SOCIAL SECURITY

December 28, 2009

The Honorable Charles E. Grassley
Ranking Member
Committee on Finance
United States Senate
Washington, D.C. 20510

Dear Senator Grassley:

In a July 16, 2009 letter, you asked that we (1) conduct an audit of the Social Security Administration's (SSA) July 2009 training conference in Phoenix, Arizona; (2) determine the number of training conferences conducted by the Agency over the past 8 years; and (3) provide information pertaining to all Office of the Inspector General investigations, audits, and evaluations conducted on conference events at SSA over the past 5 fiscal years.

Thank you for bringing your concerns to my attention. My office is committed to combating fraud, waste, and abuse in SSA's operations and programs. The enclosed report highlights various facts pertaining to the issues raised in your letter. To ensure SSA is aware of the information provided to your office, we are forwarding a copy of this report to the Agency.

If you have any questions concerning this matter, please call me, or have your staff contact Misha Kelly, Congressional and Intra-Governmental Liaison, at (202) 358-6319.

Sincerely,

Patrick P. O'Carroll, Jr.
Inspector General

Enclosure

cc:
Michael J. Astrue

CONGRESSIONAL RESPONSE REPORT

San Francisco Regional Management Training Forum

A-05-09-29174

December 2009

Mission

By conducting independent and objective audits, evaluations and investigations, we inspire public confidence in the integrity and security of SSA's programs and operations and protect them against fraud, waste and abuse. We provide timely, useful and reliable information and advice to Administration officials, Congress and the public.

Authority

The Inspector General Act created independent audit and investigative units, called the Office of Inspector General (OIG). The mission of the OIG, as spelled out in the Act, is to:

❑ Conduct and supervise independent and objective audits and investigations relating to agency programs and operations.
❑ Promote economy, effectiveness, and efficiency within the agency.
❑ Prevent and detect fraud, waste, and abuse in agency programs and operations.
❑ Review and make recommendations regarding existing and proposed legislation and regulations relating to agency programs and operations.
❑ Keep the agency head and the Congress fully and currently informed of problems in agency programs and operations.

To ensure objectivity, the IG Act empowers the IG with:

❑ Independence to determine what reviews to perform.
❑ Access to all information necessary for the reviews.
❑ Authority to publish findings and recommendations based on the reviews.

Vision

We strive for continual improvement in SSA's programs, operations and management by proactively seeking new ways to prevent and deter fraud, waste and abuse. We commit to integrity and excellence by supporting an environment that provides a valuable public service while encouraging employee development and retention and fostering diversity and innovation.

Executive Summary

OBJECTIVE

Our objective was to respond to Senator Grassley's July 16, 2009 letter requesting we (1) conduct an audit of the Social Security Administration's (SSA) July 2009 training conference in Phoenix, Arizona; (2) determine the number of training conferences conducted by the Agency over the past 8 years; and (3) provide information pertaining to all Office of the Inspector General investigations, audits, and evaluations conducted on conference events at SSA over the past 5 fiscal years (FY).

BACKGROUND

From July 7 to 9, 2009, the San Francisco Region conducted a Regional Management Training Forum (Training Forum) at the Arizona Biltmore Hotel in Phoenix, Arizona. Approximately 670 SSA management officials from across the Region and Headquarters in Baltimore attended. The agenda included presentations from SSA and non-SSA speakers.

SSA's *Administrative Instructions Manual System* (AIMS) requires that Agency training be designed to ensure the optimum use of human resources in achieving organizational goals and approved employee development plans by the most cost-effective and professional means available. Moreover, this training must conform to appropriate laws and regulations, as well as the terms of negotiated agreements.

RESULTS OF REVIEW

In general, we found most of the approximately $675,000 in costs incurred at the Training Forum was properly supported and in compliance with Agency guidance and applicable laws and regulations (see cost breakout in the table below). However, we question whether approximately $13,400 spent on reception refreshments was allowable, since the reception did not meet the established criteria for such refreshments. We also found the Region accepted gifts and donations from outside sources for the conference, which may be inconsistent with ethical guidelines and other policies. In addition, we found that regional staff could have maintained better contract procurement documentation related to the trainers.

Costs Related to July 2009 Training Forum

Expense Description	Amount
Employee Travel	$503,774
Meals and Refreshments at the Hotel	67,176
Audiovisual Services	67,816
Contracted Instructors	24,250
Other Costs	12,065
Total Costs	$675,081

The instructional training at the Training Forum was consistent with the Region's 5-Year Plan. We also found the San Francisco Region was using a variety of training delivery methods to train managers and staff, including conferences, video technology, and classroom training. However, we found the Agency's conference practices were inconsistent with its published policies calling for centralized approval and reporting on conferences. In August 2009, SSA management addressed this oversight issue by establishing new, interim centralized conference guidelines. Under these new guidelines, Agency components were required to provide their proposed conference plans for FYs 2010 and 2011 by November 30, 2009.

SSA reported it had held approximately 180 conferences since January 1, 2001. Agency components provided details on approximately 34,000 attendees and related costs of about $26 million. For example, the 10 regions reported 35 conferences during this period. Of these regional conferences, 11 were held in the San Francisco Region.

Finally, our office has completed three audits and one investigation related to training conferences at SSA in the past 5 years. The audits addressed the training of field office staff, administrative law judges (ALJ), and systems staff. The investigation was related to a Diversity Conference held in Atlanta in 2006. We found Agency oversight problems in our audit of the ALJ training conferences as well as the investigation of the Atlanta Diversity Conference.

CONCLUSIONS

While we found most of the costs incurred at the Training Forum were properly supported and in compliance with Agency guidance and applicable laws and regulations, we identified issues related to (1) questionable reception costs, (2) acceptance of gifts and donations from outside sources, and (3) incomplete documentation related to contract procurement. Given the findings of this report, the number of conferences held by SSA, and the issues identified in our audits and investigation, it is critical that SSA closely monitor the planning and procurement related to future conferences. The steps being taken by the Commissioner to centralize monitoring of Agency conferences should provide increased assurance that such conferences comply with applicable laws and regulations.

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OBJECTIVE

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BACKGROUND

From July 7 to 9, 2009, the San Francisco Region[1] conducted a Regional Management Training Forum (Training Forum) at the Arizona Biltmore Hotel in Phoenix, Arizona. Approximately 670 SSA management officials from across the Region and Headquarters in Baltimore attended. The agenda included presentations from SSA and non-SSA speakers (see Appendix B).

During the conference, a television news crew was also present. A July 9, 2009, news broadcast questioned the cost, location, content, and attendance at the Training Forum. In addition, the broadcast questioned whether *American Recovery and Reinvestment Act of 2009* (ARRA)[2] funds were used to pay for the Training Forum.

SSA's *Administrative Instructions Manual System* (AIMS)[3] requires that Agency training be designed to ensure the optimum use of human resources in achieving organizational goals and approved employee development plans by the most cost-effective and professional means available. Moreover, this training must conform to appropriate laws, regulations, and the terms of negotiated agreements.

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[1] The San Francisco Region covers the States of Arizona, California, Hawaii, and Nevada, as well as the Pacific Islands of American Samoa, Guam, and Saipan. The Region has 161 field offices and 61 contact stations under the direction of 8 area directors. It also supports 6 teleservice centers (TSC), 3 Social Security Card Centers, and 19 disability determination services (DDS) facilities.

[2] ARRA provided SSA with funding to carry out the following three projects: (1) $500 million to address disability and retirement workloads, including information technology (IT) acquisition and research in support of such activities; (2) $500 million to replace the National Computer Center and associated IT costs; and (3) $90 million to administer the Economic Recovery Payments.

[3] AIMS is the official medium for issuing SSA's policies, standards, and instructions on administrative subjects. AIMS provides a single integrated, comprehensive approach to issuing policies and procedures covering all administrative subjects, other than personnel matters.

SCOPE AND METHODOLOGY

In this review, we are not opining on the appropriateness of (1) the use of conferences as a training method or (2) holding a conference at the Phoenix, Arizona, location. To meet our objectives, we reviewed the planning, procurement, and final expenses related to the Training Forum to ensure these activities were in compliance with Agency guidance and applicable laws and regulations. We also spoke with the San Francisco Region's management and staff for an understanding of the planning and procurement activities related to the Training Forum and other SSA management and staff, as appropriate, to understand training and procurement policies at SSA. To answer the question concerning past conferences, we requested information on conferences since January 2001 from all SSA components. Finally, to address our prior work, we reviewed and summarized previous audits and investigations related to conferences from the past 5 years. See Appendix C for our full scope and methodology.

In general, we found the majority of the approximately $675,000 in costs incurred at the Training Forum was properly supported and in compliance with Agency guidance and applicable laws and regulations. However, we found approximately $13,400 in questionable costs related to refreshments at an employee reception the first night of the Training Forum. We do not believe this reception met the established criteria for such refreshments. We also found the Region may have inappropriately accepted gifts and donations for the conference. In addition, we found that regional staff could have maintained better contract procurement documentation related to the trainers. And while the training conference was consistent with the Region's 5-year training plan, we found the Agency's conference practices were inconsistent with its published policies calling for centralized approval and reporting on conferences. SSA management recently addressed this oversight issue by establishing new conference guidance. In terms of prior conferences, we determined SSA held approximately 180 conferences since January 1, 2001 for approximately 34,000 attendees at a cost to the Agency of about $26 million. Finally, our office has conducted three audits and one investigation related to training conferences at SSA in the past 5 years. One audit of administrative law judge (ALJ) conferences and the investigation of a Diversity Conference identified Agency oversight issues.

PHOENIX TRAINING FORUM

As part of our review of the Training Forum, we reviewed the (1) costs incurred by the Region, (2) procurement process, (3) Region's training planning process, and (4) overall Agency guidance on conferences.

CONFERENCE COSTS

The San Francisco Region spent approximately $675,000 on its Training Forum in Phoenix, Arizona (see Table 1 for a summary of costs and Appendix D for the detailed costs).[4] The average cost per participant was about $1,000, and approximately 75 percent of the overall costs was related to travel expenses. As part of our review, we obtained supporting documents related to travel, contracts, and micro-purchases. We reviewed the supporting documentation for compliance with Agency guidance and applicable laws and regulations. In general, we determined that the costs

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[4] This figure does not include salary costs associated with the time SSA employees spent to attend the Training Forum.

appeared to be reasonable and properly supported.[5] In addition, we found that the source of funding for the conference was the Agency's regular appropriation.

Table 1: Costs Related to July 2009 Training Forum

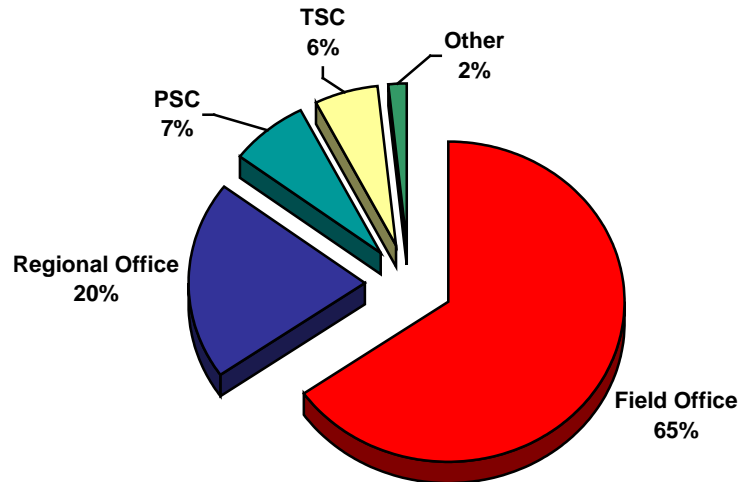| Expense Description	Amount
Employee Travel	$503,774
Meals and Refreshments at the Hotel	67,176
Audiovisual Services	67,816
Contracted Trainers/Performers	24,250
Conference Supplies and Services	12,065
Total Costs	$675,081

Employee Attendance and Travel

The San Francisco Region reported 674 conference attendees: 638 were regional employees and 36 were non-regional employees and other guests. Regional attendees included managers from field offices, teleservice centers, the Program Service Center (PSC), and the San Francisco Regional Office (see Figure 1). Non-regional attendees included SSA Headquarters personnel from various components,[6] State DDS managers, and speakers and trainers from other governmental and private sector organizations, respectively.

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[5] We discuss this process later in the report under "Conference Procurement."

[6] See Appendix B for more on the attendees and Appendix E for the list of Agency exhibitors at the training conference.

**Figure 1: Regional Management Employees
at the Training Forum (638 Employees)**

Note: Other includes employees from the Office of Disability Adjudication and Review (ODAR), OIG, Office of Quality Performance, and Social Security Card Centers.
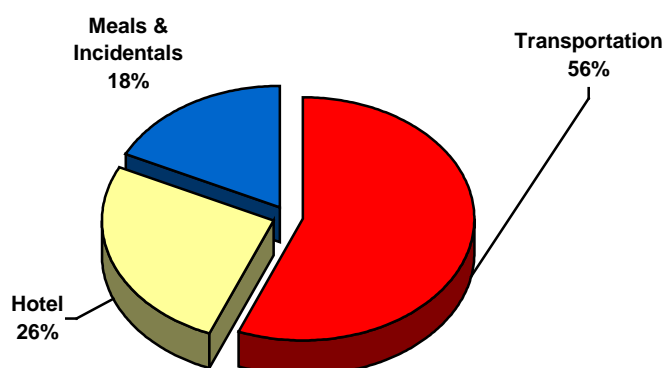
Forum attendees submitted travel costs of approximately $504,000 (see Figure 2 for a breakout of these costs).[7] We estimated that about 95 percent of the attendees claimed travel expenses, and the remaining 5 percent lived in the Phoenix commuting area and did not claim travel expenses. Submitted travel costs ranged from approximately $324 to $3,200.[8] Some of the higher travel cost submissions related to managers traveling from more distant locations, such as Guam, as well as regional employees attending additional days as part of conference preparation and followup.[9]

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[7] Employees undergoing training may be authorized payment of all or part of the necessary costs of training, which includes transportation and per diem. 5 U.S.C. § 4109(a)(2)(A).

[8] This $3,200 cost related to an attendee traveling from Saipan in the Northern Mariana Islands.

[9] We reviewed the travel vouchers submitted by 45 randomly selected attendees to ensure the reimbursed expenses were appropriate.

**Figure 2: Distribution of Training Forum Travel Costs
(From a Sample of 45 Attendees)**

Note: Of the 45 attendees, 42 submitted travel expenses, and 3 resided in the Phoenix area and therefore did not claim travel expenses.

Hotel Support Services

The Training Forum was held at the Arizona Biltmore Hotel, which was selected as part of a competitive bidding process.[10] The Region contracted with a private firm representing the Hotel to supply the necessary space as well as meals and refreshments. The bid related to the Hotel stated it had 738 guest accommodations and restaurants on-site as well as proximity to off-site restaurants, shopping, and airport shuttle transportation.[11]

The Hotel charged $85.51 per room per night,[12] which was below the Government per diem of $96 per room per night.[13] Most of the attendees stayed at the hotel for 2 nights, using the morning of the first day and afternoon of the third day to travel to and from the conference. The hotel charged an estimated $67,200 for the meals and refreshments, which included a reception, lunch, and light refreshments for morning and afternoon breaks. The conference rooms were provided free of charge.

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[10] We discuss this process later in the report under "Conference Procurement."

[11] The Biltmore Hotel's Website also mentioned other amenities, including eight swimming pools, seven tennis courts, and a full-service resort spa, salon, and fitness center.

[12] With $10.49 in taxes, the attendees paid $96 per night.

[13] The per diem for the period May 1 through August 31, 2009 was $96 for lodging (not including taxes) and $59 for meals and incidental expenses. This was the lowest per diem rate in Phoenix in FY 2009. The highest was $160 for lodging and $59 for meals and incidental expenses from January 1, 2009 through April 30, 2009.

We question the hotel costs related to the reception for attendees on the first evening of the conference. The Region paid approximately $13,400 for hot and cold hors d'oeuvres at the reception. In general, the Agency's policy regarding meals and refreshments at federally sponsored training conferences requires that it can only be provided if it is "incidental" to the training being provided—meaning it occurs during the period of training but is not the main event. AIMS states three conditions that must be met for the Government to furnish meals and refreshments at a formal conference.

1. The meals and refreshments are incidental to the conference.

2. Attendance at the meals and when refreshments are provided is important for the host agency to ensure full participation in essential discussions, lectures, or speeches concerning the purpose of the conference.

3. The meals and refreshments are part of a formal conference that includes not just the meals and refreshments and discussions, speeches, or other business that may take place when the meals and refreshments are served, but also includes substantial functions (that is, presentations, panel discussions) occurring separately when the food is served.[14]

For instance, the conference included a luncheon that cost the Agency approximately $13,500. The luncheon met the above criteria because it occurred in the middle of the second day of the conference and included a speaker on workplace relationships. In addition, most of the luncheon costs were already covered as part of the reduction in the attendees' per diem.[15]

We do not believe the reception met the above criteria since (1) it was held at 6 p.m., after the formal training was finished; (2) it did not include "…essential discussions, lectures or speeches…," (the Agency's conference material defined the reception as a "kickoff social activity" and "informal reception" with "festivities" to include "musical entertainment and dancing");[16] and (3) its agenda noted it was "optional," which indicates full participation was neither expected nor required. While the reception was

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[14] SSA, AIMS, Financial Management Manual, Chapter 3, Section 03.11.03.D.2—*Use of the Agency's Appropriations for Special Purposes.* This section also cites the Government Accountability Office's (GAO) Comptroller General Decision B-300826—*National Institutes of Health - Food at Government-Sponsored Conferences*, March 3, 2005.

[15] We reviewed a sample of travel vouchers and found that most of the travelers reduced their per diem on the second day to account for the luncheon. If the per diem was properly reduced, an individual's per diem would be reduced from $59 per day to $43 per day. The price per person was approximately $20, so about 80 percent of the luncheon's cost was offset by the reduced per diem.

[16] This document also stated, "Snack on light refreshments including fruit, cheese, crackers, and assorted hors d'oeuvres. Cash bars will be open."

defined as a more formal event in the contract justification,[17] we do not believe the actual reception, as defined by the conference materials, represents an allowable cost.[18] In addition, unlike the luncheon, individuals were not required to reduce their per diem if they attended the event, so the Agency's reception costs were not offset by such cost reductions.

Audiovisual Services

The Region procured an audiovisual contractor to assist with the lighting, sound, filming, and presentations during the 3-day conference. The cost for these services was approximately $67,800. As part of our audit, we reviewed eight DVD recordings of various presentations. Of the 38 sessions at the conference, 11 were recorded under this contract.[19] In our review of the recordings, we found that none of the workshop sessions was recorded as part of the contract. We believe the material presented in the workshops may have benefited managers who were unable to attend the conference. Regional management explained that the contractor had one stationary camera and recorded only those portions of the conference held in the main conference room. In addition, regional staff noted that the presentation materials from both the main conference rooms and workshops would be shared after the conference, as appropriate, to benefit those who were unable to attend.[20]

Speakers and Trainers

The Training Forum had approximately 30 speakers and trainers. Of these, four were paid presenters, and the remainder comprised SSA or other government employees.[21] The cost of the paid presenters was $24,250, which included three trainers and a dance company (see Table G-1 in Appendix G). The AXIS Dance Company was hired to

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[17] The contract stated, "Refreshments are needed at the reception because that is the registration portion of the conference. The registration portion is mandatory for all attendees and is essential to the training program. The activities are formal in nature. The registration reception allows participants the opportunity to meet and interact with executives and fellow managers." However, the agenda cited the event as a "reception" only, and the registration for the conference started at 9 a.m. the first day. Hence, one did not need to attend the reception to register for the conference.

[18] We had a similar finding in an earlier OIG audit of an SSA-funded conference for ODAR employees, which we discuss later in this report. SSA OIG, *Association of Administrative Law Judges' Training Conference Costs* (A-12-08-28037), April 2008.

[19] See Appendix B for the conference agenda and a list of speakers and trainers.

[20] For instance, on September 17, 2009, the Region issued a memorandum to regional managers with copies of the conference presentations by the Acting Deputy Commissioner and Deputy Commissioner for Human Resources. SSA, Regional Memorandum No. G-09-012, *Management Training Forum— Executive Presentations—INFORMATION*, September 17, 2009.

[21] While these trainers and presenters did not charge a fee, in most cases, the Agency paid the travel costs related to their attendance. Some presenters were San Francisco managers already scheduled to attend the Training Forum.

perform at the conference. AXIS includes performers with and without disabilities.
Regional management noted that the inclusion of this program was consistent with one
of the themes of the Region's conference—the employment of individuals with
disabilities.[22]

Conference Donations

A number of non-governmental organizations donated items to the conference (see
Appendix F) that were later used as free employee door prizes. We believe the
Agency's acceptance of such donations was inappropriate for a number of reasons.
First, we believe the acceptance of outside donations may be mistaken for SSA's
endorsement of a product. For example, Blue Cross/Blue Shield donated small items,
such as pens, dental floss, and key chains with flashlights. Since Blue Cross/Blue
Shield is one of many companies that provide health insurance to SSA employees, the
acceptance and distribution of such items to SSA employees may be interpreted as
SSA's endorsement of this company's product.

Second, the acceptance of these donations by any SSA employee may violate Federal
ethics guidelines, which prohibit an employee from soliciting or accepting any gift from a
prohibited source or given because of the employee's official position.[23] Also, the
acceptance of such gifts may constitute an improper augmentation of SSA's
appropriation.[24]

Under certain circumstances, an individual can accept gifts that have an aggregate
market value of $20 or less per source per occasion, provided they do not to exceed
$50 in a calendar year.[25] The Region did not place a value on most of these items, so
we do not know which gifts exceeded $20. However, some sources contributed a high

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[22] Regional management explained that the AXIS Dance Company presentation at the Training Forum
was not an interactive program. The audience was seated and watching the performance. The news
media showed the attendees at the conference during a 5-minute stretch break, which we were told was
not a part of the AXIS Dance Company presentation.

[23] See 5 C.F.R., § 2635.202, which contains standards that prohibit an employee from soliciting or
accepting any gift from a prohibited source or given because of the employee's official position unless the
item is excluded from the definition of a gift or falls within one of the exceptions set forth in this subpart.
Also, according to GAO guidance, ". . . [a]s a general proposition, unless authorized by statute, private
contributions to the salary or expenses of a federal employee are improper. First, they may in some
circumstances violate 18 U.S.C. § 209, which prohibits the supplementation of a government employee's
salary from private sources… To the extent the private contribution replaces the employee's government
salary, it is a direct augmentation of the employing agency's appropriations. To the extent the
contribution supplements the government salary, it is an augmentation in an indirect sense, the theory
being that when Congress appropriates money for an activity, all expenses of that activity must be borne
by that appropriation unless Congress specifically provides otherwise." GAO, *Principles of Federal
Appropriations Law (Red Book)*, Third Edition, Volume II, GAO-06-382SP, February 2006, page 6-231.

[24] Id.

[25] 5 C.F.R. § 2635.204(a).

volume of items that we expect exceeded this amount. For example, the Oakland Athletics donated clothing, dolls, coolers, blankets, autographed baseballs, and other items. The Federal regulation governing proper disposition of prohibited gifts to employees requires, in part, that (a) an employee who has received a gift that cannot be accepted under the regulations.[26]

1. Return any tangible item to the donor or pay the donor its market value. An employee who cannot ascertain the actual market value of an item may estimate its market value by reference to the retail cost of similar items of like quality.[27]

2. When it is not practical to return a tangible item because it is perishable, the item may, at the discretion of the employee's supervisor or an agency ethics official, be given to an appropriate charity, shared within the recipient's office, or destroyed.[28]

GAO guidance[29] indicates that "...acceptance of a gift or money or other property by an agency lacking statutory authority to do so is an improper augmentation." As noted previously, the transfer of certain gifts funded by outside sources to employees could be construed as a supplement to the employees' salaries, which may also be considered an improper augmentation. Accordingly, the Region's acceptance of at least certain donations of items and the conveyance of certain such items to employees appears to be inconsistent with the Agency's appropriation authority.[30]

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[26] Unless the gift is accepted by an agency acting under specific statutory authority. 5 C.F.R. § 2635.204(I).

[27] 5 C.F.R. § 2635.205(a)(1).

[28] 5 C.F.R. § 2635.205(a)(2).

[29] GAO *Principles of Federal Appropriations Law (Red Book)*, Third Edition, Volume II, GAO-06-382SP, February 2006, page 6-223. GAO defines "gifts" as gratuitous conveyances or transfers of ownership in property without any consideration, citing to several Comptroller General opinions.

[30] SSA is required to have proper statutory authority to accept gifts and donations from an outside organization to prevent the Agency from exceeding the amount that Congress has appropriated to it. "The general rule is that without statutory authority, an individual government agency may not accept gifts of goods or services for its own use (i.e., for retention by the agency or credit to its own appropriations)." GAO, Comptroller General opinion, *Gifts of Goods and Services to the Government*, B-289903, March 4, 2002.

The Region also accepted a donation of the services of a disc jockey from the San Francisco Region Management Association (SFRMA)[31] at the opening night reception, a service that regional managers estimated would have cost about $1,200. The receipt of such services appears to violate the voluntary services prohibition of the *Antideficiency Act*.[32] This law prohibits an officer or employee of the U.S. Government from accepting voluntary services for the Government or employing personal services exceeding those authorized by law except for emergencies involving the safety of human life or the protection of property.[33] While GAO has found that voluntary services may be permitted where the services were agreed to in advance to be gratuitous and properly documented as such,[34] in this case, SSA did not provide any evidence of a documented agreement for gratuitous services.

After-Hours Events

During the conference, attendees had the opportunity to attend local events in the evenings at their own cost. For example, the agenda noted that a "Casino Arizona Night" would be held the second night of the Forum at a local casino. Attendance was voluntary, and the casino provided free transportation. The agenda also noted that a musical performance was taking place the same evening at the casino, so individuals may have been interested in a number of events at the casino.

CONFERENCE PROCUREMENT

In preparing for the Training Forum, the Region procured approximately $171,000 in hotel services, audiovisual support, trainers, and other supplies. We found the Region was using the lowest bidder that met all the technical requirements for both hotel and audiovisual services. In addition, while our review of this contracting process found that the staff maintained proper contract documentation for about 86 percent of this procurement, documentary support was inadequate for the remaining 14 percent relating to the trainers. We discuss the procurement process and specifics related to

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[31] According to its bylaws, SFRMA is a nonprofit professional association of SSA managers established to ensure "…constructive cooperation with the commissioner of Social Security and all responsible officials in the furtherance of social security programs, encouraging the establishment of policies that best serve the public interest in the accomplishment of the mission of our agency, fostering professional growth of management personnel, assuring meaningful and realistic consultation between agency heads and representatives of management organizations."

[32] As contained in 31 U.S.C. § 1342.

[33] The voluntary services rule, as set forth in 31 U.S.C. § 1342, is intended to prevent agencies from forcing the Congress to appropriate funds to pay volunteers who later submit claims for payment. 23 Comp. Gen. 272, 274 (1943). Comptroller General opinions have found that the Federal Government could accept free services from the private section as long as they were agreed in advance to be gratuitous and properly documented. Comp. Gen. B-182087-O.M., Nov. 26, 1975; and Comp Gen. B-125406, Nov. 4, 1955. Essentially, the documentation of such gratuitous services would alleviate the prospect of future successful claims against the Government.

[34] Id.

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the Phoenix training conference in Appendix G. Table 2 shows the breakout of procurement methods used by the Region and related amounts.

Table 2: Training Forum Procurement Methods and Amounts

Procurement Method	Thresholds	Conference Procurement Under this Method	Amount of Conference Costs
Micro-Purchase/ Credit Card	$2,500 for services and $3,000 for supplies/goods	Other costs, such as supplies	$12,065
Open Market Acquisitions	Over $2,500/$3,000 but under $25,000	Trainers	24,250
	Exceeding $25,000 but not exceeding $100,000	--Hotel Services --Audiovisual Support	134,992
Total			**$171,307**

CONFERENCE PLANNING

The training provided at the Training Forum was consistent with the Region's 5-Year Plan. We also found the San Francisco Region was using a variety of training delivery methods to train managers and staff, including conferences, video technology, and classroom training.

San Francisco Region 5-Year Plan

We reviewed the San Francisco Region's 5-Year Plan and found it supported the training content provided at the Training Forum. In the 5-Year Plan, the Region developed an initiative to address employees' and managers' critical training needs.[35] The Plan defined critical training needs, such as automation skills, public service skills, mentor development, understanding diversity, and "phone" skills.

Regional officials said the Training Forum was designed to provide management/ leadership training for the Region's managers, half of whom had been in their management positions for less than 2 years. The 5-Year Plan was used to develop the curriculum for the Training Forum, and workshops were identified as critical for the development of new and future leaders. The training objectives for the Forum included the promotion of professional growth and development training. To fund the FY 2009 Training Forum, the Region merged the budgets related to smaller area conferences usually held throughout the Region.

We reviewed the training provided at the Training Forum and found that all the courses fell within the critical training needs identified by the Region in its 5-Year Plan. Table 3 provides a crosswalk of the critical skills and training sessions.

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[35] An Office of Personnel Management memorandum, *Guidelines for Managerial Development*, dated September 12, 2006, provides that agencies should ensure a clear linkage to organizational strategy, goals, and values in planning for leadership development programs. 5 C.F.R. § 412.103.

Table 3: Critical Skills as Defined in the Region's 5-Year Plan and the Training Sessions Provided at the Training Forum

Critical Skills	Breakout Session
Automation Skills	eServices in SSA
	Health Information Technology Communication Strategy
Public Service Skills	RelationShifts
	Policy Perspectives
	Reasonable Accommodation: The Big Picture
	Improving Organizational Performance Through Employee Engagement
	Interest Based Bargaining
Mentor Development	A Leadership Role in Strategic Management Planning
	Emotional Intelligence: Leading Organizations and Transitional Change
	Mentoring the Generations
	Removing the Barriers
	Leading at a Higher Level: SES Career Development
Understanding Diversity	"Why They Make You Crazy" – A Look at Behavioral Tendencies and Workplace Relationships
	AXIS Dance Company
	Multigenerational Communication: What You Need to Know to Effectively Manage Four Generations at Work
	Managing Diverse People: A Real Conversation
Phone Skills	We did not identify any training associated with this topic.

Note: See Appendix B for the list of training sessions at the conference.

Training Delivery Methods

Federal agencies are allowed to use a variety of methods to train employees, including classroom, on-the-job, technology-based, satellite, self-development activities, coaching, mentoring, career development counseling, details, rotational assignments, cross-training, and developmental activities at retreats and conferences.[36]

Region officials noted that in-person conferences are just one of many ways in which managers and staff are trained in the Region. Other delivery methods include traditional instructor classroom training, interactive video teletraining (IVT),[37] and Internet-based learning (see Appendix H for a list of training delivery methods used by the San Francisco Region). For example, IVT is used to provide the majority of entry-level training for field operations. IVT is also used to provide ongoing training for staff in the immediate claims-taking units.

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[36] 5 C.F.R. Part 410 § 410.204—*Options for Developing Employees.*

[37] The IVT delivery method consists of interactive distance learning where the participants are at a training facility separate from the course instructor. The IVT is broadcast live from an SSA studio. IVT uses a satellite transmission system, enabling the student to view and respond to the program. Programs are received on a television monitor. The use of the IVT does not interfere with SSA's computer network.

In the case of the Training Forum, regional management noted that the conference was the preferred method of providing important training to managers since

- the Agency was facing unprecedented workloads;
- almost half the managers were in their positions for fewer than 2 years;
- the Agency had undertaken a number of new initiatives to address public service challenges; and
- many front-line employees needed support and leadership.

Regional officials also noted that the in-person training provided a single message to all managers and provided them with an opportunity to meet the Commissioner and Deputy Commissioners. In addition, regional officials deemed traditional instructor classroom training to be the most effective method for the workshops. Finally, regional officials stated the conference provided "…the first opportunity in eight years for geographically deployed managers to meet coworkers in person to develop professional alliances and to collaborate."

Other Conferences

The San Francisco Region uses in-person conferences to train staff and managers.[38] For example, the Region developed the *Front-line Conference* to train journey-level staff throughout the Region with 3 or more years of work experience in the field office, TSC, or PSC. The conferences are held four to six times a year at different locations. Regional officials said the Region's goal is to train 20 percent of the journey-level staff within 1 year. However, the Region does not anticipate reaching its goal of 100 percent of the journey-level staff being trained within 5 years because of the different transitions in personnel—separation, retirement, and promotions.

For example, the *Front Line Training Conference* was held for 1 day on August 13, 2009 in Riverside, California, for about 100 attendees. The Regional Commissioner and Area Director spoke at the conference, and training sessions were held on communication and customer service skills.[39]

Conferences are sometimes used in conjunction with other training delivery methods. For example, SSA Headquarters has developed a *Transition to Leadership Curriculum* for new supervisors, managers, and management staff. The Curriculum takes advantage of a blended delivery approach including national IVT programs, supplemental computer-based lessons, a series of successive in-person classroom training courses for newly appointed supervisors, and in-person symposia for more experienced leaders. The entire curriculum is also supported by the Video on Demand Leadership Library. Hence, video technology is combined with computer-based distance learning and classroom sessions to deliver training to this audience.

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[38] We provide a list of conferences held over the last 8 years later in this report.
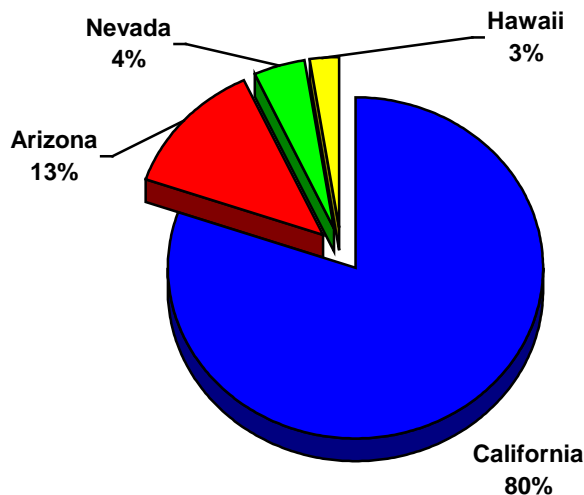
[39] These 1-day conferences are not included in the later listing of SSA conferences since they were not multi-day.

IVT Conferences

We spoke to regional officials about the use of IVT equipment to relay important training material to managers throughout the Region. Regional officials said that one difficulty is the lack of an IVT broadcast facility in the San Francisco Region.[40] In addition, the IVT equipment was being used over the summer to support the new hires. Moreover, the IVT equipment would not be able to meet some of the goals of an in-person conference, including the chance for managers to meet with senior management and peers from around the Region.

We also spoke to systems staff at SSA Headquarters and found the San Francisco Region had 235 IVT downlink sites (see Figure 3). Theoretically, it may have been possible for the Region to conduct traditional, instructor-led training for all managers/supervisors in the Region's contiguous States.[41] However, the training would not have allowed for participant breakout and group discussions and could have limited classroom exercises as well as networking opportunities. In addition, because of the lack of IVT equipment and time zone issues in the Pacific Islands, some managers would still need to travel to the United States.[42] Nonetheless, an IVT approach would allow some networking between the participants if they were clustered at IVT sites.

Figure 3: Distribution of IVT Sites in the San Francisco Region

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[40] SSA has seven broadcast facilities in Baltimore, Maryland (three); Kansas City, Missouri; Atlanta, Georgia; Dallas, Texas; and Seattle, Washington.

[41] The period of training might also vary. For instance, the training broadcasts could occur over a period of weeks and months rather than over 3 days, creating a different experience for participants.

[42] We did not determine what other travel costs would be necessary within the Region to ensure every manager had access to IVT equipment.

HEADQUARTERS' OVERSIGHT AND GUIDANCE

Since December 13, 1985, SSA has had a policy for conferences, as outlined in AIMS.[43] The policy provides guidelines and procedures for SSA-sponsored conferences and meetings related to planning, control, and coordination.[44] Under this policy, Regional Commissioners are required to request approval from SSA Headquarters when planning conferences. For example, the guidance requires that Regions and other components develop proposals for conference and meetings they intend to sponsor during the next 2 years and submit those proposals to Headquarters for approval.[45] The Commissioner's approval was required for all off-site conferences.[46] At the conclusion of a conference, the sponsoring component is required to provide Headquarters with a post-conference evaluation, which includes an accounting of total costs for travel and per diem as well as any costs incurred for conference space, material, and services.[47]

When we spoke to a management official in SSA's Office of Finance, we were told the Agency was no longer following this policy. The official stated that when SSA became an independent agency in 1995, the AIMS policy on SSA-sponsored conferences and meetings became void and the planning process was decentralized and delegated to different SSA components. The executives of the components were given the authority and budgets to make decisions regarding conferences under their purview. However, we did not see wording in AIMS noting this policy change and delegation of authority more than 10 years earlier.[48]

On August 18, 2009, the Commissioner of SSA issued a memorandum on *Conference Management Improvement* regarding the Agency's planned oversight of conference planning and associated procurement activities. In the memorandum, the Commissioner centralized conference oversight and related procurement activity in the Office of Budget, Finance and Management. In addition, a conference planning support staff was established to

- provide clear guidance for conference planning and execution, including updating AIMS and publishing a conference guide on SSA's website;

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[43] SSA, AIMS, General Administration Manual (GAM), Chapter 4—*SSA-Sponsored Conferences/ Meetings.*

[44] SSA, AIMS, GAM § 04.01.01.

[45] SSA, AIMS, GAM §§ 04.01.03 and 04.01.04.

[46] SSA, AIMS GAM, § 04.01.05.

[47] SSA, AIMS GAM, § 04.01.07

[48] We also found indications that wording in Chapter 4 of AIMS had been updated since 1995, though the centralized reporting provision was not removed. For example, the AIMS section references "ODAR," which replaced the Office of Hearings and Appeals in April 2006.

- implement a process for reviewing and approving all components' upcoming conference plans at the beginning of each FY; and

- implement a post-conference process for evaluating conference planning and execution.

On September 24, 2009, the Agency held a meeting to provide senior staff with templates for completing the different requirements at the different stages in the planning and implementation of training conferences. This new process and some of the associated forms are similar to the 1985 AIMS policies. Under the new guidelines, Agency components were required to provide their proposed conference plans for FYs 2010 and 2011 by November 30, 2009.

We support the Agency's efforts to develop formalized policies and guidance regarding the planning and oversight of conferences and associated procurement activities. Adherence to improved policies and guidance should provide SSA with greater assurance that its conferences comply with appropriate laws and regulations.

CONFERENCES IN THE PAST 8 YEARS

SSA has conducted approximately 180 conferences over the past 8 years for approximately 34,000 employees at an estimated cost of $26 million (see Table 4).[49] To obtain this information, we polled SSA's Headquarters and regional components and asked them to provide information on SSA conferences held during the past 8 years. Specifically, SSA components were required to report all meetings that met the following criteria.[50]

- The conference was held from January 2001 through the present **AND**

- SSA was the primary sponsor of an event held at a non-SSA facility, no matter how many employees attended **OR** 50 or more employees attended an event that another organization sponsored and SSA paid for travel or provided time-off for employees to attend (not to include grants or cooperative agreements) **AND**

- It was a multi-day event **AND**

- It required travel away from the employees' duty stations.

In the case of fewer than 50 SSA employees where SSA was the primary sponsor, we qualified the reporting requirement to cover only those conferences where the supplies and/or services exceeded $25,000 and required a competitive bidding process.

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[49] Most reporting components have additional meetings planned for FY 2010. These planned meetings are not included in the above totals but will be reviewed as part of a separate review.

[50] The request for conferences was shared with Agency components on July 23, 2009. For each conference satisfying the reporting criteria, components were requested to submit a meeting agenda, a list of attendees, the names of speakers, and a detailed breakdown of all conference costs.

Table 4: SSA Conferences Since January 2001
(January 2001 Through August 2009)

Component	Number of Conferences	Number of Attendees	Reported Costs
Office of Budget, Finance and Management	1	254	$95,144
Office of the Commissioner	1	24	60,912
Office of Communications	7	2,219	2,710,382
Office of Disability Adjudication and Review	32	4,695	4,750,921
Office of General Counsel	14	1,327	213,659
Office of Human Resources	33	7,460	7,593,319
Office of the Inspector General	4	325	400,481
Office of Operations	59	15,783	7,462,524
Office of Quality Performance	1	139	112,249
Office of Retirement and Disability Policy	32	2,023	3,038,846
Office of Systems	1	180	42,691
Totals	**185**	**34,429**	**$26,481,128**

Note: The following components reported having no meetings that satisfied the aforementioned criteria: Offices of the Chief Actuary, Chief Information Officer, and Legislative and Congressional Affairs.

Because of time restraints, we did not apply audit procedures to test or otherwise validate the reported conference information for accuracy or completeness. However, we made limited inquiries of SSA management for additional explanation in those instances where reported data appeared anomalous. In some instances, we made numerical adjustments to reported data based on management's supplemental representations. Most Agency components could not provide all the requested information, particularly for those meetings more than 5 years ago. Given the length of time elapsed since meetings were held in some instances, we believe the reported cost and attendee information is incomplete and understated by an indeterminate amount.

REGIONAL CONFERENCES

The regional offices informed us of 35 meetings that satisfied the reporting criteria (see Table 5), with the San Francisco Region holding the greatest number of conferences—11 in total at a reported cost of approximately $1.3 million—during the past 8 years. The average number of conferences during this timeframe was 3.5 per region, with Chicago and Philadelphia reporting no conferences.

Table 5: Regional Conferences since January 2001
(January 2001 Through August 2009)

Region	Number of Conferences	Number of Attendees	Reported Costs
Atlanta	3	1,224	$ 772,552
Boston	5	683	238,679
Chicago	0	NA	NA
Dallas	2	308	199,700
Denver	2	250	210,419
Kansas City	2	792	368,871
New York	7	1,087	567,569
Philadelphia	0	NA	NA
San Francisco	11	2,768	1,334,467
Seattle	3	901	379,948
Totals	**35**	**8,013**	**$ 4,074,646**

The San Francisco Region hosted 11 conferences for approximately 2,800 attendees from January 2001 to August 2009. However, the San Francisco office hosted conferences that benefited other regions, Headquarters, or both, as explained in Appendix I. In addition, 6 of the 11 related to support for SFRMA training conferences.

OIG REVIEWS OF PRIOR TRAINING AND CONFERENCES

We have completed three audits and one investigation related to training conferences at SSA in the past 5 years.[51] The audits addressed the training of systems staff, ALJs, and field office staff, whereas the investigation related to a diversity conference. We found Agency oversight problems in our audit of the ALJ training conferences as well as the investigation of the Atlanta Diversity Conference.

AUDITS OF TRAINING AND CONFERENCES

The following three audits of training conferences at SSA were conducted in the past 5 years.

Office of Systems Training

Our October 2005 audit of *The Social Security Administration's Office of Systems' Training Program* evaluated the Office of Systems' process for providing training to current staff and new hires. The review covered training opportunities, the types of training provided, and the cost of training for current staff and new hires to enhance skills/competencies needed to meet future workloads. The audit found that, in general, the Office of Systems had a comprehensive process for providing training to its employees. Training opportunities included classroom instruction provided by Agency employees or vendors, SSA's training Website, conferences, technical reference materials, and IVT.

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[51] We also have a fourth audit in the draft stage related to the hiring and training of IT specialists.

The report also noted that there were opportunities for the Office of Systems to enhance its processes to help ensure continued success in providing employees essential training to improve the skills/competencies they will need to meet future workloads. The report made two recommendations: (1) remind managers of their responsibilities for conducting periodic discussions regarding employee training needs and (2) remove duplicate postings of training information in its Human Resource Management Information System (HRMIS).[52] SSA agreed with both recommendations.

ALJ Training

Our April 2008 audit of the *Association of Administrative Law Judges' Training Conference Cost*s (1) examined SSA's contributions to previous Association of Administrative Law Judges (AALJ) training conferences; (2) assessed the support for and reasonableness of conference costs; and (3) evaluated the nature of the training provided to determine the appropriateness of continued SSA support. The AALJ has conducted annual training conferences since 1992 to assist ALJs in meeting their education needs. Each year, between 150 and 250 ALJs attended the 3-day conference. Over the years, SSA has assisted the AALJ with logistics and financial support to conduct the training conference including

- travel for presenters, management ALJs, and Headquarters personnel;
- fees and contract support for presenters;
- financial support for printed material, audiovisual, and rental equipment;
- duty time for those who attend, present, and/or organize the conference; and
- reimbursement of attendee registration fees.

We found that SSA provided approximately $888,900 in financial and in-kind support to the AALJ to conduct four training conferences during Calendar Years 2003 to 2006 (see Table 6). Moreover, SSA paid for the entire cost of the Calendar Years 2004 to 2006 conferences, leaving the AALJ with residual funds that could be applied to other union programs.[53] We also found that SSA spent $354,800 on the 2006 AALJ training conference once conference support and management travel costs were combined.

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[52] HRMIS is a database for staffing reports, promotion plan operations, employee training data, personnel research and program evaluation, Equal Opportunity statistics, and management information. Information in HRMIS files is available for both present and former employees.

[53] The AALJ's treasurer noted that the excess funds were placed in a conference fund to support future conferences.

Table 6: Total SSA Contribution to the AALJ Training Conferences
(Calendar Years 2003 – 2006)

Support Provided	2003	2004	2005	2006	Total
Direct Costs	$72,011	$65,652	$72,043	$89,739	$299,445
Indirect Costs	89,013	72,749	86,223	80,566	328,551
Reimbursement for Registration Fees[1]	49,965	56,302	62,650	92,000	260,917
Total	$210,989	$194,703	$220,916	$262,305	$888,913

Note 1: Registration fees were $295 per attendee in 2003, $325 per attendee in 2005, and $350 per attendee in 2005 and 2006. SSA reimbursed attendees in full for these fees with the exception of 2005, when only $295 of the $325 was reimbursed.

In our review of the 2006 conference costs, we concluded that SSA and the AALJ could generally support the underlying conference costs. However, we identified AALJ expenses that would not normally be reimbursed by SSA, including a reception, a banquet, and entertainment. Moreover, training revenues versus other types of revenue were not clearly delineated in the AALJ's audited financial statements, making it difficult to isolate revenue associated with training participants.

ODAR management stated the conference provided useful training to ALJs, though they would prefer more control over the topics and greater attendance rotation. The report noted that the level of support provided by SSA indicated that the Agency could run the entire conference in-house and have greater control over expenditures, topics, and attendance. In this way, SSA would (1) control all costs, (2) ensure the topics meet ODAR's training requirements, (3) ensure full or rotational attendance of all ALJs, and (4) avoid potential duplication of costs. This would also remove any risk that the Agency is improperly providing support to an employee union.[54]

In the report, we recommended SSA (1) end its support for the AALJ training conference and conduct its own in-house training for ALJs and (2) review and revise AIMS policies and procedures regarding registration fees for non-government-sponsored training and conferences to clearly state unallowable costs to ensure conferences are funded in accordance with Federal appropriation law. Following our review, the Agency decided to conduct its own in-house training for ALJs.

Field Office Training

Our July 2008 audit, *The Social Security Administration Field Offices' Training of Staff*, reviewed SSA field offices' training of claims (CR) and service representatives (SR) to determine field office employees' perception of the training provided. SSA has about 1,300 field offices nationwide where individuals can apply for benefits, apply for a Social

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[54] Under the Federal Service Labor-Management Relations Statute, it is an unfair labor practice to "…sponsor, control, or otherwise assist any labor organization, other than to furnish, upon request, customary and routine services and facilities if the services and facilities are also furnished on an impartial basis to other labor organizations having equivalent status." 5 U.S.C. § 7116(a)(3)(1999).

Security number, and report changes that affect their benefits. Field office staff comprises approximately 14,000 CRs and 5,000 SRs who provide front-line service to the public.

To determine field office employees' training satisfaction, we asked a random sample of 275 CRs and 275 SRs to complete a questionnaire pertaining to their perception of the general and disability-related training they received during FYs 2006 through 2007. Of the 550 field office employees in our sample, we received responses from 426, of which 216 were CRs and 210 were SRs.

In the report, we concluded that SSA had a structured training program, and the training was accessible to field office employees. We also determined most CRs and SRs responding to our questionnaire were satisfied that the general and disability-related training received for their position had helped them do their job effectively and efficiently, and the training was provided timely. However, most staff perceived barriers to training existed and expressed a need for SSA to improve the training experience.

We recommended SSA improve CR and SR training as follows: (1) provide more "hands on" and refresher training to reinforce lessons learned and resolve questions that emerge from work experiences; (2) provide more time for training to permit staff to remain proficient in the delivery of services to the public; and (3) ensure staff members are aware they can communicate their training needs to management. The Agency agreed with all three recommendations.

INVESTIGATION OF TRAINING AND CONFERENCES

In the last 5 years, we have completed one investigation of a conference. The Office of Investigations initiated a review of the 2006 SSA Diversity Conference as a result of an allegation concerning travel voucher fraud by two SSA employees. The investigation eventually expanded to four SSA employees in total.

The 2006 Diversity Conference was held in Atlanta, Georgia, and sponsored by SSA Headquarters and the Atlanta Region. Attendees, including employees, were required to pay their own travel and lodging expenses if they wished to attend. Attendees also paid a conference activity fee of $105 covering the reception on the first day and dinner the next evening. SSA paid travel expenses for a certain number of employees who were either involved in the planning and execution of the conference, held one of several executive level positions, and/or held a position on one of six Advisory Councils. The budget for the conference was approximately $700,000.

The investigation found issues with the procurement of speakers and trainers, entertainment, and giveaways. For example, some items were purchased using the micro-purchase process rather than submitting a requisition to the Agency's Office of Acquisition and Grants. In other cases, employees used split purchasing to circumvent the $2,500 micro-purchase threshold to acquire these items. In addition, questionable practices were used to pay transportation costs for the speakers hired to give

presentations during the conference. The investigation also found SSA paid for other types of entertainment, including massage therapists, a juggling stilt walker, a strolling magician, a caricature artist, and a clown. This entertainment was justified by the conference planners as being necessary to help create a festive atmosphere at the conference.

The investigation also found that vendors selected for the conference were not selected through a competitive bidding process. Finally, the investigation found funds were misused for payments to a vendor, a private bus tour, t-shirts for conference planners, hotel room costs of various employees, a hospitality suite, and a private lunch.

As a result of the investigation, two employees retired and a third employee was suspended for 3 days for travel voucher fraud. The fourth employee was charged with fraud and terminated, though this employee was later found to be "not guilty" after a trial, and the termination was later overturned by the Merit Systems Protection Board. One of the retired employees also pled guilty to eight counts of theft of Government monies unrelated to the 2006 Diversity Conference but discovered as part of the conference investigation. The employee was sentenced to 12 months' home confinement, 36 months' probation, a $2,000 fine, an $800 special assessment, $28,058 in restitution, and 200 hours of community service.

Conclusions

While we found that the majority of the costs incurred at the Training Forum were properly supported and in compliance with Agency guidance and applicable laws and regulations, we identified issues related to (1) questionable reception costs, (2) the acceptance of gifts and donations from outside sources, and (3) incomplete documentation related to contract procurement. Given the findings of this report, as well as the issues identified in our audits and investigation, it is critical that SSA closely monitor the planning and procurement related to future conferences. As noted in this report, SSA has used conferences more than 180 times at a reported cost of approximately $26 million in the past 8 years as part of its mission. The steps being taken by the Commissioner to centralize monitoring of Agency conferences should provide increased assurance that such conferences comply with applicable laws and regulations.

Appendices

Acronyms

AALJ	Association of Administrative Law Judges
AIMS	*Administrative Instructions Manual System*
ALJ	Administrative Law Judge
ARRA	*American Recovery and Reinvestment Act of 2009*
C.F.R.	Code of Federal Regulations
CR	Claims Representative
DDS	Disability Determination Services
FAR	Federal Acquisition Regulation
FBO	Federal Business Opportunities
FY	Fiscal Year
GAM	General Administration Manual
GAO	Government Accountability Office
GPO	Government Printing Office
HRMIS	Human Resource Management Information System
IT	Information Technology
IVT	Interactive Video Teletraining
MPT	Micro-Purchase Threshold
MRM	Materiel Resources Manual
ODAR	Office of Disability Adjudication and Review
OIG	Office of the Inspector General
PSC	Program Service Center
SAT	Simplified Acquisition Threshold
SFRMA	San Francisco Region Management Association
SR	Service Representative
SSA	Social Security Administration
Training Forum	Regional Management Training Forum
TSC	Teleservice Center
U.S.C.	United States Code

Conference Agenda and Workshops

CONFERENCE AGENDA

Tuesday, July 7, 2009 (12:30 p.m. – 4:30 p.m.)

12:30 p.m.	**Doors open**
12:45 p.m. – 1:00 p.m.	**Color Guard/National Anthem**
1:00 p.m. – 1:30 p.m.	**Opening Ceremony**
1:30 p.m. – 2:15 p.m.	**Peter D. Spencer** **Regional Commissioner, San Francisco** **Social Security Administration**
2:15 p.m. – 2:30 p.m.	**Presentation from Mayor Phil Gordon's Office** **City of Phoenix, Arizona**
2:30 p.m. – 3:00 p.m.	**Network Break**
3:00 p.m. – 3:15 p.m.	**Door prize / Administrative information**
3:15 p.m. – 4:30 p.m.	**Linda S. McMahon** **Deputy Commissioner for Operations** **Social Security Administration**
4:30 p.m.	**Adjourn**
6:00 p.m.	**Reception (optional)**

Wednesday, July 8, 2009 (8:00 a.m. – 5:00 p.m.)

7:00 a.m. – 8:00 a.m.	**Morning Refreshments**
8:00 a.m. – 8:15 a.m.	**Opening skit/presentation**
8:15 a.m. – 9:15 a.m.	**Michael J. Astrue** **Commissioner** **Social Security Administration**
9:15 a.m. – 9:25 a.m.	**Stretch Break (activity)**
9:25 a.m. – 10:15 a.m.	**Jason J. Fichtner, Ph.D.** **Deputy Commissioner (Acting)** **Social Security Administration**
10:15 a.m. – 10:45 a.m.	**Network Break**
10:45 a.m. – 12:15 p.m.	**Concurrent Workshop Sessions**
12:15 p.m. – 2:00 p.m.	**Lunch** ***"Why They Make You Crazy" – A look at behavioral tendencies and workplace relationships*** **Bobbie Staten** **Certified Speaking Professional**
2:00 p.m. – 3:30 p.m.	**Concurrent Workshop Sessions**
3:30 p.m. – 4:00 p.m.	**Network Break**
4:00 p.m. – 5:00 p.m.	**Dr. Reginald F. Wells, Ph.D.** **Deputy Commissioner for Human Resources** **Social Security Administration**
5:00 p.m.	**Adjourn**

Thursday, July 9, 2009 (8:00 a.m. – 12:15 p.m. for the Training Forum & 1:15 p.m. – 4:30 p.m. for Area/Component Meetings)

7:00 a.m. – 8:00 a.m.	**Morning Refreshments**
8:00 a.m. – 9:30 a.m.	**Concurrent Workshop Sessions**
9:30 a.m. – 9:45 a.m.	**Break**
9:45 a.m. – 11:15 a.m.	**Executive Panel – Patty Robidart, moderator** **Panel Participants:** **Mary Glenn-Croft, Deputy Commissioner for Budget, Finance & Management** **Phil Gambino, Asst. Deputy Commissioner for Communications** **William Gray, Deputy Commissioner for Systems** **Marianna LaCanfora, Asst. Deputy Commissioner for Retirement & Disability Policy** **Ron Raborg, Assistant Deputy Commissioner for Disability, Adjudication and Review**
11:15 a.m. – 11:30 a.m.	**Stretch Break**
11:30 a.m. – 12:15 p.m.	**Dynamic Speaker/Closing** *AXIS Dance Company*
12:15 p.m.	**Forum Adjournment**
12:15 p.m. – 1:15 p.m.	**Lunch on your own**
1:15 p.m. – 4:30 p.m.	**Component/Area Meetings**

Source: San Francisco Region

WORKSHOP DESCRIPTIONS

Multigenerational Communication: What You Need to Know to Effectively Manage Four Generations at Work
Sheila Haji

This dynamic workshop provides you with insights and ideas to enhance your impact in everyday workplace scenarios by recognizing "generational disconnects" and understanding how to flex your communication style to meet the unique needs and expectations of a multigenerational workforce.

Wednesday, 7/8 from 10:45 a.m. – 3:30 p.m. (2 part workshop)

RelationShifts
Erika Lawrence, Laurie Schoendorfer, Gina Suazo-Lopez, Inez Yanora

RelationShifts is about empowering you to shift to higher, more productive levels of relationships at work, which results in a higher level of commitment to achieving extraordinary results. This unique workshop experience will enable you to create a dramatic change in the way you relate to your work, your colleagues, our organization and our customers.

Wednesday, 7/8 from 10:45 a.m. – 3:30 p.m. (2 part workshop)

Removing the Barriers
Pete Cinquemani

This workshop discusses a hands-on problem solving process that gives employees the opportunity to identify area of conflicts and concerns in the workplace and options or solutions to address them. Traditional problem solving asks that behavior be changed. This technique requires personal commitment and ownership of behavior and actions to effectuate change.

Wednesday, 7/8 from 10:45 a.m. – 3:30 p.m. (2 part workshop)

A Leadership Role in Strategic Management Planning
Rafael Moya

What makes an effective leader? How can you maximize your resources? This workshop will give you the tools you need to influence growth and change, create a positive work environment through participative decision-making, and learn ways to see the "big picture." Join us for this interactive seminar and learn how to be a strategic leader. Managers fight fires, leaders prevent fires.

Wednesday, 7/8 at 10:45 a.m. & 2:00 p.m.

Managing Diverse People: A Real Conversation
Marquita Beene

Embracing diversity is a critical skill for all employees, but especially managers. Most managers could teach the basics of diversity, so why are there so many discrimination lawsuits? Why do people still feel unwelcome or unaccepted in the workplace? This interactive workshop provides a forum to discuss diversity and management for seasoned employees.

Wednesday, 7/8 at 10:45 a.m. & 2:00 p.m.
Thursday, 7/9 at 8:00 a.m.

eServices in SSA
Michelle King, Tom Tobin

Speak to the Agency's leaders on eServices in SSA. Find out how far we've come in the eServices arena and where we plan to be. Learn about new and innovative agency initiatives and how they will change the face of SSA and help us to meet the workload challenges ahead.

Wednesday, 7/8 at 10:45 a.m.

Mentoring the Generations
Sonia L. Aranza

The environment we engage in has changed and these changes are irreversible. More than ever, there is a diversity of thoughts, ideas, attitudes, beliefs, behaviors and values. This workshop will help you engage effectively across all dimensions of difference.

Wednesday, 7/8 at 10:45 a.m. & 2:00 p.m.

Emotional Intelligence: Leading Organizations and Transitional Change
Gail Leon

This engaging workshop will provide insight into you as a leader, organizer and catalyst for change. You will learn to "lead from where you stand" and focus on a wide array of competencies and skills that drive leadership performance.

Wednesday, 7/8 at 10:45 a.m. & 2:00 p.m.

Policy Perspectives
Marianna LaCanfora

Common goals, creative solutions! What is the Office of Retirement and Disability Policy and what do they do? What's driving SSA in terms of programs, staffing and beneficiaries/recipients? How do we change policy? What are the internal challenges to changing policy? What are the hot policy issues? These questions and more will be answered in this unique workshop.

Wednesday, 7/8 at 2:00 p.m.

Reasonable Accommodation: The Big Picture
Bill Shie, Elena Stonebraker

The law has changed! Find out how these changes affect you. Learn how to recognize potential Reasonable Accommodation issues and what actions are needed when certain indicators are present. Find out about confusing overlap issues between SSA Disability, Workers' Compensation, and Schedule A Hiring Authority and who decided certain Reasonable Accommodation requests.

Note: Recommended for 1st line FO and TSC supervisors who have NOT had the training since April 2009 (except the Richmond TSC)

Thursday, 7/9 at 8:00 a.m.

Health Information Technology Communication Strategy
Jim Borland

As the first government agency to utilize the Nationwide Health Information Network gateway to receive medical records for some disability applicants, SSA's is the forerunner in the Health Information Technology (IT) arena. Jim Borland is the Commissioner's Special Advisor for Health IT and will share the Agency's plans for and use of health IT to improve our disability program.

Thursday, 7/9 at 8:00 a.m.

Improving Organizational Performance Through Employee Engagement
John Crum

Studies show that the level of employee engagement can make a major difference in organizational performance. If engagement has such a powerful effect on organizational outcomes, is there anything agencies can do to increase employee engagement? The answer is yes. Supervisory behaviors can make the difference.

Thursday, 7/9 at 8:00 a.m.

Interest Based Bargaining
Pete Cinquemani

Interest Based Bargaining is a collaborative process used for contract negotiations and daily problem solving that will benefit the organization as a whole. Learn how to attack the problem, not people. Decisions are based on Objective Criteria, not power.

Thursday, 7/9 at 8:00 a.m.

Leading at a Higher Level: SES Career Development
Panel

Where do you see yourself in 5 years? 10 years? Join a panel of current SES Career Development Program Associates from this region (or who have had assignments in this region) that asked the same question about their careers. Find out what steps they took to prepare themselves for placement in the SES.

Thursday, 7/9 at 8:00 a.m.

Source: San Francisco Region

Scope and Methodology

To accomplish our objective, we:

- Reviewed laws and regulations pertaining to training and procurement activities at Federal agencies, including the Federal Acquisition Regulation.

- Reviewed the Social Security Administration's (SSA) policies and procedures pertaining to training and procurement, including the *Administrative Instructions Manual System*.

- Reviewed contracts, receipts, invoices, payments, and other documentation associated with the planning and procurement of training conference facilities and services for the Regional Management Training Forum. We also reviewed travel costs submitted by a sample of 45 SSA employees who attended the Forum. As part of this review, we determined whether these activities were in compliance with Agency guidance and applicable laws and regulations.

- Obtained information on SSA conferences conducted over the past 8 years. To do this, we worked with the Agency's Audit Liaison team and contacted all the Agency's components requesting any meetings or conferences that met the following criteria.

  ✓ The conference was held from January 2001 through present[1] **AND**

  ✓ SSA was the primary sponsor of an event held at a non-SSA facility, no matter how many employees attended **OR** 50 or more employees attended an event that another organization sponsored and SSA paid for travel or provided time-off for employees to attend (not to include grants or cooperative agreements) **AND**

  ✓ It was a multi-day event **AND**

  ✓ It required travel away from the employees' duty stations.

  In the case of fewer than 50 SSA employees where SSA is the primary sponsor, we qualified the reporting requirement to cover only those conferences where the supplies and/or services exceeded $25,000 and required a competitive bidding process.

- Reviewed prior Office of the Inspector General audits and investigations of SSA training conferences held over the past 5 years.

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[1] Since the data request went out in late July 2009 and some components reported complete data for August 2009, we included these submissions.

- Interviewed San Francisco and Chicago regional officials and staff as well as Headquarters staff, including staff in the Offices of Finance, Human Resources, and Learning.

In this review, we are not opining on the appropriateness of (1) the use of conferences as a training method or (2) holding a conference at the Phoenix, Arizona, location. We found the Regional Management Training Forum cost data used in our review to be sufficiently reliable to meet our objectives. We did not perform a separate review of the other training information submitted by SSA components covering conferences over the past 8 years because of the volume of submissions and the short timeframe for this review. As a result, we were unable to determine the reliability of these additional costs.

The entity audited was the Office of the Deputy Commissioner for Operations. We conducted this performance audit from July through October 2009 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 the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Detailed Regional Management Training Forum Expenses

Expense Description	Subtotal	Total[1]
Travel Detail		
-- Transportation, Lodging and Meals/Incidental Expenses	$503,774	
Travel Total		$503,774
Hotel Detail (Arizona Biltmore Hotel)		
-- Reception/Registration[2]	$13,406	
-- Morning Breaks (2 days)[2]	$20,128	
-- Luncheon (1 day)[2]	$13,514	
-- Afternoon Breaks (2 days)[2]	$20,128	
Hotel Total[3]		67,176[4]
Audiovisual Total		
-- Swank Audio Video	$67,816	
Audiovisual Total		67,816
Instructor Details		
-- Common Ground Consulting Serves, Inc.—Multigenerational Communication Training	$6,000	
-- AXIS Dance Company—Diversity Training	5,250	
-- Sonia L. Aranza—Mentoring The Generations Training	7,500	
-- B. Staten & Associates, Inc.—Why They Make You Crazy	5,500	
Instructors Total		24,250
Other Cost Details		
-- Printing (Government Printing Office)	$3,311	
-- Conference Registration Service	2,985	
-- Supplies	5,769	
Other Total		12,065
Total Conference Costs		**$675,081**

Notes: (1) Represents reported costs as of September 24, 2009. These expenses do not include salary costs associated with the time SSA employees spent to attend and travel to the conference.
(2) Prices relate to 670 planned attendees.
(3) The Region also spent $642 on a separate labor relations training held the day after the conference.
(4) The original contract was $80,100 and included a third afternoon break, which was later removed. An adjustment of $1,932.16 on the final invoice reduced the costs from $69,750 to $67,818 (less the $642 noted in note 3 above).

Conference Exhibitors

Eleven SSA exhibitors attended the San Francisco Regional Management Training Forum in Phoenix, Arizona. Eight of the exhibits were sponsored by the San Francisco Region, and three were sponsored by the Social Security Administration's Headquarters.

- **Center for Materiel Resources (Region)**: Exhibit on "green" initiatives and educational materials providing "green" information for office and home

- **Center for Programs Support (Region)**: Information on e-services, including recent and upcoming systems releases, and a demonstration of the newly redesigned Center for Programs Support Website

- **Center for Automation (Region)**: Provided highlights/demonstrations of new software: Live Meeting, Office 2007, VISTA and SharePoint

- **Center for Human Resources - Staffing and Classification (Region)**: Exhibit with recruitment information and materials

- **Center for Human Resources - Benefits/Wellness (Region)**: Information on Employee Education, Electronic Services, and Health and Wellness

- **Center for Disability (Region)**: Information on Military Casualty/Wounded Warrior (information about the proactive tools to help process these high-visibility cases) and Ticket to Work and other return to work programs

- **Center for Security and Integrity (Region)**: Information on Security Assessment and Funded Enhancement and document authentication

- **Civil Rights and Equal Opportunity (Region)**: Information from three San Francisco Regional Advisory Groups (Hispanic Affairs Advisory Council, Pacific Asian Advisory Council, and Council of Employees with Disabilities)

- **Office of Learning (Headquarters)**: Highlighted the Learning and Development Roundtable available to every SSA employee

- **Office of Communications (Headquarters)**: Demonstration of Social Security TV

- **SSA Historian (Headquarters)**: Demonstration of new on-line system for getting information

Source: San Francisco Region

Conference Donations

The following items and services were provided to the San Francisco Region as part of the Regional Management Training Forum. A regional official stated most of the items were distributed to conference attendees as door prizes.

Blue Cross/Blue Shield

- ✓ Pens
- ✓ Dental floss
- ✓ Key chains with flashlights
- ✓ Cloth eyeglass cleaner

Tohono O'Odham Tribe

- ✓ 40 water bottles
- ✓ 40 other items (t-shirts, bags, etc.)
- ✓ Playing cards
- ✓ Mints
- ✓ Pens

Starbucks

- ✓ 2 - $15 gift cards

Chicago Cubs Baseball Team

- ✓ Cubs jacket

Oakland Athletics Baseball Team

- ✓ 4 A's team jerseys
- ✓ 4 A's T-shirts
- ✓ 8 bobbing head dolls
- ✓ 8 A's hats
- ✓ 6 insulated coolers
- ✓ Miscellaneous pens, calendars, etc.
- ✓ 6 blankets
- ✓ Autographed baseballs

Los Angeles Dodgers Baseball Team
- ✓ 4 hats
- ✓ 4 t-shirts
- ✓ 4 bobbing head dolls
- ✓ Miscellaneous pens, pennants, water bottles

Milwaukee Brewers Baseball Team
- ✓ 1 jacket
- ✓ 4 hats

Arizona Diamondbacks Baseball Team
- ✓ Autographed picture

All other items were donated by managers from the Region. This included gift cards for various stores, movie passes, gift cards for restaurants, gas cards, and sports-related items.

In addition, the San Francisco Region Management Association provided a disc jockey for the reception on the first night of the conference. The Region estimated the donation value to be approximately $1,200.

Other than the disc jockey, the Region was unable to provide an estimate on the value of the donations. However, regional managers noted that no Government funds were used to procure any of these items.

Procurement Methods

According to the Social Security Administration's (SSA) Administrative Instructions Manual System (AIMS), the Agency's policy is to conduct the acquisition process using full and open competition to the maximum extent practicable and not restrict competition for purchasing supplies and services. Below, we outline SSA's basic procurement requirements that applied to procurement for the Regional Management Training Forum, as found in AIMS and additional relevant support from the Federal Acquisition Regulation (FAR).

MICRO-PURCHASE/CREDIT CARD (LESS THAN $2,500/$3,000)

This process is used for an acquisition of supplies or services, using simplified acquisition procedures,[1] the aggregate amount of which does not exceed the micro-purchase threshold (MPT) of $2,500 for services and $3,000 for supplies or goods.[2] Although not required to solicit from a specific number of schedule contractors, staff with micro-purchase authority should attempt to distribute orders among contractors.[3]

CONFERENCE PROCUREMENT

The Region contracted for approximately $12,100 for supplies, printing, and registration services. The Region followed the required procurement polices when procuring these items.

Supplies

In general, we found that the supply expenses for the conference were in accordance with Agency policy. The Region spent approximately $5,800 on such items as pens, folders, tote bags, name badges, and badge holders. These costs also included handheld fans and outdoor kits. We spoke to regional management about these costs, and they explained all the items were necessary expenses. For example, the tote bags were necessary to carry the course materials. In the case of handheld fans and outdoor kits, management stated that they were issued as a health and safety measure because of the extreme heat in Arizona. For example, the outdoor kit included sunscreen, a band aid, and hand sanitizer. The handheld fans cost $0.63 each, and the outdoor kits cost $1.43 each.

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[1] Simplified acquisition procedures are the methods for purchasing supplies or services that are specified in the FAR Part 13.

[2] AIMS, Materiel Resources Manual (MRM), Chapter 06.06—*Competition in Acquisitions*, § 06.06.03.

[3] FAR, subpart 8.405—*Federal Supply Schedules*, § 8.405-1(b); 48 C.F.R. § 8.405-1(b).

Printing

The Region incurred approximately $3,300 in printing costs. Approximately $2,700 related to the Government Printing Office (GPO) costs for producing copies of training materials. GPO is a mandatory supply source for Agency printing. The Region also procured $600 for printing supplies, such as paper and toner.

Registration

The Region procured approximately $2,985 in registration service software and services.[4] The software allowed the conference participants to register for different workshops and print out individual agendas. In addition, the software allowed the Region to create, format, and print name badges. Currently, SSA does not have an in-house software program that performs this function. It is possible that greater coordination within the Agency on future conferences could lead to the ability to create or maintain an in-house program that can provide such services.

OPEN MARKET ACQUISITIONS (MPT TO $25,000)

This process is used to acquire services or supplies over the MPT and not exceeding $25,000. This type of acquisition requires the following.

- Consider at least three sources to the maximum extent practicable.[5]

- In the case of any restrictions in considering sources, a statement attached to, or included on, the requisition explaining the rationale (including any market research conducted) that substantiates the decision for limiting consideration of sources to a single source and/or a brand name.[6]

- The concurrence and approval requirement includes at least one management level above the contract officer's technical representative and a contracting officer.[7]

CONFERENCE PROCUREMENT

The San Francisco Region contracted with four parties in an amount that exceeded the $3,000 threshold for services but was less than $25,000. All four contracts related to vendors providing instructional courses or presentations at the conference. Regional staff used the SSA Office of Learning's *Training Vendor Database* as their resource for the trainers in three of the four cases. This database is a compilation of vendors whom

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[4] The software expires 1 year after the date of purchase.

[5] AIMS, MRM, § 06.06.06 B.1.

[6] AIMS, MRM, § 06.06.06 B.2.

[7] AIMS, MRM, § 06.06.08.

SSA has used in the past to present various topics. The fourth vendor, which provided a dance program, was selected based on the Agency's past experience with this vendor.

Regional officials explained that the Region formed a committee to determine the types of training and select the training instructors for the San Francisco Regional Management Training Forum. However, when we requested information regarding the committee's discussion, we were told the committee did not maintain any meeting minutes or documentation related to its activities. Regional officials explained that the committee used the Office of Learning's *Training Vendor Database* to select potential trainers for the Forum. The potential trainers' presentations were evaluated by the committee members and presented to the Region's executives at their weekly meeting before the final selection of the speakers. The prices or costs of the trainers were not reviewed until after their selection.[8]

We were able to locate two of the vendors on the Office of Learning's *Training Vendor Database* (see Table G-1). Regional staff noted that a third vendor was also present on an earlier list, but the committee had not maintained a copy of this earlier list. In addition, the presence of these vendors on the *Training Vendor Database* did not eliminate the requirement that the Region provide a justification for its selection, which was not provided in the documentation we received. The Region could improve its internal controls over future procurement by maintaining sufficient documentation to demonstrate the steps used in identifying and selecting a supplier or vendor.[9]

Table G-1: Contracted Trainers

Contractor/Forum Session	Found on Vendors/ Speakers List Provided to Auditors	Cost
Common Ground Consulting Services, Inc. (Sheila Haji) – Multigenerational Communication Training	No	$6,000
AXIS Dance Company - Diversity Training	No	5,250
Sonia L. Aranza – Mentoring The Generations Training	Yes	7,500
B. Staten & Associates, Inc. (Bobbie Staten) – Why They Make You Crazy	Yes	5,500

AXIS Dance Company was not on the *Training Vendor Database.* Regional management explained that one of the Region's major initiatives in Fiscal Year 2009

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[8] The Region provided a copy of the potential trainers for the upcoming conference, but the majority of the listed names and organizations lacked pricing data.

[9] For example, the FAR contains guidance for file documentation and retention in special situations, which indicates that agencies should include additional statements (i) explaining the absence of competition if only one source is solicited and the acquisition does not exceed the simplified acquisition threshold; or (ii) supporting the award decision if other than price-related factors were considered in selecting the supplier. FAR §§ 13.106-3 (b)(3)(i) and (ii); 48 C.F.R. §§ 13.106-3 (b)(3)(i) and (ii). According to the Government Accountability Office (GAO), "Internal control and all transactions and other significant events need to be clearly documented, and the documentation should be readily available for examination." GAO, *Standards for Internal Control in the Federal Government,* November 1999, GAO/AIMD-00-21.3.1, page 15.

was to hire people with disabilities. As a result, SSA wanted to provide the managers with an illustration or experience of the capabilities of disabled individuals. In addition, the Region had a prior contract with AXIS Dance Company at another event. Regional staff said the committee conducted market research for this contract by performing Internet searches, contacting the Arizona Office of Tourism and requesting assistance from a former SSA employee and former vocational rehabilitation counselor who lives in Arizona. After this search, the committee decided it was not able to locate another viable option to provide this type of diversity training. Again, while this information was later provided to us in telephone conversations and emails, we were not provided with any documentation supporting the market research and final determination. The absence of supporting documentation increases the risk that there could be a lack of accountability for stewardship of Government resources.

OPEN MARKET ACQUISITIONS (OVER $25,000 TO $100,000)

This process is used for an acquisition of services or supplies exceeding $25,000 but not exceeding the simplified acquisition threshold (SAT) of $100,000.[10] SSA policy indicates that this type of acquisition requires the following.

- Unless the contracting officer determines that publication is not required, the contracting officer must publish a notice of the proposed acquisition and the subsequent solicitation at the Federal Business Opportunities (FBO) Website,[11] even if the decision to proceed without competition is justified and approved.[12]

- For other than full and open competition (but not brand name) requirements, a statement must be attached to or included on the requisition explaining the rationale for limiting consideration of sources to a single source.[13]

- For requirements using a brand name specification, a separate document attached to the requisition that justifies the use of brand name specifications.[14]

- The concurrence and approval requirement includes at least one management level above the contract officer's technical representative and a contracting officer.[15]

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[10] The dollar value of the current SAT is in FAR Part 2.1—*Definitions*.

[11] FBO has been designed as a single point of entry for Federal buyers to publish and for vendors to find posted Federal business opportunities across departments and agencies.

[12] AIMS, MRM, § 06.06.06 C.1.

[13] AIMS, MRM, § 06.06.06 C.2.

[14] Id. The justification must include information that explains why the particular brand name, product or feature is essential to the agency's requirements; and discusses the market research conducted and explains that the market research indicates that other companies' similar products or products lacking the particular features, do no meet, or cannot be modified to meet, the agency's needs.

[15] AIMS, MRM, § 06.06.08.

CONFERENCE PROCUREMENT

The Region contracted for approximately $135,000 in hotel services ($67,200) and audiovisual support ($67,800). In both cases, the Region followed the required procurement polices when soliciting bids from the public and choosing the lowest priced bid that could also meet all the technical requirements.[16]

Hotel Services

Regional staff, in conjunction with the regional contracting officer performed market research[17] for the hotel contract by soliciting quotes from five different hotels in the San Francisco vicinity using FBO.[18] After the completion of this market research and a final determination of the needs for the hotel contract, the Region solicited hotel bids from three metropolitan areas[19] and received seven bids for this contract consisting of one from San Francisco, one from Los Angeles, and five from Phoenix (see Table G-2 for some of the contract requirements).

Table G-2: Request for Bid Requirements

Metropolitan Location	Number of Rooms Required	Number of Additional Rooms Required[1]	Lodging/Per Diem Rates
Los Angeles, California	650	150	$128/$64
Phoenix, Arizona	650	150	$96/$59
San Francisco, California	300[2]	150	$164/$64

Notes: (1) The additional rooms consisted of 125 rooms the night before the conference and 25 rooms the third night of the conference.
(2) Fewer rooms would be required in the San Francisco area because of the number of managers living in the San Francisco commuting area.

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[16] FAR limitations on the use of sealed bidding indicate, in part, that an award is made to the responsible bidder whose bid is responsive to the terms of the invitation for bids and is most advantageous to the government, considering only price and the price-related factors included in the invitation. FAR 14.103-2(d); 48 C.F.R. § 14.103-2(d).

[17] The FAR requires that Federal agencies conduct market research in a number of circumstances, including "Before soliciting offers for acquisitions with an estimated value less than the simplified acquisition threshold when adequate information is not available and the circumstances justify its cost." Market research is then conducted to determine if commercial items "…are available to meet the Government's needs or could be modified to meet the Government's needs…The extent of market research will vary, depending on such factors as urgency, estimated dollar value, complexity, and past experience." FAR 10.001(a)(2)(iii) and 10.002(b); 48 C.F.R. §§ 10.001(a)(2)(iii) and 10.002(b).

[18] The first solicitation (SSA-RFQ-09-RMgmtForum) was posted on March 9, 2009. This first solicitation was considered a pre-solicitation, and was limited to the "downtown San Francisco, California area."

[19] The earlier pre-solicitation posting was modified on March 27, 2009 to cover the three cities. All three cities are within the States served by the San Francisco Region. A second modification to the pre-solicitation on April 13, 2009, removed the audiovisual requirements and noted these services would be solicited under another request for proposal. The solicitation was posted on April 15, 2009.

Regional staff reviewing the bids determined the San Francisco and Los Angeles bids were not technically acceptable. For instance, the San Francisco hotel bid did not meet the statement of work specifications in the request for bid since it lacked sufficient meeting space as well as the required number of guest rooms. In the case of the Los Angeles hotel bid, the submission did not contain the proper documentation requested for the bid.

Of the five bids received from the Phoenix metropolitan area, the Arizona Biltmore Hotel was the lowest bidder at $80,100.[20] The next lowest technically acceptable bid in Phoenix was $112,825. The bid price included meeting room rentals of $5,000, which was not part of the Arizona Biltmore Hotel bid. The contract was awarded to the Arizona Biltmore Hotel on May 14, 2009.

Audiovisual Support

The Agency received nine bids in response to its solicitation for audiovisual equipment rental and service to host the conference in Phoenix, Arizona. Of the nine bids received, only two were found to be technically acceptable and were within competitive range. Those two bidders were requested to submit a final proposal. Based on the final proposals, Swank Audio Video was determined to be the lowest technically acceptable bidder at $70,071.[21]

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[20] After selecting the Biltmore Hotel, regional staff further reduced the costs associated with this contract by removing a $10,350 afternoon break. As a result, the contract was reduced to $69,750.

[21] This amount was later reduced to approximately $67,800.

Training Matrix

We developed the training matrix below based on discussions with regional officials in the Chicago and San Francisco Regions. However, the matrix content is specific to the San Francisco Region's training process.

Table H-1: Training Matrix for Various Methods of Delivering Training at the Social Security Administration

Delivery Methods	Purpose / Format of Delivery Method	Audience	Size of Audience (target)	Instructor/ Student Interaction	Types of Courses	Training-Related Travel	Technology Used	Impact on SSA's Computer Network
Video Conferences	Predominantly used for special meetings and not used for training purposes.	Management and staff	Varies - Usually less than 15-20.	Limited[1]	NA	NA	SSA's network	Technology uses SSA's network capacity (bandwidth) and may slow the system.
Conferences	Used for breakout sessions and small group work/discussion.	Management and staff	Varies - For staff training, usually 100-150 individuals at a time attend the front-line training, which occurs 4-6 times a year.	Open and limited[2]	Predominantly used for front-line training and less often for management to meet face-to-face for training and networking purposes.	Yes	Audiovisual support from contract vendors if using other than SSA space; otherwise use SSA's staff and audiovisual equipment/ accessories.	None

Delivery Methods	Purpose / Format of Delivery Method	Audience	Size of Audience (target)	Instructor /Student Interaction	Types of Courses	Training-Related Travel	Technology Used	Impact on SSA's Computer Network
Interactive Video Teletraining (IVT)	Used for majority of entry-level training for field operations and on-going transmittal training for staff in the immediate claims taking units in the Program Service Center (PSC). IVT training is available to most staff in other sections of the PSC, teleservice center (TSC), and disability determination services (DDS).	Mainly used for staff, but occasionally used by management for specific broadcasts.	Varies - Entry level training can be from 2-10 people at each downlink site, while transmittal training can be for the entire office or unit.	Limited[3]	Majority related to national field operations training. Training that is more specific to a unique caseload of a Region is supplemented by the Region (for example, legislation and policy that is specific to Hawaii).	Yes[4]	SSA's Satellite Dish	Technology does not interfere with SSA's network.
Video on Demand	Used for self-study - videos of IVT sessions. It is not used for long-term, entry-level training and is not a technical training vehicle.	All Staff	One person	None	Refresher training and self-development. Also can be used for core training with presentations from classes with different speakers.	No	SSA's network	Technology uses SSA's network capacity (bandwidth); however, the number of expected users at any given time should not slow the system.

Delivery Methods	Purpose / Format of Delivery Method	Audience	Size of Audience (target)	Instructor / Student Interaction	Types of Courses	Training-Related Travel	Technology Used	Impact on SSA's Computer Network
SSA Learn	Self-study	All Staff	One person	None	Personal development and refresher training	No	Internet	Technology uses SSA's network capacity (bandwidth) if the course is performed on SSA's systems; however, the number of expected users at any given time should not slow the system.
E-Learning	Self-study	All Staff	One person	None to Limited[5]	Personal development and refresher training	No	Internet	Technology uses SSA's network capacity (bandwidth) if the course is performed on SSA's systems; however, the number of expected users at any given time should not slow the system.

Delivery Methods	Purpose / Format of Delivery Method	Audience	Size of Audience (target)	Instructor / Student Interaction	Types of Courses	Training-Related Travel	Technology Used	Impact on SSA's Computer Network
Traditional (on-site): Face-to-Face	Lecture	All Staff	Varies	Open	All entry-level training for DDS, PSC, and processing center operations (benefit authorizer and claims authorizer); majority of TSC training; and some field office entry-level training (service representative and claims representative). Also, management training classes where interaction and/ or multiple instructors are required.	Varies	None	None
Private Vendors (off-site): Face-to-Face	Lecture	All Staff	Varies	Open	Management and staff training	Varies	None	None

Notes: (1) The participants may not be inclined to discuss actual management issues/problems since participants do not always know who is attending at the various sites and how the discussion will be received.

(2) The participants are allowed to discuss different issues with their peers from other offices and participate in activities/simulation training (that is, real-life scenarios) in small groups. The participants also attend large group meetings where they may or may not feel comfortable sharing ideas.

(3) The instructor may not be able to respond or receive all the participants' questions during a live broadcast (primarily due to time). Therefore, IVT classes use additional software communication tools to interact with the instructor and other trainees.

(4) SSA has generally clustered students for IVT training. SSA does not want one individual to attend an IVT session only. As a result, SSA incurs travel-related expenses for staff from different offices to participate in the IVT training sessions. For instance, while not a typical example for more regions, Region IX may fly managers and staff from Pacific Island locations to ensure they benefit from a live broadcast within their regular work hours.

(5) SSA has contracted in the past with private vendors that supplement the E-Learning courses with an instructor who can answer potential questions from course participants.

San Francisco Region Conferences

The San Francisco Region hosted 11 conferences for approximately 2,800 attendees from January 2001 to August 2009. A list of these conferences is provided below.

**Table I-1: San Francisco Regional Conferences since January 2001
(January 2001 Through August 2009)**

Conference Name	Conference Location	Date	Number of Attendees	Reported Costs
Regional Management Training Forum	Phoenix, Arizona	July 2009	674	$675,081
San Francisco Region Management Association (SFRMA) Annual Meeting[1]	Tempe, Arizona	November 2008	82	5,500
Southern Area Border Conference[2]	San Diego, California	May 2008	47	54,641
SFRMA Annual Meeting[1]	Industry Hills, California	November 2007	118	5,000
San Francisco Hispanic Advisory Council Conference[3]	Las Vegas, Nevada	October 2007	336	9,393
SFRMA Annual Meeting[1]	San Francisco, California	November 2006	113	2,500
SFRMA Annual Meeting[1]	San Diego, California	November 2005	133	2,500
SFRMA Annual Meeting[1]	Yosemite, California	November 2004	120	2,500
San Francisco Hispanic Advisory Council Conference[3]	Las Vegas, Nevada	October 2003	317	1,978
SFRMA Annual Meeting[1]	Mesa, Arizona	November 2002	100	3,000
San Francisco Region Management Training Forum	La Quinta, California	June 2001	728	572,374
Totals			**2,768**	**$1,334,467**

Notes: (1) Figures for the San Francisco Region contain meeting data for SFRMA, which, according to its bylaws, is a nonprofit association of SSA managers established to ensure "…constructive cooperation with the commissioner of Social Security and all responsible officials in the furtherance of social security programs, encouraging the establishment of policies that best serve the public interest in the accomplishment of the mission of our agency, fostering professional growth of management personnel, assuring meaningful and realistic consultation between agency heads and representatives of management organizations." Regional management stated the Region supports some of the speakers/trainers and generally provides 4 hours of administrative leave for managers traveling to the conference.

(2) Southern Area Border Conferences are on-going meetings to address issues, such as alien disability payments and taxation, particularly affecting the U.S.-Mexican Border States. These conferences were held jointly with the Dallas Region. San Francisco regional management considers these meetings to be "workshops" in nature, designed to address SSA matters of special importance to the Border States. Attendees at these meetings also included executives from Headquarters.

 (3) Regional management also reported that the Hispanic Advisory Council Conference attendees included people from outside the Region as well as executives from Central Office. Participants paid their own travel and hotel expenses.

DISTRIBUTION SCHEDULE

Commissioner of Social Security

Office of Management and Budget, Income Maintenance Branch

Chairman and Ranking Member, Committee on Ways and Means

Chief of Staff, Committee on Ways and Means

Chairman and Ranking Minority Member, Subcommittee on Social Security

Majority and Minority Staff Director, Subcommittee on Social Security

Chairman and Ranking Minority Member, Committee on the Budget, House of Representatives

Chairman and Ranking Minority Member, Committee on Oversight and Government Reform

Chairman and Ranking Minority Member, Committee on Appropriations, House of Representatives

Chairman and Ranking Minority, Subcommittee on Labor, Health and Human Services, Education and Related Agencies, Committee on Appropriations,
   House of Representatives

Chairman and Ranking Minority Member, Committee on Appropriations, U.S. Senate

Chairman and Ranking Minority Member, Subcommittee on Labor, Health and Human Services, Education and Related Agencies, Committee on Appropriations, U.S. Senate

Chairman and Ranking Minority Member, Committee on Finance

Chairman and Ranking Minority Member, Subcommittee on Social Security Pensions and Family Policy

Chairman and Ranking Minority Member, Senate Special Committee on Aging

Social Security Advisory Board

Overview of the Office of the Inspector General

The Office of the Inspector General (OIG) is comprised of an Office of Audit (OA), Office of Investigations (OI), Office of the Counsel to the Inspector General (OCIG), Office of External Relations (OER), and Office of Technology and Resource Management (OTRM). To ensure compliance with policies and procedures, internal controls, and professional standards, the OIG also has a comprehensive Professional Responsibility and Quality Assurance program.

Office of Audit

OA conducts financial and performance audits of the Social Security Administration's (SSA) programs and operations and makes recommendations to ensure program objectives are achieved effectively and efficiently. Financial audits assess whether SSA's financial statements fairly present SSA's financial position, results of operations, and cash flow. Performance audits review the economy, efficiency, and effectiveness of SSA's programs and operations. OA also conducts short-term management reviews and program evaluations on issues of concern to SSA, Congress, and the general public.

Office of Investigations

OI conducts investigations related to fraud, waste, abuse, and mismanagement in SSA programs and operations. This includes wrongdoing by applicants, beneficiaries, contractors, third parties, or SSA employees performing their official duties. This office serves as liaison to the Department of Justice on all matters relating to the investigation of SSA programs and personnel. OI also conducts joint investigations with other Federal, State, and local law enforcement agencies.

Office of the Counsel to the Inspector General

OCIG provides independent legal advice and counsel to the IG on various matters, including statutes, regulations, legislation, and policy directives. OCIG also advises the IG on investigative procedures and techniques, as well as on legal implications and conclusions to be drawn from audit and investigative material. Also, OCIG administers the Civil Monetary Penalty program.

Office of External Relations

OER manages OIG's external and public affairs programs, and serves as the principal advisor on news releases and in providing information to the various news reporting services. OER develops OIG's media and public information policies, directs OIG's external and public affairs programs, and serves as the primary contact for those seeking information about OIG. OER prepares OIG publications, speeches, and presentations to internal and external organizations, and responds to Congressional correspondence.

Office of Technology and Resource Management

OTRM supports OIG by providing information management and systems security. OTRM also coordinates OIG's budget, procurement, telecommunications, facilities, and human resources. In addition, OTRM is the focal point for OIG's strategic planning function, and the development and monitoring of performance measures. In addition, OTRM receives and assigns for action allegations of criminal and administrative violations of Social Security laws, identifies fugitives receiving benefit payments from SSA, and provides technological assistance to investigations.