

# U.S. International Trade Commission

## *Evaluation of Employee Out-Processing Program*



**OIG-ER-12-07**

**January 25, 2012**



Office of Inspector General

*The U.S. International Trade Commission is an independent, nonpartisan, quasi-judicial federal agency that provides trade expertise to both the legislative and executive branches of government, determines the impact of imports on U.S. industries, and directs actions against certain unfair trade practices, such as patent, trademark, and copyright infringement. USITC analysts and economists investigate and publish reports on U.S. industries and the global trends that affect them. The agency also maintains and publishes the Harmonized Tariff Schedule of the United States.*

*Commissioners*

*Deanna Tanner Okun, Chairman  
Irving A. Williamson, Vice Chairman  
Daniel R. Pearson  
Shara L. Aranoff  
Dean A. Pinkert  
David S. Johanson*



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## UNITED STATES INTERNATIONAL TRADE COMMISSION

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### OFFICE OF INSPECTOR GENERAL

WASHINGTON, DC 20436

January 25, 2012

OIG-KK-002

Chairman Okun:

This memorandum transmits the Office of Inspector General's final report Evaluation of Employee Out-Processing Program, OIG-ER-12-07. When finalizing the report, we considered management's comments on our draft report and have included those comments in their entirety in Appendix A.

This evaluation contains 11 recommendations for corrective action. In the next 30 days, please provide me with your management decisions describing the specific actions that you will take to implement each recommendation.

Thank you for the courtesies extended to the evaluators during this evaluation.

Philip M. Heneghan  
Inspector General



# U.S. International Trade Commission

## Evaluation Report

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**Results of Evaluation**

The objective of this evaluation was to answer the following question:

Is the USITC's out-processing program effective and efficient?

No. The USITC's out-processing program did not provide an effective or efficient system to monitor and account for Commission resources.

For the purposes of this evaluation, "effective" is defined as one that ensures property is returned, work documents are transferred, access is disabled, reconciliation completed, and briefings are conducted. "Efficient" is defined as achieving outcomes with minimal waste.

The Office of Personnel Management (OPM) established the Business Reference Model (BRM) which describes processes that efficiently and effectively assist employees when transitioning to non-federal employment; terminating employees due to unproductivity; and/or assisting employees with their transition to retirement. Each agency is responsible for the development and implementation of a formal process, tailoring it to meet their individual needs.

The Office of Human Resources (HR) provides a checklist for all permanent and nonpermanent employees to complete upon exiting the Commission. There is not a directive describing how the checklist is to be used. As a result, aspects of the out-processing of employees were disorganized and, inconsistent. .

The evaluation identified seven problem areas: (1) there was not a Commission directive describing the out-processing process; (2) secondary liaisons have not been identified; (3) the Office of Finance did not have a procedure for collecting purchase cards; (4) the Law Library did not have an effective process for collecting Commission resources; (5) Office of Security and Support Services did not have an effective procedure to account for Metro SmartCards; (6) out-processing offices did not always maintain documentation; and (7) the Commission did not have a process for litigation holds.

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## Problem Areas

### Problem Area 1:

*There was not a Commission directive describing the out-processing process.*

In accordance with the Office of Personnel Management's recommendations on out-processing, an effective and efficient employee exiting program should consist of a continuous flow of communication between all parties involved. A fully developed procedure should be reviewed, analyzed, and kept up-to-date to reflect the goals and objectives of the Commission.

There were several inconsistencies in the checklist and its supporting communications used by HR to account for Commission resources:

- The Clearance Notice Listserv is used as a communication tool to alert out-processing office liaisons of expected employee departures. Emails on the Clearance Notice Listserv are not being received and/or sent consistently.
- Overall communication is inconsistent between HR and the office liaisons with responsibility for out-processing.
- Out-processing forms are not updated and contain irrelevant and outdated information.
- The Office of Finance's out-processing liaisons are signing off on items for which they have no knowledge.
- Liaisons have little to no training in out-processing procedures.

The following was stated in regards to communication and documentation when an employee is departing the Commission:

- "The agency is small so I typically hear when someone is leaving the agency."
- "The agency is so small that I pretty much know who has an open account."

The office out-processing liaisons relied heavily on the Clearance Notice Listserv, which is used to notify liaisons of expected employee departures. Certain liaisons on this list stated that emails were received regarding departing employees, while other liaisons indicate that the emails were never received. Currently, there are twenty-eight employees on the email listserve. Ten out of twenty-eight employees on the list have no relationship to the out-processing program. Additionally, the list is missing six liaisons from various offices. The fact that the Listserv was used for a more narrowly defined objective helps explain this.

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A thorough plan must be implemented in order to provide a continuous flow of communication between HR and the designated offices. This plan needs to clearly identify the order and importance of communication and recognize key procedures that HR and all office liaisons must follow. If this plan is not executed, resources will be uncounted for or employees will continue to receive benefits for which they are no longer eligible.

### **Recommendation 1:**

Develop an out-processing procedure that ensures communication between all responsible parties.

### **Recommendation 2:**

Establish a process to notify all liaisons about every expected employee departure.

### Problem Area 2: *Secondary liaisons have not been identified.*

One aspect of an effective out-processing program is separation support, which consists of assisting the employee to the separated status. According to the OPM, this process should begin when a manager identifies an employee for separation and ends when the necessary paperwork has been completed and filed with the designated party. In compliance with these standards, the Commission designated a liaison to provide endorsements (signatures) to demonstrate that the employee has met the out-processing obligations for that office.

In our interviews, it was noted that the following offices/programs do not have secondary liaisons in place:

- Office of Security and Support Services
- FedTraveler
- Security

During our interviews, the following was stated in regards to a secondary liaison:

- “No one is available when I am not here to facilitate the out-processing. When I am not here, Human Resources will hold on to the badge until I return to work.”

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- “No, it’s just me.”
- “When I am not here, no one else is trained on FedTraveler. Most employees complete the FedTraveler portion of their checklist early.”

Although some offices had designated a secondary liaison to fulfill out-processing duties in the absence of the primary liaison, the Commission had not made the use of a secondary liaison a requirement in the out-processing of an employee. As a result, staff that facilitated in the absence of the primary liaison lacked the knowledge, resources, and training to properly out-process an employee.

### **Recommendation 3:**

All office liaisons that have a responsibility for the out-processing of an employee need to be trained annually or as out-processing requirements change.

### **Recommendation 4:**

A second person to facilitate out-processing in the absence of the primary liaison should be assigned.

**Problem Area 3:**  
*The Office of Finance did not have a procedure for collecting purchase cards.*

The government purchase card is a billed account used for official business. Only permanent federal employees are given a purchase card and their approving supervisor or an official reviews the statements to ensure charges are Commission related.

The Commission and the Office of Finance must develop and implement an internal process that is vigilant in the retrieval of purchase cards from departing employees. The Commission had not developed a notification system to ensure that the Office of Finance was aware of departing cardholders. When asked about the potential use of the card by employees, the following was stated: “Well, the travel card is in the employees name so even if they were to purchase non agency related things on the card, they will have to repay the funds. The P-Card the agency pays for anyway.” As a result, departing or former employees could purchase non-work related items on their Commission issued purchase cards.

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### **Recommendation 5:**

Develop a process to retrieve purchase cards prior to an employee's departure.

#### Problem Area 4:

***The Law Library did not have an effective process for collecting Commission resources.***

The Law Library serves as a resource for agency employees fulfilling their daily operational duties. There is a standard procedure for checking-out materials in the law library; however, the self-checkout process currently in place does not ensure an accounting of all materials for which the library is responsible. Employees complete the form in the sleeve of the book and then place the form in a folder in the front of the library. The library is open 24/7; therefore, it is the responsibility of the employee to complete this form. If the form is not filled-out, the law library has no record that the book is checked-out.

When asked about the deactivation of electronic resources, such as LexisNexis or Westlaw, it was stated that the account would only be terminated if the employee properly out-processes with the Law Library. If an employee does not properly out-process with the library, LexisNexis or Westlaw could continue to be used for non-Commission related purposes.

Thus, law librarian out-processing liaisons were not always aware when a current employee had borrowed library materials or continued to have an active LexisNexis or Westlaw account. As a result, books and e-materials for which the Law Library is responsible could be misused.

### **Recommendation 6:**

Create an improved system of check-in and check-out procedures for the Law Library.

#### Problem Area 5:

***Office of Security and Support Services did not have an effective procedure to account for Metro Smartcards.***

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According to Title 5 U.S.C. Section 7905, commuting by means other than single-occupancy transportation is strongly encouraged. Federal agencies have identified a transportation fringe benefit program that offers qualified Federal employees the option to use mass transportation or vanpools.

During our interview with the Office of Security and Support Services out-processing liaison, it was stated that there is not a process for regularly verifying Metro Smartcard assignment and usage. The Commission and Office of Security and Support Services had not developed a thorough, well-documented process to aid in the monitoring of these funds to ensure they are only being used by active employees.

To ensure effective operations, Office of Security and Support Services must be able to develop a systematic method of monitoring the use of the Metro Smartcard. This procedure must provide clear directions on the necessary steps to be taken to account for all Smartcards and ensure use is only being provided to active employees. If a procedure is not implemented, there is an increased risk of unauthorized Smartcard use.

### **Recommendation 7:**

Develop a process to regularly identify current employees using the SmartCard and remove unapproved users.

### Problem Area 6:

#### ***Out-processing offices did not always maintain documentation.***

In order to maintain adequate files and ensure good recordkeeping practices, Commission staff should be active participants in monitoring and securing the Commission's resources. Office out-processing liaisons should be instructed on good recordkeeping practices to allow for current evaluation and future assessment. Additionally, liaisons ought to be instructed on the proper methods of retaining internal documents to ensure that opportunities for the mismanagement of Commission resources and funds are minimized to the extent possible.

In our interviews, the following were disclosed regarding documentation:

- “No, there isn't an internal checklist that is used. There might be a report that could be run but I haven't attempted to do this yet.”
- “No. A copy of the check-out form, once it's been signed, is not made.”

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Although some offices use an internal checklist to aid in out-processing employees, the Commission has not required individual offices to develop their own internal checklist or require supplemental documentation. During our interviews, it was discovered that Office of Security and Support Services do not use an internal checklist or database to keep track of out-processing records. It was noted by out-processing liaisons in both of these offices that, due to the Commission being relatively small, there is no need to provide such documentation. As a result, a confirmation that the out-process was completed correctly is unavailable.

### **Recommendation 8:**

Record the completion of the out-processing checklist.

### **Recommendation 9:**

Each office must develop an internal out-processing procedure.

### **Recommendation 10:**

Office of Human Resources must implement a procedure to track and monitor the flow of activity through the out-processing stages.

Problem Area 7:  
*The Commission did not have a process for litigation holds.*

One aspect of an effective out-processing program is the preservation of official Commission records and relevant internal documentary materials. Records include all books, papers, maps, photographs, machine readable materials, or other documentary materials, regardless of physical form or characteristics, made or received by an agency of the United States Government under Federal law or in connection with the transaction of public business and preserved or appropriate for preservation by that agency or its legitimate successor as evidence of the organization, functions, policies, decisions, procedures, operations, or other activities of the Government or because of the informational value of them (44 U.S.C. Sec. 3301) . Documentary materials is a collective term for records, non-record materials, and personal papers that refers to all media containing recorded information, regardless of the nature of the media or the method(s) or circumstance(s) of recording (36 C.F.R. 1222.12(b) (1) Defining Federal records).

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The Commission currently does not have a procedure for maintaining records or documents in the event that a litigation hold will need to take place. During our interviews, it was stated that, in some cases, the Office of the General Counsel is only aware when employees are involuntarily leaving the Commission. HR needs to work closely with the Office of the General Counsel not only when an employee is involuntarily leaving the agency, but also when an employee leaves voluntarily.

It was noted by employees interviewed in the Office of the General Counsel that the reason for not having a thorough process is because litigation holds rarely occur at the Commission; however, based on our interviews, the Office of the General Counsel should be an active participant in the Commission's effort to monitor records and documents. By not having a plan developed or implemented, valuable resources and time will be lost in the future.

### **Recommendation 11:**

A litigation hold process must be implemented by the Office of the General Counsel.

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## **Management Comments and Our Analysis**

On January 17, 2012, Chairman Deanna Tanner Okun provided management comments on the draft audit report. The Chairman agreed with our assessment that there are seven problem areas related to the employee out-processing program and concurred with our conclusions. The Chairman's response is provided in its entirety as Appendix A.

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## **Objective, Scope, and Methodology**

### **Objective:**

Is the USITC's out-processing program effective and efficient?

For the purposes of this evaluation, "effective" is defined as one that ensures property is returned, work documents are transferred, access is disabled, reconciliation completed, and briefing is conducted. "Efficient" is defined as achieving outcomes with minimal waste.

### **Scope:**

The scope of this evaluation included the review of all statutes, regulations, policies, and procedures applicable to the USITC out-processing program,

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interviews, and the review of internal files for completeness within the previous calendar year (October 4, 2010 – October 3, 2011).

### **Methodology:**

The methodology used during this inspection included in-person interviews and document review.

We obtained and reviewed a copy of the Employee/Contractor Clearance Procedure checklist and interviewed liaisons in the following offices/programs:

- FedTraveler Global Administrator
- Dockets Division
- Office of the General Counsel
- Law Library
- Office of the Secretary
- Office of Finance
- Office of Operations
- Office of Facilities Management
- Help Desk
- Records Management
- NSI
- Human Resources
- Security

We reviewed the out-processing programs at the following Agencies:

- US Department of Treasury
- US Department of Interior
- US Small Business Administration
- US Government Accountability Office
- US Department of Health and Hospitals
- US Department of Transportation
- Federal Trade Commission (this review included an interview)

Reviewed and collected all relevant out-processing paperwork for each of the following Commission resources and/or procedures:

- Property Returned
  - Blackberry/Phone
  - Kastle Key

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- Computer/Laptop
  - RSA Tokens
  - Parking Pass
  - Metro Card
  - Library Materials
  - Hard Door Keys
  - Work Documents
    - Records management
    - Internal office documents
  - Access/Log-in
    - Intranet and log-in codes
    - Building access
    - Lexis/Westlaw
    - Safe combinations changed
  - Briefing
    - Ethics
    - Retirement
    - Security
  - Reconciliation
    - Accounting/Owed debts collected
    - Travel
    - HR/Leave
    - Credit/Purchase Card
  - General Counsel
    - Litigation hold “e-discovery”
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Appendix A

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Appendix A: Management Comments on Draft Report

Chairman



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UNITED STATES INTERNATIONAL TRADE COMMISSION

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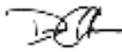
WASHINGTON, DC 20436

CO76-KK-001

January 17, 2012

**MEMORANDUM**

**TO:** Philip M. Heneghan, Inspector General

**FROM:** Deanna Tanner Okun, Chairman 

**SUBJECT:** Management Response to the Inspector General's Draft Evaluation Report, "Employee Out-Processing Program"

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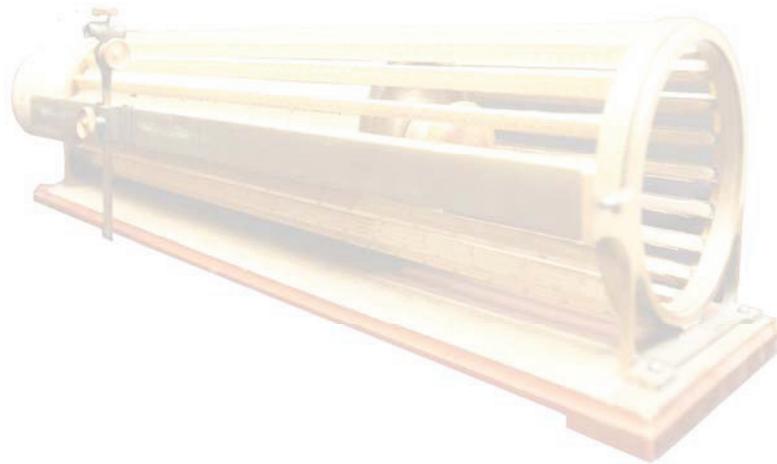
I am in receipt of the Inspector General's draft report, *Employee Out-Processing Program*, dated December 28, 2011. I appreciate the opportunity to review the draft report and to provide comments.

The Inspector General's draft report focused on the Commission's employee out processing program and identified seven problem areas. I concur with your assessment and appreciate that your office identified the need (1) for a clearly defined out-processing process; (2) to ensure responsible offices have secondary liaisons; (3) to develop a procedure for collecting purchase cards; (4) to improve the Law Library's process for collecting Commission resources; (5) to develop an effective procedure to account for Metro SmartCards; (6) to ensure that out-processing offices maintain proper documentation; and (7) to develop a process for litigation holds.

Thank you for reviewing the Commission's employee out-processing program and making recommendations to strengthen its effectiveness.

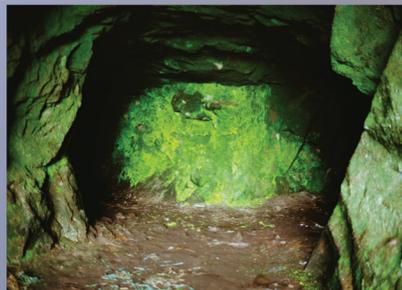
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*“Thacher’s Calculating Instrument” developed by Edwin Thacher in the late 1870s. It is a cylindrical, rotating slide rule able to perform complex mathematical calculations involving roots and powers quickly. The instrument was used by architects, engineers, and actuaries as a measuring device.*

# To Promote and Preserve the Efficiency, Effectiveness, and Integrity of the U.S. International Trade Commission



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