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September 26, 2011

VIA ELECTRONIC TRANSMISSION

The Honorable Jacob J. Lew
Director
Office of Management and Budget
Eisenhower Executive Office Building
1650 Pennsylvania Avenue, NW
Washington, DC 20503

Dear Mr. Lew:

I am pleased to hear that you are directing a government-wide review of how taxpayer dollars are spent on conferences in response to a report that the Department of Justice (DOJ) paid \$16.00 per muffin at a recent conference. The Office of the Inspector General (OIG) is standing by its report despite arguments by some that it may have miscalculated the figure in its investigation of conference expenditures.¹

If the OIG made errors in its report, I hope that it will step forward and correct the record. Nevertheless, I would note that even by Hilton's own accounting, DOJ spent \$4,200 on 250 muffins, 200 pieces of fruit, 15 gallons of coffee, and 30 gallons of iced tea. That amounts to \$16 for only one muffin, less than one piece of fruit, 8 ounces of coffee, and 15 ounces of iced tea.² By anyone's account, that's excessive spending. Additionally, while a DOJ spokesperson has suggested that the package included the cost of meeting space,³ the OIG report itself made clear that DOJ had negotiated with the hotel to provide that particular meeting space without charge as part of a larger agreement on other conference expenses.⁴

¹ *\$16 muffins? No, says Hilton*, Associated Press, Sep. 22, 2011, available at <http://www.cbsnews.com/stories/2011/09/22/national/main20110480.shtml>.

² *Id.*

³ Jack Cloherty, *\$16 Muffins? Actually, No, Officials Say*, ABC News, Sep. 23, 2011, <http://abcnews.go.com/blogs/politics/2011/09/food-fight-hilton-denies-muffins-were-16>.

⁴ "Audit of Department of Justice Conference Planning and Food and Beverage Costs," U.S. Department of Justice, Office of the Inspector General, Audit Report 11-43, September 2011, at 58 ("EOIR officials stated that because they hosted two events at once, the hotel provided meeting space without charge").

The more important story from the OIG's report is that DOJ increased total conference expenditures by 53% from \$47.8 million in 2008 to \$73.3 million in 2009. That's a \$25.5 million increase in the first year of the Obama administration.⁵ As I have been saying, this kind of spending is unacceptable given the economic realities most Americans are facing right now.

Please explain why the cost of conference expenditures increased so dramatically at DOJ in 2009. I also have additional questions about your September 21 memorandum to executive department and agency heads. Is it intended that each agency's OIG be involved? Will the findings of these inquiries be made public, in addition to being compiled for the Vice President? I understand that each agency is to respond back to you by November 1, and I look forward to hearing their reports.

Thank you in advance for ensuring that your response arrives no later than October 3. Should you have any questions regarding this letter, please contact Tristan Leavitt of my staff at (202) 224-5225.

Sincerely,



Charles E. Grassley
Ranking Member

cc: The Honorable Eric H. Holder, Jr.
Attorney General
U.S. Department of Justice

Ms. Cynthia A. Schnedar
Acting Inspector General
U.S. Department of Justice

⁵ *Id.*, at ii.