

089909

B-169163
7-8-70



RESTRICTED — Not to be released outside the General Accounting Office except on the basis of specific approval by the Office of Legislative Liaison; a record of which is kept by the Distribution Section, Publications Branch, OAS
GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

B-169163

Small Business Administration

July 8, 1970

RELEASED



LM089909

Dear Mr. Chairman:

By letter dated June 15, 1970, you requested that we develop certain information concerning a Small Business Administration (SBA) regional conference held in Chicago, Illinois, from May 31 through June 3, 1970. As discussed with Messrs. Bryan Jacques, Charles O'Conner, and Henry Robinson of the Committee staff in a meeting on June 12, 1970, we inquired into arrangements for hotel rooms and expenditures of public funds for various services and equipment in connection with the conference activities.

An official of the Holiday Inn of Chicago (Downtown), 1 South Halstead Street, Chicago, Illinois 60606, advised us that the SBA Administrator had been provided a one-bedroom suite free of charge at the hotel for 3 nights. He added that it was a normal practice of the hotel to provide a free suite to the head of any group occupying 20 or more rooms. He advised us also that the attendees at the conference who stayed at the hotel were charged \$15 a day for their rooms instead of the usual \$16-a-day rate. According to Holiday Inn records, a total of 116 individuals attended the conference and 99 of these spent one or more nights at the hotel.

The hotel also billed SBA \$815.08 for the following items:

Catering of five coffee breaks from June 1 through June 3, 1970	\$316.25
Use of conference room from June 1 through June 3, 1970	474.45
Use of hotel room for office space on May 31, 1970	<u>24.38</u>
	<u>\$815.08</u>

Copies of the statements and some of the supporting invoices for these services are enclosed.

As the Committee staff requested, we inquired from five other hotels in Chicago whether they had been contacted by SBA about providing facilities for the conference. Representatives of the Marriott Motor Hotel, the Pick-Congress Hotel, the Water Tower Hyatt House, the Hotel Bismark, and the

914756
089909

B-169163

Ramada Inn told us that to their knowledge SBA representatives had not contacted their hotels concerning the use of their conference facilities. An official of the Holiday Inn of Chicago (Downtown) advised us that the SBA Washington headquarters office had made the reservations for the Chicago conference and for conferences in four or five other cities through the Holiday Inn's central office in Memphis, Tennessee.

Concerning other expenditures incurred by SBA in connection with the conference, we obtained--from the companies which the Committee staff had identified--the enclosed copies of invoices for conference expenditures totaling \$1,787 as follows:

Midwest Visual Equipment Company	
Rental of slide projector, overhead projector and screen	\$ 89.00
Pinkerton's Inc.	
59 hours of guard service	295.00
Mid-City Typewriter Exchange	
Rental of electric typewriter and jumbo typewriter	23.00
Service Master Communications Systems, Inc. (I. J. Kayle & Associates, Inc.) Rental, installation, operation, and removal of sound reinforcement system with audio recording facilities	<u>1,380.00</u>
	<u>\$1,787.00</u>

We also noted that SBA chartered a bus from the Continental Air Transport Company for \$45 to transport personnel attending the conference from the hotel to the various airlines at O'Hare Field. A copy of the invoice for this service is also enclosed.

As of June 23, 1970, the invoices and supporting documents had not been processed through SBA's fiscal office in Denver, Colorado. Accordingly, as of that date, the particular appropriation to be charged for the conference expenditures could not be identified.

Our review of Avis Rent A Car System, Inc., records at O'Hare Field, as requested by the Committee staff, did not reveal any rentals by the Administrator or the officials who made arrangements for the conference.


B-169163

As agreed with the Committee staff, we limited our review to determining arrangements made with the hotel for hotel rooms, conference rooms, and catering services and to obtaining verification that certain expenditures were incurred in connection with the conference. We did not examine into the appropriateness of such arrangements or expenditures.

We plan to make no further distribution of this report unless copies are specifically requested, and then we shall make distribution only after your agreement has been obtained or public announcement has been made by you concerning the contents of this report.

We trust that the above information and the enclosures will serve the purpose of your request. Members of my staff will be available to discuss these matters with you further if you desire.

Sincerely yours,


Assistant Comptroller General
of the United States

Enclosures - 16

The Honorable Joe L. Evins
Chairman
Select Committee on Small Business
House of Representatives