

*U.S. DEPARTMENT OF COMMERCE
Office of Inspector General*



International Trade Administration

**Import Administration Has Met Most
Statutory Deadlines on Antidumping Reviews,
But Management Attention Is Needed
In Other Areas**

Final Survey Report No. IPE-16952/March 2005

**PUBLIC
RELEASE**

Office of Inspections and Program Evaluations



UNITED STATES DEPARTMENT OF COMMERCE
The Inspector General
Washington, D.C. 20230

MAR 31 2005

MEMORANDUM FOR: Grant Aldonas
Under Secretary for International Trade

Joseph Spetrini
Acting Assistant Secretary for Import Administration

FROM: Johnnie E. Frazier

SUBJECT: Final Survey Report: *Import Administration Has Met Most Statutory Deadlines on Antidumping Reviews, But Management Attention Is Needed in Other Areas*
(IPE-16952)

As a follow up to our February 10, 2004, draft report, attached is the final report on our survey of the Import Administration's (IA) administrative review process for antidumping petitions. A copy of your response to our draft report is included in its entirety as Appendix E of the report.

We appreciate the International Trade Administration's concurrence with most of our recommendations and the concrete steps taken thus far to implement them. We believe that with the one exception of our recommendation on developing a standard for verification reports, most of the actions planned or taken meet the intent of our recommendations. Within 60 days, please provide an action plan advising us of the status of the actions you have taken or plan to take to address our recommendations.

We thank the personnel in Import Administration and ITA headquarters for the assistance and courtesies extended to us during our review. If you have any questions or comments about our report, please feel free to contact me on (202) 482-4661, or Jill Gross, Assistant Inspector General for Inspections and Program Evaluations, on (202) 482-2754.

Attachment

cc: Linda Cheatham



TABLE OF CONTENTS

EXECUTIVE SUMMARY	i
BACKGROUND	1
OBJECTIVES, SCOPE, AND METHODOLOGY	5
OBSERVATIONS AND CONCLUSIONS	6
I. Most Statutory Deadlines Have Been Met, But Management and Administrative Controls Should Be Strengthened To Help Ensure Continued Compliance.....	6
A. Most Statutory Deadlines Have Been Met.....	6
B. Management and Administrative Controls Should Be Strengthened	7
II. Policies, Procedures, and Standards Need Improvement.....	11
A. Antidumping Manual Is Outdated and Causes Confusion.....	12
B. Internal Operations Handbook Should Be Developed.....	12
C. Standard for Verification Reports Is Needed.....	13
III. Management of Official Files Needs Attention	14
A. Case Files are Sometimes Incomplete Despite Regulatory Requirements	15
B. Case Files May Be Vulnerable To Fire.....	17
C. New Document Management System Needed	19
IV. Computer Support Needs Restructuring.....	20
V. Training Program for Analysts Should Be Improved.....	21
RECOMMENDATIONS.....	24
APPENDIXES	26
APPENDIX A: Types of Antidumping Administrative Reviews	26
APPENDIX B: Antidumping Investigation Process	27
APPENDIX C: Administrative Review Process	28
APPENDIX D: Acronyms	29
APPENDIX E: Agency Response	30

EXECUTIVE SUMMARY

The mission of Import Administration (IA) is to safeguard American industries and jobs against unfair trade by determining if foreign products sold in the United States are being “dumped”—sold below “normal value”—or subsidized by foreign governments. IA accomplishes this by conducting investigations of foreign companies or governments at U.S. industry’s request.

IA, particularly its Antidumping and Countervailing Duty (AD/CVD) Operations, is an organization in transition. An August 2004 reorganization consolidated AD/CVD operations under one Deputy Assistant Secretary (DAS), but the bureau still is sorting out old issues left from its previous organizational structure. One of the most significant issues, which the bureau is still struggling to remedy, is the lack of consistency in its operations. This was one of the concerns of Congress and the impetus for the reorganization.

In addition, communication between units was poor, and the agency had an institutional reluctance to develop common standards, processes, and procedures for IA’s work. IA staff has indicated that there is little time to reflect on how to improve the workflow or the bureau’s training program. All resources currently are dedicated to meeting statutorily mandated deadlines for determinations.

In September 2004, we conducted a survey of IA’s administrative review process for antidumping petitions filed by U.S. companies in order to (1) determine whether IA was meeting its statutory requirements; (2) analyze whether there were adequate policies, procedures, and guidance in place; (3) identify trends and practices related to administrative reviews; and (4) assess the adequacy of management tools and administrative controls used to manage administrative reviews. We also sought to identify areas for future OIG program reviews. Our specific findings are as follows:

Most Statutory Deadlines Have Been Met, But Management and Administrative Controls Should Be Strengthened to Help Ensure Continued Compliance. We found that IA was meeting its statutory deadlines for conducting annual administrative reviews for antidumping cases most of the time. This represents a significant improvement since our 1993 review of IA when we found that 32 percent of administrative reviews were late.¹ We examined one case record where a determination was issued 10 business days prior to the statutory deadline. We also note that the bureau extends statutory dates if deadlines fall on weekends in the sample we reviewed, although it has no written policy on this practice. We found four instances in our sample of 40 cases out of 205 annual administrative reviews conducted in FYs 2003 and 2004 where IA extended its statutory deadlines by one or two days when they fell on a Saturday or Sunday. The IA Chief Counsel’s Office acknowledges that under a strict interpretation of the statute, IA does not have the flexibility that it currently exercises.

¹ *IA’s Investigations of Steel Industry Petitions*, TTD-5541-4-001, OIG, December 1993

IA has multiple management and administrative controls that make it possible to meet deadlines. However, we found that those controls could be strengthened, such as by clearly delineating management's responsibilities and interim schedules and documenting the review process to keep cases on track to meet statutory deadlines.

In addition, we found that the Case Management Database (CMD)— IA's primary system to calculate and track statutory deadlines and provide status updates on cases— contained erroneous information on three case records that we examined in our sample of 40 case records. These errors affected the ability of the system to accurately calculate statutory deadlines.

The CMD also generates performance data that IA management uses to monitor its compliance with the statute and includes in the Department's Annual Performance Plan. However, we found that the CMD reported as actual performance data the statutory deadlines or target dates rather than the actual dates of signature for determinations. The system is based on the premise that the determinations will be issued by the statutory deadline, which may not happen. IA's sole performance measure in the plan is the number of cases it completes within statutory requirements. IA reports that it meets case deadlines 100 percent of the time, although the CMD does not reconcile the statutory deadline date or target date against the actual signature dates for determinations. As such, IA cannot be certain that it is always completing its cases on time based on the report generated by the CMD. We noted four instances, as discussed above, when IA took one to two extra days beyond its statutory deadline to make its determinations. If IA wants to continue using the CMD to generate performance reports for the Department's Annual Performance Plan, it needs to ensure that the report is based on actual signature dates rather than target dates. There were other discrepancies in the CMD not related to statutory deadlines, such as erroneous or incomplete information in case records. IA should ensure that information entered into the CMD is accurate and complete and that the records are kept up-to-date.

Managers also are concerned that the IA Chief Counsel's office frequently does not update the status of litigation on cases in the CMD system, which makes work on administrative reviews difficult for analysts because litigation can affect the case proceedings. The Chief Counsel's office told us that it is working on a pilot project to provide the updates and hopes to begin updating these records soon (see page 6).

Policies, Procedures, and Standards Need Improvement. IA has a manual, which includes antidumping administrative reviews, that is used by its analysts and the public, but it does not reflect actual current practice. IA also does not have adequate written internal guidance or an internal operations handbook that gives its analysts systematic instructions on how to conduct an administrative review. Such internal guidance is needed, in addition to the publicly available manual, to spell out "how-to" details of handling cases and addressing important problems that may occur in conducting the reviews. With no written, comprehensive, internal guidance, analysts who encountered problems must ask managers for instructions or try to figure the answers out themselves, which is time consuming and inefficient and can lead to inconsistent treatment of similar issues. IA should update the antidumping manual and develop an internal operations handbook. While we did not review the CVD administrative review process, we note that there is no CVD manual for either the analysts or the public.

In addition, IA needs to adopt a standard template for the content and format for verification reports and incorporate it into the internal operations handbook. Verification reports confirm IA's findings with respect to the accuracy and completeness of questionnaire responses from foreign firms. We found that different offices have adopted different templates and styles for the reports. Two predominant styles prevail in IA – a highly detailed format vs. an abbreviated version with the basic findings. IA needs to adopt a common standard for verification reports, which would improve consistency, quality, and efficiency (see page 11).

Management of Official Files Needs Attention. We found that IA does not adequately maintain official case files, which are stored in the Central Records Unit (CRU). Files vary greatly in terms of their completeness. Missing documents could negatively impact the Department's defense of an IA determination on duty margins should a case go to court.

For example, disks containing electronic media files, such as data sets and margin calculations, are considered part of the official files but are stored in the Office of Information Technology. IA's internal policy, which is not being enforced, requires that its data sets and margin calculations consistently be stored in this office. We found that 62.5 percent of 2003 case files and 53.3 percent of 2004 case files in our sample of 24 out of the 40 case records we reviewed were missing data sets and margin calculations.² IA needs to ensure that all data and relevant records are being stored in the CRU and the IT office.

We also found that the official files stored in the CRU in the basement of the Herbert C. Hoover Building (Commerce headquarters) are vulnerable to fire because the CRU, which has only two fire extinguishers, does not have an automatic fire suppression system. Departmental Administrative Order (DAO) 205-1 on vital records³ requires that official files be safeguarded through duplication. In addition, Federal Preparedness Circular 65 on the continuity of operations (COOP), dated June 15, 2004, calls for federal agencies to have access to electronic and hard copies of vital records in case of an emergency. The International Trade Administration recently purchased an electronic document management system for IA, which would facilitate duplication of official case files. IA estimates the project will be completed by late 2005. IA should take the actions necessary to comply with vital records regulations by implementing the system as soon as possible (see page 14).

Computer Support Needs Restructuring. IA's computer support staff is still divided into three teams reporting to three different managers based on the previous IA organizational structure. Having the computer support staff report to one manager could help improve consistency in service and support and facilitate the best allocation of resources. IA should review the current structure of its computer support staff and determine how the staff can best meet the needs of the organization in light of the bureau's recent reorganization (see page 20).

² We did not include cases that were rescinded, as the IT office does not keep data sets and calculations on those cases.

³ The definition of vital records includes "those records essential to protect the rights and interests of the Department and of individuals affected by its activities."

Analyst Training Program Should Be Improved. IA offers three training modules, primarily for new analysts: new analyst training, verification, and statistical analysis software training. There is no formalized training program for existing analysts. New analysts say they are overwhelmed by the amount of information given in the existing training classes. More experienced analysts complain about a lack of continuing professional and career development training. IA should reassess its training program to ensure that it meets the needs of its analysts, particularly in light of the large number of new recruits that will need to be hired to fill vacancies in the bureau (see *Figure 6* and page 21).

Issue on the Horizon: China Group Resources - The workload of the new China/Non-Market Economy (NME) group is growing rapidly. A significant increase in Chinese companies requesting new shipper reviews is expected to put a heavy strain on IA. Management should carefully monitor the workload to determine whether staff resources need to be reallocated to help handle this group's workload (see page 21).

On page 24, we offer a number of recommendations to address our concerns.



ITA and its Import Administration concurred with nearly all of our recommendations. ITA's Chief Financial Officer and Director of Administration indicated that she welcomed the draft report and that "the Import Administration is taking steps to address the recommendations and ITA will continue to make additional improvements."

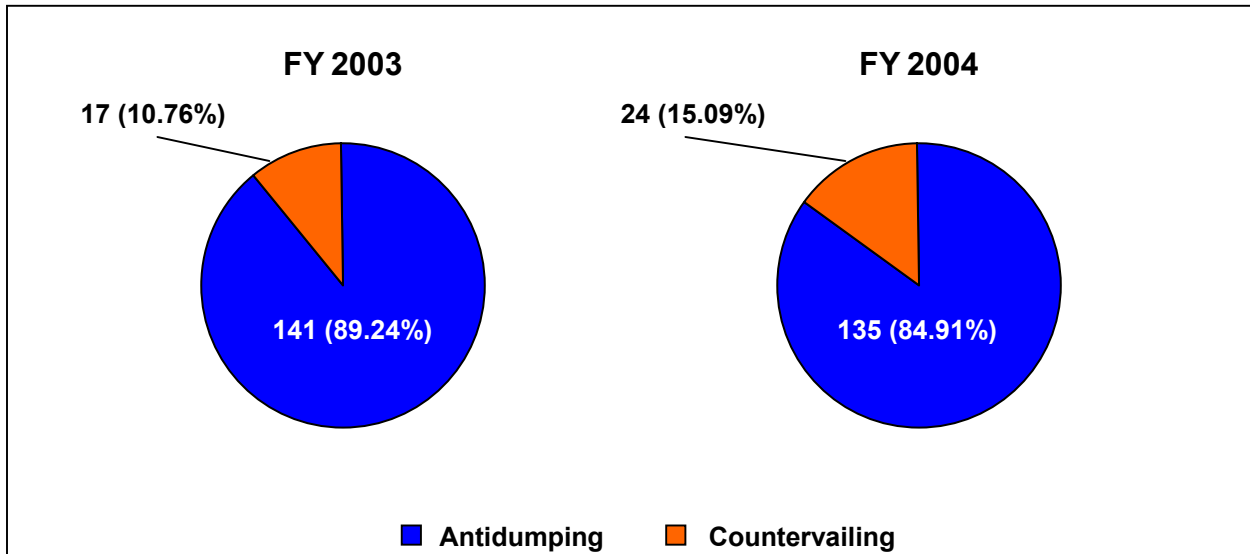
ITA's response, which included IA's detailed comments on the report, outlined several steps that have already been taken to strengthen the Import Administration's management of its administrative review process. In addition, ITA outlined steps that IA planned to take to address our concerns. ITA took issue with our recommendation on the need to formulate a standard for verification reports. While ITA agreed that a standard may be desirable, it indicated that verification reports vary greatly in methodology and content. Our response to its reply on this issue can be found on page 14 of the report. ITA also took issue with our finding that IA missed statutory deadlines that fall on a weekend, although it did agree to issue a public clarification of its longstanding practice of deferring those statutory deadlines for case determinations to the next business day. Our response on this issue is available on page 7 of this report.

We discuss ITA's response to our findings and recommendations in greater detail following each section in this report. ITA's entire response to our draft report begins on page 30.

BACKGROUND

The mission of Import Administration (IA) is to safeguard American industries and jobs against unfair trade by determining if foreign products sold in the United States are 1) being subsidized by foreign governments or 2) sold at less than “normal value,” a practice otherwise known as “dumping.” IA works to counter these practices by imposing additional customs duties on goods subsidized or dumped in the United States. The Secretary of Commerce administers the country’s antidumping (AD) and countervailing duty (CVD) laws pursuant to the Tariff Act of 1930, as amended. The Secretary has delegated to the Assistant Secretary for Import Administration sole authority to issue AD or CVD determinations based upon the results of administrative reviews as mandated by AD or CVD orders. (Figure 1 shows the number of AD and CVD administrative reviews conducted during FYs 2003 and 2004.) More than 80 percent of administrative reviews conducted in FYs 2003 and 2004 were AD administrative reviews.

Figure 1: Antidumping and Countervailing Duty Administrative Reviews, FYs 2003-2004



Source: Import Administration

IA conducts several types of AD administrative reviews, which include annual, new shipper, sunset, and anticircumvention reviews, as well as reviews based on changed circumstances reported by U.S. and/or foreign companies. (See *Appendix A: Types of Antidumping Administrative Reviews*). The majority of those conducted are annual administrative reviews and they are the focus of our survey.

AD Investigations. Before an annual administrative review is conducted, an investigation, which results in an antidumping duty order, must take place. Investigations begin when U.S. companies or other “interested parties,” such as labor unions and trade associations, petition the U.S. government to investigate allegations of dumping or subsidization by foreign companies or governments and to impose antidumping or countervailing duties to counteract these practices. Companies submit a single petition to IA and the U.S. International Trade Commission (ITC).

Both IA and ITC conduct independent investigations. IA determines whether dumping has occurred and calculates a dumping margin as appropriate. ITC determines whether the U.S. industry is being or may be “materially injured” by the practice. IA always conducts a foreign verification in an investigation and might visit U.S. companies during this period.

After investigations are complete, the Assistant Secretary for Import Administration may direct that an AD order be issued if (1) it is determined that dumping has occurred and (2) ITC finds that the U.S. industry was materially injured or is threatened with material injury. Orders are issued only if both determinations are affirmative. An order directs U.S. Customs and Border Protection to require importers to pay cash deposits of the import’s prescribed duty margin pending a final assessment, which is made following annual reviews. An order allows the U.S. industry or another interested party (exporter or importer) to request an annual administrative review, beginning one year after the order is issued for up to five years. (See *Appendix B: Antidumping Investigation Process*). If no one requests a review, the prescribed duty margin from the previous period of review becomes the final duty assessment for the review period.

Annual AD Administrative Review Process. Twelve months after an order is issued, an interested party may petition IA to conduct a review to determine a final assessment of the duty margin. After initiating a review, IA analysts send out detailed questionnaires to foreign companies and study the information returned to arrive at a preliminary determination.⁴ Analysts may also conduct verification trips to the home markets of foreign companies and their U.S. subsidiaries, if any. These trips typically last 1 to 2 weeks and a verification report is issued on their findings. After about 1 year (barring any extensions as allowed by the statute), IA issues a final determination, which sets the final assessment of duties for the period under review and revises the cash deposit rate on future imports. (See *Appendix C: Administrative Review Process*).

Each IA determination, preliminary and final, undergoes an internal concurrence process that includes the IA Chief Counsel’s Office, the DAS for Policy and Negotiations, the DAS for AD/CVD Operations, and, finally, the Assistant Secretary. A determination takes effect upon the Assistant Secretary’s signature and is published soon after in the *Federal Register*.

Annual administrative reviews may continue for another 4 years. After an order has been in place for five years, IA conducts a separate “sunset” review to determine whether to revoke the order or continue the order for an additional 5-year period if it concludes that dumping persists (in conjunction with an affirmative ITC determination of material injury to U.S. industry).

Statutory Deadlines. IA operates under specific statutory deadlines for completing annual AD administrative reviews. Title 19, Section 1675 of the U.S. Code states that preliminary determinations for annual administrative reviews must be issued “within 245 days after the last day of the month [in] which occurs the anniversary of the date of publication of the order or suspension agreement for which the review under paragraph (1) is requested.” Final

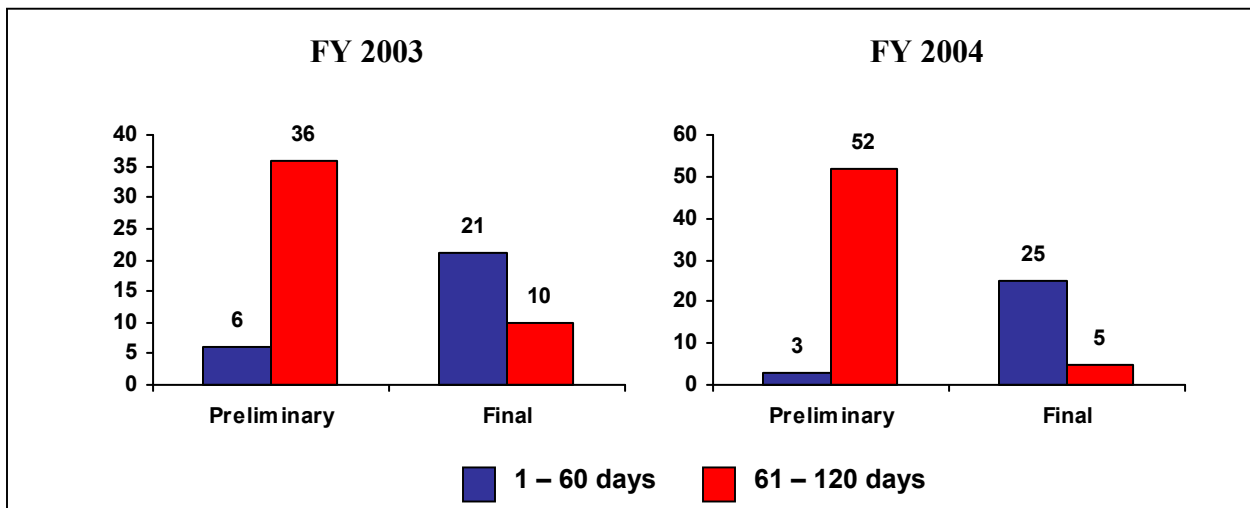
⁴ For ease of understanding, we use the term “preliminary determinations” or “final determinations,” which is terminology used to describe decisions made during an investigation, rather than the term “preliminary results” or “final results,” which is normally used to describe decisions made during an administrative review.

determinations must be issued “within 120 days after the date on which the preliminary determination is published.” (See *Appendix C: Administrative Review Process*).

The statute also provides for extensions of preliminary and final determinations up to an additional 180 days. Preliminary determinations may be extended a maximum of 120 days. In such an instance, the final determination may only be extended 60 days. However, if the preliminary determination extension is less than 120 days, then the difference between that actual extension and the maximum number of days allowed (120) for a preliminary determination may be added to the maximum number of days allowed for an extension of a final determination, if needed.

In FY 2003, 43.3 percent of annual AD administrative reviews received extensions, compared with 50.5 percent in FY 2004. *Figure 2* shows a breakdown of extensions for preliminary and final determinations during AD administrative reviews in FYs 2003 and 2004.

Figure 2: Extensions Received During FYs 2003 and 2004



Source: Import Administration

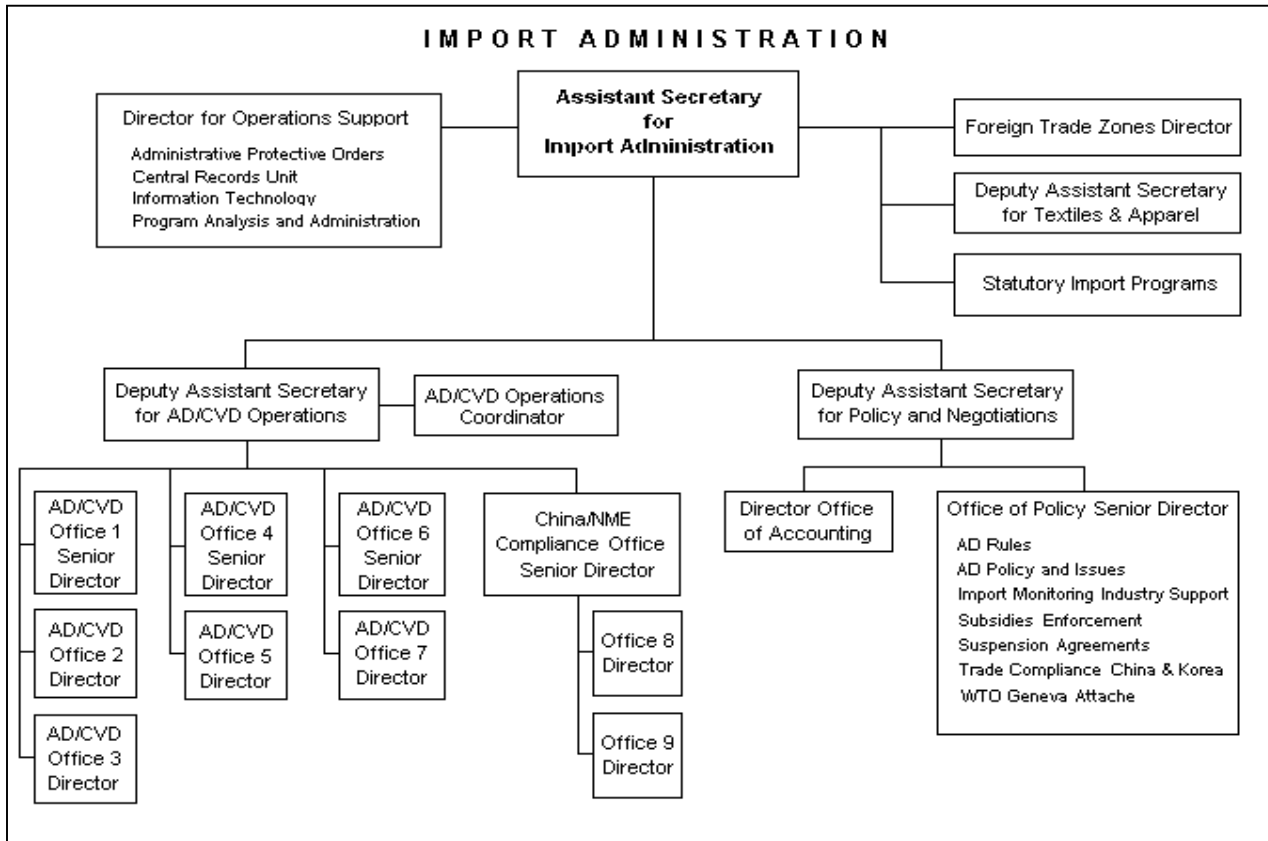
IA Document Management. During each review, analysts are required to use IA’s Case Management Database (CMD) to enter information about the case proceedings. That information is used by IA to generate internal status reports and to calculate compliance data to report to Congress. Analysts also are required to archive public, proprietary, and government documents generated during a review into IA’s Central Records Unit (CRU). IA’s regulations require that the CRU “maintain an official and public record for each antidumping and countervailing duty proceeding” and that the public records be made available for public inspection.⁵

Reorganization. In August 2004, IA reorganized its operations as a part of an overall International Trade Administration reorganization. IA indicated that this was done, in part, at the urging of Congress, which had expressed concern about consistency within the bureau, the

⁵ 19 CFR 351.103(a), 104(b)

effectiveness of its work (particularly in countries such as China), and its investigative fieldwork. Prior to this, IA had three Deputy Assistant Secretaries (DAS) for Antidumping and Countervailing Duty (AD/CVD) Operations reporting to the Assistant Secretary. Each DAS directed three offices with individual computer support teams supporting each DAS group. Under the new organizational structure, the three former DAS groups now report to one DAS. In addition, a new China/Non-Market Economy (NME) group, headed by a senior coordinator, was created out of two of the existing operations offices. IA also created the position of DAS for Policy and Negotiations (see *Figure 3*).

Figure 3: IA Organizational Structure (as of August 2004)



Source: Import Administration

IA is currently working to sort out issues from its previous organizational structure. One of the initiatives that it has launched is to improve consistency of certain procedures and policies within its operations unit. For instance, prior to the reorganization, each DAS group used a different questionnaire for respondents. Because computer support teams worked for different DAS groups, each DAS group used a slightly different computer program to calculate dumping margins. Finally, each DAS group adopted a different schedule to vet margin calculations that are reviewed by a calculation review panel. There are other inconsistent practices in the bureau, which we discuss later in the report, that also need the attention of management.

OBJECTIVES, SCOPE, AND METHODOLOGY

The Office of Inspector General conducted this survey in accordance with the *Quality Standards for Inspections* issued by the President's Council on Integrity and Efficiency and under the authority of the Inspector General Act of 1978, as amended, and Departmental Organization Order 10-13, dated May 22, 1980, as amended.

The primary objectives of the survey were to assess IA's management of its administrative review process, and evaluate the bureau's compliance with applicable statutes and regulations. Specifically, we sought to:

- Analyze the administrative review process, policies, procedures, and guidance in place, and examine compliance with statutory or regulatory requirements which pertain to administrative reviews;
- Identify trends or practices related to the administrative review process;
- Develop a profile and review data related to administrative reviews, including total cases, timing, deadlines, and country and industry trends, etc;
- Identify management tools and administrative controls used to manage administrative reviews; and,
- Identify areas for future OIG program reviews.

We performed our fieldwork for this survey from September 14 to November 3, 2004. To accomplish our objectives, we interviewed IA managers and team members who conduct administrative reviews; examined documentation related to IA's administrative review process, including laws and regulations and internal procedures; and assessed management and administrative controls used to manage the administrative review process. We also examined samples of antidumping reviews produced during FYs 2003 and 2004 by each of IA's nine offices in AD/CVD operations. During the review, we briefed IA managers on our work and initial findings. At the conclusion of our review, we discussed our findings with former Assistant Secretary for Import Administration and other key IA managers.

OBSERVATIONS AND CONCLUSIONS

I. Most Statutory Deadlines Have Been Met, But Management and Administrative Controls Should Be Strengthened To Help Ensure Continued Compliance

We found that IA was meeting most of its statutory deadlines for conducting annual AD administrative reviews based on our sample with a few minor exceptions for deadlines that fall on a weekend. While management controls help IA meet statutory deadlines, they are not documented. In addition, we found administrative control problems with the case records in IA's Case Management Database (CMD), the primary tracking system for statutory deadlines, and its performance reports, which are based on information generated from the CMD.

A. Most Statutory Deadlines Have Been Met

IA managers and analysts indicate that they have a long organizational history of meeting statutory deadlines for annual administrative reviews. They say that there is no other option than to meet them. During interviews, we found an organizational culture of compliance, and managers say no one wants to be the first to miss a statutory deadline, so everyone will do whatever it takes to meet it.

Our review of a sample of 20 percent of annual AD administrative reviews completed in FY 2003 (19 cases) and FY 2004 (21 cases) revealed that IA met most of their statutory deadlines for annual reviews. This represented a marked improvement since our 1993 review of IA when we found that 32 percent of administrative reviews were late. In one instance, we found that IA issued a determination 10 business days before the required statutory date. We also note four instances when IA missed the statutory deadline by one or two days. In all four instances, which do not represent serious deviations, the statutory deadline fell on either a Saturday or a Sunday. As a result, IA issued its determinations — up to two days beyond the statutory deadline— on the following business day.

Figure 4: Sample Size and Deviations of Statutory Deadlines

	FY 2003	FY 2004
Number of Annual AD Administrative Reviews Completed	97	108
Number of Cases in Sample	19	21
Deviation # 1: Final Determinations	1 day (Sunday deadline)	
Deviation # 2: Prelim		1 day (Sunday deadline)
Deviation # 3: Prelim		2 days (Saturday deadline)
Deviation # 4: Prelim		2 days (Saturday deadline)

Source: IA Case Management Database (CMD), 09/30/04

According to IA management, deferring weekend deadlines for case determinations to the next business day has been an accepted practice for many years. However, this is not an official policy and is not documented or disclosed on IA's website. On two of the four occasions when deviations from statutory deadlines occurred, IA had already applied for the maximum 180 days extensions allowed by the statute. In addition, IA did not amend its *Federal Register* notices to reflect the actual business day that the preliminary or final determination would be made, but published the original statutory deadline date, which fell on a weekend.

The IA Chief Counsel's office acknowledged that there is no additional flexibility provided under a strict interpretation of the statute. The statute uses the terms "within" or "no later than" when prescribing statutory deadlines. When we debriefed the former IA Assistant Secretary on our survey findings, he indicated that it would be prudent for IA to notify the public through a *Federal Register* notice of its current practice of extending deadlines that fall on the weekend to the next business day.

RECOMMENDATION: IA should determine how to address the issue of statutory deadlines for annual AD administrative reviews that fall on weekends.



In response to our draft report, the ITA CFO indicated that IA would issue a public clarification (either through notice in the *Federal Register* and/or on its website) of its longstanding practice of deferring statutory deadlines that fall on a weekend for case determinations to the next business day. We note that the issuance of a *Federal Register* notice will formalize its longstanding practice into policy and provide public notice of the policy. IA's planned action will meet the intent of our recommendation. Once we receive a copy of the *Federal Register* notice and/or confirmation that the policy is on its website, we will close out the recommendation.

IA also indicated that it does not agree with our finding that it has missed certain of its statutory deadlines that fall on a weekend (see ITA response to recommendation # 4). IA emphasized that there is a general federal policy that allows deadlines falling on weekends or legal holidays to be extended until the following working day though it did not cite what that policy is. It indicated that its practice is consistent with IA's regulation, 19 C.F.R. 351.303(b). We note that this regulation concerns "all persons submitting documents to the Department for consideration in an antidumping or countervailing duty proceeding." It does not address whether the Department, which serves the public, has the same privileges. Regardless, the actions that IA has outlined above will meet the intent of our recommendation.

B. Management and Administrative Controls Should Be Strengthened

We found that management and administrative controls enable the bureau to meet its statutory deadlines, but they should be strengthened.

Documentation of Management Controls Would Strengthen the Process. During interviews with IA staff, we found multiple management controls that help the bureau meet its statutory obligations. First, program managers and office directors provide different degrees of monitoring such as maintaining project timelines to track cases and being aware of upcoming statutory deadlines. Second, weekly status reports on upcoming deadlines are generated by senior management from the CMD and distributed to office directors and program managers. Weekly status reports are the subject of staff meetings, and the DAS raises any issues on upcoming cases, if any, prior to deadlines. Finally, special assistants in the office of the DAS for AD/CVD Operations contact office directors one to two weeks before a statutory deadline to inquire about the status of a case. All these steps in the process help ensure compliance, but the process is not documented nor is there any set schedule to present cases for a decision on determinations to the DAS' and Assistant Secretary's offices.

The Office of Management and Budget's Circular A-123 (revised June 21, 1995) states that "the documentation for transactions, management controls, and other significant events must be clear and readily available for examination." Documenting management controls helps ensure that an agency's objectives are being met by clarifying each person's role and responsibilities and creating standards for a process. Doing so would increase transparency and allow all stakeholders in the process to understand their roles and responsibilities.

The AD/CVD Operations Coordinator told us that IA has recently developed a new concurrence process for case decisions on margin determinations. The coordinator hopes this will advance internal deadlines for more timely approvals. This is a positive step in standardizing the concurrence process, but we believe that the internal procedures, roles, and responsibilities for the entire administrative review process should be documented to increase transparency and benchmark performance. Such action also will be necessary if IA implements the new document management software discussed on page 19. New analysts told us that they would like to see written procedures that guide them through the different phases of an annual administrative review, including the concurrence process.

RECOMMENDATION: IA should document (1) the management control process for meeting internal and statutory deadlines and (2) the roles and responsibilities of IA staff involved throughout the entire annual administrative review process.



In its response, ITA noted that IA Operations recently underwent a major reorganization, melding three existing office groups into one overseen by a single DAS for Operations. As a result of those changes, the new DAS for Operations was already aware of the issues identified by the OIG and had put a process in place to address them. It indicated that a new concurrence process was established on January 10, 2005. We noted this in our draft report and indicated that this was a positive step in standardizing the concurrence process. We further noted that the draft concurrence process document needed to be finalized. We would appreciate an update on the status of the concurrence process as a part of the action plan.

In addition, IA's comments on our draft report indicated that the DAS for Operations has set up a procedure to monitor the ability of its offices to meet the deadlines outlined in the concurrence process. IA also agreed that more explicit information about the roles and responsibilities of analysts is needed and it will be detailed in its new operations handbook or the revised antidumping manual. We request further information on the new procedures adopted by the DAS' office and a copy of the guidance issued in either the operations handbook or antidumping manual to describe the roles and responsibilities of analysts.

Case Management Database Sometimes Contains Erroneous and Incomplete Information.

Throughout the antidumping review process, analysts are required to enter case information (such as the initiation date commencing the annual review and statutory extensions) into IA's CMD, which serves as an important administrative control for meeting statutory deadlines.⁶ By entering the information and keeping it up-to-date, IA analysts, office directors, and senior management can keep track of case proceedings so that appropriate and timely approvals are made. In addition, managers can ensure that cases are being conducted according to established procedures and project timelines. We observed in our fieldwork that in several instances the director of the Office of Information Technology was correcting entries to individual case records and calling analysts to notify them of errors. We note that analysts do not receive formal training on using and entering information into the CMD, but instead learn how to use the system from program managers or colleagues. If program managers or colleagues are not using the system properly, then analysts may perpetuate their errors. (see discussion on training on page 21). In our sample of cases, we found instances where information was either wrong or incomplete:

- **Incorrect Statutory Deadlines.** We found one case where either the program manager or case analyst entered a preliminary extension of 115 days and a final extension of 120 days equaling 235 days, thus exceeding the statutory maximum of 180 days for extensions. This caused the CMD to calculate an incorrect statutory deadline. Fortunately, the statutory deadline was recalculated (though not by the CMD) when the *Federal Register* notice was issued. The accuracy of the CMD is dependent on the accuracy of the information entered. We found two instances in which analysts manipulated the CMD by entering unofficial extension days (there is a formal process to file extensions requiring DAS approval) to cause the CMD to generate a statutory deadline on a weekday rather than a weekend. One analyst entered negative extension days (e.g. -13) to cause the system to generate an earlier statutory deadline that would fall on a weekday. IA could consider adding parameters to these fields to prevent analysts from entering incorrect or unapproved statutory deadline extensions.
- **Comments Field.** Not all analysts use the comments field to record the status of the case, as required by IA management. Some records provide more detailed information than others, such as details on rescissions, customs instructions, etc. In the sample cases we examined, the comments field in more than half of them was unused. An up-to-date record would allow IA management and managers to know the status of a case without

⁶ This requirement is part of each analyst's performance plan.

having to track down a case analyst if there are inquiries from the Department or from respondents and petitioners of antidumping reviews.

- **Computer Backup.** Over 92 percent of the CMD records we reviewed did not contain the dates when case backup data was sent to IT for archiving.

IA uses information from the CMD for a number of purposes such as creating weekly and monthly internal tracking reports, calculating the statutory deadlines for case proceedings, and generating performance data used in the Department's Annual Performance Plan. If erroneous information is entered into CMD, the system does not accurately calculate statutory deadlines. In addition, the system is not as useful when records are not up-to-date.

RECOMMENDATION: IA managers should ensure that analysts (1) enter accurate information into the CMD; and 2) maintain complete and up-to-date case records in the CMD. These requirements should be included in an operations handbook.



In its comments on our draft report, ITA indicated that IA agreed with this recommendation. IA stated that it would draft instructions for updating the CMD that would include the roles and responsibilities of analysts, team leaders, and managers and would make the instructions available in the database itself and in IA training materials. A CMD element will also be included in IA's future training. We would appreciate receiving a copy of these instructions and, upon our receipt and review of them, will consider this recommendation to be closed.

Performance Reports Are Not Based on Actual Performance Data. The Government Performance and Results Act (GPRA) of 1993 requires the heads of all U.S. government agencies to submit a yearly report on program performance for the previous fiscal year. In the Department's FY 2004 Annual Performance Plan, IA's performance is measured by the percentage of AD/CVD cases completed within statutory deadlines. In that report, IA reported that 100% of its cases were completed on time for FY 2002.⁷ IA managers also told us that IA has *consistently* achieved a 100% on-time completion rate. However, we found that IA's performance report, which is another important management control tool, is not based on valid performance data because the CMD does not report actual signature dates for determinations, only target statutory deadlines. If IA wants to continue using the CMD to generate its performance reports for the Department's Annual Performance Plan, its system must contain actual performance data.

CMD records contain fields for preliminary determination and final determination signature dates calculated based on a review's initiation date. The system calculates these target dates based on statutorily mandated timeframes. For instance, a preliminary determination must be made within 245 days unless there is an extension. But the actual signature date is not recorded. Rather the CMD data reflects the target dates generated by the system itself and not the dates

⁷ The latest available information in the FY 2004 Annual Performance Plan on this performance measure is for FY 2002.

when determinations are actually signed. As mentioned before, we found four instances where determinations were signed one or two days after the CMD-determined signature dates. In those cases, the determinations were signed on the next business day because the statutory date fell on a weekend. (See discussion on page 6). Therefore, IA managers cannot be certain that performance data generated by CMD is accurate.

RECOMMENDATION: IA should use actual and not estimated performance data when the bureau is reporting its performance results for the Department's Annual Performance Plan.



In its response to our recommendation, ITA disagreed with our finding that IA has missed certain statutory deadlines that fall on a weekend. However, this recommendation did not address the issue of whether statutory deadlines were missed, but instead dealt with the CMD's technical capabilities. Currently, the CMD does not record the actual dates when final determinations are signed and the system does not compare this date to the statutory deadline date. Instead, the performance data generated by the system lists the number of administrative reviews conducted and assumes that all statutory deadlines were met. Therefore, the performance data generated by the system for use in the Department's Annual Performance Plan may not be accurate. However, ITA indicated that IA intends to ensure that the CMD reflects the statutory deadline, actual deadline (when a statutory deadline falls on a weekend or holiday), and the signature date, if it differs from the actual deadline. Based on this reply, we presume that IA intends to reprogram the CMD to record dates for statutory deadlines, actual deadlines, and the signature dates. In addition, we presume that the system shall compare statutory deadlines to the actual deadlines and/or signature dates when a performance report is generated for the Annual Performance Plan. We would appreciate a clarification of IA's intended action on this recommendation in the action plan.

Current Status of Litigation Should Be in CMD. On another matter associated with the CMD, managers are concerned that the IA Chief Counsel's office frequently does not update the status of litigation on cases in the system. This makes work difficult for analysts working on annual administrative reviews because litigation on a particular annual administrative review can affect the case proceedings. The Chief Counsel's Office indicates it is working on a pilot project to provide litigation updates and hopes to begin updating these records soon.

II. Policies, Procedures, and Standards Need Improvement

We found that IA's antidumping manual is outdated and contains information confusing to both analysts and the public. In addition, IA lacks a single, internal operations handbook with detailed guidance on how analysts should conduct their annual AD administrative reviews and on other internal procedures, processes, reports, and guidelines. Finally, our examination of verification reports shows marked differences in how the reports appeared in content and format, which affects the quality of some reports.

A. Antidumping Manual Is Outdated and Causes Confusion

IA's antidumping manual, which is used by IA analysts and the public, describes major elements of an annual AD administrative review and provides general information on the AD review process and how these reviews are conducted. However, since it was published on January 22, 1998, several policy bulletins and court decisions have been issued, and now the manual is outdated. Furthermore, team leaders and senior analysts told us the manual is used by new analysts as a reference source. But since it does not reflect current IA policies and practices, it is confusing as a reference source. The IA Chief Counsel's Office told us the manual could be more misleading than helpful to the public. It is available through IA's website and its information management system.⁸

RECOMMENDATION: IA should update the antidumping manual for its analysts and the public.



Responding to our draft report, IA agreed with our recommendation that its antidumping manual should be updated to reflect changes in IA practices, although it noted that it was never meant to be a "how-to" manual for the general public. IA intends to form a group of experienced individuals within IA to undertake this project. We would appreciate receiving a copy of the revised antidumping manual when it is available. At such time, we will consider this recommendation to be closed.

B. Internal Operations Handbook Should Be Developed

Although its antidumping manual contains general information on annual administrative reviews and tells the public what they can expect when they file a petition that initiates such reviews, IA lacks an internal operations handbook with detailed guidelines and systematic instructions on how analysts and IA conduct an annual administrative review, definitions of staff roles and responsibilities in the concurrence process, and bureau practices. We could not find any document containing such information in a concise and easy-to-use format. Instead, analysts said they access multiple sources of information, such as policy bulletins, guidance contained in IA's information management system, advice from managers and colleagues, and different parts of the antidumping manual, in order to conduct an annual administrative review. In addition, lack of clear, written guidance on routine problems could lead to inconsistent treatment of similar situations. They said the time spent to find the information is time consuming and inefficient. Analysts we spoke with indicate they would benefit from a concise operations handbook for conducting annual administrative reviews that would incorporate IA's written guidance and undocumented practices. For example, most analysts knew about the practice of informing parties of preliminary and final determinations on cases by noon of the next business day though there is no written guidance on this. We note that an internal operations handbook, which outlines the bureau's practices, may be helpful to new analysts.

⁸ IA does not have a CVD manual for its analysts or the public.

In addition, analysts would like greater transparency on work rules, such as the criteria IA uses to grant compensatory time. Analysts say that different managers use different criteria to grant compensatory time for work conducted outside normal hours at headquarters because the policy is unclear and subject to individual interpretation. Analysts we interviewed indicate that compensatory time is never granted on overseas verifications for time worked beyond the normal 8-hour workday.

GAO's manual on "Standards for Internal Control in the Federal Government" (GAO/AIMD-00-21.3.1) indicates that "internal control activities help ensure that management's directives are carried out." Control activities are defined as "policies, procedures, techniques, and mechanisms that enforce management's directives . . ." An internal operations handbook would improve the guidance provided to analysts on the organization's procedures and standards. Without it, new analysts joining IA do not know the practices of the organization and have to rely on team members or their program managers for guidance. Lack of written operating procedures also increases the possibility that policies and procedures will not be consistently observed throughout the operations division. During our exit conference with senior IA officials, they suggested that both the internal operations handbook and the publicly available antidumping manual could be Web-based to make it easier to keep them current.

RECOMMENDATION: IA should develop and maintain an updated internal operations handbook to formalize current bureau practices into written policies and guidelines and make the handbook accessible to all employees through IA's portal on the ITA intranet.



In its response, ITA indicated that it agreed that a web-based internal operations handbook on current procedures and practices would be extremely useful to all IA employees. According to IA, its recent effort to develop a revised concurrence process is a first step in this process, and IA intends to begin working on a plan to develop a complete handbook. Upon our receipt of a copy of the completed handbook, we will consider this recommendation to be closed.

C. Standard for Verification Reports Is Needed

Verification reports confirm IA's findings during an investigation. Our examination of verification reports of selected cases revealed marked differences in how the reports appeared in content and format. Analysts said there is no standard for verification reports. IA management confirmed this and told us each office uses a different template for verification reports. Analysts say there are also stylistic differences in the reports. We found that two predominant styles prevail in IA—one is a highly detailed account of the verification and the interaction with the respondent, and the other is a more abbreviated version with the findings. Analysts say both versions should include basic information, such as corporate structure and accounting practices. Of the four reports we examined in detail, one did not contain the basic information noted above.

The lack of a standard results in varying degrees of report quality. Individual preferences of program managers and office directors determine the report style used. One analyst said when

she moved from one IA office to another, she had to learn a different format and style of writing verification reports.

IA is in the process of improving the consistency of its questionnaires, computer programs used to calculate dumping margins, and how it uses its calculation review panels. Management should also standardize verification reports, particularly the style and basic content of the report. Analysts who use the all inclusive verification format might be spending unnecessary time and effort to produce an overly detailed report. On the other hand, analysts who use the abbreviated style might not be putting enough details into their verification reports. A weak verification report could result in an incorrect determination on dumping, which could jeopardize the interests of U.S. industry. We note that our 1993 report on IA highlighted similar deficiencies in verification reports, including the lack of quality control and inconsistent standards.⁹

RECOMMENDATION: IA management needs to formulate a standard for verification reports to improve the quality and consistency of the reports and enable analysts to complete the reports more efficiently.



In its comments on our draft report, ITA indicated that IA did not agree with our recommendation. While IA agrees that a standard format for verification reports may be desirable, it indicated that not all verifications are the same because the detail and scope of each report will vary. As such, IA said that it is not possible to have a standard format. However, we continue to see the benefits of standardizing the format of these reports. While we agree that each verification report will be different in terms of coverage and content because of the issues in question, the basic elements of a verification report should be the same for the organization. If a topic, such as corporate structure and accounting practices, has been covered in a previous verification, the report can refer readers to the previous report by indicating that there is no update and cite the year and date of the previous report. A common format would also allow managers to quickly review verification reports for accuracy and content, and to determine whether updates are necessary. In addition, a common format would allow for easier information sharing with managers and analysts from other offices, particularly when much of IA's work is based on precedent. Finally, we note that 19 CFR. 351.307(c) requires that each verification report include "methods, procedures, and results of a verification." This in effect is a standard. We request that IA reconsider our recommendation and develop a standard for verification reports, details of which should be outlined in the action plan.

III. Management of Official Files Needs Attention

Official files should be maintained according to regulations, which require that the originals be duplicated and safeguarded. We found that the official files are vulnerable to fire loss. Document management software recently was purchased to store electronic copies of official file contents. IA should take appropriate action to implement the system.

⁹ *IA's Investigations of Steel Industry Petitions*, TTD-5541-4-001, OIG, December 1993

A. Case Files are Sometimes Incomplete Despite Regulatory Requirements

We found that documents, data sets, and margin calculations were missing from official case files despite regulatory requirements to maintain them.

Some Documents Are Missing from Case Files. Analysts are required to maintain complete and accurate records generated during the proceedings of each AD review. Our review of IA official records, thousands of which are primarily stored in the Central Records Unit (CRU), found that case files vary greatly in completeness. Disks containing electronic media files, such as data sets and margin calculations, are considered part of the official files but are stored in the Office of Information Technology. The majority of the 40 official files in the CRU that we reviewed were incomplete with respect to containing appropriate internal concurrence records, *Federal Register* notices, and decision memoranda. The official files in our sample were randomly chosen from a list of AD annual administrative reviews, which had been conducted in FYs 2003 and 2004. The Director of the CRU believes missing documents could have been mislabeled or misfiled. According to its regulations, IA must maintain an “official record of each antidumping ... duty proceeding,” to include “government memoranda pertaining to the proceeding, ... determinations, notices published in the *Federal Register*, and transcripts of hearings,” including “material that is public, business proprietary, privileged, and classified.”¹⁰ Analysts are responsible for transmitting documents prepared by the Department to the CRU for archiving.

In the event of a court challenge to a final determination, the official case file is delivered to the responsible analyst to certify its completeness before it is delivered to the Department of Justice for litigation. Analysts told us that government documents they had prepared for archiving by the CRU sometimes are missing when they receive the case file for certification. As a result, they must spend several days reconstituting the case file with copies of documents. Missing documents that cannot be reconstituted can negatively impact the government’s defense of an IA determination. Though there is no IA requirement, analysts often keep unofficial chronological files as backups (copies of which could be used to reconstitute the case file). Nonetheless, IA must properly maintain official case files as required by regulations.¹¹

RECOMMENDATION: IA office directors, program managers, and CRU staff should ensure that official records of annual administrative reviews are complete and accurate.



In its response to our draft report, ITA stated that IA agreed with our recommendation that official records of its administrative reviews should be complete and accurate. IA stated that program managers would make certain that analysts are fully aware of their obligations to maintain complete and accurate records. However, IA did not state precisely how it would ensure that analysts maintain complete and accurate records. For example, IA managers could

¹⁰ 19 CFR 351.104

¹¹ We did not examine the CRU’s management and administrative controls for archiving documents.

certify complete and accurate records as they are sent to the CRU, similar to the procedures followed when certifying a case file for litigation. We would appreciate clarification on this issue in the action plan.

Furthermore, IA stated that court record preparation and certification procedures would be included in a future operations handbook. We commend IA for agreeing to outline these procedures in its future operations handbook, and we look forward to reviewing them when we receive the handbook upon its completion.

Policy on Data Sets and Margin Calculations Needs to be Enforced. Data sets and margin calculations are considered part of the official files. Analysts receive data sets from company respondents or petitioners and must periodically send data sets to computer support staff to be included in the official files. The computer support staff sends the data to IA's IT office for storage. Analysts must also send copies of their computer programs along with the margin calculations when preliminary or final determinations on margins are made. However, we found that IA does not enforce its storage policy. We found that the data sets and margin calculations were missing in 62.5 percent of 2003 case files and 53.3 percent of 2004 case files in our sample of 24 cases out of the 40 case records that we reviewed.¹² (See discussion on official files on page 15) The director of the IT office indicates that there is no enforcement mechanism for IA's storage policy. She believes that some of the data sets and margin calculations could still be with computer support staff or the case analyst, though she is not certain.

Though managers and analysts that we interviewed told us that IA has a policy on storing data sets and margin calculations, we could not find a written copy of the policy nor was it on IA's information management system. None of the analysts we interviewed has seen the policy in writing. They knew of the policy from their program managers or colleagues. We interviewed one new analyst who has been with the bureau for less than one year who did not know there was a policy on storing data sets and margin calculations.

If the data sets or margin calculations are missing, the Department's position could be weakened in court because it would not be able to fully defend its determination. In the case of remands when the Department is asked to recalculate margins, IA may be unable to do so without having to request repeat data sets from all parties involved so it can recreate calculations.

We note that the CMD provides a field where the unique storage number of each data set can be entered into the system. However, over 92 percent of the samples we examined lacked this information. (See discussion on the CMD on page 7)

RECOMMENDATION: IA needs to: (1) put its storage policy on data sets and margin calculations in writing and make it accessible to employees; (2) enforce that storage policy by requiring program managers to certify that all data sets and margin calculations have been sent to the IT office before a case can be closed on the CMD; (3) require that the unique storage number of the

¹² We did not include cases that were rescinded because all proceedings are terminated. Therefore, data sets are not required to be stored and no margin calculations are generated.

stored data be entered in the CMD; and (4) create an inventory list of data sets and margin calculations, which is sent periodically to office directors, who should ensure that data is being stored.



ITA indicated that IA agreed with our recommendation and that IA is in the process of drafting instructions and procedures for submitting datasets and margin calculations to the IT office. In addition, IA has revised its “IT Media Submission Form,” which will require a unique storage number that is assigned by the IT office. The form will require a manager’s initials certifying that the data has been compiled and is ready for submission. The form will then be saved in the CMD system and managers will be able to certify that the data has been submitted to the IT office. The IT office will then record the unique storage number in the CMD. Once this is done, a report on a specific case or company can be generated by the CMD that will allow managers to verify that all data and programmatic information have been correctly submitted to the IT office. IA also indicated that the instructions and procedures on submitting datasets and margin calculations as well as the new media form will be included in IA training manuals and the CMD. We suggest that the information also be included in the operations handbook. The actions outlined above meet the intent of our recommendations. Once we receive written notification that they have been completed, we will close out this recommendation.

B. Case Files May Be Vulnerable To Fire

Thousands of official files are kept in IA’s CRU. IA is required to keep these official files for 20 years after a case is closed. For cases that are challenged in court, files must be maintained indefinitely. In addition, the public version of official files must be kept for 5 years after a case is closed.¹³

In 1999, a chemical fire broke out in the Herbert C. Hoover Building (HCHB) in the room next to the CRU, which was saved by a firewall. Without it, the official files might have been destroyed. If IA were challenged in court and an official file was not available, the bureau could be directed by the court to redo all its work on that case, requiring analysts to spend extra time reconstituting a case file. There are currently no plans to install an automatic fire suppression or sprinkler system in the present location of the CRU. We found only two fire extinguishers in the CRU. The planned, multi-year HCHB renovation will include a sprinkler system in the CRU’s future location. To accommodate the renovations, IA is scheduled to move out of the HCHB in the spring/summer of 2007 into a temporary facility, which has yet to be determined. According to the Department’s Renovation Program Office, IA is not expected to move back into the HCHB until 2017.

¹³ Based on ITA’s records retention policy and National Archives and Records Administration guidelines.

Department Administrative Order (DAO) 205-1 requires that government agencies maintain backup files for vital records.¹⁴ In addition, Federal Preparedness Circular 65 on the continuity of operations (COOP), dated June 15, 2004, calls for federal agencies to have access to electronic and hard copies of vital records in case of an emergency. IA does not normally keep duplicates of its official files with the exception of cases challenged in court. In such cases, the official file would be duplicated on a CD-ROM¹⁵ and stored in the CRU. The IA Chief Counsel's office also maintains a separate copy of cases in litigation in the building and, as already mentioned, many analysts keep unofficial chronological files as backups. No electronic records are made of documents placed in the official files. Instead, a tracking form generated by IA's Central Records Information Management System (CRIMS), is created for each document placed in the official files; the actual document remains in hard copy form in the CRU and is, therefore, vulnerable to loss.¹⁶

RECOMMENDATION: IA should take appropriate action to comply with federal and departmental requirements to maintain backup files for vital records. In addition, IA should adopt appropriate measures to safeguard the official files in the Central Records Unit.



In its response, ITA indicated that IA agreed with our recommendation and stated that it would consult with the Department's Office of Building Management (OBM) to explore safeguards for its vital records, including interim fire suppression measures in the CRU. We would appreciate receiving an update on the results of its discussions with OBM in its action plan. We concur with IA that implementation of its new document and records management system, when it occurs, would likely satisfy this requirement.

IA contends in its response that its budget is insufficient to copy all the official records in the CRU and to maintain space for a duplicate filing system at an off-site location. However with regard to backing up its vital records until the new document and records management system becomes operational, IA should continue to explore options to comply with federal and departmental vital records requirements. IA should focus on electronically duplicating, for current reviews forward, those records that cannot be duplicated from other sources (i.e., law firms, interested parties). Such records, including internal memoranda and margin calculations, for example, could be copied onto CD-RW format at regular intervals throughout a review and those disks could be stored off-site. We would appreciate an update on IA's effort to comply with these vital records requirements in the action plan.

¹⁴ The definition of vital records includes "those records essential to protect the rights and interests of the Department and of individuals affected by its activities."

¹⁵ Older court cases are reproduced on microfilm or microfiche.

¹⁶ Internally generated documents, such as decision memoranda, may be stored electronically on PCs by analysts though it is not required nor are they considered a part of the official files.

C. New Document Management System Needed

In a matter related to IA's case file management, ITA's office of the Chief Information Officer (with IA's support) has purchased new enterprise software with a document management module that would significantly improve IA's workflow and streamline its document and records management. This system could provide the necessary backup system for official files, allowing IA to be compliant with Department Administrative Order (DAO) 205-1 and Federal Preparedness Circular 65. However, we learned that few staff have been assigned to work with the CIO's office and the contractor to integrate this system into AD/CVD operations. The first phase of the system is scheduled to be fully operational by the end of 2005, according to IA's IT staff. IA's expertise is required to document IA staff workflows, roles, and responsibilities, develop standards for documents, develop an electronic concurrence process, and determine procedures for storing and managing documents. The director of the IT office has said that, given its scope, a full-time project manager would likely be needed for the project. She said her current daily responsibilities do not allow her to provide the necessary support the project needs.

Document management consumes an inordinate amount of IA analysts' time, particularly when they must reconstitute incomplete case files. Analysts said they must create both a public and a business proprietary version of any document they generate, be it a memorandum, verification report, or a record of the proceedings of a hearing. They also fill out forms with pertinent information to be entered into CRIMS. Documents intended for the CRIMS are dropped off at designated locations throughout the Department for CRU staff to pick up and then process. In addition, analysts spend several days reconstituting incomplete case files to prepare for pending litigation. According to the CIO's office, this new software should help streamline these activities by creating and storing electronic documents that analysts and CRU staff may access, saving time and expense in printing and document processing, and lessening analysts' administrative duties so they can focus on core duties.

RECOMMENDATION: IA should take timely and appropriate action to implement its new document and records management software, which has the potential to lessen the administrative burden and increase the efficiency of IA analysts.



ITA indicated that IA agreed with our recommendation and stated that it has been anxious to implement a document and records management system that would “not only better serve its customers, but also streamline its current paper-driven workflow and document dissemination processes.”

With the assistance and support of the ITA Office of the Chief Information Officer (OCIO), IA indicated that it will launch Phase I (pilot project) of the document management system in the April/May 2005 timeframe. The pilot stage will include the design of a system for antidumping reviews and then testing by using the system to conduct several actual antidumping reviews. IA said that the OCIO's office assigned a project manager to support the project in November 2004. In addition, the software vendor has provided a project manager to assist in the implementation of Phase I, which is expected to be completed by October 2005. However, IA indicates that it is

concerned that the OCIO may not be able to support IA’s project much past the pilot project phase. IA notes that its ability to implement the system will be significantly impacted by the level of technical support provided by the OCIO in the coming year.

While the initial actions taken by IA and the OCIO’s office are a good beginning, we are also concerned that the document management system may not be implemented if both IA and the OCIO’s office do not continue to support each other in this effort. As such, this recommendation will remain open until the system is fully implemented. We request that IA and ITA provide details in the action plan about when the second and final phase of the project will begin.

IV. Computer Support Needs Restructuring

Under IA’s previous organizational structure, each of the three DASs for Operations had his/her own two-person computer support team that trained analysts to use the statistical analysis software used to calculate dumping margins. Each team reported to a different office director who in turn reported to one of the three DASs. According to managers, this structure was adopted because each DAS had different views on how the work should be conducted. After the reorganization, this structure was left intact though all 9 office directors now report to only one DAS. Staff interviews revealed this structure does not allow the organization to fully leverage its computer support resources and discourages teamwork. When one team is overwhelmed, it cannot get full support from other teams because they report to different managers. For instance, we found that because of a vacancy in Team 3 that has yet to be filled, four offices comprising 112 persons are not receiving adequate computer support (See *Figure 5* – We note that offices 8 and 9 comprise the new China group, which has an extremely active portfolio.)

Figure 5: Computer Support Teams

	Team 1 (2 persons)	Team 2 (2 persons)	Team 3 (1 person w/ one vacancy)
Offices Supported	1, 2, and 3	4 and 5	6, 7, 8, and 9
# of People Supported under Current Staffing	68	51	112
# of People Supported under Full Staffing	83	58	140

Source: Based on IA’s staffing pattern report dated 09/08/04.

The lack of a single reporting chain for the three computer support teams also has contributed to differences in the computer programs used to calculate dumping margins, though IA is now trying to correct this under its consistency initiative. Uniting the computer support teams and having them report to one manager would also improve consistency in service and support provided to offices and allow all computer support staff to receive the same training and development.

RECOMMENDATION: IA should review the current structure of its computer support staff and determine how the staff can best meet the needs of the organization in light of the bureau's recent reorganization.



ITA indicated that IA agreed with our recommendation and that it intended to review the current staffing levels and assignment of its IT staff. We request that IA provide us with the results of the review. At that time, we will close out this recommendation.

V. Training Program for Analysts Should Be Improved

IA presently has three standardized training modules for its new analysts: new analyst training, verification, and statistical analysis software training. Each analyst we interviewed stated that she/he has received training for at least one, if not all, training modules. Still, we found that the training provided could be improved.

According to IA staff, many training classes have been conducted irregularly and often by office directors and program managers with subject matter expertise, although most do not have backgrounds in training. Several analysts mentioned being overwhelmed by the information provided in these training courses so soon after being hired. The senior office director who was assigned responsibility for IA training in July 2004 indicated that the question of how best to train new analysts has always been a difficult one. Some office directors believe providing training in the beginning rather than later is better. Others disagree. In addition, the senior office director says it is difficult to pull people for training if they are working to meet statutory deadlines. She is exploring some ideas of how to improve the program, such as conducting focus groups to identify the needs of new analysts and analysts who have been with the bureau one or two years. But she has no dedicated staff to help her develop and improve the training programs.

Analysts' suggestions for improving training include:

- Incorporating an accounting course into the new analyst training so that analysts with no accounting background have the knowledge to conduct verifications;
- Providing new analyst training incrementally (for example: upon arrival, after 3 months, 6 months and so on) so new analysts are not overwhelmed with information when they start; and,
- Offering cultural sensitivity training to familiarize analysts with different cultures and foreign business practices.

The third suggestion stems from the fact that some analysts have witnessed rude or inappropriate behavior such as derogatory remarks made by more experienced analysts conducting foreign verifications. New analysts said they were embarrassed by such actions, which do not serve the best interests of the U.S. government.

IA should also consider providing CMD training for new analysts. We understand that some office directors have requested formal CMD training for their staff, but this is done on an *ad hoc* basis.

Analysts with more experience also expressed concern about career development training and opportunities. None of the analysts we interviewed had ever heard of an individual development plan (IDP), much less completed one. In many federal agencies, an IDP is filled out annually by employees to help them and their supervisors identify professional development objectives and the training needed to achieve them.

Some bureaus within Commerce and other agencies have adopted a systematic approach to training by identifying essential core skills or competencies of staff by grade and developing training programs that match the desired skill sets. The same can be done with career development, such as leadership training. As staff advance in grade, additional career development training can be added.

We did find one office—the China/NME group—which provides some professional development training. The unit’s coordinator has made a concerted effort to provide specialized training courses pertinent to China reviews. As a result, analysts in this unit are able to take courses in Chinese languages and China’s financial system. In addition, the coordinator is working on a new course on calculating margins from NME countries.

IA management is required by statute, as are all heads of federal agencies, to “...establish, operate, maintain, and evaluate a program or programs, and a plan or plans thereunder, for the training of (its) employees ... in order to assist in achieving an agency’s mission and performance goals.”¹⁷ In addition, IA is mandated to establish “a comprehensive management succession program to provide training to employees to develop managers for the agency.”¹⁸

Inadequate training might negatively impact IA’s operations. For example, it could lead to programmatic inefficiencies, as program managers and/or team leaders would be required to spend more time than necessary training new analysts instead of managing their projects. In addition, employee turnover may rise if analysts find themselves without the skills needed to perform their duties or to enhance their career development goals. We discussed IA’s training needs with ITA’s Chief Financial Officer who indicated that the Manufacturing and Services Unit has developed a knowledge-based on-line training program that may be of interest to IA. In addition, she indicated that there may be funds available to assist IA in the development of a similar on-line training system. We note that there are currently 87 vacancies within IA. This is due partly to newly created positions for new program initiatives, such as the China/Non-Market Economy (NME) group, quality initiatives, and the Customs liaison unit. The development of some type of training program could help shorten the learning curve for new analysts as these vacancies are filled (see *Figure 6*).

¹⁷ 5 USC 4103(a)

¹⁸ 5 USC 4121(1)

Figure 6: Number of Vacancies in IA in FY 2005

Unit	Current Staff	Vacancies
Office of the Assistant Secretary	25	5
DAS for Policy and Negotiations	91.5	25.5
DAS for AD/CVD Operations	230.5	50.5
DAS for Textiles	32	4
Other *	13	2
Total	392	87
* Total of Statutory Import Programs and Foreign Trade Zones Staffs		

Source: Import Administration, January 2005

RECOMMENDATION: IA should reassess its approach to developing training programs, including career development, to ensure that the needs of the analysts are met.



In its comments on our draft report, ITA indicated that IA agreed with our recommendation and stated that its training program needs to be examined carefully and improved. As we noted in our draft report, training is a critical issue for IA in light of the large number of recent vacancies in its operations division. We acknowledge IA's efforts in considering a number of options to fulfill our recommendation, such as dedicating certain staff members to assist in developing a training program or hiring an outside consultant to help develop an ongoing program. In addition, as noted in our draft report, we encourage IA to explore the option of working with ITA's Office of the Chief Financial Officer to develop a web-based training module for new analysts. We would appreciate receiving an update of IA's efforts to improve its training program for new and current analysts in the action plan.

Issues on the Horizon. *China Group Resources* - We note the growing workload of the new China/Non-Market Economy (NME) group. In 2004, 36 percent of annual administrative reviews involved China. Managers expect the number of China cases to continue to grow. In the short term, they believe there is enough staff to do the work, but the situation may quickly change if new cases warrant more resources than usual. Managers cite the recent China furniture case that involved more than 100 companies and consumed the resources of an entire program unit. The significant increase in Chinese companies requesting new shipper reviews is also putting a strain on resources. This workload issue requires continuing management scrutiny to determine whether staff resources need to be reallocated to help handle this group's workload.

RECOMMENDATIONS

We recommend that the Acting Assistant Secretary for Import Administration ensure that the following actions are taken:

1. IA should determine how to address the issue of statutory deadlines for annual AD administrative reviews that fall on weekends. (see page 6)
2. IA should document (1) the management control process for meeting internal and statutory deadlines and (2) the roles and responsibilities of IA staff involved throughout the entire antidumping review process. (see page 7)
3. IA managers should ensure that analysts (1) enter accurate information into the CMD; and 2) maintain complete and up-to-date case records in the CMD. These requirements should be included in an operations handbook. (see page 7)
4. IA should use actual and not estimated performance data when the bureau is reporting its performance results for the Department's Annual Performance Plan. (see page 7)
5. IA should update the antidumping manual for its analysts and the public. (see page 12)
6. IA should develop and maintain an updated internal operations handbook to formalize current bureau practices into written policies and guidelines and make the handbook accessible to all employees through IA's portal on the ITA intranet. (see page 12)
7. IA management needs to formulate a standard for verification reports to improve the quality and consistency of the reports and enable analysts to complete the reports more efficiently. (see page 13)
8. IA office directors, program managers, and CRU staff should ensure that official records of annual administrative reviews are complete and accurate. (see page 15)
9. IA needs to: (1) put its storage policy on data sets and margin calculations in writing and make it accessible to employees; (2) enforce that storage policy by requiring program managers to certify that all data sets and margin calculations have been sent to the IT office before a case can be closed on the CMD; (3) require that the unique storage number of the stored data be entered in the CMD; and (4) create an inventory list of data sets and margin calculations, which is sent periodically to office directors, who should ensure that data is being stored. (see page 15)
10. IA should take appropriate action to comply with federal and departmental requirements to maintain backup files for vital records. In addition, IA should adopt appropriate measures to safeguard the official files in the Central Records Unit. (see page 17)
11. IA should take timely and appropriate action to implement its new document and records management software, which has the potential to lessen the administrative burden and increase the efficiency of IA analysts. (see page 19)

12. IA should review the current structure of its computer support staff and determine how the staff can best meet the needs of the organization in light of the bureau's recent reorganization. (see page 20)

13. IA should reassess its approach to developing training programs, including career development, to ensure that the needs of the analysts are met. (see page 21)

APPENDIXES

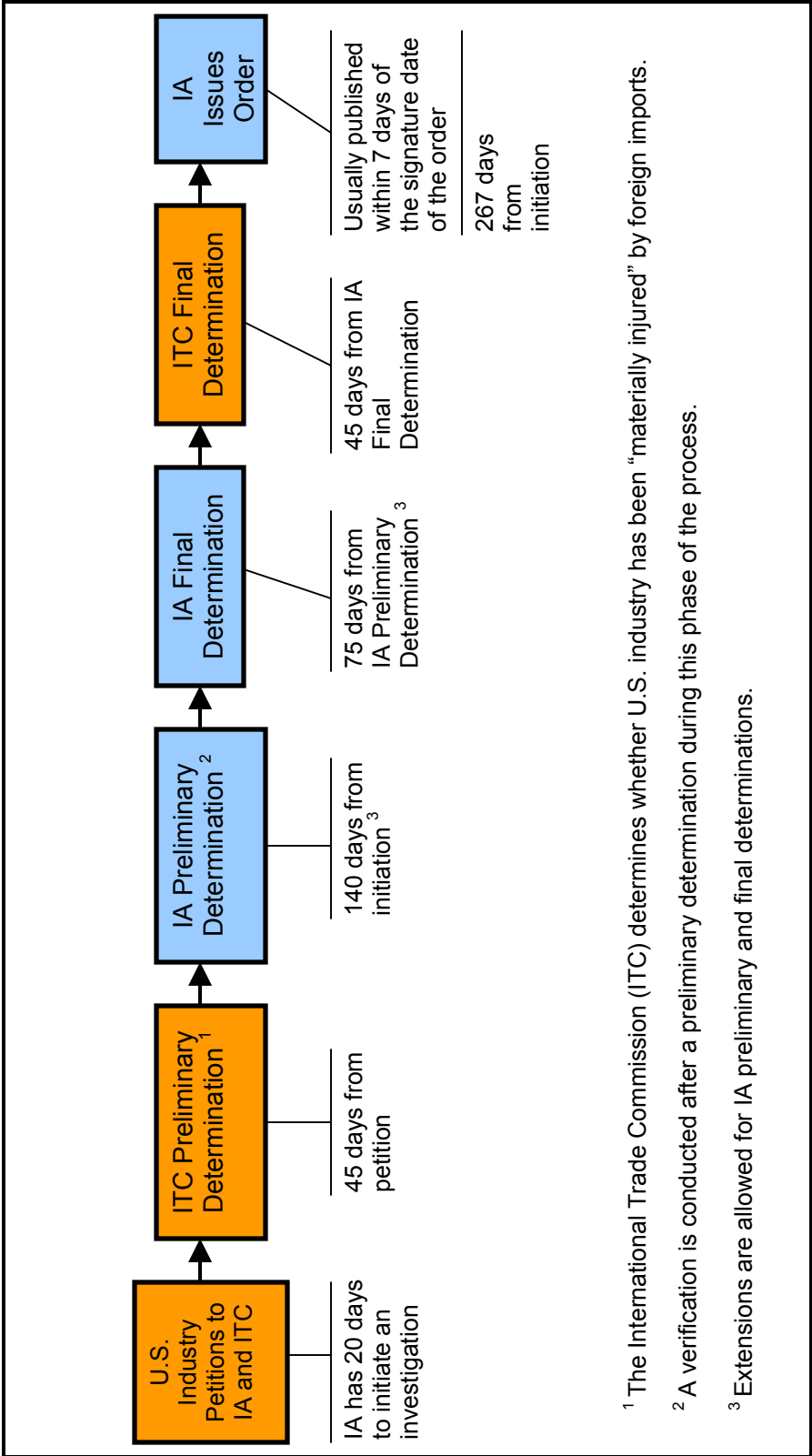
APPENDIX A: Types of Antidumping Administrative Reviews¹

Antidumping Review	A review conducted to determine the amount of antidumping duties to assess on imports during a specific period of review and establish new deposit rates for future imports.
Anticircumvention Review	An inquiry conducted to determine whether imports are circumventing an antidumping order.
Changed Circumstances Review	A review undertaken by Import Administration to determine whether changed circumstances warrant its review of certain prior affirmative antidumping.
New Shipper Review	A review whereby so-called "new shippers" can obtain their own individual dumping margin on an expedited basis. In general, a new shipper is an exporter or producer that did not export, and is not affiliated with an exporter or producer that did export, to the United States during the period of the investigation.
Sunset Review	A review conducted on the fifth anniversary of an antidumping order to determine whether revoking an existing order would be likely to lead to continuation or recurrence of the dumping. If continuation or recurrence is found unlikely, the order is revoked. If not, the order can be extended for another five years.

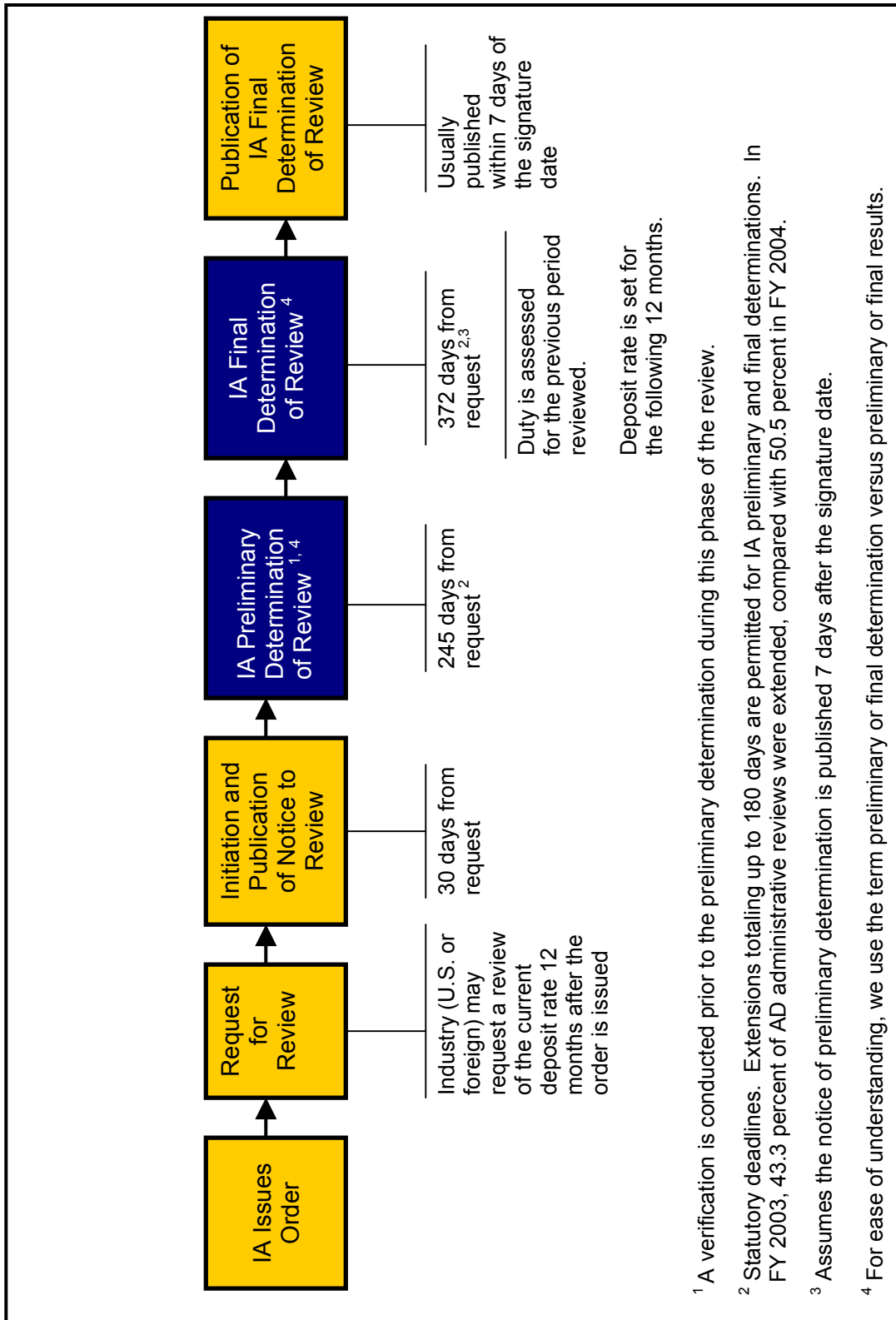
Source: Import Administration, 19 CFR 351

¹ Tariff Act of 1930, as amended, and 19 CFR 351.

APPENDIX B: Antidumping Investigation Process



APPENDIX C: Administrative Review Process



APPENDIX D: Acronyms

AD	Antidumping
CFR	Code of Federal Regulations
CMD	Case Management Database
CRIMS	Central Records Information Management System
CRU	Central Records Unit
CVD	Countervailing Duty
DOC	Department of Commerce
GPRA	Government Performance and Results Act
IA	Import Administration
NME	Non-Market Economy
USC	United States Code

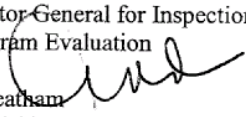
APPENDIX E: Agency Response



UNITED STATES DEPARTMENT OF COMMERCE
International Trade Administration
Washington, D. C. 20230

MAR 15 2005

MEMORANDUM FOR: Jill Gross
Assistant Inspector General for Inspections
and Program Evaluation

FROM: Linda Moyer Cheatham 
Chief Financial Officer & Director of Administration

SUBJECT: Import Administration Has Met Most Statutory Deadlines
on Antidumping Reviews, But Management Attention Is
Needed In Other Areas, Draft Survey Report No. IPE-
16952/January 2005.

ITA welcomes the draft report on Import Administration's statutory deadlines. We appreciate the Inspector General staff's recognition that the Import Administration is a hardworking organization, dedicated to meeting statutory deadlines.

Attached is ITA's response. The Import Administration is taking steps to address the recommendations and ITA will continue to make additional improvements.

Attachment



IA's Comments on IG Draft Report

- 1. IA should determine how to address the issue of statutory deadlines for annual AD administrative reviews that fall on weekends.**

IA intends to issue a public clarification (through notice in the *Federal Register* and/or on the IA website) of its longstanding practice that a statutory deadline for both AD and CVD administrative reviews that falls on a weekend or legal holiday will be issued on the following business day. This practice is consistent with a general federal policy that deadlines falling on weekends or legal holidays are extended until the following working day. It is also consistent with IA's regulation, 19 C.F.R. 351.303(b), which applies the same rule to all filings made with IA. We note that since the responsibility for the administration of the AD and CVD laws was transferred to the Department of Commerce in 1980, this widely recognized practice has never been called into question or been the subject of any litigation.

- 2. IA should document (1) the management control process for meeting internal and statutory deadlines and (2) the roles and responsibilities of IA staff involved throughout the entire antidumping review process.**

Before addressing this, and many of the other recommendations, it is important to note that IA Operations recently underwent a major reorganization. The former structure, within which three Deputy Assistant Secretaries shared responsibility for the conduct of all case work, was eliminated and replaced with one in which a single DAS for Operations now oversees all case work. The melding of three organizational "cultures" is on-going.

The issues identified by the IG had already been recognized by the new DAS for Operations and a process had been put into place to address them. We are pleased to relay that on January 10, 2005, a memo was issued to all IA staff members establishing a new concurrence process. (The memo will also be posted in the CMD and included in an Operations Handbook.) This concurrence process was developed and agreed upon by senior officials in the Offices of AD/CVD Operations, Policy and the Chief Counsel for IA. The document establishes a standard process for vetting and resolving case issues in an effective and timely fashion as well as a process through which *Federal Register* notices pass prior to signature by the Assistant Secretary. Also included is a description of staff responsibilities and procedures for investigative and review processes. To benchmark performance, the DAS for Operations will monitor the ability of offices to follow these guidelines and meet the deadlines. Moreover, the DAS for Operations has set up a process with the Offices of Policy and the Chief Counsel to periodically assess and modify, if necessary, the concurrence procedures.

We note that the concurrence process memo was not intended to be a "how-to" guide covering all aspects of the administrative review process, *i.e.*, when an interested party requests a review. It begins from the point in the process when an analyst has assessed

the issues of a particular review and is prepared to brief his or her supervisors. We do, however, agree that more explicit information about the roles and responsibilities of analysts is important and will ensure that it is included in more suitable reference materials, either the Operations Handbook recommended in Comment 5 or the Antidumping Manual, as applicable.

3. **IA managers should ensure that analysts (1) enter accurate information into the CMD; and (2) maintain complete and up-to-date case records in the CMD. These requirements should be included in an operations handbook.**

We agree. As the report notes, IA uses a case management database (CMD) to record its casework, monitor deadlines, and prepare weekly status reports for upper management. The CMD also allows analysts and managers to record textual information about the outcome of the case and backup/archival information about the data used for case determinations. IA, at all levels, depends heavily on the accurate and timely update of case information in this database. The report correctly notes that analysts do not receive "formal" training on using and entering information into the CMD. However, analysts are shown how, and are expected, to maintain accurate and up-to-date information in the CMD. In fact, recognizing that the CMD should reflect the actual deadlines in administrative reviews, analysts have devised ways to generate the correct signature date when the statutory date fell on a weekend.

We agree that the process for updating the CMD may not be extensively documented. While the technical procedures for updating each case form are available for reference or print in the CMD, the expectations, roles and responsibilities for updating the CMD have evolved in response to the development of the database. We also agree that those charged with maintaining the CMD need to be reminded of their responsibilities and re-trained when necessary.

To ensure transparency and added accuracy, we will draft instructions for updating the CMD that will include the roles and responsibilities of analysts, team leaders, and managers. This information will be made readily available in the database itself and in training materials. We will also include a CMD element in IA's overall training program and include updating procedures in printed versions of all applicable manuals.

4. **IA should use actual and not estimated performance data when the bureau is reporting its performance results for the Department's Annual Performance Plan**

IA prides itself in its ability to consistently meet all of its statutory deadlines. We disagree with the finding of the IG that IA has missed certain of its statutory deadlines, *i.e.*, those deadlines that fall on a weekend. See Comment 1 above. IA uses the signature dates in the CMD to produce the performance results for the Annual Performance Plan. As such, because some of the statutory due dates may fall during a weekend, basing the

performance data on the CMD-generated signature date may not be the most accurate method for calculating performance results.

We intend to ensure that the CMD will reflect the statutory deadline, the actual deadline, (when the statutory deadline falls on a weekend or holiday), and the signature date, if it differs from the actual deadline.

ITA will complete an independent verification and validation review of ITA-wide performance measure data during FY 2005. This review will include data associated with the AD/CVD measure.

5. IA should update the antidumping manual for its analysts and the public.

The Antidumping Manual was created as a tool for our analysts to use in order to further their understanding and application of the Uruguay Round Agreements Act. It was never intended to be a definitive guide for the staff, nor was it meant to be a "how-to" manual for the general public. We note that the manual in most respects continues to be accurate; however, we agree that it should be updated to reflect changes in IA practice.

We recognize the usefulness of the Antidumping Manual as a reference tool for new analysts and intended, as part of the reorganization, to update it for that purpose. We will soon identify a group of experienced individuals in IA to undertake this project. While it will continue to be made available to the public, we do not intend to modify its focus or emphasis as a tool for our analysts.

6. IA should develop and maintain an updated internal operations handbook to formalize current bureau practices into written policies and guidelines and make the handbook accessible to all employees through IA's portal on the ITA intranet.

We agree that an internal Operations Handbook of current procedures and practices would be extremely useful to all IA employees, especially a web-based handbook that may be easily updated. The concurrence process memo discussed in Comment 1 above is a first step in that direction and we will begin working on a plan to develop a complete Operations Handbook. The Handbook will be distinguishable from the substantive items contained in the Antidumping Manual in that it will address the procedural aspects related to the conduct of administrative reviews.

7. IA management needs to formulate a standard for verification reports to improve the quality and consistency of the reports and enable analysts to complete the reports more efficiently.

While we agree that a standard format for verification reports does not exist, and while one may be desirable, our primary goal is to document fully the activities surrounding the

verification and the findings of the verification team. Not all verifications are the same. Some cover companies that have never been examined; others may involve companies that have gone through the verification process numerous times. Further, some cases involve numerous technical and methodological issues, while others may be more straightforward. As such, reports may vary in detail and scope depending on the case and the issues at hand. For the most part, verification reports follow from the verification outline, which is fairly standard in format from case to case. Of course, the outline must reflect the particular issues of a given case, as does the verification report. For example, to address the IG's mention of a report that lacked information on corporate structure and accounting practices, we note that the content of the verification report is dependent on the issues of the individual case.

That said, in conjunction with the ongoing analyst training, we will devote one section of the training program to verification techniques, strategies, and report writing.

8. IA office directors, program managers, and CRU staff should ensure that official records of annual administrative reviews are complete and accurate.

IA agrees with the IG that the official records of administrative reviews should be complete and accurate. In fact, each CRU employee's performance plan includes a critical result stating that each employee must accurately CRIMS and file all documents within 48 hours of receipt. However, there are times when things happen beyond the control of CRU such as a law firm or IA case analyst labeling a document with the incorrect case number or the incorrect administrative review. In such instances, documents may be misfiled.

IA receives numerous new petitions for investigations each year along with requests for administrative reviews, new shipper reviews and other related AD/CVD proceedings. Each case or proceeding can generate hundreds and sometimes thousands of documents, many of which contain hundreds of pages. CRU does not have the storage capacity to retain the entire file in one location. CRU receives numerous large and oversized documents that must be stored in boxes in separate areas of CRU, including storage rooms on the floors of the HCHB. CRU realizes filing documents in this fashion sometimes makes it difficult to conduct research with respect to the official file. To accommodate this factor, CRU has a staffed reference desk available during regular business hours to assist all researchers in locating hard-to-find documents. CRU staff pride themselves on the ability to locate any document filed in the official file. Given that CRU cannot always file each case in the same location, researching some of the official files without the assistance of CRU staff could cause a researcher to view the case file as incomplete.

Also with respect to the certification of the official file for court purposes, the analysts and CRU must work together to certify the official file. Otherwise, it will make a simple process complicated and overwhelming. Usually with CRU's assistance in preparing court records, copies of the analyst work file are seldom needed unless the document was never

filed in CRU when the case was ongoing. In such instances, analysts must search for documents in their offices and files. Preparation of the certified record for the court requires that business proprietary and public documents be removed from the official file. In preparing the certified record, the analyst separates the business proprietary documents from the public documents and works with CRU to certify the abstract index that accompanies the official case file. Upon completion, the file is forwarded to the Chief Counsel's office in preparation for litigation.

Operations managers will make certain that analysts are fully aware of their obligation to ensure that official records are complete and accurate. Further, IA will emphasize the need for analysts and CRU staff to work more closely to ensure the entire process is understood from beginning to end. Procedures for court record preparation and certification will be included in the new Operations Handbook. IA further believes that the eventual conversion of its paper-based filing system to an electronic filing system will also address concerns raised under this recommendation.

9. **IA needs to: (1) put its storage policy on data sets and margin calculations in writing and make it accessible to employees; (2) enforce that storage policy by requiring program managers to certify that all data sets and margin calculations have been sent to the IT office before a case can be closed on the CMD; (3) require that the unique storage number of the stored data be entered in the CMD; and (4) create an inventory list of data sets and margin calculations, which is sent periodically to office directors, who should ensure that data is being stored.**

We agree with the IG that the storage policy in IA must be made more accessible to employees and enforced at all levels. As a matter of fact, the IT Office, in coordination with the Computer Support Team, has already revised the IT Media Submission Form and is in the process of drafting instructions and procedures for submitting datasets and margin calculations to the IT Office. The revised form requires the input of the unique storage number assigned by the IT Office that refers to the actual storage location of the stored media. The form also requires the manager's initials certifying that the information was compiled and ready for physical submission to the IT Office. The new Media Submission Form and instructions will be made available in IA training manuals and in the CMD. It is anticipated that analysts will fill out the form in the CMD and save it in the CMD so that managers can easily certify that the media is ready for submission. The IT Office will record the unique storage number on the form in the CMD. Information from the forms can be used in the CMD to generate reports on a case-by-case and company-by-company basis so that managers can verify that all data and programmatic information have been correctly submitted to the IT Office. We anticipate that the revised Media Submission Form and instructions will be available in the CMD shortly.

10. **IA should take appropriate action to comply with federal and departmental requirements to maintain backup files for vital records. In addition, IA should adopt appropriate measures to safeguard the official files in the CRU.**

IA agrees with the IG in that files maintained within the CRU should be safeguarded in some manner to provide for continuity of operations should the files in the CRU become destroyed or inaccessible. IA anticipates that the new document and records management software will respond to this recommendation. Until the new document and records management system is fully implemented, IA's budget is insufficient to copy the entire paper file stored in the CRU and maintain space for a duplicate filing system at another location. ITA will consult with the Department's Office of Building Management to explore safeguards for vital records, including interim fire suppression measures.

11. **IA should take timely and appropriate action to implement its new document and records management software, which has the potential to lessen the administrative burden and increase the efficiency of IA analysts.**

IA has been anxious to implement a document and records management system that would not only better serve its customers, but also streamline its current paper-driven workflow and document dissemination processes.

During the summer of 2004, IA and the Office of the Chief Information Officer (OCIO) embarked on a project that would address their collective document management and web content management needs. IA has had a strong interest in improving its service to its customers and making the administration of all of its proceedings more efficient by converting its paper-based business process into a paperless system. The OCIO was interested in a web content system to manage its Export.gov website. It seemed to be a logical extension to search for a solution that would address both needs since many software packages that performed one function also performed the other. In addition, as an enterprise-wide solution, other bureaus within ITA could take advantage of these and other features.

Late in 2004, a procurement order was issued to [REDACTED]. The order included licenses to cover IA's staff for use of the resulting system, programming and project management resources for a pilot project. The pilot includes the design and implementation of a system for an antidumping review. Once the system is designed, several reviews scheduled to initiate in the April/May timeframe will be used to test the design. Completion of the pilot would be "Phase 1" of the system. Once Phase 1 is tested and completed, IA would continue the process to include all of its proceedings. However, only enough resources for Phase 1 were included in the [REDACTED] purchase order.

The planning for the design of the resulting system kicked off in November 2004. The OCIO dedicated a project manager to IA's project and hired one FTE dedicated to drafting

the requirements for IA's pilot project. A schedule for the pilot has been drafted and approved by the core team made up of OCIO and IA staff. The rigorous schedule calls for the pilot project to conclude at the end of October 2005 when IA and the team will begin scheduling subsequent phases of the project. Work on the Export.gov website has progressed much faster than the IA project and is nearing completion of the initial design.

While IA remains enthusiastic about this initial pilot project, we realize that full implementation of the document management system will involve substantial outreach and training to IA stakeholders and customers, and will have a tremendous impact on IA staff from the bottom up as IA's business processes change in response to the new system. Given the structure of the [REDACTED] purchase order and the OCIO's current staffing, IA is concerned that the OCIO may not be able to support IA's project much past the first pilot phase. IA's ability to implement the system will be significantly impacted by the level of technical support offered by OCIO in the coming year.

- 12. IA should review the current structure of its computer support staff and determine how the staff can best meet the needs of the organization in light of the bureau's recent reorganization.**

We agree and intend to review our current IT staffing levels and assignments. We note that the IT staff is intended as a resource for the analysts and is not necessarily called on for each case. Analysts are required to attend training in [REDACTED] and to adapt the standard programs to their cases. The IT staff is an excellent resource for troubleshooting and for cases that are extraordinarily complicated in terms of data analysis.

- 13. IA should reassess its approach to developing training programs, including career development, to ensure that needs of the analysts are met.**

We agree with the IG that IA's training program needs to be examined carefully and improved. The model currently used for analyst training closely follows the model that has been used in the past and was implemented quickly to begin training the large number of new analysts that came on board in the past year. We are considering a number of options, including the dedication of certain staff members to assist in the development of the training program and, budget permitting, the possible hiring of an outside consultant to help conceptualize and plan an ongoing program.