U.S. International Trade Commission
OFFICE OF INSPECTOR GENERAL

AUDIT OF USITC'S CONTRACT FILE MANAGEMENT SYSTEM

AR-25-08

September 25, 2025

UNITED STATES INTERNATIONAL TRADE COMMISSION

OFFICE OF INSPECTOR GENERAL

WASHINGTON, DC 20436

IG-XX-009

September 25, 2025

MEMORANDUM

TO: **Amy Karpel, Chair**

FROM: **Rashmi Bartlett, Inspector General**

SUBJECT: **Audit of the USITC's Contract File Management System**

This memorandum transmits the final report for the Audit of the U.S. International Trade Commission's (USITC or Commission) Contract File Management System, OIG-AR-25-08. In finalizing this report, we reviewed management's comments and made revisions to the report where appropriate. Management's formal written response is included in its entirety as Appendix A.

The objective of this audit was to determine if the Commission maintained a contract file management system in compliance with its policies and selected provisions of the Federal Acquisition Regulation (FAR). The audit determined that the Commission did not maintain a contract file management system in full compliance with USITC policies and selected provisions of the FAR.

The report contains six recommendations. In the next 30 days, please provide me with your management decisions describing the specific actions that you will take to implement each recommendation.

Thank you for the courtesies extended to our office during this review. We will post this report on our website at https://usitcoig.oversight.gov/.

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Chapter 1
BACKGROUND

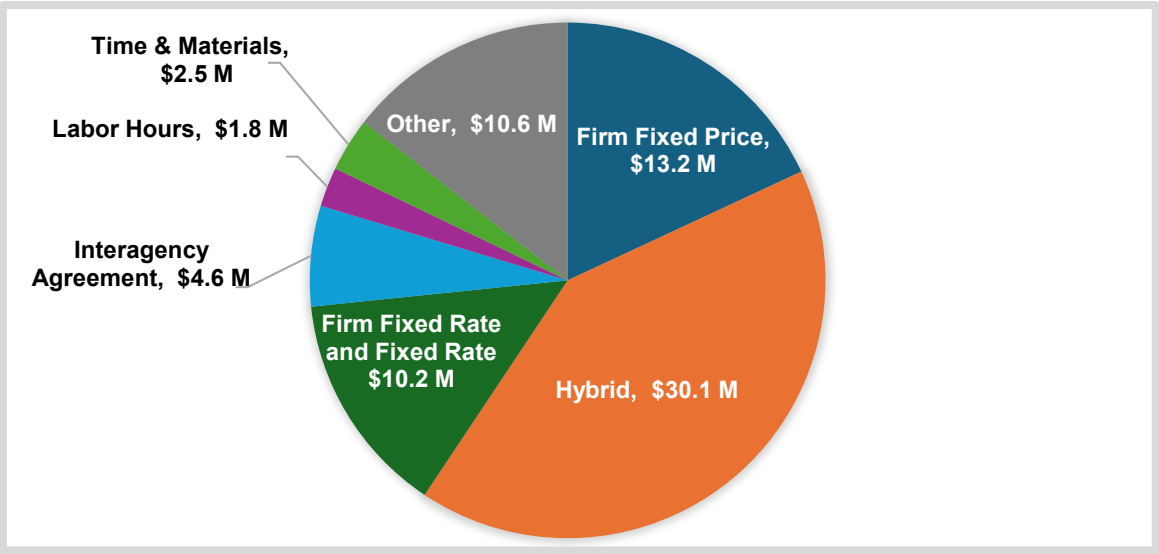
Purpose

The Federal Acquisition Regulation (FAR) is the primary regulation for use by executive agencies in their acquisition of supplies and services with appropriated funds. The FAR requires the head of each office performing contracting, contract administration, or paying functions to establish files containing the records of all contractual actions. The U.S. International Trade Commission (USITC or Commission) Office of Inspector General (OIG) conducted this audit to determine if the Commission maintained a contract file management system in compliance with its policies and selected provisions of the FAR. This audit addresses the Commission's Fiscal Year 2025 Management and Performance Challenge on internal controls.

Introduction

In March 2020, the USITC started storing its contract files electronically. The Commission has two types of contract files: (1) official contract files, also referred to as the procurement files, and (2) Contracting Officer's Representative (COR) and Project Officer contract files. The USITC Office of Procurement maintains official contract files electronically in a shared file system. COR contract files are managed electronically on individual computers and, in one case, a shared file website. The Commission had five Contracting Officers and 51 CORs at the end of December 2024. At the end of Fiscal Year (FY) 2024, as of September 30, 2024, the Commission had 115 active contracts with a total contract value of nearly $73 million ($72,954,989). A detailed breakdown of the contracts by type is illustrated in Figure 1-1. A majority of the contract dollars were applied to hybrid contracts, which contain two or more contract types in their line items, such as labor hours and firm-fixed-price. The category labeled Other in Figure 1-1 containing contracts of $10.6 million is almost entirely comprised of the Commission's rent contract and also includes contracts that do not fall into one of the major contract categories, such as Bulk Allotments or Fee for Service.

Figure 1-1. Active Contract Value by Type, FY 2024 (Approximate Value in Millions)



Source: OIG analysis of USITC contract data as of September 30, 2024.

Roles and Responsibilities

A list of key roles and responsibilities in the Commission's contract file management process is below:

Contracting Officer – An individual duly appointed with specific authority to enter into, obligate funding, administer and/or terminate contracts, and make determinations and findings on behalf of the U.S. Government.

Contracting Officer's Representative (COR) – An individual nominated by the Office Director and designated by the Contracting Officer to act as a representative to assist in managing the contract. The COR ensures proper development of program requirements and assists Contracting Officers in managing their contracts. The authorities and limitations of a COR appointment are contained in the written letter of designation. The individual must be trained and current in Federal Acquisition Certification for Contracting Officer's Representative (FAC-COR) certification. The amount of training required depends on the level of accreditation that a COR holds. The levels of certification are Level I, Level II, and Level III, reflecting the management of various contracts from low-risk and simple to the high-risk, most complex contract vehicles.

Project Officer – An individual appointed by the Contracting Officer for an Interagency Agreement with another federal agency. A Project Officer will maintain a contract file for each assigned Interagency Agreement.

Chief Procurement Officer (CPO) – The CPO is the senior procurement executive who exercises leadership and authority, to the extent delegated, over acquisition and contracting. The CPO issues policies and implementing instructions and is accountable for the integrity, performance, and oversight of the acquisition function. The CPO is responsible for establishing and maintaining a qualified acquisition workforce that is well equipped to procure the products, systems, and services the USITC needs to meet its mission. At the USITC, the CPO is the Director of the Office of Procurement.

Regulations and Authority

The FAR is the primary regulation used by executive agencies in their acquisition of supplies and services with appropriated funds and includes specific regulations related to contract files. The Commission's contract file management system processes are described in the USITC COR Handbook: Policies and Procedures, and the USITC Financial Management Manual (FMM). The USITC COR Handbook assigns responsibilities to the CORs for maintaining a contract file that includes all documents concerning the vendor's performance during the life of the contract. The FMM states the USITC's Office of Procurement is responsible for establishing and maintaining the official file for each awarded contract and Interagency Agreement. The FMM requires that USITC Project Officers maintain a contract file for each assigned agreement.

Prior Reports

The OIG has no recent reports related to the Commission's procurement function. Contract file management and oversight have not been covered in the last three Top Management Challenge Reports. However, one of the long-standing challenges in the report is internal controls, which is addressed in this audit. The OIG did not identify any other internal or external audits or studies related to the Commission's contract file management.

Chapter 2
RESULTS OF AUDIT

We found that the Commission did not maintain a contract file management system in full compliance with USITC policies and selected provisions of the FAR. The OIG found that for nine of the 12 official contract files and all 12 COR and Project Officer contract files we reviewed–a sample covering more than $57 million ($57,454,500) in total contract value–the contract file documentation was not consistent with the FAR or agency-specific documentation requirements for at least one or more attributes. Additionally, we found that not all CORs were FAC-COR certified by the Federal Acquisition Institute (FAI), as required by the FAR. Furthermore, there are no references to the National Archives and Records Administration (NARA) General Records Schedule 1.1 in the USITC's Financial Management Manual (FMM) and COR Handbook. Finally, we found that all eight of the contracts, where it was applicable, did not have the required performance evaluations completed by the Contracting Officers and CORs and input into the Contractor Performance Assessment Reporting System (CPARS).

Documentation Issues Identified in Selected Contracting Files

We reviewed both the official contract files maintained by the Office of Procurement and the associated COR and Project Officer files for 12 contracts. The OIG found that nine of the 12 official contract files and all 12 COR and Project Officer contract files reviewed contained missing or incomplete documentation. The incomplete files were associated with some of the highest total value contracts as of the end of FY 2024. Our review focused on compliance with the FAR and the Commission's contract file management requirements, and we did not evaluate the accuracy or quality of the Commission's procurement actions.

The Commission has two types of contract files:

(1) **Official Contract Files** maintained by the Office of Procurement.

(2) **Contracting Officer's Representative (COR) and Project Officer Files** typically maintained by individuals in the offices that use and confirm acceptability of the contracted goods or services.

Official Contract Files

As stated in FAR 4.801(b), the documentation in the files shall be sufficient to constitute a complete history of the transaction for the purpose of (1) providing a complete background as a basis for informed decisions at each step in the acquisition process, (2) supporting actions taken, (3) providing information for reviews and investigations, and (4) furnishing essential facts in the event of litigation or congressional inquiries. FAR 4.803 outlines a sample of documents that are normally expected to be in contract files.[1] The FMM lists 14 documents typically included in the official contract file. The OIG reviewed a sample of seven documents that are normally found in the official contract file and without which the history of the acquisition would be incomplete. The seven document types we reviewed were based on the FAR or agency-specific criteria from the FMM, as noted in Table 2-1. There can be multiple instances of the same document type needed to support compliance depending on the length, complexity, and number of modifications associated with the contract. For example, there could be multiple letters of designation if CORs changed for the contract.

[1] https://www.acquisition.gov/far/4.803

Table 2-1. Document Types Sampled in the Official Contract File Review

Document Type	Federal Acquisition Regulation (FAR) or USITC Financial Management Manual (FMM) Criteria
Award Document	FAR 4.803(a)(26), FMM Section 1350-05
Requisition (USITC Form 51)	FAR 4.803(a)(1), FMM Section 1350-05
Letter of Designation	FAR 4.803(b)(2), FMM Section 1350-05
System for Award Management (SAM.gov) Certificate of Good Standing	FAR 4.803(a)(11), FMM Section 1350-05
Justification and Approval	FAR 4.803(a)(2), FMM Section 1350-05
Fair and Reasonable Pricing	FAR 4.803(a)(17), FMM Section 1350-05
Federal Procurement Data System – Next Generation Webpage Electronic Printout	FMM Section 1350-05

Source: OIG assessment of contract documents and criteria from the FAR and USITC's FMM.

Looking at the seven document types in Table 2-1, we found that some of the Commission's high-value contracts had missing or incomplete documents. In nine of the 12 official contract files sampled–covering more than $43 million ($43,140,936) in total contract value–there was at least one document that was normally expected to be present that was not or did not have complete documentation. In some cases, such as the SAM.gov digital certificates, the documents were present for some of the contract modifications but not all. Table 2-2 describes the issues identified and the extent to which there were gaps in the official contract files.

Table 2-2. Summary of Issues Identified in the Official Contract File Review

Sample No.	Total Contract Value at FY 2024	Documentation Issues Identified	Description
1	$17,464,831	Yes	▪ SAM.gov Certificates of Good Standing were not in the official contract file for modifications 2 and 4, which exercised option years.
2	$10,323,002	Yes	▪ Requisition form for the initial award was missing a required signature. ▪ The Letter of Designation for the initial COR was not in the official contract file. ▪ The SAM.gov Certificate of Good Standing was not in the official contract file until modification 7, including the initial award.
3	$8,476,294	Yes	▪ Requisition form for modification 8 was missing a required signature. ▪ The SAM.gov Certificate of Good Standing was not in the official contract file until modification 5, including the initial award.

Sample No.	Total Contract Value at FY 2024	Documentation Issues Identified	Description
4	$2,347,856	Yes	▪ The SAM.gov Certificate of Good Standing was not in the official contract file for modification 3, which exercised an option year. ▪ The Letter of Designation was not in the official contract file.
5	$2,196,170	Yes	▪ SAM.gov Certificates of Good Standing were not in the official contract file for modifications 3 and 5, which exercised option years.
6	$870,693	Yes	▪ The Letter of Designation for the current COR was not in the official contract file. ▪ The SAM.gov Certificate of Good Standing was not in the official contract file until modification 7, including the initial award.
7	$782,300	Yes	▪ Requisition form for the initial award was not in the official contract file. ▪ The Letter of Designation was not in the official contract file. ▪ No documentation was in the official contract file to explain why modification 3 was skipped. ▪ No SAM.gov Certificates of Good Standing were in the official contract file.
8	$458,024	Yes	▪ Requisition form for modification 4 was missing a required signature.
9	$221,766	Yes	▪ The SAM.gov Certificate of Good Standing was not in the official contract file for modification 3, which exercised an option year.
10	$10,348,325	No	▪ All required documents selected for review were in the official contract files and no exceptions were noted for sample # 10, 11, and 12.
11	$2,400,000	No	
12	$1,565,239	No	

Source: OIG Analysis of FY 2024 Official Contract Files as of May 2025.

Missing and incomplete documentation can impact the efficiency, effectiveness, and validity of the Commission's contracting process. For example, we found letters of designation missing or incomplete in four official contract files. A written designation is necessary to outline the authorities and limitations of a COR appointment, and it authorizes the COR to act on behalf of the Contracting Officer. Without a letter of designation, any actions taken by the COR—such as approving invoices or monitoring performance—are unauthorized and may be invalid. An individual serving as a COR without a letter of Designation could take actions that are not authorized.

The System for Award Management (SAM.gov) digital certificates were missing or incomplete for one or more contract modifications in eight of the 12 official contracts files. While these certificates can be accessed online, the FAR requires Contracting Officers to reference the date of verification in the contract file[2] and agency policy states that contract files typically contain SAM.gov digital certificates. The Director of Procurement explained that the practice for documenting SAM.gov digital certificates is to include the certificate in the contract file upon award and when exercising an option year.

[2] https://www.acquisition.gov/far/4.1201

We found that some Contracting Officers maintained up-to-date SAM.gov digital certifications in the official files. However, the FMM does not specify when or how often the SAM.gov digital certificate is to be filed. Maintaining an active registration is crucial for ensuring vendors are eligible and compliant and that changes to the SAM.gov data have been documented. Verifying the SAM.gov information outside the documented process—such as during final payment reviews—can result in late discovery of expired or incorrect registrations, stalled payment approvals, and disrupted vendor relationships.

Peer Reviews and Other Controls

The Office of Procurement conducts peer reviews of the official contract files during the initial award process, at award, and for each modification. When we inquired about the results of the review, the Office of Procurement was able to furnish email correspondence between the Contracting Officers and the Director of Procurement showing feedback on contracting activities, which appears to be supervisory review in the ordinary course of business. The peer review was not documented in a way to show the steps performed or the results. There was no evidence that an assessment of contract file completeness was performed or, if performed, what such a review covered and identified. Furthermore, there is no policy requiring an annual review of the official contract files. As noted in Table 2-2, several issues with the official contract file documentation were identified in our sample of 12 high-value contracts.[3]

The Office of Procurement stated that additional controls over requisitions are contained in the procurement software module it uses, which includes an automated workflow that involves the Budget and Finance offices as well as the requesting office. These additional controls are designed to ensure that all funded requisitions are reviewed and approved before being submitted to the Office of Procurement for action. However, while the procurement software module may include internal controls and automated approvals, it does not substitute for the required documentation that is to be in the official contract file under applicable procurement policies and procedures.

Proper oversight of procurement cannot be assured without effective controls over the accuracy and completeness of contract files. Absent complete documentation and periodic monitoring checks on that documentation, the Commission may not be able to adequately support all contract actions taken. Without a complete contract history, the Commission will be less able to provide a detailed accounting of its decisions and effectively respond to inquiries from stakeholders throughout the lifecycle of the acquisition.

COR and Project Officer Files

At the Commission, COR and Project Officer Files are typically maintained by individuals from within the offices which are utilizing the contract goods or services. FAR 1.604[4] requires that CORs maintain a file for each assigned contract and list documents required in the COR files. In addition to the FAR requirements, the CORs and Project Officers must maintain COR and Project Officer contract files per the USITC's COR Handbook and Financial Management Manual.

Contracting Officers may periodically meet with CORs and Project Officers to ensure contract files contain the required documentation and that CORs and Project Officers are fulfilling their responsibilities as outlined in the letter of designation and the COR Handbook. In the examples

[3] The OIG's sample selection of 12 contracts contained 10 of the Commission's 11 highest dollar contracts as well as the 20th and 38th highest value contracts.
[4] https://www.acquisition.gov/far/1.604

provided by the Office of Procurement, each Contracting Officer and COR or Project Officer meeting focused on a single contract selected by the Contracting Officer.

The COR Handbook contains a Contract File Checklist specifying 16 document types that are normally found in COR contract files. The seven document types we reviewed were based on FAR or agency-specific criteria from the COR Handbook, as noted in Table 2-3. As mentioned previously in the report, there can be multiple instances of the same document type needed to support compliance depending on the length, complexity, and number of modifications associated with the contract.

Table 2-3. Document Types Sampled in the COR Contract File Review

Document Type	Federal Acquisition Regulation (FAR) or USITC COR Handbook Criteria
Initial Contract Award	USITC COR Handbook, Appendix C
Deliverables Inspection and Acceptance	FAR 1.604(c), and USITC COR Handbook, Appendix C
Modifications/Funding Document	USITC COR Handbook, Appendix C
Letter of Designation	FAR 1.604(a), and USITC COR Handbook, Appendix C*
Training and Certificates	USITC COR Handbook, Section-COR Contract File
Past Performance Evaluation Reports (CPARS)	USITC COR Handbook, Appendix C
Contract File Checklist	USITC COR Handbook, Section-COR Contract File

*Project Officers have a Project Officer Letter of Designation.
Source: OIG assessment of contract documents and criteria from the FAR and USITC's COR Handbook.

As shown in Table 2-4, we identified issues with one or more of the required documents we reviewed in the COR and Project Officer contract files we sampled–12 contracts covering more than $57 million ($57,454,500) in total contract value.

Table 2-4. Summary of Issues Identified in the COR Contract File Review

Sample No.	Total Contract Value at FY 2024	Documentation Issues Identified	Description
1	$17,464,831	Yes	▪ No CPARS were in the COR file. ▪ Not all training certificates were in the COR file. ▪ The Contract File Checklist was not in the COR file.
2	$10,348,325	Yes	▪ The Letter of Designation was not in the COR file. ▪ The Contract File Checklist was not in the COR file.
3	$10,323,002	Yes	▪ Modifications 2, 6, 7, 8, and 9 were not in the COR file. ▪ No CPARS were in the COR file. ▪ The Contract File Checklist was not in the COR file.

Sample No.	Total Contract Value at FY 2024	Documentation Issues Identified	Description
4	$8,476,294	Yes	▪ The initial contract award was not in the COR file. ▪ Modifications 1, 2, 3, 4, 5, 6, 7, 8, 11, and 13 were not in the COR file. ▪ The previous COR's Deliverables Inspection and Acceptance documents were not in the COR file. ▪ No CPARS were in the COR file. ▪ The Contract File Checklist was not in the COR file.
5	$2,400,000	Yes	▪ Deliverables Inspection and Acceptance documents were not in the COR file. ▪ No training certificates were in the COR file. ▪ The Contract File Checklist was not in the COR file.
6	$2,347,856	Yes	▪ The Letter of Designation was not in the COR file. ▪ Contract modification 3 was not in the COR file. ▪ Not all training certificates were in the COR file. ▪ No CPARS were in the COR file. ▪ The Contract File Checklist was not in the COR file.
7	$2,196,170	Yes	▪ No CPARS were in the COR file. ▪ The Contract File Checklist was not in the COR file.
8	$1,565,239	Yes	▪ The Contract File Checklist was not in the COR file.
9	$870,693	Yes	▪ Contract documents for the initial award were not in the COR file. ▪ The Letter of Designation was not in the COR file. ▪ The COR did not have a certification. ▪ Contract modifications 1, 3, 4, 5, and 8 were not in the COR file. ▪ The previous COR's Deliverables Inspection and Acceptance documents were not in the COR file. ▪ No CPARS were in the COR file. ▪ The Contract File Checklist was not in the COR file.
10	$782,300	Yes	▪ The Letter of Designation was not in the COR file. ▪ No CPARS were in the COR file. ▪ The COR did not have a certification. ▪ The Contract File Checklist was not in the COR file.
11	$458,024	Yes	▪ No CPARS were in the COR file. ▪ The Contract File Checklist was not in the COR file.
12	$221,766	Yes	▪ The Contract File Checklist was not in the COR file.

Source: OIG Analysis of FY 2024 COR Contract Files as of May 2025.

In FY 2024, the Contracting Officers interviewed nine of the 51 CORs at the Commission. Feedback from a COR indicated that Contracting Officers did not always verify the necessary documents during the interview and relied on the COR's verbal confirmation that contract files were complete. According to the Director of Procurement, the COR contract file checklist is used as guidance during the Contracting Officers' interviews with CORs and Project Officers. However, the checklist is not consistently maintained, and the Commission's procedures lack specific details on the nature, extent, coverage, and scope of the periodic reviews conducted by the Contracting Officers. The COR Handbook instructs the COR to include the completed checklist as the first page of the contract file.

Despite that, the OIG found the checklist was not included in any of the COR and Project Officer contract files we reviewed.

We found that two of the COR contract files had missing or incomplete documents, e.g., initial award and subsequent modifications, due to a change in the COR for the subject contract. The USITC's COR Handbook requires all COR files to be transferred to the successor COR. CORs may lack important information needed for the technical monitoring or administration of a contract when documentation is missing or incomplete.

COR and Project Officer contract files do not have a centralized location where they are stored, making them inaccessible to Office of Procurement personnel. One USITC office recently developed a share file site for its COR contract files. This will allow the Office of Procurement real-time access to this office's COR contract files and support more efficient, streamlined file transfers from one COR to another. Centralized access to contract files should also reduce the need to track down documents across multiple systems or buried in email threads.

Not All CORs Assigned to Contracts Were Certified

The FAR states that the COR shall be certified in accordance with the Office of Management and Budget (OMB) memorandum on FAC-COR guidance and designated and authorized in writing in accordance with agency procedures. The Commission's procedures state that once certified, an individual is eligible for a COR appointment; however, certification alone does not give the COR authority, nor does it appoint an individual as a COR.

FAC-COR Certification Requirements

- Level I – No previous experience. Eight hours of training for initial certification.
- Level II – One year of previous COR experience and 40 hours of training.
- Level III – Two years of previous COR experience and 60 hours of training.

Source: OIG analysis of FAC-COR Certifications Requirements in the FAI website

Two of the 12 contract files we reviewed had CORs who were not FAC-COR certified by Federal Acquisition Institute (FAI) or their certification had expired at the end of the last cycle, which ended on April 30, 2024. The COR Handbook requires that all CORs hold either a Level I or Level II certification. Additionally, FAR 1.602-2(d)(2)[5] requires maintaining certification in accordance with the OMB memorandum on FAC-COR guidance.

In one of the 12 contracts we reviewed, a COR had taken but not uploaded training certificates for the previous cycle covering May 1, 2022, to April 30, 2024, and thereby was not certified in the FAI system, which is the system Commission staff use for managing COR certification. The issue remained unresolved despite the certification period ending about a year ago. This highlights a concern that COR certification issues are not being identified and addressed timely by the Office of Procurement.

During a review of another contract, we found that an employee was assigned as a COR on that contract without the required FAC-COR certification. When we inquired, the employee provided an email documenting that the Director of Procurement had been informed that another individual would assume COR responsibilities for the subject contract. The newly appointed COR for this contract had taken the necessary COR training but was not a certified COR authorized to perform that function according to the FAI system. Furthermore, no contract modification was issued to reflect the change in COR.

[5] https://www.acquisition.gov/far/1.602-2

The Commission does not have a formal process to monitor COR certification status and ensure that certifications remain in good standing. As a result, COR certifications are not being properly maintained, and in two cases, employees without a FAC-COR certification were assigned as CORs. Additionally, we found the administrative modification to remove a previous COR and appoint a new COR was not completed, resulting in the Office of Procurement and the responsible office giving us different answers as to who is the COR for the contract.

CORs serve as a liaison as well as a direct line of communication between the Contracting Officer and the contractor, monitoring contractor performance of technical requirements to verify performance is within the scope of the contract. Properly certified CORs are critical to ensure that contractors are fulfilling their commitments through inspecting and monitoring supplies and services. The Commission had 51 CORs at the end of the calendar year 2024 and should monitor their certification status and changes that warrant action. CORs who are not properly certified or trained may not be aware of the full scope of their roles and responsibilities. In addition, the actions of CORs who lack certification are neither authorized by nor compliant with the FAR and Commission policies and procedures.

The Commission Procedures for the Handling, Storing, and Disposing of Contract Files Are Not Clearly Defined

The FAR requires federal agencies to prescribe procedures aligned with the National Archives and Records Administration's (NARA) General Records Schedule 1.1, Financial Management and Reporting Records.[6] The Commission's COR Handbook and FMM do not include procedures for the handling, storing, and disposing of contract files in accordance with the NARA. Our interviews with Commission CORs revealed general uncertainty about contract record retention and disposition requirements.

Implementing control activities through policies and procedures is critical for maintaining an effective internal control system. Due to a lack of instructions and guidance, contract files may be improperly handled, stored, and disposed of, especially when CORs change or leave the Commission. Additionally, contract files may be incomplete or unavailable if they are not maintained in accordance with FAR and NARA requirements.

Required Contractor Performance Evaluations Were Not Completed

Information on contractor performance is essential to ensure that the federal government only does business with companies that provide quality products and services in support of the agencies' missions. The FAR requires that contractor performance information be collected and used in source selection evaluations. Clear and timely assessments of contractor performance are used by source selection officials to make informed business decisions when awarding government contracts and orders.

A critical element of evaluating and documenting contract performance is putting data into the Contract Performance Assessment Reporting System (CPARS). The web-based application is used to document contractor and grantee performance information that is required by the FAR. Contracting Officers with input from CORs prepare CPARS assessments, a tool the Commission and other agencies use to, in part, deter waste, fraud, and abuse by contractors and protect taxpayer dollars.

Agencies are required to report contractor performance on awarded contracts that either meet or exceed a particular dollar threshold depending on the type of contract. FAR 42.1502 requires agencies

[6] https://www.acquisition.gov/far/4.805

to collect past performance information for contracts and orders above the Simplified Acquisition Threshold of $250,000.[7] Past performance evaluations are required at least annually and when the work under a contract is completed.

In the sample of the FY 2024 COR contract files the OIG reviewed, we noted that none of the applicable contract files contained CPARS reports. One COR said in an interview that they were told by the Office of Procurement to stop contractor evaluations after 2021 because CPARS can be difficult to use. The Director of Procurement confirmed that the Commission did not complete CPARS for the applicable contracts we reviewed. The COR Handbook requires CPARS to be completed and includes information on CPARS; however, these policies were not followed.

CPARS helps ensure that current, complete, and accurate information on contractor performance is available for use in procurement source selections. When contractor performance data are not available to the USITC and other agencies, government officials lack the information to make fully informed award decisions in the best interest of the government. CPARS evaluations are critical in holding contractors accountable for their performance. Finally, missing CPARS undermines one of the oversight mechanisms prescribed by the FAR.

Conclusion

Contract file management is an important element of administering contracts in accordance with applicable Federal Acquisition Regulations and USITC policies. Although the Commission has a process in place to manage contract files, it is not in full compliance with Commission policies and procedures and applicable FAR regulations. Without complete contract files, there is a risk that all contractual actions may not be documented. Incomplete contract files make monitoring contractor performance difficult for the Commission. In order to ensure the documentation in contract files is complete, accurate, and compliant, the Commission needs to strengthen its internal controls related to contract file management and implement monitoring controls to validate operational effectiveness of new and existing controls.

In addition to being required by the FAR, contract files with a complete acquisition history and basis for actions and decisions are needed so that responsibilities can be efficiently transferred and properly assumed by new Contracting Officers or CORs. Although the Commission has established internal controls—such as periodic file reviews and document checklists—to support proper contract file management, our review found that these controls, particularly the file reviews, are not operating effectively. While some monitoring activities are in place, they failed to detect issues within Contracting Officer and COR contract files. Existing procedures lack specificity on conducting file reviews, what constitutes sufficient evidence, and how to document oversight activities consistently. The absence of clearly defined procedures contributed to inconsistent monitoring practices and increased the risk of noncompliance with applicable federal acquisition requirements.

Recommendations

We recommend the Commission:

1. Reassess the operational effectiveness of contract file management processes and controls, making improvements as applicable.
2. Develop a centralized location for COR contract files that is accessible to the Office of Procurement.

[7] https://www.acquisition.gov/far/42.1502

3. Establish a process to monitor COR certifications and confirm CORs are appropriately certified before they perform COR responsibilities for a contract.
4. Review agency guidance and update applicable policies to emphasize the requirement to handle, store, and dispose of contract files in accordance with the NARA General Records Schedule 1.1, Financial Management and Reporting.
5. Determine the extent to which the required contractor performance evaluations have not been completed and entered into CPARS and take steps to address noncompliance.
6. Develop controls to ensure required contractor performance evaluations are completed.

Management Comments and OIG Assessment

In a memorandum dated September 10, 2025, Chair Amy Karpel provided management comments on the draft report. The Chair agreed with the audit findings and acknowledged that, although the Commission has a process in place to manage its contract files, it is not in full compliance with Commission policies and procedures and applicable FAR regulations with respect to its contract files. The Chair stated that the Commission would provide management decisions to address all six recommendations in the report. The full response from the Chair is in Appendix A.

Objective, Scope, and Methodology

The objective of this audit was to determine if the Commission maintains a contract file management system in compliance with its policies and selected provisions of the FAR. The selected provisions of the FAR that we assessed were based on relevance to the scope of our audit, the structure and content of the Commission's contract files, and the nature of existing oversight activities. We reviewed applicable FAR regulations on contract file management and analyzed the Commission's internal policies and procedures related to contract file management. We interviewed key officials, Contracting Officers, and CORs involved in the contract file management system to gain an understanding of the roles, processes, and control procedures related to the contract file management system.

The scope of this audit included the active contracts at the end of FY 2024. We reviewed the Commission's official and COR contract files to assess compliance with Commission policies and selected provisions of the FAR. We judgmentally selected 12 contracts for this review based on the contract amount to obtain a sample of 12 unique CORs. We did not evaluate the quality or accuracy of the Commission's procurement decisions or internal processes but rather assessed whether the required documentation was present in the contract files. We reviewed certifications to confirm CORs and Contracting Officers were Federal Acquisition Certification certified. During our review, we assessed whether required contractor performance evaluations were completed. We reviewed a list of FY 2024 closed contracts to verify that files had been established.

During our audit, we assessed the Commission's internal controls over contract file management and compliance with laws and regulations relevant to our audit objective. No specific instances of fraud, abuse, or significant violations of laws and regulations were detected during our audit.

We conducted this audit from December 2024 through July 2025 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

Appendix A: Management Comments

UNITED STATES INTERNATIONAL TRADE COMMISSION

WASHINGTON, DC 20436

C089-XX-007

September 10, 2025

MEMORANDUM

TO: Rashmi Bartlett, Inspector General

FROM: Amy A. Karpel, Chair AMY KARPEL Digitally signed by AMY KARPEL Date: 2025.09.09 13:42:16 -04'00'

SUBJECT: Response to Draft Audit Report – Audit of the Commission's Contract File Management System

Thank you for the opportunity to review and provide comments to the draft audit report – Audit of the Commission's Contract File Management System

I agree with the audit findings and the conclusion that although the Commission has a process to manage contract files in place, it is not in full compliance with Commission policies and procedures and applicable FAR regulations with respect to its contract files. The Commission will develop management decisions to address the six recommendations in the draft report.

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

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