



September 5, 2012

MEMORANDUM FOR: Dr. Patrick D. Gallagher
Under Secretary of Commerce for Standards and Technology

FROM: Andrew Katsaros
Assistant Inspector General for Audit

SUBJECT: Review of FYs 2011 and 2012 MEP Conference Spending

In a July 20, 2012, letter to our office, Senator Susan Collins expressed concerns about recent reports about conference spending by the NIST Manufacturing Extension Partnership (MEP) program. Specifically, there had been reports that NIST-MEP spent \$3-5 million on a May 2012 Manufacturing Innovation Event at an Orlando resort. In response, NIST-MEP reported that the total amount of MEP federal funds spent for its May 2012 conference was \$670,845 to cover expenses for travel, event programming, hotel conference rooms, and event infrastructure.

Senator Collins has asked that we examine NIST-MEP conference spending over the last 2 years, particularly with respect to the discrepancy in the amounts reportedly spent at the Orlando conference, and to brief her staff on our findings. To that end, our audit's objective will be to review federal spending at MEP conferences in FYs 2011 and 2012, including the May 2012 conference, to determine the legitimacy and reasonableness of related charges.

We will contact the audit liaison to schedule an entrance conference. In the meantime, if you have any questions about this review, please contact me at (202) 482-7859 or Kenneth Stagner, Regional Assistant Inspector General for Audit, at (303) 312-7674. Thank you in advance for your cooperation.

cc: Roger D. Kilmer, Director, Manufacturing Extension Partnership, NIST
Kevin Kimball, Chief of Staff, Office of the Director, NIST
George E. Jenkins, Chief Financial Officer, NIST
Catherine Fletcher, Audit Liaison, NIST