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United States Government Accountability Office  
Washington, DC 20548

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June 10, 2010

Congressional Requesters

Subject: *Selected Federal Agencies' Policies for Choosing Conference Locations*

Press accounts in 2009 indicated that some federal agencies had issued directives to their staff discouraging them from choosing certain locations for conferences. This was because of the perception by some that the locations were resort areas and would not be the best use of taxpayers' money. Noting that government travel for meetings, conferences, and seminars is an important source of economic activity for many communities throughout the United States, you asked us to review agencies' policies for selecting conference locations, in view of these concerns. This report transmits the results of our work which are contained in Enclosure I.

## Summary

Conference planning at the 10 departments and 2 agencies<sup>1</sup> we reviewed is a decentralized activity that is typically performed at the bureau or component level, below the agencywide level. Budgetary considerations largely influence the agencies' conference location selections. For example, officials from most of the agencies we reviewed explained that after identifying locations that meet the requirements of a particular conference, such as the capacity for large numbers of attendees, the comparative cost of locations was the key criterion used for selecting a conference location. Eight of the 12 agencies that we reviewed had developed agencywide policies for conference planning; these policies were consistent with the governmentwide policy on conference planning in the Federal Travel Regulation (FTR),<sup>2</sup> and specified that conference locations be selected on the basis of cost-effectiveness. The other 4 agencies either allowed bureaus and components to develop their own policies, were in the process of developing agencywide policies, or conducted agency level review and approval of conferences that were proposed at the bureau or component level. While cost-effectiveness is the principal criterion and the selection of resort locations is not prohibited among the agencywide policies we reviewed, three agencies had policies that mentioned resort locations. The Department of Agriculture (USDA) policies currently state that the selection of resort locations for conferences and meetings is discouraged and should be minimized.

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<sup>1</sup>For the purposes of this review, we will refer to these federal departments and agencies as "federal agencies."

<sup>2</sup>41 C.F.R. Part 301-74.

USDA officials said they are in the process of revising their regulations to clarify and strengthen conference and training location selection. Similarly, the Department of Health and Human Services policies state that meeting sponsors should not hold meetings at resort areas unless that area is the location best suited for the purpose of the meeting in terms of program needs and cost factors. The Department of Justice (DOJ) policies require additional justification for conferences and meetings held in resort locations. DOJ officials said that, consistent with FTR and DOJ policies, they will continue to follow this policy to ensure that conference locations provide the best value for the government. One of the 12 agencies we reviewed, the Department of Veterans Affairs (VA), reported moving a conference from a resort area to another location in 2009 to avoid potential negative perceptions associated with holding a government conference in a resort location. However, VA officials said managers recognize that resort locations may, in some cases, offer more cost-effective alternatives to other locations and rely on cost comparisons to determine conference locations.

### **Scope and Methodology**

We reviewed available agencywide conference planning policies and interviewed officials from the 10 largest cabinet-level departments in terms of employees, and two agencies—the General Services Administration and the Social Security Administration. The 10 largest cabinet level agencies include the departments of Agriculture, Commerce, Defense, Health and Human Services, Homeland Security, Interior, Justice, Transportation, Treasury, and Veterans Affairs. We selected the Social Security Administration because it is the largest independent agency in terms of employees and we selected the General Services Administration because it promulgates the FTR, the governmentwide travel policy. We analyzed the extent to which the agencywide conference planning policies of the 8 agencies that had such policies were consistent with the FTR.

We contacted the Inspectors General from the agencies to identify any work they had done relating to conference planning, and we contacted GAO's FraudNet and determined that no complaints had been filed relating to this issue. We also identified the Interagency Travel Management Committee as the only governmentwide group knowledgeable about agency travel policies. We administered a questionnaire to the 175 federal travel managers associated with this group as part of our effort to determine if unwritten, informal directives or guidance relating to the choice of location had been issued to agency conference planners. All of the 22 travel managers who responded to our questionnaire indicated that they were not aware of any unwritten, informal directives or guidance relating to the choice of conference locations at their agency.<sup>3</sup>

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<sup>3</sup>Because of a low response rate (13 percent), we could not use the results of the questionnaire to characterize the extent to which the travel managers had received unwritten rules or directives that applied to conference location planning.

We considered, but did not conduct, case studies of individual conferences because the only practical methodology of selecting conferences would not have enabled generalizable results.

We conducted this performance audit from August 2009 to May 2010, in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

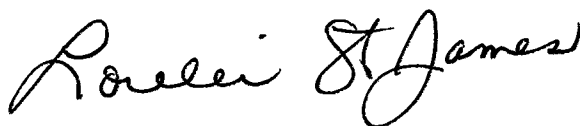
### **Agency Comments**

We provided a draft of this report to the 12 agencies we analyzed for their review and comment. Ten agencies notified us that they did not have any comments on our report. One agency, the Department of Veterans Affairs, provided written comments that are reproduced in Enclosure II. The Department of Veterans Affairs did not agree or disagree with our report but noted that, in some cases, cost analysis may show that a resort location can offer a better value than other locations for conferences. One agency, the Department of Defense, did not provide us with comments in time for the issuance of this report.

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We are sending copies of this report to the heads of the 12 agencies we reviewed and other interested congressional committees. In addition, this report will be available at no charge on GAO's Web site at <http://www.gao.gov>.

If you or your staff has any questions concerning our results, please contact me at (214) 777-5719 or [stjamesl@gao.gov](mailto:stjamesl@gao.gov). Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. Principal contributors to this project were Maria D. Edelstein, Assistant Director; Lindsay M. Bach; Lisa G. Shibata; H. Brandon Haller; Colin Fallon; and Kathleen A. Gilhooly.



Lorelei St. James  
Acting Director  
Physical Infrastructure

Enclosures – 2

*List of Requesters*

The Honorable John L. Mica  
Ranking Member  
Committee on Transportation and Infrastructure  
House of Representatives

The Honorable Shelley Berkley  
House of Representatives

The Honorable Corrine Brown  
House of Representatives

The Honorable Lincoln Diaz-Balart  
House of Representatives

The Honorable Alan Grayson  
House of Representatives

The Honorable Dean Heller  
House of Representatives

The Honorable Suzanne Kosmas  
House of Representatives

The Honorable Bill Posey  
House of Representatives

The Honorable Dina Titus  
House of Representatives



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**Briefing to Staff  
for the House Committee on Transportation and Infrastructure  
and Others  
May 2010**

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**Selected Federal Agencies' Policies  
for Choosing Conference Locations**

- Federal departments and agencies<sup>1</sup> convene conferences and meetings in various locations to share information and further their missions.
- Government travel for meetings, conferences, and seminars is an important source of economic activity for many communities throughout the United States.
- Press accounts in 2009 indicated that some federal agencies issued directives discouraging certain locations for conferences because of a perception by some that they were resort areas and would not be the best use of taxpayers' money.
- This briefing addresses how select federal agencies plan conferences and, in particular, select sites for them.

<sup>1</sup>For the purposes of this review, we will refer to federal departments and agencies as "federal agencies."

- Federal conferences and meetings are governed by the Federal Travel Regulation (FTR).<sup>2</sup>
- The FTR requires agencies to use a cost-effective approach when planning conferences. For example, the FTR requires agencies to minimize all conference costs by:
  - conducting cost comparisons of the size, scope, and location of conferences;
  - considering alternatives to conferences such as teleconferencing; and
  - maximizing the use of government-owned or government-provided conference facilities.
- The FTR also requires federal agencies to develop internal policies that ensure FTR standards are met, but does not specify at what level these should be developed: the agencywide level or below the agencywide level by internal bureaus or other components.

<sup>2</sup>41 C.F.R. Part 301-74 Conference Planning.

- The FTR also requires agencies to consider all direct and indirect costs, such as the:
  - per diem expenses of the federal employees attending the conference, including:
    - lodging costs and
    - travel costs;
  - cost of rooms and equipment for official business; and
  - cost of employees' time at the conference and en route travel.
- When planning a conference, the goal, according to the FTR, is to select a location that ensures conference expenditures result in the greatest cost advantage to the government while also satisfying mission needs for the conference.



- According to officials at the agencies we reviewed:<sup>3</sup>
  - Conference planning is a highly decentralized activity that is typically performed at the bureau or component level, below the agencywide level.
  - Conference location selection is largely driven by budgetary considerations.
    - After identifying locations that meet the requirements of a particular conference, such as the capacity for large numbers of attendees, officials from most of the agencies we reviewed said the comparative cost of locations, as part of the overall cost of the conference, was the key criterion for selecting conference locations.

<sup>3</sup> We conducted our review at the 10 largest cabinet-level agencies, the General Services Administration, and the Social Security Administration. See slide 9 for a list of these agencies.

- In our review of the agencies' policies, we found that:
  - Although the FTR does not require federal agencies to develop agencywide policies, 8 of the 12 agencies had developed such policies for conference planning.
  - The other 4 agencies either allowed bureaus and components to develop their own policies, were in the process of developing agencywide policies, or conducted agency level review and approval of conferences that were proposed at the bureau or component level.
  - For the 8 agencies with agencywide policies, we found that their policies were consistent with the FTR by specifying that conference locations are to be selected on the basis of cost-effectiveness.

- While cost-effectiveness is the principal criterion and the selection of resort locations is not prohibited,
  - USDA policies currently state that the selection of resort locations for conferences and meetings is discouraged and should be minimized. USDA officials said they are in the process of revising their regulations to clarify and strengthen conference and training location selection.
  - HHS policies state that meeting sponsors should not hold meetings at resort areas unless that area is the location best suited for the purpose of the meeting in terms of program needs and cost factors.
  - DOJ policies require additional justification for conferences and meetings held in resort locations. DOJ officials said that, consistent with FTR and DOJ policies, they will continue to follow this policy to ensure that conference locations provide the best value for the government.

- Only one of the 12 agencies we contacted, the Department of Veterans Affairs (VA), reported moving a conference from a resort location to another location to avoid potential negative perceptions associated with holding government conferences in resort locations.
  - VA officials said the specific conference was moved from Las Vegas to Indianapolis in 2009.
  - However, VA officials said managers recognize that resort locations may, in some cases, offer more cost-effective alternatives to other locations and rely on cost comparisons to determine conference locations.

- To conduct our review, we reviewed available agencywide conference planning policies and interviewed officials from the 10 largest cabinet-level departments in terms of employees, and two agencies—the General Services Administration and the Social Security Administration.
  - The 10 largest cabinet-level departments were: Agriculture, Commerce, Defense, Health and Human Services, Homeland Security, Interior, Justice, Transportation, Treasury, and Veterans Affairs. We selected the Social Security Administration because it is the largest independent agency and the General Services Administration because it is responsible for promulgating the Federal Travel Regulation.
- We analyzed the extent to which the agencywide conference planning policies of the 8 agencies that had such policies were consistent with the FTR.

- We also identified the Interagency Travel Management Committee as the only governmentwide group knowledgeable about agency travel policies.
  - We administered a questionnaire to the 175 federal travel managers associated with this group as part of our effort to determine if unwritten, informal directives or guidance relating to the choice of location had been issued to agency conference planners.
  - All of the 22 travel managers who responded to our questionnaire indicated that they were not aware of any unwritten, informal directives or guidance relating to the choice of conference locations at their agency.<sup>4</sup>

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<sup>4</sup>Because the response rate was so low (13 percent), we could not use the results to characterize the extent to which travel managers had received unwritten rules or directives that applied to conference location planning.

- We contacted the Inspector General from the agencies to identify any work they had done relating to conference planning.
- We contacted GAO's FraudNet and determined that no complaints had been filed relating to this issue.
- We considered, but did not conduct, case studies of individual conferences because the only practical methodology of selecting conferences would not have enabled generalizable results.
- We conducted this performance audit from August 2009 to May 2010, in accordance with generally accepted government auditing standards.

Enclosure 2



Department of Veterans Affairs  
Office of the Secretary

May 21, 2010


Ms. Lorelei St. James  
Acting Director  
Physical Infrastructure  
U.S. Government Accountability Office  
441 G Street, NW  
Washington, DC 20548

Dear Ms. St. James:

The Department of Veterans Affairs (VA) has reviewed the Government Accountability Office's (GAO) draft report, ***Selected Federal Agencies' Policies for Choosing Conference Locations (GAO-10-677R)***.

The enclosure provides a comment to the draft report. VA appreciates the opportunity to comment on your draft report.

Sincerely,

  
John R. Gingrich  
Chief of Staff

Enclosure



Enclosure

Department of Veterans Affairs (VA) Comments to  
Government Accountability Office (GAO) Statement of Facts  
***Federal Conference Locations***  
(Job Code 542164)

**VA Comment:**

VA relies on cost comparisons to determine conference locations and select locations based on a number of cost effectiveness factors such as travel costs/airfare, room rates, facility fees, off season pricing, etc. VA managers also realize that in some cases analysis of these factors may show that a resort location is a better value.

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