

MEMORANDUM

From: Caryn Kauffman *ck*
Chief Financial Officer, U.S. Securities and Exchange Commission

Subject: U.S. Securities and Exchange Commission's (SEC) FY 2019 Conference Report

Date: January 31, 2019

Office of Management and Budget (OMB) memorandum M-12-12, as amended by memorandum M-17-08, requires federal agencies to issue an annual report related to their conference-related expenditures for the previous fiscal year. This document constitutes the SEC's report for Fiscal Year (FY) 2019.

The SEC has put 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 to protect investors, maintain fair, orderly, and efficient markets, and facilitate capital formation. 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 or his/her designee. 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. The acquisition of any goods, services, or meeting space is subject to the applicable policies and regulations which govern these areas.
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 under the applicable policies and regulations. OFM has implemented an automated system for the submission, review, and approval of all SEC conference requests that enables OFM to monitor and control conference spending, as well as record actual conference spending after a conference has been held.
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 P.L. 116-6 Division E, Title VII, Sections 739 (a), (b), and (c), to the SEC's Office of Inspector General via separate correspondence.

For FY 2019, the SEC authorized 103 conferences (including training conferences) with costs totaling \$955,382.

Conferences over \$100,000:

In FY 2019, the SEC authorized two conferences costing greater than \$100,000, which are described below:

A. 2019 Division of Enforcement Chief Enforcement Conference (CEC), SEC Headquarters, Washington, DC, September 16-17, 2019

- Cost incurred:¹ \$115,725
- Number of attendees: 188 (187 SEC attendees and 1 non-SEC attendee)

The Division of Enforcement (Enforcement) conducts investigations into potential violations of the federal securities laws, litigates actions, negotiates settlements, and coordinates with the Commission and other SEC divisions and offices regarding the national enforcement program. Because Enforcement staff are located in Washington, DC and across 11 regional offices, periodic gatherings of Enforcement leaders help to ensure an efficient, well-coordinated national program. CEC served as a strategic planning and training session for Enforcement's senior managers and provided an important opportunity for attendees to discuss relevant enforcement topics with the Chairman and participating Commissioners.

B. 2019 National Trial Attorneys Conference, SEC Headquarters, Washington, DC, September 26-27, 2019

- Cost incurred:¹ \$103,011
- Number of attendees: 124 attendees (119 SEC employees, 5 non-SEC employees)

This event provided an opportunity for all SEC trial attorneys, regional trial counsel, supervisory trial counsel, and Trial Unit Senior Officers to attend panel discussions and training on developments in substantive areas of law they encounter in their litigation practice at the SEC. This year's conference featured a panel discussion with four judges, as well as a discussion with the Enforcement Division's Chief Trial Counsel and Chief Counsel on the impact of recent court decisions on enforcement cases. To help make the attorneys' approach to cases consistent nationwide, the conference also focused on procedures and considerations related to summary exhibits and witnesses at trial, effective cross-examinations, collections, and disgorgements, among other areas.

¹ Figures reported in whole dollars.