

# U.S. International Trade Commission

## *Inspector General Semiannual Report*



October 1, 2022 - March 31, 2023

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 19, 2023

### **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, 2023.

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 is on track to close out the remaining management decision by the original target date.

A summary of the Commission's actions on the one outstanding recommendation from the prior period follows.

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

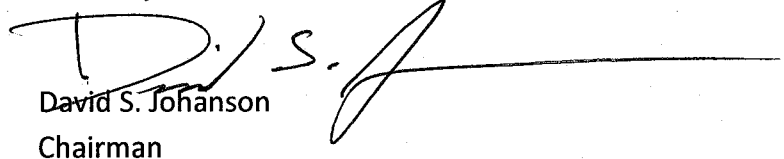
(1) Audit of USITC's Patching of Critical and High Vulnerabilities on the International Trade Commission Network (OIG-AR-22-10)

On September 19, 2022, the Inspector General issued the final report *OIG-AR-30-10, Audit of USITC's Patching of Critical and High Vulnerabilities on the International Trade Commission Network (OIG-AR-22-10)*. The objective of the audit was to determine whether the Commission was patching critical and high vulnerabilities effectively on ITCNet. The Inspector General issued three recommendations. The recommendations involved: 1) implementing a technical control to confirm that core infrastructure systems on the network were being scanned; 2) develop a process to verify that all authorized devices are being scanned or prioritized for scanning, remove unauthorized devices from the network, implement a tool or a process to monitor whether all authorized devices are being scanned, and reconcile the authoritative list of systems approved to be on the network; 3) complete the necessary steps to update the Commission's procedures for the *Vulnerabilities Older than 30 Report* and refine the vulnerability scanning.

Recommendations 1 and 3 were closed on October 3, 2022, and October 4, 2022, respectively. Commission staff continue to finalize and validate the process enhancements required to resolve recommendation 2. The Commission has implemented a centralized asset management database that leverages and combines disparate data sources to provide a unified view of USITC assets in a single location. This database enables higher-level data centric management and improved security (network access control, audit log validation, vulnerability scan validation, external reporting, etc.). Additionally, this database is used to reconcile the output of its vulnerability scanning solution to the hosts within the asset management database. The Commission is transitioning its current network access control solution to leverage this database to remove unauthorized devices from the network. Recommendation 2 remains on schedule to be resolved by the original management decision implementation date of June 30, 2023.

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

Sincerely,

  
David S. Johanson  
Chairman



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## UNITED STATES INTERNATIONAL TRADE COMMISSION

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WASHINGTON, DC 20436

April 28, 2023

IG-VV-007

Commissioners:

I am pleased to present this Semiannual Report for the period of October 1, 2022 to March 31, 2023. 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 and issuing eleven recommendations. Specifically, the OIG issued our annual report on the USITC's management and performance challenges, two reports for the fiscal year 2022 annual financial statement audit, and the risk assessment of the purchase card program. The Commission provided management decisions for all recommendations made during this reporting period. We expect to initiate at least one new performance audit during the next reporting period.

The OIG is taking a hybrid approach to fulfill our oversight mission, securing top internal and external talent. I am pleased to announce that we hired a senior auditor in February. We are currently recruiting for one of the two vacant junior auditor positions and hope to fill the other by the end of the year, which would bring us to an office of six. We contracted with an independent accounting firm for the annual review of the Commission's information security programs and practices as required by the Federal Information Security Modernization Act of 2014 (FISMA). The Smithsonian OIG is providing temporary information technology support services to our office, while we assess long-term options to support our IT infrastructure.

We continue to leverage the IG community to bridge staffing gaps, augment existing resources, and conduct work that would otherwise be delayed for two to three years. The Council of the Inspectors General on Integrity and Efficiency (CIGIE) Fellows Program

# U.S. International Trade Commission

## Inspector General Semiannual Report

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(CFP) has greatly benefited our office. The dedicated, executive leadership of our two senior Fellows has allowed the OIG to address complex, cross-cutting challenges that otherwise would have persisted for several years. As these fellowships end, we will temporarily host an auditor from a cabinet-level Office of Inspector General and pursue future opportunities to host and develop top talent in the OIG community.

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

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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	6
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
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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)



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## 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. Our office provides audit, evaluation, inspection, and investigative services covering all Commission programs and operations. 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, 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, 2022, through March 31, 2023. 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-23-01](#)) to the Commission on October 24, 2022. The report focused on the two challenges listed in Table 2.

Table 2: Management and Performance Challenges

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

The OIG first identified data management, previously referred to as managing data, as a challenge for Fiscal Year 2018 in our October 12, 2017 report *USITC Management and Performance Challenges* ([OIG-MR-18-01](#)). The internal controls management challenge

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## Inspector General Semiannual Report

is over ten years old. Both 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 one recommendation made before October 1, 2022, where corrective actions have not been completed. The potential cost savings associated with this recommendation was 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 USITC's Patching of Critical and High Vulnerabilities on the International Trade Commission Network</i> ( <a href="#">OIG-AR-22-10</a> )	3	3	2	1

### 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

The Inspector General issued four reports that contained eleven 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.

# U.S. International Trade Commission

## Inspector General Semiannual Report

Table 4: Reports Issued from October 1, 2022 – March 31, 2023

Report Number	Report Title	Date Issued	# of Recs	Mgt Decision
<a href="#">OIG-MR-23-01</a>	<i>Management and Performance Challenges</i>	10/24/2022	0	N/A
<a href="#">OIG-AR-23-02</a>	<i>Fiscal Year 2022 Financial Statement Opinion</i>	11/15/2022	0	N/A
<a href="#">OIG-ML-23-03</a>	<i>Management Letter: Fiscal Year 2022 Financial Statement Audit</i>	12/13/2022	7	✓
<a href="#">OIG-MR-23-04</a>	<i>Management Report: Fiscal Year 2023 Charge Card Risk Assessment Report</i>	01/30/2023	4	✓
Total recommendations issued during this reporting period			11	
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 USITC's Patching of Critical and High Vulnerabilities on the International Trade Commission Network*, OIG-AR-22-10, for which management decisions were not received. The report was issued on September 19, 2022, and the OIG received management decisions within 30 days.

### 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 Federal Election Commission OIG. The modified peer review, issued on March 10, 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.

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 of alleged criminal, civil, and administrative wrongdoing involving Commission programs, operations, and personnel. We may investigate possible violations of federal criminal law, regulations on employee responsibilities and conduct, and other statutes and regulations covering Commission activities.

Our office 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.

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## 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.

In May 2022, we initiated an audit to determine if the Commission had established sufficient controls to effectively offboard personnel. The audit was suspended in July 2022 and terminated in December 2022 due to staffing challenges and concerns over our ability to produce a timely audit report. If issues related to offboarding come to our attention in the future, we may revisit this topic

#### **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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### **Legislation Review**

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

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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 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 plays an active role in CIGIE's efforts. Specifically, the Inspector General is a member of CIGIE and its Audit Committee, Technology Committee, and Cybersecurity Workgroup. OIG staff participate in the Audit Committee, the Council of Counsels to the Inspectors General, the Cybersecurity Workgroup, and the Legislation Committee. The Assistant Inspector General for Audit, a former CIGIE Fellow, is on the 2022-2023 CIGIE Fellowship Program management team.

We are currently hosting two CIGIE Fellows, one from the U.S. Department of Homeland Security OIG and the other from the U.S. Department of Agriculture OIG. The Fellows are developing new strategic planning documents and a business case analysis of options for us to obtain information technology services and meet statutory technology requirements.

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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.

Report	Management Decisions Made This Reporting Period	Recommendations Without Management Decisions	Disallowed Costs	Funds to Be Put to Better Use
1	22-10	3	0	\$0
<b>Total</b>	<b>1</b>	<b>3</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.

Category	Number of Recommendations	Dollar Value
Recommendations with Final Action Completed	3	\$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

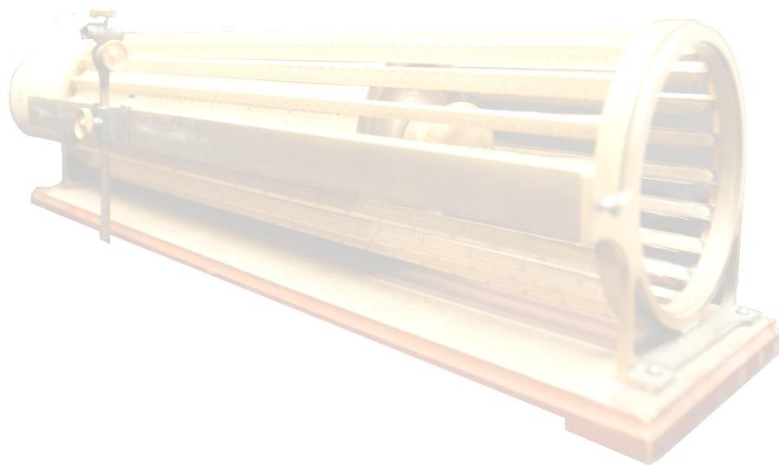
The table below provides information on the number of reports with questioned costs along with the total dollar value of disallowed costs and funds to be put to better use as identified in the management decision. In cases where a management decision has not been received, the dollar value shown is the 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	0	\$0	\$0
Reports Issued Prior to This Reporting Period Without Final Action Completed	1	\$0	\$0
<b>Total</b>	<b>1</b>	<b>\$0</b>	<b>\$0</b>

Table D: Reports with Management Decisions Without Final Action

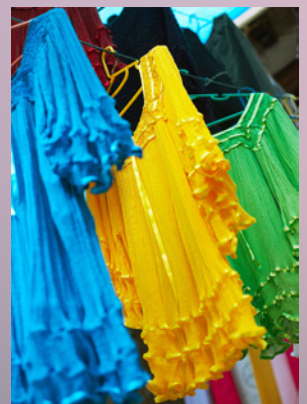
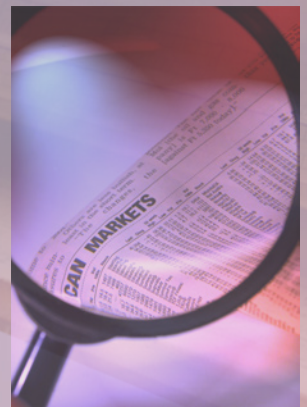
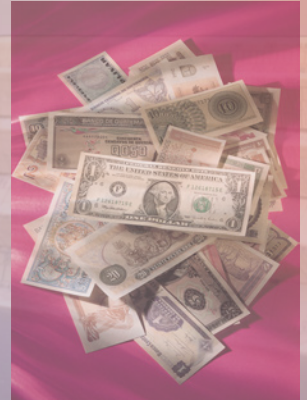
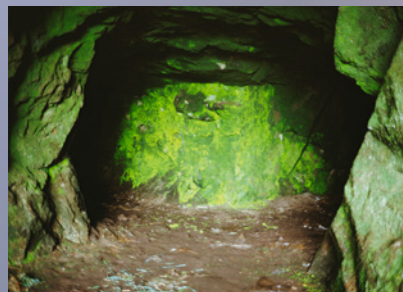
The table below identifies each report from prior periods, where management decisions were made, but final action has not been taken.

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



*“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



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