

Office of INSPECTOR GENERAL

Semiannual Report

April 1 - September 30, 1994



October 1994

Date Issued



UNITED STATES INTERNATIONAL TRADE COMMISSION

WASHINGTON, D.C. 20436

October 28, 1994

OFFICE OF INSPECTOR GENERAL SEMIANNUAL REPORT

TO THE COMMISSION AND THE UNITED STATES CONGRESS

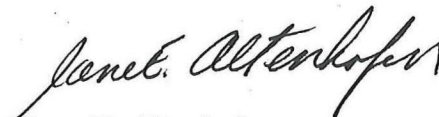
It is my pleasure to submit this Semiannual Report which summarizes the major activities and accomplishments of the Office of Inspector General (OIG), U.S. International Trade Commission for the period April 1 through September 30, 1994. The submission of this report is in accordance with the Inspector General Act of 1978, as amended. Section 5 of the Inspector General Act requires that the Chairman transmit this report to the appropriate committees or subcommittees of the Congress within 30 days of its receipt.

With a full complement of staff for virtually the entire time, the OIG had a very productive period. Four audit and five inspection reports were issued. Seven new investigations were initiated and ten investigations were closed, reducing the balance of open investigations to three cases. In addition, the OIG reviewed three final regulations and commented on eight directives.

During this period, the OIG conducted an audit which found material internal control weaknesses in the property management system. This finding was particularly significant because material weaknesses were reported in the property system in November 1991, and reported as having been corrected in September 1992. To ensure that the weaknesses are corrected this time, we recommended quarterly reporting to the Chairman. The OIG will evaluate these quarterly reports, and the Vice Chairman, per the Chairman's request, will monitor the actions taken.

In November 1993, the General Accounting Office recommended that Inspectors General at the designated Federal entities develop strategic plans for a 5-year period. As recommended, the OIG prepared a strategic plan for fiscal years 1995 through 1999.

I appreciate the support of all Commission employees in achieving the accomplishments set forth in this report.


Jane E. Altenhofen
Inspector General

COMMISSION PROFILE

The Commission is a quasi-judicial, independent, nonpartisan agency established by Congress with broad investigative powers on matters of trade. The Commission has a unique mission to develop factual, objective research and information on a wide variety of matters pertaining to international trade. Major Commission activities include: determining whether U.S. industries are materially injured by reason of imports sold at less than fair value or benefiting from subsidies; conducting studies on tariff and trade issues; and participating in the development of statistical data on imports, exports, and domestic production and the establishment of an international harmonized commodity code.

The Commission conducts investigations under several statutory provisions, generally upon petition or complaint, with respect to the impact of imports on U.S. industries. The Commission also provides advice and information, upon request, to the President and the Congress on tariff and trade matters. When appropriate, the Commissioners conduct public hearings and evaluate testimony and other information in making findings and recommendations. Decisions of the Commissioners under certain statutory provisions administered by the Commission are binding and subject to judicial review.

The Commission has six Commissioners, appointed by the President and confirmed by the Senate, who serve one term of nine years, unless appointed to fill an unexpired term. The Chairman is designated by the President and serves a two-year statutory term. No more than three Commissioners may be of the same political party and the term of a Chairman shall not be succeeded by a Chairman of the same political party.

In June 1994, two designations were made involving the Commission. Peter S. Watson was designated as Chairman for the term June 17, 1994, through June 16, 1996. Janet A. Nuzum was designated as Vice Chairman for the same term.

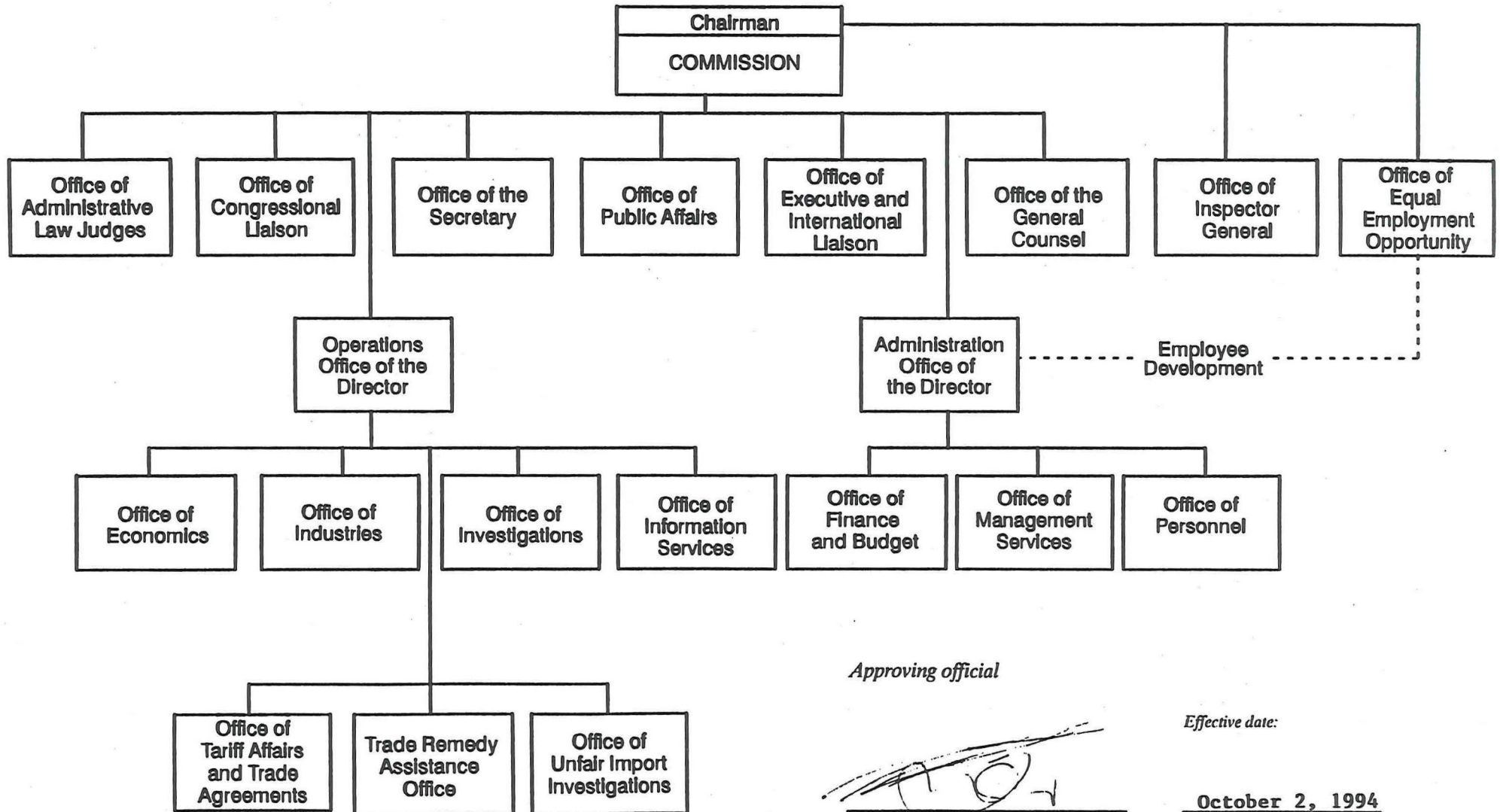
On September 30, 1994, the Commission established an Office of Equal Opportunity effective October 2, 1994. A new organization chart for the Commission is shown on the following page.

The Commission had a single salaries and expense appropriation in the amount of \$43,500,000 for fiscal year (FY) 1994. Approximately 70% of the Commission's appropriation was allocated to personnel compensation and benefits, reflecting the labor intensive nature of the Commission's mission. In addition, approximately 17% of the appropriation was allocated for space rental. The balance of expenses consisted primarily of communications, travel, supplies and equipment.


The Commission had an authorized staffing level of 502 permanent positions in FY 1994 of which 462 positions were funded. All of its employees are located in one building at 500 E Street, S.W., Washington, D.C.



U.S. International Trade Commission



Approving official


Chairman

Effective date:

October 2, 1994

THE OFFICE OF INSPECTOR GENERAL

The Commission established the Office of Inspector General (OIG) pursuant to the Inspector General Act Amendments of 1988 (P.L. 100-504). The Inspector General reports directly to the Chairman as head of the agency, subject to the limitations of section 331 of the Tariff Act of 1930 (19 U.S.C. §1331). The Inspector General is responsible for directing and carrying out audits, investigations and inspections relating to Commission programs and operations, and for recommending and commenting on proposed legislation, regulations and procedures as to their economy, efficiency and effectiveness. Certain information and statistics that are required by section 5(a) of the Inspector General Act to be included in the Semiannual Reports are summarized in Attachment A.

RESOURCES

FY 1994 The OIG was allocated three and a half staff years. This provided for three full-time positions (the Inspector General, a staff auditor and a staff assistant) and one half-time permanent position (attorney-advisor). A graduate student employee assisted with audit, inspection, and investigative functions.

The OIG's budget allocation included \$50,000 for contract audit services. An audit firm was awarded funds to conduct four reviews.

The Office of Personnel continues to provide support in accordance with a Memorandum of Understanding that was updated on April 26, 1993.

Procurement Issues A considerable amount of OIG resources were expended this period on procurement related issues. At the beginning of the period, we addressed the right of contract auditors to have access to privileged information. Later, we addressed the revision of the Commission's policy on advisory and consultant services and the need to exempt the OIG from a Commission review process that can give the appearance of interfering with the Inspector General's authority to conduct audits and investigations; this issue is currently before the Commission for resolution. Since June, we had to repeatedly defend my recommendation as a Contracting Officer's Technical Representative not to extend an option year for the audit services contract, and even request the Chairman's intervention. The companion issue of my authority to procure audit services through other means was not resolved until mid-October 1994. Finally, for the last two months, we had considerable difficulty in obtaining an adequate level of quality for transcription services.

The significant problems encountered this period indicate a need for clarification of the procurement authority given in the Inspector General Act, including whether legal advice on OIG purchases should be provided by the Counsel to the Inspector General or the General Counsel. I will pursue this issue in the following period.

AUDIT ACCOMPLISHMENTS

Audits and Reviews

Four audit reports were issued during this period. They were:

- IG-02-94, Evaluation of the Organizational Structure of Commission Libraries;
- IG-03-94, Review of Ways to Increase the Economy and Efficiency of Section 337 Investigations;
- IG-04-94, Audit of Property and Supplies Management; and
- IG-05-94, Review of the Role of the Office of General Counsel in Appeals of Commission Decisions in Public Investigations.

The audit reports are summarized in Attachment B.

As of September 30, 1994, the one ongoing effort was a Follow-up Review of Selected Activities in the Office of Tariff Affairs and Trade Agreements.

Significant Findings

An audit of property and supplies management found that, despite the actions taken in response to a prior report, the Commission's master property list was not accurate. The property management was no different than that described by the OIG in November 1991 as having material internal control weaknesses, except that there was significantly less property in the system in 1994. Even the Property Management Officer (PMO) stated that the inventory data was useless and there were serious weaknesses in the maintenance of ADP equipment property action forms.

One of the most basic controls in a property system is to have completed an annual inventory, meaning that accountable officers (AOs) review the master property list provided by the PMO and reconcile all differences, resulting in a final accurate list. The Commission has required annual inventories since 1988. In the prior audit, we found that an inventory had not been completed in calendar years 1989, 1990, or 1991. Now, 1992 and 1993 can be added to this list.

Another significant control in a property system is the use of documentation to track the transfer of property. This aspect of the Commission's system was significantly changed from the previous system after the last audit. To reduce the burden on managers, only changes between AOs had to be documented, rather than every change of location. The losing office has responsibility for initiating the form used as documentation for a property transfer. However, we found that this responsibility was not well understood, especially for computer equipment, and the forms were maintained in such a manner that they could not be readily matched to transfers. According to the PMO, AOs frequently did not complete the transfer forms, resulting in serious problems with the master property list accuracy.

Even though the PMO was aware that the property system had serious weaknesses, he did not bring them to management's attention for action. The PMO reported no weaknesses, material or non-material, in letters of assurance submitted as part of the FYs 1992 and 1993 internal control processes, indicating that the system of controls as reported in September 1992 was working properly. The Director of Administration said that he was not aware of the weakness. The PMO said that he understood that only weaknesses in the system of controls had to be reported, not that management officials outside of his control were not complying with the controls. We believe that the PMO was obligated to report that he was unable to confirm the accuracy of the master property list and to identify the lack of compliance as a cause.

Several Commissioners expressed concern about the continuing problems in the property management system. The Chairman requested that the Vice-Chairman monitor the efforts of the Office of Administration to correct the system deficiencies. We recommended that inventories be conducted quarterly in FY 1995 to improve the reconciliation process. We will conduct a follow-up review to evaluate the inventory scheduled for the end of the first quarter.

Details on the report findings and recommendations are presented in Attachment B.

INSPECTIONS

Reports Issued

During this period, five inspections were completed and the following reports were issued:

Report No. 5-94	Quarterly Review of Travel Expenditures
Report No. 6-94	Cash Counts of USITC Imprest Funds
Report No. 7-94	Quarterly Review of Travel Expenditures
Report No. 8-94	Cash Counts of the USITC Imprest Funds
Report No. 9-94	Quarterly Review of Travel Expenditures.

The inspections had no significant findings, although various suggestions were made to improve operations or internal controls. See Attachment C for a summary of the inspection findings.

**Review of
Legislation,
Regulations,
Directives**

As set forth in the Inspector General Act, a duty and responsibility of the Inspector General is to review existing and proposed legislation and regulations relating to programs and operations of the Commission. This period, legislation was proposed to amend the Inspector General Act of 1978 and to enhance the Whistleblower Protection Act. We submitted comments on these bills to the Chairman of the Subcommittee on Legislation and National Security and the Chairman of the Subcommittee on Commerce, Consumer, and Monetary Affairs, House Committee on Government Operations in response to their request. ✓

We reviewed three proposed amendments to the Commission rules. These were the final rules implementing the North American Free Trade Agreement; the final rules of practice and procedure for investigations and related proceedings under section 337 of the Tariff Act of 1930; and final rules with changes to Commission practices involving miscellaneous subjects such as administrative protective orders.

In November 1993, we proposed language to revise the Commission rules to clarify provisions on initial denial authority concerning requests for OIG documents under the Freedom of Information Act and Privacy Act. The proposed language was to be merged with the changes concerning Business Proprietary Information. Publication of the proposed rules has been delayed in order to reach agreement on language for the latter changes. We continue to coordinate with the Office of General Counsel on this matter.

The Inspector General also has the responsibility to review all proposed Commission directives to evaluate the impact new or revised procedures will have on the efficiency of operations and to minimize the potential for fraud or abuse. Eight directives were reviewed during this period on the following topics:

- Internal Control Reporting Requirements;
- Mission and Functions Statements;
- Emergency Evacuation; and
- Office symbols on outgoing correspondence.

LIAISON ACTIVITIES

**ECIE/
PCIE**

The Inspector General is an active member of the Executive Council on Integrity and Efficiency (ECIE), which consists primarily of the Inspectors General at the 34 Federal entities designated in the 1988 amendments to the Act. She also participates in activities sponsored by the President's Council on Integrity and Efficiency (PCIE), which consists primarily of the Presidentially-appointed Inspectors General. The ECIE and PCIE have identical functions and joint responsibility to promote integrity and efficiency and to detect and prevent fraud, waste, and abuse in Federal programs.

The Inspector General became Chair of the ECIE Peer Review Committee in October 1993. As such, she is responsible for arranging peer reviews when requested by an Inspector General and for coordinating the peer review activities. During this period, she arranged and/or coordinated five reviews that are in process and three that were completed.

The Inspector General and OIG staff assistant participated in orientation and training on the ECIE Bulletin Board Service which has been developed and hosted by the Office of Inspector General of the Tennessee Valley Authority. The staff assistant is liaison to this project as well as to IGNet, an Internet approach to sharing information resources within the Inspector General community. IGNet has been developed by the Department of Justice with the cooperation of the PCIE and ECIE.

In January 1994, the General Counsel, Senior Executives Association, wrote to the Chairman, Senate Governmental Affairs Committee, expressing concern with procedures for conducting investigations of administrative allegations by several Inspectors General. The Chairman responded by requesting a "response from the PCIE and ECIE regarding this matter." We participated in a survey of OIGs to determine practices for handling administrative allegations against Government employees including Senior Executive Service managers, and reviewed the draft response. The final response was sent to the Chairman in September 1994.

**General
Accounting
Office**

The Inspector General Act states that each Inspector General shall give particular regard to the activities of the Comptroller General of the United States with a view toward avoiding duplication and ensuring effective coordination and cooperation. A summary of the General Accounting Office (GAO) reviews that include, in part, Commission activities follows:

Ongoing Reviews 03/31/94	4
Reviews Initiated	<u>2</u>
Total	6
Reviews Completed	<u>2</u>
Ongoing Reviews 09/30/94	4

Two reviews were initiated during this period. These are entitled:

- Ascertain Issues Affecting U.S. Trade with and Investment in Russia; and
- Review on the Investigation and Adjudication of Personnel Security Clearances.

GAO issued two reports entitled:

- THE GENERAL AGREEMENT ON TARIFFS AND TRADE: Uruguay Round Final Act Should Produce Overall U.S. Economic Gains; and
- POLITICAL APPOINTEES: Turnover Rates in Executive Schedule Positions Requiring Senate Confirmation.

The reports included no recommendations for the Commission.

In November 1993, GAO issued a report entitled "INSPECTORS GENERAL: Action Needed to Strengthen OIGs at Designated Federal Entities." In the report, GAO recommended that the Inspectors General at the designated Federal entities develop strategic plans for a 5-year period. As recommended, the OIG began preparing a strategic plan during this period. The Inspector General and OIG auditor attended training, researched various approaches to strategic planning, and prepared a 5-year Strategic Plan for FYs 1995 through 1999.

Commission Projects

The Inspector General continued with training and developmental assignments related to participation in the Commission's Senior Executive Service Development Program. She also presented an overview of the mission, functions, and operations of the OIG to employees who participated in the Commission's Resource Orientation Program on September 14, 1994.

The National Performance Review reported that the nature of OIG operations has sometimes resulted in an adversarial role with agency personnel and recommended that the Inspector General's method of operation be more collaborative. In support of this recommendation, the OIG has become more involved in Commission projects. Specifically, the OIG staff assistant participated in multiple Commission projects as follows:

- He participated in testing and evaluating word processing software for replacement of the current Commission standard.
- As one of the Commission's Directives Coordinators, he helped to develop and evaluate an electronic implementation of USITC directives focused on the presentation of the text of directives.
- He is one of the USITC contacts for the Federal Workplace HIV/AIDS Education Initiative. In support of this, he collected and coordinated information resources on the subject, developed an exposure draft for a revised USITC Directive concerning HIV/AIDS responsibilities, services and education issues, and led an effort to encourage Commission employees to support and participate in AIDSWALK 1994.
- He was detailed to the Office of the Director of Administration for four weeks as a developmental assignment. He assisted the Director with the HIV/AIDS and USITC Directives efforts mentioned above, GAO liaison activities, and other matters related to the Office of Administration.

**INFORMATION REQUIRED BY SECTION 5(a)
OF THE INSPECTOR GENERAL ACT**

Certain information and statistics based on the activities accomplished during this period are required by section 5(a) of the Act to be included in the Semiannual Reports. These are set forth below:

Section 5(a)

- (1), (2), (7) - The OIG did identify significant problems, abuses or deficiencies relating to the administration of the property management program as discussed on pages 4 and 14 of this report.
- (3) - Corrective action has been completed on all significant recommendations which were described in the previous semiannual reports.
- (4) - One matter was referred to prosecutorial authorities. There were no prosecutions or convictions.
- (5) - No reports were made to the Chairman that information or assistance requested by the Inspector General were unreasonably refused or not provided.
- (6) - A listing by subject matter is located in Attachment D.
- (8), (9) - The audit reports issued during this period included no recommendations on questioned costs or funds that could be put to better use. See Tables 1 and 2.
- (10) - There are no audit reports issued before the commencement of the reporting period for which no management decision has been made by the end of the reporting period.
- (11) - No significant revised management decisions were made during the reporting period.
- (12) - There are no significant management decisions with which I am in disagreement.

SUMMARY OF THE AUDIT REPORTS

TITLE: EVALUATION OF THE ORGANIZATIONAL STRUCTURE OF COMMISSION LIBRARIES

REPORT NUMBER: IG-02-94

REPORT DATE: April 11, 1994

FINDINGS: The objective of this review was to evaluate the justification for multiple libraries: the National Library of International Trade (commonly called the Main Library) within the Office of Operations; the Law Library within the Office of General Counsel; and the Office of the Administrative Law Judges' "library/reading room" from management, user, and monetary viewpoints.

We found that although the functions for material requests and acquisition processing are duplicated in the two libraries, there did not appear to be significant excess capacity to warrant a consolidation of these procedures in either of the libraries. The review did not identify any instances of non-compliance with Federal laws and regulations. However, certain matters regarding the internal control structure were found as follows:

- 1) The organizational structure for the Main Library did not always provide for the proper separation of duties necessary to maintain adequate internal controls over acquisitions.
- 2) Procedures for avoiding duplications in ordering were highly informal and require enhancement to reduce the likelihood of unnecessary duplication of titles between the two libraries.

RECOMMENDATIONS: We recommended that the Director of Operations instruct the Director of Information Services to implement the recommendations to delineate responsibilities in the Main Library and to coordinate with the General Counsel in developing desk procedures to prevent duplication of acquisitions.

Representatives of the Offices of Operations, Information Services, General Counsel, and the Administrative Law Judges generally concurred with the findings and recommendations. The Director of Operations agreed with findings and recommendations and took prompt action to implement corrective actions.

TITLE: REVIEWS OF WAYS TO INCREASE THE ECONOMY AND EFFICIENCY OF THE PROCESS FOR CONDUCTING SECTION 337 INVESTIGATIONS

REPORT NUMBER: IG-03-94

REPORT DATE: August 19, 1994

FINDINGS: The objective of this review was to evaluate ways to increase the economy and efficiency of the process for conducting investigations of infringements of patents, trademarks, copyrights, or mask work and other unfair practices in import trade, hereafter called section 337 investigations.

We found that the process to conduct 337 investigations could be improved in three areas -- paperwork, physical evidence, and voting procedures -- as follows:

- The paperwork process could be improved by decreasing the number of Federal Register notices, better coordination with other Federal agencies, issuing reports in a timely manner, and simplifying the distribution and filing systems.
- The Commission does not have a written policy that specifically addresses retention of physical evidence; in practice, the Commission stored physical evidence that was part of the record for 337 investigations for lengthy periods, sometimes far longer than was necessary.
- The Commission rules need to be changed to address two voting procedures -- the provision that one Commissioner can initiate certain actions and the absence of definitive guidance on the resolution of tie votes.

RECOMMENDATIONS: We recommended that the General Counsel or Secretary, as appropriate:

1. Prepare an Administrative Order or Notice for the Chairman's signature to cease publication of any notices except those required by law and or regulation;
2. Propose amending the rules to delete requirements for publishing notices that are not required by law, after which time the Secretary would cease to publish these;

3. Propose amending the rules for consulting and coordinating with other Federal agencies to eliminate requirements for providing copies of published notices and establish a system to generate meaningful input;
4. Develop a Commission policy on publishing section 337 reports that includes guidance on issuing the reports in a timely manner;
5. Coordinate a Commission-wide effort to develop an electronic filing system and then revise the distribution system to minimize the number of hard copy documents distributed for information that are duplicates;
6. Determine the appropriate number of copies to be submitted with a complaint and during the course of the investigation, and propose appropriate language to amend the Commission rules;
7. Ensure that all property has been returned to the parties who requested it, or notify the Office of Management Services (OMS) that property is ready for disposal;
8. Propose changes to the Commission rules concerning retrieval, storage, and abandonment of physical evidence;
9. Provide input to OIS for a policy on retention of physical evidence to be included in the Commission's Records Disposal Schedule; and
- 10/11. Propose language revising the Commission rules to incorporate provisions requiring that one-half of the Commissioners voting agree on review or oral arguments, and clarify procedures for resolving a tie vote situation.

The General Counsel agreed to prepare action requests in order for the Commission to formally address the issues needing policy decisions on all but three of the recommendations. She agreed to prepare an action request for two recommendations if so directed by the Commission. One recommendation was moot.

The Secretary fully supported the recommendation to coordinate a Commission-wide effort to develop an electronic filing system and agreed with the recommendation to provide input for the revision of the retention schedule in accordance with the Federal Records Act. She proposed an alternative system to our recommendation for disposal of property with which we concurred, and transferred virtually all eligible property to OMS for disposal in conformance with this policy.

TITLE: AUDIT OF PROPERTY AND SUPPLIES MANAGEMENT

REPORT NUMBER: IG-04-94

REPORT DATE: August 26, 1994

FINDINGS: This audit of property management was scheduled in accordance with Federal regulations followed by the Commission that a detailed evaluation of agency financial systems shall be conducted on a cyclical basis of every three years. The objectives of this audit were: determine whether proposed actions agreed upon by management in response to the prior property management review had been implemented and adequately addressed the findings; and evaluate and determine the economy and efficiency of the property and supplies management functions.

The auditors concluded that the supply inventory system could be enhanced with implementation of systems offered by outside suppliers based on the following findings:

- The supply room attendant maintains perpetual inventory records on a dBase computer program. Quantities for nine items (out of ten counted) did not agree with the perpetual inventory records.
- Office supplies were also stored in two additional locations: the USITC parking garage and a USITC storage unit located in Forestville, Maryland. The contents of the parking garage appear disorganized and the quantity of supplies in the Forestville-storage unit did not appear to be significant.
- A weakness existed regarding the segregation of duties in the supply room as the room attendant is responsible for maintaining the perpetual inventory system and also has physical access to the supplies.
- The print branch maintains manual inventory records and performs periodic physical inventories, but the methodology used does not provide for any reconciliation procedure which would identify unauthorized use of paper supplies.

The auditors also concluded that the Master Property Listing (MPL) was not accurate based on the following findings:

- 73 of 588 (12%) of the items on the MPL were not located in any of the areas observed during the physical inventory.

- b. The PMO should coordinate the completion of the AOs quarterly physical inventory listing with a periodic (at least annual) visual inspection to ensure all items reported by each AO are present and properly recorded on the MPL.
 - c. 35 mm cameras and printers should be included as trackable property. We also suggested the three cameras which we observed in the OMS Design Branch be rebarcoded.
- 4. Inventory the MPL quarterly, rather than annually, for one year so that the reconciliation process with the AOs can be performed on a more timely basis. Once all of the 110 forms are processed, the AO or his/her designee should promptly receive a revised property listing. This will provide the AO or his/her designee an opportunity to correct entries which may have been overlooked or entries which were not processed properly by OMS. The results of the quarterly inventory should be reported to the Chairman.
- 5. Provide for a property management training program for all AOs, alternates and custodians. This might be conducted in conjunction with the inventory observation procedures recommended above.
- 6. Remind the AOs they are ultimately responsible for property assigned to their area, and may be held financially accountable for property lost or misplaced. Encourage the AOs to use the same designee from year to year, if practical.
- 7. Consider implementing color coded barcodes to segregate trackable property from other barcoded equipment.

The Director of Administration generally agreed with each of the above recommendations.

TITLE: REVIEW OF THE ROLE OF THE OFFICE OF GENERAL COUNSEL IN APPEALS OF COMMISSION DECISIONS IN PUBLIC INVESTIGATIONS

REPORT NUMBER: IG-05-94

REPORT DATE: September 12, 1994

FINDINGS: The objective of this review was to determine if the Office of the General Counsel (OGC) was performing its responsibilities for defending the Commission's decisions in a cost effective manner, that the related functions and expenses are properly allocated within the organization, and to note other areas for improvement.

The auditors found that the appeals process was carried out by the OGC in a cost effective manner. They did not identify any instances of non-compliance with Federal laws or regulations. However, certain matters regarding the Commission's internal control structure were noted as follows:

1. The Activity Reporting System (ARS) reports contain inaccuracies and do not provide a sufficient level of detail for analysis.
2. The Commission's accounting system does not provide data which fully indicates the costs incurred to operate OGC.

RECOMMENDATIONS: We recommended that OGC: work with the Office of Administration to obtain a greater level of activity coding detail with respect to OGC litigation and appeals matters; reconcile and test ARS reports on a continuous basis; and obtain some reasonable methodology for allocating joint overhead costs to determine the total costs related to operating the OGC.

The General Counsel generally agreed with the findings, but added that the last recommendation applies to the Commission as a whole, not just the OGC.

SUMMARY OF INSPECTION REPORTS

INSPECTION REPORT:

FINDINGS:

No. 5-94
**Quarterly Review of
Travel Expenditures**
April 5, 1994

We found that the Commission complied with Federal regulations governing the acceptance of travel expenses as a gift. The Commission's ethics officials were properly advising the Commission on gift acceptances and, with one exception, reporting gifts of travel expenses. The Finance Division was properly processing travel vouchers with gift acceptances and obtaining reimbursements.

No. 6-94
**Cash Counts of USITC
Imprest Funds**
May 13, 1994

The alternate fund in the Office of Finance and Budget and the main fund in OMS were in balance; however, we found an incorrectly prepared reimbursement voucher due to a transposition error. The alternate fund in OMS had a shortage of 65 cents; the cashier restored the shortage and the fund was in balance when we conducted a second cash count on May 10, 1994.

No. 7-94
**Quarterly Review of Travel
Expenditures**
July 8, 1994

We found the Commission complied with Federal regulations and Commission policy governing the use of actual subsistence travel. Actual subsistence was properly approved, and computation of travel expenses was correctly done. We also determined that, with one exception, Commission employees were not claiming or receiving actual subsistence without the required approval.

No. 8-94
Cash Counts of USITC
July 12, 1994

The imprest funds were in balance.

No. 9-94
**Quarterly Review of
Travel Expenditures**
September 30, 1994

We found that the Commission complied with Federal regulations and Commission policy governing the use of rental vehicles. The use of rental vehicles was properly approved and accounted for, and other than a few observations, was in compliance with Federal regulations and Commission policy.

**LIST OF AUDIT REPORT
BY SUBJECT MATTER**

<u>Report Title</u>	<u>Report Number</u>	<u>Questioned Costs</u>	<u>Unsupported Costs</u>	<u>Ineligible</u>	<u>Funds Be Put To Better Use</u>
ADMINISTRATION					
Audit of Property and Supplies Management	IG-04-94	0	0	0	0
PUBLIC INVESTIGATIONS/RESEARCH STUDIES					
Evaluation of the Organizational Structure of Commission Libraries	IG-02-94	0	0	0	0
Review of Ways to Increase the Economy and Efficiency of Section 337 Investigations	IG-03-94	0	0	0	0
Review of the Role of the Office of General Counsel (OGC) in Appeals of Commission Decisions in Public Investigations	IG-05-94	0	0	0	0

Table 1

INSPECTOR GENERAL ISSUED REPORTS WITH
QUESTIONED COSTS FOR THE SIX-MONTH PERIOD
ENDING SEPTEMBER 30, 1994

		<u>Dollar Value</u>	
		<u>Questioned</u>	<u>Unsup-</u>
		<u>Costs</u>	<u>ported</u>
			<u>Costs</u>
		Number	
		of	
		Reports	
A.	For which no management decision has been made by the commencement of the period	0	0
B.	Which were issued during the reporting period	0	0
	Subtotals (A + B)	0	0
C.	For which a management decision was made during the reporting period	0	0
	(i) Dollar value of disallowed costs	0	0
	(ii) Dollar value of costs not disallowed	0	0
D.	For which no management decision has been made by the end of the reporting period	0	0
	Reports for which no management decision was made within six months of issuance	0	0

Table 2

**INSPECTOR GENERAL ISSUED REPORTS WITH
RECOMMENDATIONS THAT FUNDS BE PUT TO
BETTER USE FOR THE SIX-MONTH PERIOD
ENDING SEPTEMBER 30, 1994**

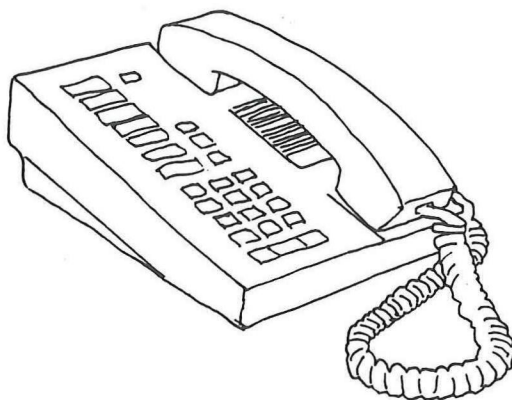
	Number of Reports	Dollar Value
A. For which no management decision has been made by the commencement of the period	0	0
B. Which were issued during the reporting period	0	0
Subtotals (A + B)	0	0
C. For which a management decision was made during the reporting period	0	0
(i) Dollar value of recommendations that were agreed to by management	0	0
(ii) Dollar value of recommendations that were not agreed to by management	0	0
D. For which no management decision has been made by the end of the reporting period	0	0
Reports for which no management decision was made within six months of issuance	0	0

If you suspect fraud, abuse, or other misconduct at the USITC, please call:

OFFICE OF INSPECTOR GENERAL

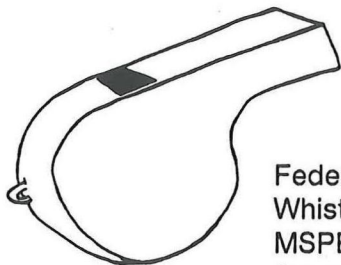
HOTLINE

202-205-2217



**This number is available 24 hours a day. The Hotline is answered by
OIG staff during duty hours and during nonduty hours a recorder is
used. If you prefer, you may send written complaints to:**

**U.S. International Trade Commission
Office of Inspector General
Room 220
500 E Street, S.W.
Washington, DC 20436**



Federal employees are protected from reprisal under the provisions of the Whistleblower Protection Act of 1989. For more information, see the MSPB publication entitled "Questions and Answers About Whistleblower Appeals", which is available in the Main Library, the Office of Personnel, and the OIG.

