



Written by [Brian Koenig](#) on October 2, 2012

VA Department Wastes Over \$700,000 on Lavish Employee Conference

Adding to the growing list of taxpayer-funded boondoggles, the Department of Veterans Affairs (VA) is under heavy congressional scrutiny after wastefully spending more than \$700,000 on two employee conferences last year. A [150-page report](#) issued by the VA Office of Inspector General (IG) affirmed that the lavish events, which took place in Orlando, Florida, were poorly planned by the agency's senior leadership.



Furthermore, the IG reported that 11 agency employees accepted illicit gifts from contractors seeking to secure business with the government. John Sepulveda, assistant secretary for the VA Human Resources Department, resigned soon after the IG's report was released, as the expensive conferences occurred on his watch in July and August 2011. CNS News [reported](#) further on the controversial development:

In all, the two VA conferences cost about \$6.1 million and were held to fulfill valid training needs for nearly 1,800 employees. But some expenses were unnecessary and wasteful, including nearly \$100,000 for unnecessary promotional items, nearly \$50,000 for the production of a video featuring a parody of General George S. Patton and nearly \$150,000 in contractor travel picked up by the department, said the inspector general's report.

Other expenses associated with the conferences include:

\$280,698 — Costs in excess of VA's contract with the Orlando World Center Marriott (Marriott), including excessive expenditures for audiovisual services, catering, food, beverages, and other miscellaneous expenses

\$26,088 — Unauthorized expenses for computer rentals used for registration and training classes. Although services were provided, the conference planner lacked the authority to commit Government funds for this purpose.

\$10,666 — Unnecessary costs associated with pre-conference planning site survey trips by VA employees incurred before the CoS authorized the conferences

\$43,018 — Questionable awards paid to VA staff for their roles in the management of these conferences, in light of the mismanagement and lack of professional care exercised in controlling and tracking conference-related costs

The report stated that Sepulveda "abdicated his responsibilities" in planning and executing the conferences, leading to "numerous examples of excessive costs, and unnecessary and unsupported expenditures." The agency acknowledged the allegations, saying "the actions cited in the report represent serious lapses in oversight, judgment, and stewardship."

"While the IG report makes clear that 'VA held these conferences to fulfill valid training needs' and



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‘offered legitimate, substantive training courses at the conferences,’ this does not excuse the misconduct of even a few individuals,” the agency added. “Misuse of taxpayer dollars is completely unacceptable.”

The IG report honed in on the VA department’s obscure accounting practices, as agency employees neglected to report accurate costs associated with the conferences and that estimates seemed to evolve throughout the investigation. Auditors also highlighted “serious management weaknesses,” including staff members who made purchases they were not authorized to make. The report specifically underscored Sepúlveda’s failed leadership that helped lead to the gross misuse of taxpayer dollars:

We concluded that the Assistant Secretary for HR&A (Mr. Sepúlveda) abdicated his responsibilities when he failed to provide proper guidance and oversight to his senior executives in the operations of his organization. His performance was contrary to his statement in his memorandum to the CoS wherein he asserted that “our planning committee is pursuing all efforts to constrain and control cost.” Mr. Sepúlveda also denied having any involvement with the General George S. Patton parody video. Several individuals have, in fact, testified that Mr. Sepúlveda viewed the videos before the conferences took place. His hands-off approach contributed to a lack of communication between HR&A senior executives resulting in confusion and a dysfunctional execution of roles and responsibilities. We concluded that the senior leadership accepted little responsibility for fiscal stewardship. In most instances, they delegated these important responsibilities to their employees who directly report to them but did not provide the oversight needed.

The development presents a damning narrative, especially as other federal agencies have recently been tagged with instances of wasteful spending that have led to millions of dollars in taxpayer waste. The General Services Administration (GSA), for instance, was recently skewered for spending \$823,000 on a [2010 Las Vegas training conference](#), which resulted in hundreds of thousands of “squandered” taxpayer dollars, according to GSA Inspector General Brian Miller, who released a scathing report on the conference.

As was the case with the VA agency’s exorbitant event costs, the GSA conference included a slew of lavish amenities and entertainment expenses, including mind readers, private catering, \$6,000 commemorative coins, and a \$30,000 reception featuring a \$19-per-person “artisanal cheese display.”

Congress has expressed outrage over the VA’s scandalous actions, asserting that the IG’s findings reveal a lack of competency on part of the department, and suggesting that a strong system of checks and balances is necessary to safeguard taxpayer dollars.

Rep. Jeff Miller (R-Fla.) [noted](#) that the misspent funds could have been allocated to offer hundreds of veterans returning from Iraq and Afghanistan the medical coverage they need. He added,

It is blatantly clear that VA does not know how much it spends on conferences. This sort of funny money accounting must stop, and will no longer be tolerated, especially in today’s tight fiscal climate.



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