

## MEMORANDUM

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

**Subject:** U.S. Securities and Exchange Commission's (SEC) FY2013 Conference Report

**Date:** December 18, 2013

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 year. This document constitutes the SEC's report for Fiscal Year 2013.

The SEC has in place 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 a conference must be approved by the division/office head. Whenever possible, divisions and offices are required to use SEC facilities for such events 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. The agency also has restricted travel for conference participation to essential personnel and expanded the use of web conferencing throughout the organization.
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 to ensure the expenses are permissible and reasonable.
3. Each request must receive final approval from designated officials according to the total projected cost. These designations comply with OMB Memorandum 12-12.
4. The SEC is reporting conferences which meet thresholds defined in Section 3003 of Public Law 113-6, subsections (a), (b), and (c), to the SEC's Office of Inspector General (IG).

For Fiscal Year 2013, the SEC authorized a total of **\$762,888** for expenditures related to 42 conferences (including training conferences) which used FY 2013 funding.

### **Conferences over \$100,000:**

In Fiscal Year 2013, the SEC authorized two conferences costing over \$100,000, which are described below:

- A. 2013 National Exam Program Leadership Conference, SEC headquarters, Washington DC, June 26-28, 2013
  - Total Cost incurred: \$196,040
  - Number of attendees: 276 SEC employees (58 Headquarters and 218 SEC Regional)
  - Expenses included \$193,125 for travel and lodging expenses for 218 SEC Regional staff members and \$2,915 for light refreshments.

The mission of the Office of Compliance Investigations and Examinations (OCIE) is to improve compliance, prevent fraud, inform policy, and monitor risk. In 2013, OCIE held its annual Leadership Conference at headquarters in Washington, D.C., which focused on initiatives related to increasing OCIE's capabilities in these areas. The conference gathered SEC managers from across the National Examination Program to collaborate on strategic planning and organizational priorities. 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. Chief Enforcement Conference, SEC headquarters, Washington DC, September 26-28, 2013

- Cost incurred: \$128,623
- Number of attendees: 165 SEC employees (73 Headquarters and 92 SEC Regional)
- Expenses included \$127,390 for travel and lodging expenses for 92 SEC Regional staff members and \$1,233 for light refreshments.

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 Enforcement Division held its Chief Enforcement Conference at SEC headquarters in Washington, D.C. on September 26-27, 2013. The conference provided an opportunity for managers and subject matter experts to discuss the Division's current priorities, caseload and initiatives, as well as ways to administer a high-quality Enforcement program in the context of increasingly sophisticated and dynamic capital markets. The 2013 conference gathered SEC managers from across the Enforcement Division to collaborate on strategic planning and organizational practices. The conference included an interview with Chair Mary Jo White. Commissioners Michael Piwowar and Kara Stein, and Enforcement Co-Directors Andrew Ceresney and George Canellos led discussions during the conference. Distinguished panelists included former Chairman Harvey Pitt and Justice Raymond J. Lohier of the United States Court of Appeals for the Second Circuit. In addition to Enforcement-specific topics, breakout sessions included discussions of the new SEC collective bargaining agreement, hiring, performance management, contracting and procurement, space and lease management, document management, expert witnesses, and contract support staffing.