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ONE HUNDRED TWELFTH CONGRESS

# 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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July 12, 2012

The Honorable Karen G. Mills  
Administrator  
U.S. Small Business Administration  
409 3<sup>rd</sup> Street, S.W.  
Washington, D.C. 20416

Dear Administrator Mills:

As part of the Committee on Oversight and Government Reform's ongoing investigation into agency spending on conferences, I am writing to request detailed information about several of the Small Business Administration conferences. Documents provided in response to the Committee's April 10, 2012 request showed the agency held two conferences for which the costs per person exceeded that of the General Services Administration's (GSA) now infamous 2010 Western Regions Conference in Las Vegas.

The American people expect that the federal government is acting as a responsible steward of their tax dollars. At a time of record budget deficits and a staggering national debt, wasteful and excessive government spending is appalling to taxpayers, many of whom are struggling to make ends meet. During the Committee's April 16, 2012, hearing on the 2010 GSA conference, Members from both sides of the aisle agreed that a number of egregious examples of waste occurred there – including the hiring of a mind reader, a clown, a \$31,000 reception, and a team-building exercise with a \$75,000 price tag.<sup>1</sup>

We hoped that the GSA conference was an outlier by any metric designed to measure the level of waste and abuse. It was not. The Committee has analyzed thousands of documents obtained from federal agencies and citizen watchdogs related to conference spending in federal departments and agencies. Any conference that cost taxpayers more per person than GSA's 2010 conference in Las Vegas raised a red flag.

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<sup>1</sup> *Addressing GSA's Culture of Wasteful Spending: Hearing Before H. Comm. On Oversight and Gov't Reform, 112th Cong. (Apr. 16, 2012).*

GSA's 2010 conference in Las Vegas cost taxpayers a total \$3,002.20 per attendee for planning, travel, lodging, food/beverage, and activities for the duration of the conference. In other words, it cost \$600.44 per attendee, per day for the five-day conference.<sup>2</sup> The Committee used these figures – cumulative cost per attendee and total cost per attendee per day – as benchmarks to identify conferences held by the Small Business Administration where wasteful or excessive spending may have occurred. Based on a comparison of the costs associated with the Small Business Administration's conferences with those benchmarks, the Committee found that the following conferences exceeded one or both of the benchmark levels:

1. Office of Disaster Assistance Program/Media Training for Public Information Officers in Minnetonka, MN, September 22-24, 2009; and,
2. Small Business Managers Performance Management Training in Baltimore, MD, March 19-22, April 4-7, April 18-21, April 25-28, and May 2-5, 2011.

So that the Committee may better understand the cost, planning, and agenda for each of the conferences that exceeded the benchmark spending levels, please provide the following information:

1. All documents and communications referring or relating to any of the conferences listed above, including, but not limited to, documents relating to conference itineraries, agendas, menus, descriptions of entertainment, speakers, venue selection criteria, and attendance rosters;
2. All documents and communications referring or relating to conference budgets; and,
3. All documents and communications referring or relating to any conference not listed above which cost more than \$3000.20 per attendee or \$600.44 per attendee, per day.

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 July 26, 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 House Office Building. The Committee prefers, if possible, to receive all documents in electronic format.

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<sup>2</sup> According to GSA, the total cost of the Western Regions Conference was \$840,616, and the number of attendees was 280. The conference spanned 5 days, from October 25-29, 2010. Therefore, the per person costs was \$3002.20, or \$600.44 per person per day. See General Services Administration, "Western Regions Conferences Review," (amounts identified as of April 11, 2012).

The Honorable Karen G. Mills  
July 12, 2012  
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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 prompt attention to this matter.

Sincerely,

A handwritten signature in blue ink, appearing to read "Darrell Issa", written over a light blue rectangular background.

Darrell Issa  
Chairman

Encl.

cc: The Honorable Elijah E. Cummings, Ranking Member

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### Responding to Committee Document Requests

1. In complying with this request, you are required to 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.
  - (d) All electronic documents produced to the Committee should include the following fields of metadata specific to each document;

BEGDOC, ENDDOC, TEXT, BEGATTACH, ENDATTACH,  
PAGECOUNT, CUSTODIAN, RECORDTYPE, DATE, TIME, SENTDATE,  
SENTHOUR, BEGINDATE, BEGINTIME, ENDDATE, ENDTIME, AUTHOR, FROM,

CC, TO, BCC, SUBJECT, TITLE, FILENAME, FILEEXT, FILESIZE, DATECREATED, TIMECREATED, DATELASTMOD, TIMELASTMOD, INTMSGID, INTMSGHEADER, NATIVELINK, INTFILPATH, EXCEPTION, BEGATTACH.

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 the request was served.
8. When you produce documents, you should identify the paragraph in the Committee's schedule 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 by the specified return date, compliance shall be made to the extent possible by that date. An explanation of why full compliance is not possible shall be provided along with any partial production.
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 are required to produce all documents which would be responsive as if the date or other descriptive detail were correct.
15. Unless otherwise specified, the time period covered by this request is 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.

### **Schedule 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 (desktop or mobile device), text message, instant message, MMS or SMS message, 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.
7. The term “employee” means agent, borrowed employee, casual employee, consultant, contractor, de facto employee, independent contractor, joint adventurer, loaned employee, part-time employee, permanent employee, provisional employee, subcontractor, or any other type of service provider.