

MEMORANDUM

From: Mary Jo White 
Chair, U.S. Securities and Exchange Commission

Subject: U.S. Securities and Exchange Commission's (SEC) FY2015 Conference Report

Date: January 29, 2016

Office of Management and Budget (OMB) memorandum M-12-12 requires federal agencies to issue an annual report related to its conference-related expenditures for the previous fiscal year. This document constitutes the SEC's report for Fiscal Year 2015.

The SEC has policies and procedures governing the approval and use of agency funds for conference expenses to ensure that such spending is legal, reasonable, and in furtherance of the agency's mission. At a high level, the major steps in this process are as follows:

1. All SEC division/office requests to spend money on hosting a conference must be approved by the division/office head. Divisions and offices are required to use SEC facilities for such events whenever possible, to minimize space rental and equipment costs. In order to limit expenses for meals or refreshments, the SEC uses per diem rates established for the federal government as the ceiling for any such costs, except when higher rates are unavoidable or otherwise justified. In addition, whenever an expense is projected to exceed \$1,000, organizers are required to obtain quotes from multiple vendors, so as to secure the best value for the government.
2. When a request for funds is necessary and has received approval from the division/office head, it is reviewed by staff in the Office of Financial Management (OFM) to ensure the expenses are permissible and reasonable. At the beginning of Fiscal Year 2015, OFM implemented the Automated Conference Request System (ACRS) to electronically submit, review, and approve all SEC conference requests. ACRS has given OFM the ability to more accurately monitor and control conference spending.
3. Each request must receive final approval from designated officials according to the total projected cost. These designations comply with OMB Memorandum M-12-12.

The SEC is reporting conferences that meet thresholds defined in P.L. 113-235, Division E, Title VII, Section 739(a), (b), and (c), to the SEC's Office of Inspector General (IG).

For Fiscal Year 2015, the SEC authorized an estimated total of **\$1,962,425** related to 103 conferences (including training conferences), which used FY 2015 funding.

Conferences over \$100,000:

In Fiscal Year 2015, the SEC authorized two conferences costing over \$100,000, which are described below:

A. 2015 National Exam Program Leadership Conference, SEC headquarters, Washington DC, July 20-22, 2015

- Total Cost incurred: \$179,082
- Number of attendees: 231 SEC employees (51 Headquarters and 180 SEC Regional)
- Expenses included \$177,293 for travel and lodging expenses for 180 SEC regional staff members and \$1,789 for light refreshments.

The mission of the Office of Compliance Inspections and Examinations (OCIE) is to improve compliance, prevent fraud, inform policy, and monitor risk. On July 20-22, 2015, OCIE held its annual leadership conference at the SEC headquarters in Washington, D.C., which focused on initiatives related to increasing OCIE's capabilities in the above areas. The conference gathered SEC managers from across the National Examination Program to collaborate on strategic planning and to provide training. It included presentations and discussions on risk assessment tools and procedures; implementation of Dodd-Frank Act requirements and rulemaking; and increasing OCIE's collaboration with other Commission offices and divisions.

B. 2015 Chief Enforcement Conference, SEC headquarters, Washington DC, September 17-18, 2015

- Cost incurred: \$166,228
- Number of attendees: 185 SEC employees (73 Headquarters and 112 SEC Regional)¹
- Expenses included \$164,599 for travel and lodging expenses for 112 SEC regional staff members and \$1,108 for light refreshments and \$520 for 1 guest speaker's travel.

The Enforcement Division conducts investigations, litigates actions, negotiates settlements, and coordinates with the Commission and other SEC divisions and offices regarding the national enforcement program. The 2015 Chief Enforcement Conference was held at SEC headquarters in Washington, D.C. on September 17-18, 2015. The conference served as a strategic planning and training session for the Division's most senior managers and provided an important opportunity for attendees to discuss relevant enforcement topics with the Chair and participating Commissioners.

¹ Estimated figures based on projected attendees