



## OFFICE OF THE SPECIAL INSPECTOR GENERAL

### FOR THE TROUBLED ASSET RELIEF PROGRAM

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WASHINGTON, D.C. 20220

## **FY2012 SIGTARP Conference Spending**

The Office of Management and Budget's (OMB) Memorandum 12-12 issued on May 11, 2012, provides the guidance necessary to agencies to implement the President's Executive Order 13589. Memorandum 12-12 requires agencies to publicly report information on their websites regarding the activities taken to reduce conference spending and the controls agencies have put into place to ensure conferences are reviewed and approved at an appropriate level. In addition, agencies are to include agency-wide information about the size and scope of conference spending throughout the year. Specifically, all agency-sponsored conferences where the net expenses for the agency associated with the conference were in excess of \$100,000 are to be detailed. Finally, OMB Memorandum 12-12 prohibits expenses in excess of \$500,000 on a single conference. The agency head may provide a waiver from the policy if he/she determines that exceptional circumstances exist whereby spending in excess of \$500,000 on a single conference is the most cost-effective option to achieve a compelling purpose. The grounds for any such waiver must be documented in writing by the agency head and published as well. The annual report on conference expenses must be posted in a dedicated place on the official agency website by January 31<sup>st</sup> each year (reporting information for the previous fiscal year activities).

It is important to note that the definition of "conference" was expanded from that in the FTR, to include legitimate training activities for reporting purposes. The Office of the Special Inspector General for the Troubled Asset Relief Program (SIGTARP) does not concur with the expansion of the definition; however, to facilitate compliance with M-12-12 and to promote transparency, SIGTARP is providing the following information as required for FY2012:

### **GENERAL CONFERENCE SPENDING**

During FY2012, SIGTARP continued to aggressively pursue our mission of advancing economic stability by promoting the efficiency and effectiveness of TARP management, through transparency, through coordinated oversight, and through robust enforcement against those, whether inside or outside of Government, who waste, steal or abuse TARP funds. SIGTARP management ensured efficient management of conference attendance and hosting activities by:

- Authorizing conference attendance as a training activity exclusively. Training activities must be submitted and approved via the Treasury Learning Management System. This system incorporates five levels of validations to ensure that the requested training and/or conference participation is relevant to SIGTARP's mission, a requirement of the employee's position, and sufficient funds are available to cover the costs of the training or conference.
- Investing in teleconference technology to leverage as an alternative means of accomplishing collaboration and communication, when possible and practical, to alleviate travel requirements.

A majority of SIGTARP staff consists of law enforcement and audit positions. Each of these categories has unique, ongoing, mandatory annual training requirements. Additionally, since many of the areas within our jurisdiction require non-traditional governmental skillsets, training is always part of the strategy to accomplish the mission in the most efficient way possible. Since established, SIGTARP has recognized the importance that training would play in our daily operations and has dedicated resources for a full-time training officer to oversee this critical function. Overall, SIGTARP training costs for the FY2012 totaled \$577,413.64. The breakdown of that total is commercial training \$428,983.15; government-sourced training \$82,520.49; and the travel associated with training \$65,910.00.

### **AGENCY-HOSTED TRAINING OVER \$100,000**

The Office of Management and Budget's Memorandum 12-12 issued on May 11, 2012, requires agencies to report on all agency-sponsored conferences from the previous fiscal year where the net expenses for the agency associated with the conference were in excess of \$100,000.

During FY2012, the Office of the Special Inspector General for the Troubled Asset Relief Program (SIGTARP) conducted one training session that meets the OMB criteria for reporting.

SIGTARP provided one five-day training session specifically designed to familiarize mission-centric staff (Investigators and Auditors) with the accounting standards that have the biggest impact on how financial institutions record and report their operating activities as well as where key information can be found on banks' regulatory and SEC filing documents. In addition, staff was provided training on the skills to effectively deconstruct bank financial statements and key operating metrics, understand its business model – from funding to lending to capital, and to recognize and evaluate the external operating and regulatory environment and its impact on bank performance and outlook. SIGTARP's Training Officer worked with the vendor to customize this curriculum which was inclusive of subject matter provided within two separate courses – Inside Bank Accounting Practices and Fundamentals of Bank Analysis. By approaching the requirement in this unique way, SIGTARP efficiently addressed the training requirement and optimized the training time and maximized the dollars spent.

This training session provided skills directly correlated with SIGTARP's mission.

The training session was held in Washington, DC, utilizing Treasury conference facilities located in the SIGTARP offices at no cost. This location is the home office for the majority of SIGTARP Investigators and Auditors, resulting in the least number of employees needing to travel for participation.

Total Cost: \$171,277.09 (\$113,725 Training Vendor Costs/\$57,552.09 Travel Costs)

Participation: 66 employees attended (25 employees on travel orders)

Dates: September 17-21, 2012

### **AGENCY-HOSTED TRAINING OVER \$500,000**

N/A