



UNITED STATES
INTERNATIONAL
TRADE COMMISSION

IG

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

April 1, 2007 - September 30, 2007

October 2007

OFFICE OF INSPECTOR GENERAL



UNITED STATES INTERNATIONAL TRADE COMMISSION

WASHINGTON, DC 20436

October 24, 2007

IG-EE-025

MEMORANDUM

TO: The Chairman

FROM: Acting Inspector General

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

SUBJECT: OIG Semiannual Report for October 1, 2006 – March 31, 2007

I am pleased to submit the Office of Inspector General (OIG) Semiannual Report for the period April 1, 2007 through September 30, 2007. The Inspector General Act of 1978, as amended (5 USC Appendix), 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, 2007 and discusses the top management challenges facing the Commission.

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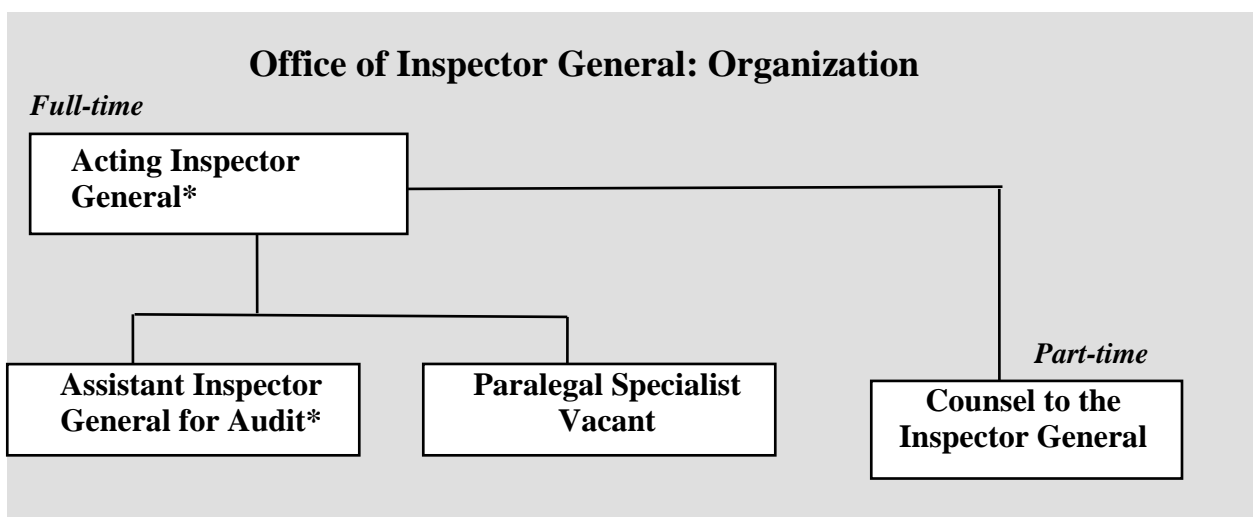
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THE OFFICE OF INSPECTOR GENERAL

The Commission established the Office of Inspector General (OIG) pursuant to the 1988 amendments to the *Inspector General Act*. The OIG is headed by an Inspector General (IG), who reports directly to the Chairman and Congress. As set forth in the IG Act, as amended, the IG has the authority and responsibility to conduct objective and independent audits, reviews and investigations of the agency's programs and operations. Specifically, the IG is responsible for promoting economy, efficiency, and effectiveness within the Commission; preventing and detecting fraud, waste, abuse and mismanagement in the Commission's programs and operations; providing comments and recommendations on proposed legislation, regulations and procedures affecting the Commission; and keeping the Chairman and the Congress fully and currently informed of problems in agency programs and operations.

As shown in the organizational chart, the OIG was allocated four staff years in fiscal year 2007 (October 1, 2006- September 30, 2007, "FY 2007"). Since 2005, two positions have been 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. For the past two years, the Assistant Inspector General for Audit and Counsel have been performing the necessary duties to meet the requirements of the *Inspector General Act*. Towards the end of this reporting period, the Assistant Inspector General for Audit was appointed Acting Inspector General.*



OIG Points of Contact

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COMMISSION'S TOP MANAGEMENT CHALLENGES

The “Top Management Challenges” facing the Commission as identified by the OIG are discussed below. Our assessment is based on information from several sources, including OIG audit and inspection work, a general knowledge of the Commission’s programs and activities, and input from management to obtain their views on what challenges the agency is facing and what efforts the agency has taken to address the challenges.

The OIG believes the major management challenges, in order of priority, facing the Commission are:

Management Challenge: Strategic Management of Human Capital.

This initiative is for agencies to strategically align human resources to support the organization’s policy and program goals.

The Commission’s ability to successfully execute activities in support of its mission depends on a highly skilled and experienced workforce. However, the Commission continues to be challenged by an extremely high vacancy rate. At the end of September 2007, the Commission had a 14 percent vacancy rate. Furthermore, a significant percentage of its workforce is reaching retirement eligibility at a time when there is an increase in work. The increased work includes Title VII investigations (antidumping and countervailing duties under the Tariff Act of 1930) and Section 337 investigations (alleged intellectual property infringement and other unfair acts under 19 U.S.C. Section 1337).

The Commission developed a Strategic Human Capital Management Plan intended to be an essential component of the organization’s strategic planning. This plan identified actions needed to accomplish the following goals:

1. Create and sustain an organizational culture that supports and rewards high performance.
2. Attract and retain a high-performing workforce with the technical and professional skills needed.
3. Continuously develop workforce skills in line with changing Commission requirements.
4. Allocate human resources across organizational components to efficiently respond to changing workload requirements.

The Commission established a new performance management system, which it considers to be the first step in implementing a pay for performance system. During FY 2007, the Commission began a pilot program of the system with volunteers from the Offices of Operations and Administration. Using information from the pilot program, the Commission plans to address needs not previously considered, such as developing standards and elements for unanticipated occupational groups and ad hoc team leader positions.

For senior level employees, the Commission plans to develop a program to obtain certification of a Senior Executive Service (SES) performance appraisal system. As directed by the Office of Personnel Management, “the performance expectations for individual senior employees should (1) reflect expected agency and/or organizational outcomes and outputs, performance targets or metrics, policy/program objectives, and/or milestones; (2) identify specific programmatic crosscutting, external, and partnership-oriented goals or objectives, as applicable; and (3) be stated in terms of observable, measurable, and/or demonstrable performance.”

To attract, retain and continually develop personnel, the Commission implemented several initiatives. The Commission offered re-location expenses, retention bonuses, reimbursement of student loans, professional development and training, and telecommuting to its employees. Approximately 80 percent of Commission staff participated in the telecommuting program. Also, in response to the changes in the Commission’s workload and large vacancy rate, the Director of the Office of Operations has provided cross-training to employees.

Finally, the Office of Human Resources has been working to improve communications within the agency. The office delivered briefings on the new performance management system to managers and staff in the pilot program. Also, the office intends to keep Commission staff informed on the planned transfer of paper official personnel files to electronic format.

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's efforts to link budgeting with strategic planning have allowed Commission managers to more effectively compare changes in workload with changes in cost. Budget formulation and execution activities permit the allocation of virtually all costs to one of the five operations set forth in the Strategic Plan. Since personnel costs are 75 percent of total costs, the Commission uses the labor cost reporting system to collect work years and cost information and attribute it directly to strategic operations when feasible. Each month a labor/cost report is distributed to managers for their review of the office profile. Also, the Commission's Labor Cost Committee meets monthly to review this report.

The labor/cost report was an especially valuable management tool in FY 2007 because of funding reductions. The Commission received \$62,361,000 in FY 2007, which was less than the requested funding of \$64,200,000. To meet costs, the Commission: relied on a significant increase in retirements; delayed recruitment and hiring which resulted in a 14 percent vacancy rate; and increased internal flexibility among staff to meet certain staffing requirements. As a result of funding decreases, the Commission was unable to implement its human capital and information technology (IT) plans as intended.

As an additional step towards budget and performance integration, the Commission developed an IT Strategic Plan whereby an IT proposal must go through a detailed business process to ensure resources for IT investments are efficiently used.

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.

During this reporting period, the OIG is in the process of auditing the Commission's 2007 and 2006 financial statements. Based on the results to date, we anticipate issuing an unqualified opinion along with recommendations to strengthen internal controls over procurement, property and cash.

Management Challenge: Information Technology Security.

The President's Management Agenda includes an initiative to expanded electronic government, which is designed to bring more services to the American citizen over the Internet, make government more efficient, and improve IT management throughout the Executive Branch.

Based on findings from past OIG Federal Information Security Management Act (FISMA) audits, the Commission needs to strengthen its IT security program. During the past year, the Commission made progress towards this challenge. The OIG's 2007 FISMA audit found that the Commission fully implemented 2 of 12 recommendations from the prior year's audit. Also, the Commission completed three major IT security projects which included: building a National Security Information network, establishing a Public Key Infrastructure connection with the Government Printing Office for the transmittal of sensitive information, and creating an incident response policy that addresses loss of personally identifiable information.

While the above efforts are commendable, ten recommendations from the prior year's FISMA audit remained open, and this year's audit found new weaknesses relating to the administration of Plans of Action and Milestones; annual security controls testing and evaluating; security awareness training for new employees and contractors; and implementation of minimum security controls required by NIST Special Publication 800-53, *Recommended Security Controls for Federal Information Systems*.

In response to the OIG's FISMA report, the Chairman stated, "The Commission agreed it could do a better job of generating documentation to support compliance with FISMA requirements, maintenance and reporting of the Commission's plan of action and milestones. However, like many other areas of the Commission, the information security program was not fully funded in FY 2007. Thus, full compliance with all FISMA requirements was not reasonably achievable, especially those requirements that require the generation of extensive documentation."

COMMISSION PROFILE

<http://www.usitc.gov>

The Commission is an independent, nonpartisan, quasi-judicial federal agency established 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 19 U.S.C. Section 1337 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.

- **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.

There are six Commissioners. The Chairman is Daniel R. Pearson and the Vice Chairman is Shara L. Aranoff. The other Commissioners are Deanna Tanner Okun, Charlotte R. Lane, Irving A. Williamson, and Dean A. Pinkert.

For FY 2007, the Commission's funds in the operating expenditure plan totaled \$63,519,000. The FY 2007 staffing plan was for 398 permanent positions and 13 term/temporary positions for a total of 411 positions. As of September 2007, the Commission had 347 employees and a 14 percent vacancy rate. All employees are located in one building at 500 E Street, SW, Washington, DC.

AUDITS

Reports Issued During this Period

The OIG issued two audit reports during this period:

- **Management letter: Audit of the U.S. International Trade Commission's Financial Statements for Fiscal Years 2006 and 2005 (OIG-AR-02-07, May 16, 2007)**
<http://www.usitc.gov/oig/OIG-AR-02-07.pdf>
- **Evaluation of the U.S. International Trade Commission's Fiscal Year 2006 Network Security Controls (OIG-AR-03-07, June 5, 2007)**
<http://www.usitc.gov/oig/OIG-AR-03-07.pdf>

Summary of Significant Audits

Management letter: Audit of the U.S. International Trade Commission's Financial Statements for Fiscal Years 2006 and 2005 (OIG-AR-02-07, May 16, 2007)

In connection with our audit of the Commission's financial statements for FYs 2006 and 2005, we issued a management letter that identified issues not required to be included in the financial statements report. We found the Commission needs to: strengthen controls and oversight of procurement activity; issue guidance for controlling fixed assets and accountable property; improve procedures for depositing funds; and issue guidance on taxing employee awards.

We made five recommendations to correct the identified deficiencies. Specifically, the Commission should:

1. Formally remind Cost Center Managers (CCM) of their financial responsibility to ensure procurements are properly recorded and do not exceed the allowable limit. The reminder should also direct CCMs to identify any employee who may be in need of more training on processing all types of procurement activity and make the training available to the employee.

2. Issue procedures requiring CCMs to verify that their requested action was accurately entered into the Commission's procurement records by reviewing the Procurement Requisition Log for items posted in Procurement Information System for Management (PRISM) and the Blanket Purchase Agreement (BPA) Database. Each CCM should be required to: (1) perform a monthly reconciliation of PRISM and BPA Database with the monthly accounting reports to ensure transactions are accurately obligated and (2) provide the results of the reconciliation to the Office of Finance.
3. Ensure an Administrative Notice is issued which provides guidance for controlling fixed assets and accountable property. This 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 ADP inventory database; and
 - Include a requirement to perform an inventory of fixed assets on a quarterly basis in sufficient time to ensure the fixed assets reported on the quarterly statements are accurate. Also, the fixed assets inventory list should be shared with the information technology staff to ensure they are aware of what items are fixed assets for their proper completion of the forms when transferring a fixed asset.
4. Ensure the alternate people who serve as back-up to the primary person responsible for depositing funds are properly trained to make the deposits. Also, procedures should be developed to ensure the alternates are aware when their services are needed.
5. Issue formal procedures for processing and controlling employee awards to ensure proper tax treatment. These procedures should be made available to all Commission employees to provide notice of the awards and the applicable taxes.

Although the Commission did not fully agree with all five recommendations, the OIG considered all recommendations appropriate. Recommendations non-concurred to by the Commission are discussed below.

The Commission believed its controls and oversight over procurement activity were adequate (see recommendations 1 and 2 above). The Commission relied on regular discussions with office directors on procurement activity and on regular reconciliations which take place

on the Offices of Facilities Management, CIO and Administration Director cost centers for timely and accurate processing. However, this audit found not all procurements were accurately posted in the Commission's official records or timely obligated. While we support the Commission's reconciliation of procurement activity, further action is needed. For example, review of the May 2006 reconciliation found transactions going back to October that required investigation. Finally, the Commission continued to have a problem with individuals exceeding the authorized limit on blanket purchase agreements.

The Commission further believed it had adequate procedures for controlling fixed assets and accountable property (see recommendation 3 above). The Commission did state, however, that it will monitor all items and update the inventory list as often as possible and it will perform a full annual review. Also, the Commission will ensure that quarterly inventories of fixed assets (any single item valued at \$50,000 or more at time of purchase) are conducted. The OIG acknowledged that the actions listed by the Commission are positive efforts. However, since the Commission has had inaccurate ADP inventory records for the last four audits and this year's audit found an error rate of nine percent, revised guidelines should strengthen controls.

Evaluation of the U.S. International Trade Commission's Fiscal Year 2006 Network Security Controls (OIG-AR-03-07, June 5, 2007)

The OIG conducted an audit to determine whether the Commission implemented corrective actions in regards to technical security issues identified in *Evaluation of the U.S. International Trade Commission's Fiscal Year 2005 Information Security Program and Practices* (OIG-AR-04-05, September 27, 2005).

We found the Commission made progress in strengthening its network security controls during Fiscal Year 2006, but further action is needed. The OIG made four recommendations that will assist the Commission in strengthening its network security. The Commission agreed with the recommendations and has planned and initiated actions to address the recommendations.

Due to the sensitive content of this audit, we have limited distribution of further information.

On-Going Audits

During this reporting period, we are in the process of completing the following two audits:

- **Evaluation of the U.S. International Trade Commission's Fiscal Year 2007 Information Security Program and Practices**

We concluded our work on the annual Federal Information Security Management Act (FISMA) audit. An Independent Public Accountant (IPA), working under our supervision, performed an audit of the Commission's information security program and practices to determine if the Commission: (1) implemented appropriate actions to address previously made recommendations; and (2) met FISMA criteria.

At the end of this reporting period, we were in the process of incorporating management's response to the report and will issue the final report October 1, 2007.

- **USITC's Financial Statements for Fiscal Years 2007 and 2006 and the Commission's Management Challenges**

An Independent Public Accountant (IPA), working under our supervision, is performing an audit of the Commission's fiscal years 2007 and 2006 financial statements. The results of this audit will be reported in November 2007.

Audit Follow-Up

No pending recommended actions remain open.

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

At the beginning of this reporting period, one case was open. During the period, two cases were initiated and closed. Therefore, one case remains open. A summary of investigative activity is presented below.

Case Workload		Referrals Processed		Investigative Results	
Open (04/01/07)	1	Received from Hotline	0	Referrals for Prosecution	0
Initiated	2	Referred to OIG Audit & Inspection Division	0	Referrals Declined for Prosecution	0
Closed	2	Referred to Commission	1	Administrative Action	1
Open (09/30/07)	1	Referred to other Federal Agencies	0		
		Evaluated but No Investigation Initiated	0		

OTHER ACTIVITIES

Legislative Review

During this reporting period, the OIG reviewed and commented on H.R. 928 and S. 1723, which contain amendments to the *Inspector General Act*.

Directives Review

Performance Management System Directive

During this reporting period, the Commission distributed a revised draft Performance Management System directive to the OIG for review and comment. The OIG's review of the draft Performance Management System directive raised concerns that it contained provisions that affected OIG independence. The *Inspector General Act* created the OIG as an independent unit to their respective agency. The OIG provided applicable provisions of the law and recommended revisions to the draft Performance Management System directive to bring the directive in compliance with the *Inspector General Act*. In response, the Commission revised the final directive to state: "This directive applies to employees of the Office of the Inspector General to the extent not inconsistent with the *Inspector General Act* and the independent status of that office."

Starting in FY 2007, the Offices of Administration and Operations operated on a pilot program under the revised Performance Management System directive. All other offices including the OIG will remain under the old performance system until May 31, 2008.

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 six reports related to Commission activities. None of the reports contained a recommendation for the Commission. The six reports are:

- **Customs Revenue: Customs and Border Protection Needs to Improve Workforce Planning and Accountability** (GAO-07-529, April 12, 2007)
- **Intellectual Property: Better Data Analysis and Integration Could Help U.S. Customs and Border Protection Improve Border Enforcement Efforts** (GAO-07-735, April 26, 2007)
- **Science and Technology: Information on Federal Programs and Interagency Efforts That Support Small Businesses Engaged in Manufacturing** (GAO-07-714, May 18, 2007)
- **Trade Adjustment Assistance: Changes Needed to Improve States' Ability to Provide Benefits and Services to Trade-Affected Workers** (GAO-07-995T, June 14, 2007)
- **Trade Adjustment Assistance: Industry Certification Would Likely Make More Workers Eligible, but Design and Implementation Challenges Exist** (GAO-07-919, June 29, 2007)
- **Export-Import Bank: Improvements Needed in Assessment of Economic Impact** (GAO-07-1071, September 12, 2007)

Management Assistance

Guidance on Use of Appropriated Official Reception and Representation Funds

The OIG provided guidance to the Commission on using appropriated official reception and representation funds for food and refreshments at a “performance picnic.” There is statutory authorization for purchase of food and refreshments for awards ceremonies, but the expense must be necessary to carry out the purposes of an appropriation. The performance picnic would be subject to greater scrutiny than a traditional awards ceremony (Comp Gen

B- 247563.4). If it can be shown that “the principal purpose” of the performance picnic is to “publicly recognize employees' meritorious performance and allow other employees to honor and congratulate their colleagues,” 65 *Comp. Gen.* 738, 740 (1986), then a performance picnic may qualify as an awards ceremony. In that situation, Commission appropriations may be used for food and refreshments limited to approximately \$20 per person. The Commission decided not to host a performance picnic, but plans to have a traditional awards ceremony this fall.

Other

Records Management

Previously, Counsel prepared a new records disposition schedule for the OIG, which was submitted to the National Archives and Records Administration for acceptance. The OIG records disposition schedule was approved by the Archivist of the United States on July 24, 2007.

In addition, 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.

337 Rules

Counsel serves as the OIG representative to the Commission's 337 Rules Committee. The Commission is in the process of implementing revisions to the agency's rules of practice in 337 proceedings, which involve intellectual property infringement and other unfair acts.

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. This group is composed of attorneys from Federal Inspectors General offices and meets monthly to discuss topics of interest to the Inspector General community.

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. This organization consists of Assistant Inspectors General for Investigations from Federal Inspectors General Offices, who meet quarterly to discuss new laws and other developments that affect investigations.

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	12
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	9
Section 5(a)(7)	Summary of each significant report	9
Section 5(a)(8)	Statistical tables showing Audit Reports–Questioned Costs	19
Section 5(a)(9)	Statistical tables showing Audit Reports–Funds Put to Better Use	20
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	9

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 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 because 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 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**