



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



# SEMIANNUAL REPORT TO CONGRESS

October 1, 2024 - March 31, 2025





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## UNITED STATES INTERNATIONAL TRADE COMMISSION

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WASHINGTON, DC 20436

May 27, 2025

### **Message from the Chair**

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, 2025.

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 has only one open management decision over one year old. We are committed to closing out that management decision prior to the close of the next review period.

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

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

Sincerely,

A handwritten signature in black ink, appearing to read "Amy Karpel". The signature is fluid and cursive, with the first name "Amy" and last name "Karpel" clearly distinguishable.

Amy A. Karpel  
Chair



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## UNITED STATES INTERNATIONAL TRADE COMMISSION

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WASHINGTON, DC 20436

April 30, 2025

IG-XX-003

Commissioners:

I am pleased to present this Semiannual Report for the period of October 1, 2024, to March 31, 2025. 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 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 five reports: (1) the annual report on the USITC's management and performance challenges, (2) the Fiscal Year 2024 Federal Information Security Modernization Act (FISMA) Audit, (3) the Fiscal Year 2024 Financial Statement Audit Opinion, (4) the Fiscal Year 2024 Financial Statement Audit Management Letter, and (5) the charge card program risk assessment. We issued 12 recommendations to promote the efficiency, effectiveness, and integrity of the Commission's operations.

In the next reporting period, the OIG will focus on both mandated and discretionary audit work. The OIG will continue its discretionary audit of the Commission's procurement process. The OIG's [\*Fiscal Year 2025 Annual Audit Plan\*](#) contains a list of potential discretionary audit topics. In addition, the annual plan includes a list of reserve audits and reviews we would like to conduct if additional resources become available.

As a small office, we are focused on our statutory responsibilities and conducting our work in the most cost efficient and effective way possible, while maintaining our independence. We continue to look for ways to improve OIG operations. During this reporting period, we transitioned to the Commission's information technology services. In the next few months, we will implement a new audit software system that will streamline and automate the audit process, enhance collaboration, and make documenting compliance with professional standards easier.

# U.S. International Trade Commission

## Inspector General Semiannual Report

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One challenge our office has faced is operating without the ability to hire to our authorized staff level. The Counsel to the Inspector General / Assistant Inspector General for Investigations departed in February. We have been unable to fill this critical position during the federal hiring freeze but plan to do so once the restriction on hiring is lifted. In the interim, we have entered into memoranda of understanding with the Denali Commission Office of Inspector General and the Department of Interior Office of Inspector General to provide limited assistance to our office.

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,



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 Reference	Reporting Requirements	Page
Section 404(a)(2)	Review of legislation and regulations	7
Section 405(b)(1)	Significant problems, abuses, and deficiencies relating to the administration of programs and operations	None
Section 405(b)(2)	Recommendations with respect to significant problems, abuses, or deficiencies	None
Section 405(b)(3)	Significant recommendations included in previous reports on which corrective action has not been taken (Table 3)	2
Section 405(b)(4)	Matters referred to prosecutive authorities (Table 5)	5
Section 405(b)(5)	Summary of instances where information was refused	None
Section 405(b)(6)	Listing of reports by subject matter (Table 4)	3
Section 405(b)(7)	Summary of significant reports (Table 4)	3
Section 405(b)(8)	Statistical table – Reports with questioned costs (Table 4)	3
Section 405(b)(9)	Statistical table – Recommendations that funds be put to better use (Table 4)	3
Section 405(b)(10)	Summary of each audit, inspection, and evaluation report issued before this reporting period for which no management decision was made by end of the reporting period, no establishment comment was returned within 60 days; or for those with any outstanding unimplemented recommendations, including the potential aggregate cost savings (Table 3)	2
Section 405(b)(11)	Description and explanation of significant revised management decisions	None
Section 405(b)(12)	Significant management decisions with which the Inspector General disagrees	None
Section 405(b)(13)	Information under section 804(b) of the Federal Financial Management Improvement Act of 1996	4
Section 405(b)(14)(15)	Peer review activity on OIG and Peer review activity by OIG on another OIG	4
Section 405(b)(17)	Statistical Table – Investigative Reports / Summary of Investigative Activity for the Reporting Period of October 1, 2024, to March 31, 2025 (Table 5)	5
Section 405(b)(18)	Table 5: Description of metrics used for developing the data for the statistical table under Section 5(a)(17) (Table 5)	5
Section 405(b)(19)	Report on each investigation involving a senior Government employee where allegations of misconduct were substantiated	6
Section 405(b)(20)	Description of whistleblower retaliation	6
Section 405(b)(21)	Description of any attempt by establishment to interfere with the independence including budget constraints, resisted to or objected to oversight, delayed access to information	6
Section 405(b)(22)	Description of particular circumstances of each inspection, evaluation, and audit conducted that is closed and was not disclosed to the public; and investigation conducted by the Office involving a senior Government employee that is closed and was not disclosed to the public	7
PL117-348 § 122(e)	Anti-Trafficking-In-Persons Activity (Table 6)	6

# 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, 2024, through March 31, 2025. The 24 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-25-01](#), to the Commission on October 29, 2024. The report focused on the three challenges listed in Table 2.

Table 2: Management and Performance Challenges

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



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## Inspector General Semiannual Report

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 twelve years old. The more recent management challenge, identified in Fiscal Year 2024, is human capital management.

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.

### Prior Report Recommendations with Final Action Pending

The Inspector General identified 10 recommendations made before October 1, 2024, where the corrective actions have not been completed before the end of the reporting period.

The Commission requested and received an extension to October 2025 for the recommendation in the report, *Financial Statement Audit Management Letter*, [OIG-ML-24-03](#), because the benefits coordinator position that was to be involved in addressing the recommendation had been vacant for a few months. In addition, there have been other urgent priorities of the new administration that have taken precedence.

The recommendations in the report, *Audit of the USITC's System of Internal Rules*, [OIG-AR-24-06](#), were issued less than a year ago and not all of the management decisions are due at this time.

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>Financial Statement Audit Management Letter</i> ( <a href="#">OIG-ML-24-03</a> )	8	8	7	1
<i>Audit of the USITC's System of Internal Rules</i> ( <a href="#">OIG-AR-24-06</a> )	13	13	4	9

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## Inspector General Semiannual Report

### Summary of Significant Investigations Closed and Convictions

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

### Inspector General Reports Issued During This Period

During this reporting period, the Inspector General issued five reports containing twelve recommendations. Table 4 provides a listing of each report issued, the number of recommendations in each report, and whether a management decision has been made.

Table 4: Reports Issued from October 1, 2024 – March 31, 2025

Report Number	Report Title	Date Issued	# of Recs	Mgt Decision
<a href="#">OIG-MR-25-01</a>	<i>USITC Management and Performance Challenges</i>	10/29/2024	0	N/A
<a href="#">OIG-AR-25-02</a>	<i>Fiscal Year 2024 FISMA Audit</i>	11/12/2024	4	✓
<a href="#">OIG-AR-25-03</a>	<i>Fiscal Year 2024 Financial Statement Opinion</i>	11/15/2024	0	N/A
<a href="#">OIG-ML-25-04</a>	<i>Management Letter: Fiscal Year 2024 Financial Statement Audit</i>	12/10/2024	3	✓
<a href="#">OIG-MR-25-05</a>	<i>Management Report: Fiscal Year 2025 Charge Card Risk Assessment Report</i>	12/18/2024	5	✓
Total recommendations issued during this reporting period			12	
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 were no reports where the Commission did not provide management decisions within the reporting period.

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## Inspector General Semiannual Report

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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, 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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### **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 the Council of Inspectors General on Integrity and Efficiency (CIGIE).

The Consumer Product Safety Commission OIG performed an external peer review of our audit organization during this reporting period. USITC OIG received a rating of pass for its system of quality control for the three-year period ending September 30, 2024. A copy of the final peer review report is posted on our [website](#).

Pursuant to the March 2020, *CIGIE Guide for Conducting Peer Reviews of Audit Organizations of Federal Offices of Inspector General*, a pass rating issued from an external peer review is the highest rating that can be issued. The pass rating from the external peer review validates that our system of quality control was suitably designed and complied with applicable professional standards and legal and regulatory requirements in all material respects.

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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

# U.S. International Trade Commission

## Inspector General Semiannual Report

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.

### 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 regarding 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 it to the appropriate entity for a response. If the complaint does not have merit, we close the matter.

## Investigative Reports

Table 5: Statistical Table of Investigative Reports and Referrals

Description	Count
Number of investigative reports issued	1
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
<b>Note: The information in this table is derived from the Office of Inspector General's investigations.</b>	

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## Inspector General Semiannual Report

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### 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.

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## Trafficking Victims Prevention and Protection

As required by PL 117-348, section 122(e), the OIG submits the data in Table 6 related to Trafficking Victims Prevention and Protection.

Table 6: Statistical Table of Trafficking Victims Prevention and Protection

Number of Suspected Violations Reported	Number of Investigations	Status
0	0	N/A
Note: The OIG made no recommended actions to improve the programs and operations related to trafficking victims.		

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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.

# U.S. International Trade Commission

## Inspector General Semiannual Report

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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 received a referral alleging misconduct by a senior government official related to yelling and profanity. Our office was unable to substantiate these incidents of alleged misconduct and determined that the senior government employee did not bully or harass any employee of the USITC. The Report of Investigation was sent to the Executive Office of the President.

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### **Legislation Review**

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

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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 (DFE) inspectors general.

The USITC OIG participates in CIGIE's efforts to enhance efficiency and effectiveness through communication and coordination across federal inspectors general offices. The IG is a member of the Audit Committee and the Technology Committee. OIG staff participate in the Audit Committee, the Inspections and Evaluations Committee, and the Council of Counsels to the Inspectors General.

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# 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>
-	-	-	\$0	\$0
<b>Total</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	11	\$0
<ul style="list-style-type: none"> <li>Disallowed Costs Recovered by Management</li> </ul>		\$0
<ul style="list-style-type: none"> <li>Disallowed Costs Written Off by Management</li> </ul>		\$0
<ul style="list-style-type: none"> <li>Disallowed Costs and Funds to be Put to Better Use Not Yet Recovered or Written Off by Management</li> </ul>		\$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, 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	0	\$0	\$0
Reports Issued Prior to This Reporting Period Without Final Action Completed	2	\$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 in which management decisions were made but no final action was taken.

Report	Date Issued	Reason Final Action has Not Been Taken
OIG-ML-24-03	12/18/2023	The Commission requested and received an extension to October 2025 because the benefits coordinator position that was to be involved in addressing the recommendation had been vacant for a few months. In addition, there have been other urgent priorities of the new administration that have taken precedence.
<b>Note: One report was excluded because management decisions were made within the preceding year.</b>		



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

**REPORT WASTE, FRAUD, ABUSE, OR MISMANAGEMENT**

Hotline: 202-205-6542  
[OIGHotline@usitcoig.gov](mailto:OIGHotline@usitcoig.gov)  
[usitc.gov/oig/hotline](http://usitc.gov/oig/hotline)