

November 1, 2011

Mr. Danny Werfel
Office of Management and Budget
725 17th Street, NW, Room 6025
Washington, DC 20503

Dear Mr. Werfel:

In response to OMB Memorandum (M-11-35) of September 21, 2011, "Eliminating Excess Conference Spending and Promoting Efficiency in Government," I am providing you the results of the U.S. Nuclear Regulatory Commission's (NRC) review of policies and controls on conference-related activities and expenses.

Based on a review of internal policies and controls associated with conference related activities and events, the NRC Executive Director for Operations has concluded that sufficient controls are in place. We will, however, issue a reminder of existing policies to improve awareness and reinforce existing controls. As part of this reminder, a checklist of questions will be provided to NRC offices to facilitate staff compliance. The agency will also strengthen its oversight by implementing additional review levels for conferences and meetings that include food/beverages or overnight lodging.

The NRC conducted an analysis of expenditures for fiscal years 2008–2010 that indicated that the NRC spent \$5.2 million on conferences, meetings, and related services. This amount equates to approximately one-tenth percent of the NRC budget for these years. Attendance at NRC-sponsored conferences and meetings varied widely, with the largest conference numbering over 3,000 staff, public and international attendees.

The NRC also reviewed a sample of contract awards, purchase orders, and purchase card transactions from the last 15 months. This review showed that about one-third of the conferences and meetings were public meetings, conducted to execute the agency's public health, safety, and security mission in the regulation of nuclear power and materials. About one-fourth of the agency's meetings consisted of training and workshops for agency staff, where agency facilities were not available or of sufficient size to accommodate the participants. About one-fifth of the agency's meetings were for management retreats, awards ceremonies, and all-hands meetings where agency space was insufficient.

The review results also indicated that appropriated funds were used to purchase food in limited situations, such as awards ceremonies or where necessary to achieve the objectives of a valid training program, as allowed by statute. In several instances, the review indicated that beverage service was included as part of an all-inclusive, non-negotiable part of the facility rental fee. The review also identified isolated instances involving purchases of conference packages in which small quantities of food and beverage services were included, but for which detailed information was not available. We do not believe these purchases were improper. For the vast majority of conferences and meetings, no food or beverage services were provided. As

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part of this review, the NRC also reviewed its policies and controls relating to NRC staff attendance at non-NRC sponsored conferences and events, and no issues or concerns were identified.

Lastly, the results of this review identified that commercially-acquired event planners were used only in extremely limited situations, where the scope and scale of the conference required such expertise. The review did not identify any inappropriate or unusual spending related to event planning.

Should you have questions, please contact Mr. Milton Brown, Deputy Chief Financial Officer at (301) 415-7322.

Sincerely,

/RA/

J. E. Dyer
Chief Financial Officer

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