



UNITED STATES
INTERNATIONAL
TRADE COMMISSION

IG

USITC Office of the Inspector General
**Semiannual
Report**

April 1, 2006 - September 30, 2006

October 2006



UNITED STATES INTERNATIONAL TRADE COMMISSION

WASHINGTON, DC 20436

TO: The Chairman

FROM: Assistant Inspector General for Audit

A handwritten signature in cursive script, appearing to read "Jean Smith".

SUBJECT: OIG Semiannual Report for April 1, 2006 – September 30, 2006

I am pleased to submit the Office of Inspector General (OIG) Semiannual Report for the period April 1, 2006 through September 30, 2006. The Inspector General Act of 1978 (Public Law 95-452), as amended, requires the Inspector General to report semiannually to you and the Congress on the activities of the office during the six month periods ending March 31 and September 30.

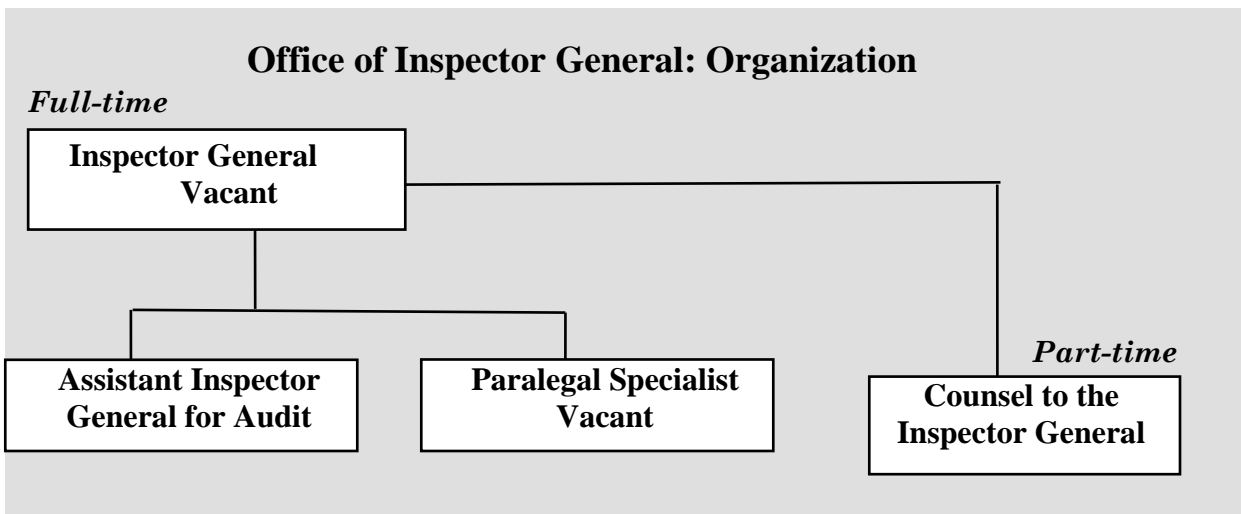
This report summarizes the significant OIG activities during the six month period ending September 30, 2006 as well as discusses the top management challenges facing the Commission.

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THE OFFICE OF INSPECTOR GENERAL

The Commission established the Office of Inspector General (OIG) pursuant to the 1988 amendments to the Inspector General Act. The Inspector General reports directly to the Chairman, and is responsible for directing and carrying out audits, investigations, and inspections relating to Commission programs and operations. The Inspector General also provides comments and recommendations on proposed legislation, regulations, and procedures as to their economy, efficiency and effectiveness.

As shown in the organizational chart, the OIG was allocated four staff years in fiscal year 2006, October 1, 2005—September 30, 2006 (FY 2006). However, in the beginning of the fiscal year two positions became vacant and have not been filled. The Inspector General retired on October 31, 2005 and the Paralegal Specialist left the Commission on November 27, 2005. During this period, the Assistant Inspector General for Audit and Counsel have been performing the necessary duties to meet the requirements of the Inspector General Act.



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COMMISSION'S TOP MANAGEMENT CHALLENGES

The “Top Management Challenges” facing the Commission as identified by the OIG—as well as recent OIG activities relating to each challenge—are discussed below. These management challenges are within the framework of the President’s Management Agenda (PMA) that include five somewhat interrelated Government-wide initiatives: (1) Competitive Sourcing, (2) Improved Financial Performance, (3) Budget and Performance Integration, (4) Expanded Electronic Government, and (5) Strategic Management of Human Capital.

Because the Commission was not included among the PMA agencies and has not established PMA deliverables and time lines, neither the Commission nor the OIG has attempted to score its PMA progress. However, the Commission’s budget justifications, as well as its strategic planning documents, expressed the Commission’s commitment to the spirit of the five PMA initiatives. The Commission’s adherence to that spirit is discussed below.

Management Challenge: Competitive Sourcing. To improve the performance and efficiency of activities that are commercial in nature, the PMA calls for departments and agencies to compare their commercial activities with those of the private sector and determine whether the private sector or government employees should perform the activity. The intended outcome is better service at a lower price.

The Commission has stated that its permanent staff is devoted to core agency investigative functions and recurring support activities where the cost of outsourcing is less competitive. During this reporting period, the Commission was working on developing its 2006 comprehensive list of commercial activities.

The Commission has competitively contracted for information technology services, certain editing and publishing services, mailroom and general labor services, cleaning and building maintenance services, and security services. Private sector contract employees comprise 14 percent of the on-site personnel. In addition, other services are acquired on an as-needed basis, such as virtually all equipment maintenance services, application systems design and development, and certain audit and financial services.

During this reporting period, OIG work did not address competitive sourcing.



Management Challenge: Improved Financial Performance. This initiative is to improve the quality and timeliness of financial information so that it can be used to reduce waste, fraud, and abuse and manage federal programs more effectively. At this time, the OIG is in the process of auditing the Commission's FY 2006 financial statements. To date, this audit has revealed that the Commission continues to have problems with timely identifying procurement related transactions. The Office of Finance made the appropriate adjustments to the financial records as transactions came to their attention. However, inadequate financial management processes could widely affect the Commission's operations.

Management Challenge: Budget and Performance Integration. This initiative is to ensure each program's purpose is clear, well designed to achieve its objectives, and effectively managed to provide the best value for taxpayers. Performance information will be used to (1) end or reform programs that either cannot demonstrate positive results or are clearly failing and (2) put resources in programs that can prove they are successful.

The Commission restructured its budget formulation and execution activities to permit the allocation of virtually all costs to one of the five operations set forth in the Strategic Plan. All indirect costs have been allocated to the Commission's five operations with the exception of the OIG activities. These are reported as unallocated indirect costs. The Commission also presents data using a budget object classification methodology. Budget integration efforts to date have allowed Commission managers to track changes in workload and compare them to changes in cost. In doing so, the Commission is able to determine whether resources are being allocated efficiently.

The performance goals and indicators in the Commission's Annual Performance Plan also provide measures by which the agency's activities can be assessed. During this reporting period, the Commission was preparing the Performance and Accountability Report, which provides program performance results for FY 2006. This report will be submitted to the President, Congress, and the Office of Management and Budget.

During this reporting period, OIG work did not address budget and performance integration.

Management Challenge: Expanded Electronic Government. This initiative is designed to bring more services to the American citizen over the Internet, make government more efficient, and improve information technology (IT) management throughout the Executive Branch.

Every Commission business process—investigations, research, trade information services, trade policy support, and administration—depends on reliable and effective information systems and services. The information that the Commission processes and generates is a valuable asset that management must protect from loss, misuse, unauthorized access or modification. The Commission has been working on redesigning its website and making improvements to its Electronic Document Information System.

The OIG's Federal Information Security Management Act (FISMA) audit for FY 2006 found the Commission made progress in strengthening its IT security program. The Commission fully implemented 10 of 23 recommendations from our prior year's audit. This audit did not include a review the status of 4 recommendations because of on-going work by the Commission.

In addition to the nine open recommendations from last year's FISMA audit, the OIG found three additional weaknesses. These weaknesses relate to use of wireless technologies, certification and accreditation of major systems, and the system change control process. The OIG made three recommendations to correct these weaknesses, and the Commission presented actions to address them.

Management Challenge: Strategic Management of Human Capital. Agencies must strategically align human resources to support the organization's policy and programmatic goals. Since a substantial number of federal employees will be eligible to retire within the next few years, agencies need to hire, develop, and retain skilled staff to ensure continuity of operations.

The Commission's largest budget item is salaries and personnel benefits, which account for approximately 75 percent of the budget. The Commission maintains an expert staff of professional international trade and nomenclature analysts, investigators, attorneys, economists, computer specialists and administrative support personnel. At the end of FY 2006, the Commission employed a total of 398 permanent federal employees.



The Commission has undertaken several initiatives in support of an overall human capital strategy. The Commission developed a Strategic Human Capital Management Plan which is intended to be an essential component of organization's strategic planning. It serves to: define human capital goals, summarize the projected changes in the workforce assets, and identify strategies to achieve the human capital goals and an action plan for implementing the strategies. Additionally, the Commission developed a vision of future workforce needs. Using information resulting from these efforts, the Commission has been working on addressing identified needs.

During this reporting period, OIG work did not address the Commission's management of human capital.



COMMISSION PROFILE

<http://www.usitc.gov>

The U.S. International Trade Commission is an independent, nonpartisan, quasi-judicial federal agency established by Congress to provide trade expertise to both the Legislative and Executive Branches of government. Its mission is to: administer U.S. trade remedy laws within its mandate in a fair and objective manner; provide the President, the U.S. Trade Representative (USTR) and the Congress with independent, quality analysis, information, and support on matters of tariffs and international trade and competitiveness; and maintain the Harmonized Tariff Schedule of the U.S. In so doing, the Commission serves the public by implementing U.S. law and contributing to the development of sound and informed U.S. trade policy. Major Commission activities include:

- **Import Injury Investigations**—The Commission makes determinations in a variety of import injury investigations, primarily antidumping and countervailing duty (AD/CVD) investigations concerning the effects of unfairly traded imports on a U.S. industry.
- **Intellectual Property-Based Investigations**—The Commission adjudicates complaints brought by domestic industries under section 337 of the Tariff Act of 1930 that allege infringement of U.S. intellectual property rights and other unfair methods of competition by imported goods.
- **Industry and Economic Analysis**—The Commission's industry and economic analysis program consists of probable economic effects investigations under section 131 of the Trade Act of 1974 or section 2104 of the Trade Act of 2002; analysis of trade and competitiveness issues under section 332 of the Tariff Act of 1930; and independent assessments on a wide range of emerging trade issues.
- **Trade Information Services**—The Commission's trade information services include such activities as legislative reports; maintenance of the Harmonized Tariff Schedule; Schedule XX; U.S. Schedule of Services Commitments under the General Agreement on Tariffs and Trade/World Trade Organization; preparation of U.S. submissions to the Integrated Database of the World Trade Organization; and certain other information gathering, processing, and dissemination activities.



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- **Trade Policy Support**—The Commission supports the formulation of U.S. trade policy, providing objective input to both the Executive Branch and the Congress on the basis of the distinctive expertise of its staff.

The Commission consists of six Commissioners, appointed by the President and confirmed by the Senate, who serve one term of nine years, unless appointed to fill an unexpired term. No more than three Commissioners may be of the same political party. The Chairman and Vice Chairman are designated by the President and serve a 2-year statutory term. The Chairman is responsible, within statutory limits, for the administrative functions of the Commission.

The current Commissioners are Daniel R. Pearson, Charlotte R. Lane, Deanna Tanner Okun, Stephen Koplan, Jennifer A. Hillman, and Shara L. Aranoff. The current Chairman is Daniel R. Pearson and the current Vice Chairman is Shara L. Aranoff.

In FY 2006, the Commission had an estimated \$65.3 million in available funds and a staffing plan for 392.5 permanent positions and 22 term/temporary positions. All employees are located in one building at 500 E Street, SW, Washington, DC.

AUDITS

The OIG issued one audit report during this period:

Evaluation of the U.S. International Trade Commission's Fiscal Year 2006 Information Security Program and Practices

(OIG-AR-03-06, September 29, 2006 <http://www.usitc.gov/oig/OIG-AR-03-06.pdf>)

The OIG conducted our annual independent audit of the Commission's information security program and practices to determine if the Commission: (1) implemented appropriate actions to address recommendations made in OIG-AR-04-05 (September 27, 2005); and (2) met Federal Information Security Management Act criteria.

We found the Commission made progress in strengthening its information technology (IT) security program during the 2006 fiscal year. The Commission fully implemented 10 of the 23 recommendations from OIG-AR-04-05, and 9 remained open. We did not perform audit work on the remaining four recommendations because the Commission was in the process of installing a new firewall and intrusion detection system. We plan to perform audit follow-up work on these recommendations in October 2006. Therefore, we are not able to close these issues at this time.

In addition to the nine open recommendations from OIG-AR-04-05, we found three additional weaknesses. These weaknesses relate to use of wireless technologies, certification and accreditation of major systems, and the system change control process.

We made three recommendations to improve the Commission's IT security. The Commission agreed with our recommendations and presented actions to address them.

Due to the sensitive content, we have limited distribution of this and prior information security annual reports.



The OIG issued one advisory letter during this period:

Determination of whether Information Systems were Missing

(IG-DD-023, September 29, 2006)

As part of a new Federal Information Security Management Act requirement, we reported that we found no missing information systems from the Commission's inventory. We tested the Commission's inventory of information systems as part of our fiscal year 2006 financial audit. Office of Management and Budget's (OMB) M-06-20, *FY 2006 Reporting Instructions for the Federal Information Security Management Act and Agency Privacy Management*, requests Inspectors General to provide a list of any systems that have found missing from the agency's inventory of major information systems.



AUDIT FOLLOW-UP

Management Letter: Audit of the U.S. International Trade Commission's Financial Statements for Fiscal Years 2005 and 2004

(OIG-AR-02-06, March 31, 2006 <http://www.usitc.gov/oig/OIG-AR-02-06.pdf>)

During this reporting period, we were in the process of following-up on the status of the OIG recommendations made in connection with our audit of the Commission's financial statements for FYs 2005 and 2004. These recommendations were reported in the above Management Letter that identified issues not required to be included in the financial statements report. We made five recommendations which, when implemented, should strengthen the Commission's internal controls over its operations.

Specifically, the Commission should:

- Improve the oversight of property by ensuring an Administrative Notice is issued which provides guidance for controlling both fixed assets and accountable property. The guidance should clarify procedures and assign responsibilities for controlling all types of assets. The guidance should also address the responsibilities associated with the operation of the inventory database.
- Improve procedures over depositing funds by designating an alternate person to serve as back-up in the event the primary person responsible for depositing funds within the established time-frames is unavailable.
- Strengthen controls over purchase activity by requiring Cost Center Managers to verify their requested action was: (a) accurately entered into the Commission's procurement records; and (b) timely obligated.
- Develop procedures to ensure proper tax reporting of employee awards.
- Develop policies and procedures to ensure compliance with the Federal Managers' Financial Integrity Act of 1982.

Pending recommended actions remain open on one audit reported in the previous semiannual report:

Evaluation of USITC's Records Management

(OIG-AR-05-00, March 7, 2001 <http://www.usitc.gov/oig/OIG-AR-05-00.pdf>)

The Commission agreed with all 22 recommendations, implemented 21, but has yet to:

- Identify records scanned by EDIS so they can be disposed.

The Commission's Records Manager and Office of Information Technology Services plan to coordinate their efforts and take the appropriate action to satisfy this recommendation.



INSPECTIONS

Protection of Sensitive Agency Information

(IG-DD-020, September 22, 2006)

The OIG conducted an evaluation of the Commission's actions to ensure the protection of personally identifiable information (PII) that is either accessed remotely or stored offsite. We conducted this work at OMB's request for inclusion in the Inspectors General consolidated report on the state of the federal government's ability to protect sensitive information.

We found the Commission's implemented and planned actions significantly address requirements identified in OMB M-06-16, *Protection of Sensitive Agency Information*. The Office of the Chief Information Officer (OCIO) has taken steps to identify PII within the agency and implement required controls over remote access and encryption of portable laptops. However, the OCIO needs to address encryption of sensitive data stored remotely such as backup tapes sent to and stored at offsite backup facilities.

INVESTIGATIONS

The OIG investigates possible violations of laws, rules, and regulations, mismanagement, abuse of authority, and waste of funds. These investigations may result either from our own audit, inspection and other work or in response to allegations, complaints, and information received from employees, other government agencies, contractors, and other concerned individuals. The objective of this program is to ensure the integrity of the Commission and assure individuals fair, impartial, and independent investigations.

Summary of Investigative Activity

During this reporting period, two new cases were initiated and three cases were closed. A summary of investigative activity is presented below.

Case Workload		Referrals Processed		Investigative Results	
Open (03/31/06)	2	Received from Hotline	0	Referrals for Prosecution	0
Initiated	2	Referred to OIG Audit & Inspection Division	0	Referrals Declined for Prosecution	0
Closed	3	Referred to Commission	1	Administrative Action	0
Open (09/30/06)	1	Referred to other Federal Agencies	0		
		Evaluated but No Investigation Initiated	0		



OTHER ACTIVITIES

Regulatory Review

The *Inspector General Act* requires the OIG to review existing and proposed legislation and regulations and to make recommendations concerning the impact of such legislation or regulations on the economy and efficiency of programs and operations administered by the Commission.

During this reporting period, the OIG reviewed and commented on the Commission's new and revised Privacy Act systems of records notices. The notices were published in *71 Federal Register*, pages 35294-01, on June 19, 2006 and became effective as of July 31, 2006.

Directives Review

During this reporting period, the Commission prepared six draft directives and distributed the directives to the OIG for review and comment. In addition, the Commission submitted six obsolete administrative orders to the OIG for cancellation approval. A summary of directives review activity is presented below.

Office Mission and Function Statements Reviews

The OIG concurred with draft mission and function statements directives for the Offices of the Chief Information Officer and Information Technology Services. However, the OIG did not concur with a draft directive on the mission and function of the Office of Secretary, and we presented our concerns to the Commission. The Secretary had more extensive comments and suggestions for the draft directive and the OIG deferred to her judgment on those matters. Subsequently, the Commission revised the draft directive on the mission and function of the Office of Secretary to address the OIG's and Secretary's concerns. The OIG did not comment on the revised draft directive. All three mission and function statements became effective on September 8, 2006.

Draft Administrative Order Reviews

The OIG reviewed three draft administrative orders regarding: Reporting Staff Contacts with Legislative or Executive Branches; Commission Publications, Notices and Releases; and News Releases. The OIG commented that all three of the draft administrative orders

contained provisions that affected OIG independence. The *Inspector General Act* created the OIG as an independent unit to their respective agency. Therefore, the OIG should be excluded from the Orders' provisions. The OIG provided applicable provisions of the law and suggested revisions to the draft administrative orders that will exclude the OIG from their provisions and bring the orders in compliance with the *Inspector General Act*.

Obsolete Administrative Orders

The OIG received six administrative orders to review for obsolescence. The OIG reviewed administrative orders on the Publication Distribution System, Assistance to the Public, Realignment of the Office of Investigations, Policy Manual, ITC Mission and Function Issuances and had no objection to them being cancelled because of obsolescence. However, the OIG asked for further information regarding the Manpower administrative order and is waiting on a response.

Government Accountability Office (GAO)

The Inspector General Act states that each Inspector General shall give particular regard to the activities of the Comptroller General of the United States with a view toward avoiding duplication and ensuring effective coordination and cooperation. During this period, the GAO issued ten reports in which Commission activity was reported and none contained a recommendation for the Commission. The ten reports are:

U.S. China Trade: Challenges and Choices to Apply Countervailing Duties to China (GAO-06-608T, April 4, 2006)

Workplace Safety and Health: OSHA Could Improve Federal Agencies' Safety Programs with a More Strategic Approach to its Oversight (GAO-06-379, April 21, 2006)

World Trade Organization: Limited Progress at Hong Kong Ministerial Clouds Prospects for Doha Agreement (GAO-06-596, April 26, 2006)

Personnel Practices: Conversions of Employees from Noncareer to Career Positions, May 2001 - April 2005 (GAO-06-381, May 1, 2006)

DOD Personnel Clearances: Funding Challenges and Other Impediments Slow Clearances for Industry Personnel (GAO-06-747T, May 17, 2006)

DOD Personnel Clearances: New Concerns Slow Processing of Clearances for Industry Personnel (GAO-06-748T, May 17, 2006)

Intellectual Property: Initial Observations on the STOP initiative and U.S. Border Efforts to Reduce Piracy (GAO-06-1004T, July 26, 2006)

Information Quality Act: Expanded Oversight and Clearer Guidance by the Office of Management and Budget Could Improve Agencies' Implementation of the Act (GAO-06-765, August 23, 2006)

Offshoring: U.S. Semiconductor and Software Industries Increasingly Produce in China and India (GAO-06-423, September 7, 2006)

U.S. Aerospace Industry: Progress in Implementing Aerospace Commission Recommendations, and Remaining Challenges (GAO-06-920, September 13, 2006)

Management Assistance

Guidance on Use of Appropriated Funds

The OIG provided guidance to the Commission on using appropriated funds for food and refreshments at awards ceremonies and training, non-monetary awards, entertainment, and gifts. As a general rule, appropriated funds may not be used for purchase of food, refreshments, entertainment, or gifts, except when specifically authorized by statute and also authorized or approved by proper administrative officers. There are statutory exceptions for purchase of food and refreshments for awards ceremonies and training, but the expense must be necessary to carry out the purposes of an appropriation. There is no statutory authority for non-monetary informal recognition awards, but the Office of Personnel Management (OPM) permits such awards as part of an agency's awards program. In response to the OIG's guidance, the Chairman issued Administrative Order: 06-08 *PMS non-monetary awards* (July 13, 2006), which added non-monetary awards to the awards permitted under the Commission's Performance Management System.

Guidance on Combined Federal Campaign (CFC) Fundraising

In response to emails issued to all employees announcing a "coin drive" and raffle ticket sales for CFC fundraising, the OIG performed preliminary research on whether the activities were appropriate. According to the email for the coin drive, contributors' names would be entered to win 50% of the proceeds with the remaining 50% being distributed to CFC. The



raffles tickets would be sold for \$1 to \$5 depending on the item, which ranged from bakery gift certificates to sporting event tickets. Based on the research, the OIG had concerns about the proposed fundraising and referred the matter to the Commission's Ethics Officer for attention. The Ethics Officer took action and the coin drive was restructured with all the proceeds being paid to CFC. Similarly, the raffles were replaced with silent auctions with all the receipts being paid to CFC. The Ethics Officer told the OIG that all of the items to be auctioned were donated. Furthermore, the Ethics Officer informed the OIG that OPM has proposed a regulation that would require the agency Ethics Officer to approve all proposed CFC fundraising events prior to notification of agency employees.

Other Activities

Records Management

Counsel serves as the OIG representative to the Commission's records management revision team. Pursuant to the OIG's report on *Evaluation of the Commission's Record Management* (OIG-AR-05-00, March 7, 2001), the Commission assembled a team to revise the agency's records management program. Counsel also prepared a new records disposition schedule for the OIG, which has been submitted to the National Archives and Records Administration (NARA) for acceptance. During this reporting period, a NARA representative appraised the OIG's records that are scheduled to be permanent.

Liaison Activities

The Assistant Inspector General for Audit participated in activities sponsored by the Executive Council on Integrity and Efficiency (ECIE). Established by Executive Order 12805 on May 11, 1992, the ECIE is chaired by the Office of Management and Budget and, in addition to the Inspectors General, includes representatives from the Office of Personnel Management, the Office of Government Ethics, the Office of Special Counsel, and the Federal Bureau of Investigation. The ECIE's functions and responsibilities are to promote integrity and efficiency and to detect and prevent fraud, waste and abuse in federal programs.

The Assistant Inspector General for Audit is an active member of the Federal Audit Executive Council and the Financial Statement Audit Network. The functions and responsibilities of these groups are to anticipate potential changes and share experiences related to auditing.



The OIG Counsel is a member of the Council of Counsels to the Inspectors General (CCIG). During this reporting period, she served as one of the Vice-President's of this organization. Her duties include recording the minutes of the monthly meetings and assisting with facility arrangements. Counsel arranged for the July 2006 CCIG meeting to be held at the Commission and presided at the meeting due to the absence of the President. In addition, the Counsel arranged for an attorney from the U.S. Department of Justice Computer Crimes and Intellectual Property Section to speak on computer search and seizure at the July 2006 meeting.

Also, Counsel is a member of the Inter-agency Ethics Council, which is composed of Federal employees involved in ethics issues. Counsel provides a monthly report to the Council on Federal Court cases involving ethics issues.

Furthermore, the OIG Counsel is a member of the Association of Directors of Investigations, which consists of Federal OIG Investigators.

In addition to her professional contributions to the federal OIG community, the OIG Counsel was a volunteer tutor for a third grade elementary school student. The Commission adopted Amidon Elementary School, a neighboring District of Columbia public school, for which Commission employees voluntarily tutor students in a variety of subjects.

REPORTING REQUIREMENTS INDEX

The Inspector General Act of 1978, as amended (1988), specifies reporting requirements for semiannual reports.

CITATION	REPORTING REQUIREMENTS	PAGE
Section 4(a)(2)	Recommendations concerning the impact of such legislation or regulations on the economy and efficiency in the administration of programs and operations administered or financed by the Commission	14
Section 5(a)(1)	Description of significant problems, abuses, and deficiencies relating to the administration of programs and operations	None
Section 5(a)(2)	Description of the recommendations for corrective action made with respect to significant problems, abuses, or deficiencies	None
Section 5(a)(3)	Identification of each significant recommendation described in previous semiannual reports on which corrective action has not been completed	10-11
Section 5(a)(4)	Summary of matters referred to prosecutive authorities and the prosecutions and convictions which have resulted	None
Section 5(a)(5)	Summary of each report made to the head of the establishment under which information or assistance was unreasonably refused	None
Section 5(a)(6)	Listing of each audit report	8
Section 5(a)(7)	Summary of each significant report	8-9
Section 5(a)(8)	Statistical tables showing Audit Reports–Questioned Costs	20
Section 5(a)(9)	Statistical tables showing Audit Reports–Funds Put to Better Use	21
Section 5(a)(10)	Summary of each audit report issued before the commencement of the reporting period for which no management decision has been made by the end of the reporting period	None
Section 5(a)(11)	Description and explanation of the reasons for any significant revised management decisions	None
Section 5(a)(12)	Information concerning any significant management decision with which the Inspector General is in disagreement	None

Table 1: AUDIT REPORTS WITH QUESTIONED COSTS

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

**Table 2: AUDIT REPORTS WITH RECOMMENDATIONS
THAT FUNDS BE PUT TO BETTER USE**

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

GLOSSARY

The following definitions apply to the terms used in this report.

- Questioned cost** means a cost that is questioned by the Office because of: (1) an alleged violation of a provision of a law, regulation, contract, grant, cooperative agreement, or other agreement or document governing the expenditure of funds; (2) a finding that, at the time of the audit, such cost is not supported by adequate documentation; or (3) a finding that the expenditure of funds for the intended purpose is unnecessary or unreasonable.
- Unsupported cost** means a cost that is questioned by the Office because the Office found that, at the time of the audit, such cost is not supported by adequate documentation.
- Disallowed cost** means a questioned cost that management, in a management decision, has sustained or agreed should not be charged to the Government.
- Recommendations that funds be put to better use** means a recommendation by the Office that funds could be used more efficiently if management of an establishment took actions to implement and complete the recommendation, including: (1) reduction in outlays; (2) deobligation of funds from programs or operations; (3) withdrawal of interest subsidy costs on loans or loan guarantees, insurance, or bonds; (4) costs not incurred by implementing recommended improvements related to the operations of the establishment, a contractor or grantee; (5) avoidance of unnecessary expenditures noted in preaward reviews of contract or grant agreements; or (6) any other savings which are specifically identified.



If you suspect fraud, waste, abuse, or other misconduct at the U.S. International Trade Commission, contact us.

**The EthicsLine is available 24 hours per day.
The caller can remain anonymous. Federal employees are protected from reprisal under the provisions of the Whistleblower Protection Act of 1989. For more information, see the MSPB publication "Questions and Answers About Whistleblower Appeals."**

If you prefer, you may send written complaints to:

**OIGHotline@usitc.gov or
U.S. International Trade Commission
Office of Inspector General
Room 515
500 E Street, S.W.
Washington, DC 20436**