

U.S. Department of Labor

Office of Inspector General—Office of Audit

**REPORT TO THE OFFICE OF THE
CHIEF FINANCIAL OFFICER**



REVIEW OF DEPARTMENT OF LABOR CONFERENCE COSTS, APPROVALS, AND REPORTING

Date Issued:
Report Number:

March 31, 2015
17-15-002-13-001

BRIEFLY...

Highlights of Report Number 17-15-002-13-001, issued to the Acting Chief Financial Officer.

WHY READ THE REPORT

New federal requirements have added greater scrutiny of federally-sponsored and attended conferences. The Office of Management and Budget issued Memorandum M-12-12, Promoting Efficient Spending to Support Agency Operations, which requires federal agencies and employees to exercise discretion and judgment in ensuring conference expenses are appropriate, necessary, and managed in a manner that minimizes expense to taxpayers. In addition, Executive Order (EO) 13589, Promoting Efficient Spending, requires executive departments and agencies to act in a fiscally responsible manner by reducing costs at least 20 percent below Fiscal Year (FY) 2010 levels, in FY 2013.

WHY OIG CONDUCTED THE AUDIT

Because of scrutiny of federally-sponsored and attended conferences, we performed a review to answer the following questions:

Did the Department of Labor (DOL) establish adequate controls to ensure compliance with federal and DOL requirements for conference costs, approvals, and reporting?

Did DOL reduce the costs identified in EO 13589 by 20 percent in FY 2013?

READ THE FULL REPORT

To view the report, including the scope, methodology, and full agency response, go to: <http://www.oig.dol.gov/public/reports/oa/2015/17-15-002-13-001.pdf>.

March 2015

REVIEW OF DEPARTMENT OF LABOR CONFERENCE COSTS, APPROVALS, AND REPORTING

WHAT OIG FOUND

DOL established adequate controls to ensure its compliance with federal and DOL requirements for conference costs. However, we found one of the six FY 2013 DOL-sponsored conferences exceeding \$100,000 did not obtain the Deputy Secretary's approval in accordance with federal requirements. In addition, the DOL did not report five of these conferences on its website, and did not report two to the Office of Inspector General (OIG) as required. DOL also failed to report 10 of 16 conferences costing between \$20,000 and \$100,000 to OIG as required. In addition, to comply with EO 13589, the Office of the Chief Financial Officer (OCFO) reported DOL reduced costs by \$85.5 million in FY 2013, claiming to have exceeded its reduction target of \$61 million by \$24.5 million. However, DOL did not include the total FY 2010 costs for all the cost categories cited in EO 13589 in its reduction target; therefore, it could not ensure the reported amount accurately represented a 20 percent reduction in costs.

WHAT OIG RECOMMENDED

We made three recommendations to the Acting Chief Financial Officer to: (1) ensure all conferences, including training conferences, are approved and reported as required; (2) identify the total FY 2010 costs for each category identified in EO 13589 and determine if DOL achieved a 20 percent reduction in the combined costs, and (3) reemphasize to agency heads that as soon as they realize actual conference costs are going to exceed the approved amount by more than 10 percent they should reengage in the conference review and clearance process.

OCFO generally agreed with the recommendations. However, OCFO did not believe it would be a cost effective use of resources to identify the total FY 2010 costs for each category included in EO 13589 to determine if DOL achieved a 20 percent reduction in costs. OCFO's complete response is in Appendix C.

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U.S. Department of Labor

Office of Inspector General
Washington, D.C. 20210



March 31, 2015

Inspector General's Report

Karen Tekleberhan
Acting Chief Financial Officer
200 Constitution Avenue, NW
Washington, DC 20210

On September 21, 2011, the Office of Management and Budget (OMB) issued M-11-35, Eliminating Excess Conference Spending and Promoting Efficiency. OMB M-11-35 directed federal agencies and departments to conduct a thorough review of the policies and controls associated with conference-related activities and expenses to ensure they mitigate the risk of inappropriate conference spending practices. In addition, OMB issued M-12-12, Promoting Efficient Spending to Support Agency Operations, on May 11, 2012, which requires all conferences in excess of \$100,000 be approved by senior level officials to ensure no federal funds are used for unnecessary or inappropriate purposes, and all conference expenses in excess of \$100,000 to be reported in a dedicated place on a department's website.

The Consolidated and Further Continuing Appropriations Act, 2013 required departments to notify their respective Inspector General within 15 business days of a conference ending for which the cost to the United States Government was more than \$20,000 in Fiscal Year (FY) 2013, and required departments to submit a report to their Inspector General for each conference in which the cost to the United States Government was more than \$100,000 during FY 2013.

Finally, Executive Order (EO) 13589, Promoting Efficient Spending, signed on November 15, 2011, required each agency to establish a plan for reducing the combined costs associated with travel, printing, advisory services, and employee information technology (IT) devices by 20 percent below FY 2010 levels, in FY 2013.

The Department of Labor's (DOL) Office of the Chief Financial Officer (OCFO) is responsible for establishing policies and procedures to ensure conferences sponsored by DOL component agencies are appropriate, necessary, and managed in a manner that minimizes expense to taxpayers. OCFO was also responsible for developing DOL's plan to comply with EO 13589.

We conducted this review to answer the following questions:

- Did DOL establish adequate controls to ensure compliance with federal and DOL requirements for conference costs, approvals, and reporting?

- Did DOL reduce the costs identified in EO 13589 by 20 percent in FY 2013?

We found DOL established adequate controls to ensure compliance with federal and DOL requirements for conference costs; however, not all conferences were approved and reported as required. In addition, DOL could not demonstrate it reduced costs by 20 percent in FY 2013 in accordance with EO 13589.

Our review covered all six conferences exceeding \$100,000 that DOL sponsored during FY 2013, to identify if they met requirements for costs, approvals, and reporting, as well as conferences costing between \$20,000 and \$100,000 that DOL sponsored during the same period to determine if the conferences met requirements for reporting. We also reviewed expense reports from DOL's financial system to verify compliance with EO 13589. We conducted our review between January and September 2014, under the Quality Standards for Inspection and Evaluation issued January 2012 by the Council of the Inspectors General on Integrity and Efficiency. Our objectives, scope, methodology, and criteria are detailed in Appendix A.

RESULTS

Objective — Did DOL establish adequate controls to ensure compliance with federal and DOL requirements for conference costs, approvals, and reporting?

DOL established adequate controls to ensure its compliance with federal and DOL requirements for conference costs. However, we found one of the six FY 2013 DOL-sponsored conferences exceeding \$100,000 did not obtain the Deputy Secretary's approval in accordance with federal requirements. In addition, DOL was not always reporting conferences on its website or to the Office of Inspector General (OIG) in accordance with federal requirements. Of the 6 conferences exceeding \$100,000, OCFO did not report five on the DOL website and did not report two to OIG. OCFO also failed to report 10 of 16 conferences costing between \$20,000 and \$100,000 to OIG.

Conference costs complied with DOL guidance; however, conference approvals were not always obtained as required.

Our review of all 6 FY 2013 DOL-sponsored conferences exceeding \$100,000 determined that reported costs were in accordance with DOL guidance (see Table 1 – Conferences Exceeding \$100,000 Sponsored by DOL). However, one of the six conferences did not obtain the Deputy Secretary's approval in accordance with federal requirements.

Before DOL component agencies can sponsor a conference, agency heads are required to submit a conference request package to DOL's Conference Request Team.

The package must include:

1. a conference request template signed by the agency head;
2. a memorandum submitted by the agency head providing background information about the request; and
3. any relevant supporting documentation.

Table 1 – Conferences Exceeding \$100,000 Sponsored by DOL

Conference Name	Agency	Estimated Cost	Actual Cost	Difference	Date of Conference
2013 Managers' Conference	Employee Benefits Security Administration	\$172,994	\$161,226	(6.8%)	7/29/2013 – 8/2/2013
Basic Compliance Officer Training	Office of Federal Contract Compliance Programs	\$160,884	\$173,182	7.6%	2/12/2013 – 2/22/2013
Basic I Training	Wage and Hour	\$194,367	\$211,982	9.1%	1/28/2013 – 2/15/2013
Basic II Training	Wage and Hour	\$414,989	\$400,669	(3.5%)	2/25/2013 – 3/15/2013
Basic IA Training	Wage and Hour	\$130,629	\$121,874	(6.7%)	4/8/2013 – 4/26/2013
Basic II Training	Wage and Hour	\$225,091	\$237,740	5.6%	7/15/2013 – 8/2/2013
Total		\$1,298,954	\$1,306,673		

DOL's Conference Request Team includes members from OCFO, the Office of the Assistant Secretary for Administration and Management (OASAM), and the Office of the Solicitor. The Conference Request Team reviews submitted documentation to determine if a conference is necessary and includes only appropriate expenses. The Conference Request Team must approve a request in order for the component agency to move forward with its planning.

If estimated conference expenses are expected to be less than \$100,000, the Conference Request Team can approve it with no further review, but if a conference exceeds \$100,000, OCFO prepares a memo from the Chief Financial Officer (CFO) to the Deputy Secretary to recommend approval. In accordance with OMB M-12-12, the Deputy Secretary has final approval for all conferences exceeding \$100,000. OMB M-12-12 requires Deputy Secretaries (or their equivalents) to approve the spending for all proposed new conferences to be sponsored or hosted by their agency (or by other

federal or non-federal entities) where the net conference expenses by the agency will be in excess of \$100,000. Upon receipt of approval by DOL's Deputy Secretary, OCFO officials remind component agencies that if approved conference expenses increased 10 percent or more, the agency head must request approval of the additional costs via the conference review and clearance process.

We determined OCFO submitted five of the six conference packages to the then Deputy Secretary as required, and all five received approval. However, one conference — Wage and Hour's Basic II Training conducted from July 15 to August 2, 2013 — was not submitted to the then Deputy Secretary for approval. Although other similar Wage and Hour conference packages had been submitted to the then Deputy Secretary, the then CFO subsequently determined training conferences were exempt from this requirement. However, OMB M-12-12 does not exclude training conferences from the requirement to approve the spending for all proposed new conferences to be sponsored or hosted by an agency (or by other federal or non-federal entities) where the net conference expenses by the agency will be in excess of \$100,000. Our review of the conferences' final costs did not identify deviations exceeding 10 percent from the initially approved costs.

Subsequent issue noted – cost overrun.

Although the scope of our review was FY 2013 conference activity, it came to our attention that in FY 2014, the Wage and Hour Division conducted a conference that reported final costs at least 10 percent higher than the original cost estimate. According to OCFO, Wage and Hour officials did not seek approval for the increased costs as required. The approved cost of the conference was \$241,598; however, Wage and Hour officials reported to OCFO the final cost of the conference was \$380,382. The difference between the estimated and actual cost was \$138,784, an increase of 57 percent over the estimated conference costs. Wage and Hour officials should have requested approval for the higher costs, as soon as they realized actual costs were going to exceed the approved amount by more than 10 percent.

According to Wage and Hour officials, three factors caused the cost overage: (1) airfare costs exceeded the original estimates; (2) a significant number of travelers incurred an additional night of lodging in order to be present at the kick-off plenary; and (3) the agency added 10 new managers to the attendee list. OCFO officials stated they reminded Wage and Hour officials, through an email on April 16, 2014, of the requirement for the agency to reengage in the conference review and clearance process if it anticipates an increase in conference expenses of 10 percent or more.

OCFO did not always report conferences as required.

We found OCFO did not report five of the six agency conferences that exceeded \$100,000 on DOL's website as required. Additionally, OCFO did not timely report two of the six conferences exceeding \$100,000, and 10 of the 16 conferences costing between \$20,000 and \$100,000 to OIG as required.

OCFO did not report conferences on the DOL website.

OMB M-12-12, Promoting Efficient Spending to Support Agency Operations, requires all conference expenses in excess of \$100,000 to be reported in a dedicated place on an agency's website.

We checked DOL's website to determine if all six conferences were reported, but found only one — the Employee Benefits Security Administration's 2013 Managers' Conference. According to OCFO officials, the remaining five conferences were not reported on the website because they were considered training, which OCFO interpreted to be excluded from the reporting requirement. However, OMB M-12-12 does not exclude training conferences from the reporting requirement and specifically states that conferences include training activities. In addition, OMB M-12-12 states conference expenses, which would include training conferences, include all direct and indirect conference costs paid by the Government, whether paid directly by agencies or reimbursed by agencies to travelers or others associated with the conference. OCFO officials stated all conferences exceeding \$100,000 are now reported on the DOL website.

OCFO failed to report conferences exceeding \$100,000 to OIG.

The Consolidated and Further Continuing Appropriations Act, 2013, Section 3003, dated March 26, 2013, required a federal department to submit a report to its Inspector General regarding the purpose, number of participants, costs, and contracting procedures related to each conference for which the cost to the United States Government was more than \$100,000 during FY 2013.

We determined OCFO did not report two of the six conferences exceeding \$100,000 to OIG as required (see Table 2 – Conferences Exceeding \$100,000 Required to be Reported to OIG for details of the six conferences). Similar to the conferences not reported on DOL's website, OCFO officials stated the two conferences were not reported to OIG because they were also considered training, which OCFO interpreted to be excluded from the reporting requirement. However, the Consolidated and Further Continuing Appropriations Act, 2013 and OMB M-12-12 do not exclude training conferences from the reporting requirement and OCFO's own policy states conferences include training. OCFO officials stated all conferences exceeding \$100,000 have now been reported to OIG.

Table 2 – Conferences Exceeding \$100,000 Required to be Reported to OIG

Conference Name	Agency	Conference End Date	Date Reported to OIG
2013 Managers Conference	Employee Benefits Security Administration	08/02/2013	08/07/2013
Basic Compliance Officer Training	Office of Federal Contract Compliance Programs	02/22/2013	04/30/2013
Basic II Training	Wage and Hour	03/15/2013	04/30/2013
Basic I Training	Wage and Hour	02/15/2013	04/30/2013
Basic II Training	Wage and Hour	08/02/2013	Not Reported
Basic IA Training	Wage and Hour	04/26/2013	Not Reported

The Consolidated and Further Continuing Appropriations Act, 2013, Section 3003, also requires that within 15 business days of a conference ending for which the cost to the United States Government was more than \$20,000 in FY 2013, the Inspector General shall be notified of the date, location, and number of employees attending such conference. DOL sponsored 38 conferences during FY 2013 that cost more than \$20,000, 16 of which were subject to the reporting requirement.¹ Of these 16 conferences, we identified 10 that were not reported to OIG within 15 days of their completion (see Table 3 – Conferences Exceeding \$20,000 Not Timely Reported to OIG).

¹We excluded 22 conferences from review because they were completed prior to passage of the Consolidated and Further Continuing Appropriation Act, 2013, and therefore, were not required to meet the 15-day reporting requirement.

Table 3: Conferences Exceeding \$20,000 Not Timely Reported to OIG

Conference Name	Agency	Conference End Date	Date Reported To OIG	Number of Business Days Until Reported to OIG	Cost
Section 14(c)	Wage and Hour	04/05/13	05/16/13	29 days	\$77,841
National Indian And Native American Training	Employment and Training	05/02/13	05/30/13	19 days	\$65,167
Regional Directors and Managers Meeting	Employment and Training	09/25/13	11/18/13	36 days	\$62,137
Consumer Price Index – Commodity and Service	Bureau of Labor Statistics	05/02/13	06/24/13	36 Days	\$38,500
National Compensation Survey Phase 2 Training	Bureau of Labor Statistics	05/02/13	06/24/13	36 Days	\$38,200
Consumer Price Index – Commodity and Service	Bureau of Labor Statistics	05/23/13	06/24/13	21 Days	\$36,000
Occupational Requirements Survey Data Collection Regional Training	Bureau of Labor Statistics	04/19/13	06/24/13	45 Days	\$23,700
Basic II Training	Wage and Hour	08/02/13	Not Reported	N/A	\$225,091
Basic IA Training	Wage and Hour	4/26/2013	Not Reported	N/A	\$121,874
Consultation Training Conference	Office of Safety and Health	4/18/13	6/12/13	38 Days	\$77,560

OCFO officials stated the reason the four Bureau of Labor Statistics conference reports were submitted late to OIG was that BLS received a blanket approval for all four conferences and did not submit final conference costs to OCFO until all four were completed. This delayed OCFO's reporting of the individual conferences to OIG. In addition, OCFO officials stated the two Wage and Hour conferences that were not

reported to OIG were considered training, which OCFO interpreted to be excluded from the reporting requirement. OCFO officials acknowledged the late reporting of the remaining four conferences was an oversight. OCFO officials further stated they now send an email to component agencies after each conference is scheduled to be completed — even if it is part of a blanket approval — requiring them to provide final conference costs to OCFO. This will allow OCFO to monitor conference completion dates and ensure timely reporting to OIG. OCFO officials stated all conferences exceeding \$20,000 are now reported to OIG within 15 business days of a conference's ending.

Objective — Did DOL reduce the costs identified in Executive Order 13589 by 20 percent in FY 2013?

DOL could not demonstrate it reduced costs by 20 percent in FY 2013 in accordance with EO 13589, which required each agency to establish a plan for reducing the combined costs associated with travel, employee IT devices, printing, executive fleet efficiencies, and extraneous promotional items by not less than 20 percent below FY 2010 levels in FY 2013.

EO 13589, *Promoting Efficient Spending*, states:

Each agency shall establish a plan for reducing the combined costs associated with the activities covered by sections 3 through 7 of this order, as well as activities included in the Administrative Efficiency Initiative in the Fiscal Year 2012 Budget, by not less than 20 percent below Fiscal Year 2010 levels, in Fiscal Year 2013. Agency plans for meeting this target shall be submitted to the Office of Management and Budget (OMB) within 45 days of the date of this order. The OMB shall monitor implementation of these plans consistent with Executive Order 13576 of June 13, 2011 (Delivering an Efficient, Effective, and Accountable Government).

Sections 3 through 7 of EO 13589 comprise the following categories: travel, employee information technology devices, printing, executive fleet efficiencies, and extraneous promotional items.

OCFO submitted a plan to OMB that comprised seven cost categories: travel, printing, advisory services, supplies, employee IT devices, executive fleet efficiencies, and extraneous promotional items. However, the plan identified FY 2010 baseline costs for only four of those cost categories — travel, printing, advisory services, and supplies — which resulted in a 20 percent total reduction target of \$61 million. While the plan included IT devices, executive fleet efficiencies, and extraneous promotional items, it did not identify the FY 2010 baseline costs or include these in the reduction target. By including only certain categories, DOL could potentially manipulate its calculated cost reductions. Employee IT devices, executive fleet efficiencies, and extraneous

promotional items were required by EO 13589 to be included in the reduction target. As such, OCFO could not demonstrate the \$61 million reduction target was actually 20 percent below the FY 2010 levels for all cost categories as required by EO 13589. OCFO officials stated they should have done a better job in developing the plan.

In FY 2013, OCFO reported DOL reduced total costs in the above four categories by \$85.5 million, thereby exceeding its reduction target of \$61 million by \$24.5 million. We analyzed DOL's FY 2013 quarterly expense reports for the above four cost categories and confirmed DOL's \$85.5 million reduction was accurate. However, because DOL did not include the total FY 2010 costs for all the categories cited in EO 13589, it could not ensure the \$61 million target accurately represented a 20 percent reduction in accordance with EO 13589.

Recommendations

We recommend the Acting CFO:

1. Ensure all conferences, including training conferences, are approved and reported as required.
2. Identify the total FY 2010 costs for each category identified in EO 13589 and determine if DOL achieved a 20 percent reduction in the combined costs.
3. Reemphasize to agency heads that as soon as they realize actual conference costs are going to exceed the approved amount by more than 10 percent they should reengage in the conference review and clearance process.

OCFO Response

OCFO generally agreed with the report's recommendations and has planned to take actions to address them. OCFO stated DOL has reduced travel costs by nearly 40 percent below the FY 2010 level, which exceeds the 30 percent required by OMB M-12-12. OCFO further stated that since DOL's travel cuts were well above the mandated reductions, to further identify the combined costs would not be a prudent use of government funds. Additionally, DOL's spending for information technology devices does not reside in a separate object class, and would require a significant effort by OCFO to manually determine the amounts obligated for FY 2010 to comply with EO 13589.

OIG Conclusion

DOL is entrusted with public funds and it should strive to demonstrate that it complies with all federal guidance to reduce costs to the government. While OMB M-12-12 required additional reductions in DOL's overall travel costs, it did not alleviate the DOL's responsibility to comply with EO 13589 and demonstrate that it had reduced the combined costs associated with travel, employee IT devices, printing, executive fleet

efficiencies, and extraneous promotional items by not less than 20 percent below FY 2010 levels in FY 2013.

We appreciate the cooperation and courtesies OCFO personnel extended to the Office of Inspector General during this review. OIG personnel who made major contributions to this report are listed in Appendix D.



Elliot P. Lewis
Assistant Inspector General
for Audit

Appendices

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Appendix A**Objectives, Scope, Methodology, and Criteria**

Objectives

1. Did DOL establish adequate controls to ensure compliance with federal and DOL requirements for conference costs, approvals, and reporting?
2. Did DOL reduce the costs identified in EO 13589 by 20 percent in FY 2013?

Scope

Our review covered all six conferences exceeding \$100,000, as well as 31 conferences between \$20,000 and \$100,000 that DOL sponsored during FY 2013. We conducted our work at the Frances Perkins Building in Washington, DC, during the period January to September 2014, under the Quality Standards for Inspection and Evaluation issued January 2012 by the Council of the Inspectors General on Integrity and Efficiency.

Methodology

We reviewed all 6 conferences exceeding \$100,000 sponsored by DOL during FY 2013 to determine if they met requirements for costs, approvals, and reporting. In addition, we reviewed the 31 DOL-sponsored conferences during FY 2013 costing between \$20,000 and \$100,000 to determine if they met requirements for reporting. We interviewed OCFO officials to gain an understanding of DOL's controls to ensure compliance with EO 13589. We reviewed conference documentation submitted by component agencies to OCFO to determine compliance with federal and DOL requirements, and reviewed expense reports from DOL's financial system to verify its compliance with EO 13589. In addition, we interviewed staff from OCFO to obtain and verify information collected and our analysis conducted for all conferences reviewed.

Criteria

1. EO 13589, Promoting Efficient Spending, November 9, 2011
2. OMB M-11-35, Eliminating Excess Conference Spending and Promoting Efficiency in Government , September 21, 2011
4. OMB M-12-12, Promoting Efficient Spending to Support Agency Operations, May 11, 2012
5. Consolidated and Further Continuing Appropriations Act, 2013, March 26, 2013
6. DOL Standardized Procedures for the Clearance of Conferences, February 17, 2012

7. DOL Conference Planning and Review Policy, February 17, 2012

Appendix B

Acronyms and Abbreviations

CFO	Chief Financial Officer
Department	Department of Labor
DOL	Department of Labor
EO	Executive Order
FY	Fiscal Year
IT	Information Technology
OASAM	Office of the Assistant Secretary for Administration and Management
OCFO	Office of the Chief Financial Officer
OIG	Office of Inspector General
OMB	Office of Management and Budget

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OCFO Response to Draft Report


U.S. Department of Labor

Office of the Chief Financial Officer
Washington, D.C. 20210



March 30, 2015

MEMORANDUM FOR: ELLIOT P. LEWIS
Assistant Inspector General
for Audit

FROM: 
KAREN TEKLEBERHAN
Acting Chief Financial Officer
for the Office of the Chief Financial Officer

SUBJECT: Response to the Office of the Inspector General's "Review of Department of Labor Conference Costs, Approval and Reporting", Report 17-15-002-13-001

The Office of the Chief Financial Officer would like to thank the OIG for the opportunity to respond to the *Review of Department of Labor Conference Costs, Approval and Reporting* report. The responses to the OIG's recommendations are included below:

OIG Recommendations:

1. **Ensure that all conferences, including training conferences, are approved and reported as required.**

Management Response: The Department is strongly committed to ensuring that all requirements imposed by OMB and Congress are met. The five conferences that exceeded \$100,000 were not reported on the Department's website due to OCFO believing those trainings qualified as a "bona fide training" exception to the reporting requirement. In addition, two of the 10 conferences were not reported to OIG for the same reason. Regarding the remaining conferences, OCFO has and continues to work with agencies to ensure timely submissions to the OIG. Additionally, the scope of the exception has been clarified with the OIG, and OCFO will continue to report all training conducted in conference settings in the future.

2. **Identify the total FY 2010 costs for each category identified in EO 13589 and determine if the Department achieved a 20 percent reduction in the combined costs.**

Management Response: OMB M-12-12 compliance requires maintaining travel spending at 30% below the FY 2010 level, with the exception of mission critical travel. DOL's FY 2010 net obligation for travel was \$73.8 million. The net obligation for travel in FY2013 was \$44.7 million. The reduction is nearly 40%.

Given that the travel cuts are well above the mandated reductions, to further identify the combined costs would not be a prudent use of government funds. Spending for IT devices does not reside in a separate object class, and would require a significant effort by OCFO to manually determine the amounts obligated for FY 2010. Fleet vehicle and SWAG costs are already included in the travel and supply amounts.

3. **Reemphasize to agency heads that as soon as they realize actual conference costs are going to exceed the approved amount by more than 10 percent they should reengage in the conference review and clearance process.**

Management Response: OCFO will continue to remind agency heads at department meetings that as soon as they realize actual conference costs are going to exceed the approved amount by more than 10 percent they reengage in the conference review and clearance process. In addition, OCFO will continue to inform agencies of the need to reengage in the conference review and clearance process if the costs exceed the 10% threshold via the clearance email to the agency.

Appendix D

Acknowledgements

Key contributors to this report were Tracy Katz, Zaunder Saucer, Grover Fowler, and Jesse Blatz.

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