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# Congress of the United States

## House of Representatives

COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM

2157 RAYBURN HOUSE OFFICE BUILDING

WASHINGTON, DC 20515-6143

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April 20, 2012

The Honorable Douglas H. Shulman  
Commissioner  
Internal Revenue Service  
1111 Constitution Avenue NW  
Washington, D.C. 20004

Dear Commissioner Shulman:

The Committee on Oversight and Government Reform is gathering government-wide data about the cost and frequency of agency-funded overnight conferences held outside of the Washington, D.C.-area. As part of this investigation, I am writing to request documents and information related to such conferences and the employees who planned and attended them.

On February 9, 2009, the President publically condemned frivolous spending of taxpayer dollars at a town hall meeting in Indiana. He stated: "you can't go take a trip to Las Vegas or go down to the Super Bowl on the taxpayers' dime."<sup>1</sup>

With that in mind, on July 24, 2009, I wrote to the Social Security Administration (SSA) to request documents and information related to a "three-day conference for managers at the Arizona Biltmore Resort and Spa."<sup>2</sup> The agency subsequently produced documents to the Committee that showed it had been careless with taxpayer dollars. The SSA Administrator determined that "the conference organizers made some decisions that were not fully compliant with [SSA] policies or adequately sensitive to the expectations of the agency."<sup>3</sup>

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<sup>1</sup> Dave Toplikar, *Las Vegas Still 'Reeling' from Obama Comments, Says Mayor*, LAS VEGAS SUN (Oct. 21, 2010).

<sup>2</sup> Letter from Hon. Darrell Issa, Ranking Member, Comm. on Oversight & Gov't Reform [hereinafter Committee] to Hon. Michael J. Astrue, Adm'r, U.S. Social Security Admin. (July 24, 2009) (citing Josh Bernstein, *Social Security Spends \$700,000 on Phoenix Conference*, KNXV-TV, <http://www.abc15.com/content/news/investigators/story/Social-Security-spends-700-000-on-Phoenix/RrHYWi4IRka1mC7wJTm4uQ.csp> (last visited July 16, 2009).

<sup>3</sup> Letter from Hon. Michael J. Astrue, Adm'r, U.S. Social Security Admin., to Hon. Darrell Issa, Ranking Member, Committee (Sept. 10, 2009).

The Administrator made significant organizational changes at SSA to prevent a recurrence.<sup>4</sup> At the time, I hoped that the abundance of negative publicity about the event from a variety of news outlets would serve as notice that federal departments and agencies cannot use taxpayer dollars to pay for vacations disguised as conferences.<sup>5</sup>

All agencies must plan conferences with guidance provided by the President in mind. On November 9, 2011, President Obama signed an executive order that directed agencies to spend funds more efficiently.<sup>6</sup> Specifically related to travel, the President stated:

[T]o ensure efficient travel spending, agencies are encouraged to devise strategic alternatives to Government travel, including local or technological alternatives, such as teleconferencing and video conferencing. Agencies should make all appropriate efforts to conduct business and host or sponsor events in space controlled by the Federal Government, wherever practicable and cost effective.<sup>7</sup>

With regard to commemorative items, the President directed agencies to “limit the purchase of promotional items (e.g. plaques, clothing, and commemorative items), in particular where they are not cost-effective.”<sup>8</sup> This order, in addition to the President’s public comments, should deter event organizers from even considering expensive off-site conferences.

As families around the country spend less to make ends meet, the federal government must follow suit. The American people have an expectation that the federal government is not using their tax dollars to pay for lavish conferences or to fund the salaries of event planners.

The General Services Administration (GSA) failed to heed the President’s message and to learn from the mistakes of the SSA. According to an April 2, 2012, report by the GSA Office of the Inspector General (OIG), the agency’s biennial Western Regions Conference held in October 2010 was “excessive” and “wasteful.”<sup>9</sup> The conference, held at the M Resort in Las Vegas, cost \$822,751. According to the OIG report, witnesses characterized the conference as “over the top.”<sup>10</sup> In fact, the planners

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<sup>4</sup> *Id.*

<sup>5</sup> See Joseph Rhee & Brian Ross, *Social Security Execs Boogie Down at Lavish Phoenix Conference*, ABC NEWS (July 15, 2009); *Luxury on Your Dime*, FOX NEWS (Apr. 29, 2011), <http://video.foxnews.com/v/3935199/luxury-on-your-dime/>.

<sup>6</sup> Exec. Order No. 13,589, *available at* <http://www.whitehouse.gov/the-press-office/2011/11/09/executive-order-promoting-efficient-spending> (Nov. 9, 2011).

<sup>7</sup> *Id.*

<sup>8</sup> *Id.*

<sup>9</sup> Gen. Servs. Admin., Office of the Inspector Gen., *Management Deficiency Report: Gen. Serv. Admin. Public Buildings Service 2010 Western Regions Conference* (Apr. 2, 2012) [hereinafter OIG Report].

<sup>10</sup> *Id.* at 1-2.

made it a priority to outdo previous years' conferences.<sup>11</sup> This Committee held a hearing on April 16 to address GSA's culture of wasteful spending.

Unfortunately, these lavish conferences by the SSA and GSA do not appear to be isolated incidents. The Committee has recently obtained information about an Internal Revenue Service (IRS) conference in Anaheim, California during the week of August 23, 2010. The Small Business/Self-Employed Division of the IRS hosted this conference, which took place near Disneyland and reportedly cost in excess of \$6 million.

To help the Committee determine whether this conference was an appropriate expenditure of taxpayer dollars, please provide the following information:

1. The date, venue, and number of attendees for the Anaheim conference;
2. The total cost of the conference and the funding source;
3. The names of all managers within the Small Business/Self-Employed Division who attended the conference; and,
4. The names of all individuals who approved funding for the conference.

If the IRS did in fact spend more than \$6 million on a conference in 2010, it may signal a broader problem within the agency. So that the Committee can better understand the full history of IRS spending on conferences, please also provide the following information:

5. A list of all overnight conferences funded by the IRS and attended by more than 50 employees since January 1, 2005. For each conference provide date(s), location, cost, funding source, and number of attendees; and
6. The names, titles, and salaries of any individuals employed by the IRS to plan events.

The Committee on Oversight and Government Reform is the principal oversight committee of the House of Representatives and may at "any time" investigate "any matter" as set forth in House Rule X. An attachment to this letter provides additional information about responding to the Committee's request.

We request that you provide the requested documents and information as soon as possible, but no later than noon on May 4, 2012. When producing documents to the Committee, please deliver production sets to the Majority Staff in Room 2157 of the Rayburn House Office Building and the Minority Staff in Room 2471 of the Rayburn

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<sup>11</sup> *Id.*

The Honorable Douglas H. Shulman

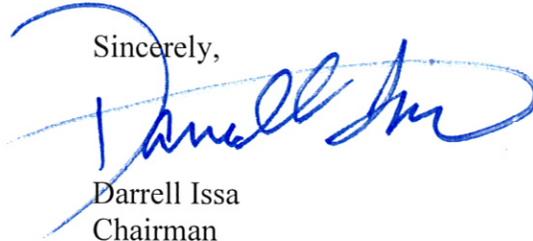
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House Office Building. The Committee prefers, if possible, to receive all documents in electronic format.

If you have any questions about this request, please contact Ashley Callen or Ashok Pinto of the Committee Staff at (202) 225-5074. Thank you for your attention to this matter.

Sincerely,

A handwritten signature in blue ink, appearing to read "Darrell Issa", is written over a faint blue circular stamp or watermark.

Darrell Issa  
Chairman

Attachment

cc: The Honorable Elijah E. Cummings, Ranking Minority Member  
Committee on Oversight and Government Reform

ONE HUNDRED TWELFTH CONGRESS

# Congress of the United States

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### Responding to Committee Document Requests

1. In complying with this request, you should produce all responsive documents that are in your possession, custody, or control, whether held by you or your past or present agents, employees, and representatives acting on your behalf. You should also produce documents that you have a legal right to obtain, that you have a right to copy or to which you have access, as well as documents that you have placed in the temporary possession, custody, or control of any third party. Requested records, documents, data or information should not be destroyed, modified, removed, transferred or otherwise made inaccessible to the Committee.
2. In the event that any entity, organization or individual denoted in this request has been, or is also known by any other name than that herein denoted, the request shall be read also to include that alternative identification.
3. The Committee's preference is to receive documents in electronic form (i.e., CD, memory stick, or thumb drive) in lieu of paper productions.
4. Documents produced in electronic format should also be organized, identified, and indexed electronically.
5. Electronic document productions should be prepared according to the following standards:
  - (a) The production should consist of single page Tagged Image File ("TIF"), files accompanied by a Concordance-format load file, an Opticon reference file, and a file defining the fields and character lengths of the load file.
  - (b) Document numbers in the load file should match document Bates numbers and TIF file names.
  - (c) If the production is completed through a series of multiple partial productions, field names and file order in all load files should match.

6. Documents produced to the Committee should include an index describing the contents of the production. To the extent more than one CD, hard drive, memory stick, thumb drive, box or folder is produced, each CD, hard drive, memory stick, thumb drive, box or folder should contain an index describing its contents.
7. Documents produced in response to this request shall be produced together with copies of file labels, dividers or identifying markers with which they were associated when they were requested.
8. When you produce documents, you should identify the paragraph in the Committee's request to which the documents respond.
9. It shall not be a basis for refusal to produce documents that any other person or entity also possesses non-identical or identical copies of the same documents.
10. If any of the requested information is only reasonably available in machine-readable form (such as on a computer server, hard drive, or computer backup tape), you should consult with the Committee staff to determine the appropriate format in which to produce the information.
11. If compliance with the request cannot be made in full, compliance shall be made to the extent possible and shall include an explanation of why full compliance is not possible.
12. In the event that a document is withheld on the basis of privilege, provide a privilege log containing the following information concerning any such document: (a) the privilege asserted; (b) the type of document; (c) the general subject matter; (d) the date, author and addressee; and (e) the relationship of the author and addressee to each other.
13. If any document responsive to this request was, but no longer is, in your possession, custody, or control, identify the document (stating its date, author, subject and recipients) and explain the circumstances under which the document ceased to be in your possession, custody, or control.
14. If a date or other descriptive detail set forth in this request referring to a document is inaccurate, but the actual date or other descriptive detail is known to you or is otherwise apparent from the context of the request, you should produce all documents which would be responsive as if the date or other descriptive detail were correct.
15. The time period covered by this request is included in the attached request. To the extent a time period is not specified, produce relevant documents from January 1, 2009 to the present.
16. This request is continuing in nature and applies to any newly-discovered information. Any record, document, compilation of data or information, not produced because it has not been located or discovered by the return date, shall be produced immediately upon subsequent location or discovery.

17. All documents shall be Bates-stamped sequentially and produced sequentially.
18. Two sets of documents shall be delivered, one set to the Majority Staff and one set to the Minority Staff. When documents are produced to the Committee, production sets shall be delivered to the Majority Staff in Room 2157 of the Rayburn House Office Building and the Minority Staff in Room 2471 of the Rayburn House Office Building.
19. Upon completion of the document production, you should submit a written certification, signed by you or your counsel, stating that: (1) a diligent search has been completed of all documents in your possession, custody, or control which reasonably could contain responsive documents; and (2) all documents located during the search that are responsive have been produced to the Committee.

### Definitions

1. The term "document" means any written, recorded, or graphic matter of any nature whatsoever, regardless of how recorded, and whether original or copy, including, but not limited to, the following: memoranda, reports, expense reports, books, manuals, instructions, financial reports, working papers, records, notes, letters, notices, confirmations, telegrams, receipts, appraisals, pamphlets, magazines, newspapers, prospectuses, inter-office and intra-office communications, electronic mail (e-mail), contracts, cables, notations of any type of conversation, telephone call, meeting or other communication, bulletins, printed matter, computer printouts, teletypes, invoices, transcripts, diaries, analyses, returns, summaries, minutes, bills, accounts, estimates, projections, comparisons, messages, correspondence, press releases, circulars, financial statements, reviews, opinions, offers, studies and investigations, questionnaires and surveys, and work sheets (and all drafts, preliminary versions, alterations, modifications, revisions, changes, and amendments of any of the foregoing, as well as any attachments or appendices thereto), and graphic or oral records or representations of any kind (including without limitation, photographs, charts, graphs, microfiche, microfilm, videotape, recordings and motion pictures), and electronic, mechanical, and electric records or representations of any kind (including, without limitation, tapes, cassettes, disks, and recordings) and other written, printed, typed, or other graphic or recorded matter of any kind or nature, however produced or reproduced, and whether preserved in writing, film, tape, disk, videotape or otherwise. A document bearing any notation not a part of the original text is to be considered a separate document. A draft or non-identical copy is a separate document within the meaning of this term.
2. The term "communication" means each manner or means of disclosure or exchange of information, regardless of means utilized, whether oral, electronic, by document or otherwise, and whether in a meeting, by telephone, facsimile, email, regular mail, telexes, releases, or otherwise.
3. The terms "and" and "or" shall be construed broadly and either conjunctively or disjunctively to bring within the scope of this request any information which might

otherwise be construed to be outside its scope. The singular includes plural number, and vice versa. The masculine includes the feminine and neuter genders.

4. The terms "person" or "persons" mean natural persons, firms, partnerships, associations, corporations, subsidiaries, divisions, departments, joint ventures, proprietorships, syndicates, or other legal, business or government entities, and all subsidiaries, affiliates, divisions, departments, branches, or other units thereof.
5. The term "identify," when used in a question about individuals, means to provide the following information: (a) the individual's complete name and title; and (b) the individual's business address and phone number.
6. The term "referring or relating," with respect to any given subject, means anything that constitutes, contains, embodies, reflects, identifies, states, refers to, deals with or is pertinent to that subject in any manner whatsoever.