

CHAIRMAN



UNITED STATES INTERNATIONAL TRADE COMMISSION

WASHINGTON, D.C. 20436

December 2, 2009

The Honorable Joseph Lieberman
Chairman
Committee on Homeland Security and Governmental Affairs
U.S. Senate
Washington, DC 20510

Dear Chairman Lieberman:

In accordance with the Inspector General Act of 1978, as amended, 5 U.S.C. App. 3 ("the Act"), the U.S. International Trade Commission ("USITC" or "Commission") hereby transmits the Semiannual Report of the USITC Office of the Inspector General ("OIG") for the period April 1, 2009 – September 30, 2009. In addition, the Commission also reports on final actions regarding audit recommendations. The Act requires the Commission to report directly to Congress on management decisions and final actions taken on audit recommendations. The report also must explain why final action on any audit has not been taken one year after the date of the management decision. This submission statistically summarizes management's implementation of the recommendations contained in audit reports issued by the USITC's Office of Inspector General.

The Commission appreciates the work done by the OIG in assuring the effectiveness, efficiency, and integrity of Commission programs and operations. Further, I want to express appreciation to our Acting Inspector General, Tony Baptiste, who is on detail from the Commodity Futures Trading Commission for his service during the past four months.

I am pleased to notify you that the Commission has successfully completed the recruitment process for a permanent Inspector General. As of December 7, 2009, Mr. Philip Heneghan will report for duty as the Commission's Inspector General. Mr. Heneghan has more than 20 years of federal government experience as an auditor and in information security at a number of different agencies. We look forward to working with him as our Inspector General.

I provide the following comments to the report.

In a section entitled "Unreasonable Refusal of Information or Assistance," the Semiannual Report discusses an incident that occurred in March 2009 related to an investigation regarding contractor activities. The OIG reported this incident in the April 2009 USITC OIG's Semiannual Report and the current report contains no new information. Since the prior report, the Commission has worked with the Senate Committees on Finance and Homeland Security and Governmental Affairs and the House Committee on Oversight and Government Reform to answer all of their questions concerning this regrettable incident. In September, the Commission and Mr. Baptiste agreed that the Inspector General will have access to all records, reports, audits, reviews, documents, papers, recommendations, or other material available to the Commission which relate to programs and operations with respect to which the Inspector General has responsibilities under the IG Act of 1978 (as amended). During this reporting period, the Inspector General closed his investigation concerning the matters that led to the incident in March 2009. See USITC OIG Semiannual Report April 1, 2009 - September 30, 2009 at 10.

The following information is provided in accordance with the Act:

No audit reports were issued during the reporting period.

Two audits were ongoing: *US International Trade Commission's Financial Statements Audit for Fiscal Year 2009* and *Federal Information Security Management Act (FISMA) Fiscal Year 2009 Performance Audit*.

Recommended corrective actions remained open on two audit reports.

1. *Management Letter for the Fiscal Year 2008 Audit of the U.S. International Trade Commission's Financial Statements, OIG-AR-01-09* (March 25, 2009). One recommendation remains open. The audit recommended that the Offices of Finance and Human Resources establish, update, and document policies and procedures. The Office of Finance did not accurately estimate the amount of time that would need to be spent in 2009 for Finance to learn and operate the new financial management system. As a result, there was a lack of resources to update and document policies and procedures for the new system. Finance has been provided additional resources in FY 2010, including contracting services, so that policies and procedures can be adequately documented. The Office of Human Resources has taken a number of steps to document its policies and procedures. It has documented and implemented several quality control techniques and developed job aids to establish clear and concise guidelines for processing personnel actions.
2. *Federal Information Security Management Act Fiscal Year 2008 Performance Audit, OIG-02-08* (September 30, 2008). OIG issued four findings with 14 recommendations as part of the annual Independent Evaluation. Three of the four findings have been satisfied, closing out 9 recommendations. The one finding that is outstanding is being addressed by new management personnel and is anticipated to be satisfied during fiscal year 2010. Of

the five recommendations associated with that finding, one has been satisfied. Four recommended actions remain outstanding but are scheduled for completion during FY 2010.

No inspection or evaluation reports were issued during the period.

The following information is provided in accordance with subsection 5(b) of the Act. The statistical tables cover information described in subsection 5(b)(2) and 5(b)(3) of the Act.

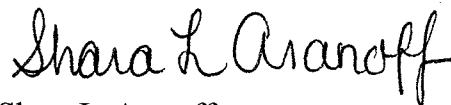
5(b)(2) Audit reports with questioned costs:	
for which final action had not been taken by the commencement of the reporting period.	0
on which management decisions were made during the reporting period.	0
for which final action was taken during the reporting period.	0
for which no final action has been taken by the end of the reporting period.	0

5(b)(3) Audit reports with recommendations that funds be put to better use:	
for which final action had not been taken by the commencement of the reporting period.	0
on which management decisions were made during the reporting period.	0
for which final action was taken during the reporting period.	0
for which no final action has been taken by the end of the reporting period.	0

There were no audit reports during the reporting period on which management decisions have been made but final action has not been taken, as described in subsection 5(b)(4) of the Act.

Please contact me if you have questions on this matter.

Sincerely,



Shara L. Aranoff
Chairman

Enclosure