

U.S. International Trade Commission

Inspector General Semiannual Report



April 1, 2021 - September 30, 2021

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.



UNITED STATES INTERNATIONAL TRADE COMMISSION

WASHINGTON, DC 20436

November 18, 2021

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") transmits the USITC Inspector General Semiannual Report for the April 1, 2021, to September 30, 2021, period.

The Commission appreciates the Inspector General's continuing efforts to ensure the effectiveness, efficiency, and integrity of the Commission's operations. Our agency has benefitted significantly from the 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 and the Inspector General's acknowledgement of the progress our management team has made responding to these challenges.

Actions Taken on IG Recommendations from Prior Year Reports

The Commission has made significant progress on several management decisions made in response to the three reports issued by the Inspector General during prior years.¹ The Commission is committed to implementing all of the remaining management decisions that we have made on the Inspector General's recommendations. Summaries of the Commission's actions on outstanding recommendations from prior years follow.

¹ See Table C of Appendix A: Chairman's Statistical Tables.

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

Since 2015, the Commission has dedicated significant resources to redesigning its system of internal rules and bringing its policies and procedures into compliance. Six Directives chartering the Commission's agency-wide management committee were formally issued during the first quarter of FY 2021.

During FY 2021, the Commission worked to develop human capital management Directives and associated Handbooks, including a Directive establishing the Student Loan Repayment Program (SLRP). The SLRP Directive was approved by the Internal Administration Committee during Q4 of FY 2021 and was issued by the Chair on November 1, 2021. The program will commence during FY 2022.

In response to the ongoing material weakness identified by the Office of Administrative Services in its FY 2021 Statement of Assurance letter regarding the USITC System of Internal Rules, the Chair and the Internal Administrative Committee agreed to a project plan, the completion of which will fully address the concerns raised by the Office of Administrative Services in its letter and close out the material weakness. This project plan requires that six critical Directives, including one Directive owned by each major organization in the Commission, be completed by the end of second quarter of FY 2022. These Directives are: Telework Program, Performance Management Program, Attendance, Leave, Overtime, and Compensatory Time policies, Rules of Behavior for Accessing USITC IT Systems, Annual Budget Formulation policies, and policies for Initiating and Publishing Staff Research.

The Commission closed out an open management decision in the first half of FY 2021. This management decision required the Commission to ensure that delegations of authority and agency designations include authoritative sources and core responsibilities, and that delegations of authority and agency designations are centralized. As part of its system of internal rules policies, the Commission has required that all Directives set forth delegations of authority and designations as well as the sources for those authorities. Further, all designations have been recorded into a single document as well as the responsibilities associated with each designation. The management decisions remaining open are for the Commission to document interrelated and dependent directives to understand how changing one policy may affect another and to define standard format and content requirements for each type of internal rule. Since January 2018, the Commission's new system of internal rules has begun to address both issues, with the updated System of Internal Rules Directive setting forth the requirements for each type of internal rule and the System of Internal Rules web application requiring all internal rules to be associated with a parent Directive. These decisions will be closed out as soon as the Commission is confident that no

additional rule types are required and that all the most foundational Directives are updated and issued and associated with related rules. The goal is to close out these remaining decisions in FY 2022 with the issuance of a Handbook detailing the requirements for all rule types.

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

The Inspector General issued final report OIG-AR-18-09, Audit of Time and Attendance, on March 27, 2018. The audit focused on whether the Commission was effectively managing its processes for overtime, compensatory time, credit hours, and religious compensatory time. The Inspector General identified four problem areas and issued eight recommendations. The recommendations involved 1) training management and staff on eligibility to receive the benefit of credit hours, compensatory overtime, and paid overtime as well as work schedules and how they impact that eligibility, 2) evaluating Commission policies and procedures related to time and attendance and updating Commission policies and procedures related to time and attendance as necessary. The Commission issued a response to this report containing eight management decisions to address each of the recommendations. To date we have closed five of the eight management decisions (Management Decision numbers 1,3,4, 5 and 6).

The remaining management decisions require intensive review of USITC systems and development of improved policies and procedures related to timekeeping. A working group convened to address the audit findings continues to research how to improve tracking of actual hours worked through the Commission's time and attendance system in order to address the additional management decisions related to this audit. The working group has reviewed the USITC's systems and processes related to timekeeping and is currently developing recommendations to address the concerns raised by the Inspector General.

Further, the Commission, through its Internal Administration Committee, has examined policies and procedures related to time and attendance, including its existing Attendance and Leave Directive. The Internal Administration Committee has prioritized the updating of the Directives and substantial progress has been made in developing drafts for approval by the USITC. However, the COVID-19 pandemic and the passage of a number of recent leave-related laws and regulations have created the need for the Commission to further consider its updates to these policies to ensure they appropriately reflect current law and practice. As discussed above, the Commission has included updating the Attendance, Leave, Overtime, and Compensatory Time Directive in its project plan to close out a material weakness related to Internal Rules. The Directive will be issued during the second quarter of FY 2022. The issuance of this Directive will close out the remaining management decisions.

(3) Audit of Data in the 337Info System (OIG-AR-20-12)

On February 26, 2020, the Inspector General issued the final report OIG-AR-30-12, Audit of Data in

the 337Info System. The audit focused on whether the Commission's 337Info data system was providing quality data to users. The Inspector General issued six recommendations. The recommendations involved: 1) establishing acceptable accuracy benchmarks, 2) set data management goals to reaching acceptable accuracy benchmarks, 3) document roles and responsibilities for investigative data, 4) identify and conduct quality review processes, 5) establish automated controls (e.g., user permissions) to audit data in the system, and 6) implement technology controls that minimize data entry errors. The Commission issued a response to this report containing six management decisions to address each of the recommendations.

Prior to this period, the Commission closed out four management decisions responsive to audit recommendations. During FY 2021, the final two management decisions were addressed with the deployment of automated and technology controls into the Investigations Database System. These management decisions were closed on October 29, 2021. Accordingly, we have completed all six management decisions related to this audit.

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

Sincerely,



Jason E. Kearns
Chair



UNITED STATES INTERNATIONAL TRADE COMMISSION

WASHINGTON, DC 20436

October 29, 2021

IG-TT-013

Commissioners:

I am pleased to present this Semiannual Report for the period of April 1, 2021 to September 30, 2021. 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 its receipt.

I am honored that the Commission has appointed me to serve as its Inspector General (IG). I would like to thank Counsel to the IG Michael Haberstroh and former Assistant Inspector General for Audit Rhonda Turnbow for their service as Acting IG during the Commission's search for a permanent IG.

One of my top priorities is to build our office to full capacity. We have hired a senior leader to oversee audits and special reviews. I will continue to work with the Commission to add OIG staff in the coming months and have appreciated their ongoing assistance in designating our open positions as priority hires.

During this reporting period, the Office of Inspector General issued one audit report and submitted the Improper Payment Information Act report to Congress and the Office of Management and Budget. With those reports, we made four recommendations to promote the efficiency, effectiveness, and integrity of the Commission's operations. The Commission provided management decisions for all the recommendations we made during this reporting period.

I appreciate the support that the OIG has received from the Commission in our efforts to provide independent oversight of USITC programs and operations. We look forward to working closely

with the Commission and staff, as well as Congress, to increase efficiency and effectiveness in the USITC's programs and operations.

Sincerely,

A handwritten signature in blue ink that reads "Rashmi Bartlett". The signature is written in a cursive style with a large initial 'R'.

Rashmi Bartlett
Inspector General

U.S. International Trade Commission

Inspector General Semiannual Report

TABLE OF CONTENTS

Office of Inspector General.....	1
Semiannual Report Requirements	1
Top Management and Performance Challenges.....	2
Inspector General Reports Issued During This Period	5
Management Report: Improper Payment Determination for Fiscal Year 2020, OIG-MR-21-07	5
Audit of ITCNet’s Security Log Management System, OIG-AR-21-08	6
Summary of Prior Period Reports	6
Reports Without Management Decisions	6
Reports Without Management Comments.....	6
Prior Year Unimplemented Recommendations and Cost Savings.....	6
Significant Recommendations From Prior Periods	7
Hotline and Investigations.....	8
Investigations and Inquiries: Overview	8
OIG Hotline Contacts	8
Summary of Matters Referred to Prosecuting Authorities.....	9
Investigations with Substantiated Allegations Involving Senior Government Employees	9
Summary of Reports Not Disclosed to the Public	9
Inspections, Evaluations, and Audits	9
Investigations.....	9
External Reviews Completed During This Period	10
Office of Government Ethics.....	10
Status of Actions Related to External Reviews Completed During Prior Periods ...	10
Office of Personnel Management	10
Assistance to Other Offices of Inspector General.....	11
Congressional Activities	11
Council of the Inspectors General on Integrity and Efficiency	11
Federal Financial Management Improvement Act Reporting	12

U.S. International Trade Commission

Inspector General Semiannual Report

Peer Review	12
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Tables

Table 1: Reporting Requirements Index	iii
Table 2: Management and Performance Challenges	2
Table 3: Reports by Subject Matter	5
Table 4: Prior Year Unimplemented Recommendations and Cost Savings	7
Table 5: Significant Recommendations From Prior Periods	7
Table 6: Reports With Questioned and Unsupported Costs	13
Table 7: Reports With Recommendations That Funds Be Put to Better Use	14
Table 8: Reports With Final Action Completed During This Reporting Period	15
Table 9: Status of Reports Issued Without Final Action	16
Table 10: Statistical Table of Investigative Reports	17

Appendices

Appendix A: Chairman's Statistical Tables.....	A-1
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U.S. International Trade Commission

Inspector General Semiannual Report

Table 1: Reporting Requirements Index

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

U.S. International Trade Commission

Inspector General Semiannual Report

Office of Inspector General

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

Semiannual Report Requirements

The IG Act requires each Inspector General to prepare a report twice a year that summarizes the activities of the office. This Semiannual Report covers the period from April 1, 2021, through September 30, 2021. The 23 requirements shown in table 1 are specified in the IG Act and must be included in the report.

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

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

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

U.S. International Trade Commission

Inspector General Semiannual Report

Top Management and Performance Challenges

Each year, our office must identify and discuss the most significant management and performance challenges facing the Commission in the coming year. We provided this report (OIG-MR-21-09) to the Commission on September 27, 2021. In the report, we focused on the two major challenges listed in table 2. We identified these challenges using information gained from our audit, evaluation, and inspection work; general knowledge of the Commission's programs and activities, and input from management. Following table 2 is a short discussion of the two challenges and the agency's efforts to address them.

Table 2: Management and Performance Challenges

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

Managing Data

OMB Circular No. A-123, Appendix A: *Management of Reporting and Data Integrity Risk* requires agencies to provide reasonable assurance on the reliability, validity, and overall quality of data used for internal and external reporting. The guidance emphasizes a risk-based approach towards managing data as an asset and the importance of using high-quality data to support data-driven decisions for improving transparency in the government.

High-quality information relies on a strong governance structure that assigns data ownership and accountability to ensure accuracy, completeness, timeliness, and integrity of data. Data owners should promote a culture that values data by emphasizing the importance of the data collected and how data is maintained over time. In addition, data owners should develop processes and procedures needed to provide reasonable assurance of the quality of data in the system.

The Commission should be able to rely on the quality and integrity of its data across systems, applications, and databases. The value of the information generated by a system is only as good as its quality at entry. The accuracy and completeness of information depend on how we capture, enter, code, and reconcile data at the source of entry. Employees need to understand the importance of the data and, more importantly, how inaccurate or incomplete entries impact the quality of information. Data reconciliation

U.S. International Trade Commission

Inspector General Semiannual Report

processes should be performed regularly to identify and correct any errors or omissions and improve processes to reduce future errors.

There has been a steady increase in legislation and policy guidance directing agencies to implement sound information management practices and increase the accessibility of data to the public. The President's Management Agenda of 2018 defined data as one of three key drivers to modernizing government for the 21st century. The *Foundations for Evidence-Based Policymaking Act of 2018* (Evidence Act) requires the USITC Chair to establish an agency Data Governance Body to be chaired by the Chief Data Officer, with participation from appropriate senior-level staff and technical experts needed to discuss and set policy on data and data-related topics. USITC's Data Governance Board (DGB) was established in 2020. Even though the DGB's charter states that the board meets at least quarterly, the DGB has elected to meet monthly. It is developing a Data Governance Manual to document agency policies and procedures for managing data. The board's focus has been on the Investigation Data Base System (IDS), a centralized system for investigative data which will replace several legacy systems.

We are encouraged by the Commission's actions to develop and implement policies that govern the collection or creation, management, use, and disclosure of USITC data. As data management strategies, practices, and procedures are defined, it will be critical to educate staff on individual responsibilities and core obligations for managing and protecting data. Data management is everyone's responsibility and not solely the purview of the DGB or system owners. For the governance framework and stewardship processes to succeed, they must apply to all systems/ databases, not just those deemed critical or high priority.

Internal Controls:

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

The Commission's management is responsible for establishing and maintaining a system of internal controls. These internal controls are the organizational environment that includes the plans, policies, and procedures that managers use to ensure their programs and operations achieve the intended results through the effective use of public resources. Management is also responsible for designing control activities at the appropriate levels

U.S. International Trade Commission

Inspector General Semiannual Report

in the organizational structure. Each operating unit is responsible for determining the appropriate control activities required to reduce risk in the operational processes of their office. The control activities should be documented through policy and procedure, communicated to staff, and monitored for effectiveness. The absence of standard procedures results in inconsistency in how routine operations are performed, reduces the quality of information produced, increases the risk associated with informal decisions made by management overrides, and often results in a lack of documentation to support decisions.

For more than a decade, the Commission has worked hard to strengthen entity-level controls. Senior managers implemented an enterprise risk management program and have increased transparency about organizational risk. This program contributes to robust management discussions on issues such as human capital decisions and budget priorities. Although there is more work to be done, the senior management team has demonstrated an awareness of internal control and implemented a system for ongoing leadership discussions on where controls need to be strengthened.

The control environment is the foundation of an internal control system. One principle of the control environment is to establish an organizational structure, assign responsibility, and delegate authority to meet the objectives of the Commission. In 2015, we completed an audit of the Commission's directives management system. The audit found that the Commission's policy directives were not current and contained outdated assignments of responsibility and delegations of authority. Although the Commission had written procedures to assess the directives periodically, the reviews were not performed.

The Commission has designed a new system of internal rules and issued directives focused on structural fundamentals such as mission and function statements. Several additional directives are in various stages of development. While progress has been made since our audit in 2015, the continued delay in updating directives poses a risk that operational processes may not be consistently understood or executed. As directives are finalized, the Commission should monitor the operational effectiveness of the new system of internal rules to ensure it is working as designed and achieving the desired results.

As the Commission begins to consider the post-pandemic operating model, managers need to remain mindful of how these changing conditions may impact the effectiveness of key internal controls in their processes.

U.S. International Trade Commission

Inspector General Semiannual Report

Inspector General Reports Issued During This Period

The Inspector General issued three reports that contained four recommendations during this reporting period, and the Commission made management decisions on each of the four recommendations.

A listing of each report issued during this reporting period, by subject matter, is provided in table 3.

Table 3: Reports by Subject Matter

Reports by Subject Matter				
Subject Matter	Report Number	Report Title	Date Issued	Number of Recommendations
Financial	OIG-MR-21-07	<i>Management Report: Improper Payment Determination for Fiscal Year 2020</i>	04/14/2021	0
Information Technology	OIG-AR-21-08	<i>Audit of ITCNet's Security Log Management System</i>	04/19/2021	4
Administrative	OIG-MR-21-09	<i>Management and Performance Challenges</i>	09/30/2021	0
Total recommendations issued during this reporting period				4
NOTE: These reports did not identify any questioned costs, unsupported costs, or funds that could be put to better use.				

The top management and performance challenges are included in the previous section. The title, key findings, and summary information for other reports are provided below.

Management Report: Improper Payment Determination for Fiscal Year 2020, OIG-MR-21-07

RESULT: We determined that the Commission complied with the Improper Payments Elimination and Recovery Act of 2010.

The Inspector General is required to review the Commission's improper payment reporting in the Annual Financial Report and other documentation to determine if the agency complies with IPERA. We conducted our review in accordance with implementing guidance set forth by the Office of Management and Budget Memorandum

U.S. International Trade Commission

Inspector General Semiannual Report

M-18-20, Transmittal of Appendix C to OMB Circular A-123, Requirements for Payment Integrity Improvement.

Based on the criteria in the guidance, the Commission does not have any program activities that are susceptible to significant improper payments. Our review found that the Commission complied with the provisions of IPERA, as applicable.

Audit of ITCNet's Security Log Management System, OIG-AR-21-08

RESULT: We determined that the Commission had not effectively managed its systems security logs for core infrastructure systems.

We performed this audit to determine if the Commission effectively collected, analyzed, and reviewed its core infrastructure system security logs. We reviewed the core infrastructure security logs and determined whether the Commission had fully met, partially met, or did not meet the criteria for effective implementation.

Based on this review, we identified two problem areas and issued four recommendations to address the problems identified. The Commission agreed with the report and issued management decisions to address the recommendations.

Summary of Prior Period Reports

Reports Without Management Decisions

The Commission has provided management decisions for all recommendations in reports issued before this reporting period.

Reports Without Management Comments

The Commission provided management comments within 60 days for all reports that contained recommendations. The Commission is not required to provide comments on reports that do not have recommendations.

Prior Year Unimplemented Recommendations and Cost Savings

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

U.S. International Trade Commission

Inspector General Semiannual Report

Table 4: Prior Year Unimplemented Recommendations and Cost Savings

Prior Year Unimplemented Recommendations and Cost Savings			
Fiscal Year	Number of Reports With Unimplemented Recommendations	Number of Unimplemented Recommendations	Dollar Value of Aggregate Potential Cost Savings
15	1	2	\$0
18	1	3	\$0
20	1	2	\$0

Significant Recommendations From Prior Periods

The Commission has not completed corrective action for seven recommendations described in prior semiannual reports. We have identified one of these recommendations—related to the Commission’s system of internal rules—as significant. The report number and the recommendation are provided in table 4, followed by a summary of the report.

Table 5: Significant Recommendations From Prior Periods

Significant Recommendations From Prior Periods	
Report Number	Recommendation
OIG-AR-15-14	Recommendation 2: Define standard format and content requirements for each type of internal rule.

Our September 2015 report, *Audit of Directives Management*, focused on directives management. Managing directives is a core function of the system of internal rules. The internal rules system shapes the Commission’s governance culture and plays a crucial role in internal control activities.

U.S. International Trade Commission

Inspector General Semiannual Report

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

Hotline and Investigations

Investigations and Inquiries: Overview

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

Our office reviews and analyzes each hotline complaint received to determine the appropriate course of action and, as needed, conducts a preliminary inquiry. If the information we find during the initial inquiry indicates that 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 mismanagement involving Commission programs or operations. The information may come to us in person, by telephone, fax, email, or mail, or through a form on our public website. When requested, we will endeavor to keep a provider's identity confidential. Complaints may also be made anonymously, but this may limit our ability to look into the matter brought to our attention.

We receive complaints from employees, contractors, and the public that involve the Commission's areas of responsibility. We examine these complaints to determine whether there is any indication of waste, fraud, abuse, mismanagement, 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 take no action and close the matter.

U.S. International Trade Commission

Inspector General Semiannual Report

Summary of Matters Referred to Prosecuting Authorities

The OIG received a referral from the USITC Office of the General Counsel (OGC) regarding an employee's possible violation of 18 U.S.C. § 208(a), Acts Affecting a Personal Financial Interest. In its referral, OGC concluded that all elements of a section 208(a) violation were established; however, mitigating factors were present. The OIG discussed this matter with the Department of Justice's Public Integrity Section, which informed the OIG that it would not open a criminal investigation. This matter is now closed.

Investigations with Substantiated Allegations Involving Senior Government Employees

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

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 issue any investigative reports that were not disclosed to the public during this reporting period.

U.S. International Trade Commission

Inspector General Semiannual Report

External Reviews Completed During This Period

Office of Government Ethics

The Office of Government Ethics completed an inspection of the U.S. International Trade Commission's ethics program and issued its Inspection Report on September 2, 2021. The review covered the time period January 1, 2020 through December 31, 2020 and contained two recommendations. The recommendations focused on procedures to notify ethics officials of promotions and the filing timeliness of nonconfidential new entrant reports.

Status of Actions Related to External Reviews Completed During Prior Periods

Office of Personnel Management

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

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

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

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

U.S. International Trade Commission

Inspector General Semiannual Report

Assistance to Other Offices of Inspector General

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

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

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

Congressional Activities

The Inspector General did not receive any Congressional requests during this reporting period.

Council of the Inspectors General on Integrity and Efficiency

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

U.S. International Trade Commission

Inspector General Semiannual Report

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 its intermediate target dates to bring the agency’s financial management system into substantial compliance with the FFMIA. The Commission is not subject to the FFMIA; however, it voluntarily seeks to comply with most of its requirements. During this reporting period, there were no events that gave rise to a duty to report under FFMIA.

Peer Review

Each statutory OIG should receive an independent review of its audit operations once every three years, consistent with applicable standards and guidelines. The Consumer Product Safety Commission’s Office of Inspector General performed the last peer review of our office. The final report, issued on March 20, 2019, found that the system of quality control for conducting audits was suitably designed and implemented, giving it a peer review rating of “pass.” The reviewers did not make any recommendations. The next triannual peer review of our office will be this year, in accordance with the peer review schedule set by CIGIE.

U.S. International Trade Commission

Inspector General Semiannual Report

Table 6: Reports With Questioned and Unsupported Costs

Reports With Questioned and Unsupported Costs			
Description	Number of Reports	Questioned Costs	Unsupported Costs
Reports for which no management decision had been made by the commencement of the reporting period.	0	\$0	\$0
Reports issued during the reporting period.	3	\$0	\$0
Totals	3	\$0	\$0
Reports for which a management decision was made during the reporting period.	3	\$0	\$0
<ul style="list-style-type: none"> Dollar value of disallowed costs. 		\$0	\$0
<ul style="list-style-type: none"> Dollar value of allowed costs. 		\$0	\$0
Reports for which no management decision had been made by the end of the reporting period.	0	\$0	\$0
Totals	3	\$0	\$0

U.S. International Trade Commission

Inspector General Semiannual Report

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

Reports With Recommendations That Funds Be Put to Better Use		
Description	Number of Reports	Funds Put to Better Use
Reports for which no management decision had been made by the commencement of the reporting period.	0	\$0
Reports issued during the reporting period.	3	\$0
Totals	3	\$0
Reports for which a management decision was made during the reporting period.	3	\$0
<ul style="list-style-type: none"> Dollar value of recommendations agreed to by management. 		\$0
<ul style="list-style-type: none"> Dollar value of recommendations not agreed to by management. 		\$0
Reports for which no management decision had been made by the end of the reporting period.	0	\$0
Totals	3	\$0

U.S. International Trade Commission

Inspector General Semiannual Report

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

Reports With Final Action Completed During This Reporting Period					
Reports Issued this Reporting Period					
	Report Title	# of Recs.	Mgt. Decisions	Final Action Completed in Prior Periods	Final Action Completed This Period
1	Management and Performance Challenges OIG-MR-21-09	0	0	0	0
2	Audit of ITCNet’s Security Log Management System, OIG-AR-21-08	4	4	0	4
3	Management Report: Improper Payment Determination for Fiscal Year 2020, OIG-MR-21-07	0	0	0	0
Totals		4	4	0	4
Prior Reporting Periods					
	Report Title	# of Recs.	Mgt. Decisions	Final Action Completed in Prior Periods	Final Action Completed This Period
1	Management Letter: Fiscal Year 2020 Financial Statement Audit, OIG-ML-21-05	6	6	2	4
2	Management Letter: Overpayments, OIG-ML-20-14	3	3	2	1
Totals		9	9	4	5

U.S. International Trade Commission

Inspector General Semiannual Report

Table 9: Status of Reports Issued Without Final Action

Status of Reports Issued Without Final Action						
This Reporting Period						
	Report Title	# of Recs.	Mgt. Decisions	Decisions IG Disagrees With	Final Action Complete	Action Not Complete
1	N/A	N/A	N/A	N/A	N/A	N/A
	Totals	0	0	0	0	0
Prior Reporting Periods						
	Report Title	# of Recs.	Mgt. Decisions	Final Action Complete Prior Periods	Final Action Complete This Period	Action Not Complete
1	Audit of Data in the 337Info System, OIG-AR-20-12	6	6	4	0	2
2	Audit of Time and Attendance, OIG-AR-18-09	8	8	4	1	3
3	Audit of Directives Management, OIG-AR-15-14	11	11	9	0	2
	Totals	25	25	17	1	7

U.S. International Trade Commission

Inspector General Semiannual Report

Table 10: Statistical Table of Investigative Reports

Statistical Table of Investigative Reports	
Description	Count
Number of investigative reports issued	0
Number of persons referred to DOJ for criminal prosecution	1
Number of persons referred to State and Local authorities for criminal prosecution	0
Number of indictments and criminal information resulting from any prior referrals to prosecuting authorities	0
The information in this table is derived from the Office of Inspector General's investigation reports.	

U.S. International Trade Commission

Appendix A: Chair's Statistical Tables

Table A: Reports with Disallowed Costs

Total Number of Reports and the Dollar Value of Disallowed Costs		
Description	Number of Reports	Dollar Value of Disallowed Costs
Reports issued during the period.	3	\$0
Reports for which final action had not been taken by the commencement of the reporting period.	5	\$0
Reports on which management decisions were made during the reporting period.	3	\$0
Reports for which final action was taken during the reporting period.	5	\$0
<ul style="list-style-type: none"> Dollar value of disallowed costs, recovered by management. 		\$0
<ul style="list-style-type: none"> Dollar value of disallowed costs written off by management. 		\$0
Reports for which no final action has been taken by the end of the reporting period.	3	\$0

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

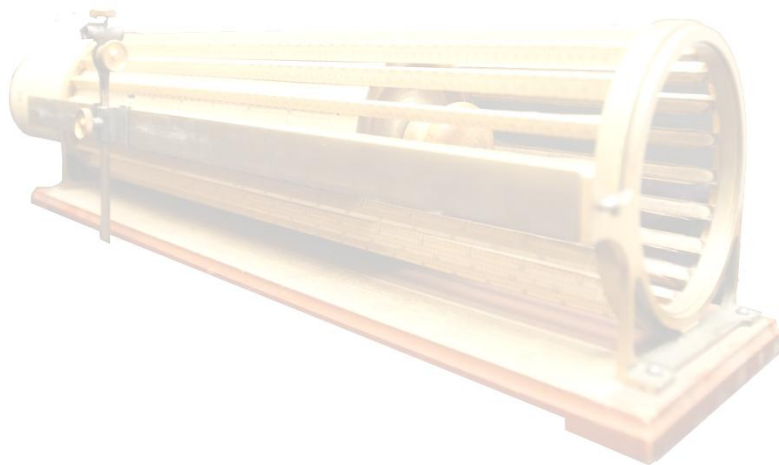
Reports with Recommendations that Funds be Put to Better Use		
Description	Number of Reports	Funds Put to Better Use
Reports for which final action had not been taken by the commencement of the reporting period.	5	\$0
Reports on which management decisions were made during the reporting period.	3	\$0
Reports for which final action was taken during the reporting period including:	5	\$0
<ul style="list-style-type: none"> Dollar value of recommendations that were actually completed. 		\$0
<ul style="list-style-type: none"> Dollar value of recommendations that management has subsequently concluded should not or could not be completed. 		\$0
Reports for which no final action has been taken by the end of the reporting period.	3	\$0

U.S. International Trade Commission

Appendix A: Chair's Statistical Tables

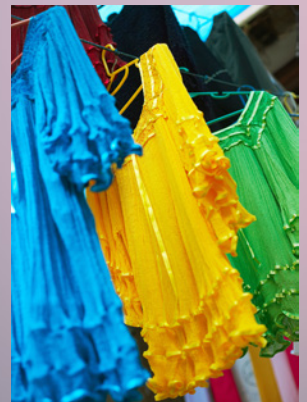
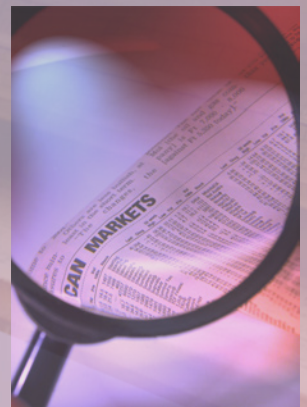
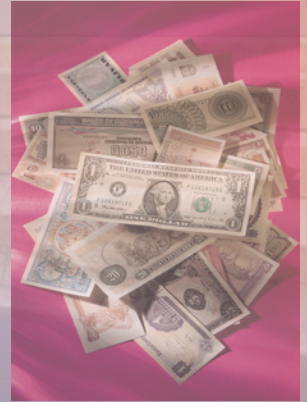
Table C: Prior Year Management Decisions Without Final Action

Prior Year Audit Reports On Which Management Decisions Have Been Made but Final Action has Not Been Taken				
Audit Report	Date Issued	Disallowed Costs	Funds Put to Better Use	Reason Final Action Has Not Been Taken
OIG-AR-20-12	02/26/2020	\$0	\$0	Provided in the Chair's Message
OIG-AR-18-09	03/27/2018	\$0	\$0	Provided in the Chair's Message
OIG-AR-15-14	09/02/2015	\$0	\$0	Provided in the Chair's Message



“Thacher’s Calculating Instrument” developed by Edwin Thacher in the late 1870s. It is a cylindrical, rotating slide rule able to quickly perform complex mathematical calculations involving roots and powers quickly. The instrument was used by architects, engineers, and actuaries as a measuring device.

To Promote and Preserve the Efficiency, Effectiveness, and Integrity of the U.S. International Trade Commission



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