Written by **Brian Koenig** on July 23, 2012



GSA Spent \$270,000 on One-day Awards Ceremony

The unveiling of another lavish employee event has added to the General Services Administration's (GSA) already scandalridden status as a corrupt government agency notorious for taxpayer waste. Only three months after GSA officials were exposed for having spent more than \$800,000 on a Las Vegas "training conference," the department's inspector general is <u>launching</u> an investigation into a Washington event that cost a sizable \$270,000.



The GSA, which oversees federal real estate and manages most government purchasing, allegedly spent thousands of dollars on hors d'oeuvres, travel expenses, and party-favor items for a one-day awards ceremony in November 2010. House Transportation Committee Chairman John Mica (R-Fla.) said in a press conference Thursday that the revelation "makes everyone's blood boil," and that the "committee is appalled."

GSA Inspector General Brian Miller told Rep. Jeff Denham (R-Calif.), a member of the subcommittee that oversees the agency, he is investigating the 2010 event. "We have begun a preliminary analysis of the information we have received from the agency and have opened an administration investigation," Miller confirmed. "Our initial findings show costs upward of \$268,732 for the one-day ceremony."

In a statement Thursday, the GSA condemned the awards ceremony, adding that such frivolous spending "must stop." "This event took place in 2010 and has been in existence going back to 2002," the agency disclosed. "Today, under the new GSA leadership, this event and type of spending is not tolerated. As of April 15th, 2012 all spending for events, including training conferences, leadership events, team building exercises, award ceremonies, were suspended. These events indicate an already recognized pattern of misjudgment which spans several years and administrations."

So far, the probe found that the event's total bill included compensation for a guitarist and violinist, along with a slew of novelty items for attendees. Additionally, Miller's preliminary review found that <u>over half</u> of the taxpayer-funded money (\$140,464) went to a marketing and public relations company for "coordination and logistical management."

As part of a so-called "drum band exercise," the agency spent more than \$20,000 on 4,000 drumsticks for guests to participate. Moreover, event planners doled out nearly \$30,000 on "time temperature picture frames," according to a letter by the Inspector General. The Associated Press provided a more in-depth review of the event's exorbitant price tag:

- \$34,073 for the Crystal Gateway Marriott event, including \$20,738 in catering charges;
- \$7,697 for the Key Bridge Marriott reception, which included hors d'oeuvres, a violinist and guitarist;
- \$140,464 for "coordination and logistical management" by a firm called Gallagher & Gallagher Inc., which included \$104,484 for management services; \$20,578 for 4,000 drumsticks given to attendees; \$5,390 for five buses, two mini-buses, and a van; and \$10,010 for entertainment by

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"Mission Possible Agent X" management.

- \$28,364 for 4,000 "time temperature picture frames" provided by Small Wonders;
- \$7,810 for 68 shadowbox frames by Award Crafters;
- \$8,588 for something called "Agent X appearance" by JDG Communications, Inc.;
- \$41,735 for travel for 49 attendees.

Miller said Dan Tangherlini, the agency's acting administrator, notified him on July 11 of the event. Appointed by President Obama in April to replace former GSA chief Martha Johnson, Mr. Tangherlini has been taking measures to curb financial abuse and excessive spending within the agency. In addition to uncovering the award ceremony scandal, he recently announced a hiring freeze and halted bonuses for most executives.

Johnson resigned from the GSA this spring after the IG released a report on a Las Vegas training conference in October 2010. *The New American* previously <u>reported</u> on the debacle:

A report issued earlier this month by GSA Inspector General (IG) Brian Miller (left) documented the towering costs for the \$823,000 training conference, which included \$130,000 in travel expenses, \$146,000 on catered food and drinks, and a \$2,000 party in a top official's hotel suite. "As the agency Congress has entrusted with developing the rules followed by other federal agencies for conferences, GSA has a special responsibility to set an example, and that did not occur here," Miller wrote in the report. The agency "followed neither federal procurement laws nor its own policy on conference spending."

"Instead of clowns and mind readers, we've got violinists and guitarists — GSA has really classed up their act," said Rep. Denham. "We've known that there is a culture of waste, fraud and abuse within the many layers of GSA, and this proves that this is a systemic problem that is rooted deeply within this organization."

The scandal is especially disturbing considering the federal government's skyrocketing deficit, some lawmakers say. "This sounds almost unbelievable to have this kind of waste reported when we are running trillions of dollars in debt," Rep. Mica <u>concluded</u>.

Rep. Nick Rahall (D-W.V.) echoed his colleague with a similar note: "It is deeply troubling to learn that more than a quarter million dollars in hard earned taxpayer money was wasted so that certain GSA employees could congratulate themselves."

Photo of GSA Administrator Dan Tangherlini (L) and GSA Inspector General Brian Miller testifying regarding GSA waste: AP Images



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