

# U.S. International Trade Commission

## *Management Report - Improper Payment Determination FY2017*



**OIG-MR-18-12**

**May 10, 2018**



Office of Inspector General

*The U.S. International Trade Commission is an independent, nonpartisan, quasi-judicial federal agency that provides trade expertise to both the legislative and executive branches of government, determines the impact of imports on U.S. industries, and directs actions against certain unfair trade practices, such as patent, trademark, and copyright infringement. USITC analysts and economists investigate and publish reports on U.S. industries and the global trends that affect them. The agency also maintains and publishes the Harmonized Tariff Schedule of the United States.*

#### *Commissioners*

*Rhonda K. Schmidlein, Chairman  
David S. Johanson, Vice Chairman  
Irving A. Williamson  
Meredith M. Broadbent  
Jason E. Kearns*




---

## UNITED STATES INTERNATIONAL TRADE COMMISSION

---

WASHINGTON, DC 20436

May 10, 2018

IG-QQ-010  
OIG-MR-18-12

Chairman Schmidtlein:

This transmits the Inspector General's report on the Commission's compliance with the Improper Payments Elimination and Recovery Act of 2010, as amended (IPERA). We have determined that the Commission has complied with IPERA. The table below identifies the six requirements for IPERA and the results of the Commission's compliance.

	<b>OMB-M-15-02 Requirement</b>	<b>USITC Compliance</b>
1	Publish an Agency Financial Report for the most recent fiscal year and post that report and any accompanying materials on the agency website.	Yes. <a href="https://www.usitc.gov/documents/usitc_fy2017_afr_final.pdf">https://www.usitc.gov/documents/usitc_fy2017_afr_final.pdf</a>
2	Conduct a program-specific risk assessment for each program or activity that conforms with Section 3321 note of Title; or perform a risk assessment at least once every three years for programs deemed to be at low risk for significant improper payments.	Yes. The last risk assessment was completed in fiscal year 2016 and is still valid.
3	Publish improper payment estimates for all programs and activities identified as susceptible to significant improper payments under its risk assessment, if required.	Not applicable. The Commission did not identify any programs or activities that are susceptible to significant improper payments.
4	Publish programmatic corrective plans in the Agency Financial Report, if required.	Not applicable.
5	Publish and meet annual reduction targets for each program assessed to be at risk and estimated for improper payments, if required.	Not applicable.
6	Report a gross improper payment rate of less than 10 percent for each program or activity for which an improper payment estimate was obtained and published in the Agency Financial Report.	Not applicable.

For the second consecutive year, during the performance of other audits, we identified financial transactions that should have been reported as improper payments by the Office of the Chief Financial Officer. When we reviewed the information provided by the Office of the Chief Financial Officer, we found that they had not tracked or reported the transactions as improper payments. However, because the identified improper payment transactions and associated dollar amounts were low, it did not have an impact on the Commission's compliance with IPERA.

Last year, we made a recommendation to identify the different sources where improper payments can be made and establish a process for reporting improper payments. The Commission agreed with the recommendation and completed final action on the management decision. This year, we are making another recommendation to the Commission to improve the accuracy and completeness of improper payment reporting.

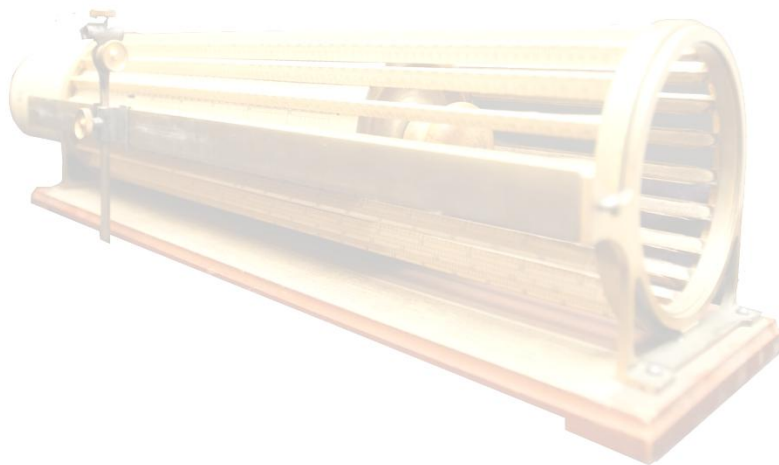
**Recommendation 1:** The Office of the Chief Financial Officer include a review of accounts receivable and payment data in their process to identify and report improper payments.

Should you have any questions, please do not hesitate to contact me.

Sincerely,



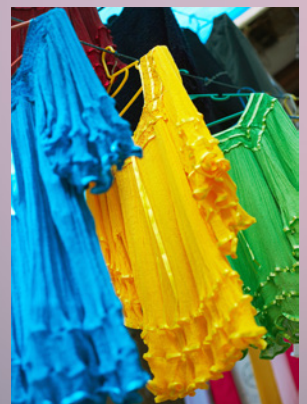
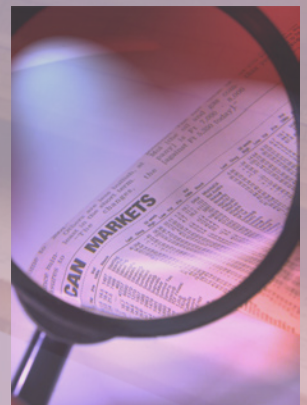
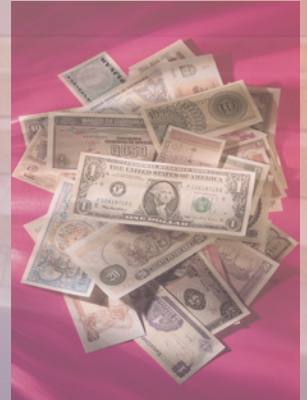
Philip M. Heneghan  
Inspector General



*“Thacher’s Calculating Instrument” developed by Edwin Thacher in the late 1870s. It is a cylindrical, rotating slide rule able to quickly perform complex mathematical calculations involving roots and powers quickly. The instrument was used by architects, engineers, and actuaries as a measuring device.*



# To Promote and Preserve the Efficiency, Effectiveness, and Integrity of the U.S. International Trade Commission



U.S. International Trade Commission  
Office of Inspector General  
500 E Street, SW  
Washington, DC 20436

Office: 202-205-6542  
Fax: 202-205-1859  
Hotline: 202-205-6542  
[OIGHotline@USITC.GOV](mailto:OIGHotline@USITC.GOV)