

GSA: A REVIEW OF AGENCY MISMANAGEMENT AND WASTEFUL SPENDING—PART 2

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HEARING BEFORE THE COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE HOUSE OF REPRESENTATIVES ONE HUNDRED TWELFTH CONGRESS SECOND SESSION

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July 27, 2012

BRIEFING MEMORANDUM

TO: Members of the Committee on Transportation and Infrastructure
FROM: Committee on Transportation and Infrastructure Staff
SUBJECT: Oversight Hearing on "GSA: A Review of Agency Mismanagement and Wasteful Spending -- Part 2"

PURPOSE

The Committee on Transportation and Infrastructure will meet on Wednesday, August 1, 2012, at 9 a.m. to receive testimony from the General Services Administration (GSA) Inspector General and GSA. The hearing will focus on reviewing the mismanagement and wasteful spending of GSA. Specifically, the hearing will examine new information on GSA conferences, travel and bonuses as well as GSA's recent decision to enter into a lease without Committee authorization.

BACKGROUND

General Services Administration

The Committee has jurisdiction over all of GSA's real property activity through the Property Act of 1949, the Public Buildings Act of 1959, and the Cooperative Use Act of 1976. These three Acts are now codified as title 40 of the United States Code. GSA's Public Buildings Service (PBS) is responsible for the construction, repair, maintenance, alteration, and operation of United States courthouses and public buildings of the Federal Government. Additionally, PBS leases privately owned space for Federal use. GSA owns or leases 9,600 assets and maintains an inventory of more than 362 million square feet of workspace. GSA acts as the "landlord" for the Federal government, obtaining and

managing space to meet the space needs of other Federal agencies. GSA, however, is just one of nine¹ Federal agencies that, in total, own or manage 93% of Federal real property.

GSA currently operates with 11 PBS regional offices (including the National Capital Region in D.C.) which are responsible for managing GSA properties and projects in those regions.

Property Management Issues

Given the vast real estate holdings of the Federal Government, poor asset management and missed market opportunities cost taxpayers significant sums of money. For this reason, in 2003, the Government Accountability Office (GAO) placed real property management on its list of “high risk” government activities where it remains today. Unfortunately, despite executive orders and memoranda issued during two administrations and acts of Congress intended to improve the management of Federal real property, these problems persist.² The high risk activities of Federal real property are significant. Considerable amounts of vacant or underperforming assets can translate into significant costs associated with their operation, maintenance, and security. For example, in fiscal year 2009, the Federal Government spent \$1.7 billion in annual operating costs for under-utilized buildings and \$134 million, annually, for excess buildings.³

Subcommittee on Economic Development, Public Buildings, and Emergency Management Chairman Denham introduced H.R. 1734, the Civilian Property Realignment Act (CPRA), last year. That legislation passed the House and would establish a civilian BRAC-like commission to identify and get rid of waste in federal properties through selling unneeded properties, consolidating Federal space and minimizing the Federal space footprint. This Congress, the Committee has held field hearings in vacant buildings to provide oversight on this issue, including at the Annex of the Old Post Office, the Cotton Annex, and the Georgetown Heating Plant in Washington, D.C. Additional field hearings are planned in the next month to highlight the wasteful mismanagement of federal properties by GSA.

Administrative Costs

On top of inefficiencies in how GSA has managed its buildings, the Committee is also investigating Public Buildings Service’s administrative costs. Information received by the Committee indicates that the PBS administrative costs have increased significantly over the years. Specifically, since fiscal year 2007, the PBS administrative costs have

¹ The other major land-holding departments and agencies include the Department of Defense, Department of Veterans Affairs, Department of Energy, Department of Homeland Security, Department of the Interior, Department of State, National Aeronautics and Space Administration, and the U.S. Postal Service.

² See, for example, Executive Order 13327, Federal Real Property Asset Management, signed by President George W. Bush, February 4, 2004; Presidential Memorandum, Disposing of Unneeded Federal Real Estate, signed by President Barack Obama, June 10, 2010; Public Buildings Cooperative Use Act of 1976; Public Law 108-447, Division H, Title IV, Section 412, December 8, 2004 (providing enhanced flexibility to GSA in real property management).

³ FY2009 Federal Real Property Report, Federal Real Property Council, September 2010, p. 5.

increased by \$260 million. The PBS Commissioner's Office expenditures have increased by more than triple during the same period. (See chart below).

Summary of administrative personnel and other costs, FY07-FY11						
(\$s in thousands)						
Organization	Type	FY2007	FY2008	FY2009	FY2010	FY2011
PBS Commissioner	Personnel	\$1,665	\$2,492	\$2,707	\$5,101	\$5,296
	Other	\$1,310	\$1,202	\$545	\$1,837	\$3,861
	Total	\$2,975	\$3,694	\$3,252	\$6,938	\$9,157
* PBS Headquarters	Personnel	\$38,557	\$41,418	\$42,004	\$44,277	\$49,432
	Other	\$200,381	\$236,018	\$263,189	\$272,948	\$306,429
	Total	\$238,938	\$277,436	\$305,193	\$317,225	\$355,861
Regional	Personnel	\$310,158	\$328,050	\$352,087	\$378,645	\$412,776
	Other	\$156,645	\$164,643	\$168,628	\$184,046	\$190,605
	Total	\$466,803	\$492,693	\$520,715	\$562,691	\$603,381
Total		\$708,716	\$773,823	\$829,159	\$886,854	\$968,399

The Committee began investigating the PBS administrative costs in 2011 after financial information included in GSA's State of the Portfolio Reports and Agency Financial Reports suggested an increase in costs and reduction of income from its owned inventory and an increase in losses for its leased inventory. Specifically, GSA's 2011 Agency Financial Report indicated that the Federal Buildings Fund net revenues from GSA-owned buildings dropped by \$274 million between 2010 and 2011 and lost \$133 million in 2011 on its leased facilities.

Other Waste

Las Vegas Conference

On April 2, 2012, the GSA Inspector General (IG) issued a Management Deficiency Report on the GSA Public Buildings Service and its 2010 Western Regions Conference (WRC). The 2010 conference had approximately 300 attendees and occurred at the M Resort Spa Casino just outside Las Vegas, Nevada. The IG found that the total cost of the conference was \$822,751 including \$136,504 spent on 8 pre-conference scouting trips alone. On April 17, 2012, the Subcommittee on Economic Development, Public Buildings and Emergency Management held a hearing on this conference and other wasteful spending on travel.

It was clear from the hearing and the ongoing Committee investigation that the Las Vegas conference was not an anomaly or limited to Region 9 of GSA. Indeed, following the release of the IG report, then-GSA Administrator Martha Johnson resigned, along with the then-Public Buildings Service Commissioner, Robert Peck was fired.

Disciplinary action was also taken against Former Region 9 Commissioner, Jeff Neely, as well as other GSA officials and employees.

2010 FAS Conference

On July 19, 2012, the GSA IG informed the Committee that his office was initiating an investigation into a conference held on November 17, 2010 by the Federal Acquisition Service (FAS) of the GSA. Preliminary information indicates that this one-day conference cost \$270,000. This conference reportedly included such expenses as:

- \$34,073.38 for the ceremony venue at the Crystal Gateway Marriott including:
 - \$20,738.78 in catering charges
 - \$13,334.60 in AV and room rental charges
- \$7,697.22 for a “Commissioner’s Reception” at the Key Bridge Marriott including:
 - Hors d’oeuvres, beverages, and miniature pastries for 200 attendees
 - A violinist and a guitarist
- \$140,464.06 for “coordination and logistical management” by Gallagher & Gallagher, Inc. including:
 - \$104,484.17 for logistics and management services
 - \$20,578.24 for 4,000 drumsticks given to attendees
 - \$5,390 for five 55-passenger buses, two mini-buses, and a van
 - \$10,010.65 for “Mission Possible Agent X” management
- \$28,364.45 for 4,000 “time temperature picture frames” provided by Small Wonders.
- \$8,587.73 for “Agent X appearance” by JDG Communications, Inc.
- \$41,734.93 for travel for 49 attendees.

Other Investigations

It became clear from the Committee investigation following WRC that GSA held many conferences, meetings, and training sessions that cost the taxpayer millions of dollars. Indeed, the April hearing revealed internship conferences in Palm Springs as well as unnecessary field oversight travel by senior management to Hawaii and the South Pacific. The GSA IG is currently initiating investigations into other conferences and meetings that took place since the Fall of 2010. And the Committee continues its own investigation into GSA’s administration costs, including exorbitant conferences and questions about bonus awards.

Bonuses and Performance Awards

During the course of the Committee's investigation of the WRC Conference and administrative costs, the Committee identified exorbitant bonuses. For example, the Committee unearthed that GSA's then-Region 9 Commissioner, Jeff Neely, received a \$9,000 bonus. After concluding that there are "clear deficiencies in the area of performance awards," on July 17, 2012, Acting GSA Administrator Tangherlini announced that GSA will be cutting Senior Executive performance awards this year by 85 percent, suspending all performance awards given out in the Administrator's Office for the rest of the fiscal year, and eliminate the Awards Stores program, through which employees had access to prizes like iPods and digital cameras.

World Trade Center Lease

Approval of GSA projects costing the taxpayer more than \$2.79 million⁴ is accomplished through a process established in the Public Buildings Act. Specifically, section 3307 of title 40 of the United States Code requires GSA to submit to the Committee on Transportation and Infrastructure and the Senate Committee on Environment and Public Works a prospectus providing specific details of the proposed project (construction, alteration, or lease), including details related to housing the specific agency or agencies to be located in the proposed space.

The Public Building Service pays for the costs of these projects through the Federal Buildings Fund (FBF). The FBF is primarily funded through rental payments made by tenant agencies to GSA for use of the space, although funds in the FBF must be appropriated each year. In addition, the annual appropriations bills contain language that explicitly limits the use of the funds in the FBF to projects with prospectuses that are approved by the committees in cases in which a prospectus is required under 40 U.S.C. 3307. For decades, GSA has interpreted these requirements to mean that it does not have the authority to obligate funds from the FBF for prospectus-level projects without explicit authorization.

On June 6, 2012, GSA sent the Committee a prospectus to lease space in One World Trade Center (WTC) in New York, after the notification deadline to be included in the Committee markup, scheduled for the following day. In addition, the prospectus provided to the Committee was incomplete. It failed to contain the information, required pursuant to 40 U.S.C. 3307, indicating the housing plan and details on the proposed tenant agencies to occupy the space. Notwithstanding requests for such information, GSA failed to provide any additional information prior to the June 7, 2012, markup. Committee staff attempted to obtain the missing information following the markup. While GSA eventually provided "potential" uses for the proposed leased space, GSA refused to submit to the Committee a specific plan for housing agencies in the space.

On July 17, 2012, it was reported that GSA signed the WTC lease, despite a lack of authorization from the Committee and contravening a long established precedent of

⁴ The Fiscal Year 2013 prospectus threshold is 2.79 million. This figure is adjusted annually.

Committee approval being necessary to sign prospectus level leases. No advance notice was provided to the Committee that GSA was planning to sign the lease. On July 18, 2012, the Committee staff received an email informing the Committee that GSA had signed the lease. The estimated cost of the lease over the initial 20-year term will be \$351 million. Subsequently, on July 25, the Committee officially requested GSA provide a written explanation and briefing describing on what basis GSA believed it had the authority to sign the lease. As of the date of this memo, the Committee has not received a response.

WITNESSES

The Honorable Daniel Tangherlini (or his designee)
Acting Administrator
U.S. General Services Administration

The Honorable Brian Miller
Inspector General
U.S. General Services Administration

GSA: A REVIEW OF AGENCY MISMANAGEMENT AND WASTEFUL SPENDING—PART 2

WEDNESDAY, AUGUST 1, 2012

HOUSE OF REPRESENTATIVES,
COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE,
WASHINGTON, DC.

The committee met, pursuant to call, at 9:13 a.m., in Room 2167, Rayburn House Office Building, Hon. John L. Mica (Chairman of the committee) presiding.

Mr. MICA. Good morning. I would like to call the House Transportation and Infrastructure Committee to order. This morning's hearing is entitled, "General Services Administration: A Review of Agency Mismanagement and Wasteful Spending—Part 2."

I am pleased to have Members join us and I apologize for a slight delay in the start. I told Ms. Norton someone should do something about traffic in Washington.

We are pleased to have you here today and also to be holding this important oversight hearing and investigative hearing regarding the latest round of GSA spending abuses, which has seriously called into question GSA's ability to safeguard taxpayers' money.

And the order of business will be I will start with my opening statement, and then I will recognize other Members. Then we will get to our panel of two witnesses. We will proceed with questions after we hear from those witnesses.

Again, we are focusing on some of the problems that we have had in waste and abuse of taxpayer funds. The General Services Administration—it is particularly alarming because the General Services Administration is a chief procurement agency for the Federal Government, also responsible for maintaining many of the public assets—trustees of public assets—and when you have abuse as an agency with that mission, you have some serious problems. And we will address them today.

First of all, I think everyone was appalled—and we appreciate the work of the inspector general, who is with us today—but they were appalled when we saw an \$800 million Las Vegas conference that, unfortunately, featured clowns and mind readers and the infamous image that all of us recall of one of the administrators in a hot tub thumbing his nose at both Congress and the American taxpayer. We are hopeful that this was a limited occurrence and that that was not indicative of the behavior, the actions, or the management of the agency.

From the very beginning, I asked Mr. Denham to chair the Economic Development, Public Buildings, and Emergency Management

Subcommittee that oversees GSA. But from our very first hearings, we requested information on soaring administrative costs that had ballooned some 300 percent. So we knew something was wrong. And I think Mr. Denham and I at almost every hearing and in communications with the agency have tried to ascertain why these expenses were so high and what was going on.

Our focus also from this committee isn't just something related to what we found with these conferences. One of our intents, both in the minority, when we published the report entitled, "Sitting on Our Assets: The Federal Government's Misuse of Taxpayer-Owned Assets," and that was in October of 2010, the same month that this first conference that was so abusive was held, but that highlighted the multibillion-dollar loss of taxpayer revenues and potential utilization of assets. We found that GSA and the Federal Government have 14,000 properties or buildings across the Nation that are either vacant or underutilized.

Mr. Denham and I went down—and other Members—Ms. Norton was there—at the Old Post Office in the annex. The annex had been vacant for 15 years. And it is 2 blocks from the White House. I just came from the White House a few minutes ago, and just within steps of the White House is this property, costing taxpayers a loss of \$8 million a year. It was 32 degrees outside, and we held a hearing in the annex, which had been vacant. It was 38 degrees inside.

Most of the people who testified before us or worked with us, then-GSA administrators, unfortunately, were also involved in some of the abuses and almost all of them have been removed or replaced or resigned.

In the meantime, with Ms. Norton's help and in a bipartisan fashion, we have turned that first property from a money-losing asset to where a thousand people will be employed and potential significant revenue for the taxpayers. But that took us over a year.

Since that, we have done two subsequent hearings in vacant buildings in our Nation's Capital, one in the annex, Cotton Annex, a huge swath of land. That building was vacant for 5 years. And then several weeks ago, we conducted another hearing in the empty power facility behind the Ritz Carlton Georgetown on 2.08 acres vacant for 11 years.

Just examples of some of the huge waste. These conferences are significant abuses in waste, but there are even more dramatic problems with GSA. Next week, we will be doing a hearing in Miami, and there is Federal courthouse that has been vacant there for a number of years. We will continue during the August recess. I think we are going to be in Los Angeles with Mr. Denham to look at the situation there with underutilized or excess property sitting idle.

So that sort of sets the stage for today's hearing. We have been working diligently with the inspector general. We have a very limited investigative staff on the committee. The inspector general is doing as good a job as he can. Unfortunately, ladies and gentlemen, I am told by some folks that we have now received information that there may be as many as 77 conferences and award ceremonies that are now under review by the inspector general and the investigative committee of our staff. That is quite disturbing. We, of

course, were told, in addition to the October conference, which was \$800,000, that now there is a 1-day, in excess of a quarter of a million dollar Virginia conference, and people have already seen the videos of \$20,000 worth of drumsticks that were purchased; \$35,000 in picture frames; and \$104,000 for consulting on a 1-day conference that was paid. All of that is disturbing. Now we are finding there may be as many as 77.

Mr. Denham I think I will address one particular that we have heard of in the last—actually, this continues even in the last 24 hours. Not all of them are in the dollar amounts, but I must report that we are now examining the cost per attendee, and some of that is over the top. And it does raise new concerns. But it is going to take a while to sort through the good, bad, and the ugly of what has taken place. Not a pretty picture for taxpayers.

Then I have to raise next before the committee a question of the bonuses. We were informed by GSA after inquiries about bonuses, the administration, the President had asked not to issue bonuses or they be limited. And in our questioning, we discovered about \$10 million in what was reported from GSA in bonuses. Now it appears—and I have to thank the media, particularly Fox News and I guess CBS and others who have also pursued this matter for some time. It is funny. A congressional panel, when you do an inquiry and you can ask an agency a question and you get back an answer and they give us back \$10 million as the answer as to these bonuses. The media discovered—what is it—\$34 million on top. So we have \$44 million in bonuses. Absolutely stunning amount.

Now to put this in context—and again, I thank the media for also working this. I see also the Washington Times had a FOIA request. All of these combined, we have now uncovered about \$44 million in bonuses.

Do we have a spreadsheet on that?

This is an absolutely incredible amount of money. To put it in context, the entire Federal Government paid \$439 million in bonuses to 1.3 million Federal employees last year. Now, GSA has 1 percent of the employees of the Federal Government. One percent. And they received 10 percent of the bonuses, to show you how dramatically out of kilter this is. That is absolutely outrageous.

Then, furthermore, we went through some of the expenditures on bonuses and payments to some of the GSA employees and who got them. A \$50,000 bonus went to the regional commissioner, who is under investigation for the Las Vegas conference. So not only were they giving out an incredible and inordinate amount of bonuses, but those who got them, for example, were some of the abusers. So the regional commissioner under investigation who got the \$50,000 bonus ended up with almost a quarter of a million dollars in his pocket, \$240,000.

An employee with a base salary of \$84,000—now listen to this—got \$115,000 in overtime pay. We saw a quarter of a million dollar distributions to a number of employees that were also investigated. A \$79,000 bonus for one employee with a total compensation that went as high as \$260,000. There is something wrong in GSA when you have to pay an employee \$115,000 in overtime. And then we found multiple \$50,000 bonuses in this agency.

Conferences are one thing. Multimillion-dollar losses—bonuses, absolutely outrageous. Despite a specific guidance by the administration in 2011, and let me read it, that bonuses—or this extra compensation would be awarded in a manner that is cost-effective for agencies and successfully motivates strong employee performance.

So this is a little bit long but, again, I want to highlight some of what we found to date. Unfortunately, this is only the preliminary results of our investigation. We are getting this in dribbles and drabs.

I thank, again, the media who was involved in asking for these FOIA requests. This wasn't a coordinated effort, I might say. These were independent. But all this has sort of come together and uncovered an incredible array of waste, abuse, possible fraudulent activity.

We have to also be a little bit careful today. I respect the work of the inspector general, and he will be somewhat limited in some commentary. His responsibility and our responsibility will be after this investigation to possibly make criminal referrals or referrals to the Department of Justice for their review. So we want to make certain that our investigations comply with, again, proper protocol, and we respect him. And at any point, with any question, we respect your position in an ongoing investigation.

We will continue to work hand-in-hand with the inspector general and our investigative staff to, one, uncover the balance of this waste, fraud, and abuse; two, to find out who was responsible, hold them accountable; and then, three, we are determined to make certain that this is cleaned up. It does not happen again. If we need to change administrative procedures or the law, we will do that. And you have my commitment that we will continue to pursue this until this mess is cleaned up.

Finally, let me just say this. I do not have witnesses in any of those other chairs today because what we wanted to do was hear from the inspector general, from GSA. I had asked other GSA officials to come here. Most of the first tier has either been removed, resigned, or left. Now the second tier is not as cooperative as I had hoped. We had one I guess take a medical leave last week who possibly was involved. And others are not coming forward today.

Additionally, in addition to not having GSA here today, I do not have witnesses which I would like to have from the private sector because there are people who are professionals who have management skills and can handle in an expeditious fashion the management, sale, the better utilization of these incredible assets. We have thousands of Federal properties, buildings vacant or underutilized, and I believe we need to start looking at turning this over to the private sector to better manage and to get GSA out of some of its current business.

But what has happened here today because these seats are vacant is all of those potential participants are so intimidated by GSA that they have stayed away and are not with us. Each one we have requested has backed out of participating in this hearing. And that is unfortunate.

And I am told, again, because GSA has such power; they control the largest rental market, property market in the world, that this

is taking place. But I intend to find another way and other witnesses to come in and guide our committee in trying to reform this whole process.

I know this is a very long opening statement, and I appreciate your indulgence, Ranking Member Norton and ranking—Chair Mr. Denham.

With those comments, I would like to yield to Ms. Norton.

Ms. NORTON. Thank you, Mr. Chairman, and thank you for today's hearing.

This committee is addressing yet another General Services Administration conference that has gone, shall we say, off the rails. Much like the October 2010 Western Regions Conference, a conference that ran amok near Las Vegas, Nevada, we now have another conference closer to home that occurred just a month later. This time in Crystal City, Virginia, where there are serious allegations of excessive spending and activities of dubious merit.

The President's appointment of GSA Acting Administrator Dan Tangherlini, the official who referred this matter to the GSA inspector general, is already bearing fruit. Administrator Tangherlini told the subcommittee he would conduct a top-to-bottom review of the agency when he appeared before us. We will need a careful inspector general report like the one received concerning the Western Regions Conference. But Administrator Tangherlini's actions thus far indicate that he is trying to get to the root of the issues at GSA. The acting administrator quickly implemented some commonsense reforms in the wake of the prior embarrassing GSA scandal, particularly consolidating conference oversight in the new Office of Administrative Services, which is now responsible for oversight of contracting for conferences, related activities and amenities and for review and approval of proposed conferences for their relation to GSA's mission.

I am also particularly pleased that GSA has brought all Public Buildings Service regional budgets under the direct authority of GSA's chief financial officer, centralizing authority over these accounts to ensure there are checks and balances in how GSA prioritizes spending. This structural change alone might have had the effect of putting a stop to the overspending on the GSA conferences in Las Vegas and Crystal City.

I look forward to hearing the testimony this morning about how we can continue to make improvements at GSA going forward.

I thank you, Mr. Chairman. I yield back.

Mr. MICA. I thank the gentlelady.

I am pleased to recognize the chair of our subcommittee overseeing this matter, Mr. Denham.

Mr. DENHAM. Thank you, Mr. Chairman.

Certainly it is frustrating to have yet one more hearing on some of the fraud and the waste that is happening in GSA, the agency that is supposed to be tasked with setting an example, setting the standard for every other agency.

After the Las Vegas celebration that they had, you would have thought that things would have changed. But yet we see conference after conference—and not just conferences. We found out now that rather than categorizing them as conferences, they categorize them

as celebrations so they can get around the Executive order of calling it a conference.

We see the outrageous bonuses that aren't just performance bonuses, which are bad enough, which under an Executive order were supposed to be stopped. But now we find out there is not only performance bonuses, but there are tier bonuses. There are special act bonuses. There are huge overtime payments, employees, department heads, receiving hundreds of thousands of dollars in additional pay.

This was supposed to be a hearing focused on yet one more conference dealing with the celebration at the Key Bridge Awards Ceremony, where awards were once again passed out—\$3.7 million just in one awards ceremony alone. Yet after the President issued his Executive order, we found out there were 77 more conferences around the Nation.

I think the question the taxpayer wants answered is: Why? Why are these agencies ignoring the President of the United States?

And now what is most outrageous is the Administration feels that they can bypass Congress, breaking three different laws written in statute. I think there are many members of this committee and of Congress as a whole that are going to have a lot of questions about that. If you can get around the prospectus hear in this committee in this body of Government that does control the purse strings for the World Trade Center, then you can do it in Ms. Norton's district. You can do it in Ms. Edwards' district. There is a \$2 billion lease on the FBI building coming up. Billions of dollars of taxpayer dollars. If you can't manage conferences and bonuses, how do you expect that Congress is going to allow you to handle billions of dollars worth of leases?

Mr. MICA. Mr. Denham, would you yield for just a second? I just want to explain to the Members the issue that he is raising right now because we have leadership of the committee here—this is a very important issue—and Ms. Norton.

Our committee is responsible basically, under law and historically for years, any lease that GSA signs over \$2.7 million needs to come back for our approval, and then they are brought before this committee and we approve them. We had pending a \$350 million lease of the World Trade Center. And the Administration—well, the Administration, GSA, signed that lease without approval.

How long was the term?

Twenty years, signed a 20-year—I mean, on top of everything else you have heard today, with the conferences, the bonuses, the waste and abuse, now they have just stuck their finger in the eye of the committee.

I want to make sure everybody hears what Mr. Denham is saying: \$350 million lease, subverting this committee. We have a major crisis. We have talked to the appropriators also. But they went ahead and signed that without approval of this committee.

Thank you, and I yield back.

Mr. DENHAM. Thank you, Mr. Chair.

If you can sense my frustration and outrage, it is not partisan. This is about an agency that is ignoring the Commander in Chief. Whether it is Republican or Democrat, this body has a responsibility to make sure that the law is being upheld.

I want to just conclude: "At a time when so many American families are struggling to make ends meet, I am committed to making sure the Federal Government is spending the taxpayers' money wisely and carefully and cutting costs wherever possible. I am committed to ending programs that do not work, streamlining those that do, and bringing a new responsibility for stewardship of tax dollars. Like households and businesses across the country, the Federal Government is tightening its belt. The effort began during my first days in office when I froze the salaries of the senior members of my White House staff. As a next step in this effort, I direct you to suspend cash awards, quality step increases, bonuses, similar discretionary payments or salary adjustments to any politically appointed Federal employee, commencing immediately and continuing through the end of the fiscal year 2011. I also direct the Office of Personnel Management to issue guidance in consultation with the Office of Management and Budget to assist departments and agencies in implementing this policy."

That is a Presidential memorandum, August 3, 2010. Yet 77 more conferences went on after that.

Executive Order 13576—Delivering an Efficient, Effective and Accountable Government: Government operations will be "curbing uncontrolled growth in contract spending, terminating poorly performing information technology projects, deploying state-of-the-art fraud detection tools to crack down on waste, focusing agency leaders on achieving ambitious improvements in high priority areas, and opening Government up..." Transparency. That was June 13, 2011, Executive Order 13576.

September 21, 2011, the Vice President was then tasked with getting every agency head together to deliver an efficient, effective, and accountable Government, which launched the campaign to cut waste. The Vice President convened the heads of executive departments and agencies to discuss the campaign to cut waste. At the meeting, the Vice President asked department agency heads to undertake thorough review of wasteful and inefficient spending and report back on the measures: "Therefore, the President has directed me to instruct all agencies and departments to conduct a thorough review of the policies and controls associated with conference-related activities and expenses. Until such time as the deputy secretary or equivalent can certify that the appropriate policies and controls are in place to mitigate the risk of inappropriate spending practices with regard to conferences, approval of conference-related activities and expenses shall be cleared through the deputy secretary or equivalent."

Executive Order 13589 on November 9, 2011. I will save you the suspense and go to section 7 of that: "Extraneous Promotional Items." "Agencies should limit the purchase of promotional items, e.g., plaques, clothing, commemorative items, in particular where they are not cost-effective."

Conference after conference, celebration after celebration, several layer of bonuses and overtime, and now GSA wants to have authority over leases in the hundreds of millions of dollars. It stops here in this committee. I yield back.

Mr. MICA. Thank you, Mr. Denham. Do others seek recognition?
Mr. SHUSTER. Mr. Speaker.

Mr. MICA. I love that title, but I will just settle for chairman. As nice as you were, Mr. Shuster, I am going to recognize Mr. Duncan first.

Mr. DUNCAN. Well, thank you, Mr. Chairman. I appreciate your calling this hearing.

All the publicity that has been given to these conferences and these terrible abuses of the taxpayers have shown once again that the easiest thing in the world is to spend other people's money, and that it is far too easy. In fact, Governor Ed Rendell, when he was Mayor of Philadelphia and was having a problem with some of the city unions, testified in front of one of our congressional committees many years ago, and he said, the problem with Government is there is no incentive for people to work hard, so many do not. There is no incentive for people to save money, so much of it is squandered.

And certainly those words were true many years ago, and they are true today, maybe even more so as all of the abuses of the taxpayers that we are talking about here today show. So I appreciate you having this hearing and looking into these matters, and I yield back.

Mr. MICA. Thank you. Mr. Coble, I tried to do it in seniority, but I didn't see you first. I apologize, sir.

Mr. COBLE. Mr. Chairman, thank you for calling this hearing. I have two other hearings, Mr. Chairman, so I will be in and out for most of the morning. I appreciate the witnesses being here. It does appear that sound fiscal management has been cast aside and replaced by wasteful mismanagement and recklessness. And perhaps we will hear more about that today. Again, I thank you for having called the hearing, Mr. Chairman, and yield back.

Mr. MICA. Thank you, Mr. Coble.

Mr. Shuster.

Mr. SHUSTER. Mr. Chairman, thank you very much. I am not going to be able to stay for the testimony, but I have a question—actually a couple of questions I would like to submit for the record. But it has been brought to my attention by some of my colleagues that there is a situation in San Antonio, Texas, involving the GSA that has recently made headlines. From what I have been told, the local Social Security office was asked to move to a new office, and while a new location will provide additional space, I understand also double the cost of the lease. From the information I have received, the cost of the lease will be more than \$1 million per year in addition. I understand that the Social Security Administration has spent \$1.7 million in reservations, a commission for the new lease totaling \$482,000, and additional security costs will total \$78,000. This does not take into account the cost of the actual move.

I recognize this is just one lease in one part of the country, but I am interested in understanding why this situation has occurred, in light of all the other things that has been happening to GSA.

But I have a series of questions I would like to submit to you, Mr. Miller, and get back in writing to me, if you would, some of the answers to my questions.

With that, I yield back.

Mr. MICA. Do others seek recognition?

Mr. Barletta?

Mr. BARLETTA. Thank you, Mr. Chairman.

First of all, I want to thank you for providing the therapy for the Members here to get this off our chest.

You know, before I came to Congress I was a mayor of a small town in Pennsylvania, and the city was broke. We actually didn't have money to hire the police that we needed. Now I come to Congress and the country is broke. I am beginning to believe that it is me.

I have to ask the simple question. When we deal with so many issues like we don't have money to fix our roads and bridges, but yet we are giving out hundreds of millions of dollars in bonuses, it is hard for me to conceive who the real—where the real problem lies. And I have come to this conclusion that yes, there is horrible abuses of GSA. But you are not the only agency. This is not the only agency I have seen waste and abuse. We can go agency by agency and find it over and over again. And I have come to the conclusion that we are the problem. We in Congress have failed.

Yes, it is great to get this off our chest and point out to the American people how you have wasted their tax dollars, but who are the enablers? It is Congress that is the enablers. We have allowed these agencies to do this.

If anybody understands zero-based budgeting, you would understand that if we implemented a fundamental practice that most businesses use rather than allowing agencies to simply budget by what they spent last year and this is what we are requesting this year, zero-based budgeting would eliminate all this. We wouldn't be having this hearing today. Because you see, every agency would start out with the same amount, zero. Zero. And you would have to justify every line item, why you need what you need. And they would never be able to budget millions of dollars for bonuses. This would never happen.

This Congress can't even pass a budget. The Senate hasn't voted for a budget in 3 years. This is like parents who are going away on vacation, and they load their house up, and they are going to leave their teenage children at home. But before they leave, they load their house up with booze, and they leave the credit card on the table. And they go away, and when they come home, they act surprised that there are beer bottles all over the house and the house is a wreck, and they ask, what the heck happened?

We have allowed this to happen. We have allowed this to happen. So I am going to ask the American people who are watching these hearings to take this matter into their hands. Before this next election, ask everyone who is running for this office if they support zero-based budgeting and ask everyone who is running for the United States Senate if they promise the American people that they will pass a budget. And if the answer to those questions are, no, then I would suggest that they hire new babysitters.

Thank you, Mr. Chairman.

Mr. MICA. Do others seek recognition?

Ms. Johnson.

Ms. JOHNSON OF TEXAS. Thank you very much, Mr. Chairman. I want to ask unanimous consent to place my entire statement in the record.

Mr. MICA. Without objection, so ordered.

Ms. JOHNSON OF TEXAS. What I would like to say very quickly is we are in dire straits for dollars and we have some excellent Federal employees. And I know that in this very partisan environment, it seems like you are all bad, but that is not the case. But it appears to me that there was no attention given to clearing the problems when they were called to your attention. And I think that for that reason it is very difficult to try to justify the ill decisions that were made. This makes it very hard for law enforcement officials, air traffic controllers, educators that are all Federal employees that work very hard and make a lot less money and get tainted with this kind of behavior with this agency. I think it is unfortunate.

Thank you, Mr. Chairman. I yield back and put my entire statement in the record.

Mr. MICA. I thank the gentlelady. Ms. Napolitano, you are recognized.

Ms. NAPOLITANO. Thank you, Mr. Chair.

In listening to my colleagues, I can't agree with them more. I, too, come as a past mayor of a small city. And the budget is something that we look over very carefully. But that is at a smaller level.

I know you have tremendous responsibilities, and the oversight is probably a little harder. However, every single agency is expected to do their best and act prudently. And I am hoping that the American people that are listening will understand that they have a right to be antiGovernment when they hear these stories and they are borne out by facts that are brought out to the general public's view. I think it is important for us to support that and continue to go after any agency that is mismanaging, that is not following the intent of the law, and that the people, the supervisors, their leadership, is understanding that they have a right to be able to carry out the intent of the charge that they are given and understand that we will be able to follow through.

I hope there will be lots of inquiries and discipline to those that have thought that they could just move ahead without any punitive action or any repercussions. We are all facing the same budgets in our cities. They are going bankrupt. Even in our staff, we don't give bonuses. We can't. We don't have the funds. And to have the American public see these outrageous expenses—the taxpayer dollar. It is their money.

So I am totally looking forward to listening and hopefully finding some solutions that are going to be effective in dealing with the future of our employees, that is the American public's employees.

Thank you, Mr. Chair. I yield back.

Mr. MICA. Do other Members seek recognition?

If no other Members seek recognition, we do have our panel that we will turn to. Today we have two witnesses. The first is the Honorable Brian Miller, who is the inspector general of the General Services Administration; and then we have Ms. Cynthia Metzler. She is chief administrative services officer of the General Services Administration. We will, of course, welcome your testimony. We will start with 5 minutes or so. There are only two of you, so we won't hold you to that. If you have additional information, docu-

mentation that you would like to be made part of the record, we will be glad to do that, or testimony.

I particularly want to thank Mr. Miller for his willingness to work with us. This, as I said in my opening statement, is a delicate situation. We have what started out as a small scandal now turning into a massive scandal with a number of people who have been involved. In fact, it is getting hard to find someone who isn't involved who we can even get to testify without having them put into some jeopardy because of the judicial process that probably will unfold here.

With that, again, I just thank Mr. Miller for his working so diligently with our investigative staff to uncover what is going on and also bring it to light.

So, Mr. Miller, you are recognized. Welcome.

TESTIMONY OF THE HONORABLE BRIAN D. MILLER, INSPECTOR GENERAL, GENERAL SERVICES ADMINISTRATION; AND CYNTHIA METZLER, CHIEF ADMINISTRATIVE SERVICES OFFICER, GENERAL SERVICES ADMINISTRATION

Mr. MILLER. Thank you, Mr. Chairman.

Chairman Mica, Chairman Denham, Ranking Member Norton, members of the committee, thank you for inviting me here to testify this morning. I appreciate this committee's support of inspectors general and of my office's mission to weed out instances of fraud, waste, and abuse at the General Services Administration.

It was with that mission in mind and pursuant to our congressional reporting requirements that I wrote my July 19 letter to our committees of jurisdiction, some of which had requested that IGs bring matters to their attention earlier in an investigation. In my letter, I informed Congress about an incident that had been brought to my attention by Acting Administrator Dan Tangherlini, who advised me that GSA planned to release similar information in response to a Freedom of Information Act request.

On November 17, 2010, the Federal Acquisition Service, FAS, held a 1-day performance award ceremony in the Washington, DC, metropolitan area. The ceremony featured a team-building drum band exercise conducted by a third-party vendor and speeches by current and former GSA officials. Our findings, though subject to further investigation and change, show costs of over \$200,000 for the 1-day ceremony, including over \$34,000 for the venue, \$28,000 for picture frames, and \$140,000 for coordination and logistical management to a third-party vendor. The vendor costs included over \$20,000 for drumsticks and \$10,000 for management of a presentation called, "Mission Possible, Agent X."

As I stated in my letter, we have begun a preliminary analysis of the information we received from GSA and have opened an administrative investigation. Since our investigation has begun just a few weeks ago, we have already uncovered some changes in cost figures and new facts.

This may be a good opportunity to explain how an OIG investigation is conducted. OIG investigations originate through any number of sources. Our hotline affords GSA employees, GSA senior management, other Government employees, contractors and concerned citizens a mechanism to report instances of fraud, waste and abuse

throughout GSA. My Office of Investigation receives between 2,000 and 3,000 hotline tips annually and will assess each complaint or tip for credibility and open up an investigation if appropriate.

Additionally, some matters warranting an investigation are brought to our attention by GSA senior management, as was the case with the FAS ceremony. In other scenarios, our auditors may bring a matter discovered during an audit to our Office of Investigations or special agents may be tipped off by an informant. No matter what the source, our special agents conduct their investigations with professionalism, objectivity, and diligence. They interview witnesses and collect available evidence and documents. Our agents compile the evidence in a written report of investigation, commonly known as an ROI, Report of Investigation, with relevant evidence attached.

In the last semiannual reporting period, our Office of Investigations made 486 referrals for criminal prosecution, civil litigation, and administrative action. Civil settlements and court-ordered and investigative recoveries for the same 6-month period totaled \$218,496,507. Because of the impact an IG investigation can have, accuracy is of the utmost importance. Inaccurate reports can threaten the integrity of an OIG investigation and damage the OIG's reputation as a mechanism for dependable oversight.

Because our investigation into the FAS ceremony is ongoing, the preliminary figures in the confines of my letter to congressional committees are the extent to which I can discuss this incident. Those numbers were based on information provided by the agency; information that I understood was going to be released publicly. My office will continue to look into this ceremony and will update the committee when our investigation concludes.

Thank you for the opportunity to provide testimony. I would be happy to answer any questions. Thank you.

Mr. MICA. Thank you, Mr. Miller.

Mr. MICA. We will now turn to Cynthia Metzler, chief administrative officer of the GSA. You are recognized.

Ms. METZLER. Good morning, Chairman Mica and Ranking Member Norton.

My name is Cynthia Metzler. I am the chief administrative services officer of the General Services Administration. In that capacity, I coordinate internal management and support services to promote efficiency within the agency, covering a wide variety of issues, including travel and conferences.

As you are aware, Acting Administrator Dan Tangherlini was not able to appear today due to a longstanding family commitment. Mr. Tangherlini reached out to the committee to request that this hearing be rescheduled at a mutually convenient date so that he could personally appear but was informed that the committee was electing to proceed with today's hearing with the awareness that he was unavailable.

Mr. Tangherlini looks forward to continuing to work with the committee to improve the efficiency of GSA and to refocus the agency on its core mission of streamlining the administrative work of the Government to save money for the American taxpayer.

Given that the genesis of this hearing was the acting administrator's recent referral to the inspector general of a 2010 award cere-

mony for the Federal Acquisition Service, I have come here today to outline the steps that we have taken to reform our conference and travel policies to prevent waste from happening again. As of April 2012, all travel for events, including internal GSA meetings, training, conferences, seminars, and leadership or management events, among others, was suspended. We have consolidated oversight of travel and conference expenses into the Office of Administrative Services, which I lead. My office now reviews each and every planned future conference to make sure that these events and any related travel are justified.

For example, a conference requires a business justification, the submission of a budget, and must be approved by the head of the office pursuing the conference, and myself. Conferences with anticipated costs over \$100,000 require the approval of the deputy administrator. Any travel must be essential to the mission of the agency, such as conducting litigation or performing building inspections. Any travel for a routine internal meeting at GSA requires a waiver from the administrator or the deputy administrator.

We have canceled 37 previously scheduled conferences. These are a few of the many reforms the acting administrator has taken to improve oversight, strengthen controls, and help refocus the agency on its core mission. His top-to-bottom review of all agency operations continues. And I know he looks forward to discussing these with you in the future.

The 2010 FAS awards ceremony is another example of what the acting administrator has already recognized, a pattern of misjudgment which spans several years and administrations. It must stop. And that is why Acting Administrator Tangherlini has instituted several stringent new policies on spending to put an end to waste. The new leadership at GSA is committed to investing any misuse of taxpayer dollars. When we find questionable occurrences, we refer them to the Office of the inspector general, as we did in this case.

GSA has already taken a number of important steps to reform conference and travel policy within the agency. As part of the acting administrator's top-to-bottom review, more steps will be taken to improve efficiency and save the taxpayer dollars.

I appreciate the opportunity to come before you today to discuss this aspect of reform at GSA, and I welcome any questions you may have.

Mr. MICA. Thank you.

I appreciate your coming.

We had requested, of course, Mr. Tangherlini. He, as you said, had a family obligation. We requested the deputy administrator, and I guess she was involved in this conference that is under question and investigation. So she is not coming. We had invited the chief of staff. He is not coming. And then we invited—what is his last name—Kempf, Federal Acquisition Service. I guess he was pretty heavily involved in the Virginia conference, and I believe he took a leave of absence.

Did he take a leave of absence last week, Ms. Metzler?

Ms. METZLER. I believe he is on medical leave.

Mr. MICA. OK. And then we got further down, the public buildings administrator, she couldn't come. So we got down to you. We

appreciate your being here. It is getting difficult to find anyone who hasn't been involved in these scandals to now come and testify.

I know, Mr. Miller, you have got ongoing investigations. We have identified 77 conferences with at least 25 attendees and \$10,000 cost. Is that correct? Are you aware of this?

Mr. MILLER. That is correct, Mr. Chairman.

Mr. MICA. Well, many of them are smaller amounts, but we have got some smaller amounts with very significant expenditures. I see some as high as almost \$2,200 a person; some that raise some questions.

I wish you would give particular attention to the National Congressional Support Conference in Henderson, Nevada. Were we able to find out if that was the same hotel Mr. Neely was in? But they had 44 congressional—ma'am, is that your legislative office, 44 persons?

Ms. METZLER. It is the Office of Congressional Affairs.

Mr. MICA. Yes. I am not sure if they were at the same resort with the same hot tub that Mr. Neely was in, but they were there for 5 days for an intergovernmental relations conference. And that is September of 2011. I would like particular attention if you could get back with the committee. I think our initial inquiries were thwarted on that. But I have particular interest in that.

Again, the committee and you have some work to do, Mr. Miller. I appreciate your work. I won't get into specifics because I don't want to tie it to individuals in your ongoing investigation.

Is the agency cooperating with you now, Mr. Miller?

Mr. MILLER. Yes, it is, Mr. Chairman. It is cooperating. We are getting a lot of information from the agency, and we work with them. We, obviously, get information in waves sometimes. We don't get complete information all the time. And so we go back, and we get additional information. So I think the committee understands the process.

Mr. MICA. OK. Further, I don't think we have a referral yet on the bonuses. Were you doing anything on the bonuses?

Mr. MILLER. We have an audit of the executive compensation—

Mr. MICA. On the way.

Mr. MILLER. Well, on its way.

Mr. MICA. We will turn over to you what we have been provided with. I think there are two or three FOIA requests that were instituted by the media. It is amazing. I am not an attorney, Mr. Miller, but the way you ask the question and the response you get from the agency is when they tell us and we ask a question, how much in bonuses, I guess you can skew or respond in a different fashion. We were told \$10 million. Now the media, it appears this could be up to \$44 million; another \$34 million.

Ms. Metzler, do you know anything about the total number of bonuses, dollars that were expended?

Ms. METZLER. Chairman Mica, unfortunately, I do not. I am not in charge of the human capital part.

Mr. MICA. Could you ask GSA to provide the committee with that information, the correct total information, bonuses? Again, it is just—when you have 1 percent of the employees, and they have

13,000 GSA employees and you get 10 percent of all the bonuses, it seems something is not right.

Ms. Metzler, are you familiar with the issue that is brought up by Mr. Denham on signing the GSA contracts, in particular, the World Trade Center? It was a \$350 million contract which was signed before it was authorized by the committee.

Ms. METZLER. My responsibilities have to do with the internal operations of GSA and not with the public building services or leasing.

Mr. MICA. Can you also request that the agency provide us that information? We are expecting some sort of reply. We have already requested it, and we do not have it, when the law states that anything over \$2.7 million needs approval from this committee.

I might say, too, you have 13,000 employees, and I chaired the Civil Service Subcommittee and there are thousands of Federal employees who go to work every day in this city and around the Nation who do an absolutely outstanding job. They help people, they are wonderful. And I have nothing against going to conferences. I come from central Florida. We welcome, we welcome people to central Florida. Unfortunately, several of the higher spending visits were to central Florida, and many of these may be legitimate expenses. But obviously some of them are over the top and they are expenditures.

Ma'am, are you aware Mr. Denham cited that the agencies were not to give exorbitant gifts and recognition items in a Presidential or a standing order? Are you familiar with that requirement, or directive?

Ms. METZLER. I am familiar with the Presidential directive. My office only took on responsibility for approving conferences and award ceremonies and related expenses in April of 2012. So we have been reviewing conferences from April of 2012.

Mr. MICA. And we can't get the people who were responsible before us, but now you would not approve \$20,000 in drumsticks, \$35,000 in picture frames. Would that, would those expenditures comply?

Ms. METZLER. We would not approve those now.

Mr. MICA. And then the inspector general cited \$140,000 in cost for organizing the conference. I went back and looked at the figures, and I think that there was some transportation and other things included in that. I saw the consulting fee of \$104,000 to organize a 1-day conference. I took the 140 and then subtracted what I thought were legitimate expenses. Is \$104,000 the typical fee for a 1-day conference?

Ms. METZLER. Chairman, we look at the organizing fee, the overall purpose of the conference.

Mr. MICA. But come on, \$104,000 for a 1-day conference. I mean, I am in the wrong—there are a lot of people in the wrong business out there.

Ms. METZLER. We would not have approved that conference under today's standards.

Mr. MICA. OK. Well, just these things just pop out. You know I have got people in my district losing their homes, their jobs, they are struggling to make ends meet and we have got an agency that is spending money like there is no tomorrow, and it has got to be

brought to a halt. So you are telling me again you are new in this position and we couldn't get the responsible parties in here.

Would you convey also to Mr. Tangherlini that I have tried for three times to convene this hearing, and one of the reasons that we are not waiving further delay in holding this hearing is because of that. So we will have him back in when he returns from his family obligations, and I hope to also have some of the missing people who are involved in some of this before the committee, too. They will not be let off the hook.

Ms. Norton.

Ms. NORTON. Thank you, Mr. Chairman.

Mr. Miller, you say in your testimony at page 3 that the administrator has begun a top to bottom review of the agency, and then you list or you name an example. Do you believe that the steps—are you satisfied, I should say, with the steps the Administration is taking to prevent abuses of the kind that came before us in Las Vegas that now we find were in Crystal City and other abuses in the agency?

Mr. MILLER. Well, Representative Norton, it is encouraging that GSA is taking steps to correct abuses in putting controls in. They strengthened the financial accountability, which was a recommendation of ours originally. In terms of whether these are effective or whether or not it is enough, I think it is too early to tell.

Ms. NORTON. Thank you. Now, could I ask a question about the Crystal City matter that the chairman just raised? Because as I look at that, even if the \$140,000 plus, Ms. Metzler, does not—can be, you take out some of it, transportation and the rest, you are still left with \$104,000, and it is by far the largest expenditure. Could I ask you if there are agency personnel that could perform the function that is called coordination and logistical management, or must such a matter be contracted out because I see that almost all of these conferences are contracted out to some private event planner, and they have their profit margin and all that goes with it. So is there anybody in the agency that can do conferences?

Ms. METZLER. Congresswoman, yes, there are people in the agency and under the new standards of the acting administrator, we have a new requirement that before one of these new party event planners can be used in the future, that the head of the service has to approve it and then it has to come through my office and other appropriations.

Ms. NORTON. You do have event planners and people who do event planning in the agency?

Ms. METZLER. It is not the mission of GSA, but there are people who do have—

Ms. NORTON. Well, you know, conferences aren't the mission either.

Ms. METZLER. Yes.

Ms. NORTON. If everything that isn't the mission has to be contracted out, then work in the profit margin. And the real question, and I would ask Mr. Miller this. Wouldn't it be less expensive to have a few people knowledgeable about conference planning in the agency rather than to contract out to some private event planner every time you want to do a conference?

Mr. MILLER. Yes. I would add that the GSA has event planners on staff.

Ms. NORTON. Ms. Metzler, I would strongly recommend against contracting out to an event planner. Event planners do their work. They are very good. My hat is off to them. I don't think, I think they try to do the fanciest job they can. I think somebody who works for the Federal Government would have a better understanding of what the agency wants and I very much recommend it there, that these matters not be contracted out but the Federal employees be given the task of designing and developing conferences for Federal employees.

Mr. Miller, I have got to ask you about this, it sounds strange, and I would want to look behind it, but this figure about 10 percent of the bonuses in the Federal Government come from GSA which has 1 percent of the employees. That will catch anybody's eye. Do you think that that figure is a figure, and I don't know what the word "bonus" means, that fairly represents the proportion of bonuses at GSA relative to other Federal employees or agencies?

Mr. MILLER. Representative Norton, I heard that figure this morning from the chairman. I have not had a chance to evaluate it.

Ms. NORTON. Mr. Miller, I would ask that among your priorities you look at that matter because it, I don't know how this, what the characterization is. Frankly, I find it a little difficult to believe. It is very difficult for me to believe that agencies which have hundreds of thousands of employees don't have a larger percentage. So I don't accept that at face value, and I won't accept anything at face value until you have had the opportunity to look into it.

During this recession the President has essentially asked that certainly his appointees lead by example. I would not begrudge Federal employees bonuses, but I must say on a rationed basis when you consider that for most Americans a salary would be considered a bonus. So I don't, without knowing more about bonuses I certainly don't want to decry bonuses, but during a recession and a recovery, it seems to me they ought to be given and I can only say it on a rationed basis which would mean some people who might otherwise deserve them wouldn't get them, but what I ask you to do is to look at bonuses now so that we can see what that was about and what it and what can be done with it.

I am very curious about page 2 of your testimony. Because you say in the last semi-annual, that would mean in the last 6 months, reporting period your office of investigation made 486 referrals for criminal prosecution, civil litigation, and administrative action. Would you break that down? That sounds like a large number. Would you compare that to what might have happened in the past?

Mr. DENHAM. [presiding.] And I would ask you to break that down quickly.

Mr. MILLER. OK. Well, it is, we make referrals obviously for criminal prosecution for civil action.

Ms. NORTON. Yeah, but what proportion are of each. I know you may not have all of the figures before you.

Mr. MILLER. Well, I can get the figures and send them up to you. I would be happy to do that. They should be in our semi-annual report as well broken down.

Ms. NORTON. And would you characterize them so when you say civil litigation or administrative action it would be helpful to know what that means as well.

Mr. MILLER. Well, that is usually a civil fraud case under the False Claims Act. So when a vendor or contractor has inflated billings to the GSA.

Ms. NORTON. So it may not be Federal employees.

Mr. MILLER. Correct. And again if a contractor is giving a bribe or a contractor, it may be a criminal referral against the contractor depending on the circumstances and not against the Government employees.

Mr. DENHAM. Mr. Miller, if you could provide a full detail to this committee, we would appreciate it.

Mr. MILLER. Sure. I would be happy to.

Mr. DENHAM. Mr. Miller, are you familiar with the August 3, 2010, memo from the President, the Presidential memorandum to freeze discretionary awards, bonuses, and similar payments?

Mr. MILLER. Only in a general way.

Mr. DENHAM. Well, let me just ask you since 2010 and in August have all discretionary awards been frozen?

Mr. MILLER. I understand the President has capped awards.

Mr. DENHAM. Are there awards that you know of to date between August of 2010 to today, discretionary awards or bonuses or similar payments?

Mr. MILLER. I believe that they are either capped or frozen, or actually Ms. Metzler may be in a better position to answer that.

Mr. DENHAM. There have been a number—you sent a report to this committee that there have been a number of bonuses that have gone out in the last 2 years?

Mr. MILLER. Yes.

Mr. DENHAM. Thank you. Are you familiar with the memorandum to the heads of the executive departments and agencies that says that approval of conference-related activities and expenses shall be cleared through deputy secretary or equivalent?

Mr. MILLER. Yes, in a general way.

Mr. DENHAM. Have they all been—all of the conferences, the 77 that you have seen in the last year and a half, have those 77 conferences been cleared by deputy secretaries or equivalent?

Mr. MILLER. I do not believe that they have.

Mr. DENHAM. You do not believe they have?

Mr. MILLER. Correct.

Mr. DENHAM. Are you familiar with the Presidential document, the Executive Order 13589 promoting efficient spending, where in section 7 it says “Extraneous Promotional Items.” “Agencies should limit the purchase of promotional items, e.g., plaques, clothing, commemorative items.” Are you familiar with that?

Mr. MILLER. Yes, in a general way.

Mr. DENHAM. Have there been any commemorative items, plaques, or clothing that has been given out in the last 2 years?

Mr. MILLER. Well, Mr. Chairman, we are conducting an ongoing investigation.

Mr. DENHAM. Were there drumsticks at the Crystal Palace that were given out?

Mr. MILLER. They were given out in connection with the celebration.

Mr. DENHAM. Were there commemorative frames?

Mr. MILLER. They were given out in connection with the celebration.

Mr. DENHAM. Would you consider those commemorative items that should have been covered under Executive Order 13589?

Mr. MILLER. I think we are getting very close to our ongoing investigation with that matter. So I would decline to answer that.

Mr. DENHAM. In your report, I will read from your report, \$28,364.45 for 4,000 time temperature picture frames. I would consider those picture frames commemorative items. \$7,810 for 68 shadowbox frames provided by award crafters. I would consider that commemorative items. \$20,578 for 4,000 drumsticks given to attendees. I would also consider that in that same category.

So my question to you is if you have a memorandum from the President, if you have a memorandum to department heads saying that deputy secretaries or equivalent will approve all conferences and if you have two Executive orders by the President, how could this go on for the last 2 years?

Mr. MILLER. Mr. Chairman, we are looking into that. Our investigation is ongoing.

Mr. DENHAM. Mr. Miller, you have been doing these investigations for quite some time now. Have you ever seen a period of time where Executive orders are just flat out ignored?

Mr. MILLER. It is——

Mr. DENHAM. When the Commander in Chief issues an Executive order, do you ever find that agencies just ignore it? As a CEO of a company if I had a department head ignore my order, they would be fired.

Mr. MILLER. Right.

Mr. DENHAM. So the question is why aren't these people being fired if they are ignoring the Commander in Chief?

Mr. MILLER. I understand that and we have an ongoing investigation.

Mr. DENHAM. Thank you.

Ms. Metzler, I understand that Mr. Tangherlini couldn't be here today. I appreciate that. This committee had a responsibility to continue on its investigation and make sure that the law is actually being upheld, but we would like to continue to offer an invitation to Mr. Tangherlini and give him plenty of heads up. I assume he doesn't have a vacation planned on August 6, when we have our hearing in Miami. I would hope that he also does not have a family vacation planned August 17. I understand, I have got a family too. I understand how important family vacations are. We are going to give him two more opportunities in the next few weeks to testify before this committee. We hope that he doesn't have previous engagements.

But let me ask you, in your testimony you say as of April 2012, all events for—all travel for events, including internal GSA meetings, trainings, conferences, seminars and leadership or management events, among others, were suspended. Were they suspended?

Ms. METZLER. They were suspended and any event subsequent to April had to go through the new approval process.

Mr. DENHAM. Conferences and celebrations?

Ms. METZLER. Yes.

Mr. DENHAM. Award ceremonies?

Ms. METZLER. Yes. Award ceremonies with food, yes.

Mr. DENHAM. So all GSA travel went through you on these types of conferences, celebrations, or award ceremonies?

Ms. METZLER. After April.

Mr. DENHAM. You consolidated oversight of conference and travel expenses in the Office of Administrative Services which you lead?

Ms. METZLER. That is correct.

Mr. DENHAM. Why is there is a conference going on today in Nashville?

Ms. METZLER. That conference was subject, it is called the SmartPay Conference. It was previously scheduled, long scheduled before the acting administrator. Those responsible came in with their proposal for the conference, why it was being held, who was going to be attending it, what the purpose was.

Mr. DENHAM. Let me just ask. My time is brief here. Over 6,000 rooms at the Gaylord in Nashville, I understand the Presidential suite is occupied today. Is there a GSA employee in the Presidential suite?

Ms. METZLER. I do not know.

Mr. DENHAM. It is over \$3,000 a night. You don't know?

Ms. METZLER. I don't know. I would hope not.

Mr. DENHAM. I would hope not, too. How about the junior suites? Those are all booked up today, too.

Ms. METZLER. Under our policies those rooms are not to be occupied by GSA employees.

Mr. DENHAM. And since you oversee the oversight and the travel expense of these, what is the travel necessity of the *General Jackson* steamboat that is taking a party out tonight? Is there a travel, are they going to a destination, is that the reason for travel expense of the *General Jackson* steamboat?

Ms. METZLER. There is no such travel associated with anything that the General Services Administration is involved in. That may be some other third party.

Mr. DENHAM. So there is no expense to the Federal Government for the *General Jackson* steamboat that is having a party tonight?

Ms. METZLER. That is correct, to the best of my knowledge.

Mr. DENHAM. Great. We look forward to looking into that further.

Mr. Coble.

Mr. COBLE. Thank you, Mr. Chairman. I apologize for my delay. I had a Judiciary hearing. Good to have you all with us, by the way.

Mr. Miller, who brought your—strike that. Mr. Miller, who brought the FAS, the Federal Acquisition Service, conference to your attention?

Mr. MILLER. Acting Administrator Dan Tangherlini brought it to my personal attention. There was a, we did receive a hotline complaint in May of this year. It was an anonymous complaint of about five single-spaced pages with about four lines of general information about this conference.

Mr. COBLE. That was after you had heard about it initially?

Mr. MILLER. I'm sorry, sir? I didn't hear you.

Mr. COBLE. Were you familiar with it prior to having received that notice or—

Mr. MILLER. No, I was not.

Mr. COBLE. OK. It appears that—I hope that I am not being duplicative of what questions may have been put to you in my absence but it seems that the conference took place in two locations, the Marriott in Crystal City and then a reception that I am told costing over \$7,000 at the Key Bridge Marriott. The reception I am furthermore told was complete with a violinist and guitarist, apparently music provided, and it appears that a bus was hired at more than \$5,000 presumably to shuttle attendees between the two different hotels. I guess my question is why were two locations needed for a 1-day conference, A, and who was invited to the reception?

Mr. MILLER. Well, those are questions that we are looking for the answer to as well. We have an ongoing investigation into this matter.

Mr. COBLE. You want to weigh in on that, Ms. Metzler?

Ms. METZLER. When the acting administrator found out about this conference, we referred the matter to the inspector general for inquiry and so we are waiting for the results of his survey, of his investigation.

Mr. COBLE. Well, as I said in my opening statement it does appear that sound fiscal practices have been cast aside, if not abandoned, for mismanagement and waste and recklessness, and I am hoping that this hearing will at least expose the wrongdoing, and I think it has been wrongdoing, and again, thank you all for being here. Anything either of you want to add before I yield back?

Mr. MILLER. No, thank you.

Mr. COBLE. Thank you, Mr. Chairman. I yield back.

Mr. DENHAM. Thank you, Mr. Coble.

Ms. Napolitano.

Ms. NAPOLITANO. Thank you, Mr. Chair. Just a couple of questions. How many conferences a year do you normally have scheduled roughly? I don't need an exact number.

Ms. METZLER. The numbers that were scheduled prior to April 11, 2012, we have been trying to uncover for the last several months. Right now for this year in 2012, we have only five conferences scheduled.

Ms. NAPOLITANO. But those conferences were, pre-April you are continuing to have the conference. Is there any call to have any of the people who scheduled conference go to whoever is in charge to find out whether they are meeting the requirement to hold the budget to be able to be transparent, to be able to have information?

Ms. METZLER. Congresswoman, yes, there is. We have very strict policies now.

Ms. NAPOLITANO. Now but before that.

Ms. METZLER. Before that we did not have central controls of conferences, how many there were or who went or the nature of them.

Ms. NAPOLITANO. But apparently you still have conferences that were pre-approved prior to April?

Ms. METZLER. Actually not. Any conference that was scheduled after April.

Ms. NAPOLITANO. No. I am talking pre-April.

Ms. METZLER. Even if it was scheduled before April, it was deemed to be canceled, and they had to come back to—through my office to the deputy administrator, to the administrator to hold the conference.

Ms. NAPOLITANO. So you do have oversight over anything regardless of whether it is pre or post?

Ms. METZLER. Yes, that is correct.

Ms. NAPOLITANO. OK. Then the concern that now raises its ugly head with me is the cost is going to be inherently on the taxpayer, if you will, for the investigation of those 77 conferences, am I correct, sir?

Mr. MILLER. We are currently investigating those. Yes, it comes out of our appropriations.

Ms. NAPOLITANO. Right. But that is, again that is money that should not have been—had to be spent in other words.

Mr. MILLER. Yes.

Ms. NAPOLITANO. But you are having to go back and review and ensure that the law has been followed that compliance has been made?

Mr. MILLER. Yes.

Ms. NAPOLITANO. OK. Is there any way to quantify how much time you are going to spend on these? I am talking about in terms of dollars?

Mr. MILLER. That would be difficult. We are trying to do this in the most efficient way possible. We use parameters.

Ms. NAPOLITANO. Understood. I am trying to get to the point that it is going to cost the taxpayer a lot of money because of the decades, if you will, of doing whatever it is that they did without having any oversight or any control over the conference of the event, the expenditures, the bonuses, et cetera. And you say you have cut all bonuses, ma'am?

Ms. METZLER. Bonuses are not within my lane of responsibility. I am aware that the acting administrator has issued a serious curtailment on senior executive bonuses and other bonuses are being looked at as being part of the top to bottom review.

Ms. NAPOLITANO. That is curtailment but not necessarily ending bonuses until clarification is made of whether they have been earned?

Ms. METZLER. Are you asking me a question there?

Ms. NAPOLITANO. Well, yeah, certainly. I know senior management normally will get bonuses. The American public doesn't get bonuses. We are trying to figure out how can we justify that when we have such a tight budget, when we are looking for money regardless of whether—you are paid to do a job, for goodness sakes.

Ms. METZLER. I will be happy to get back to you with the information from the right officials at GSA regarding bonuses.

Ms. NAPOLITANO. Would you? I don't sit on the committee of jurisdiction, so I am kind of wondering about some of the questions that kind of fall through the cracks for me.

You talk about misjudgment from several administrations. But why has it taken so long that it took maybe a whistleblower or somebody to raise the issue with the Office of Inspector General?

Ms. METZLER. The acting administrator came to GSA in April. On April 15 and 16, he issued a series of new policies regarding conferences and training. So it didn't take him but a minute, or less than a week to issue the policies that we have now that provide oversight, central control, and put fiscal responsibility back into the spending.

Ms. NAPOLITANO. And what brought that to a head?

Ms. METZLER. Well, him coming to GSA, which was prompted by the resignation of the previous administrator.

Ms. NAPOLITANO. I see. Well, thank you, Mr. Chair. I would like to submit some questions for the record.

Mr. DENHAM. Mr. Duncan.

Mr. DUNCAN. Thank you, Mr. Chairman. Mr. Miller, I had intended to ask about these 486 referrals that Mrs. Norton got into, and I am still curious about those. That does seem like an awfully high number because that, over a 6-month period that comes to over 80 referrals a month. Is that much higher than has been done in the past, or has it always run about that, and I know you said many of these or most of these were not referrals about GSA employees but more fraud cases toward GSA contractors or something. Would you tell me a little bit more about that?

Mr. MILLER. It is a mix of referrals. My point was that a referral can either be against someone doing business with GSA or it can be about a GSA official. So I wouldn't want to quantify it off the top of my head as to which one is more, whether there are more referrals regarding contractors or more referrals regarding GSA employees.

I would be happy to furnish the committee with the precise breakdown of the employees, of the referrals. We do a lot of referrals with credit cards that go with the leased vehicles, GSA leases vehicles, it is called the fleet, to other agencies and any time another agency uses one of these cards, a credit card goes along with it. And unfortunately, Federal employees misuse the credit card, and they will charge gas for friends and family, for example, and that is a crime which is referred. So it is not a large case, but it is a referral and we do have it prosecuted by U.S. attorneys when we can or by State prosecutors when we can. So we do have a number of those which may contribute to the higher number of referrals. I don't know if that helps explain it but I am happy to give you a breakdown, precise breakdown of the referrals.

Mr. DUNCAN. Do you know whether that was a much higher figure than in the preceding semi-annual period or—

Mr. MILLER. I think we have been increasing our referrals over the years, and I take that as an accomplishment of the office.

Mr. DUNCAN. I would like to see a breakdown at some point of how many of those were GSA employees and also whether one of these GSA contractors was a repeat violator of some sort because if there is a small number of companies, for instance, that are just repeat violators, something needs to be done about that also.

Mr. MILLER. Right. Well, I will give you an example. We recovered almost \$200 million from Oracle recently under a settlement of a False Claims Act case, a civil fraud case. So that is an example of one of the cases. So it can range from \$200 million to someone

misusing a credit card for a leased car for gas in the amount of a hundred to \$500. So it is a large range of damages.

Mr. DUNCAN. On another topic, I am told by staff that CBS had a report that said that over 13,000 GSA employees received bonuses or extra pay, incentive pay, whatever you want to call it, different types of bonuses or extra pay. Yet on the GSA Web site it says the number of GSA employees is 12,635. Have you looked into that? Was it just a common accepted practice that every GSA employee got a bonus or some type of extra pay?

Mr. MILLER. We have an audit on its way of executive compensation. It is an audit that we started some time ago. It was prompted because we saw, we suspected multiple awards to GSA officials involved in the Western Regions Conference, multiple awards for the same work that they have done.

Mr. DUNCAN. Ms. Metzler, on this conference where it says \$10,000 was paid for a presentation by somebody called Mission Possible Agent X, do you know what that, what they got for that \$10,000 or what that presentation was about?

Ms. METZLER. Congressman, I do not. That conference was in 2010. It predated our current review processes and, as I have indicated, we would not be approving that conference at this time.

Mr. DUNCAN. Well, all right. I will just close by saying this. I will repeat what I said in my opening statement. Unfortunately it is just far too easy to spend other people's money and when people—or the problem with the Government is when it is not coming out of your own pocket, we have got too many people at the Federal level who are just abusing the taxpayers.

Thank you, Mr. Chairman.

Mr. DENHAM. Thank you. And I would remind the committee that we do have a hard deadline of 11:00 for a markup on committee bills so any questions that you feel comfortable with providing the chair that we can enter into the record and get answered for you would help to move the committee along better.

With that, Mr. Walz.

Mr. WALZ. Thank you, Mr. Chairman, for holding this committee, and Mr. Miller, thank you for being back again and for the work you have done. There are a couple of things my colleagues have said. The one thing, it is very hard not to feel the frustration here. I think Mr. Barletta was right though. At some point in time, expressing frustrations about getting anything out of it is simply not good enough. I am glad Mr. Mica commented on the great number of Federal employees who do their job and Mr. Duncan pointed out the issue. I would argue there is an incentive other than pay. It is called ethics. I would like to think as I taught school starting out for \$17,000 a year, I worked just as hard as I did when I reached the stratospheric top at \$47,000, that I was working just as hard as in that classroom in trying to save money for the taxpayers. But when we get a situation like this, it absolutely, as Ms. Johnson said too, it destroys all credibility amongst all Members.

And Ms. Metzler, my friend, Mr. Denham, I know is very thorough. I think you and I both know there is not going to be good news out of this conference. Somebody is staying in that damn suite tonight, I would almost guarantee you, and that is—I understand that you don't have that, but I think you know that, don't

you. So my question is, next is what happens when you come back and the questions that are getting asked today I don't have any answers for these, and I am as frustrated as anybody else. I am trying to get a grasp on what Mr. Barletta said, how do we make sure this stops? It appears to me there was clear cut directives put out, there were Executive orders put out. Mr. Miller has been to this committee and testified. Many of us sit here appalled at \$45 breakfasts and everything else and here we are again.

So are you confident that the changes that have been implemented or are in place are going to say for example to make sure none of the things that were forbidden are going to happen today in Nashville? Are you comfortable with that as an administrator?

Ms. METZLER. I am comfortable that we reviewed all of the expenses for this proposed conference along with all the others that have been held, that the administrator has, we have looked at the expenses that were in the budget. We have made very clear the ethical responsibilities of every employee that is attending this conference and ethical responsibilities on the private sector companies that are also attending. So I am comfortable that we have conducted a thorough review of this conference.

Mr. WALZ. For the American public then, and I am speculating, I want to be very clear, I am speculating what is happening there but everything, my spider spin tells me there is something very bad going to come out of that and if that does, can you give me a buck stops here assessment? If there is a GSA employee in a \$3,000 a night suite in Nashville, what is going to happen? That is what Mr. Barletta is asking. Who is accountable? I think it is. I don't want to put words in his mouth. Who is going to be accountable if that happens? We will find out. I mean, this is going to come out so in a week or so, there is going to be a story, no, there was not, and I will say goodness, they put some good checks in place or not, if it comes out someone is in there. What will happen then?

Ms. METZLER. Well, as with all things with Acting administrator Tangherlini, once we discover that there is something that has violated our policy or the law or something or another, we have been referring those matters to the inspector general. If we find that there is anything about this conference that does not comport with what it was proposed to be to the acting administrator and to me, then we will be referring that matter to the inspector general.

Mr. WALZ. When you leave this room is somebody going to be on a cell phone calling Nashville?

Ms. METZLER. I think someone is probably on a cell phone already while we are in this hearing because we were very clear about the limitations on any preexisting conference that received approval that there were not to be questions of riverboats, there were not to be questions of Presidential suites. So that was the guidance that was given, the direction that was given, and the conditions under which this conference was approved, and I am hopeful that by the time I leave here we will have answers.

Mr. WALZ. And I do appreciate that. And I want to be very clear. I know you are in an uncomfortable position. That is what comes with leadership, but I can't stress the corrosive factor that happens to so many dedicated, hardworking, ethical employees across this country, and whatever you say about it's unfair with gross gen-

eralizations, I certainly know it here that we are painted by our colleagues in this body, and we each get associated with one another and it is all of our responsibility, especially leadership, to fix that. And with that I yield back. Thank you, Mr. Chairman.

Mr. DENHAM. Thank you, Mr. Walz. I would just remind committee members we have got about 10 minutes. I am going to ask each of you if you could keep it to 2 minutes so that we make sure we finish on time and get to everybody.

But Ms. Metzler, I just want to clarify, Mr. Walz was very, very clear on his question. And you did say we consolidated oversight of conference and travel expenses in the Office of Administrative Services, which I lead, you lead, you sign off on, and as you said, there are probably people on cell phones right now just contacting the Gaylord Opryland who confirms that GSA has rented out the *General Jackson* for a private event this evening. Did you authorize GSA to rent out the *General Jackson* for a private evening tonight, the steamboat?

Ms. METZLER. We did not. This conference, I just might add—

Mr. DENHAM. Thank you. I need to yield to the next Member, Mr. Barletta, for 2 minutes.

Mr. BARLETTA. Thank you. Ms. Metzler, I had asked if I could see GSA's budget. I was interested in how much they budgeted for these types of conferences and meetings, and the response I got is that the answer is complicated, that they budget a top line for building operations but they have not budgeted down to line item like conferences and meetings. Now I know you talked about some of the reforms that are in place. Could you tell me what they have budgeted right now for conferences, meetings, travel, bonuses?

Ms. METZLER. Congressman, the budgeting of the agency is within the purview of the Chief Financial Officer, and the entire budgeting along with every other aspect of GSA is part of the acting administrator—

Mr. BARLETTA. But I am asking do they have line items specifically for conferences, for bonuses. Is it itemized like that that you could tell me or somebody—I couldn't even get a budget, I couldn't even get a copy of the budget. I am a Member of Congress. Is it down to line items?

Ms. METZLER. The proposals for conferences that after April are very much line item by line item so that we saw, for example, for the SmartPay Conference—

Mr. BARLETTA. If I could because my time, I want to get to the point. Could you then send me a list of what, how much money is budgeted for conferences, bonuses, travel and also what GSA's budget is. And the answer here is how do we fix this, how do we fix this problem? We could go on and on and on. This is not the only agency. So this is my take away from this meeting. There is number one. We need to force the Senate and Congress should pass and the President should sign a budget for the American people; two, Congress should require that every department utilize zero base budgeting. Every department require. Three, we should not ask to take more hardworking taxpayers' money so that Washington could spend it. And four, we should not let this Government run our health care system.

Thank you.

Mr. DENHAM. Thank you. Ms. Metzler, if you could provide that back to the committee, the entire committee would be anxious to see how many conferences you have approved as well as the expenses and the line items moving forward.

I now recognize Mr. Sires for 2 minutes. I am sorry, Ms. Edwards for 2 minutes.

Ms. EDWARDS. Thank you, Mr. Chairman, and thank you to the witnesses. Just a couple of questions if we could just run down them because time is short. How many employees are at GSA?

Ms. METZLER. Over 12,000.

Ms. EDWARDS. And what is your estimate of the number of them that have participated in these conferences in the last year?

Ms. METZLER. Congresswoman, I would have to get back to you about the numbers of people that have participated in these conferences.

Ms. EDWARDS. But it would be fair to say that it is probably not 80 percent of the agency that has participated in these conferences or 90 percent of the agency, right?

Ms. METZLER. It would be fair to say it is less than half and much less than that I would estimate, but I would have to get that to you.

Ms. EDWARDS. Now, over the last 3 years the regular general service workers at GSA haven't received a pay raise at all, isn't that right?

Ms. METZLER. I have just rejoined the Government in August of 2011, so I am not familiar with what pay situation was before that period.

Ms. EDWARDS. Pretty much guaranteeing that Federal workers haven't received a pay raise in 3 years. And what is the percentage of the employees at GSA who have received bonuses?

Ms. METZLER. Congresswoman, I will have to have someone get back to you with that information. I don't have it since it is not part of my responsibilities.

Ms. EDWARDS. Would you also get back to me about the numbers of those employees in the GS-3 and 5 and 7 range who weren't the recipients of those bonuses at the senior executive level, employees who haven't received a pay raise over the last 3 years?

Ms. METZLER. We will get that information to you.

Ms. EDWARDS. And how many annual conferences have there been that aren't related to boosting morale but are serving the core mission of the agency?

Ms. METZLER. The vast majority of the conferences of GSA are serving the core mission of the agency. The conference that we are holding right now is called the SmartPay Conference. It is to provide credit card holders with required training so that they know how to manage their credit card. The last conference we had was to provide conferences on contracting and—

Ms. EDWARDS. We are out of time so I can't—and I appreciate that but I can't run through all of these. Let me just say in closing that I think in addition to strengthening the accountability in the conference arena that it is important for the IG to look deeply into questions that I have had longstanding about the transparency accountability, fairness and parity in every area of the General Services Administration. And this is not about the good employees of

GSA. A lot of them live in my congressional district. But when I walked up to a woman who works at GSA who works hard every day who hasn't got a raise, who shows up and does her job and she is in tears because this agency is in the newspaper every single day, it is disgusting. It is not worthy of the taxpayers. It is not worthy of the citizens of this country, and GSA needs to get its house in order. And the director, Acting administrator Tangherlini, I am glad that he rooted out the problem, but he needs to be in front of this committee because there are a lot of questions that need to be answered and here you have somebody who is ostensibly a friend of the Administration totally disgusted with the Administration, totally disgusted with the GSA and with its operation at every single level, every single time that we have a hearing in front of this committee, and we just can't take it any more. You know, let us defend the employees who are good and hard workers at the General Services Administration, but not to defend this kind of garbage that is a waste of taxpayer money and that makes all of us in the public not have any confidence at all that the good workers at GSA can do their job.

And with that I yield.

Mr. DENHAM. Thank you, Ms. Edwards. And Ms. Metzler, this committee would also request the analysis on the training per individual. As Ms. Edwards said, there is a lot of money going into this. We want to make sure the good training that they are receiving is a definite benefit to each of those that are getting trained. If they are spending a million dollars at a conference, we want to see the benefits that those that are getting trained are getting out of that and I would like to see the cost-benefit behind that.

I now recognize Mr. Ribble, the final questioner, for 2 minutes.

Mr. RIBBLE. Thank you, Mr. Chairman. Mr. Miller, were the current heads of FAS and PBS at the Virginia conference?

Mr. MILLER. The current head of FAS was at the conference. I am not sure about PBS. We would have to look, I would have to look into that.

Mr. RIBBLE. Ms. Metzler, do you know if the head of PBS was at the Virginia conference?

Ms. METZLER. I do not.

Mr. RIBBLE. OK. Could you get back to me with that information, please?

Ms. Metzler, in your testimony on page 2, you said Mr. Tangherlini looks forward to continuing to work with the committee to refocus the agency on its core mission of streamlining the administrative work of the Federal Government to save money for the American taxpayer. What in the world were they doing before?

Ms. METZLER. The acting administrator has committed to conducting a thorough top to bottom review of this agency so that every single aspect of the agency is being looked at right now so that we can ensure that it is carrying out its mission in the most cost effective way.

Mr. RIBBLE. You say in your testimony also on page 2 that your office reviews each and every planned future conference to make sure that these events and any related travel are justified, and then you say, for example, conferences require a business justifica-

tion and the submission of a budget. That wasn't going on before? This is pretty basic?

Ms. METZLER. Before April of 2012, there was no central oversight of conferences to require that the proposal for what the conference was about, how it was related to the agency's mission, that may have happened, but it was not done in a centralized fashion.

Mr. RIBBLE. This is just unbelievable. This is shocking. The American people watching this must just be stunned by this that they weren't required to submit a budget to have a conference approved?

Ms. METZLER. After April 11, April 2012, we have been requiring much more diligence in what the justification for the conference is, and I am sure there were budgets beforehand, but we have been looking at these in a different fashion to ensure that the American taxpayers' dollars are well utilized.

Mr. RIBBLE. I can tell you and I can say this, Mr. Chairman, as I yield back. My son is a professional drummer in Nashville, ironically sometimes plays on the *General Jackson*. However, he pays about \$7 a pair for drumsticks. The GSA whose core mission is to save money for the American taxpayer bought 4,000 drumsticks and paid \$10.28 a pair. And you can pay them retail, just search the Internet, you can buy them retail for under \$7 a pair. So about 35 to 40 percent more. I am wondering how in the world they can claim they are trying to save money for the American taxpayer, and I yield back.

Mr. MICA. [presiding.] Thank you. Our last one will be Mr. Sires.

Mr. SIRES. We thought you were talking about food over here when you were talking about drumsticks.

You know, I would just like to associate myself with the comments of my colleague. And let us talk a little bit about leasing. Did you just, did the GSA just lease or sign a lease with the World Trade Center?

Mr. MILLER. Yes.

Mr. SIRES. Why would you go to the World Trade Center? Besides the fact that the lease was usually it is approved by this committee and it was never brought before this committee. That is the reason I am——

Mr. MILLER. I was not involved in that in any way. It is not the role of the inspector general.

Mr. SIRES. It is a longstanding history that it comes before the committee and we approved it.

Mr. MILLER. I was providing a fact for you. It was signed.

Mr. SIRES. OK. But why the World Trade Center? I mean, I would think you would get something cheaper if we are looking to save money. Can anybody tell me why the World Trade Center?

Ms. METZLER. My responsibilities at GSA include the internal operation of the agency, not leases like the World Trade Center. I am sure we will be happy to provide that information to the committee.

Mr. SIRES. Why wasn't it, Mr. Miller, brought before the committee? Usually it is the history that the leases are brought before the committee for approval.

Mr. MILLER. I understand that. I cannot answer that question. Certainly that is something that Acting administrator Tangherlini

or someone at GSA who controls the functions of GSA can answer and should answer.

Mr. SIRE. Well, you know, I don't have much time but it is just outrageous. It really is. You know, here we are trying to defend the good workers and then we have the situation with the bonuses. Who sets the standards for these bonuses? How do they arrive at giving somebody a bonus? Is it a committee or is it just a person just says Mr. Miller, you are going to have this bonus?

Mr. MILLER. No. I believe there are policies and performance criteria involved, but again that is a function within GSA. We have an audit ongoing of executive compensation, so we are looking at that and we are looking at how awards are being given out and how bonuses are given out.

Mr. SIRE. All right. I yield back. Thank you very much.

Mr. MICA. Thank you so much, and I thank Members. If other Members have questions or other additional inquiries that they would like to submit to our witnesses, I welcome them, and I ask unanimous consent that today's record be kept open for a period of 15 days for the witnesses to respond or for Members to provide additional commentary to the record.

Without any further business, I want to thank the two witnesses for coming today, particularly Mr. Miller, for your cooperation as the inspector general. Ms. Metzler, we are expecting additional answers and commentary. I am sorry you got the short straw today and you are down the totem pole and fairly new and the others have ducked and either hidden for cover, but we will convene additional hearings here when we come back in September, and I invite Members to participate in the field hearings that are scheduled, Mr. Denham and I will be conducting in the interim.

There being no further business on this particular hearing, I excuse and thank again the witnesses. And this will conclude the GSA portion of our proceedings today, and I will call that portion of our hearing adjourned.

[Whereupon, at 11:00 a.m., the committee was adjourned.]

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CONGRESSIONAL BLACK CAUCUS
CHAIR, 107TH CONGRESS



Eddie Bernice Johnson
Congress of the United States
30th District, Texas

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Statement for the Record
Congresswoman Eddie Bernice Johnson
House Committee on Transportation & Infrastructure
Wednesday, August 1, 2012
Hearing on:

GSA: A Review of Agency Mismanagement and Wasteful Spending: Part 2

Just three months after the General Services Administration was found to have spent \$823,000 on a Las Vegas conference, the Washington Post recently reported that, in November 2010, GSA spent nearly \$270,000 on an award ceremony including spending \$34,000 on catering and room rentals, and nearly \$50,000 for token gifts for attendees of the ceremony. In addition to these excesses, recent news reports cited \$660,000 in executive bonuses during Fiscal 2011.

Since the 2008 recession, the U.S. economy has been in a troubling and uncertain state, and American families have been made to feel the effects of the recession in the loss of their jobs and the foreclosure of their homes. Yet, in this dismal fiscal climate, the American people need only to pick up a newspaper or turn on their television to see this immoral misuse of their tax dollars. While much of the country is suffering, GSA has no shame in its brazen and unparalleled use of tax dollars to fund their lavish trips and recreation.

Unfortunately, in this partisan climate, government employees have come under constant fire. We should be mindful that government employees include our law enforcement officers, air traffic controllers, and educators. But these sorts of antics sully the reputations of tens of thousands of upstanding and hard working government employees.

I understand that the agency has initiated an internal review, and that Acting Administrator Dan Tangherlini brought the 2010 incident to the immediate attention of GSA Inspector General Miller. These are small steps in the right direction, but this agency has a long way to go to restore the trust of this Congress and our constituents. Mr. Chairman, we must get to the bottom of this wasteful spending at GSA. The American people deserve nothing less.

Statement of Honorable Brian D. Miller

Inspector General

General Services Administration



Committee on Transportation and Infrastructure

United States House of Representatives

August 1, 2012

Chairman Mica, Ranking Member Rahall, and members of the Committee, thank you for the invitation to testify today. I appreciate this Committee's support of Inspectors General (IG) and my office's mission to weed out instances of fraud, waste, and abuse at the General Services Administration (GSA).

It was with that mission in mind and pursuant to our Congressional reporting requirements that I wrote my July 19th letter to our committees of jurisdiction, some of which had requested that IGs bring matters to their attention earlier in an investigation. In my letter, I informed Congress about an incident that had been brought to my attention by Acting Administrator Dan Tangherlini, who advised me that GSA planned to release similar information in response to a Freedom of Information Act request.

On November 17, 2010, the Federal Acquisition Service (FAS) division of the GSA held a one-day performance award ceremony in the Washington, D.C., metropolitan area. The ceremony featured a team-building drum band exercise conducted by a third party vendor and speeches by current and former GSA officials. Our initial findings, though subject to further investigation and change, show costs of over \$200,000 for the one-day ceremony, including over \$34,000 for the venue, \$28,000 for picture frames, and \$140,464 for coordination and logistical management to a third party vendor. The vendor cost included \$20,579 for drumsticks and \$10,000 for management of a presentation called "Mission Possible Agent X."

As I stated in my letter, we have begun a preliminary analysis of the information we received from GSA and have opened an administrative investigation. Since our investigation began just a few weeks ago, we have already uncovered changes in the cost figures and new facts.

This may be a good opportunity to explain how an OIG investigation is conducted. OIG investigations originate through any number of sources. Our Hotline affords GSA employees, GSA senior management, other government employees, contractors, and concerned citizens a mechanism to report instances of fraud, waste, or abuse throughout GSA. Such reports can be made anonymously if the individual wishes for no one to know his or her identity. My Office of Investigations receives between 2,000 and 3,000 Hotline tips annually and will assess each complaint or tip for credibility and open up an

investigation if appropriate. Additionally, some matters warranting an investigation are brought to our attention by GSA senior management, as was the case with the FAS ceremony. In other scenarios, our auditors may bring a matter discovered during an audit to our Office of Investigations, or our special agents may be tipped off by an informant. No matter the source, our special agents conduct their investigations with professionalism, objectivity, and diligence. They interview witnesses and collect available evidence and documents. Our agents may compile the evidence in a written report of investigation, commonly known as an ROI, with relevant evidence attached. In the last semiannual reporting period, our Office of Investigation made 486 referrals for criminal prosecution, civil litigation, and administrative action. Civil settlements and court-ordered and investigative recoveries for that same period totaled \$218,496,507.

Because of the impact an IG investigation can have, accuracy is of the utmost importance. Inaccurate reports can threaten the integrity of an OIG and damage the OIG's reputation as a mechanism for dependable oversight. Because our investigation into the FAS ceremony is ongoing, the preliminary figures in the confines of my letter to Congressional committees are the extent to which I can discuss this incident. Those numbers were based on information provided by the Agency, information that I understood was going to be released publicly. My office will continue to look into this ceremony and will update the Committee when our investigation concludes.

Since the release of our April 2012 Management Deficiency Report on the 2010 Western Regions Conference (WRC), my office has been charged with examining other GSA conferences to determine whether the 2010 WRC was an outlier of excessive spending, or whether systemic or deep-seeded cultural problems exist within the Agency. We have begun to examine a cross-section of previous GSA conferences in addition to our ongoing audit and investigative work into Agency programs and high dollar contracts. Our Office of Audits is currently analyzing conferences of 25 or more attendees that cost over \$10,000 from Fiscal Year (FY) 2011 to the present from all regions. Examining only those conferences subsequent to FY 2010 allows us to validate the financial data with more accuracy. Additionally our Office of Investigations and our Office of Forensic Auditing continue to examine

conferences specific to GSA Region 9 or that have come in through the Hotline. If these initial examinations uncover regional or programmatic trends of excessive spending on conferences, we will devote additional audit and investigative resources to those areas. While our auditors and agents are working at a diligent pace, the heightened interest in conference spending of late cannot supplant the accuracy of their reviews. We also must keep in mind the other work we're always engaged in such as reviews of multi-million dollar contracts where there is a high risk of significant losses to the United States.

In the meantime, the Acting Administrator has begun a Top to Bottom Review of the Agency and is instituting systemic changes such as the centralizing the Office of the Chief Financial Officer and strengthening the Office of Administrative Services. We expect that these and other changes should prevent future wasteful conferences. The Acting Administrator's efforts, coupled with this Committee's vigilance and the OIG's continuing investigations and audits into the various management and programmatic challenges, advance the effectiveness of our collective mission to weed out instances of mismanagement and abuse at GSA.

Thank you for the opportunity to provide testimony. I would be happy to answer questions the Committee may have.



U.S. General Services Administration

Cynthia Metzler
Chief Administrative Services Officer

Committee on Transportation and Infrastructure
"GSA Reform"
August 1, 2012

Good morning Chairman Mica, Ranking Member Rahall, and Members of the Committee. My name is Cynthia Metzler, and I am the Chief Administrative Services Officer of the U.S. General Services Administration (GSA). In that capacity, I coordinate internal management and support services to promote efficiency within the agency covering a wide variety of issues, including travel and conferences.

As you are aware, Acting Administrator Dan Tangherlini was not able to appear today due to a longstanding family commitment. Mr. Tangherlini reached out to the Committee to request that this hearing be rescheduled at a mutually convenient date so that he could personally appear, but was informed that the Committee was electing to proceed with today's hearing with the awareness that the Mr. Tangherlini was unavailable. Mr. Tangherlini looks forward to continuing to work with the Committee to improve the efficiency of GSA and refocus the agency on its core mission of streamlining the administrative work of the Federal government to save money for the American taxpayer.

Given that the genesis of this hearing was the Acting Administrator's recent referral to the Inspector General of a 2010 awards ceremony for the Federal Acquisition Service, I have come here today to outline the steps we have taken to reform our conference and travel policies to prevent waste from happening again.

As of April 2012, all travel for events, including internal GSA meetings, training, conferences, seminars, and leadership or management events, among others, was suspended.

We have consolidated oversight of conference and travel expenses in the Office of Administrative Services, which I lead.

My office reviews each and every planned future conference to make sure that these events, and any related travel, are justified.

For example:

- Conferences require a business justification and the submission of a budget, and must be approved by the head of the office pursuing the conference, and myself and for those conferences with anticipated costs over \$100,000, the Deputy Administrator must also approve the conference.
- We have cancelled 37 previously scheduled conferences
- Any travel must be essential to the mission of the agency, such as conducting litigation or performing building inspections

- Any routine travel for meetings internal to GSA requires a waiver from the Administrator or Deputy Administrator

These are only a few of the many reforms the Acting Administrator has taken to improve oversight, strengthen controls, and help to refocus the agency on its core mission. His top to bottom review of all agency operations continues, and I know he looks forward to discussing those further with you in the future.

The 2010 FAS awards ceremony is another example of what the Acting Administrator has already recognized: a pattern of misjudgment which spans several years and administrations. It must stop, and that's why Acting Administrator Tangherlini has instituted several stringent new policies on spending to put an end to this waste.

The new leadership at GSA is committed to investigating any misuse of taxpayer dollars. When we find questionable occurrences we refer them to the Office of Inspector General, as we did in this case.

GSA has already taken a number of important steps to reform conference and travel policies within the agency. As part of the Acting Administrator's top to bottom review of the agency, more steps will be taken to improve efficiency and save taxpayer dollars.

I appreciate the opportunity to come before you today to discuss this aspect of reform at GSA and I welcome any questions that you may have.



GSA Office of Congressional and Intergovernmental Affairs

November 27, 2012

The Honorable John Mica
Chairman, Committee on
Transportation and Infrastructure
House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

I am writing in response to your Questions for the Record from the August 1, 2012, hearing titled, "GSA: A Review of Agency Mismanagement and Wasteful Spending – Part 2." Thank you for your interest in the U.S. General Services Administration (GSA). Enclosed with this letter are GSA's responses to your questions and a number of attachments that I hope are responsive to your inquiries.

Should you need further information, please let us know. If you have any additional questions or concerns, please do not hesitate to contact me at (202) 501-0563.

Sincerely,

A handwritten signature in black ink that reads "Rodney P. Emery".

Rodney P. Emery
Associate Administrator
Office of Congressional & Intergovernmental Affairs

Enclosures (5)

cc: The Honorable Nick Rahall

U.S. General Services Administration
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Enclosure A

Committee on Transportation and Infrastructure
 Questions for the Record
 Oversight Hearing on "GSA: A Review of Agency Mismanagement and Wasteful Spending
 — Part 2"
 August 1, 2012

1) Provide the following information on the Henderson, NV National Congressional Support Conference which began on September 12, 2011:

a) Location/venue for Conference

Ravella Hotel
 1610 Lake Las Vegas Parkway
 Henderson, NV 89011

b) Location/venue for lodging including hotel name

Ravella Hotel
 1610 Lake Las Vegas Parkway
 Henderson, NV 89011

c) Total costs, including travel and a breakdown of those costs

September 12, 2011	Travel Day	
Sept. 13, 2011		
Breakfast buffet.....		\$1,632.66
Morning/afternoon breaks		\$1,122.32
Sept. 14, 2011		
Continental breakfast.....		\$1,361.02
Morning afternoon breaks.....		\$ 705.57
In house lunch.....		\$3,529.12
Sept. 15, 2011		
Breakfast buffet.....		\$1,587.82
Morning/afternoon breaks.....		\$1,370.25
Food subtotal.....		\$11,308.76
Sept. 13-15, 2011		
AV, projector, screen, & internet access		
(3 days @ \$974.47).....		\$2,923.41
September 16, 2011	Travel Day	

Please see Enclosure B for travel costs.

d) Total number of GSA personnel, including a list/breakdown of each person present

There were 22 GSA personnel in attendance. There were also 19 Legislative Branch attendees: ten from the Senate Sergeant at Arms and Nine from the House Chief Administrative Officer's Office (First Call, Transition Team, Accountable Equipment & Assets, and Information System offices).

Please see Enclosure B for spreadsheet for GSA attendee travel/Per Diem costs

- e) Room accommodations — were there any suites or room upgrades? Please provide details.**

All rooms were standard hotel rooms and there were no suites or upgrades provided by GSA.

- f) What was the agenda/schedule? Please provide details.**

Please see Enclosure C, the attached agenda.

- g) Were there teambuilding events? Please provide details.**

No.

- h) Were there awards and/or bonuses? Please provide details.**

No.

- i) Were there any receptions and/or catering? Please provide details.**

There were no receptions and the food provided during the conference totaled \$11,308.76.

- 2) Provide information requested in letter sent July 25, 2012, from Chairmen Mica, Denham and Chairwoman Emerson requesting a briefing and legal analysis related to the World Trade Center lease**

GSA will follow-up with the committee at a later date regarding this issue.

- 3) Provide/confirm the total amount of bonuses for GSA employees for 2011**

The total amount of bonuses for GSA employees for FY2011 was \$43,739,932.34

- 4) Provide budgeted amounts for each of the following: conferences, bonuses, and travel**

For all of GSA, the total amount budgeted for travel in FY 2011 was \$42.6 million. This amount represents the total budgeted to the Object Class for Travel.

For all of GSA, the total amount budgeted for individual awards for FY 2011 was 2.5 percent of GSA's aggregate salary base of approximately \$1.1 billion. Note that in FY 2012 this percentage was 1.7 and for FY 2013 this percentage is set at 1.0, consistent

with guidance from the Office of Management and Budget and the Office of Personnel Management. Individual awards include annual performance awards, special act awards, and other types of awards to individuals, for both SES and non-SES. For all of GSA, the total amount budgeted for organizational awards for FY 2011 was \$12.4 million. Note that for FY 2013, GSA has allocated no funds for organizational performance awards, based on a decision of the Acting Administrator reflecting current budget constraints.

There was no specific budget across GSA for conferences in FY 2011. There is no specific Federal Object Class for "conferences." The amount ultimately spent on conferences, which includes both conference attendance and conference administration, comes from amounts allocated to travel, training, contracts, meetings, conference/meeting support and a number of other sub-object classes that may or may not be used in support of conferences as either a conference organizer or a conference attendee. Additionally, all conferences must meet GSA's core mission. The Acting Administrator has issued guidance to ensure that travel expenses meet legitimate business needs. Managers have been advised to first consider alternatives to travel such as video conferencing. Travel for conferences must meet a set of standard criteria.

5) Provide the number of GSA employees who have participated in conferences

Prior to April 2, 2012, GSA did not centrally track or aggregate conference data and therefore cannot provide the exact number of employees who participated in conferences from Fiscal Year 2011.

6) Provide the percentage of GSA employees who have received bonuses and the number of GS-3, 5, and 7 employees who have and have not had bonuses.

The percentage of GSA employees receiving bonuses was 90.3% and of the GS-3s, 11 employees received awards, 20 did not. Among GS-5s, 79 employees received awards, 20 did not, and of GS-7s, 301 employees received awards, 93 did not.

7) Provide what percent of employees are hourly paid employees.

2.7% of GSA employees are under hours wage grade pay plans.

8) Provide what percent of employees receive overtime pay.

The percentage of GSA employees receiving overtime pay was 15.2%.

9) Provide what percent of employees receive bonuses.

The percentage of GSA employees receiving awards was 90.3%..

10) Provide what are the criteria for bonuses.

Please see Enclosure D, Awards Eligibility and Criteria.

11) Provide information on who can authorize bonuses.

Please see Enclosure D, Awards Eligibility and Criteria.

12) Provide list and number of conferences that have served GSA's core mission

We have taken several actions to ensure that employees comply with training and ethics requirements and to improve accountability around conferences and travel, and spending in general. We established new policies around conferences and travel approval. These policies require that employees consider alternatives to conferences such as video conferencing. When alternatives are not suitable, all events must be mission-related, use government facilities if possible, and eliminate wasteful spending. To ensure accountability, all events must be approved by the Chief Administrative Services Officer and, depending on the cost of the conference, the Deputy Administrator or Administrator. Travel has been restricted to business travel and essential training, and requires the approval of the Heads of a Service or Staff Office (HSSO) or Regional Administrator (RA).

Procurement for all conferences now is handled by one central organization. All events must also be approved centrally after considering detailed justifications and a budget of estimated expenses. After events take place, actual expenses are compared with those submitted for prior approval and adjustments must be justified. Procurement management reviews improve accountability of contracting activities. The consolidation of financial functions under GSA's CFO has improved accountability. In addition, proposed information technology (IT) spending is now reviewed and approved by the Chief Information Officer and the CFO.

All employees have been empowered to be vigilant and help prevent misuse of taxpayer dollars. The Acting Administrator prepared a video message to all GSA employees encouraging them to report any instance of waste, fraud or abuse, and ensured them that they would be free from retaliation for doing so.

GSA trained event coordinators within the Agency on how to prepare and submit for approval a request to host events such as conferences, award ceremonies, and internal management meetings. In addition, GSA developed a mandatory training course for all employees on attending conferences, including events not hosted by GSA. The course helps employees: understand what constitutes efficient spending; make a business decision on whether or not to attend a conference; obtain management permission for attending a conference; understand the best way to make arrangements at low cost; and understand what constitutes permissible meals and gifts. Employees must take the course by the November 9, 2012. The course is posted on GSA's training platform, GSA Online University, allowing us to track compliance and send reminders to employees to ensure everyone receives this valuable training.

Since April 2012, five GSA-hosted conferences have been approved. The approved conferences are:

- **GSA Training Conference and Expo 2012:** This two-day conference and vendor exposition benefits acquisition professionals, award schedule vendors (including hundreds of small businesses) and program managers from various levels of government service. These professionals are able to obtain required continuing-education requirements under the Defense Acquisition Workforce Improvement Act and certification programs established under the Office of Federal Procurement Policy Act.
- **FedFleet 2012:** This conference convenes manufacturers, consultants, vendors and partners for three-days to share best practices, hands-on training and innovation in the areas of transportation and real property.
- **SmartPay 2012:** This conference is a federally required training event for card program managers across all of the government's agencies.
- **North American Day:** This is a two-day symposium to exchange information, ideas and lessons-learned among CIOs from the United States, Canada, and Mexico. The conference works to find ways to improve services to citizens through transcontinental collaboration, as well as to follow up on and initiate stage two of a tri-lateral information-sharing pilot projects with a focus on improving public health and public safety.
- **Moynihan Symposium:** This one-day training conference is the cornerstone of GSA's Design Excellence Program. In honor of the 50th anniversary of the Guiding Principles for Federal Building Design, GSA convened a symposium on May 16, 2012, in Washington, D.C. The symposium recognized Senator Patrick Moynihan's contributions and encouraged a candid discussion about the evolution, successes, shortcomings, and future of public design.

13) Provide information on cost-benefit analysis completed on training conferences and costs per person

Prior to April 2012, GSA did not centrally track conference data to the level of detail requested. Since April, the above mentioned training conferences had the following costs per person:

GSA Expo:	\$109.57/person
FedFleet:	\$0/person
SmartPay:	\$101.17/person
North American Day:	\$239.80/person
Moynihan Symposium:	\$50.27/person

The above figures do not include travel costs. Travel costs for GSA employees are as follows:

GSA Expo:	\$1,736/person
FedFleet:	\$1,371/person
SmartPay:	\$824.37/person

North American Day: \$270/person
Moynihan Symposium: \$0/person

14) Confirm whether or not the current Public Buildings Service Commissioner (formerly of FAS) was present at the FAS Conference in Arlington, VA

Linda Chero was present at the FAS Conference in Crystal City, VA, in November 2010 but is no longer serving as PBS Commissioner.

**15) Please provide list of GSA employees who attended the Annual GSA SmartPay Training Conference in Nashville, TN including the following:
Room assignments, including room types;**

In regards to specific room assignments and types, GSA does not track specific room assignments for employees; however, no GSA employees stayed in non-standard rooms during the SmartPay training conference.

a) A breakdown of all GSA costs related to the conference, including travel, lodging, meals, etc...;

Please see Enclosure E.

b) Whether any GSA funds paid for use or rental of the General Jackson Lee steamboat or similar vehicle or paid for any GSA employee to travel on or participate in any event on such vehicle and, if so, the associated costs.

No GSA funds were used to pay for the use or rental of the General Jackson Lee steamboat or similar vehicle or for any GSA employee to travel on or participate in any event on such a vehicle.

Rep. Shuster — Questions for the Record

It has been brought to my attention by some of my colleagues that there is a situation in San Antonio, TX involving the GSA that was recently in the news. From what I have been told, the local Social Security office located on Woodcock Street asked to move to a new facility. While the new location will provide additional space, I understand it will also double the cost of the lease. From the information I have received, the cost of the new lease will be more than \$1 million per year. In addition, I understand SSA has spent \$1.7 million for renovations, a commission for the new lease totaled \$482,000, and additional security costs will total \$78,000. And this does not take into account the cost of the actual move.

1) Please provide the justification and reasoning behind this decision.

Please see the response to question two.

2) Please explain why GSA did not choose to simply expand the space in SSA's current

facility.

General Services Administration (GSA) currently leases 30,079 rentable square feet (rsf) of space located at 4204 Woodcock Drive in San Antonio, TX from Brass Centerview Holdings LLC under lease contract GS07-B13933. The space houses the Social Security Administration's Office of Disability Adjudication and Review (SSA ODAR).

SSA ODAR provided GSA with requirements for the agency's continuing need for space in San Antonio, TX. In accordance with Federal regulations and GSA policy and procedures, a GSA lease contracting officer sought competition in the market, and subsequently negotiated a lease contract and rate that was deemed fair and reasonable within the market at the time of award.

The SSA requirements for the new leased facility included an updated delineated area in which the office needed to be located. To serve their constituents better, ODAR selects its delineated area as centrally as possible within the service delivery area. When a new lease action is required, ODAR reviews the population shifts and growth within the service delivery area to determine whether their delineated area needs to be redrawn.

Accordingly, in February 2010, ODAR informed GSA that the delineated area needed to be moved in order to be more centrally located to the public and highly visible to their constituents.

In addition to the revised delineated area, SSA also required that the space be contiguous on one floor (with the exception of a storage/mail room, training/multipurpose room, or both, which may be separated from the primary space by a public corridor).

GSA determined that the current leased location was not in the required delineated area, nor was it capable of meeting the requirement for contiguous space. In addition, the current lease was based on a market from 20 years ago and was operating under old building condition standards. To meet today's building standards, including compliance with the Energy Independence and Security Act, the current facility would require extensive upgrades at the cost of the building owner.

RESPONSE TO QUESTIONS 1C & D

NOTE: Voucher costs reflect mandatory use of government contract airfare and Per Deim rates.

GSA, CONGRESSIONAL SUPPORT CONFERENCE ATTENDEE LIST**Enclosure B**

ATTENDEES	ATTENDEE VOUCHER COST
GSA	
CENTRAL OFFICE	
CSR 1	\$1,690.15
NEW ENGLAND REGION	
CSR 2	\$1,584.62
CSR 3	\$1,331.17
CSR 4	\$1,250.80
NORTHEAST & CARIBBEAN REGION	
CSR 5	\$0.00
MID-ATLANTIC REGION	
CSR 6	\$1,323.16
CSR 7	\$1,673.70
SOUTHEAST REGION	
CSR 8	\$1,235.30
CSR 9	\$1,245.22
CSR 10	\$1,225.23
CSR 11	\$1,308.39
CSR 12	\$1,344.51
GREAT LAKES REGION	
CSR 13	\$1,566.28
CSR 14	\$1,275.26
CSR 15	\$1,645.38
THE HEARTLAND REGION	
CSR 16	\$1,402.16
GREATER SOUTHWEST REGION	
CSR 17	\$1,219.27
CSR 18	\$1,215.01
ROCKY MOUNTAIN REGION	
CSR 19	\$1,211.06
PACIFIC RIM REGION	
CSR 20	\$1,111.62
CSR 21	\$1,088.78
NORTHWEST/ARCTIC REGION	
CSR 22	\$1,296.97
GSA Attendee Travel/Per Deim Voucher Total	
\$28,244.04	
Legislative Branch Attendees - 19	
10 - U.S. Senate Sergeant at Arms	
9 - House CAO First Call, Transition Team, Accountable Equipment & Assets, House Information Systems	

Response to question 1f

Comments:

- * **Home Office Maintenance** - 1/2 hour period to check voice mail and email.
- ** **CIS** - (Congressional Inventory System) - update on migration to new database operating system.
- *****Wonderful World of Google** - update on migration from Lotus Notes email to Google mail.
- ******Gender Differences** - a presentation on how women and men handle the same situation differently.

**2011
NATIONAL CONGRESSIONAL SUPPORT CONFERENCE AGENDA
HENDERSON, NEVADA**

<u>Tuesday Sept 13th - Salon 4</u>	<u>Wednesday, Sept 14th - Salon 4</u>	<u>Thursday, Sept 15th, Salon 4</u>
7:30 – 9:00 AM	7:30 – 9:00 AM	7:30 – 9:00 AM
Breakfast Buffet (Salon 4)	Continental Breakfast (Salon 4)	Breakfast Buffet (Salon 4)
9:00 – 9:10 AM.....Welcome	9:00 – 9:05 AM	9:00 – 10:30 AM
Marcia Herzog/Teanne Teasieri	Administrative Issues	House Session
9:10 – 10:30 AM	9:05 – 10:30 AM	10:30 – 10:45 AM.....Break
Senate Session	Senate Session	10:45 – 12:00 PM
10:30 – 10:45 AM.....Break	10:30 – 10:45 AM.....Break	House Session
10:45 – 12 PM	水曜会 10:45 – 11:15 AM	12:00 – 1:00 PM
Senate Session	Gender Differences.....Nancy (9)	Lunch on Your Own
12:00 – 1:00 PM...Lunch on Your Own	11:15 – 11:30 AM	1:00 – 1:30 PM
* 1:00 – 1:30 PM	Tactical to strategic Thinking...Sunny (9)	Home Office Maintenance
Home Office Maintenance	11:30 – 12:00 Noon	1:30 – 3:15 PM
1:30 – 2:30 PM	Discussion/Senate Session	House Session
Senate Session	12:00 – 1:00 PM	3:15 – 3:30 PM.....Break
** 2:30 – 2:45 PM	In-House Lunch, Salon 3	3:30 – 5:00 PM
CIS Sue Brown (3)	Senate/House/GSA	GSA Only
2:45 – 3:00 PM.....Break	1:00 – 1:30 PM Home Office Maintenance	5:00 PM.....Adjourn
3:00 – 4:00 PM	1:30 – 1:40 PM.....Welcome	
Senate Session	Marcia Herzog/Stachia Cuffey	
<i>House only - break out - Office 1</i>	1:40 – 2:45 PM	
水曜会 4:00 – 5:00 PM	House Session	
Wonderful World of Google	2:45 – 3:00 PM.....Break	
Presented by Miss Google (4)	3:00 – 5:00 PM	
	House Session	
	<u>Friday, Sept 16th.....Safe Journey Home</u>	

GSA SES and Non-SES Awards, Eligibility Criteria and Authorization Process

This chart depicts general award direction and types of awards as presented by OPM and as utilized by GSA for SES and Non-SES associates.

Type of Award	General Services Administration Policy	Criteria for award	Authorization process for awards
Non-SES Awards			
Time Off Awards	Time off Awards are the granting of time off without charge to leave or loss of pay to an associate in lieu of a monetary award for a special act, individual performance linked to the performance appraisal, or as a member of a group within an organizational performance award.	Time off award is a payout option in lieu of a cash award associated with Individual Performance Awards (IPA), Special Act (SA) awards or Organizational Performance Awards (OPAS). The maximum number of hours allowed for time off, in lieu of a comparable monetary award, is 80 hours. If the total amount of a time off award is not used within one year after it is issued, any unused time off is forfeited and is not eligible for restoration.	Managers and Supervisors are responsible for approving time off awards. a written justification for the award and the amount and be appropriately documented.
Performance Based Awards	Individual Performance Awards (IPAs) are linked directly to the performance appraisal. They are cash awards used to recognize levels of performance that clearly exceeds normal requirements with a performance rating at Level 4 (meets and often exceeds performance expectations as described in Level 3) or level 5 (meets and consistently exceeds performance expectations as described in Level 3) and are based on an associate's rating of record issued at the end of an appraisal period. Effective FY2007, GSA extended eligibility for IPAs to non-SES	The criteria for receiving IPAs are based on the annual rating of record documenting achievements against the associate's performance plan. Associates who receive a Level 4 rating are eligible for an IPA award up to 4 percent, and associates who receive a Level 5 rating are eligible for an award up to 6 percent of the associate's rate of basic pay. Effective FY2007, GSA extended eligibility for IPAs to non-SES associates who receive a Level 3 rating of record. IPAs for associates who receive a Level 3 rating are "capped" at 1.5% of adjusted	Managers and Supervisors are responsible for evaluating associate's performance and approving eligibility for an IPA. Organizational award budgets are allocated and adjusted against the number of employees eligible for awards. All IPAs individual performance awards require approval from second level supervisor. HSSO spell it out the first time or RA has final authority within their organization.

GSA SES and Non-SES Awards, Eligibility Criteria and Authorization Process

	employees who receive a Level 3 (meets performance expectations) rating of record.	basic pay; there is no specified minimum amount.	
Organizational Performance Awards	Organizational Performance Awards (OPA) are cash awards granted to groups of associates to recognize sustained levels of performance that clearly exceed normal requirements against a defined set of objective measures.	Organizational performance goals and success thresholds are established by the organization in support of Agency and organizational goals. Employees with a Level 3 or higher rating are eligible to be recognized for an organizational award. The maximum OPA is 4 percent of the associate's rate of basic pay, however the combination of OPA's, Special Acts, Peer Awards cannot exceed this 4% limit. The employee must meet the organizational goal requirements and thresholds for pay out.	The Organization must establish the organizational goals levels of achievement required for pay out and the thresholds to maximize pay out. Managers and Supervisors are responsible for assessing the organizations success at meeting the goals. Nominations must provide adequate written justification for the award and the amount must be appropriately documented. Awards \$5,000 and below are to be approved by appropriate officials, and documented in the awards system. Single awards over \$5,000 shall be submitted through the Heads of Services and Staff Offices (HSSO) or Regional Administrators (RA) as appropriate, and forwarded to the Chief People Officer (CPO) for concurrence, prior to the Administrator's approval.
Special Act Awards	Special Act Awards (SA) is cash awards based on nonrecurring contributions either within or outside job responsibilities that are not already recognized under IPAs or OPAs. In lieu of a monetary award for a SAs, an associate may be granted time off.	Special Act awards can be awarded for: "suggestions, inventions, or special acts or services in the public interest connected with or related to official employment, which contribute to the efficiency, economy, or other improvement of Government operations." The performance rating is not used to justify this award and SAs may be awarded at the time the award is earned.	Managers and Supervisors are responsible for preparing the nomination. The nomination must be approved by the next higher level of supervision. Awards \$5,000 and below are approved by the HSSO/RA or designee, and documented in the awards system. For SAs over \$5,000, Awards must be

GSA SES and Non-SES Awards, Eligibility Criteria and Authorization Process

		The maximum aggregate total for Special Act is no more than 4 percent of the associate's basic rate of pay, however the combination of OPA's, Special Acts, Peer Awards cannot exceed this 4% limit.	submitted through the HSSO or RA as appropriate, and forwarded to the CPO for concurrence, prior to the Administrator's approval.
Quality Step Increases	Quality Step Increases (QSI) are permanent increases to base pay that may be granted to associates who receive a rating of record at Level 5, and is at Step 9 or below of the General Schedule.	Management may authorize a QSI for those associates who receive a Level 5 rating. A QSI is awarded in lieu of the monetary award, and where the exemplary performance can be expected to continue. A QSI permanently increases an associate's rate of basic pay by one step.	Written justification is required and approval from the next higher level of supervision and final approval by the HSSO or RA as appropriate.
Non-Monetary Awards & Honor Awards	Non-monetary awards are intended to recognize contributions that might otherwise go unrecognized. Honor awards have a special prestige value distinct from monetary awards recognizing aggregate achievements over a major part of an associate's career or an extraordinary event. Length of Service certificates may be provided to associates in recognition of years of service in the government. Administrator's Honor Awards: <ul style="list-style-type: none">• Distinguished Service Award. This is the highest performance award within the authority of the	Employee must meet the criteria for the award type explained below. Length of Service is not in GSA awards policy but GSA uses this to recognize years of service. Administrator's Honor Awards: Distinguished Service Award. It may	Employee is nominated with justification based on award type. Approvals vary by award type as outlined below. Length of Service Supervisor identifies the employee's eligibility, CPO confirms and provides the certificate as appropriate. For Administrator's Honor Awards (1-3) addressed below: The CPO will issue an invitation for nominations for the Administrator's

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GSA SES and Non-SES Awards, Eligibility Criteria and Authorization Process

	<p>Administrator.</p> <ul style="list-style-type: none"> • Meritorious Service Award. This is the second highest performance award within the authority of the Administrator. Services. The distinction between a Meritorious Service Award and the Distinguished Service Award is the magnitude of the effect of the individual's record of service and accomplishments in GSA and the Federal service. • Excellence in Performance Award. Recognizes contributions to the agency's efforts to link GSA strategic goals and business goals. • Exceptional Service Award. May 	<p>be given to recognize:</p> <p>(a) An extraordinary accomplishment, or record of service that has demonstrated the highest qualities of efficiency, ingenuity, and/or integrity and has made a major improvement in the effectiveness or image of GSA in one or more program areas; or</p> <p>(b) Heroic action related to official employment taken to save persons or property at great personal risk.</p> <p>(c) An associate would normally receive the meritorious service award before being nominated for the distinguished service award.</p> <p>Meritorious Service Award. May be given to recognize:</p> <p>(a) A highly superior accomplishment, or record of service that has demonstrated notable efficiency, ingenuity, diligence, and/or integrity and has made a significant improvement in the effectiveness or image of GSA in one or more program areas; or</p> <p>(b) Action related to official employment and requiring outstanding competence to save personal life or property in an emergency.</p> <p>Excellence in Performance Award. May be given to recognize contributions to the agency's efforts to link GSA strategic goals and business goal, the budget, associate's performance expectations and measurable performance targets</p>	<p>Distinguished Service Award, Administrator's Meritorious Service Award, and Administrator's Excellence in Performance Award at a time agreeable to the Administrator.</p> <p>The invitation will specify the deadline for receipt of nominations.</p> <p>Nominations are accepted and forwarded through HSSO/RA as appropriate, forwarded to CPO for review and concurrence before going to the Administrator for final approval.</p> <p>Exceptional Service Award.</p>
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GSA SES and Non-SES Awards, Eligibility Criteria and Authorization Process

	<p>be given to an associate at the time of departure in recognition of a record of exceptional service to GSA at the Agency level with unusual impact on one or more GSA programs, or for diligence, steadfastness, or dedication.</p> <p>Honor Awards from the Head of Service or Staff Office or Regional Administrator.</p> <ul style="list-style-type: none"> • Exceptional Service Award This award may be given to an associate at the time of departure from GSA due to retirement, resignation, or transfer in recognition of a record of service to GSA that is unusual for its impact on one or more GSA programs, or for diligence, steadfastness, or dedication at the regional, service or staff office level. • Other Awards. There are other forms of non-monetary recognition. 	<p>Exceptional Service Award. The Administrator's Exceptional Service Award may be given to an associate at the time of departure from GSA in recognition of a record of service to GSA that is unusual for its impact on one or more GSA Agency level programs, or for diligence, steadfastness, or dedication.</p> <p>Honor Awards from the Head of Service or Staff Office or Regional Administrator.</p> <p>Exceptional Service Award. Documented recognition of a record of service to GSA that is unusual for its impact on one or more GSA programs, or for diligence, steadfastness, or dedication at the regional, service or staff office level.</p> <p>Other Awards. Any official or associate may initiate this award type.</p> <p>The submission should describe the performance and include proposed wording for the citation. Typical award types here include:</p> <ol style="list-style-type: none"> a. Public Service Award. b. Commendable Service Award 	<p>Nominations for the Administrator's Exceptional Service Award are presented to the HSSO/RA for endorsement, before forwarding on to the CPO for review and concurrence prior to the Administrator's approval.</p> <p>Honor Awards from the Head of Service or Staff Office or Regional Administrator.</p> <p>Exceptional Service Award. Authority for this award rests with the Head of Service or Staff Office or Regional Administrator.</p> <ol style="list-style-type: none"> a. Nominations for this Exceptional Service Award require the approval of the Head of Service or Staff Office or Regional Administrator. b. Each Head of Service or Staff Office or Regional Administrator shall establish the process for the submission, creation, and issuance of this GSA Exceptional Service Award within their organization. <p>Other Awards. There are other forms of non-monetary recognition. Any official or associate who is aware of the relevant facts may recommend an individual for one of the awards recommended below. The submission should describe the performance and include proposed wording for the citation. Recommendations should be in writing and forwarded through channels to the Head of Service, Staff Office or Regional Administrator for</p>
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GSA SES and Non-SES Awards, Eligibility Criteria and Authorization Process

		c. Certificates of Performance Achievement. d. Official Letters of Commendation.	approval and issuance.
Peer Awards	Peer Awards are cash awards authorized by Services, Staff Offices and Regions which allow individual associates to nominate another associate for an award.	Peer Awards. Associates can recognize an accomplishment, contribution, and/or superior service, which they have noted or received. An authorized official must approve the award. Peer awards are usually \$50.00 or less and cannot exceed \$99.00 gross for each instance.	Peer Awards. Managers and Supervisors are responsible for reviewing the justification and the proposed award amount. Managers process the award through the awards system

GSA SES and Non-SES Awards, Eligibility Criteria and Authorization Process

Type of Award	General Services Administration Policy	Criteria for award	Authorization process for awards
SES Awards			
<p>Presidential Rank Awards under 5 CFR 451 Subpart C</p> <p>There are two categories of Presidential Rank Awards:</p> <p>Distinguished and Meritorious</p>	<p>Not applicable.</p> <p>NOTE: OPM manages the Presidential Rank Award program on behalf of the President of the United States who approves these awards annually.</p>	<p>Nominees must meet the following eligibility criteria by the nomination deadline:</p> <ul style="list-style-type: none"> -Hold a career appointment in the Senior Executive Service; -Be an employee of the nominating agency on the nomination deadline; and -Have at least three years of career or career-type Federal civilian service at the SES level. <p>Presidential Rank Awards recognize extraordinary long term achievements. The Distinguished Executive rank award s awarded for "sustained extraordinary accomplishment," and the rank of Meritorious Executive for "sustained accomplishment."</p> <p>Presidential Rank Awards are reserved for career senior executives who have a record of achievement that is recognized throughout the agency and/or is acknowledged on a national or international level. In reaching the pinnacle of achievement, rank award recipients will also have demonstrated strong leadership abilities, inspired their employees and</p>	<p>Agency heads nominate career senior executives in either the Distinguished or Meritorious category. OPM convenes nomination review boards comprised of private sector citizens who evaluate the nominations. Finalists are reviewed and certified one last time by agency heads before OPM forwards the list of finalists to the President for approval.</p>

GSA SES and Non-SES Awards, Eligibility Criteria and Authorization Process

		<p>earned the respect of those they serve.</p> <p>The nomination criteria are as follows:</p> <p>1. Program Results: The executive has an exceptional record of achieving major program goals and exceeding customer expectations by marshaling internal and external resources to attain high-quality outcomes that are technically sound and cost-effective, and that yield rewards commensurate with the level of risk.</p> <p>2. Executive Leadership: The executive possesses a sound strategic overview of the public sector environment and has shown creativity, adaptability, and resilience in aligning program efforts with the organization's vision, mission, and goals, and in partnering with stakeholders inside and outside the organization. The executive has also demonstrated the ability to lead people effectively by fostering employee development, cooperation and teamwork, and making optimal use of human, financial and information resources.</p> <p>An executive who has received either rank award (i.e., Distinguished or Meritorious) may be nominated for the other award in succeeding years;</p>	
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GSA SES and Non-SES Awards, Eligibility Criteria and Authorization Process

		<p>however, an executive may not receive the same rank award more than once in any five-year period.</p> <p>Only one percent of SES employees across the Federal government may earn the Distinguished rank award each year and only five percent of SES employees may receive the Meritorious rank award each year.</p> <p>Distinguished rank award recipients earn a cash payment of 35% of basic pay/salary (by law), a framed certificate signed by the President of the United States, and a lapel pin.</p> <p>Meritorious rank award recipients earn a cash payment of 20% of basic pay/salary (by law), a framed certificate signed by the President of the United States, and a lapel pin.</p>	
SES Performance Awards (aka SES bonuses) under 5 CFR 534.405	To be recognized by an SES performance award, service must have been performed under an SES career appointment and must have been for no less than the agency's minimum appraisal period which in GSA is 120 days. If an individual has served less than a full year as an SES career appointee, GSA may consider prorating the amount of the bonus. However, the amount of the bonus may not be less than 5 percent of the individual's rate of basic pay as of the end of the	<p>The criteria are based on the annual rating of record documenting achievements against the annual employee's performance plan(s).</p> <p>Only career SES appointees who receive an annual performance rating of Level 3, 4 or 5 are eligible.</p>	Executives' first line supervisors are responsible for making the initial appraisal of the executive's performance. Depending on the organizational hierarchy, a higher level managers review of the initial appraisal might also apply, usually at the Head of Service or Staff Office Level. The SES Performance Review Board reviews the initial appraisal and makes recommendations to the Administrator for final approval.

GSA SES and Non-SES Awards, Eligibility Criteria and Authorization Process

	performance appraisal period. By law and OPM regulation, an SES performance award may not be less than five percent or more than 20 percent of basic pay as of the end of the performance period.		
Special Act Awards	<p>Special Act Awards are cash awards based on nonrecurring contributions either within or outside job responsibilities that are outside of the senior executive's annual performance plan.</p> <p>NOTE: A senior executive may not be granted time off in lieu of a monetary award for a special act award.</p>	<p>Special Act awards can be awarded for: "suggestions, inventions, or special acts or services in the public interest connected with or related to official employment, which contribute to the efficiency, economy, or other improvement of Government operations." Special Act Awards are of a one-time, nonrecurring nature, connected with or related to official employment, that are not already covered under the senior executive's annual performance plan. A performance rating is not used to justify this award.</p>	<p>Managers and Supervisors are responsible for preparing the nomination.</p> <p>The nomination must be approved by the Administrator.</p> <p>Award authority may be re-delegated to appropriate supervisory and management officials.</p> <p>The maximum single award that can be granted by the Administrator without review and approval from the Office of Personnel Management (OPM) is \$10,000. OPM can approve awards over \$10,000 up to \$25,000; the President must approve any award over \$25,000.</p>

2012 GSA SmartPay Conference Cost Summary				
PSA Items*	Original Estimated Cost	Revised Estimated Cost	Current Post-Conference Estimate/Actual Cost	Increase/Decrease from Revised Estimate
Conference Planner (direct labor costs)	\$172,299	\$172,299	\$172,366	\$68
Audio Visual Costs	\$135,217	\$57,166	\$109,166	\$51,999
Meeting Facilitation Subcontractor Costs (RFID, National Anthem singer, temp staff, keynote speaker, website etc.)	\$139,690	\$122,838	\$150,350	\$27,512
Meeting/Hotel Room Costs (Added costs due to cancellations by approx. 3,449 registered attendees, drayage, T-1 lines, secure rooms, F & B Minimum - banks may meet minimum* with food they order for their respective staffs, etc.)	\$221,123	\$206,120	\$949,593(1)	\$743,473
Security Costs	\$10,000	\$5,201	\$5,360	\$159
Computer Equipment	\$48,530	\$44,954	\$43,005	-\$1,949
Meeting Supplies, Printing, Signage, etc.	\$36,808	\$30,862	\$12,025	-\$18,836
PSA Staff Travel	\$10,000	\$10,000	\$12,561(2)	\$2,561
PSA Total	\$773,666	\$649,440	\$1,454,427	\$804,987
Surveys (CAR coordinates with their survey contractor, Feedback Systems)	\$47,440	\$32,440	\$29,283	-\$3,157
Conference Printed Materials (GSA National Publication Center)	\$59,000	\$57,800	\$63,132	\$5,332
Conference Uniforms (Staff)	\$650	\$0	\$0	\$0
GSA Staff Travel	\$49,370	\$39,570	\$19,600	-\$19,970
GSA Total	\$156,460	\$129,810	\$112,015	-\$17,795

**See Below

Enclosure E

EnclosureG_Smartpay costs and explanation - Tab 1- 2012 Conference

Total Conference Cost Before Registration Fee Revenue	\$830,126	\$779,250	\$1,566,442	\$737,192
Registration Fee Revenue (est.)	\$250,000	\$250,000	\$200,000	\$50,000
Total Net Conference Cost, Inclusive of Registration Fees	\$680,126	\$529,250	\$1,366,442	\$737,192
*See tab 2 for an explanation of costs; note that actual cost information is not yet available.				
**Increase is due to Department of Defense attendees withdrawing less than a week before the conference. GSA contracts may require GSA to absorb additional costs.				

EnclosureG_Smartpay costs and explanation - Tab 2- Explanation of Costs

Explanation of Costs - This spreadsheet provides the original cost estimate, a new estimate based on self-imposed cost reductions, and, to the extent available, final, actual costs.

	Original Estimated Cost	Comments	New Estimated Cost	Final Cost Summary	Cost Increase/Decrease from Estimate
Conference Planner Direct Labor	\$172,286		\$172,286	\$172,286	\$0
PSA, Conference Support Contractor Other Direct Costs (ODC)s Managed by PSA:		PSA provides conference planning and management services for the GSA SmartPay conference. Services include pre-conference planning activities, contracting for conference facilities and services, managing attendee housing and registration as well as on-site management of the conference.			
Audio Visual Costs	\$138,217		\$67,199	\$109,108	\$62,000
General Session for 5,000 - 6,000 attendees	\$89,390	The general session AV cost estimate included a stage in front, podium and one large screen/back drop behind the stage, two large screens on each side to display what is happening on stage as well as two screens displayed in the middle of the general session room for attendees in the back of the room. An audio system, video projection & display system, stage lighting, graphics switching system, graphics presentation system, power & rigging, and video record system were also needed for the general session. To reduced costs, the general session was canceled.	\$0	\$0	\$0
8 GSA Training Rooms set for 150-500 with one room set for 1,000 attendees		AV is needed for 8 GSA Training rooms ranging in size from 150 theater set to 1 room set for 1,000 attendees. With rooms this large, AV is needed to conduct training so all attendees can participate and be actively engaged in the training class. Standard AV package including podium/wired microphones, wired lavaliere, laptop computer w/ clicker, and LCD projector/screen is needed for these classrooms. Two of the training rooms also require an audience response system to conduct the training sessions occurring in these rooms. (Note: the audience response system was subsequently deleted as a cost reduction measure.)			
Navy/USMC Day		Navy/USMC Day was to be held the Monday before conference. Navy/USMC Day was a full day of training for US Navy and USMC personnel involved in the Purchase Card, Travel Card or Fleet Card Programs. Last year, 1,400 people attended Navy/USMC Day. GSA already had the meeting space, so GSA would only pay for the AV/technical support for the two large training rooms (set for 1,400 and 800 attendees) used by Navy as well as 7 smaller breakout rooms. AV included podium/wired microphones, wired lavaliere, laptop computer w/ clicker, LCD projector/screen, internet, audio and a telephone interface. GSA also offered registration for Navy/USMC Day through our online conference registration process. (Note: At the Navy's request, Navy Day was subsequently canceled due to a Navy corporate decision not to attend this year's conference.)			
Agency Meetings	\$41,059	In addition to Navy/USMC Day, GSA supported an average of 30 agency meetings who met the Monday prior to conference and during the conference on their GSA SmartPay Program. AV for 8 agency meeting rooms were to be set with a standard AV package including podium/wired microphones, wired lavaliere, laptop computer w/ clicker, and LCD projector/screen. (Note: Not all agency meetings were held as a number of agencies reduced their attendance. AV discounts are offered when holding a general session. When the general session was cancelled, costs increased for the remaining AV. Also, we cancelled use of the ARS which further reduced costs by \$9,850. This reduction is reflected in the new cost estimate.)	\$52,399		

EnclosureG_Smartpay costs and explanation - Tab 2- Explanation of Costs

		Two monitors were located near the conference check in area so a welcome/conference orientation video could be played in an effort to compensate for not having a general session. The monitors could also be used for conference announcements. Two other monitors were to be displayed by the cyber cafe while attendees were waiting to use a computer. GSA SmartPay Contractor bank training videos that showcase innovative products and services offered under the program also be played from these monitors. (Note: The cyber cafe was deleted as a cost reduction measure; the video screens in the check-in area were used to display the welcome video and contractor bank training videos.)			
4 - 40" TV Monitors	\$4,768		\$4,768		
Meeting Facilitation Subcontractor Costs	\$136,590		\$122,836	\$160,800	\$27,612
		With over 5,000 attendees each year, more than one hotel was generally needed to accommodate the number of attendees, so shuttle service was needed to/from the conference venue. This year, the Gaylord Opryland provided complimentary shuttle service to/from the 5 planned overflow hotels. (Note: The cost shown was budgeted for shuttle service to support an additional training session, which was canceled as a cost savings measure.)	\$0		
Shuttle Service	\$5,000				
		With 6 hotels (15,000 room nights) and 9 blocks (i.e. 8 staff blocks which include GSA, DoD, PSA, 3 contractor banks, Visa and MasterCard in addition to the general attendee block) to oversee, services were needed to manage these blocks and provide reporting on the hotel room pickup status.	\$29,797		
Housing Management	\$29,797				
		With training sessions occurring concurrently in 42 training rooms, 40 temp staff were needed to monitor the training rooms and the RFID Tap N Go Stations and assist attendees with the tracking equipment in addition to other conference support as needed.	\$19,010		
Temporary Staff	\$19,010				
		In order to track class attendance and provide attendees with their training/CLP credits, RFID "Tap n Go" stations were needed outside of the 42 classrooms. In 2011 alone, 42,344 training hours were provided to attendees. Some rooms held up to 2,500 attendees, so multiple stations were needed outside these larger rooms to capture all attendees entering the classroom and ensure they receive credit for the class.	\$55,422		
RFID Provider for Attendee Class Tracking and Credit	\$55,422				
		Singer for the beginning of the general session as the color guard enters the room. (Note: As the general session was canceled as a cost savings measure, there was no need to have a singer.)	\$0	\$0	\$0
National Anthem Singer for General Session	\$321				
		The GSA SmartPay Conference website, www.gsa-smartpayconference.org , is the main source for all conference information as well as conference registration and hotel reservations. Attendees could view all training classes, agency meetings, information on the host city and can retrieve their training certificates, post-conference, from this site.	\$5,856		
Website development and Management	\$5,856				
		A keynote speaker was to kick off the conference by giving a one hour presentation during the general session. The keynote speaker planned for this year was a service disabled veteran, J.R. Martinez. (Note: As a cost savings measure, the general session was canceled and there was no need for a speaker. However, there was a cancellation cost incurred for the speaker.)	\$12,753		
Keynote Speaker	\$23,837				
		A photographer documented the morning of the first day of conference by taking pictures during the general session, attendees, conference happenings, etc. (Note: As a cost savings measure, the photographer was canceled.)	\$0	\$0	
Photographer	\$447				
Meeting Room Room Costs	\$221,123		\$206,120	\$248,000	\$74,877

EnclosureG_Smartpay costs and explanation - Tab 2- Explanation of Costs

		Draysage encompasses costs for exposition equipment and services. This included registration counters, signage, set up of 7 agency/organization booths in the GSA Welcome Center, information desks, cyber cafe kiosks, pipe and drape. Other costs included shipping charges, electricity, and other material and handling. (Note: Among the cost reductions, we deleted the cyber cafe as well as the removal of four agency/organization booths from the GSA Welcome Center.)			
Draysage	\$71,888		\$58,682		
Re-key charges for meeting and training rooms	\$953	Needed to secure equipment in the rooms.	\$953		
T-1 lines or wireles	\$17,280	Required for internet in 5 training rooms, 2 agency meeting rooms and staff offices. In the GSA Welcome Center, internet connections for 5 laptops (laptops brought by GSA) were also needed to assist attendees with ordering free GSA SmartPay publications online.	\$17,280		
Telephone lines	\$2,569	A conference registration phone number and a separate shuttle service phone number was available to conference attendees for any questions they have during the conference. A telephone interface and conference phones were also set up in agency meeting rooms upon request.	\$2,569		
Food and Beverage Minimum Requirement	\$54,213	The Gaylord Opryland required a minimum food and beverage of \$80,000. In return, GSA received all meeting rooms complimentary, complimentary overflow shuttle service, no resort fee charge for our attendees staying at the hotel in addition to other discounts. It was estimated that some of this required minimum will be met by the food and beverage ordered by the contractor banks, Visa and MasterCard for their respective staffs during the conference. (Note: No food and/or beverages were provided at the conference for government personnel at GSA expense. We understand that food/beverage orders from the contractor banks and brands for consumption by their respective staffs met all but an estimated \$29,797 of the minimum.)	\$54,213		
Attrition Estimate	\$54,213	Based on previous hotel room pick up numbers, GSA contracted for 3,475 rooms on peak night (i.e. Monday - Thursday during the conference) with Nashville in 2008. The hotels required that at least 80% of their room block is filled. Due to travel budget cuts across the government, an estimated \$54,000 in attrition costs was built into the budget in the event we do not fill our room block.	\$54,213		
Security Costs	\$10,000	Prior to 2012, GSA had not had to pay any attrition in the past 6 years.	\$5,281	\$4,719	\$100
Security Service		Security personnel were needed to secure/protect all computer and other valuable equipment in the cyber cafe, GSA Welcome Center and registration area which were out in the open during the conference. (Note: Cost estimate decreased when actual hours needed were adjusted.)			
Computer Equipment	\$46,630		\$44,364	\$43,006	\$1,354
Computer Equipment	\$31,807	Computer equipment was needed for registration counters, training rooms, staff offices, GSA Welcome Center and cyber cafe. (Note: Attendees typically utilized the cyber cafe to take the online class training surveys during the conference, view their training certificates, and stay connected with their agency. As a cost savings measure, we deleted the cyber cafe which removed eight computers.)	\$28,331		
Computer Lab (40 computers) to support hands on training for DoD Purchase Card Online System (PCOLS)	\$16,823	During the conference, GSA SmartPay supports the DoD Purchase Card Program Office Purchase Card Online System (PCOLS) training by providing computers at no expense to DoD. "PCOLS" is a DoD-wide suite of electronic systems that purchase card officials use for program oversight. 2,218 DoD purchase card program managers attended the GSA SmartPay conference in 2011 obtained PCOLS training provided through this computer lab. (Note: Although DoD made a corporate decision not to attend this year's conference, it was too late to cancel the set up of the lab, so the majority of these costs were incurred.)	\$16,823		

EnclosureG_Smartpay costs and explanation - Tab 2- Explanation of Costs

Meeting Supplies, Printing, Signage, Etc.	\$96,008		\$96,008	\$3,200	\$15,808
GSA SmartPay Exhibit Booth	\$3,487	Exhibit booth for the GSA Welcome Center where GSA SmartPay staff were available to answer questions about the program. (Note: To reduce costs, we did not develop this booth and instead used a skirted table with already available GSA SmartPay banner shades.)	\$0		
General Supplies	\$4,480	Supplies included on-site office supplies (tape, scissors, markers, pens, table top signs, sticky notes, whiteout, glue sticks, card stock, push-pins, etc.)	\$4,480		
Printing	\$4,191	Included on-site registration forms, errata sheets for program, Navy/USMC Day schedule	\$4,191		
Signage	\$7,936	Directional signage	\$7,936		
Mailings	\$438	Vendor payments and incidental mailings	\$438		
Sign language interpreter	\$593	1-2 sign language interpreters were provided during the general session for the hearing impaired and during training sessions upon request	\$593		
Lanyards	\$8,353	Needed so attendees could wear name badges (Note: GSA SmartPay had left over lanyards from previous conference years that were used to lessen the number of lanyards that needed to be ordered for this year.)	\$3,874		
Name badge stock	\$3,570	Needed to print name badges	\$3,570		
Shipping	\$5,780	Included shipment of boxes for conference materials	\$5,780		
PSA Staff Travel	\$10,000		\$10,000	\$12,000	\$2,000
PSA Travel		Travel expenses included airfare and per diem costs for 12 PSA staff who were on site managing the conference. With a 3.475 peak room night hotel block, the hotels provided complimentary hotel rooms which were utilized by PSA staff and subcontractors so GSA would not pay for lodging. Any remaining complimentary rooms would be used by GSA. [3]			
Feedback Systems Survey Contractor		GSA SmartPay utilized a GSA subcontractor, Feedback Systems, to develop an online training class survey where attendees can log in and take the class survey for the specific classes they attended. These training surveys were required as part of the CLP certification process, so attendees could receive CLP credit by attending these training classes. In addition, Feedback provided and managed 3 survey stations on site during the conference where attendees provided feedback on their overall conference experience. Feedback provided reporting on the class and conference survey results that GSA used to improve upon training and the conference for future years. The overall customer satisfaction score that is generated from this survey is also tied to one of GSA SmartPay's performance measures. (Note: As a cost savings measure, we deleted the Feedback Systems overall conference survey and reports.)	\$32,440		
Conference concept design and print (Design and printing coordinated by CAR Region 5 and their contractors)		Included design of the name badge that attendees wore in order to be scanned in and receive training credit for the classes attended. These costs also included the design of the conference program which included all the training classes offered so attendees could plan their personal training schedule; signage template which was needed for directional signage so attendees knew how to navigate their way through the convention center; email template; and announcement card. Costs also included printing costs for program, signage, and announcement cards. (Note: We cancelled the printing of the announcement card. Final cost increased from estimate due to last minute bank course changes. Schedule changes create more proofing rounds, incurring more costs.)			

EnclosureG Smartpay costs and explanation - Tab 2- Explanation of Costs

Uniforms for GSA SmartPay Staff	<p>With over 5,000 attendees at the conference, it was important for the GSA SmartPay staff to be easily recognized during the conference to provide customer service and answer any questions attendees may have had related to the conference or SmartPay program in general. (Note: We re-used previous GSA SmartPay uniforms and did not purchase new ones for this year's conference.)</p>
Staff Travel	<p>The initial estimate was based on 43 GSA employees who would staff the conference, regardless of funding source. This includes presenters, individuals working at exhibit booths, conducting training evaluations, and managing the class training surveys. The revised "new cost estimate" reflected a reduction of 7 GSA employees traveling. While complete final cost information is not yet available, this number will reflect only OCCM-funded traveler, so that this data is presented in a manner consistent with the FY 11 cost information provided.</p>

EnclosureG_Smartpay costs and explanation

- 1. Increase from revised estimate is due to attrition costs.
- 2. To be invoiced as incurred.
- 3. please state that these were not Presidential Suites

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