



**U.S. International Trade Commission  
OFFICE OF INSPECTOR GENERAL**



# SEMIANNUAL REPORT TO CONGRESS

October 1, 2023 - March 31, 2024





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## UNITED STATES INTERNATIONAL TRADE COMMISSION

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WASHINGTON, DC 20436

May 22, 2024

### **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") hereby transmits the USITC Inspector General Semiannual Report for the six-month period ending March 31, 2024.

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 greatly from the Inspector General's analysis of our operations. The Office of 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 the Inspector General's assessment of these challenges. The Commission appreciates the significant efforts made by Commission staff to address these challenges.

### **Actions Taken on IG Recommendations from Prior Year Reports**

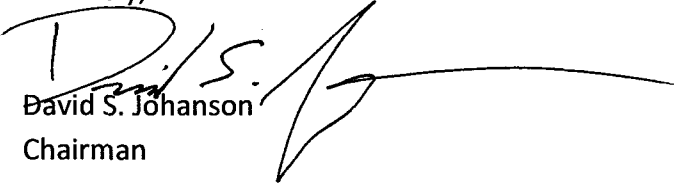
The Commission has made significant progress on several management decisions made in response to the report issued by the Inspector General during prior years.<sup>1</sup> The Commission is committed to responding to the Inspector General's recommendations in a timely manner and notes that it does not have any open management decision over one year old.

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

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

Sincerely,

A handwritten signature in black ink, appearing to read "D. 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, 2024

IG-WW-005

Commissioners:

I am pleased to present this Semiannual Report for the period of October 1, 2023, to March 31, 2024. This report summarizes the major activities and accomplishments of the Office of Inspector General (OIG) of the U.S. International Trade Commission (USITC or Commission), and its submission is in accordance with the Inspector General Act of 1978, as amended. Section 5 of the Inspector General Act requires that the U.S. International Trade Commission transmit this report to the appropriate committees or subcommittees of Congress within 30 days of receipt.

During this semiannual period, the OIG focused on statutorily mandated work, completing four reports: (1) the annual report on the USITC's management and performance challenges, (2) the Fiscal Year 2023 Financial Statement Audit Opinion, (3) the Fiscal Year 2023 Financial Statement Audit Management Letter, and (4) the charge card program risk assessment. We issued 13 recommendations to promote the efficiency, effectiveness, and integrity of the Commission's operations. The Commission provided management decisions for all recommendations made during this reporting period.

In the next reporting period, the OIG will focus on both mandated and discretionary audit work. The OIG will issue a discretionary audit report on the Commission's internal rules system and initiate a new performance audit. In our [\*Fiscal Year 2024 Annual Audit Plan\*](#), we developed a list of reserve audits and reviews we would like to conduct if additional resources become available.

We contracted with an independent accounting firm to review the Commission's information security programs and practices from Fiscal Year 2024 to Fiscal Year 2028, as required by the Federal Information Security Modernization Act of 2014 (FISMA). We will issue our first FISMA audit report in 2024.

I appreciate the Commission's support in our efforts to provide independent oversight of the USITC's programs and operations. We look forward to working closely with the Commission and Congress to promote integrity and increase efficiency and effectiveness.

Sincerely,

A handwritten signature in blue ink that reads "Rashmi Bartlett". The signature is written in a cursive style and is enclosed within a thin, light blue rectangular border.

Rashmi Bartlett  
Inspector General

# U.S. International Trade Commission

## Inspector General Semiannual Report

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## Inspector General Semiannual Report

Table 1: Reporting Requirements Index

IG Act Section	Description	Page
404(a)(2)	Review of Existing and Proposed Legislation and Regulations	7
405(b)(1)	Description of Significant Problems, Abuses, and Deficiencies and Associated Reports and Recommendations for Corrective Action	None
405(b)(2)	Table 3: Recommendations from Prior Reports on Which Corrective Action Has Not Been Completed, Including Potential Cost Savings	2
405(b)(3)	Summary of Significant Investigations Closed	2
405(b)(4)	Total Number of Convictions Resulting from Investigations	2
405(b)(5)	Table 4: Listing by Subject Matter of Each Report Issued During This Reporting Period, Including Questioned Costs, Funds Put to Better Use, and Status of Management Decisions	3
405(b)(6)	Management Decisions Made During the Reporting Period for Reports Issued in a Prior Reporting Period	3
405(b)(7)	Information Described Under Section 804(b) of FFMIA	3
405(b)(8)	Results of Peer Review Conducted During This Period or Date of Last Peer Review	4
405(b)(9)	List of Outstanding Recommendations from Peer Review	None
405(b)(10)	List of Peer Reviews Conducted by the Office of Inspector General of Another Office of Inspector General During This Period	4
405(b)(11)	Table 5: Statistical Table of Investigative Reports and Referrals	5
405(b)(12)	Description of the Metrics Used for Developing Investigative Statistics	5
405(b)(13)	Investigations With Substantiated Allegations Involving Senior Government Employees	5
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405(b)(15)	Description of Attempts to Interfere with Inspector General Independence, Constraints on the Budget, or Restrictions or Delays in Access to Information	6
405(b)(16)	Summary of Reports Not Disclosed to the Public	6
Annex <sup>1</sup>	Contract Audit Reports Issued to the Contracting Activity	7

<sup>1</sup> Acquisition Improvement and Accountability Act of 2007, Pub. L. 110–181, div. A, title VIII, § 845, Jan. 28, 2008, 122 Stat. 240)

# U.S. International Trade Commission

## Inspector General Semiannual Report

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### Office of Inspector General

The U.S. International Trade Commission (USITC or Commission) established the Office of Inspector General (OIG) when the Inspector General Act (IG Act) was amended in 1988. The IG Act states that the Inspector General (IG) is responsible for conducting audits and investigations; recommending policies and procedures that promote economy, efficiency, and effectiveness of agency resources and programs; and preventing fraud, waste, abuse, and mismanagement.

Our mission is to promote and preserve the efficiency, effectiveness, 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 from Commission personnel and other sources, resource availability, 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 office's activities. This Semiannual Report covers October 1, 2023, through March 31, 2024. The 18 requirements in Table 1 are specified in the IG Act or other legislation and must be included in the report.

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### Top Management and Performance Challenges

Each year, our office must identify and report the most significant management and performance challenges facing the Commission in the coming year and management's actions to address them. We provided the report, *USITC Management and Performance Challenges*, [OIG-MR-24-01](#), to the Commission on October 26, 2023. The report focused on the three challenges listed in Table 2.

Table 2: Management and Performance Challenges

Management and Performance Challenges
1. Data Management
2. Internal Controls
3. Human Capital Management



# U.S. International Trade Commission

## Inspector General Semiannual Report

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The first two management challenges in Table 2 are long-standing. The OIG identified data management, initially known as managing data, as a challenge for the Commission in the October 2017 report, [USITC Management and Performance Challenges](#). The internal controls management challenge is over eleven years old. Human capital management is a new challenge for Fiscal Year 2024.

These challenges are based on oversight work by the Office of Inspector General, knowledge of the Commission's programs and operations, the Commission's strategic plan, annual management plan, enterprise risk management assessments, statements of assurance, observations, and discussions with senior leaders.

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### Prior Report Recommendations with Final Action Pending

The Inspector General identified six recommendations made before October 1, 2023, for which corrective actions were not completed before the end of the reporting period. The potential cost savings associated with these recommendations were not calculated.

Table 3: Status of Reports Issued Without Final Action Made Before the Reporting Period

Report Title	# of Recs.	Mgt. Decisions	Final Action Complete	Action Not Complete
<i>Audit of the USITC's Vehicle Fleet Program (<a href="#">OIG-AR-23-07</a>)</i>	6	6	0	6

### Summary of Significant Investigations Closed and Convictions

The Office of Inspector General had no significant investigations closed or convictions during the reporting period.

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## Inspector General Semiannual Report

### Inspector General Reports Issued During This Period

The Inspector General issued four reports that contained 13 recommendations during this reporting period. A listing of each report issued, the number of recommendations in each report, and whether a management decision has been made is provided in Table 4.

Table 4: Reports Issued from October 1, 2023 – March 31, 2024

Report Number	Report Title	Date Issued	# of Recs	Mgt Decision
<a href="#">OIG-MR-24-01</a>	<i>USITC Management and Performance Challenges</i>	10/26/2023	0	N/A
<a href="#">OIG-AR-24-02</a>	<i>Fiscal Year 2023 Financial Statement Opinion</i>	11/16/2023	0	N/A
<a href="#">OIG-ML-24-03</a>	<i>Management Letter: Fiscal Year 2023 Financial Statement Audit</i>	12/18/2023	8	✓
<a href="#">OIG-MR-24-04</a>	<i>Management Report: Fiscal Year 2024 Charge Card Risk Assessment Report</i>	02/05/2024	5	✓
Total recommendations issued during this reporting period			13	
NOTE: These reports did not identify any questioned costs, unsupported costs, or funds that could be put to better use.				

### Management Decisions for Recommendations Issued in Prior Periods

In the previous reporting period, there was one report, *Audit of the USITC's Vehicle Fleet Program*, [OIG-AR-23-07](#), issued on September 28, 2023, for which all management decisions were not received within the reporting period. The OIG received management decisions within 30 days of report issuance.

### 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, but voluntarily complies with most of its requirements. During this reporting period, no events gave rise to a duty to report under FFMIA.

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## Inspector General Semiannual Report

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### Peer Review

The Inspector General Act of 1978, as amended, requires OIGs to report the results of peer reviews of their operations conducted by other OIGs, the date of the last peer review, outstanding recommendations from peer reviews, and peer reviews conducted by an OIG of other OIGs in the semiannual period. Peer reviews are conducted by member organizations of CIGIE.

The United States Capitol Police OIG performed the last audit peer review of our office. USITC OIG received a rating of pass. The reviewers did not make any recommendations. The [2022 peer review report](#) is posted on our website.

The USITC OIG performed a peer review of the National Labor Relations Board OIG. The peer review report, issued on March 20, 2023, found the office has a system of policies and procedures in place that are current and consistent with applicable standards. No issues were identified that warranted a letter of comment.

We have entered into an MOU with the Denali Commission OIG to provide staff support for its peer review of the Appalachian Regional Commission OIG. Staff will work under the supervision of the Denali Commission Inspector General.

The Consumer Product Safety Commission OIG is scheduled to perform the next peer review of our office in Fiscal Year 2025, in accordance with the peer review schedule set by CIGIE.

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### Hotline and Investigations

#### Investigations and Inquiries: Overview

One of our functions is to conduct investigations and inquiries into alleged criminal, civil, and administrative wrongdoing involving Commission programs, operations, and personnel. Our office primarily receives complaints through the OIG hotline, which allows Commission employees and members of the public to contact our office. We may investigate possible violations of federal criminal law, regulations on employee responsibilities and conduct, and other statutes and regulations covering Commission activities.

The OIG reviews and analyzes each complaint received to decide the correct course of action and, as appropriate, conducts a preliminary inquiry. If the information we find during the preliminary inquiry indicates a full investigation is warranted, 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 other misconduct involving Commission programs or operations. The information may come to us in person; by telephone, 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 involving the Commission's responsibility areas. 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 a response. If the complaint does not have merit, we close the matter.

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### Investigative Reports

Table 5: Statistical Table of Investigative Reports and Referrals

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 investigations.	

### Investigations With Substantiated Allegations Involving Senior Government Employees

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

### Instances of Whistleblower Retaliation

The Office of Inspector General identified no instances of whistleblower retaliation during this reporting period.

# U.S. International Trade Commission

## Inspector General Semiannual Report

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### **Interference by the Establishment**

The USITC OIG encountered no instances of attempted interference with the office's independence. There were no attempted budget constraints designed to limit the capabilities of the OIG during this reporting period and no attempted instances where the establishment resisted or objected to oversight activities of the OIG or restricted or significantly delayed access to information. The USITC OIG did not make any reports under section 406(c)(2) during this reporting period.

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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.

#### **Investigations**

The Office of Inspector General did not conduct any investigations involving senior government employees that were closed and not disclosed to the public during this reporting period.

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

The Council of Inspectors General on Integrity and Efficiency (CIGIE) was established by law as an independent entity by the Inspector General Reform Act of 2008 (P.L. 110-409) to address integrity, economy, and effectiveness issues that transcend individual government agencies. CIGIE is comprised of Presidentially Appointed, Senate-Confirmed inspectors general and Designated Federal Entity inspectors general.

The USITC OIG plays an active role in CIGIE's efforts. The IG is the Vice Chair of CIGIE's Technology Committee. She co-leads CIGIE's Awards Working Group and serves on CIGIE's IG Candidate Panel. OIG staff participate in the Audit Committee, the Council of Counsels to the Inspectors General, and the Legislation Committee. The Assistant Inspector General for Audit, a former CIGIE Fellow, is on the 2024–2025 CIGIE Fellowship Program management team.

# U.S. International Trade Commission

## Inspector General Semiannual Report

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### **Legislation Review**

We reviewed legislation and/or regulations both individually and in coordination with CIGIE.

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### **Contract Audit Reports Issued to the Contracting Activity**

The USITC OIG issued no audits of this type during the reporting period

# U.S. International Trade Commission

## Appendix A: Chairman's Statistical Tables

Table A: Management Decisions for Reports from Prior Periods

The table below identifies each report issued in a prior reporting period in which management decisions were received during this reporting period.

	<b>Report</b>	<b>Management Decisions Made This Reporting Period</b>	<b>Recommendations Without Management Decisions</b>	<b>Disallowed Costs</b>	<b>Funds to Be Put to Better Use</b>
<b>1</b>	OIG-AR- 23-07	6	0	\$0	\$0
<b>Total</b>	<b>1</b>	<b>6</b>	<b>0</b>	<b>\$0</b>	<b>\$0</b>

Table B: Recommendations with Final Action Completed Prior to the End of the Reporting Period

The table below provides statistical information on recommendations with questioned costs and the total dollar value of disallowed costs where final action was completed during this reporting period.

<b>Category</b>	<b>Number of Recommendations</b>	<b>Dollar Value</b>
Recommendations with Final Action Completed	2	\$0
• Disallowed Costs Recovered by Management		\$0
• Disallowed Costs Written Off by Management		\$0
• Disallowed Costs and Funds to be Put to Better Use Not Yet Recovered or Written Off by Management		\$0
Recommendations that Management has Concluded Should Not or Could Not be Implemented or Completed	0	\$0



# U.S. International Trade Commission

## Appendix A: Chairman's Statistical Tables

Table C: Status of Reports Issued Prior to This Reporting Period

The table below provides information on the number of reports with questioned costs along with the total dollar value of disallowed costs and funds to be put to better use as identified in the management decision. In cases where a management decision has not been received, the dollar value shown is the amount identified in the report.

Status	Number of Reports	Disallowed Costs	Funds to be Put to Better Use
Reports Issued Prior to This Reporting Period With Final Action Completed This Reporting Period	1	\$0	\$0
Reports Issued Prior to This Reporting Period Without Final Action Completed	1	\$0	\$0
<b>Total</b>	<b>2</b>	<b>\$0</b>	<b>\$0</b>

Table D: Reports with Management Decisions Without Final Action

The table below identifies each report from prior periods, where management decisions were made, but final action has not been taken.

Report	Date Issued	Reason Final Action has Not Been Taken
NA	NA	NA
<b>Note:</b> One report was excluded because management decisions were made within the preceding year.		



**U.S. International Trade Commission  
Office of Inspector General  
500 E Street, SW  
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**REPORT WASTE, FRAUD, ABUSE, OR MISMANAGEMENT**

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