

# U.S. International Trade Commission

## *Inspector General Semiannual Report*



October 1, 2019 - March 31, 2020

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.*



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## UNITED STATES INTERNATIONAL TRADE COMMISSION

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WASHINGTON, DC 20436

May 26, 2020

### **Message from the Chairman**

In accordance with the Inspector General Act of 1978, as amended, 5 U.S.C. App. 3 (IG Act), the U.S. International Trade Commission ("USITC," or "Commission") transmits the Inspector General's Semiannual Report of the USITC for the October 1, 2019, to March 31, 2020, period.

The Commission appreciates the Inspector General's continuing efforts to ensure the effectiveness, efficiency, and integrity of the Commission's operations. Our agency has benefitted significantly from the analysis of our operations. The Office of the Inspector General continually provides valuable assistance to the Commission and its staff throughout the year.

The Semiannual Report identifies the agency's top management and performance challenges from the Inspector General's perspective. The Commission agrees with this assessment. The Commission appreciates the significant efforts made by Commission staff to address these challenges and the Inspector General's acknowledgement of the progress our management team has made responding to these challenges.

### **Actions Taken on IG Recommendations from Prior Reporting Periods**

The Commission has made significant progress on several management decisions made in response to the three reports issued by the Inspector General during prior reporting periods.<sup>1</sup> The Commission is committed to implementing all of the remaining management decisions we have made on the Inspector General's recommendations. The Commission's actions on outstanding recommendations from prior periods are summarized below.

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<sup>1</sup> See Table C of Appendix A: Chairman's Statistical Tables.

(1) Audit of Directives Management (OIG-AR-15-14)

Since 2015, the Commission has dedicated significant resources to redesigning its system of internal rules and bringing its policies and procedures into compliance. The Commission issued more new Directives in FY 2019 than in any fiscal year since 1998. Due to this progress, the Commission has closed out five management decisions related to this audit during this period. In FY 2020, the Commission has issued four Directives, with another six Directives expected to be issued by June 30<sup>th</sup>, including all remaining Mission and Functions Statements for Commission offices. Before the end of the fiscal year, the Commission expects to issue additional Directives setting forth policies covering some of its major human capital management activities including Attendance and Leave and Paid Overtime and Compensatory Time as well as issue updated charters for all standing agency-wide management committees.

In FY 2021 the Commission will continue its effort to update its existing Directives and will also begin to issue major procedural Handbooks.

(2) Management Letter on Conflict of Interest Process (OIG-ML-17-10)

The Inspector General recommended that the Commission develop a process for senior officials to provide positive assurance that there are no conflicts of interest as they are assigned cases. Recognizing that the Commission should improve the current financial conflict of interest screening process, the Designated Agency Ethics Official (DAEO) drafted revised procedures using the Office of the Chief Information Officer's business intelligence software to allow ethics officials to search the relevant databases to screen for potential conflicts of interest. Accordingly, the Commission implemented its first management decision related to this recommendation.

While OGC and the CIO made significant progress in developing the new system, testing and programming revisions to address errors were time consuming. We are now on track to roll out the new system in the second half of FY2020.

(3) Audit of Time and Attendance (OIG-AR-18-09)

The Inspector General issued final report OIG-AR-18-09, Audit of Time and Attendance, on March 27, 2018. The audit focused on whether the Commission was effectively managing its processes for overtime, compensatory time, credit hours, and religious compensatory time. The Inspector General identified four problem areas and issued eight recommendations. The recommendations involved 1) training management and staff on eligibility to receive the benefit of credit hours, compensatory overtime, and paid overtime as well as work schedules and how they impact that eligibility, 2) evaluating Commission policies and procedures related to time and attendance, and

updating Commission policies and procedures related to time and attendance as necessary. The Commission issued a response to this report containing eight management decisions to address each of the recommendations.

To date we have closed four of the eight Management Decisions. The working group convened to address the audit findings continues to research how to improve tracking of actual hours worked through the Commission's time and attendance system in order to address the additional management decisions related to this audit.

The working group also evaluated Commission policies and procedures related to time and attendance, including its existing Attendance and Leave and Overtime and Compensatory Time Directives. The Internal Administration Committee prioritized the updating of both Directives in 2019 and substantial progress has been made, with the latter Directive approved by the IAC. However, the COVID-19 pandemic and the passage of a number of recent leave-related laws and regulations such as the Emergency Paid Sick Leave Act of 2020 have created the need for the Commission to further consider its updates to these policies to ensure they appropriately reflect current law and practice. As discussed above, the Commission expects to issue these policies by the end of this fiscal year. Issuing these policies will close out three of the remaining four management decisions.

We attach the statistical tables required under the IG Act as Appendix A to this report.

Sincerely,

A handwritten signature in dark ink, appearing to read "David S. Johanson", with a long horizontal flourish extending to the right.

David S. Johanson  
Chairman





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## UNITED STATES INTERNATIONAL TRADE COMMISSION

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WASHINGTON, DC 20436

April 30, 2020

IG-SS-012

Commissioners:

Attached is the Semiannual Report summarizing the activities of the Office of Inspector General for the period October 1, 2019, to March 31, 2020.

During this reporting period we issued 12 reports and made 24 recommendations to promote the efficiency, effectiveness, and integrity of the Commission's operations. The Commission provided management decisions for all the recommendations we made during this reporting period.

We look forward to continuing our efforts to provide independent and effective oversight of the United States International Trade Commission and working with the Council of the Inspectors General on Integrity and Efficiency on important issues that cut across our government.

I would like to thank you for your commitment to strengthening the integrity of the Commission's operations and for your support of the work of my office.

Sincerely,

Rhonda L. Turnbow  
Acting Inspector General





# U.S. International Trade Commission

## Inspector General Semiannual Report

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### TABLE OF CONTENTS

<b>Office of Inspector General.....</b>	<b>1</b>
<b>Semiannual Report Requirements .....</b>	<b>1</b>
<b>Top Management and Performance Challenges.....</b>	<b>2</b>
<b>Inspector General Reports Issued During This Period .....</b>	<b>5</b>
Inspector General CyberScope Fiscal Year 2019 Submission, OIG-MR-20-01 .....	5
Audit of Fiscal Year 2019 First Quarter Data Submitted Under the DATA Act, OIG-AR-20-02 .....	6
Audit of Controls Over DATA Act Submission, OIG-AR-20-03 .....	6
Audit of Fiscal Year 2019 Financial Statement, OIG-AR-20-04 .....	7
Report on Compliance with Laws and Regulations Fiscal Year 2019, OIG-AR-20-05 .....	7
Report on Internal Control Fiscal Year 2019, OIG-AR-20-06 .....	7
Audit of ITCNet's Hardware Management, OIG-AR-20-07 .....	8
Audit of ITCNet's Windows Operating System Software Management, OIG-AR-20-08 .....	8
Audit of ITCNet's Linux Operating System Software Management, OIG-AR-20-09 .....	9
Management Letter: 2019 Financial Statement, OIG-ML-20-10 .....	9
2020 Charge Card Risk Assessment, OIG-MR-20-11 .....	9
Audit of Data in the 337Info System, OIG-AR-20-12 .....	10
<b>Summary of Prior Period Reports .....</b>	<b>10</b>
Reports Without Management Decisions .....	10
Reports Without Management Comments.....	11
Prior Year Unimplemented Recommendations and Cost Savings .....	11
<b>Significant Recommendations From Prior Periods.....</b>	<b>11</b>
<b>Hotline and Investigations.....</b>	<b>12</b>
Investigations and Inquiries: Overview .....	12
OIG Hotline Contacts .....	13
Summary of Matters Referred to Prosecuting Authorities .....	13
Investigations with Substantiated Allegations Involving Senior Government Employees.....	13
<b>Summary of Reports Not Disclosed to the Public .....</b>	<b>13</b>
Inspections, Evaluations, and Audits .....	13
Investigations .....	14

# U.S. International Trade Commission

## Inspector General Semiannual Report

---

<b>External Reviews Completed During This Period .....</b>	<b>14</b>
<b>Status of Actions Related to External Reviews Completed During Prior Periods ...</b>	<b>14</b>
Office of Personnel Management .....	14
<b>Assistance to Other Offices of Inspector General.....</b>	<b>15</b>
<b>Congressional Activities .....</b>	<b>15</b>
<b>Council of the Inspectors General on Integrity and Efficiency .....</b>	<b>16</b>
<b>Federal Financial Management Improvement Act Reporting .....</b>	<b>16</b>
<b>Peer Review .....</b>	<b>16</b>
<b>Tables</b>	
Table 1: Reporting Requirements Index .....	iii
Table 2: Management and Performance Challenges .....	2
Table 3: Prior Year Unimplemented Recommendations and Cost Savings .....	11
Table 4: Significant Recommendations From Prior Periods .....	12
Table 5: Reports by Subject Matter .....	17
Table 6: Reports With Questioned and Unsupported Costs .....	18
Table 7: Reports With Recommendations That Funds Be Put to Better Use .....	19
Table 8: Reports With Final Action Completed During This Reporting Period .....	20
Table 9: Status of Reports Issued Without Final Action .....	21
Table 10: Statistical Table of Investigative Reports .....	22
<b>Appendices</b>	
Appendix A: Chairman’s Statistical Tables.....	A-1

# U.S. International Trade Commission

## Inspector General Semiannual Report

Table 1: Reporting Requirements Index

Reporting Requirements Index		
IG Act Section	Description	Page
4(a)(2)	Review of Legislation	None
5(a)(1)	Description of Significant Problems, Abuses, and Deficiencies	5-10
5(a)(2)	Description of Recommendations for Corrective Action With Respect to Significant Problems, Abuses, and Deficiencies	5-10
5(a)(3)	Significant Recommendations From Prior Reports on Which Corrective Action Has Not Been Completed	11
5(a)(4)	Summary of Matters Referred to Prosecuting Authorities	13
5(a)(5)	Summary of Instances Where Information or Assistance Was Unreasonably Refused	None
5(a)(6)	Listing by Subject Matter of Each Report Issued During This Reporting Period	17
5(a)(7)	Summary of Significant Reports	2-10
5(a)(8)	Statistical Table: Questioned and Unsupported Costs	18
5(a)(9)	Statistical Table: Recommendations Where Funds Could Be Put to Better Use	19
5(a)(10)	Summary of Prior Reports	10
5(a)(11)	Description of Any Significant Revised Management Decisions	None
5(a)(12)	Information Concerning Any Significant Management Decision With Which the Inspector General Is in Disagreement	None
5(a)(13)	Information Described Under Section 5(b) of FFMIA	16
5(a)(14)	Results of Peer Review Completed During This Period or Date of Last Peer Review	16
5(a)(15)	List of Outstanding Recommendations From Peer Review	None
5(a)(16)	List of Peer Reviews Conducted of Another Office of Inspector General During This Period	None
5(a)(17)	Statistical Table: Investigative Reports	22
5(a)(18)	Description of the Metrics Used for Developing Investigative Statistics	22
5(a)(19)	Investigations With Substantiated Allegations Involving Senior Government Employees	13
5(a)(20)	Description of Any Whistleblower Retaliation	None
5(a)(21)	Description of Attempts To Interfere With Inspector General Independence	None
5(a)(22)	Summary of Reports Not Disclosed to the Public	13



# U.S. International Trade Commission

## Inspector General Semiannual Report

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### Office of Inspector General

The U.S. International Trade Commission (Commission) established the Office of Inspector General when the *Inspector General Act* (IG Act) was amended in 1988. Our office provides audit, evaluation, inspection, and investigative services covering all Commission programs and operations. Our mission is to promote and preserve the effectiveness, efficiency, and integrity of the Commission. We plan and conduct our activities based on several factors: requirements of laws and regulations, requests from management officials, complaints received from Commission personnel, other sources, and the Inspector General's initiative.

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### Semiannual Report Requirements

The IG Act requires each Inspector General to prepare a report twice a year that summarizes the activities of the office. This Semiannual Report covers the period from October 1, 2019, through March 31, 2020. The 23 requirements shown in table 1 are specified in the IG Act and must be included in the report.

This Semiannual Report starts with a discussion of the Top Management and Performance Challenges Report, which identified two management challenges facing the Commission and the actions that management has taken to address them. It then summarizes the results of the other reports issued during this period. This is followed by a summary of prior year reports with unimplemented recommendations; a description of significant recommendations from prior reports where final action is not complete; details of hotline and investigative activities; and information on reports that we did not publicly disclose.

The next section summarizes other reviews of the Commission conducted by external parties, along with the status of recommendations from those reports. The last sections provide information on other reportable items, which include congressional activity, participation in the Council of the Inspectors General on Integrity and Efficiency, other compliance activities, and assistance provided to other Offices of Inspector General.

Additional tables at the end of the report summarize information about our reports and provide the status of recommendations.

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# U.S. International Trade Commission

## Inspector General Semiannual Report

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### Top Management and Performance Challenges

Each year, our office must identify and discuss the most significant management and performance challenges facing the Commission in the coming year. We provided this report (OIG-MR-19-09) to the Commission on September 30, 2019. In the report, we focused on the two major challenges listed in table 2. We identified these challenges using information gained from our audit, evaluation, and inspection work; a general knowledge of the Commission's programs and activities; and input from management. Following table 2 is a short discussion of the two challenges and the efforts the agency has taken to address them.

Table 2: Management and Performance Challenges

Management and Performance Challenges
1. Managing Data
2. Internal Controls

#### Managing Data

Information drives decision-making in an organization, and this information is derived from data in the Commission's systems and databases. An organization needs complete, accurate, and consistent enterprise data to make timely and effective decisions. Thus, the underlying business processes and practices for the creation, storage, and use of data should be designed to allow key information to be entered consistently across applications, systems, and databases.

OMB Circular No. A-123, Appendix A: *Management of Reporting and Data Integrity Risk*, requires agencies to provide reasonable assurance on the reliability, validity and overall quality of data used for internal and external reporting. The guidance emphasizes a risk-based approach towards managing data as an asset and highlights the importance of using high quality data to support data-driven decisions and improve transparency in government. Properly managed data is essential for the development of timely, reliable, and accurate reporting. Managers should identify information needs, understand the characteristics of the data, and determine the appropriate level of detail required to ensure data is collected to develop useable and relevant management reports. As such, the

# U.S. International Trade Commission

## Inspector General Semiannual Report

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format and content of management reports should contain a sufficient level of information to meet the purpose for which those reports were developed. Properly designed reports with relevant and timely information serve to help effectively manage day-to-day operations, support the decision-making process, evaluate performance, and communicate information across the organization.

Effective organization of data is critical to obtain useful and relevant information that is versatile for a variety of purposes across all levels of the organization. The Commission should have a flexible and adaptable coding structure organized to generate useful information in a timely manner that is accurate and complete, with minimal human interaction. The codes should follow a systematic method of assignment based on a logical flow of data that allows detailed information to be aggregated to meet the needs of managers at every level of the Commission. This logical structure must be considered when determining the level of data necessary to provide the desired information. Inconsistent methods of assigning and entering codes increase the risk that aggregations of data will be incomplete and information from different systems will provide conflicting results.

The Commission should be able to rely on the quality and integrity of its data across systems, applications, and databases. The accuracy and completeness of information relies on how we capture, enter, code, and reconcile data at the source of entry. The value of the information generated by a system is only as good as its quality at the point of entry. Employees need to understand the importance of the data and, more importantly, how inaccurate or incomplete entries affect the organization. Data reconciliation processes should be performed regularly to identify and correct any errors or omissions and improve the processes to reduce future errors.

The Commission's systems were developed for a specific need or to solve a single problem. The data within these systems was not seen as an enterprise resource. Because these systems were developed for a single purpose, their functionality, access, and reporting capabilities are limited. Without staff knowing how the information from various systems and subsystems is defined, captured, and updated, misleading information can be produced and excess staff time might be needed to attempt to reconcile multiple data sets across the organization.

The Commission needs to take a thoughtful, enterprise-wide approach to manage data to ensure it is relevant, complete, and available when necessary to make good strategic and operational decisions and manage enterprise risks. The Commission's strategy should use all data assets across the organization to meet its financial and nonfinancial reporting objectives.

# U.S. International Trade Commission

## Inspector General Semiannual Report

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### Internal Controls:

The Commission's management is responsible for establishing and maintaining a system of internal controls. These internal controls are the plans, policies, procedures, and organizational environment that managers use to ensure their programs and operations are achieving the intended results through the effective use of public resources.

The *Standards for Internal Control in the Federal Government* (Green Book) defines internal control as "a continuous built-in component of operations, effected by people" and identifies five components for internal control. For a system of internal control to be effective, all five components must be effectively designed, implemented, and operating. In addition, all five components must be working together in an integrated manner.

The control environment is the foundation for a system of internal control. One principal of the control environment is the establishment of an organizational structure, assignment of responsibility, and delegations of authority to meet the objectives of the Commission. In 2015, we completed an audit of the Commission's directives management system, which included a review of these control environment elements. The audit found that the Commission's policy directives were not current, contained outdated assignments of responsibility, and outdated delegations of authority. Although the Commission had written procedures to periodically assess the directives, the reviews were not performed. This lack of monitoring led to weaknesses in each of the five components of internal control. Monitoring is necessary to determine if the system of internal control is properly designed, working as intended, and achieving the desired results. The lack of accountability meant that individuals had roles and responsibilities within the process, but no one was held accountable for the overall success of the Commission's directives system.

The Commission has consistently acknowledged and responded to individual internal control weaknesses identified in reports issued by the Office of Inspector General; however, there is still an underlying assumption that because specific actions were completed, all internal control problems have been resolved. Recently, the Commission has signaled a cultural change in this area by thoughtfully and effectively designing a new system of internal rules and focusing on structural fundamentals such as mission and function statements for each office. Management needs to continue to monitor and review their processes to ensure that controls work effectively and achieve the desired results.

The Enterprise Risk Management Program continues to mature and has been integrated into the budget process to assist management in making informed decisions. Because enterprise risk management is an iterative process, the Commission must keep management focused on maturing its processes and procedures; ensuring that program risk assessments are completed and used to inform the enterprise risk; identifying new



# U.S. International Trade Commission

## Inspector General Semiannual Report

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and emerging risks; reevaluating the risks' impact/probability scores for reasonableness; and assessing whether mitigation strategies are working effectively.

The Commission must continue the engagement of senior management in all aspects of internal control to ensure buy-in across programmatic and administrative offices and to make certain it can be sustained over a long period of time in order to achieve a mature and effective internal control program. The Commission will be challenged to manage and drive the cultural changes associated with the development and implementation of an effective organizational internal control program.

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### **Inspector General Reports Issued During This Period**

The Inspector General issued 12 reports with 24 recommendations during this reporting period. The Commission made management decisions on all 24 recommendations. The Inspector General agreed with all the management decisions. The title, key findings, and summary information for each report are provided below.

#### **Inspector General CyberScope Fiscal Year 2019 Submission, OIG-MR-20-01**

**RESULT:** Our assessment found the Commission's information security program was effective.

The Inspector General is required to independently evaluate and report annually to the Office of Management and Budget on how the Commission has established and implemented information security programs. Each year, the Office of Management and Budget requests input on select programs. For Fiscal Year 2019, the Office of Management and Budget requested an assessment using a five-level maturity model.

The Office of Management and Budget considers "managed and measurable" to be an effective level of security. We evaluated five program areas based on criteria established by the Office of Management and Budget. We found the Commission's maturity level for one program area to be at *Level 3: Consistently Implemented* and the remaining four programs were assessed at maturity *Level 4: Managed and Measurable*.

Based on the overall maturity levels of the program areas assessed, we determined that the information security program was effective. We did not issue any recommendations in our assessment.

# U.S. International Trade Commission

## Inspector General Semiannual Report

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### **Audit of Fiscal Year 2019 First Quarter Data Submitted Under the DATA Act, OIG-AR-20-02**

RESULT: The Commission's first quarter data was of higher quality.

We performed an audit to assess the completeness, accuracy, timeliness, and quality of the financial and award data the Commission submitted for publication on the USASpending.gov website. We also assessed the Commission's implementation and use of the government-wide financial data standards established by the Office of Management and Budget and Treasury.

We performed the audit using the common methodology and reporting framework from the *Inspectors General Guide to Compliance with the DATA Act*, issued by the CIGIE Federal Audit Executive Committee. Per the methodology in the Guide, the quality of data was assessed by the overall error rate for completeness, accuracy, and timeliness of the first quarter DATA Act submission.

Based on these guidelines, the Commission's overall error rate was 9% and considered of higher quality. We also determined that the Commission's use and implementation of the data elements was generally consistent with standards established by the Office of Management and Budget and Treasury. We did not issue any recommendations in this report.

### **Audit of Controls Over DATA Act Submission, OIG-AR-20-03**

RESULT: The Commission did not have an effective process for validating the reliability of data.

We performed this audit to determine if the Commission had an effective process for validating the reliability of its DATA Act submission. We analyzed 70 errors from the Commission's first quarter DATA Act submission to determine where each error most likely occurred. We found that 91% of the errors occurred at the point of entry into agency systems. We determined that the errors occurred because the Commission did not have effective controls in place to prevent and detect accuracy errors during the data entry process.

We issued eight recommendations to improve the integrity of data entered in agency source systems. The Commission agreed with our findings and issued management decisions to address our recommendations.

# U.S. International Trade Commission

## Inspector General Semiannual Report

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### **Audit of Fiscal Year 2019 Financial Statement, OIG-AR-20-04**

RESULT: The audit resulted in an unmodified opinion of the Commission's fiscal year 2019 financial statement.

We engaged the services of an independent certified public accounting firm to audit the balance sheet and related statements of net cost, changes in net position, and budgetary resources for fiscal year 2018. The auditors concluded that the Commission's financial statements for the fiscal year ended September 30, 2019, presented fairly in all material respects the financial position of the Commission. The auditors did not issue any recommendations in the report.

### **Report on Compliance with Laws and Regulations Fiscal Year 2019, OIG-AR-20-05**

RESULT: The audit report did not identify any instances of noncompliance.

The independent public accounting firm also performed an audit of the Commission's compliance with certain laws and regulations. The auditors did not test compliance with all laws and regulations applicable to the Commission, only those that would have a direct and material effect on the determination of financial statement amounts.

The auditors did not identify any instances of noncompliance. The auditors did not issue any recommendations in their report.

### **Report on Internal Control Fiscal Year 2019, OIG-AR-20-06**

RESULT: The audit report did not identify any material weaknesses or significant deficiencies.

As part of conducting the financial statement audit, the independent certified public accounting firm was required to issue a report on internal control. The testing was limited solely to internal controls over financial reporting as they related to the financial statements. The external auditors did not test internal controls relevant to ensuring effective operations.

The results of the testing performed did not identify any material weaknesses or significant deficiencies in the Commission's internal control over financial reporting. The auditors did not issue any recommendations in their report.

# U.S. International Trade Commission

## Inspector General Semiannual Report

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### **Audit of ITCNet's Hardware Management, OIG-AR-20-07**

RESULT: The Commission did not effectively use its hardware inventory to manage the network.

We performed this audit to determine if the Commission was effectively using its hardware inventory to manage its network. This is accomplished by maintaining a current inventory of authorized hardware and performing continuous monitoring to identify and detect unauthorized devices on the network.

We found that the automated tool used to update the authorized hardware inventory and manage the devices on the network had not been operating in a continuous manner. As a result, its hardware inventory had not been maintained properly. In addition, we found that hardware devices could unknowingly be installed on the network.

We issued two recommendations to address the problems identified. The Commission agreed with the report and issued management decisions to address the recommendations.

### **Audit of ITCNet's Windows Operating System Software Management, OIG-AR-20-08**

RESULT: The Commission effectively managed Windows software on its network.

We performed an audit to determine if the Commission was effectively managing Windows software on its network. We found that the Commission had implemented automated controls to manage its Windows software. The Commission maintained an inventory of software authorized to be on its network. The Commission was able to identify and prevent unauthorized software from running on its network.

We determined that by being able to do these things, the Commission was effectively managing its Windows operating system software on its network.

During this audit, we identified areas for improvement and issued two recommendations to reduce the risk of vulnerabilities being introduced to its network. The Commission agreed with our findings and issued management decisions to address our recommendations.

# U.S. International Trade Commission

## Inspector General Semiannual Report

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### **Audit of ITCNet's Linux Operating System Software Management, OIG-AR-20-09**

RESULT: The Commission effectively managed Linux software on its network.

We performed this audit to determine if the Commission was effectively managing software on the Linux operating system. We found the Commission used technical controls to manage the software inventory, deploy monthly patching, and install security updates to the Linux software applications. The Commission had a manual process to identify unauthorized software running in the Linux environment.

We determined that by doing these things, the Commission was effectively managing Linux operating system software on its network.

We issued one recommendation in our report, which was to improve the management of unauthorized software by using a technical solution. The Commission agreed with our finding and made management decisions to address the recommendation.

### **Management Letter: 2019 Financial Statement, OIG-ML-20-10**

RESULT: The Commission needs to improve internal control activities related to disbursements and financial reporting.

The independent auditors issued a management letter describing four internal control weaknesses that were identified during the fiscal year 2019 financial statement audit. Two of the four matters were repeat conditions that had been identified by the auditors during the fiscal year 2018 financial statement audit.

The auditors issued five recommendations to improve the effectiveness of the control activities related to these issues. The Commission agreed with the findings and developed management decisions to address the recommendations.

### **2020 Charge Card Risk Assessment, OIG-MR-20-11**

RESULT: The Commission's overall risk for the charge card program was low.

As required by the Government Charge Card Abuse Prevention Act of 2012, we performed an assessment of the Commission's charge card program to determine the overall risk of illegal, improper, or erroneous charge card transactions.

# U.S. International Trade Commission

## Inspector General Semiannual Report

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Our risk determination considered the annual expenditures compared to the agency budget, and the internal control processes and procedures in place to monitor transaction level data for charge card transactions.

We determined the overall risk of illegal, improper, or erroneous charge card transactions was low. We did not issue any recommendations in the report.

### **Audit of Data in the 337Info System, OIG-AR-20-12**

RESULT: The 337Info System did not provide quality data to users.

We performed an audit to determine the quality of information entered into the Commission's 337Info System. We analyzed 38 data fields from the 337Info System that could be reconciled to the official record maintained in the Commission's Electronic Document Information System.

We found that the Commission did not have effective controls to protect the integrity of data at the point of entry into the system. We also found that the Commission did not have effective quality reviews of the data entered in the system. The absence of these controls contributed to the overall error rate of 15.4% of the data we examined.

We issued six recommendations to improve the quality of data in the 337Info system. The Commission agreed with our findings and issued management decisions to address the recommendations.

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## **Summary of Prior Period Reports**

### **Reports Without Management Decisions**

The Commission has provided management decisions for all recommendations in reports issued prior to the commencement of this reporting period.

# U.S. International Trade Commission

## Inspector General Semiannual Report

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### Reports Without Management Comments

The Commission provided management comments for all reports that contain recommendations within 60 days. Internal policy does not require management to provide comments on reports that do not have recommendations.

### Prior Year Unimplemented Recommendations and Cost Savings

A summary of reports containing unimplemented recommendations by fiscal year is provided in table 3 below.

Table 3: Prior Year Unimplemented Recommendations and Cost Savings

<b>Prior Year Unimplemented Recommendations and Cost Savings</b>			
<b>Fiscal Year</b>	<b>Number of Reports With Unimplemented Recommendations</b>	<b>Number of Unimplemented Recommendations</b>	<b>Dollar Value of Aggregate Potential Cost Savings</b>
15	1	4	\$0
17	1	1	\$0
18	1	4	\$0

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### Significant Recommendations From Prior Periods

The Commission has not completed corrective action for nine recommendations described in prior semiannual reports. We have identified two of these recommendations—related to the Commission’s system of internal rules—as significant. The report number along with the significant recommendations is provided in table 4, followed by a brief summary of the report.

# U.S. International Trade Commission

## Inspector General Semiannual Report

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Table 4: Significant Recommendations From Prior Periods

Significant Recommendations From Prior Periods	
Report Number	Recommendation
OIG-AR-15-14	Recommendation 2: Define standard format and content requirements for each type of internal rule.
	Recommendation 9: Require delegations of authority and agency designations to include authoritative sources and core responsibilities.

The report containing these recommendations focused on directives management. Managing directives is a core function of the system of internal rules. The internal rules system, in turn, shapes the Commission's governance culture and plays a key role in internal control activities.

We recommended that the Commission develop a directives management framework that would clearly assign responsibility and accountability for meeting the Commission's objectives; set the tone for employees' conduct and expected behavior; and set the direction for how the Commission complies with certain laws and regulations in its daily operations. We also recommended setting up a periodic review process to ensure the directives are current, relevant, readily accessible, and easily understood.

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## Hotline and Investigations

### Investigations and Inquiries: Overview

One of our functions is to conduct investigations and inquiries of criminal, civil, and administrative wrongdoing involving Commission programs, operations, and personnel. We may investigate possible violations of federal criminal law, of regulations on employee responsibilities and conduct, and of other statutes and regulations covering Commission activities.

Our office reviews and analyzes each complaint received to decide the appropriate course of action and, if appropriate, conducts a preliminary inquiry. If the information we find during the preliminary inquiry indicates that a full investigation is appropriate, we will launch an investigation.



# U.S. International Trade Commission

## Inspector General Semiannual Report

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### **OIG Hotline Contacts**

Our office maintains a hotline for reporting information about suspected waste, fraud, abuse, or mismanagement involving Commission programs or operations. The information may come to us in person; by telephone, fax, email, or mail; or through a web-based form. Complaints may also be made anonymously. When requested, we will endeavor to keep a provider's identity confidential.

We receive complaints from employees, contractors, and the public that involve the Commission's areas of responsibility. We examine these complaints to determine whether there is any indication of Commission wrongdoing or misconduct. If the complaint does not relate to the Commission, we refer the complaint to the appropriate entity for response. If the complaint does not have merit, we close the matter.

The OIG has worked to increase awareness of the Hotline throughout the Commission by creating a series of Hotline posters and holding "OIG Outreach" sessions with Commission offices. In addition, the OIG participated in the diversity and inclusion lunch and learn series as well as new employee orientation to further increase awareness of our office's responsibilities.

### **Summary of Matters Referred to Prosecuting Authorities**

The Office of Inspector General did not refer any matters to prosecuting authorities during this reporting period.

### **Investigations with Substantiated Allegations Involving Senior Government Employees**

The Office of Inspector General did not issue any investigative reports that substantiated allegations involving senior government employees.

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## **Summary of Reports Not Disclosed to the Public**

### **Inspections, Evaluations, and Audits**

The Office of Inspector General did not issue any inspections, evaluations, or audits that were not disclosed to the public during this reporting period.

# U.S. International Trade Commission

## Inspector General Semiannual Report

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### **Investigations**

The Office of Inspector General did not issue any investigative reports that were not disclosed to the public during this reporting period.

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### **External Reviews Completed During This Period**

The Commission did not have any external reviews completed during this reporting period.

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### **Status of Actions Related to External Reviews Completed During Prior Periods**

#### **Office of Personnel Management**

The Office of Personnel Management conducted an evaluation of the Commission's strategic management of human capital, the efficiency and effectiveness of its human resources programs, and its compliance with merit system principles and other civil service laws and regulations.

The final report, issued December 8, 2017, by the Office of Personnel Management, found that the Commission had "Not Met" the anticipated results in 9 of the 26 assessment areas. The Office of Personnel Management noted that the Commission's policies were extremely outdated and that improvements were needed in the external and internal hiring processes.

The Office of Personnel Management issued 15 required actions and 6 recommended actions to the Commission. The Commission developed management decisions to address all 21 actions from the report. The Commission completed 19 recommendations in prior reporting periods.

The Commission continues to make progress on the remaining two open recommendations.

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# U.S. International Trade Commission

## Inspector General Semiannual Report

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### **Assistance to Other Offices of Inspector General**

Section 6(a)(3) of the Inspector General Act of 1978, as amended, gives the Inspector General the authority to obtain assistance from any other federal agency to carry out the duties and responsibilities assigned by the Act.

Our office assists other Offices of Inspector General by performing independent information technology reviews. Our support may vary widely, ranging from penetration testing, vulnerability assessments, and configuration reviews to evaluating the monitoring, detection, and remediation of cyber incidents. When assistance is requested, the Commission's Inspector General will enter into a memorandum of understanding with the other federal agency, in accordance with 31 U.S.C. §1535 (the Economy Act of 1932), as amended. The memorandum of understanding describes in writing the work to be completed, methodology, cost, and schedule, as well as any associated deliverables, before work begins.

In addition, our office has a memorandum of understanding in place with the Office of Inspector General of the Appalachian Regional Commission to provide them with independent legal counsel on an as needed basis.

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### **Congressional Activities**

The Inspector General received one Congressional request during this reporting period.

Senator Chuck Schumer requested information from all Offices of Inspectors General related to whistleblower initiatives and actions. Our office responded to the request and provided a copy of the letter to the Commission.

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# U.S. International Trade Commission

## Inspector General Semiannual Report

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### **Council of the Inspectors General on Integrity and Efficiency**

The Inspector General has actively participated in meetings and supported the efforts of the Council of the Inspectors General on Integrity and Efficiency (CIGIE). Members of our staff have volunteered to serve on various CIGIE working groups and committees that address cross-cutting issues, such as knowledge management, cloud computing, investigations, cybersecurity, new media, small-agency concerns, and legal matters.

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### **Federal Financial Management Improvement Act Reporting**

The IG Act and the Federal Financial Management Improvement Act of 1996 (FFMIA) require the inspectors general of certain agencies to report “instances and reasons” when the agency has not met intermediate target dates established in a remediation plan to bring the agency’s financial management system into substantial compliance with the FFMIA. The Commission is not subject to the FFMIA; however, it voluntarily seeks to comply with most of its requirements. During this reporting period, there were no events that gave rise to a duty to report under FFMIA.

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### **Peer Review**

The Consumer Product Safety Commission’s Office of Inspector General performed the last peer review of our office. The final report, issued on March 20, 2019, found that the system of quality control for conducting audits was suitably designed and implemented, giving it a peer review rating of “pass.” The reviewers did not make any recommendations. The next peer review of our office will be in two years, in accordance with the peer review schedule set by CIGIE.

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# U.S. International Trade Commission

## Inspector General Semiannual Report

Table 5: Reports by Subject Matter

Reports by Subject Matter				
Subject Matter	Report Number	Report Title	Date Issued	Number of Recommendations
Information Security	OIG-MR-20-01	<i>Inspector General CyberScope FY2019 Submission</i>	10/31/2019	0
Information Security	OIG-AR-20-07	<i>Audit of ITCNet's Hardware Management</i>	12/06/2019	2
Information Security	OIG-AR-20-08	<i>Audit of ITCNet's Windows Operating System Software Management</i>	12/12/2019	2
Information Security	OIG-AR-20-09	<i>Audit of ITCNet's Linux Operating System Software Management</i>	12/16/2019	1
Financial	OIG-AR-20-02	<i>Audit of FY2019 First Quarter Data Submitted Under the DATA Act</i>	11/07/2019	0
Financial	OIG-AR-20-03	<i>Audit of Controls over DATA Act Submission</i>	11/07/2019	8
Financial	OIG-AR-20-04	<i>Audit of FY2019 Financial Statement</i>	11/15/2019	0
Financial	OIG-AR-20-05	<i>Report on Compliance with Laws and Regulations FY2019</i>	11/15/2019	0
Financial	OIG-AR-20-06	<i>Report on Internal Control FY2019</i>	11/15/2019	0
Financial	OIG-ML-20-10	<i>Management Letter: FY2019 Financial Statement Audit</i>	12/20/2019	5
Financial	OIG-MR-20-11	<i>2020 Charge Card Risk Assessment Report</i>	1/31/2020	0
Operations	OIG-AR-20-12	<i>Audit of Data in the 337Info System</i>	2/26/2020	6
<b>Total recommendations issued during this reporting period</b>				<b>24</b>
<b>NOTE: None of these reports identified any questioned costs, unsupported costs, or funds that could be put to better use.</b>				

# U.S. International Trade Commission

## Inspector General Semiannual Report

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Table 6: Reports With Questioned and Unsupported Costs

<b>Reports With Questioned and Unsupported Costs</b>			
<b>Description</b>	<b>Number of Reports</b>	<b>Questioned Costs</b>	<b>Unsupported Costs</b>
Reports for which no management decision had been made by the commencement of the reporting period.	0	\$0	\$0
Reports issued during the reporting period.	12	\$0	\$0
<b>Totals</b>	12	\$0	\$0
Reports for which a management decision was made during the reporting period.	12	\$0	\$0
<ul style="list-style-type: none"> <li>• Dollar value of disallowed costs.</li> </ul>	\$0	\$0	\$0
<ul style="list-style-type: none"> <li>• Dollar value of allowed costs.</li> </ul>	\$0	\$0	\$0
Reports for which no management decision had been made by the end of the reporting period.	0	\$0	\$0
<b>Totals</b>	12	\$0	\$0

# U.S. International Trade Commission

## Inspector General Semiannual Report

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Table 7: Reports With Recommendations That Funds Be Put to Better Use

<b>Reports With Recommendations That Funds Be Put to Better Use</b>		
<b>Description</b>	<b>Number of Reports</b>	<b>Funds Put to Better Use</b>
Reports for which no management decision had been made by the commencement of the reporting period.	0	\$0
Reports issued during the reporting period.	12	\$0
<b>Totals</b>	12	\$0
Reports for which a management decision was made during the reporting period.	12	\$0
<ul style="list-style-type: none"> <li>Dollar value of recommendations agreed to by management.</li> </ul>	\$0	\$0
<ul style="list-style-type: none"> <li>Dollar value of recommendations not agreed to by management.</li> </ul>	\$0	\$0
Reports for which no management decision had been made by the end of the reporting period.	0	\$0
<b>Totals</b>	12	\$0

# U.S. International Trade Commission

## Inspector General Semiannual Report

Table 8: Reports With Final Action Completed During This Reporting Period

<b>Reports With Final Action Completed During This Reporting Period</b>				
<b>Reports Issued this Reporting Period</b>				
<b>Report Title</b>	<b># of Recs.</b>	<b>Mgt. Decisions</b>	<b>Final Action Completed in Prior Periods</b>	<b>Final Action Completed This Period</b>
1 Inspector General CyberScope FY2019 Submission, OIG-MR-20-01	0	0	0	0
2 Audit of FY2019 First Quarter Data Submitted Under the DATA Act, OIG- AR-20-02	0	0	0	0
3 Audit of FY2019 Financial Statement, OIG-AR-20-04	0	0	0	0
4 Report on Compliance with Laws and Regulations FY2019, OIG-AR-20-05	0	0	0	0
5 Report on Internal Control FY2019, OIG-AR-20-06	0	0	0	0
6 Audit of ITCNet's Hardware Management, OIG-AR-20-07	2	2	0	2
7 Audit of ITCNet's Windows Operating System Software Management, OIG-AR-20-08	2	2	0	2
8 2020 Charge Card Risk Assessment Report, OIG-MR-20-11	0	0	0	0
<b>Totals</b>	<b>4</b>	<b>4</b>	<b>0</b>	<b>4</b>
<b>Prior Reporting Periods</b>				
<b>Report Title</b>	<b># of Recs.</b>	<b>Mgt. Decisions</b>	<b>Final Action Completed in Prior Periods</b>	<b>Final Action Completed This Period</b>
None	0	0	0	0
<b>Totals</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>



# U.S. International Trade Commission

## Inspector General Semiannual Report

Table 9: Status of Reports Issued Without Final Action

Status of Reports Issued Without Final Action					
This Reporting Period					
	Report Title	# of Recs.	Mgt. Decisions	Decisions IG Disagrees With	Final Action Complete / Action Not Complete
1	Audit of the Controls on the DATA Act FY2019 First Quarter Submission, OIG-AR-20-03	8	8	0	0 / 8
2	Audit of ITCNet's Linux Operating System Software Management, OIG-AR-20-09	1	1	0	0 / 1
3	Management Letter: FY2019 Financial Statement Audit, OIG-ML-20-10	5	5	0	2 / 3
4	Audit of Data in the 337Info System, OIG-AR-20-12	6	6	0	0 / 6
<b>Totals</b>		<b>20</b>	<b>20</b>	<b>0</b>	<b>2 / 18</b>
Prior Reporting Periods					
	Report Title	# of Recs.	Mgt. Decisions	Final Action Complete Prior Periods	Final Action Complete This Period / Action Not Complete
1	Audit of Time and Attendance, OIG-AR-18-09	8	8	4	0 / 4
2	Management Letter on Conflict of Interest Process, OIG-ML-17-10	1	1	0	0 / 1
3	Audit of Directives Management, OIG-AR-15-14	11	11	7	0 / 4
<b>Totals</b>		<b>20</b>	<b>20</b>	<b>11</b>	<b>0 / 9</b>

# U.S. International Trade Commission

## Inspector General Semiannual Report

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Table 10: Statistical Table of Investigative Reports

Statistical Table of Investigative Reports	
Description	Count
Number of investigative reports issued	0
Number of persons referred to DOJ for criminal prosecution	0
Number of persons referred to State and Local authorities for criminal prosecution	0
Number of indictments and criminal information resulting from any prior referrals to prosecuting authorities	0
The information in this table is derived from the Office of Inspector General's investigation report.	

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# U.S. International Trade Commission

## Appendix A: Chairman's Statistical Tables

Table A: Reports with Disallowed Costs

Total Number of Reports and the Dollar Value of Disallowed Costs		
Description	Number of Reports	Dollar Value of Disallowed Costs
Reports issued during the period.	12	\$0
Reports for which final action had not been taken by the commencement of the reporting period.	3	\$0
Reports on which management decisions were made during the reporting period.	12	\$0
Reports for which final action was taken during the reporting period.	8	\$0
<ul style="list-style-type: none"> <li>Dollar value of disallowed costs, recovered by management.</li> </ul>		\$0
<ul style="list-style-type: none"> <li>Dollar value of disallowed costs written off by management.</li> </ul>		\$0
Reports for which no final action has been taken by the end of the reporting period.	7	\$0

# U.S. International Trade Commission

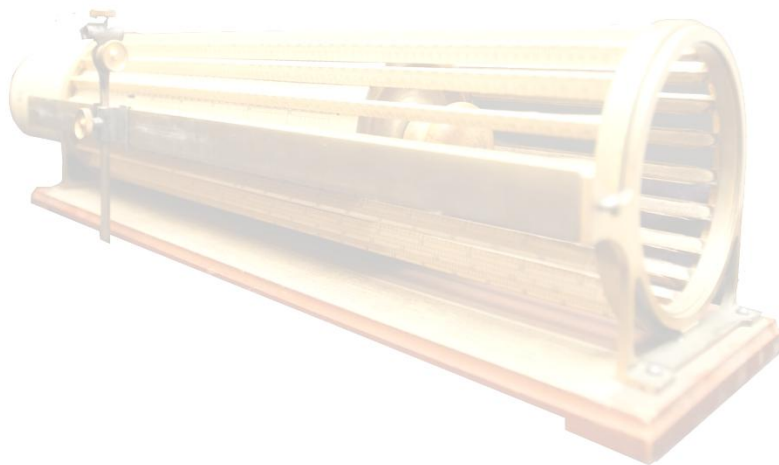
## Appendix A: Chairman's Statistical Tables

Table B: Reports with Recommendations that Funds be Put to Better Use

<b>Reports with Recommendations that Funds be Put to Better Use</b>		
<b>Description</b>	<b>Number of Reports</b>	<b>Funds Put to Better Use</b>
Reports for which final action had not been taken by the commencement of the reporting period.	3	\$0
Reports on which management decisions were made during the reporting period.	12	\$0
Reports for which final action was taken during the reporting period including:	8	\$0
<ul style="list-style-type: none"> <li>Dollar value of recommendations that were actually completed.</li> </ul>		\$0
<ul style="list-style-type: none"> <li>Dollar value of recommendations that management has subsequently concluded should not or could not be completed.</li> </ul>		\$0
Reports for which no final action has been taken by the end of the reporting period.	7	\$0

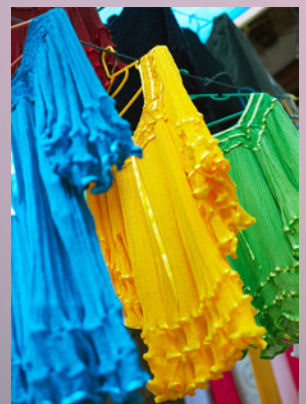
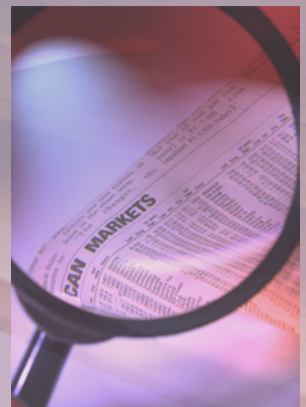
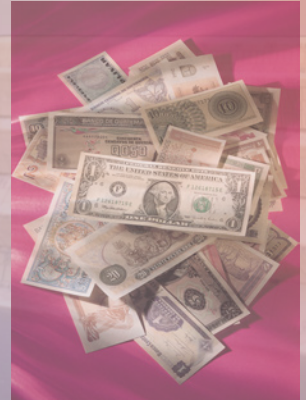
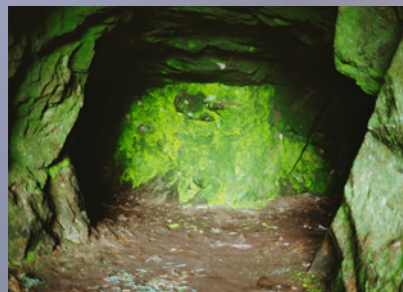
Table C: Prior Year Management Decisions Without Final Action

<b>Prior Year Audit Reports On Which Management Decisions Have Been Made but Final Action has Not Been Taken</b>				
<b>Audit Report</b>	<b>Date Issued</b>	<b>Disallowed Costs</b>	<b>Funds Put to Better Use</b>	<b>Reason Final Action has Not Been Taken</b>
OIG-AR-18-09	03/27/2018	\$0	\$0	Provided in the Chairman's Message
OIG-ML-17-10	02/10/2017	\$0	\$0	Provided in the Chairman's Message
OIG-AR-15-14	09/02/2015	\$0	\$0	Provided in the Chairman's Message



*“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: 202-205-2210  
Fax: 202-205-1859  
Hotline: 202-205-6542  
[OIGHotline@USITCOIG.GOV](mailto:OIGHotline@USITCOIG.GOV)