


MEMORANDUM

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

Subject: U.S. Securities and Exchange Commission's (SEC) FY2014 Conference Report -
REVISED

Date: January 29, 2016

We are revising the previous report dated January 16, 2015 to report updated figures for the total approved conference costs in FY 2014, and the costs reported for the two conferences which exceed \$100,000.

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 2014.

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 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 M-12-12.

The SEC is reporting conferences which meet thresholds defined in P.L. 113-76, Division E, Title VII, Sections (a), (b), and (c), to the SEC's Office of Inspector General (IG).

For Fiscal Year 2014, the SEC authorized an estimated total of **\$1,461,707** for expenditures related to 57 conferences (including training conferences) which used FY 2014 funding.

Conferences over \$100,000:

In Fiscal Year 2014, the SEC authorized two conferences costing over \$100,000, which are described below:

A. 2014 National Exam Program (NEP) Leadership Conference, SEC headquarters, Washington DC, July 30-August 1, 2014

- Total Cost incurred: \$180,318
- Number of attendees*: 204 SEC employees (38 Headquarters and 166 SEC Regional)
- Expenses included[†]: \$179,069 for travel and lodging expenses for 166 SEC Regional staff members and \$1,249 for light refreshments.

The mission of the Office of Compliance Inspections and Examination (OCIE) is to improve compliance, prevent fraud, inform policy, and monitor risk. On July 30 – August 1, 2014, OCIE held its annual NEP Leadership Conference at SEC 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 NEP to collaborate on strategic planning and 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. Chief Enforcement Conference (CEC), SEC headquarters, Washington DC, September 17-19, 2014

- Total Cost incurred[†]: \$171,914
- Number of attendees*: 188 SEC employees (77 Headquarters and 111 SEC Regional)
- Expenses included[†]: \$168,945 for travel and lodging expenses for 111 SEC Regional staff members, and \$1,108 for light refreshments, and \$1,860 for other expenses.

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 2014 Chief Enforcement Conference was held at SEC headquarters in Washington, D.C. on September 17 - 19, 2014. It provided a unique 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 2014 conference gathered SEC managers from across the Enforcement Division to collaborate on strategic planning and organizational practices. Conference discussions were led by the Division Director and Deputy Director, and training events were led by various managers at a senior level, including the Chief

**The figure for number of attendees is an estimate based on registered attendees.*

†These figures are shown in whole dollars rounded from the actual data.

Counsel, Chief Litigation Counsel, regional directors, and associate directors. The conference included distinguished outside panelists such as federal circuit and district court judges and former SEC commissioners.

**The figure for number of attendees is an estimate based on registered attendees.*

†These figures are shown in whole dollars rounded from the actual data.