

CHAIRMAN



UNITED STATES INTERNATIONAL TRADE COMMISSION

WASHINGTON, D.C. 20436

May 18, 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") hereby transmits the Semiannual Report of the USITC Office of the Inspector General ("OIG") for the period October 1, 2008 – March 31, 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.

I provide the following comments to the report.

In a section entitled "Unreasonable Refusal of Information or Assistance," the Semiannual Report discusses an incident related to an investigation regarding contractor activities. The report states that the "Office of the Chairman did not comply with [an OIG] request" for certain files. I wish to clarify that at no time did my office refuse to provide information or assistance to OIG. Commission staff initially provided the original files to OIG, whose office undertook to duplicate and return them promptly, but retained them for a week or more. Without authorization, a Commission employee removed the files from the OIG suite, an action for which disciplinary action was taken. When OIG requested the return of the original files the same day, I deferred action on the request until I had an opportunity to review the facts and applicable laws, and in particular determine the agency's responsibilities under procurement and other laws and regulations to preserve original files. I advised OIG that pending such review, OIG had full access to the original files and could copy or review those files in the procurement suite. Once I completed my review, I instructed Commission staff to provide the files to OIG pursuant to terms agreed to between my office and the OIG.

The following information is provided in accordance with the Act:

Two audit reports were issued during the reporting period.

- *Independent Auditor's Report of the U.S. International Trade Commission's Financial Statements for Fiscal Years 2008 and 2007 and the Commission's Management Challenges* OIG-01-09 (November 14, 2008). Based on the findings, the OIG issued an unqualified opinion on the statements.
- *Management Letter for the Fiscal Year 2008 Audit of the U.S. International Trade Commission's Financial Statements* (March 25, 2009). The audit resulted in five recommendations.

One audit was ongoing: *Federal Information Security Management Act Fiscal Year 2009 Performance Audit*.

Recommended corrective actions remained open on three audit reports.

- *Federal Information Security Management Act Fiscal Year 2008 Performance Audit, OIG-02-08* (September 30, 2008). OIG issued 14 new recommendations. Nine of the recommendations have been closed because the corresponding conditions were successfully addressed. The remaining recommendations will be addressed as continuous monitoring activities are fully implemented and funding is provided to meet the basic requirements of an information security program under FISMA.
- *Management Letter for the Fiscal Year 2007 Audit of the U.S. International Trade Commission's Financial Statements, OIG-AR-01-08* (January 29, 2008). 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 Human Resources currently is working on its procedures. The Commission migrated to a new financial management system on October 1, 2008. Because many procedures would become obsolete after implementation of the new system, the Office of Finance intends to establish, update and document policies and procedures for the new system during this fiscal year.
- *Evaluation of the U.S. International Trade Commission's Fiscal Year 2005 Information Security Program and Practices, OIG-AR-04-05* (September 27, 2005). The Semiannual Report stated that four recommendations remain open on this report. Three relate to continuity of operation plans, which the Commission is in the process of updating. As to the fourth recommendation, the condition related to the recommendation for a risk assessment over a Commission database was satisfied with the deployment of a new system. The Commission considers this recommendation closed.

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.

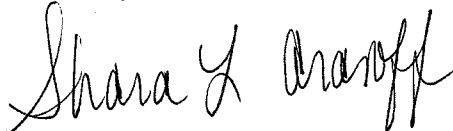
5(b)(2) Audit reports with questioned costs:	
for which final action had not been taken by the commencement of the reporting period.	0
on which management decisions were made during the reporting period.	0
for which final action was taken during the reporting period.	0
for which no final action has been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