Grassley Presses for Additional Information on Conference Expenditures Review

WASHINGTON – Senator Chuck Grassley today asked Jacob Lew, the Director of the Office of Management and Budget, to provide further information about his review of conference expenditures throughout the federal government.

The government-wide review comes on the heels of an audit report released by the Department of Justice's Inspector General that revealed the department paid $600,000 for event planners, in addition to paying an average of $32 for snack packs and $16 for muffins at conferences held at venues across the country. The report also showed a 53 percent increase in conference expenditures at the Justice Department from 2008 to 2009.

The audit included information about conferences held at four-star hotels. When questioned about the high-priced hotel by the Inspector General, the response from the Justice Department was that a four-star hotel was chosen because, "Only a four or five star hotel was capable of providing the level and quality of services expected by senior executives and other political appointees."

"No economy can rationalize a 53 percent increase in conference expenditures between 2008 and 2009, let alone an economy that is facing 9 percent unemployment and stagnant job growth," Grassley said. "Whether it's $16 for muffins or $600,000 for event planners, these are expenditures that can and should be looked at for cost savings measures.

The Inspector General's office has stated publicly that it stands by the report.

Here is a copy of the text of Grassley's letter to Lew. A signed copy can be found here .

September 26, 2011

VIA ELECTRONIC TRANSMISSION

The Honorable Jacob J. Lew

Director

Office of Management and Budget

Eisenhower Executive Office Building

1650 Pennsylvania Avenue, NW

Washington, DC 20503

Dear Mr. Lew:

I am pleased to hear that you are directing a government-wide review of how taxpayer dollars are spent on conferences in response to a report that the Department of Justice (DOJ) paid $16.00 per muffin at a recent conference. The Office of the Inspector General (OIG) is standing by its report despite arguments by some that it may have miscalculated the figure in its investigation of conference expenditures.

If the OIG made errors in its report, I hope that it will step forward and correct the record. Nevertheless, I would note that even by Hilton's own accounting, DOJ spent $4,200 on 250 muffins, 200 pieces of fruit, 15 gallons of coffee, and 30 gallons of iced tea. That amounts to $16 for only one muffin, less than one piece of fruit, 8 ounces of coffee, and 15 ounces of iced tea. By anyone's account, that's excessive spending. Additionally, while a DOJ spokesperson has suggested that the package included the cost of meeting space, the OIG report itself made clear that DOJ had negotiated with the hotel to provide that particular meeting space without charge as part of a larger agreement on other conference expenses.

The more important story from the OIG's report is that DOJ increased total conference expenditures by 53% from $47.8 million in 2008 to $73.3 million in 2009. That's a $25.5 million increase in the first year of the Obama administration. As I have been saying, this kind of spending is unacceptable given the economic realities most Americans are facing right now.

Please explain why the cost of conference expenditures increased so dramatically at DOJ in 2009. I also have additional questions about your September 21 memorandum to executive

department and agency heads. Is it intended that each agency's OIG be involved? Will the findings of these inquiries be made public, in addition to being compiled for the Vice President? I understand that each agency is to respond back to you by November 1, and I look forward to hearing their reports.

Thank you in advance for ensuring that your response arrives no later than October 3. Should you have any questions regarding this letter, please contact Tristan Leavitt of my staff at (202) 224-5225
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Sincerely,

Charles E. Grassley

Ranking Member

cc: The Honorable Eric H. Holder, Jr.

Attorney General

U.S. Department of Justice

Ms. Cynthia A. Schnedar

Acting Inspector General

U.S. Department of Justice