

Boyer, Rachel

From: Dyer, Jim CFO
Sent: Friday, September 30, 2011 8:20 AM
To: Greene, Kathryn; Ash, Darren
Cc: Stewart, Sharon; Schoenmann, Sandra; Ronewicz, Lynn; Brown, Milton; Corley, Cherrie; Holley, David
Subject: RE: discussion with Jim Dyer on OMB approach to control conference costs

Kathryn-Good Summary of our discussions. One clarification regarding OMB establishing common scope and requirements for the Conference Controls is that I'm not seeing other agency inputs, but we did discuss it at the CFOC meeting. The key discussion points at the meeting were:

- As background this OIG report came our hours after the Vice President held a press briefing on how the administration was working to eliminate waste and conference expenses were part of the areas of focus for the administration. Our FY 2012 passback has specific expectations regarding our curbing of these expenses associated with a \$3M reduction in corporate support.
- OMB expectation that effective immediately, Deputy Security Equivalents (EDO) will be reviewing and approving agency conference expenditures and that this will continue until the EDO certifies that agency internal controls are adequate to OMB. They don't want any more "muffin-gates".
- What should be considered an agency conference? DOJ threshold is any meeting sponsored by DOJ or a grantee that costs more than \$20K. Some agencies try to tie it to the name used for the conference---Training Session isn't a conference, but workshops are---OMB wasn't buying this definition. Other agencies included any meeting where the agency logo is used to advertise it. Other agencies included conferences where a significant number of agency employees participate or employee costs would exceed \$20K. These thresholds would include major training/info exchange conferences such as ANS, AGA, ASME conferences. I think this would be problematic.
- There were discussions about different thresholds for conference locations; anything at a resort or international may get greater scrutiny. I think this would be problematic.
- All CFOs were encouraged to read the DOJ OIG report that caused all the public outrage. It gives a clue as to the expectations for internal control considerations and provides background about how information can be distilled to get headlines. My quick scan of the executive summary indicates OIG use of a ratio of refreshment expenses/per diem rates for what is a reasonable cost...that's not something I'm sensitive about. Also DOJ was criticized for not capturing all conference expenses because employees don't properly record their time and support contracts aren't included.
- OMB didn't set a due date for when they would issue the guidance...I hope they send out in draft, but we should provide any input asap to get consideration. My sense is that this is being driven by the Cabinet Level agencies, but if we have a good idea I'm sure it will be considered.

Jim

From: Greene, Kathryn ADM
Sent: Thursday, September 29, 2011 6:08 PM
To: Ash, Darren
Cc: Stewart, Sharon; Schoenmann, Sandra; Ronewicz, Lynn; Dyer, Jim; Brown, Milton; Corley, Cherrie
Subject: discussion with Jim Dyer on OMB approach to control conference costs
Importance: High

Darren,
I spoke to Jim this afternoon. Regardless of whether the CFO or EDO signs out the November 1 response to OMB, we need to discuss with Jim whether CFO or ADM should be lead for addressing the issues in this memo.

Jim said OMB called "an emergency meeting" of the CFO Council on Wednesday to discuss the subject memo, along with 3 other topics. OMB's intent, as I understand it, is to establish government wide definitions, controls, and review thresholds for meetings and conferences through the CFO Council.

OMB put out some criteria for what constitutes a meeting or conference for the purposes of the controls expected by the memo, and for government-wide controls and review thresholds for meetings and conferences that fall within their proposed thresholds. Comments on OMB's suggested approach are due to Danny Werfel next Tuesday 10/4, and Jim is starting to see other CFO Council member comments.

Since this now seems to be driven through the CFO Council, CFO may be the more appropriate lead office as either Jim or Milton will participate in the criteria development and discussions, and would be in a better position to interpret OMB's intent to NRC's environment.

I will have Lynn set up the meeting with you, Jim, Milton, me, Sharon and Sandie for early next week, or as soon as calendars can be aligned. Lynn, ADM is willing to move meetings to Darren's and Jim's availability Monday and Tuesday, and Sharon and I can tag team.

Jim, did I miss something?

Kathryn

From: Dyer, Jim *CFO*
Sent: Thursday, September 29, 2011 2:00 PM
To: Greene, Kathryn
Cc: Hudson, Sharon; Stewart, Sharon; Brown, Milton; Holley, David
Subject: RE: Department of Justice report on conference costs

I'm good at 3:15. I can provide you some of the perspective I got at the CFOC. Jim

From: Greene, Kathryn *ADM*
Sent: Thursday, September 29, 2011 1:56 PM
To: Dyer, Jim; Stewart, Sharon
Cc: Borchardt, Bill; Weber, Michael; Virgilio, Martin; Brown, Milton; Schoenmann, Sandra; Ash, Darren; Burns, Stephen
Subject: Re: Department of Justice report on conference costs

Jim,
Darren is out until Monday. I am heading to WF for the afternoon and will call you. Darren and I discussed ADM having the lead as a contractual/purchase card issue, and coordinating NRC's response with CFO and OGC to include consideration of associated internal control and legal issues. It can work the other way also, with your office lead and coordinating with us and OGC.

I am free btwn 3:15 - 4:00 and after 5:00.

Sent from an NRC BlackBerry
Kathryn Greene
240-882-3975

From: Dyer, Jim *CFO*
To: Ash, Darren; Greene, Kathryn; Stewart, Sharon
Cc: Borchardt, Bill; Weber, Michael; Virgilio, Martin; Brown, Milton; Holley, David; Mitchell, Reggie; Golder, Jennifer; Peterson, Gordon; Kaplan, Michele
Sent: Thu Sep 29 11:24:51 2011
Subject: FW: Department of Justice report on conference costs

Darren, Kathryn & Sharon,

Attached is the DOJ-OIG report that led to OMB issuance of M-11-35, "Eliminating Excess Conference Spending and Promoting Efficiency in Government" which requires agencies to conduct a review to ensure adequate policies and controls are in place to mitigate the risk of inappropriate conference spending practices and until the EDO (NRC Deputy Secretary equivalent) can certify that adequate controls are in place that the EDO has to clear all conference related activities and expenses. The executive summary, page xix, has the \$16 muffin sound bite that is resonating within the press.

At the CFO Council Meeting we heard in-depth discussion from the both OMB and the DOJ CFO regarding this issue and the expectations for agencies to follow the guidance verbatim. SECY asked for who should sign out the response to OMB. I volunteered since it will be addressed to Danny Werfel, OMB Controller, and the POC is the Debra Bond, OMB Deputy Controller who are the CFO points of contact. We should discuss asap how we will implement and report out. We don't want to follow in DOJ's footsteps.

Jim

From: Hudson, Sharon

CFO

Sent: Wednesday, September 28, 2011 11:48 AM

To: Mitchell, Reggie; Dyer, Jim; Brown, Milton; Golder, Jennifer; New, Edward; Rough, Richard

Subject: Department of Justice report on conference costs

The report that Jim mentioned in the staff meeting is at the link below:

<http://www.justice.gov/oig/reports/plus/a1143.pdf>

thank you,

Sharon M. Hudson

Administrative Assistant for the CFO and Deputy CFO

Office of the Chief Financial Officer

301-415-7322