 percent of conference costs. The conferences related to training (95 percent), meetings (4 percent), and leadership/career development (1 percent). Only one conference was held in non-Federal space. In addition, the Agency reported almost \$500,000 in speaker costs for 10 conferences.

Finally, we observed Agency efforts to move some training classes from face-to-face to virtual training while also making face-to-face conference content available online to employees who could not attend.

## Our Recommendations

We made a number of recommendations for SSA to improve controls over conference planning. SSA agreed with our recommendations.

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## ABBREVIATIONS

|        |  |
|--------|--|
| AIMS   | Administrative Instructions Manual System    |
| ALJ    | Administrative Law Judge                     |
| C.F.R. | Code of Federal Regulations                  |
| CMR    | Center for Materiel Resources                |
| CPAS   | Conference Proposal and Approval System      |
| FY     | Fiscal Year                                  |
| HR     | Human Resources                              |
| ODAR   | Office of Disability Adjudication and Review |
| OFPO   | Office of Financial Policy and Operations    |
| OFSM   | Office of Facilities and Supply Management   |
| OIG    | Office of the Inspector General              |
| OL     | Office of Learning                           |
| OMB    | Office of Management and Budget              |
| SSA    | Social Security Administration               |

## OBJECTIVE

To assess the Agency's compliance with conference reporting requirements under the *Consolidated and Further Continuing Appropriations Act of 2013*.

## BACKGROUND

Section 3003 of the *Consolidated and Further Continuing Appropriations Act of 2013*<sup>1</sup> requires that agencies submit an annual report to the Office of the Inspector General (OIG) regarding the costs and contracting procedures related to Fiscal Year (FY) 2013 conferences that exceeded \$100,000.

The annual report should include

- a description of its purpose;
- the number of participants attending;
- a detailed statement of the costs to the Government, including (1) the cost of any food or beverages, (2) the cost of any audio-visual services, (3) the cost of employee or contractor travel to and from the conference, and (4) a discussion of the methodology used to determine which costs relate to the conference; and
- a description of the contracting procedures used including (1) whether contracts were competitively awarded and (2) a discussion of any cost comparison conducted by the departmental component or office in evaluating potential contractors for the conference.

Agencies are also required to notify the OIG within 15 days of any agency conference for which the cost to the United States exceeded \$20,000. The agency should notify OIG of the date, location, and number of employees attending such conference.

These reporting requirements built on earlier guidance from the Office of Management and Budget (OMB). In May 2012, OMB issued Memorandum M-12-12,<sup>2</sup> which outlined a series of policies and practices for conference sponsorship, hosting, and attendance to ensure agencies appropriately use Federal funds on these activities and continue reducing spending on conferences where practicable. In part, the Memorandum requires that agencies report publicly

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<sup>1</sup> Public Law No. 113-6, 127 Stat. 198, 435-436 (March 26, 2013).

<sup>2</sup> OMB, M-12-12, *Promoting Efficient Spending to Support Agency Operations*, Section 2—Conferences, p. 3-5 (May 11, 2012). M-12-12 defined “conference” as “. . . [a] meeting, retreat, seminar, symposium, or event that involves attendee travel. The memorandum also stated the term ‘conference’ also applied to training activities that were considered conferences under 5 C.F.R. 410.404.” In July 2012, OMB issued a supplement to M-12-12, which clarified the definition of a conference included technical training and permitted agencies to report information only for the period from May 11, 2012 through September 30, 2012.

on all conference expenses in excess of \$100,000 from the previous FY on a dedicated place on their official Website by January 31 of each year (beginning January 31, 2013).

In January 2014, the Social Security Administration (SSA) posted information on FY 2013 conferences to its Website in compliance with OMB M-12-12. SSA reported that 9,547 attendees participated in 12 SSA-sponsored conferences that exceeded \$100,000 at a cost of about \$6.3 million.

To achieve our objective, we reviewed the report SSA provided the OIG in March 2014 to comply with the *Consolidated and Further Continuing Appropriations Act of 2013*. We also reviewed information provided by the Office of Financial Policy and Operations (OFPO), accessed the Conference Proposal and Approval System (CPAS) to obtain conference information, and spoke with SSA components on various aspects of conferences, including events that components tracked outside of CPAS. See Appendix A for our full scope and methodology.

## RESULTS OF REVIEW

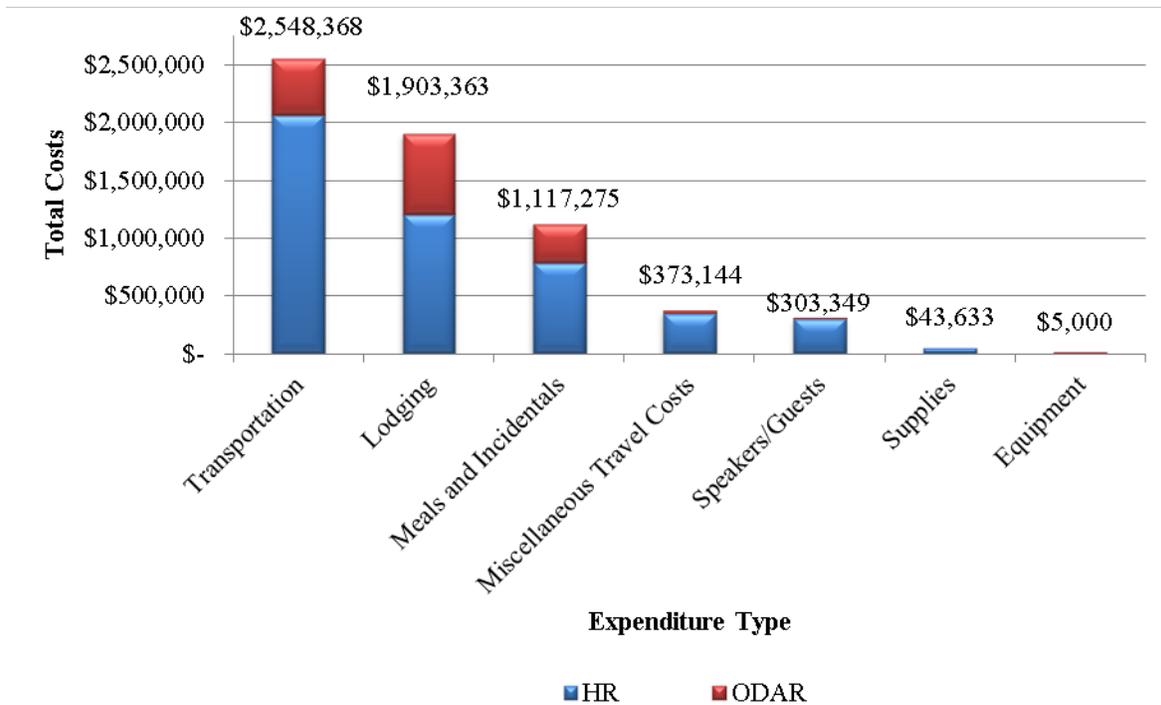
The Agency generally complied with the reporting and notification provisions under the *Consolidated and Further Continuing Appropriations Act of 2013*. However, we found SSA did not use CPAS to track about 23 percent of FY 2013 reported conference costs, primarily because (1) the new conference reporting provisions were implemented mid-year and (2) the Agency did not require that all components use CPAS for conference approvals. In addition, SSA did not adequately retain market research documentation and information on availability of Federal space for the only conference held outside of federally owned space, which it was required to do under SSA's conference approval policy. We noted improvements in FY 2014 in terms of CPAS completeness and documentation.

In terms of FY 2013 conferences exceeding \$20,000, SSA reported it held 49 conferences for about 11,000 employees and incurred costs of approximately \$7.8 million. The Office of Disability Adjudication and Review (ODAR) sponsored approximately 61 percent of conferences, whereas the Office of Human Resources (HR) incurred about 63 percent of conference costs. The conferences related to training (95 percent), meetings (4 percent), and leadership/career development (1 percent). Only one conference was held in non-Federal space. In addition, the Agency reported almost \$500,000 in speaker costs for 10 conferences. Finally, we observed Agency efforts to move some training classes from face-to-face to virtual training while also making face-to-face conference content available online to employees who could not attend.

## Annual Reporting Requirement to the OIG

In March 2014, SSA provided the OIG a report that generally complied with the *Consolidated and Further Continuing Appropriations Act of 2013*. The report listed 12 conferences that exceeded \$100,000 in costs for a total of approximately \$6.3 million for 9,547 attendees.<sup>3</sup> HR, which represented about 75 percent of costs, sponsored 6 of these 12 training conferences, and ODAR sponsored the remaining 6 conferences. As Figure 1 illustrates, the majority of costs related to transportation, lodging, meals and incidentals, and miscellaneous travel costs for conference attendees. The report stated that SSA did not incur costs for facilities, food or beverages provided by the Government. The report also provided short descriptions of the methodology used to determine costs related to each conference.

**Figure 1: Types of Expenditures Reported by SSA for FY 2013 Conferences of \$100,000 or More**



**Note:** HR reported supply expenses of \$43,633 and ODAR reported equipment costs of \$5,000.

**Source:** Conference costs and expenditure types provided by SSA.

<sup>3</sup> SSA components reported an additional 37 conferences that exceeded \$20,000 but were under \$100,000. These 37 conferences cost about \$1.5 million. We discuss these FY 2013 conference costs later in the report.

## OIG Notification

While SSA generally complied with conference reporting requirements, we identified issues related to the completeness of FY 2013 conference information in CPAS as well as the retention of market research and facilities documentation.

### *15-Day Reporting Requirement on Conferences of \$20,000 or More*

In general, we received notification<sup>4</sup> within 15 days of conferences for which the costs exceeded \$20,000.<sup>5</sup> In June 2013, the Agency provided OIG staff system access to view information on approved FY 2013 conferences in CPAS, though the system did not always notify us within 15 days of conferences occurring. OFPO<sup>6</sup> stated that a system limitation initially prevented some system-generated notifications, which it had since addressed. Additionally, SSA had held or scheduled some conferences before the March 2013 reporting requirement took effect. Nonetheless, our access to CPAS allowed us to monitor the conference information at any time, including estimated and actual costs. Our comparison of estimated to actual costs found that actual conference costs did not exceed estimated conference costs in FY 2013.

### *Completeness of CPAS FY 2013 Conference Information*

We found that SSA did not use CPAS to track approximately 23 percent of reported conference costs for FY 2013 conferences exceeding \$20,000 (see Table 1). The system contained cost information for only 30 (61 percent) of the 49 FY 2013 reported conferences. The absence of these 19 conferences in CPAS related to (1) the Agency's mid-year implementation of the March 2013 reporting requirements, which resulted in an information lag and (2) the Agency allowing one component to review, track, and approve conferences outside CPAS. We learned of 19 conferences from the Agency.<sup>7</sup>

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<sup>4</sup> In August 2010, SSA established CPAS to track conference requests, approvals, and related costs electronically. Following the passage of the March 2013 *Consolidated and Further Continuing Appropriations Act of 2013*, OFPO agreed to alert the OIG of approved conferences via CPAS and provided access on June 27, 2013.

<sup>5</sup> SSA, Administrative Instructions Manual System (AIMS), Chapter 04.01.12—*SSA-Sponsored Conferences/Meetings* (January 15, 2014). SSA's prior criteria for completing a conference proposal form in CPAS included conferences held at a Federal facility and involved more than 50 travelers or plans involved purchasing food, light refreshments, or the procurement of a compensated speaker(s) or other entertainment using agency funds.

<sup>6</sup> In August 2009, SSA established the Conference Planning Support staff in OFPO to provide clear guidance for conference planning and execution, implement a process for reviewing and approving all components' conference plans, and implement a post-conference evaluation process.

<sup>7</sup> On August 27, 2013, the Commissioner sent the Inspector General a memorandum that included a list of approved or scheduled conferences from October 2012 through September 2013 that cost the Agency over \$20,000. The list included 18 FY 2013 conferences that components did not enter in CPAS. Additionally, in December 2013, OFPO informed the OIG of a contracting officer class that also met the reporting requirement.

**Table 1: Completeness of CPAS Conference Information for FY 2013  
Reported Conferences Exceeding \$20,000**

| Approved FY 2013 Conferences                         | Number of Conferences | Total Costs        | Percentage of Total Costs |
|--|-----------------------|--------------------|---------------------------|
| Conferences in CPAS                                  | 30                    | \$5,968,298        | 77%                       |
| Conferences Not in CPAS                              | 19                    | \$1,830,604        | 23%                       |
| <b>Total FY 2013 Conferences of \$20,000 or more</b> | <b>49</b>             | <b>\$7,798,902</b> | <b>100%</b>               |

Of the 19 reported conferences that were not tracked in CPAS, ODAR and HR sponsored 15 and 4 conferences, respectively.<sup>8</sup> With respect to ODAR conferences not tracked in CPAS, although each of the 15 ODAR conferences incurred travel-related costs, 13 of the 15 conferences<sup>9</sup> would not have been reportable under earlier SSA policy<sup>10</sup> because each conference had fewer than 50 participants, the earlier threshold for reporting an event to CPAS. In addition, although we observed HR tracked some of its technical training conferences in CPAS, the Agency allowed the Office of Learning (OL) to report conference information to OFPO staff via an alternative process to meet reporting requirements and minimize the workload on both components.<sup>11</sup> As part of our on-going CPAS monitoring, we observed both ODAR and OL had tracked FY 2014 conferences in CPAS, which should improve monitoring of FY 2014 conference data.<sup>12</sup>

### *Documentation for Conferences Held Outside Federal Space*

Except for ODAR's 2013 *Judicial Training* conference, SSA held all reported conferences that exceeded \$20,000 in federally leased or owned space.<sup>13</sup> We found that ODAR did not adequately retain market research documentation and information on the availability of Federal space for the judicial training conference. SSA policy states conference planners must retain all records associated with conference planning activities for their component and ensure the availability of conference-related records for review by management and other interested

<sup>8</sup> In terms of expenditures, 1,294 participants attended 4 HR training conferences, totaling \$1,269,261, while 590 employees attended ODAR's 15 conferences for \$561,343.

<sup>9</sup> Of the 15 ODAR conferences, 9 related to training and the remaining 6 were meetings.

<sup>10</sup> SSA, AIMS, Chapter 04.01.12—*SSA-Sponsored Conferences/Meetings* (January 17, 2013, showing the earlier policy, and January 15, 2014, representing the updated policy).

<sup>11</sup> SSA had not included OL technical training courses that involved travel as conferences until OMB clarified in a July 2012 supplement to M-12-12 where OMB expanded the definition of conferences to include technical training events involving employee travel. Consequently, in August 2012, OFPO instructed the OL to document all training involving travel in a spreadsheet before the start of each new FY, to bundle training events, receive the applicable approvals/waivers, and forward copies of the approvals to OFPO. OFPO also instructed OL to continue using CPAS for large dollar single events, such as the *Advanced Leadership Program Candidate Assessment Center* and *Leadership Development Program Structured Interview* conferences.

<sup>12</sup> For example, more complete reporting in CPAS makes it easier to identify trends from year to year.

<sup>13</sup> ODAR held two sessions for this conference at a downtown Baltimore, Maryland, hotel. ODAR paid \$5,000 for audio-visual costs and did not incur facilities charges.

parties.<sup>14</sup> For instance, CPAS contained limited information on the market research conducted to determine what facilities met the conference needs. When we contacted ODAR for more detail, we found staff had not maintained all of the required documentation for each alternative conference site it considered since a number of emails documenting market research were lost when a lead employee left the component.

With respect to the availability of Federal space, ODAR told us that Office of Facilities and Supply Management (OFSM) staff determined SSA space could not accommodate the conference needs. However, ODAR could not provide documentation from OFSM regarding facilities availability, and neither the CPAS conference proposal nor supporting documentation reflected what efforts staff made to locate space in Federal space besides the SSA facilities. SSA policy states conference planners should always consider holding their conference onsite at an agency facility as a first option or at another Federal facility as a second option.<sup>15</sup> For example, conference planners could contact the Office of Operations Management at the Centers for Medicare and Medicaid Services to check availability of conference space, or local Federal Executive Boards to acquire low- or no-cost government space. Additionally, SSA policy states components must keep a record of their research showing that other Federal facilities were unavailable.

OFPO stated it periodically sent reminders to component representatives of Agency policy to maintain documentation on market research as well as confirmation from OFSM or regional counterparts indicating SSA space was either unavailable or did not meet event needs. OFPO also stated that CPAS was not intended to serve as a document database, although SSA policy allows components to attach documentation to CPAS.<sup>16</sup>

As part of our on-going CPAS monitoring, we observed that ODAR included greater detail concerning market research and selection criteria in its *2014 Judicial Training* conference proposal. For instance, the CPAS proposal included an analysis of daily transportation costs

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<sup>14</sup> SSA, AIMS, Chapter 04.01.16—*SSA-Sponsored Conferences/Meetings* (January 15, 2014). Policy states all parties involved in conference planning must properly document and retain support for conference expenses. Documentation included cost comparisons; evidence that Federal space was not available; market research on three or more non-Federal facilities; actual costs of the entire conference, including invoices, receipts, and purchase order, etc.; and details on conference attendees, including grade level and title. Planners must retain the documentation for 6 years and 3 months before destroying.

<sup>15</sup> SSA, AIMS, Chapter 04.01—*SSA-Sponsored Conferences/Meetings* (January 15, 2014). Policy states conference planners may consider non-Federal locations only if a no-cost Federal facility is not available to meet the conference requirements. Before securing a non-Federal facility, planners must first obtain confirmation from OFSM or the Center for Materiel Resources (CMR) that on-site space is not available. Conference planners must retain the OFSM or CMR confirmation as part of the conference file documentation and include a summary of this information in the “Location and Facility” section of the conference proposal form in CPAS. In addition, planners should include the OFSM or CMR confirmation as supporting documentation when submitting the requisition to the Office of Acquisition and Grants for a non-Federal facility.

<sup>16</sup> SSA, AIMS, 04.01.12 B.9—*Conference Proposal Review and Approval Process* (January 15, 2014), states users may attach additional documents, such as market research, in the “Additional Information” section of the CPAS conference proposal.

between the hotel and Federal facility to show having the event there would be the most cost effective option. The ODAR planners also attached market research documentation to this 2014 conference proposal. Moreover, at our suggestion, OFPO added a link for the General Services Administration's *Federal Meeting Facilities Website*<sup>17</sup> to the SSA Conference Planning site to assist conference planners in their search for other Federal facilities. By reminding components to follow SSA policy to consider Federal facilities in addition to SSA space before it considers non-Federal facilities, OFPO provides good stewardship of tax dollars.

## SSA-Sponsored Conference Trends

According to data provided by the Agency, it held 49 conferences in FY 2013, that each exceeded \$20,000 in costs,<sup>18</sup> for a total of approximately \$7.8 million (see Table 2). Approximately 11,000 SSA employees attended these conferences. ODAR sponsored 30 (61 percent) of the conferences, whereas HR incurred \$4.9 million (63 percent) in conference costs.<sup>19</sup> Most of the conferences related to training (95 percent), meetings (4 percent), or leadership/career development (1 percent). SSA held all but 1 of the 49 FY 2013 conferences in Federal space. For instance, OL stated that, for its *Transition to Leadership* classes, it conducted sessions in each of its 10 regions nationwide in Federal space. In addition, ODAR used Federal space in Falls Church, Virginia; St. Louis, Missouri; or its regional offices.

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<sup>17</sup> See <http://fedmeetingspace.cfo.gov/> (accessed on August 7, 2014). The *Federal Meeting Facilities* report identifies Federal agencies that have conference and meeting space for agencies' use. The Website also reports accommodation size and types of services available.

<sup>18</sup> For FY 2013, SSA did not have reports from components of any non-agency sponsored events that exceeded \$20,000.

<sup>19</sup> ODAR accounted for about 15 percent of all conference attendees, whereas HR accounted for about 81 percent of all conference attendees.

**Table 2: FY 2013 Reported Conferences Exceeding \$20,000 by Component**

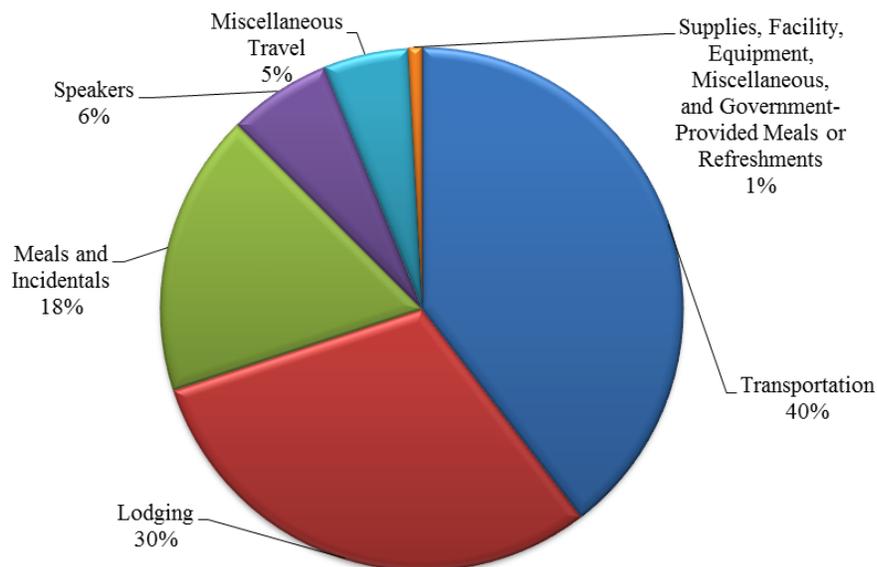
| Sponsoring Office                        | Number of Conferences | Attendees     | Total Costs        | Average Cost per Attendee |
|--|-----------------------|---------------|--------------------|---------------------------|
| Disability and Adjudication Review       | 30                    | 1,701         | \$2,567,236        | \$1,509                   |
| Budget, Finance, Quality, and Management | 3                     | 122           | \$130,412          | \$1,069                   |
| General Counsel                          | 1                     | 24            | \$21,647           | \$902                     |
| Operations                               | 4                     | 174           | \$143,326          | \$824                     |
| Quality Performance                      | 1                     | 59            | \$34,261           | \$581                     |
| Human Resources                          | 10                    | 8,895         | \$4,902,020        | \$551                     |
| <b>Totals</b>                            | <b>49</b>             | <b>10,975</b> | <b>\$7,798,902</b> | <b>\$711</b>              |

**Note:** The conferences varied in number of sessions and length of days held. See Table C-1 for information on conference sessions and duration for the five most expensive FY 2013 conferences.

**Source:** Conference names, number of attendees, and costs provided by SSA.

Travel-related expenditures accounted for about 93 percent of FY 2013 reported conference costs, while speakers made up about 6 percent (see Figure 2). Such expenses as supplies, facilities, equipment, miscellaneous, and meals provided by the Government accounted for less than 1 percent of costs.

**Figure 2: FY 2013 Costs Incurred on Reported Conferences of \$20,000 or More**

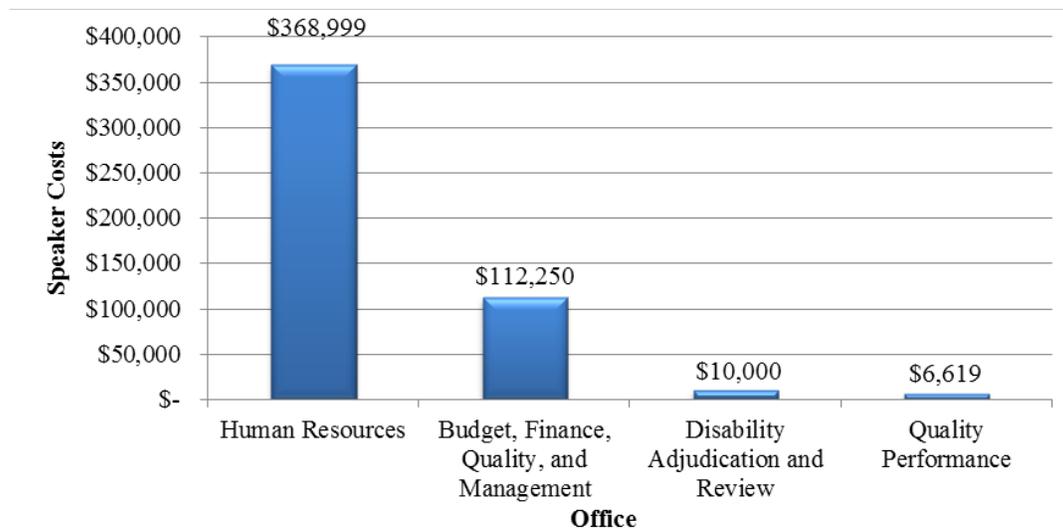


## Speaker Costs

SSA reported speaker costs for 10 of the 49 FY 2013 conferences for a total of about \$497,900 (see Figure 3). Speaker costs per conference ranged from about \$2,500 to approximately \$255,600,<sup>20</sup> with the highest amount related to speaker costs for an HR-sponsored *Transition to Leadership 401* conference. When we contacted HR staff for more about the *Transition to Leadership 401* speaker costs, they told us the Agency made about \$211,200 in payments to 11 vendors for training at 19 sessions.<sup>21</sup> The median cost-per-speaker for this conference was \$12,000. For instance, HR paid a contractor \$9,250 to train 34 new supervisors and managers at a Kansas City location over 3 days on topics related to basic leadership skills, such as communication, negotiation, diversity, teambuilding, problem solving, and performance management.

HR alone accounted for about 74 percent of conference speaker costs, followed by the Office of Budget, Finance, Quality, and Management with about 23 percent of costs. ODAR comprised 2 percent while the Office of Quality Performance<sup>22</sup> accounted for the remaining 1 percent of speaker costs.

**Figure 3: FY 2013 Conference Speaker Costs Reported by Component**



<sup>20</sup> Overall, the 10 conferences reporting speaker costs consisted of 38 separate conference sessions, with average speaker costs of \$11,900 per session (and median costs of about \$10,000 per session).

<sup>21</sup> HR staff stated some of the training did not occur as planned, leading to lower overall speaker costs in FY 2013. The *Transition to Leadership 401* conference costs were not in CPAS, which captures both planned and actual costs.

<sup>22</sup> In September 2013, the Commissioner realigned the organizations and functions that resided in the Office of Quality Performance to other SSA Deputy Commissioner organizations.

## *Training Delivery*

As we noted in our September 2010 report, the Agency had delivered training in a number of ways.<sup>23</sup> In FY 2013, such components as ODAR continued relying on face-to-face training with administrative law judges and other ODAR staff on crucial aspects of hearings and case processing.<sup>24</sup> While ODAR employed about 17 percent of all employees at the end of FY 2013, it represented about 33 percent of FY 2013 reported conference costs.

During this review, we observed Agency efforts to make conference content available online. For example, in FY 2014, OL was piloting video capabilities to deliver *Transition to Leadership 301* classes on employees' desktops using SSA's online Learning Management System. The pilot would reportedly last 1 year, after which OL would consider expanding the use of video based on the results of the pilot. OL staff stated that the \$400,000 budgeted for travel costs to attend these classes in person would likely not be used during the pilot. In another example, ODAR used its own equipment to videotape one of the *2013 Judicial Training* sessions to make the material available to staff who could not attend the conference, and ODAR management indicated they planned to require staff to view the recording. To the extent components make more lesson content available online, it is likely that SSA can reduce travel-related expenses.<sup>25</sup> Given current budget constraints, we encourage SSA to continue seeking ways to train employees virtually.

## CONCLUSION

The Agency generally complied with the reporting and notification provisions under the *Consolidated and Further Continuing Appropriations Act of 2013*. However, we found SSA did not use CPAS to track about 23 percent of FY 2013 reported conference costs, primarily because (1) the new conference reporting provisions were implemented mid-year and (2) the Agency did not require that all components use CPAS for conference approvals. Moreover, one conference held outside of federally owned space did not adequately retain documentation of its market research and availability of Federal space, which it was required to do under SSA's conference approval policy. We noted improvements in FY 2014 in terms of CPAS completeness and documentation. In terms of FY 2013 reported conferences exceeding \$20,000, SSA held 49 conferences for about 11,000 employees and incurred costs of approximately \$7.8 million.

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<sup>23</sup> SSA, OIG, *Congressional Response Report: Training Expenditures at the Social Security Administration*, (A-05-10-10118), September 30, 2010, page 15. We discussed various training options, including video conferences, in-person conferences, interactive video teletraining, video on demand, E-Learning, in-person classroom, and private vendors.

<sup>24</sup> ODAR sponsored 30 of 49 conferences in FY 2013 that exceeded \$20,000 or more. All of these conferences, but one, took place in federal locations across the country. Of the 29 FY 2013 conferences held in Federal space, ODAR held 12 at the Falls Church, Virginia, ODAR headquarters building; 5 at the St. Louis, Missouri, ODAR training center; 11 in other SSA offices; and 1 conference with 2 sessions in non-SSA Federal space.

<sup>25</sup> In commenting on our report, the Agency highlighted that ODAR has transitioned the Legal Assistant Training into a virtual training module, thus decreasing its training costs in FY 2014.

Finally, we observed Agency efforts to move some training classes from face-to-face to virtual training while also making face-to-face conference content available online to employees who could not attend.

## **RECOMMENDATIONS**

To improve controls over conference planning, we recommend SSA:

1. Remind conference planners of SSA policy to maintain well-documented market research and ensure its availability to justify the Agency's use of non-Federal facilities.
2. Remind conference planners to document written confirmation from OFSM, or regional counterparts in CMR, when Federal space was either unavailable or did not meet the needs of conference events.
3. Ensure that conference planners consider other Federal facilities besides SSA space and retain documentation of research results for the period required by SSA policy.

## **AGENCY COMMENTS**

SSA agreed with our recommendations. The Agency's comments are included in Appendix D.

# *APPENDICES*

## Appendix A – SCOPE AND METHODOLOGY

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To accomplish our objectives, we:

- Reviewed applicable laws and regulations, as well as Agency and other Federal policies and procedures, related to conferences and training.
- Reviewed prior Office of the Inspector General (OIG) reports related to conferences and training.
- Obtained information from the Offices of Retirement and Disability Policy and Operations on their reduced use of conferences in Fiscal Year (FY) 2013 from what they reported for a prior OIG report<sup>1</sup> for the period from October 2004 through November 2009.
- Met with Agency executives, managers, and staff in SSA's Offices of the Deputy Commissioners for Budget, Finance, Quality, and Management; Disability Adjudication and Review; and Human Resources.
- Obtained FY 2013 and 2014 Conference Proposal and Approval System (CPAS) data as well as reportable conference information maintained outside of CPAS.
- Compared the date on each CPAS notification with the date each related conference was held to ensure proposed conferences were timely reported to OIG.
- Reviewed the content and approvals related to FY 2013 conferences with costs exceeding \$20,000 to ensure they contain the required information and requisite level of approval.
- Selected a limited number of conferences with costs exceeding \$100,000 and conducted a detailed review of the costs and justifications provided to SSA managers compared to the final costs reported by the component(s) sponsoring the conference.
- Assessed trends related to FY 2013 conferences, including (1) types of conferences, (2) requesting components, (3) average cost per conference participant, and (4) use of non-SSA facilities and speakers.

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<sup>1</sup> Social Security Administration (SSA), OIG, *Congressional Response Report: Off-site Training Conferences*, (A-05-10-21035), May 26, 2010, page 4.

We conducted our audit from November 2013 through July 2014 in Chicago, Illinois. We relied on conference information provided by Agency management. Our review was limited in scope to compiling and analyzing conference data as supplied to us by Agency management. As such, we relied on the representations of Agency personnel indicating that the data reported to us were complete and accurate to the best of their awareness and ability. Accordingly, our work did not constitute an audit of such information. The principle entities audited were the Offices of the Deputy Commissioner for Budget, Finance, Quality, and Management; Disability Adjudication and Review; and Human Resources. 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 the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

## Appendix B – LEGISLATIVE AND POLICY TIMELINE

| Date         | Legislation or Agency Activity  |
|--------------|---|
| August 2009  | The Social Security Administration (SSA) established the Conference Planning Support staff in the Office of Financial Policy and Operations.  |
| August 2010  | SSA developed the Conference Proposal and Approval System (CPAS) to automate the review and approval process for conference proposals.  |
| May 2012     | The Office of Management and Budget (OMB) issued M-12-12, <i>Promoting Efficient Spending to Support Agency Operations</i> .  |
| July 2012    | OMB issued <i>Frequently Asked Questions</i> on M-12-12, which clarified that agencies should count local and training events as conferences if employee travel and reimbursement was involved.   |
| August 2012  | SSA senior staff issued a memorandum to expand the definition of a conference to include technical training events that involved employee travel. The memorandum also required that SSA components submit training events through CPAS. |
| January 2013 | SSA documented its policies and procedures in the Administrative Instructions Manual System (AIMS), Chapter 04.01 on <i>SSA-Sponsored Conferences/Meetings</i> .  |
| March 2013   | Congress enacted Public Law Number 113-6, <i>Consolidated and Further Continuing Appropriations Act of 2013</i> .   |
| June 2013    | CPAS access granted to Office of the Inspector General staff.   |
| August 2013  | SSA submitted a memorandum to the Inspector General on Fiscal Year 2013 conferences not reported in CPAS.   |
| January 2014 | SSA updated AIMS, Chapter 04.01 and posted data on Fiscal Year 2013 conferences to its Website.   |
| March 2014   | SSA submitted a conference report to the Inspector General on Fiscal Year 2013 conferences with costs of \$100,000 or more.   |

## Appendix C – FIVE MOST EXPENSIVE FISCAL YEAR 2013 SOCIAL SECURITY ADMINISTRATION- REPORTED CONFERENCES

The five most expensive Social Security Administration (SSA)-reported conferences in Fiscal Year (FY) 2013 represented 78 percent of attendees and 64 percent of conference expenditures (see Table C-1). Human Resources (HR) held the largest conference in FY 2013 to train managers on the provisions in a new multi-year employee contract.<sup>1</sup> Two additional HR conferences related to providing managers with leadership skills. The two Office of Disability Adjudication and Review (ODAR) conferences among the top five conferences involved technical training for administrative law judges (ALJ). The average cost per attendee varied widely, ranging from \$436 for an HR conference to \$5,864 to train new ALJs.<sup>2</sup>

**Table C-1: Characteristics of the Five Most Expensive Reported  
FY 2013 SSA-Sponsored Conferences**

| Conference Title (Sponsor)                                 | Number of Attendees | Number of Sessions | Duration | Actual Costs       | Average Cost per Attendee | Average Cost per Attendee per Day |
|--|---------------------|--------------------|----------|--------------------|---------------------------|-----------------------------------|
| Technical Training on the National Agreement Contract (HR) | 7,230               | 177                | 3 days   | \$3,149,471        | \$436                     | \$145                             |
| Transition to Leadership 401: Leading People (HR)          | 530                 | 19                 | 3 days   | \$687,730          | \$1,298                   | \$433                             |
| New Administrative Law Judge Training (ODAR)               | 71                  | 1                  | 19 days  | \$416,345          | \$5,864                   | \$309                             |
| Transition to Leadership 301: Nuts & Bolts (HR)            | 469                 | 17                 | 4 ½ days | \$375,174          | \$800                     | \$178                             |
| 2013 Judicial Training (ODAR) <sup>1</sup>                 | 299                 | 2                  | 4 days   | \$345,777          | \$1,156                   | \$289                             |
| <b>Totals</b>  | <b>8,599</b>        | <b>216</b>         |          | <b>\$4,974,497</b> | <b>\$579</b>              |                                   |

**Note 1:** The 2013 *Judicial Training* conference was the only conference held offsite in non-Federal space.

**Source:** Conference names, number of attendees and sessions, duration, and costs provided by SSA.

<sup>1</sup> SSA trained 7,230 Agency supervisors and managers on the content of the 2012 SSA/American Federal of Government Employees national labor agreement contract. SSA estimated that about 4,040 attendees had not received comprehensive training in this area since 2005.

<sup>2</sup> New ALJs received 4 weeks of in-person classroom training at the ODAR training facility in Falls Church, Virginia.

## Appendix D– AGENCY COMMENTS

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### SOCIAL SECURITY

#### MEMORANDUM

Date: October 24, 2014 Refer To: SIJ-3

To: Patrick P. O’Carroll, Jr.  
Inspector General

From: Katherine Thornton  
Deputy Chief of Staff

Subject: Office of the Inspector General Draft Report, “Social Security Administration Conference Expenditures in Fiscal Year 2013” (A-05-14-24070) --INFORMATION

Thank you for the opportunity to review the draft report. Please see our attached comments.

Please let me know if we can be of further assistance. You may direct staff inquiries to Gary S. Hatcher at (410) 965-0680.

Attachment

**COMMENTS ON THE OFFICE OF THE INSPECTOR GENERAL DRAFT REPORT,  
"SOCIAL SECURITY ADMINISTRATION CONFERENCE EXPENDITURES IN  
FISCAL YEAR 2013" (A-05-14-24070)**

**Recommendation 1**

Remind conference planners of SSA policy to maintain well-documented market research and ensure its availability to justify the Agency's use of non-Federal facilities.

**Comment**

We agree. We will continue to send periodic reminders. On June 5, 2014, we released our latest reminder to Conference Proposal and Approval System (CPAS) users. In addition, on June 12, 2014, the Assistant Deputy Commissioner for Budget, Finance, Quality, and Management released a similar reminder to all Deputy Commissioners and Assistant Deputy Commissioners.

**Recommendation 2**

Remind conference planners to document written confirmation from OFSM, or regional counterparts in CMR, when Federal space was either unavailable or did not meet the needs of conference events.

**Comment**

We agree. See our response to recommendation one.

**Recommendation 3**

Ensure that conference planners consider other Federal facilities besides SSA space and retain documentation of research results for the period required by SSA policy.

**Comment**

We agree. We send periodic reminders on conference policy for conference planners to consider other Federal facilities and retain documentation of research results. We will continue sending reminders. On June 5, 2014, we released our latest reminder to CPAS users. In addition, on June 12, 2014, the Assistant Deputy Commissioner for Budget, Finance, Quality, and Management released a similar reminder to all Deputy Commissioners and Assistant Deputy Commissioners.

## Appendix E – MAJOR CONTRIBUTORS

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