United States
International Trade Commission

Agency Financial Report

Fiscal Year 2025

December 2025

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Contents

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Message from the Chair

I am pleased to transmit the *FY 2025 Agency Financial Report* for the United States International Trade Commission. This report documents the Commission's financial performance for the fiscal year and discusses our accomplishments and challenges. The report also provides an overview of the agency's programmatic performance. Moreover, I am pleased to report that management's assessment of risks and review of financial controls and financial systems disclosed no material weaknesses, and that the financial and performance data presented here is reliable and complete (see Chair's Statement of Assurance, p. 15).

Statutory Mandates

The Commission has three long-standing, important statutory mandates: (1) adjudicate whether dumped or subsidized imports or an increase in imports injure a domestic industry or whether imports violate U.S. intellectual property rights or are otherwise unfairly traded; (2) provide independent, objective, and timely analysis of trade and competitiveness issues to the President and Congress; and (3) maintain the Harmonized Tariff Schedule of the United States.

In carrying out these mandates, the Commission independently and objectively investigates unfair trade complaints, impartially administers the relevant trade laws, and helps the President and Congress make informed policy decisions by providing accurate, timely, and insightful analysis on an evolving range of international trade matters.

The Commission reviews its strategic goals and objectives annually within the context of our statutory mandates. During the year, the Commission also continued to apply enterprise risk-management principles in its planning and budget-formulation processes to improve the efficiency and effectiveness of its decision-making in these areas.

Program Accomplishments

I would like to highlight the following accomplishments during the last fiscal year. The Commission made substantial progress toward achieving its strategic objectives in FY 2025; it met or exceeded most of its annual performance goals and improved upon agency performance in other areas. This year, the agency commenced 152 new investigations and completed 166 investigations in the areas of import injury, unfair imports, and industry and economic analysis.

Investigate and Decide

During the year, the Commission conducted import injury and unfair import investigations in an objective manner, met statutory deadlines, produced sound determinations, and provided relief, when warranted, under the relevant statutes. In FY 2025, import injury investigations covered a variety of products across several industry sectors including: consumer/industrial goods (e.g., thermoformed molded fiber products, overhead door counterbalance torsion springs, temporary steel fencing, lattice boom crawler cranes, and hardwood and decorative plywood), chemicals (e.g., erythritol, silicon metal, l-lysine, and chromium trioxide), intermediate products (e.g., hard empty capsules, float glass, chassis and subassemblies, and fiberglass door panels), agricultural (e.g., mushrooms and high purity dissolving pulp), mineral (e.g., active anode material and unwrought palladium), and steel-related intermediate products (e.g., rebar and freight rail couplers). Similarly, unfair import investigations covered a broad range of products that include smart phones, tablets, semiconductors, rechargeable batteries, solar cells, crafting machines, injection molding machines, shoes, LCDs, rehydration drinks, fiber optic connectors, polyvinylidene fluoride resins, video game systems, televisions, ink cartridges, synthetic braiding hair, car seats, wearable electroencephalogram devices, and vaporizers.

Trade Policy Support and Information

To support the development of well-informed trade policy, the Commission also provided the President and the U.S. Trade Representative (USTR), by delegation, and Congress with high-quality economic analysis and technical support. Intended to fill critical information gaps for policy makers, the Commission's fact-finding investigations covered a variety of topics in FY 2025, such as Caribbean Basin Economic Recovery Act: Impact on U.S. Industries and Consumers on Beneficiary Countries, 2023-2024; USMCA Automotive Rules of Origin: Economic Impact and Operation, 2025; Rice: Global Competitiveness and Impacts on Trade and the U.S. Industry; Greenhouse Gas Emissions Intensities of the U.S. Steel and Aluminum Industries at the Product Level; Recent Trends in U.S. Services Trade; and The Year in Trade 2023: Operation of the Trade Agreements Program. Commission staff met with USTR and congressional staff to discuss topics such as statutory reports, potential fact-finding investigations, trade policy support, draft legislation, tariff affairs, and other issues. The Commission also compiled the FY 2025 basic edition of the Harmonized Tariff Schedule of the United States (HTS) and updated the HTS an additional 25 time to reflect policy changes implemented during the fiscal year.

Organizational Excellence

The Commission made steady progress on many of its management and administrative goals during FY 2025, particularly in the areas of data management, ongoing operational improvements, and information technology. The agency continued to strengthen its strategic planning and performance-management processes, improve internal controls, and incorporate enterprise risk-management principles into its planning, administrative, and budgeting processes. The Commission also continued to strengthen the security and effectiveness of its information systems, which helps enhance the productivity and efficiency of staff.

One of our major accomplishments during FY 2025 was the transition to a new shared services provider (SSP) for financial management. This was a major accomplishment in support of strategic initiatives aimed at modernizing and strengthening financial management operations. The transition to a new SSP has put the Commission on a path to enhancing the efficiency and effectiveness of operations by streamlining processes and placing the agency in a position to achieve greater financial transparency, improved data accuracy, accountability, and timeliness of financial information. The Commission continued to make strides in improving its data governance activities by updating and expanding the agency guidance on data governance and leveraging technology to make information available to decision makers in the form they need. The Commission made several major technological and cybersecurity updates to its Electronic Document Information System (EDIS), advancing its initiative to serve confidential documents. The Commission also continued to develop and deploy cutting-edge controls to ensure data are protected from creation through destruction.

Additionally, the Commission developed a recruitment tracking application to aid in increasing transparency and efficiency in its recruitment process. The Commission also implemented accepted recommendations following the strategic reviews it conducted of its performance management system, labor cost program, and travel program. These strategic reviews evaluated the efficiency and effectiveness of these programs and made recommendations for program improvements.

The performance information presented herein is complete and accurate. The Commission's Annual Performance Report will fully describe the extent to which the USITC met its FY 2025 performance goals and made progress on its strategic objectives when it is published in early 2026.

FY 2025 Audit of the Financial Statements

The Commission's FY 2025 audit of the financial statements, monitored by the Inspector General, resulted in an unmodified opinion by the independent accounting firm Harper, Rains, Knight & Company. The independent auditors identified no material weaknesses, significant deficiencies, or instances of non-compliance with laws and regulations. During FY 2025, the Commission continued to assess and improve internal controls in accordance with Office of Management and Budget (OMB) Circular A-123, *Management's Responsibility for Enterprise Risk Management and Internal Control.* Senior management meets regularly to strengthen oversight of and further improve Commission operations. The Commission complies with the provisions of the Federal Managers' Financial Integrity Act of 1982 (FMFIA).

I am providing an unmodified statement of assurance that our internal controls over operations meet the objectives of FMFIA, as of September 30, 2025. Additionally, I can provide reasonable assurance that, as of September 30, 2025, the Commission's internal controls over financial reporting were in compliance with FMFIA and OMB Circular A-123, Appendix A, and no material weaknesses were found in the design or operations of the financial internal controls. Furthermore, as required by the Government Charge Card Abuse Prevention Act of 2012 and OMB Circular A-123, Appendix B, I can provide reasonable assurance that, as of September 30, 2025, the appropriate controls were in place to mitigate the risk of fraud and inappropriate charge card practices.

The financial information presented herein is complete and accurate, and in accordance with law and OMB guidance.

Looking Forward

Trade has become a larger part of the U.S. and global economies, with changes in supply chains, policies, and technologies shaping these trade flows. These dynamics in international trade continue to increase the complexity of the Commission's analyses. The Commission endeavors to remain at the forefront of informing the trade remedy and trade policy communities through its analysis of trade and competitiveness-related industry, economic, legal, and nomenclature issues.

The Office of Inspector General (OIG) identified three significant management and performance challenges this year: Internal Controls, Data Management, and Human Capital Management. Although the Commission has made progress in addressing these challenges in FY 2025, they continue to require attention and Commission management concurs with the OIG's assessment of these challenges. For more details regarding the management and performance challenges, see p. 46.

Working with the President, the USTR, and Congress, as well as U.S. industries, workers, and the public, the agency will continue to execute its mission with independence, integrity, trust, and transparency.

As Chair, I assure you that Commission employees are committed to the agency's mission, and I applaud their efforts during yet another challenging year.

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Amy A. Karpel
Chair
December 18, 2025

Management's Discussion and Analysis

Introduction

The United States International Trade Commission (Commission or USITC) Fiscal Year (FY) 2025 Agency Financial Report (AFR) presents the results of the Commission's financial performance and demonstrates to the President, Congress, and the public the USITC's commitment to its mission and accountability for the resources entrusted to it. This report is available at www.usitc.gov.

About the USITC

The USITC is an independent, non-partisan, quasi-judicial federal agency with broad investigative responsibilities on matters of trade. The USITC was established by Congress on September 8, 1916, as the United States Tariff Commission before it was renamed the United States International Trade Commission by section 171 of the Trade Act of 1974.

The Commission has specific responsibilities in the application of U.S. trade laws. The agency investigates the effects of allegedly dumped and subsidized imports on domestic industries and conducts global safeguard investigations when domestic industries allege serious injury by increased imports. It also adjudicates cases involving imports that allegedly infringe intellectual property rights or otherwise unfairly injure a domestic industry. The Commission also, by law, provides the House Committee on Ways and Means, the Senate Committee on Finance, and the President or, by delegation, the U.S. Trade Representative with objective and thorough analysis and information on trade policy and U.S. competitiveness matters. The Commission also has the responsibility of maintaining the Harmonized Tariff Schedule of the United States (HTS), the official legal document that sets out the tariff rates and statistical categories for all merchandise imported into the United States. Congress also periodically adds additional mandates to the Commission's mission. For example, the American Manufacturing Competitiveness Act of 2016 (AMCA), 19 U.S.C. § 1332 note, now expired but may be renewed for another cycle, required the Commission to create and maintain an open and transparent process for consideration of petitions for duty suspensions and reductions.

The Commission is committed to transparency, making most of its information and analysis available to the public through its website to promote a better understanding of international trade issues.

Mission

As established by Congress, the Commission's mission is to apply its expertise in international trade matters to serve policymakers and the public, by assessing and addressing unfair imports and other trade practices that injure U.S. industries, providing information and analysis of international trade and competitiveness issues, and maintaining the Harmonized Tariff Schedule of the United States.

Organization

Commissioners

The USITC is headed by six Commissioners, who are nominated by the President and confirmed by the U.S. Senate. Amy A. Karpel, a Democrat, is serving as Chair of the Commission for a term ending June 16, 2026. Other Commissioners currently serving are, in order of seniority, David S. Johanson, and Jason E. Kearns. As of December 18, 2025, there are three vacancies on the Commission.

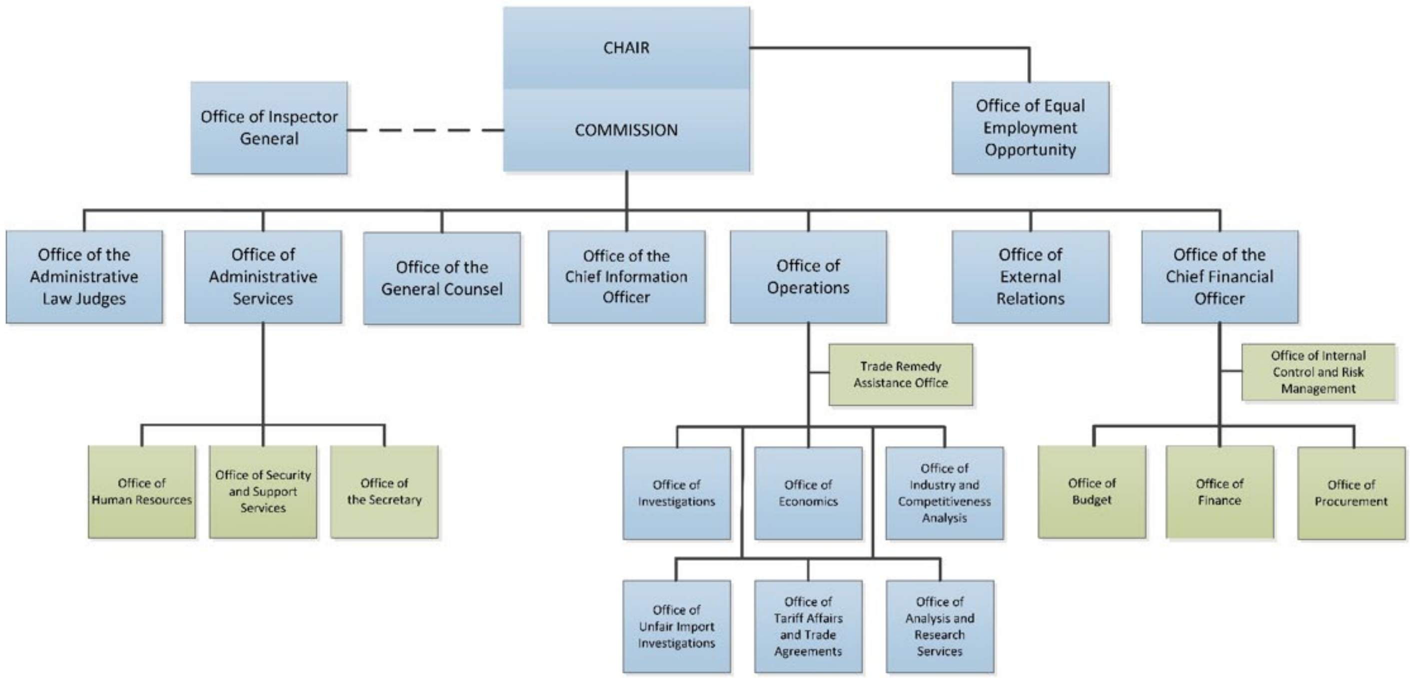
Each Commissioner serves a term of nine years, unless appointed to fill an unexpired term. The terms are set by statute and are staggered so that a different term expires every 18 months.[1] A Commissioner who has served for more than five years is ineligible for reappointment. A Commissioner may, however, continue to serve after the expiration of his or her term until a successor is appointed.

No more than three Commissioners may be members of the same political party. The Chair and the Vice Chair are designated by the President and serve for a statutory two-year term. The Chair may not be of the same political party as the preceding Chair, nor may the President designate two Commissioners of the same political party to serve as Chair and Vice Chair. If the President does not name a new Chair, the most senior Commissioner of a political party other than the outgoing Chair becomes the new Chair by operation of law.[2] Currently, two Democrats and one Republican serve as Commissioners.

[1] 19 U.S.C. § 1330, Organization of Commission.

[2] If the President does not name a Vice Chair, the position remains unfilled.

Office-Level Organizational Chart



USITC Staff

USITC staff is organized into offices designed to support the mission of the agency. These include the:

- Office of Administrative Services (OAS), and its subordinate Offices of the Secretary (SE), Human Resources (HR), and Security and Support Services (SSS);
- Office of Equal Employment Opportunity (EEO);
- Office of External Relations (ER);
- Office of Inspector General (OIG);
- Office of Operations (OP), and its subordinate Offices of Investigations (INV), Industry and Competitiveness Analysis (ICA), Economics (EC), Tariff Affairs and Trade Agreements (TATA), Unfair Import Investigations (OUII), Analysis and Research Services (OARS), and Trade Remedy Assistance (TRAO);
- Office of the Administrative Law Judges (ALJ);
- Office of the Chief Financial Officer (OCFO), and its subordinate Offices of Budget (OB), Finance (FIN), Procurement (PR), and Internal Control and Risk Management (ICRM);
- Office of the Chief Information Officer (OCIO);
- Office of the General Counsel (GC);

Appendix A provides additional information on the individual offices of the USITC.

Strategic Planning and Performance Reporting

The Commission issues a Strategic Plan, an Annual Performance Plan, and an Annual Performance Report in accordance with the Government Performance and Results Act of 1993 (GPRA), as amended by the GPRA Modernization Act of 2010. The Strategic Plan establishes strategic goals, strategic objectives, and performance goals for the Commission. To ensure the effectiveness of strategic planning and budget development, the Commission aligns its budget formulation and execution with its Annual Performance Plan, which establishes performance goals for each fiscal year. The Annual Performance Report provides a detailed review of agency performance in carrying out the agency's Annual Performance Plan.

The Commission's current Annual Performance Plan, through FY 2026, sets out annual measures that correspond to the broader strategic goals, strategic objectives, performance goals, and strategies identified in the Strategic Plan. The Commission's Congressional Budget Justification describes the operational, human capital, technology, and informational resources required to meet the performance goals. The Commission's current Strategic Plan, for fiscal years 2022-2026, identifies three strategic goals, each with corresponding objectives.

Goals	Objectives
Strategic Goal 1 - Investigate: Conduct reliable and thorough investigations	S1.1 Reliable: Conduct expeditious and transparent proceedings S1.2 Thorough: Engage the public, including stakeholders and experts, and collect all relevant data to inform and support investigations
Strategic Goal 2 - Inform: Develop sound and informed analyses and determinations	S2.1 Sound: Apply innovative analysis and make objective determinations S2.2 Informed: Provide clear, relevant, and accurate information in Commission work products

Goals	Objectives
Strategic Goal 3 - Perform: Execute and advance organizational excellence	S3.1 People: Attract, develop, and retain a skilled, diverse, and versatile workforce S3.2 Money: Ensure good stewardship of taxpayer funds S3.3 Technology: Implement reliable and secure systems that promote resilience, innovation, and efficiency S3.4 Data: Manage and leverage data as an asset S3.5 Ongoing Operational Improvements: Evaluate and improve processes and communications

The Commission's strategic goals align with its mission and support organizational excellence related to five priority areas: human resources, financial management, information technology, data, and operational efficiency. The Commission aims for high performance and goal attainment in each area to fulfill its mission and to support government-wide initiatives.

For each strategic objective, the Commission's Annual Performance Plan identifies strategies to meet these objectives and specific performance goals.

The Commission made substantial progress toward achieving its strategic objectives in FY 2025; it met or exceeded most of its annual performance goals and improved upon agency performance in other areas.

During the year, the Commission conducted import injury and unfair import investigations in an objective manner, met statutory deadlines, produced sound determinations, and provided relief, when warranted, under the relevant statutes. In FY 2025, the agency commenced 152 new investigations and completed 166 investigations in the areas of import injury, intellectual property, and industry and economic analysis. These investigations covered a variety of products across numerous industry sectors.

To support the development of well-informed trade policy, the Commission also provided the President and the U.S. Trade Representative (USTR), by delegation, and Congress with high-quality economic analysis and technical support. Commission staff met with USTR and congressional staff to discuss topics such as statutory reports, potential fact-finding investigations, trade policy support, draft legislation, tariff affairs, and other issues. The Commission also compiled the FY 2025 basic edition of the Harmonized Tariff Schedule of the United States (HTS) and issued 25 additional revisions to the HTS to reflect policy changes implemented during the fiscal year.

The Commission also made steady progress on many of its management and administrative goals during FY 2025, particularly in the areas of data management, ongoing operational improvements, and information technology. The agency continued to strengthen its strategic planning and performance-management processes, improve internal controls, and incorporate enterprise-risk-management principles into its planning, administrative, and budgeting processes. The Commission also continued to strengthen the security and effectiveness of its information systems, which helps enhance the productivity and efficiency of staff.

The Commission expects to publish a new Strategic Plan covering FY 2026-2030, its Annual Performance Plan for FY 2026-2027 and Annual Performance Report for FY 2025, and its Congressional Budget Justification for FY 2027 in early 2026. The Annual Performance Report will fully describe the extent to which the USITC met its FY 2025 performance goals and made progress on its strategic objectives.

Management Assurances

The Federal Managers' Financial Integrity Act of 1982 (FMFIA) establishes management's responsibility to assess and report on internal controls. Such controls include program, operational, and administrative areas, as well as accounting and financial management. The FMFIA requires federal agencies to establish controls that reasonably ensure obligations and costs are in compliance with applicable laws; funds, property, and other assets are safeguarded against waste, loss, unauthorized use, and misappropriation; and revenues and expenditures are properly recorded and accounted for to maintain accountability over the assets.

The FMFIA requires the head of the agency, based on the agency's internal evaluation, to provide an annual statement of assurance on the effectiveness of their management, administrative, and financial controls. The Office of Management and Budget (OMB) Circular A-123, *Management's Responsibility for Enterprise Risk Management and Internal Control*, implements the FMFIA and defines management's responsibility for enterprise risk management (ERM) and internal control in federal agencies. Federal leaders and managers are responsible for establishing goals and objectives around operating environments, ensuring compliance with relevant laws and regulations, and managing both expected and unexpected events.

FMFIA Section 2 requires agencies to establish internal controls and systems in accordance with standards prescribed by the Comptroller General who heads the Government Accountability Office (GAO). The GAO *Standards for Internal Control in the Federal Government* (the "Green Book") provides an overall framework for establishing and maintaining an effective internal control system. The Green Book defines internal control as a process effected by an entity's oversight body, management, and other personnel that provides reasonable assurance that the objectives of an entity will be achieved. These objectives and related risks can be broadly classified into one or more of the following three categories:

- effectiveness and efficiency of operations;
- reliability of reporting for internal and external use; and
- compliance with applicable laws and regulations.

OMB Circular A-123 requires agencies to submit a single assurance statement consistent with the original requirement of the FMFIA. In addition, OMB Circular A-136, *Financial Reporting Requirements*, requires a separate assessment of the effectiveness of internal controls over financial reporting as a subset of the overall FMFIA assurance. Agencies must also provide assurances on their process to identify risks and establish controls or integrate existing controls to identified risks. The Chair's FMFIA assurance statement is primarily based on individual assurance statements from component and assessable unit directors. The individual statements assessed internal controls and risks related to the effectiveness and efficiency of programs and operations, internal and external reporting, and compliance with laws and regulations based on the following elements:

- agency risk profile;
- internal control assessments (entity and office level);
- specific program-level assessments (e.g., acquisition, financial, information technology, privacy); and
- OIG and external oversight reviews, audits, and evaluations.

FMFIA Section 4 requires that agencies annually evaluate and report on whether financial management systems conform to government-wide requirements. The Commission reviewed, evaluated and assessed the *Suitability of the Design and Operating Effectiveness of Its Controls* (SOC 1 – Type 2) reports received from the Department of the Interior (DOI), Interior Business Center (IBC), which is the Commission's shared services provider for financial and payroll management systems.

Appendix A of OMB Circular A-123 also calls for the agency head to provide assurance on the effectiveness of internal control over financial reporting. The Commission assessed internal control at the entity, process, and transaction levels. The assessment of the effectiveness of process-level controls related to the agency's financial reporting was obtained through detailed test procedures. As part of this effort, the agency performed a review of:

- significant financial reports;
- significant line items and accounts;
- transactions;
- reporting and regulatory requirements; and
- existing deficiencies and corrective action plans.

Chair’s Statement of Assurance

Statement of Unmodified Assurance

U.S. International Trade Commission management is responsible for establishing and maintaining effective internal control and financial management systems that meet the objectives of Sections 2 and 4 of the Federal Managers’ Financial Integrity Act of 1982 (FMFIA).

The Commission conducted its assessment of the effectiveness of its risk management framework and system of internal control for Fiscal Year 2025 in accordance with OMB Circular A-123, *Management’s Responsibility for Enterprise Risk Management and Internal Control*. Based on the results of that assessment, I am providing an unmodified statement of assurance that our internal controls over operations meet the objectives of FMFIA, as of September 30, 2025. The agency is committed to monitoring the programmatic, financial, and administrative controls to ensure effective and efficient operations, reliable internal and external reporting, and compliance with laws and regulations.

The Commission provides reasonable assurance that its financial systems meet the objectives of Section 4 of the Federal Managers' Financial Integrity Act (FMFIA). The agency used the U.S. Department of the Interior's Interior Business Center (IBC) as its federal Shared-Services Provider for processing financial data and payroll in FY 2025. In FY 2025, IBC's auditors issued a qualified opinion on the Oracle Federal Financials System and Federal Personnel and Payroll System in the SOC 1 – Type 2 Report, indicating concerns with access control procedures. The OCIO Cybersecurity Division has reviewed these SSAE 18 control reports, concluding that this did not pose a significant risk during the reporting period. With the exception of the SSAE 18 control report findings, IBC's systems remain compliant with federal financial management system requirements, including Federal Accounting Standards Advisory Board standards and the U.S. Standard General Ledger at the transaction level.

The Commission also assessed the effectiveness of its internal control over financial reporting, which includes the safeguarding of assets and compliance with applicable laws and regulations, in accordance with OMB Circular A-123. Based on the results of this evaluation, the Commission can provide reasonable assurance that, as of September 30, 2025, its internal control over financial reporting was operating effectively and it had found no material weaknesses in the design or operations of the internal controls over financial reporting.

Amy Karpel

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Amy A. Karpel
Chair
December 18, 2025

Overview of Financial Results

Overview of Financial Statements

The following is a brief description of the USITC's principal financial statements, along with their relevance and a description of certain significant balances. The principal financial statements are the:

- Balance Sheet;
- Statement of Net Cost;
- Statement of Changes in Net Position; and
- Statement of Budgetary Resources.

BALANCE SHEET

The Balance Sheet presents resources owned and managed by the USITC that have future economic benefits (assets) and amounts owed by the agency that will require future payments (liabilities). The difference between assets and liabilities is the residual amount retained by the USITC (net position) that is available for future programs and operational requirements.

Assets: *What We Own and Manage*

Assets are the amount of current and future economic benefits owned or managed by the USITC to achieve its mission. Total assets were $33.7 million as of September 30, 2025. Fund Balance with Treasury (FBWT) and Property, Plant, and Equipment (PP&E) account for 81 percent and 19 percent, respectively, of overall agency assets in FY 2025. The FBWT represents monies held within Treasury that are available for appropriated purposes to make future expenditures and pay liabilities. PP&E comprises tangible assets, such as information technology (IT) hardware, internal-use software, furniture, and leasehold improvements.

Liabilities: *What We Owe*

Liabilities are amounts owed by the USITC for goods and services it has received but not yet paid for—specifically, monies owed to the public and other federal agencies. Total liabilities are $15 million at the end of FY 2025. The USITC's three most significant liabilities are the Federal Employees Salary, Leave and Benefits payable ($8.6 million), the unamortized portion of the USITC rent abatement ($3.3 million), and non-federal accounts payable ($1.5 million).

Net Position: *What We Have Done Over Time*

Net position comprises Unexpended Appropriations and Cumulative Results of Operations. The net position of the USITC was $18.7 million as of September 30, 2025.

STATEMENT OF NET COST

The Statement of Net Cost presents the annual cost of operating the USITC's programs. It consists principally of salaries and associated benefits, rent, and information technology expenditures. Overall cost of operations was $136.4 million for the year ending September 30, 2025.

STATEMENT OF CHANGES IN NET POSITION

The Statement of Changes in Net Position provides details on the changes to the two components of the changes in net position – total unexpended appropriations and cumulative net results of operations – during FY 2025. The USITC's net position was $18.7 million at the end of FY 2025. Total unexpended appropriations were $22.3 million and cumulative results of operations was negative $3.5 million at the end of FY 2025.

STATEMENT OF BUDGETARY RESOURCES

The Statement of Budgetary Resources summarizes how varying sources of budgetary funding were made available during the fiscal year and their status by the end of the fiscal year. The USITC ended FY 2025 with budgetary resources of $133.6 million. The USITC had an $8.98 million carryover balance from FY 2024.

Limitations on Financial Statements

The USITC's financial statements were prepared in conformity with the hierarchy of accounting principles approved by the Federal Accounting Standards Advisory Board (FASAB) and OMB Circular A-136, *Financial Reporting Requirements*.

The principal financial statements have been prepared to report the financial position and results of operations of the Commission, pursuant to the requirements of 31 U.S.C. 3515(b).

The statements have been prepared from the books and records of the USITC in accordance with U.S. Generally Accepted Accounting Principles (GAAP) for federal entities and the formats prescribed by OMB and are in addition to the financial reports used to monitor and control budgetary resources, which are prepared from the same books and records.

The statements should be read with the realization that they are for a component of the U.S. Government, a sovereign entity.

Management Controls and Compliance with Laws and Regulations

Federal Managers' Financial Integrity Act

The Federal Managers' Financial Integrity Act of 1982 requires federal agencies to establish internal accounting and administrative controls consistent with standards prescribed by the Comptroller General that reasonably ensure that obligations and costs comply with applicable law; all assets are safeguarded against waste, loss, unauthorized use, and misappropriation; and revenues and expenditures applicable to agency operations are recorded and accounted for properly so that accounts and reliable financial and statistical reports may be prepared and accountability of the assets may be maintained. The FMFIA also requires federal agencies to assess and report on their internal accounting and administrative controls following guidelines established by the Office of Management and Budget. OMB guidance provides that agencies should assess (1) the effectiveness of the organization's internal controls to support effective and efficient programmatic operations, reliable financial reporting, and compliance with applicable laws and regulations (FMFIA § 2) and (2) whether financial management systems comply with federal financial management systems requirements (FMFIA § 4).

In accordance with the Accountability of Tax Dollars Act of 2002 (ATDA), the agency's financial information is audited annually. Additionally, at the end of each fiscal year, management reviews the operating units' performance data to ensure that performance results can be properly supported.

For FY 2025, the Commission evaluated internal controls over the effectiveness and efficiency of operations and compliance with applicable laws and regulations in accordance with OMB Circular A-123, *Management's Responsibility for Enterprise Risk Management and Internal Control*. In addition, the Commission evaluated the effectiveness of internal control over financial reporting in accordance with the requirements of Appendix A of OMB Circular A-123, assessed the charge card program in accordance with Appendix B of OMB Circular A-123, and tested for improper payments in accordance with Appendix C of OMB Circular A-123. Based on these evaluations, the Commission provides unmodified assurance that its internal controls were operating effectively.

OMB Circular A-123 was updated in 2016, incorporating ERM as a management responsibility, which reinforces the purpose of the FMFIA. The Commission used its ERM framework to address the full spectrum of the organization's external and internal risks by understanding the combined impact of risks as an interrelated portfolio.

Government Performance and Results Act, as amended by the GPRA Modernization Act

The Government Performance and Results Act of 1993 (GPRA) requires a recurring cycle of performance reporting for federal agencies that includes five-year strategic plans, annual performance plans, and annual program performance reports. The GPRA Modernization Act of 2010 updates the Federal Government's performance management framework, retains and amplifies some aspects of the GPRA, reconfirms the requirements of the original GPRA legislation, and requires quarterly performance reporting.

The USITC complied with these legal requirements and followed the guidance provided in OMB Circular A-11, *Preparation, Submission, and Execution of the Budget.*

Prompt Payment Act

The Prompt Payment Act of 1982, as amended, provides government-wide guidelines for establishing due dates on commercial invoices and provides for interest payment on invoices paid late. The USITC made late payments that resulted in interest payments of $755 dollars in FY 2025.

Debt Collection Improvement Act

The Debt Collection Improvement Act of 1996 requires agencies to review and report annually on their internal standards and policies regarding compromising, writing down, forgiving, or discharging debt. The USITC refers debts to the Treasury Offset Program (TOP) after agency internal due diligence procedures.

Payment Integrity Information Act

The Payment Integrity Information Act of 2019 amends government-wide improper payment reporting requirements by repealing and replacing the Improper Payments Information Act of 2002 (IPIA), the Improper Payments Elimination and Recovery Act of 2010 (IPERA), the Improper Payments Elimination and Recovery Improvement Act of 2012 (IPERIA), and the Fraud Reduction and Data Analytics Act of 2015.

The USITC's formal, written improper payment identification and recovery plan includes analysis of receivables, analysis of payroll transactions, and sample testing of both payroll and non-payroll disbursements to identify improper payments. In addition, the USITC participates in the Do Not Pay (DNP) initiative through IBC, its shared service provider.

Accountability of Tax Dollars Act

The Accountability of Tax Dollars Act requires the preparation of financial statements by federal agencies that are exempt from the Chief Financial Officers Act of 1990. OMB Circular A-136, *Financial Reporting Requirements*, enables agencies to produce a consolidated Performance and Accountability Report or a separate Agency Financial Report. The USITC has chosen to produce an Agency Financial Report. This report meets the requirements of the ATDA.

The USITC's financial statements are audited each year. The USITC received an unmodified opinion for FY 2025 (see Independent Auditors' Report, p. 25).

Financial Section

Message from the Chief Financial Officer

As Chief Financial Officer, it is my honor to present the Commission's financial statements as part of the Fiscal Year (FY) 2025 Agency Financial Report (AFR). This report reflects our continued commitment to integrity, transparency, and responsible stewardship of taxpayer resources. It underscores how strong financial management supports the Commission's mission, ensuring that public funds are used efficiently and effectively.

Strengthening Stewardship and Upholding Accountability

In FY 2025, the Commission maintained the highest standards of financial stewardship, earning its fifteenth consecutive unmodified ("clean") audit opinion with no material weaknesses in internal controls. This reflects disciplined financial management and the dedication of our financial professionals.

We ensured high-quality DATA Act reporting, publishing complete and accurate financial data to USASpending.gov. Our strong internal controls and absence of high-risk programs underscore our continued commitment to transparency and accountability.

Advancing Process Improvements and Operational Resilience

We refined processes and strengthened operational resilience across our financial operations. In FY 2025, we completed extensive process and data evaluation activities in support of modernization efforts. A major milestone was the successful migration of our financial operations to the Department of the Treasury's Administrative Resource Center (ARC), establishing ARC as our new shared services provider for financial support. We also implemented Pay.gov, further enhancing the reliability and efficiency of our payment collection processes.

In addition, we advanced targeted internal control improvements and conducted reviews across key financial activities—demonstrating our continued commitment to identifying opportunities for improvement and fostering a more efficient financial environment.

Looking Ahead: Modernization and Strong Partnerships

As we look toward FY 2026, modernization and continuous improvement remain core priorities. Building on the foundation established in FY 2025, we are preparing to fully leverage our transition to ARC for comprehensive financial management and travel services. The new financial operating environment will support:

- Improved flow, integration, and transparency of financial data
- Greater automation and standardization across core budget, procurement, and financial processes
- Strengthened internal controls, audit readiness, financial service delivery and customer experience

We will continue to engage and form strong partnerships with our federal counterparts, including the Office of Management and Budget, the Department of the Treasury, and the General Services Administration. These relationships are essential as we navigate government-wide policy updates, implement shared services solutions, and align our practices with federal financial management priorities. Their collaboration and guidance help ensure that we remain consistent with federal standards and best practices as we strengthen our financial capabilities.

Guided by the CFO's ***ACT for Excellence!*** approach – Accuracy, Completeness, and Timeliness – we remain focused on modernizing operations and enhancing services, always seeking to improve and safeguard taxpayer resources.

Acknowledgments

The accomplishments of FY 2025 represent the collective efforts of many dedicated partners. I extend my sincere appreciation to:

- The Treasury's Administrative Resource Center for their partnership throughout our system migration and preparation
- The Interior Business Center for many years of dedicated support
- The Office of Management and Budget, Department of the Treasury, and General Services Administration for their essential collaboration and ongoing partnership
- The Inspector General and our independent auditors, Harper, Rains, Knight & Company, for their professionalism and insight
- Our financial management professionals and Commission-wide partners, whose expertise and dedication make our success possible

Disciplined financial stewardship, strong partnerships across government, and a commitment to continuous improvement strengthen the Commission's ability to fulfill its mission each day. The Office of the Chief Financial Officer remains dedicated to ensuring the efficient use of taxpayer resources and providing the financial excellence required to support the Commission's vital work.

Silvia Galluch

Digitally signed by SILVIA GALLUCH
Date: 2025.12.18 10:28:02 -05'00'

Silvia D. Galluch
Chief Financial Officer
December 18, 2025

Inspector General's Transmittal Letter of Independent Auditors' Report

OFFICE OF INSPECTOR GENERAL

UNITED STATES INTERNATIONAL TRADE COMMISSION

WASHINGTON, DC 20436

December 18, 2025 IG-XX-014

Commissioners:

We contracted with the independent certified public accounting firm, Harper, Rains, Knight & Company, P.A., to conduct an audit of the financial statements of the U.S. International Trade Commission (USITC or Commission) as of and for the fiscal year ended September 30, 2025, and to provide a report on internal control over financial reporting and compliance and other matters. This memorandum transmits the results of the audit (OIG-AR-26-02). The contract required that the audit be performed in accordance with U.S. generally accepted government auditing standards, Office of Management and Budget audit guidance, and the GAO/Council of Inspectors General on Integrity and Efficiency (CIGIE) *Financial Audit Manual.*

My office has policies and procedures designed to assure that work performed by non-federal auditors complies with auditing standards. These procedures follow the GAO/CIGIE Financial Audit Manual (FAM670) guidelines. In connection with this contract, we reviewed Harper, Rains, Knight & Company's draft and final report and related documentation and made inquiries of its representatives. Our involvement in the audit process included monitoring audit activities, participating in discussions, reviewing audit plans, and inspecting selected documentation, conclusions, and results.

Harper, Rains, Knight & Company is responsible for the attached auditor's report dated December 17, 2025, and the conclusions expressed therein. We do not express opinions on the

USITC's financial statements or internal control over financial reporting, or conclusions on compliance and other matters.

Thank you for the cooperation and courtesies extended to Harper, Rains, Knight & Company and my staff during this audit.

Sincerely,

Rashmi Bartlett
Inspector General

Independent Auditors' Report

Harper, Rains, Knight & Company

Independent Auditors' Report

Inspector General
U.S. International Trade Commission

Report on the Audit of the Financial Statements

Opinion

In accordance with the Accountability of Tax Dollars Act, we have audited the financial statements of the U.S. International Trade Commission (USITC). USITC's financial statements comprise the balance sheet as of September 30, 2025, and the related statement of net cost, changes in net position, and budgetary resources for the fiscal year then ended, and the related notes to the financial statements.

In our opinion, USITC's financial statements present fairly, in all material respects, USITC's financial position as of September 30, 2025, and its net cost of operations, changes in net position, and budgetary resources for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Generally Accepted Government Auditing Standards* (GAGAS), issued by the Comptroller General of the United States and Office of Management and Budget (OMB) Bulletin No. 24-02, *Audit Requirements for Federal Financial Statements*. Our responsibilities under those standards and OMB Bulletin No. 24-02 are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of USITC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Washington, DC 20005
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Inspector General
U.S. International Trade Commission (continued)

Responsibilities of Management for the Financial Statements

USITC's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; preparing, measuring, and presenting the Required Supplementary Information (RSI) in accordance with accounting principles generally accepted in the United States of America; preparing and presenting other information included in documents containing the audited financial statements and auditors' report, and ensuring the consistency of that information with the audited financial statements and the RSI; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to (1) obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and (2) issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore, is not a guarantee that an audit conducted in accordance with GAAS, GAGAS and OMB Bulletin No. 24-02 will always detect a material misstatement or a material weakness when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually, or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, GAGAS, and OMB Bulletin No. 24-02, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of USITC's internal control over financial reporting. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Perform other procedures we consider necessary in the circumstances.

Inspector General
U.S. International Trade Commission (continued)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America issued by the Federal Accounting Standards Advisory Board (FASAB) require that the information in the Management's Discussion and Analysis be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the financial statements, is required by FASAB who considers this information to be an essential part of financial reporting for placing the financial statements in appropriate operational, economic, or historical context. We have applied certain limited procedures to the RSI in accordance with GAAS, which consisted of (1) inquiries of management about the methods of preparing the RSI and (2) comparing the information for consistency with management's responses to the auditors' inquiries, the financial statements, and other knowledge we obtained during the audit of the financial statements, in order to report omissions or material departures from FASAB guidelines, if any, identified by these limited procedures. We did not audit, and we do not express an opinion or provide any assurance on the RSI because the limited procedures we applied do not provide sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on USITC's financial statements. The information in the Message from the Chair, Message from the Chief Financial Officer, Other Accompanying Information, Payment Integrity, and Appendices sections contain a wide range of information, some of which is not directly related to the financial statements. This information is presented for purposes of additional analysis and is not a required part of the financial statements or the RSI. Management is responsible for the other information. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Inspector General
U.S. International Trade Commission (continued)

Other Reporting Required by *Government Auditing Standards*

Report on Internal Control over Financial Reporting

In planning and performing our audit of USITC's financial statements as of and for the year ended September 30, 2025, in accordance with GAGAS, we considered USITC's internal control relevant to the financial statement audit as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of USITC's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of USITC's internal control over financial reporting. We are required to report all deficiencies that are considered to be significant deficiencies or material weaknesses. We did not consider all internal controls relevant to operating objectives, such as those controls relevant to preparing performance information and ensuring efficient operations.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described above and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies or to express an opinion on the effectiveness of USITC's internal control over financial reporting. Given these limitations, during our audit, we did not identify any deficiencies in internal control over financial reporting that we considered to be material weaknesses. However, material weaknesses and significant deficiencies may exist that have not been identified.

An entity's internal control over financial reporting is a process effected by those charged with governance, management, and other personnel, the objectives of which are to provide reasonable assurance that (1) transactions are properly recorded, processed, and summarized to permit the preparation of financial statements in accordance with accounting principles generally accepted in the United States of America, and assets are safeguarded against loss from unauthorized acquisition, use, or disposition, and (2) transactions are executed in accordance with provisions of applicable laws, including those governing the use of budget authority, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements. Because of its inherent limitations, internal control over financial reporting may not prevent, or detect and correct, misstatements due to fraud or error.

Inspector General
U.S. International Trade Commission (continued)

Report on Compliance with Laws, Regulations, Contracts, and Grant Agreements

As part of obtaining reasonable assurance about whether USITC's financial statements are free from material misstatement, we performed tests of its compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements, that have a direct effect on the determination of material amounts and disclosures in USITC's financial statements, and to perform certain other limited procedures, but not for the purposes of expressing an opinion on USITC's compliance with applicable laws, regulations, contracts, and grant agreements. Accordingly, we do not express such an opinion. We did not test compliance with all laws, regulations, contracts, and grant agreements applicable to USITC. USITC management is responsible for complying with laws, regulations, contracts, and grant agreements applicable to the entity.

Our tests of compliance with these selected provisions of applicable laws, regulations, and contracts, and grant agreements disclosed no instances of noncompliance for the year ended September 30, 2025, that would be reportable under GAGAS or OMB Bulletin No. 24-02. We caution that noncompliance may occur and not be detected by these tests.

Purpose of the Other Reporting Required by Government Auditing Standards

The purpose of the communication described in the Other Reporting Required by GAGAS is solely to describe the scope of our testing of internal control and compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements, and the results of that testing, and not to provide an opinion on the effectiveness of USITC's internal control or compliance. These reports are an integral part of an audit performed in accordance with GAGAS and OMB Bulletin No. 24-02 in considering the entity's internal control and compliance. Accordingly, these reports are not suitable for any other purpose.

Harper, Rains, Knight & Company, P.A.

December 17, 2025
Washington, D.C.

Principal Financial Statements

U.S. INTERNATIONAL TRADE COMMISSION
BALANCE SHEET
As of September 30, 2025
(in dollars)

		2025
Assets:		
Intragovernmental:		
Fund Balance with Treasury (Note 2)	$	27,441,967
Advances		34,150
Total Intragovernmental Assets		27,476,117
With the Public Assets:		
Property, Plant, and Equipment, net (Note 4)		6,243,877
Total with the Public Assets		6,243,877
Total Assets	**$**	**33,719,994**
Liabilities:		
Accounts Payable (Note 8)		1,061,992
Other (Note 7)		3,813,646
Total Intragovernmental Liabilities		4,875,638
With the Public Liabilities:		
Accounts Payable (Note 8)		1,532,990
Federal Employee Salary, Leave and Benefits Payable (Notes 1, 5, 6)		8,568,191
Total with the Public Liabilities		10,101,181
Total Liabilities	**$**	**14,976,819**
Net Position:		
Unexpended Appropriations		22,254,414
Cumulative Results of Operations		(3,511,239)
Total Net Position	**$**	**18,743,175**
Total Liabilities and Net Position	**$**	**33,719,994**

The accompanying notes are an integral part of the financial statements.

U.S. INTERNATIONAL TRADE COMMISSION
STATEMENT OF NET COST
For the year ended September 30, 2025
(in dollars)

		2025
Program Costs:	$	136,375,893
Total Program Costs	**$**	**136,375,893**

The accompanying notes are an integral part of the financial statements.

U.S. INTERNATIONAL TRADE COMMISSION
STATEMENT OF CHANGES IN NET POSITION
For the year ended September 30, 2025
(in dollars)

		2025
Unexpended Appropriations:		
Beginning balance	$	28,762,260
Appropriations received		122,000,000
Appropriations used		(128,507,846)
Net Change in Unexpended Appropriations		(6,507,846)
Total Unexpended Appropriations	**$**	**22,254,414**
Cumulative Results of Operations:		
Beginning balance	$	(4,884,979)
Adjustments:		
Correction of Errors (+/-)		(16,898)
Beginning balance, as adjusted		(4,901,877)
Appropriations used		128,507,846
Imputed Financing		9,258,685
Net Cost of Operations		(136,375,893)
Net Change in Cumulative Results of Operations		1,390,638
Total Cumulative Results of Operations	**$**	**(3,511,239)**
Net Position	**$**	**18,743,175**

The accompanying notes are an integral part of these financial statements.

U.S. INTERNATIONAL TRADE COMMISSION
STATEMENT OF BUDGETARY RESOURCES
For the year ended September 30, 2025

(in dollars)

		2025
Budgetary Resources:		
Unobligated Balance from Prior Year Budget Authority, net	$	11,608,408
Appropriations (discretionary and mandatory)		122,000,000
Total Budgetary Resources	**$**	**133,608,408**
Status of Budgetary Resources:		
New Obligations and Upward Adjustments (total)	$	129,684,456
Unobligated Balance, end of year:		
Exempt from Apportionment, Unexpired Accounts		3,923,952
Unobligated Balance, end of year (total)		3,923,952
Total Budgetary Resources	**$**	**133,608,408**
Outlays, net and Disbursements, net		
Outlays, net (total) (discretionary and mandatory)	**$**	131,290,082

The accompanying notes are an integral part of these financial statements.

Financial Statement Footnotes

Note 1. Significant Accounting Policies

A. Reporting Entity

The United States International Trade Commission (USITC) is an independent agency of the U.S. Government created by an act of Congress and is headed by six Commissioners, appointed by the President, and confirmed by the U.S. Senate for nine-year terms. The President designates the Chair and vice Chair, each of whom serve two-year terms. The USITC's budget constitutes a single program in the Budget of the United States Government. Accordingly, the USITC receives a lump sum appropriation. The appropriated funds are no-year funds, exempt from OMB apportionment, and may be obligated for goods and services that are provided in subsequent fiscal years.

The Commission conducts investigations and reports findings relating to imports, the effect of imports on industry, and unfair import practices. The USITC advises the President on the probable economic effect of proposed trade agreements with foreign countries. The USITC also conducts analytical studies and provides reports on issues relating to international trade and economic policy to Congress and the President.

B. Basis of Accounting and Presentation

The USITC's financial statements conform to Generally Accepted Accounting Principles (GAAP) as promulgated by the Federal Accounting Standards Advisory Board (FASAB). The American Institute of Certified Public Accountants (AICPA) recognizes FASAB Standards as GAAP for federal reporting entities. These principles differ from budgetary reporting principles. The differences relate primarily to the capitalization and depreciation of property, plant, and equipment, as well as the recognition of other long-term assets and liabilities. The statements were prepared in conformity with OMB Circular A-136, Financial Reporting Requirements.

The financial statements have been prepared from the books and records of the USITC and include all accounts of all funds under the control of the USITC. Accounting principles generally accepted in the United States of America encompass both accrual and budgetary transactions. Under the accrual method, revenues are recognized when earned and expenses are recognized when a liability is incurred, without regard to receipt or payment of cash. Budgetary accounting facilitates compliance with legal constraints and controls over the use of federal funds. The accompanying financial statements, as of September 30, 2025, are prepared on the accrual basis of accounting.

Accounting Policies: Per FASAB Statements of Federal Financial Accounting Standard (SFFAS) No. 54, Leases, Federal agency lessors are required to report a right-to-use lease asset and a corresponding lease liability for material non-intragovernmental, non-short-term contracts when the reporting entity has a right to control the use of real property, equipment, or other assets. The USITC does not report any lease assets or liabilities but is reporting lease expenses as those expenses are incurred throughout the remaining fiscal years of its operating lease with the General Services Administration (GSA), see Note 9.

Assets: Intragovernmental assets are those assets that arise from transactions with other federal entities. Funds with the U.S. Treasury represent intragovernmental assets on the USITC's balance sheet. Fiduciary assets are not assets of the USITC and are not recognized on the balance sheet. The USITC holds cease and desist bonds, which are held for non-federal parties that the USITC does not have the authority to use in its operations. See Note 13, Fiduciary Activities, for additional disclosures.

Financing Sources: The USITC has received no-year appropriations for operations since fiscal year 1993. Appropriations are recognized as a financing source and expensed when related operating expenses are incurred. Differences between appropriations received and those expensed are included as unexpended appropriations. Congress appropriated $122,000,000 to the USITC for salaries and expenses in fiscal year 2025.

Fund Balance with the U.S. Treasury: Cash receipts and disbursements are processed by the Treasury. The fund balance with the U.S. Treasury represents appropriated entity funds in the custody of the U.S. Treasury and is available to pay current liabilities and to finance authorized purchase commitments. The USITC's obligated and unobligated fund balances are carried forward until goods or services are received and payments are made, or until such time as funds are de-obligated.

Prior-Period Adjustments: In FY 2025, the U.S. International Trade Commission recorded a prior-period adjustment totaling approximately $16,900 to correct legacy reconciling items in accounts payable and a minor fixed-asset transaction. These corrections were identified during year-end reconciliation and data cleaning efforts in connection with the Commission's transition to the Department of the Treasury's Administrative Resource Center (ARC) as its new Shared Service Provider. The adjustment is presented in the Statement of Changes in Net Position as "Correction of Errors (+/–)" and reduced the beginning balance of Cumulative Results of Operations. The amount was immaterial relative to the Commission's financial statement totals and did not materially affect the principal financial statements. A corresponding journal entry will be recorded in FY 2026 to ensure system-level consistency.

C. Property, Plant, and Equipment, Net

The USITC's portfolio of assets includes IT-related equipment, furniture, software, and leasehold improvements. For financial statement reporting purposes, the USITC does not own heritage assets as defined in the SFFAS No. 6, *Accounting for Property, Plant, and Equipment*. The USITC therefore reports only the above-mentioned property and equipment in its financial statements. The USITC's headquarters are located in Washington, DC, and is currently in the eighth year of its fifteen-year operating agreement with GSA.

The USITC capitalizes all equipment and furniture when an asset acquisition costs $50,000 or more and when the acquired asset has a useful life of two or more years. Depreciation expense for equipment and furniture is calculated using the straight-line method over an estimated economic useful life. Maintenance and license fees associated with equipment are expensed in the accounting period that they were purchased.

The USITC capitalizes internal use software (IUS) using the standards defined and prescribed in the SFFAS No. 10, *Accounting for Internal Use Software*. Accordingly, the USITC begins to accumulate IUS development costs for equipment integral to the functioning and operation of the software, as well as costs for development work associated with an IUS project when the combined accumulated equipment and IUS development costs reach $250,000. At that point, the IUS project is classified for financial statement reporting purposes as a capital asset and reported in the financial statements as an "in progress" capital asset. Equipment integral to the functioning and operation of the software is not depreciated until the software is placed in service. Upon completion and user acceptance testing, IUS and its associated equipment are reclassified as IUS equipment and software. The equipment is depreciated, and the software is amortized using the straight-line (S/L) method over an estimated economic useful life. Maintenance and license fees associated with an IUS capital asset are accrued, expensed, and allocated between accounting periods based on period-of-performance timeframes specified in contractual agreements. Commercial software costs that do not meet the capitalization criteria and thresholds are expensed in the accounting period that the purchased software is received.

The USITC capitalizes all leasehold improvement costs that are $100,000 or more and that have a useful life of two or more years. The USITC applies the same accounting treatment and standards to leasehold improvements as it does for IUS when the leasehold improvement involves multiple stages of completion before work acceptance. For financial reporting purposes, all accumulated costs are captured in an "in progress" account and reported on the financial statements. Upon completion and acceptance of work, the costs are reclassified and reported on the financial statements as a leasehold improvement subject to amortization.

Leasehold improvements are amortized over either the remaining life of lease term or the estimated economic useful life of the leasehold improvement, whichever is less.

D. Accrued Funded Payroll and Leave

A liability for accrued funded payroll and leave is accrued as annual leave is earned and is paid when annual leave is taken. At year-end, the balance in the accrued funded payroll and leave account is adjusted to reflect the liability at current pay rates and leave balances.

E. Benefits and Retirement Plans

Federal employee benefits consist of the actuarial portion of future benefits earned by federal employees, but not yet due and payable. These costs include pensions, other retirement benefits, and other post-employment benefits, excluding workers compensation. These benefits are administered by the Office of Personnel Management (OPM) and not the USITC. Since the USITC does not administer the benefit plans, it does not recognize any liability on the Balance Sheet for pensions, other retirement benefits and other postemployment benefits.

USITC employees participate in either the Civil Service Retirement System (CSRS), the Federal Employees Retirement System (FERS), which became effective on January 1, 1987, the Federal Employees Retirement System-Revised Annuity Employees (FERS-RAE), which became effective on January 1, 2013, or the Federal Employees Retirement System-Further Revised Annuity Employees (FERS-FRAE), which became effective on January 1, 2014. Most federal employees hired after December 31, 1983, are automatically covered by FERS, FERS-RAE, or FERS-FRAE and Social Security. For employees covered by CSRS, the USITC withholds 7.0 percent of base pay earnings. The USITC matches this withholding, and the sum of the withholding and the matching funds is transferred to the CSRS.

FERS, FERS-RAE, and FERS-FRAE contributions made by employer agencies and covered employees are comparable to the U.S. Government’s estimated service costs. For FERS, FERS-RAE and FERS-FRAE covered employees, the USITC made contributions of 26.2 percent, 26.8 and 27.1 percent, respectively, of basic pay. Employees participating in FERS, FERS-RAE or FERS-FRAE are covered under the *Federal Insurance Contribution Act (FICA)* for which both the USITC and employees contribute 6.2 percent of salaries up to $176,100 during calendar year 2025, into the Old-Age, Survivors, and Disability Insurance (OASDI) program. Both the USITC and employees contribute 1.45 percent of salaries to Medicare’s Hospital Insurance (HI) program.

The Thrift Savings Plan under FERS is a savings plan in which the USITC automatically contributes one percent of base pay and matches any employee contributions up to an additional four percent of base pay. The USITC's contributions are recognized as current operating expenses.

F. Imputed Financing

The amounts remitted to OPM for employees covered by the federal civilian benefit programs generally do not cover the actual cost of the benefits those employees will receive after they retire. Consequently, the USITC has recognized an "imputed financing" equal to the difference between the cost of providing benefits to USITC's employees and the contributions the USITC remitted for them. The amount of imputed financing is calculated based on a formula provided by OPM.

G. Net Position

Net position is the residual difference between assets and liabilities and is composed of unexpended appropriations and the cumulative results of operations. Unexpended appropriations represent the amount of unobligated and unexpended budget authority. Unobligated balances are the amounts of appropriations or other authority remaining after deducting the cumulative obligations from the amount available for obligation. Cumulative results of operations are the net result of the USITC's operations since inception.

H. Intragovernmental Activities

The USITC records and reports only those government-wide financial matters for which it is responsible and identifies only those financial matters that the USITC has been granted the budget authority and resources to manage.

I. Use of Estimates

The financial statements are based on the selection of accounting policies and the application of certain accounting estimates, some of which require management to make significant assumptions. Further, the estimates are based on current conditions that may change in the future. Actual results could differ materially from the estimated amounts. The financial statements include information to assist in understanding the effect of changes in assumptions to the related information.

Note 2. Fund Balance with Treasury

Fund Balance with Treasury is an intragovernmental asset. The USITC fund balance represents funds appropriated by Congress for use by the USITC. No funds are restricted and the USITC is exempt from apportionment; however, in accordance with Title VI, Section 605 of Public Law 105-277, congressional approval is required under certain reprogramming or transfer actions.

Fund Balance with Treasury	2025
Status of Fund Balance with Treasury	
Unobligated balance	$ 3,923,952
Obligated balance not yet disbursed	23,518,015
Total	**$ 27,441,967**

Note 3. Accounts Receivable

Gross accounts receivable for the year ending September 30, 2025, were $65,000 with an allowance for doubtful accounts of $65,000. The resulting net balance of accounts receivable was $0. The amounts for gross receivables and the offsetting allowance are related to amounts due from employee debts.

An allowance for doubtful accounts is established in accordance with SFFAS 1, *Accounting for Selected Assets and Liabilities*, when collection is determined to be “more likely than not” uncollectible. As of September 30, 2025, the entire allowance balance relates to employee debts that may be waived when recovery is determined to be against equity and good conscience.

The allowance reflects management’s estimate of amounts not expected to be collected based on historical waiver activity, the debtor’s financial condition, and other relevant factors affecting collectability.

Note 4. Property, Plant, and Equipment, Net

Depreciation and amortization expense was $1.2 million for the period ending September 30, 2025, and is included in overall accumulated depreciation. The included table below summarizes each class of property.

Property, Plant, and Equipment as of September 30, 2025

Class of Property	Depreciation/ Amortization Method	Capitalization Threshold for Individual Purchases	Service Life (Years)	Acquisition Cost	Accumulated Depreciation/ Amortization	Book Value
Equipment and Furniture	S/L	$ 50,000	5	$ 14,734,545	$ 11,528,179	$ 3,206,366
Software	S/L	250,000	5	8,612,755	8,319,858	292,897
Software in Development	-	-	-	774,138	-	774,138

Class of Property	Depreciation/ Amortization Method	Capitalization Threshold for Individual Purchases	Service Life (Years)	Acquisition Cost	Accumulated Depreciation/ Amortization	Book Value
Leasehold Improvements	S/L	100,000	Varies	8,187,353	8,107,054	80,299
Leasehold Improvements (In Progress)	-	-	-	1,890,177	-	1,890,177
Total				**$ 34,198,968**	**$ 27,955,091**	**$ 6,243,877**

Note 5. Liabilities Not Covered by Budgetary Resources

Liabilities not covered by budgetary authority are not charged to the USITC's appropriation. These liabilities include unfunded Federal Employees' Compensation Act (FECA) liability, other liabilities, unfunded leave, and actuarial FECA liability.

Unfunded FECA Liability: The FECA program is administered by the Department of Labor (DOL). DOL pays valid claims against the USITC and subsequently seeks reimbursement.

Reimbursements are paid by the USITC out of current-year funds. The USITC has no unfunded FECA liability balances as of September 30, 2025.

Other Liabilities: During FY 2017, USITC signed a fifteen-year lease with GSA for its headquarters building in Washington, DC. The lease had several initial months of rent abatement. This liability account established the FY 2017 and FY 2018 free rent less amortization, which began during the third quarter of FY 2018 and will continue through the remaining term of the scheduled lease payments. Additional information on other liabilities is discussed in Note 7.

Unfunded Leave: Unfunded leave is paid from future funding sources and accordingly is reflected as a liability not covered by budgetary resources. Each quarter the balance in the accrued leave account is adjusted to reflect current leave balances and pay rates. Sick leave and other types of non-vested leave are expensed as taken. Unfunded leave balances were $6,492,174 as of September 30, 2025.

Actuarial FECA Liability: This represents an estimated liability for future workers compensation claims based on data provided from DOL. DOL calculates the estimate based principally on benefit payments made over the prior 12 quarters. USITC has no calculated actuarial liability as of September 30, 2025.

Liabilities Covered by Budgetary Resources: In contrast to the liabilities identified above, all other liabilities are charged to the USITC's appropriation and thus are covered by budgetary resources. These liabilities include accounts payable, employer contributions and payroll taxes payable, and accrued funded payroll and leave.

Liabilities Not Covered by Budgetary Resources		2025
Intragovernmental		
Unfunded FECA Liability	$	-
Other Liabilities		3,262,942
Total Intragovernmental		3,262,942
Other than Intragovernmental		
Unfunded Leave		6,492,174
Total Other than Intragovernmental		6,492,174
Total Liabilities Not Covered by Budgetary Resources		**9,755,116**
Total Liabilities Covered by Budgetary Resources		**5,221,703**
Total Liabilities	**$**	**14,976,819**

Note 6. Federal Employee Benefits Payable

These amounts reported on the Balance Sheet further detail liabilities related to benefits payable to federal employees. The amounts include employer contributions and payroll taxes payable, accrued funded payroll and leave and unfunded leave.

Federal Employee Salary, Leave and Benefits Payable		2025
Accrued Funded Payroll and Leave	$	1,992,668
Employer Contributions and Payroll Taxes Payable		83,349
Unfunded Leave		6,492,174
Federal Employee Salary, Leave and Benefits Payable	**$**	**8,568,191**

Note 7. Other Liabilities

The amounts reported on the Balance Sheet for other liabilities represent amounts owed by the USITC to other federal agencies and amounts payable to other non-federal entities.

Other intragovernmental liabilities represent the amortization balance of the USITC's rent abatement and benefit program contributions payable. The rent abatement is discussed in more detail in Note 9.

Other Liabilities		2025
Intragovernmental		
Other Liabilities	$	3,262,942
Other Current Liabilities - Benefit Program Contributions Payable		550,704
Total Intragovernmental	**$**	**3,813,646**

Note 8. Accounts Payable

The amounts reported on the balance sheet for accounts payable represent amounts owed by the USITC to other federal agencies and to non-federal entities for goods and services received but not paid in support of mission operations.

Intragovernmental accounts payable were $1,061,992 as of September 30, 2025. Amounts payable to non-federal entities were $1,532,990 as of September 30, 2025.

Note 9. Leases

The USITC has an operating lease for its headquarters building that houses day-to-day mission operations. The USITC extended the current operating lease with the GSA for a period of 180 months commencing on August 11, 2017. In accordance with the terms of the occupancy agreement, the USITC received total free rent in the amount of $6.8 million, as well as a broker commission credit totaling $591,000. The full-service free rent was abated in its entirety from the commencement date of the new lease and was fully exhausted in the third quarter of fiscal year 2018. While leases with the GSA are cancellable, the USITC's intention is to stay in the currently leased space and disclose the amounts that will be paid in the future to the GSA utilizing annual lease agreements.

The USITC has no capital leases.

Future minimum lease payments due as of September 30, 2025, are as follows:

Fiscal Year	Future Lease Payments
2026	$ 10,350,438
2027	10,427,509
2028	10,506,892
2029	10,588,656
2030	10,672,874
Thereafter	19,787,704
Total Future Minimum Lease Payments	**$ 72,334,073**

Note 10. Commitments and Contingencies

The USITC has certain claims and lawsuits pending against it. Agency policy is to include provisions in the financial statements for any losses considered probable and estimable. Management believes that losses from certain other claims and lawsuits are reasonably possible but are not material to the fair presentation of the USITC's financial statements, and provisions for these losses are not included in the financial statements.

Note 11. Undelivered Orders

Undelivered orders consist of goods and services ordered and obligated that have not been received. Undelivered orders may be indicative of obligations to cover future delivery of goods and services or may represent potential de-obligations. Since the USITC has no-year funds, it often funds contracts, particularly service contracts, on a calendar year or other annual basis, rather than on a fiscal year basis. Undelivered orders were $18,330,461 as of September 30, 2025. Federal undelivered orders amounted to $4,011,800 while $14,318,661 were classified as non-federal as of September 30, 2025. As of September 30, 2025, $34,150 of undelivered orders are paid, while the remaining $18,296,311 are unpaid.

Note 12. Explanation of Differences between the Statement of Budgetary Resources and the Budget of the United States Government

The Budget of the United States Government with actual amounts for fiscal year 2025 has not been published as of the issue date of these financial statements. This document will be available in February 2026 at OMB's website.

There were no material differences between amounts reported in the Commission's Statement of Budgetary Resources and the actual amounts reported in the President's Budget.

Note 13. Fiduciary Activities

Fiduciary activities are the collection or receipt, and the management, protection, accounting, and disposition by the federal government of cash or other assets in which non-federal individuals or entities have an ownership interest that the federal government must uphold.

Fiduciary cash and other assets are not assets of the federal government and accordingly are not recognized on the balance sheet.

Fiduciary Bond Fund 34X6340 was authorized by 31 U.S.C. §3513, which authorized the USITC to collect cease and desist bonds on behalf of the federal government.

Fiduciary activities are reported for the current and prior fiscal year in accordance with SFFAS 31, which requires comparative presentation.

U.S International Trade Commission
Schedule of Fiduciary Activity
As of September 30, 2025 and 2024

	2025 Fiduciary Fund 34X6340	2024 Fiduciary Fund 34X6340
Fiduciary net assets, beginning of year	$ 6,033,263	$ 6,033,263
Cash collections from cease-and-desist bonds	2,593	
Cash disbursements to beneficiaries	(883)	
Fiduciary Net Assets, end of year	**$ 6,034,973**	**$ 6,033,263**

U.S International Trade Commission
Fiduciary Net Assets
As of September 30, 2025 and 2024

	2025 Fiduciary Fund 34X6340	2024 Fiduciary Fund 34X6340
Fiduciary Assets		
Fund Balance with Treasury	$ 6,034,973	$ 6,033,263
Total Fiduciary Net Assets	**$ 6,034,973**	**$ 6,033,263**

Note 14. Reconciliation of Net Cost of Operations to Budget

Budgetary and financial accounting information differ. Budgetary accounting is used for planning and control purposes and relates to both the receipt and use of cash, as well as reporting the federal deficit. Financial accounting is intended to provide a picture of the government's financial operations and financial position, so it presents information on an accrual basis. The accrual basis includes information about costs arising from the consumption of assets and the incurrence of liabilities. The reconciliation of net outlays, presented on a budgetary basis, and the net cost, presented on an accrual basis, provides an explanation of the relationship between budgetary and financial accounting information. The reconciliation serves not only to identify costs paid for in the past and those that will be paid in the future, but also to assure integrity between budgetary and financial accounting. The analysis below illustrates this reconciliation by listing the key differences between net cost and net outlays.

Reconciliation of Net Operating Cost to Net Outlays
September 30, 2025 (in dollars)

	Intra-governmental	FY 2025 With the Public	Total
Net Operating Cost (SNC)	$ 45,597,839	$ 90,778,054	$ 136,375,893
Components of Net Operating Cost Not Part of the Budgetary Outlays			
Property, plant, and equipment depreciation	-	(1,210,003)	(1,210,003)
Increase/(Decrease) in Assets not affecting Budget Outlays:			
Accounts receivable	-	(243)	(243)
Other assets	384,379	(350,229)	34,150
(Increase)/Decrease in Liabilities not affecting Budget Outlays:			
Accounts Payable	(236,495)	2,658,794	2,422,299
Salaries and benefits	(87,876)	414,093	326,217
Other liabilities	477,504	305,448	782,952
Other Financing Sources			
Federal employee retirement benefit costs paid by OPM and imputed to agency	(9,258,684)	-	(9,258,684)
Total Components of Net Operating Cost Not Part of the Budget Outlays	**$ (8,721,172)**	**$ 1,817,860**	**$ (6,903,312)**
Components of the Budget Outlays Not Part of Net Operating Cost			
Acquisition of capital assets	350,229	1,450,374	1,800,603
Total Components of the Budgetary Outlays Not Part of Net Operating Cost	**$ 350,229**	**$ 1,450,374**	**$ 1,800,603**
Other Temporary Timing Differences	-	16,898	16,898
Net Outlays	**$ 37,226,896**	**$ 94,063,186**	**$ 131,290,082**
Related Amounts on the Statement of Budgetary Resources			
Outlays, net			$ 131,290,082
Distributed Offsetting Receipts			
Agency Outlays, net			$ 131,290,082

Other Accompanying Information

Inspector General's Summary of Management and Performance Challenges

UNITED STATES INTERNATIONAL TRADE COMMISSION

WASHINGTON, DC 20436

December 17, 2025

IG-XX-013
OIG-MR-26-01

Chair Karpel:

In accordance with the Reports Consolidation Act of 2000, the U.S. International Trade Commission (USITC or Commission), Office of Inspector General (OIG) identifies the most serious management and performance challenges facing the Commission and provides a brief assessment of the Commission's progress in addressing those challenges. This summary is known as the Top Management Challenges. By statute, this report is required to be included in the Commission's Agency Financial Report.

Congress left the determination and threshold of what constitutes a most serious management and performance challenge to the discretion of the Inspector General. The Government Performance and Results Modernization Act of 2010 identified major management challenges, such as programs or management functions that are vulnerable to waste, fraud, abuse, and mismanagement. A failure to perform well in these areas could seriously affect the Commission's ability to achieve its mission objectives. Each challenge area is related to the USITC's mission and reflects continuing vulnerabilities and emerging operational issues.

Management challenges were identified this year based on oversight work conducted by the OIG, knowledge of the Commission's programs and operations, the Commission's strategic plan, annual management plan, enterprise risk management assessments, statements of assurance, and observations and discussions with senior leaders.

For Fiscal Year 2026 (FY 2026), we have three top management and performance challenges:

- Internal Controls
- Data Management
- Human Capital Management

Internal Controls

The Government Accountability Office (GAO) publishes *Standards for Internal Control in the Federal Government* (The Green Book), which provides federal government managers with the criteria for designing, implementing, and operating an effective internal control system. It defines internal control as "a process effected by an entity's oversight body, management, and other personnel, designed to provide reasonable assurance that the objectives of an entity will be achieved" and identifies five components for internal control:

1. Control Environment
2. Risk Assessment
3. Control Activities
4. Information and Communication
5. Monitoring

All five components must be properly designed and implemented for an effective internal control system. In addition, these components must work together in an integrated manner. The overall success of an internal control system relies on the organization's people, processes, and technology. The control environment is the keystone of an internal control system. The GAO's Green Book states that one requirement of the control environment is for management to establish an organizational structure, assign responsibility, and delegate authority to meet the agency's objectives.

Central to the Commission's internal controls are the agency's internal rules. The Commission defines an internal rule as a formal rule that establishes or provides for internal governance, organizational structure, delegations, designations, and/or internal operating policies and procedures for the Commission and its subcomponents, including USITC offices, divisions within offices, and committees.

An inadequate system of internal rules has been identified as a deficiency since FY 2015. From FY 2015 to FY 2023, the system of internal rules was designated as a significant deficiency. In FY 2024, the significant deficiency was downgraded to a control deficiency because the Commission implemented corrective actions that strengthened the internal rules development and review process.

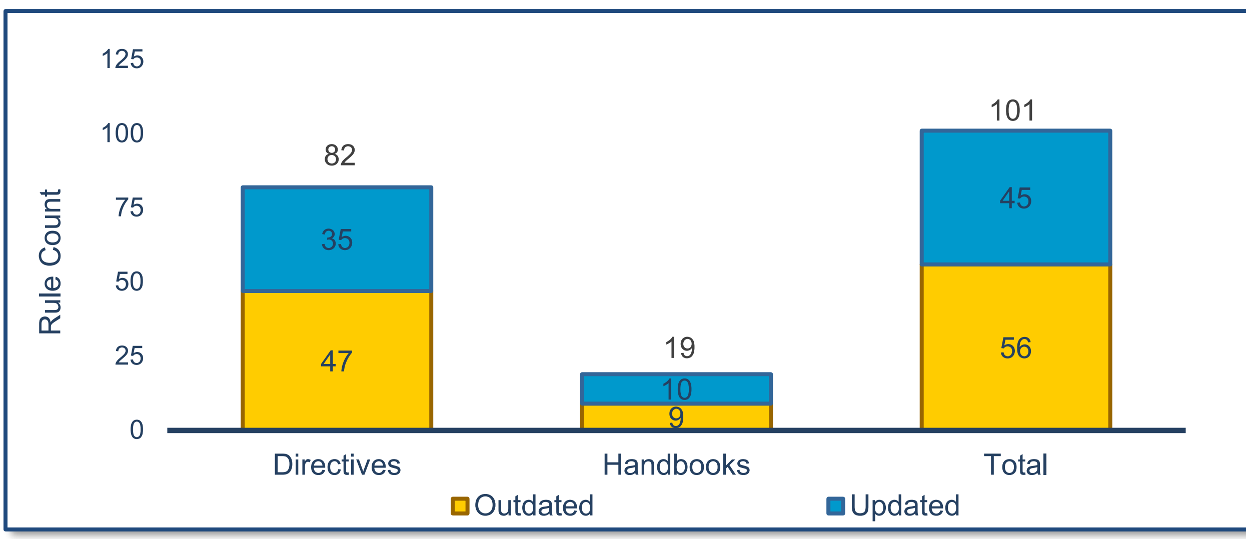
Challenges Identified in OIG Audit

In the OIG's June 2024 report, *Audit of the USITC's System of Internal Rules*, we made 13 recommendations to the Commission to improve the internal rules process. We found that the Commission's internal rules were not being issued or updated in accordance with the Commission's periodic review requirements, and the number of outdated rules was increasing. Moreover, the Commission had inadequate internal controls over its risk and prioritization processes. There were also insufficient resources to efficiently operate the internal rules process as designed. Several offices in the Commission faced challenges writing and designating internal rules. The Commission's electronic system for storing internal rules did not fully reflect the rules currently in operation, as canceled and superseded rules had been identified and were still listed alongside active ones.

Status of Outdated and Historical Directives and Handbooks

The Commission has historically tracked progress in managing the internal rules by counting the number of current directives, handbooks, and desk procedures. As of September 2025, the Commission maintained 82 directives and 19 handbooks. Desk procedures were reclassified this year and are no longer considered part of the internal rules tracking system. Figure 1 shows that 47 of the 82 directives and nine of the 19 handbooks were outdated, meaning their review dates had passed without the Commission completing a review or making necessary updates. In total, a majority of internal rules are still out of date.

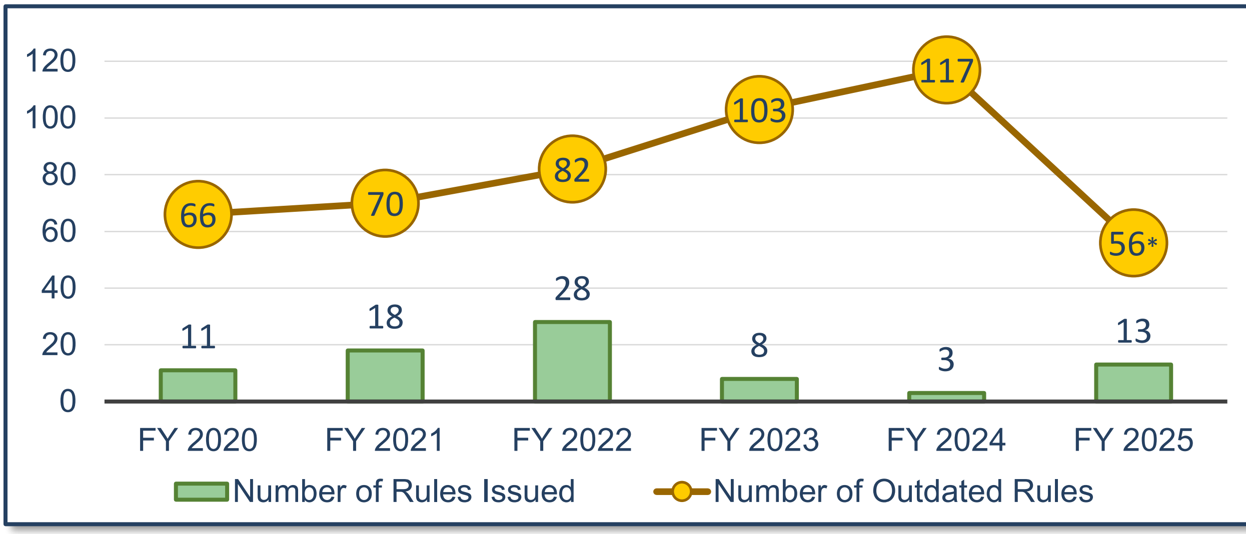
Figure 1. Outdated Internal Rules as of FY 2025



Source: OIG Analysis of USITC's System of Internal Rules SharePoint Site, September 2025.

The Commission successfully reduced the number of outdated rules overall this year from the FY 2024 total of 117 to this year's total of 56. As illustrated in Figure 2, the number of outdated rules rose each fiscal year through FY 2024. Although the count declined markedly in FY 2025, the full impact is more complicated because two thirds of the reduction in outdated rules resulted from removing desk procedures from the count. The remainder of the drop in out-of-date rules was achieved by USITC issuing or updating 13 rules and rescinding seven outdated rules.

Figure 2. Comparison of Issued and Outdated Internal Rules, FY 2020 to FY 2025



Source: OIG Analysis of USITC's System of Internal Rules SharePoint Site, September 2025.
*The FY 2025 decrease of 61 outdated internal rules is comprised of 41 desk procedures eliminated as an internal rule, 13 issued or updated rules, and 7 rescinded rules.

Improvement Efforts and Work Underway

The Office of Administrative Services (OAS) and the Internal Administration Committee (IAC)—supported by the Office of Chief Information Officer (OCIO)—launched a new system to track internal rule development, reducing administrative burden and improving visibility into bottlenecks. The Commission also implemented a rule certification application to streamline required certifications and provide Rule Owners with clear guidance and support.

In addition, OAS led updates to the IAC Charter, granting the Committee authority to rescind outdated rules. Once the revised Charter was issued, the IAC used this new authority to rescind more than 100 obsolete internal rules. In the Commission's September 30, 2025 statement of assurance, the OAS stated, "There remain several policy Directives in critical program areas that need to be revised and reissued, but progress in this area has increased during this fiscal year."

By the end of FY 2027, the Commission aims to eliminate the existing backlog of historical directives by issuing or rescinding four rules per quarter. The progress made by the Commission is promising. It is important that the Commission sustains its efforts to address the backlog of internal rules by FY 2027, while being mindful that the number of internal rules is not static, with new rules becoming outdated every year. Accordingly, the Commission needs to establish a pace that will allow it to issue new rules and complete timely reviews of newly outdated rules. Delays in updating the agency directives could result in ineffective internal controls and a lack of monitoring controls. While 55% of outdated internal rules remain to be addressed, employees are subject to incomplete or obsolete guidance, which could make it difficult to hold them accountable for understanding and performing internal controls and impair the ability of the Commission to operate efficiently and effectively.

Additional Internal Control Challenge Areas

In addition to delays in updating internal rules, the OIG—through its audits and reviews—found instances where controls existed but were not fully operational. In a recent review of the Commission's contract file management system (OIG-AR-25-08), we identified areas where controls need to be strengthened or more efficient to ensure contract files documentation complies with the Federal Acquisition Regulation and agency-specific requirements, Contracting Officer's Representatives (CORs) meet the appropriate training and certifications standards, and required contractor performance evaluations are completed consistently.

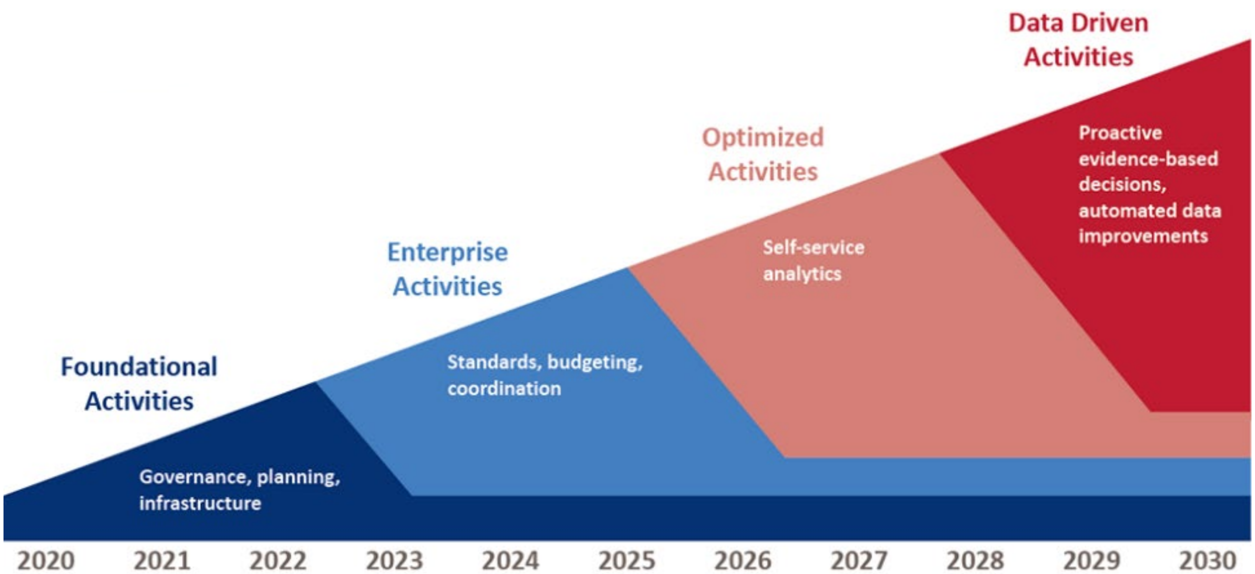
The FY 2024 financial statement audit found repeated issues with internal control deficiencies over payroll operating expenses. In response to the FY 2024 audit findings, the Commission issued Standard Operating Procedures for the Review of the Electronic Official Personnel Folder (eOPF) database, including sending a semi-annual notice to all USITC employees, reminding them to review their eOPF periodically to verify the completeness and accuracy of the information in the database. During FY 2025, the Office of Human Resources (OHR) conducted a comprehensive review of the retirement codes of all current USITC employees to verify that employees are enrolled in the correct retirement plan. Furthermore, OHR will begin a biannual review in the first quarter of FY 2026, during which a random sample of employee eOPF documents will be checked to confirm that required benefits documents are present and match the deductions shown on the employee's earnings and leave statements.

In addition to the control deficiency in internal rules reported in the September 30 statement of assurance, the Commission also reports a control deficiency related to human capital management operations, which will be covered in the third management challenge. The control deficiency is based on findings from an April 2024 Office of Personnel Management (OPM) evaluation of USITC's human capital programs. OPM recommended 19 required actions and 24 suggested actions. These recommendations aligned with the OIG's concerns about the lack of operational monitoring controls discussed in previous management challenge reports.

Data Management

The White House Office of Management and Budget (OMB) issued a memorandum (M-19-18) outlining the Federal Data Strategy (FDS) in June 2019. The FDS provides a framework of operating principles and best practices to help agencies achieve a consistent data infrastructure and strong data governance over the next decade. This strategy is a government-wide vision for how agencies should manage and use federal data by 2030.

Figure 3. Federal Data Strategy 10-Year Vision



Source: https://strategy.data.gov/2021/action-plan, accessed November 2025.

Annual action plans are issued as part of the FDS that follow an incremental maturity ladder that generally moves from **Foundational Activities** of governance, planning, and infrastructure (2020–2022), to **Enterprise Activities** of standards, budgeting, and coordination (2023–2025), to **Optimized Activities** of self-service analytics (2026–2028), and finally, to **Data-Driven Activities** of proactive, evidence-based decisions and automated data improvements (2029 and forward) (see Figure 3). Agencies implement the FDS by meeting the required Action Steps in the yearly Action Plans following OMB guidance.

On January 15, 2025, the White House OMB issued a memorandum (M-25-05) outlining a systematic approach to open data that will better facilitate data access for evidence-building and will foster innovation in artificial intelligence and beyond, inform research, and promote government transparency and accountability, subject to appropriate safeguards for privacy, confidentiality, and security. Table 1 below shows the Commission's status of the eight initial actions to be taken by USITC.

Table 1. Commission's Compliance with M-25-05, as of September 2025

Requirement	Due Date	Completed
Contact information for the open data plan point of contact prominently displayed on the agency's website	7/15/2025	✓
Information Resource Management Strategic Plan updated with open data plan	7/15/2025	✓
Comprehensive data inventory data set listings updated to DCAT-US 3.0 updated schema	9/30/2026	In Progress
Comprehensive data inventory hosted publicly on the agency's website	9/30/2026	✓
All agency data assets represented in the comprehensive data inventory	9/30/2026	✓
Data assets meet open format requirements	9/30/2026	✓
Public data assets meet open Government data asset and open license requirements	9/30/2026	✓
Public engagement conducted for releasing public data assets	9/30/2026	✓

Source: USITC Data Management Information Provided to OIG, November 2025.

Data Management Responsibilities and Overview

The Commission's Chief Data Officer (CDO) is responsible for data governance and lifecycle data management. The CDO's portfolio of data work includes policies, guidelines, best practices, and an implementation approach. The work is aligned with the Commission's FY 2022–2026 Strategic Plan as well as federal data strategies and requirements, where applicable. In addition to the CDO, the Deputy Chief Data Officer (DCDO) contributes to the development, execution, and sustainment of a variety of agency data governance initiatives related to the Foundations for Evidence-Based Policymaking Act of 2018 (Evidence Act) and other pertinent laws, regulations, and agency policies. This includes ongoing efforts to strengthen the agency's data maturity, overall data literacy and acumen, and managing data asset documentation.

The Commission's federal data management process includes a broad range of functions, such as:

- Governing how data are used and accessed;
- Collecting, processing, validating, and storing data;
- Integrating different types of data from disparate sources, including structured and unstructured data;
- Ensuring data quality and availability, and
- Protecting and securing data and ensuring data privacy.

The Commission's FDS Activities

The Commission's work to date has focused on all four activities of the FDS, as shown in Table 2. The Commission has not established target completion dates for these activities.

Table 2. Federal Data Strategy Activities in Progress, as of September 2025

Activity	Status	Start Date	FDS Area(s)^
Documentation of core agency applications and administrative data systems	Thirty-one core assets have been documented, including 16 in FY 2025. Thirty-eight core assets remain to be documented.	2018	All
Data Governance Manual	IAC review completed. Data Governance Board (DGB) cleared IAC comments and returned the manual to the IAC.	2019	Foundational
Schedule of data systems to be documented	Each year, undocumented core assets are prioritized for documentation, and documented assets are reviewed.	2022	Foundational & Enterprise
Self-service analytics	Self-service analytics is always ongoing, as new ways for data to be used are continually discovered. Expect to complete active fact-finding investigations by year end.	2021	Optimized & Data Driven

Source: USITC Data Management Information Provided to OIG, November 2025.

Documentation Status

In 2022, the Commission established a goal to document core agency applications and administrative data systems within five years. The CDO considers a system documented when it has provided sufficient information to cover the types of information within each article[3] (process, security, data elements, data assurance). A simple asset can be fully documented in the data management plan template, whereas more complicated systems require multiple documents.[4] Of the 188 data assets, 43 have a standard operating procedure, 36 have a data glossary, and 38 have a draft or final data management plan.

The Commission's data systems are divided into two types: core and non-core assets. A **core** asset is a dataset that is the authoritative source of information. A **non-core** asset is a subset of data from an authoritative source used by an office for its own purpose.

[3] The data management template contains each of these articles.
[4] These other documents include a system description, a standard operating procedure, and a data glossary.

As of September 2025, 69 core assets and 119 non-core assets have been identified. As shown in Table 3, there are 133 systems that have not been documented. Of those undocumented systems, 38 are core assets and 95 are non-core assets. For comparison, 31 or 45% of the core assets have been fully documented over seven years. Of the 31 core assets documented so far, 16 were documented in FY 2025. In 2024, the Commission indicated that the inventory and documentation would be completed in FY 2026.

Table 3. Status of the Commission's Documentation Efforts from FY 2018 to FY 2025

	Core Assets	Non-Core Assets	Total
Documented	31	24	55
Not Documented	38	95	133
Total	69	119	188

Source: USITC Data Management Information Provided to OIG, November 2025.

Progress and Changes

Agency data initiatives and increased meetings have occurred between data owners and the CDO and DCDO. This has resulted in an increased understanding of assets that should be included in the inventory of core agency applications and administrative data systems. The CDO and DCDO also work with data owners to ensure reliance on authoritative data sources, leveraging technology controls, and identifying business processes for data owners' data maintenance activities.

The financial systems were the priority for data management in FY 2025 due to the transition to Administrative Resource Center (ARC) and to make data more accessible. With the transition to ARC, the Office of the Chief Financial Officer (OCFO) was able to consolidate reports, enhance data quality, increase internal controls, and develop better reports for finance staff and managers' reporting needs. During FY 2025, the OCFO cleaned data and tested extraction from existing systems and integration into ARC. The OCFO also developed requirements for their reporting needs.

Existing and New Data Management Challenges

As the OIG reported in previous years, areas with gaps include:

- data management processes and governance that are not embedded into operational processes;

- establishment of expectations around data availability, maintenance, and performance, as well as the related policies and processes, and
- controls to ensure accountability for data quality.

The Data Governance Manual was started in 2019 but has yet to be issued, and there is currently no established milestone for completion. This manual is meant to provide procedures and internal controls to ensure the effective collection, management, compilation, and presentation of agency data; effective data governance; the transparency, accessibility, and release of agency data; appropriate controls and use of sensitive data; and the application of internal controls to ensure data quality and optimize and leverage the value of Commission data assets. The IAC provided comments for the DGB to address in July 2025. The DGB addressed the comments and returned the manual to the IAC for approval, but there is no projected timeline for issuance to the USITC. That the manual is still not issued after six years is concerning and delays this important information from being distributed to the Commission.

While the Commission has established performance goals, it lacks a plan and timeline to implement FDS activities that are relevant to the Commission. It is unclear if USITC has established the distinct activities it will complete in each phase of the FDS. Without such a plan, we cannot determine how far along the Commission with meeting the FDS nor what remains to be done. The FDS called for Foundational Activities. to be largely complete by 2022, As the end of 2025, 55% of core assets still need to be documented, which we project will take at least another two years. There is no timeline or plan for when non-core assets will be documented. FDS stated that Foundational Activities were to be performed 2023-2025, with 2026-2028 to be years to focus on Optimized Activities.

As the OIG stated last year, we encourage the Commission to reassess its approach to FDS to determine if its processes and strategy will allow it to catch up on delayed FDS activities, so that it can work on Optimized Activities in 2026 and Data Driven Activities in 2029, as contemplated by the FDS. We hope that within the next year, the USITC will have a more detailed action plan with projected timelines for completion that reflects the resources available for data management. Our concern is that this endeavor is facing the types of delays and lack of clarity that we found previously with internal rules.

Human Capital Management

The Commission's FY 2022–2026 Strategic Plan emphasizes human capital management under Strategic Objective 3.1: Attract, develop, and retain a skilled, diverse, and versatile workforce. The Commission also acknowledges in its Strategic Plan that succession and training plans are needed to develop world-class technical, leadership, management, and communication skills.

The FY 2026 human capital management challenge has three essential elements: hiring, succession planning, and retention. Outside the USITC's control, three Commissioner vacancies and three current Commissioners on expired terms can create leadership uncertainty for senior officials and staff. The USITC's human resource function was evaluated by the OPM in FY 2024, and the Commission continued to make progress this year in addressing a list of required actions and recommendations.

Hiring

The Commission has experienced an increased workload in recent years. Filling vacant and new positions to meet the USITC's goals has been challenging for the Commission. In FY 2024, the Commission experienced delays due to the time it takes to onboard new employees. This year, the USITC's hiring was impacted by a government-wide federal civilian hiring freeze that was directed by the President on January 20, 2025, and which remained in effect for the entire fiscal year.

The Commission reported that for FY 2025, the average time-to-hire was lower than past years. Of note, the OPM's time-to-hire goal calculation changed in FY 2025 and is now based on a different end date parameter. The end date that OPM now uses, per OPM's Merit Hiring Plan memo issued on May 29, 2025, is the initial offer date. Using the prior calculation method, we were able to verify that the Commission's time-to-hire was reduced in FY 2025.

The Commission started FY 2025 with 425 permanent or term employees. Sixty-seven recruitment actions were processed during the year, including backfilling departures and retirements, plus temporary hires. The Commission made 37 external selections, converted 3 temporary positions, and made 7 internal selections for permanent and term appointments. However, there were 55 permanent and term appointment departures.

Table 4 summarizes the information on hiring and departure activities during FY 2025. There was a net loss of 15 employees in FY 2025, including two who accepted the deferred resignation program. Another seven employees who accepted the deferred resignation program will depart the Commission on December 31, 2025, further increasing the number of departures. Positions filled by the internal hires (7) did not impact the overall number of Commission staff.

Table 4. USITC Human Capital Activity During FY 2025

Activity	Number of Employees
Employees at the Beginning of FY 2025	425
Add: New Hires	40
Less: Departures/Turnover	55
Employees at the End of FY 2025	**410**

Source: USITC Human Resources, December 2025.

The Commission's extended hiring timeline could create challenges in securing top talent for the small agency, especially at the senior level, as candidates often pursue multiple opportunities. In FY 2024, the Commission started to follow a year-round hiring process that considers attrition and hiring times and began using a tracking tool to monitor hiring activities. With additional requirements for hiring in FY 2025 and the future, the Commission may need to place additional focus on recruiting for positions in hard-to-fill job series. Hiring is also challenging because some candidates seek roles that offer expanded telework or remote positions, which can put agencies requiring more in-office days at a competitive disadvantage.

Succession Planning

Succession planning is a proactive and systematic process where organizations identify those positions considered to be at the core of the organization – i.e., too critical to be left vacant or filled by any but the best-qualified persons – and then create a strategic plan to fill those positions. Under 5 U.S.C 412.101, agency heads are to establish "a comprehensive management succession program to provide training to employees to develop managers for the agency".

The Commission's strategic plan noted "that over the next five years, a substantial portion of the agency's workforce will be eligible to retire. Approximately ten percent of the agency's workforce turns over every year." Currently, there are 56 employees who are eligible to retire, 19 less than last year. In five years, that number will grow to 103, or over 25% of the current workforce level. One of the Commission's five executives[5] is eligible for retirement now, and one of the other four executives can retire by the end of FY 2030.

Due to the small size of the Commission, departures and vacancies at any level could have an impact. During our audit of the Commission's Contract File Management System, we found that nine of the 12 official contract files and all 12 COR and Project

[5] The Commission's five executive management team members are the Director of Operations, Chief Financial Officer, Chief Information Officer, Chief Administrative Officer, and General Counsel.

Officer contract files reviewed contained missing or incomplete documentation. Contract files with a complete acquisition history and basis for actions and decisions are needed so that responsibilities can be efficiently transferred and properly assumed by new Contracting Officers or CORs.

Retirements in key positions pose a risk to staffing and knowledge transfer. Knowledge transfer is particularly challenging because specialized and executive-level positions can be difficult to fill. In addition, obtaining institutional expertise on how the Commission and trade programs operate can take time. Should an influx of new executive management occur within a short time frame, it will particularly impact the Commission's succession management.

The potential for significant change at the USITC is not limited to staff and the executive team. By statute, there are to be six presidentially appointed, Senate-confirmed Commissioners, and no more than three Commissioners can be from one political party. The Commissioners' terms are set at nine years and are staggered such that a different term expires every 18 months. Commissioners on expired terms may remain in their position until new Commissioners are nominated by the President and confirmed by the Senate. The USITC currently has three Commissioners, all of whom are on expired terms and three vacant Commissioner spots. The timing of nomination and confirmation of new Commissioners is outside of the agency's control. As of December 2025, there are no nominees for the expired or vacant Commissioner spots.

The Commission must prioritize human capital management to fulfill its mission, address staffing changes, and sustain a flexible, high performing, engaged workforce. A staffing plan was submitted to OPM in December 2025, and the Commission is operating under a continuing resolution until the end of January 2026. As a small agency, it is essential to continue cross-training key roles and developing talent to support an adaptable succession plan.

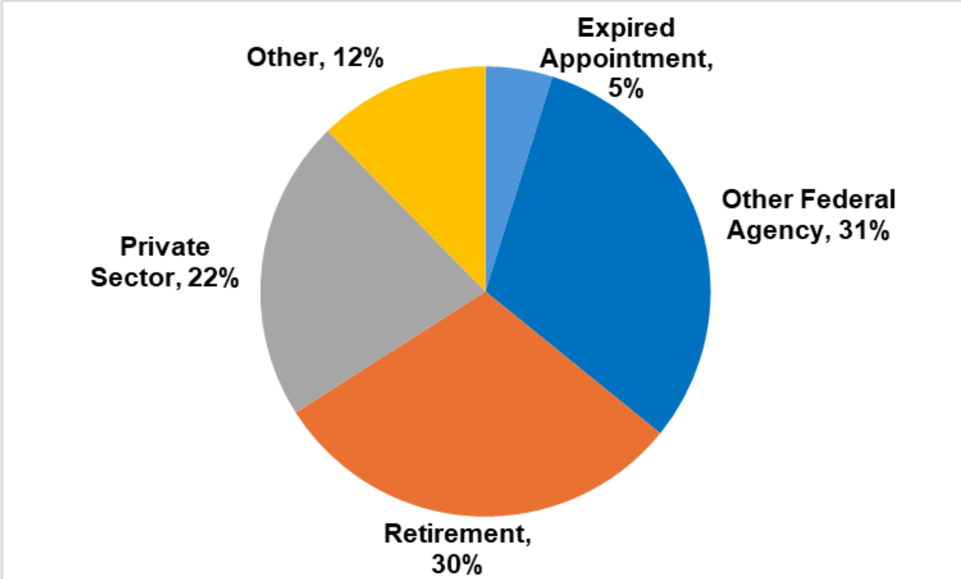
Retention

The OPM defines talent management as a system that promotes a high-performing workforce, identifies and closes skills gaps, and implements and maintains programs to attract, acquire, develop, promote, and retain quality and diverse talent. Retention strategies are ultimately an investment in employees that can not only lower turnover but also improve engagement and commonly include:

- Advancement opportunities
- Training and development
- Recognition/ rewards for performance
- Workplace flexibilities
- Work-life balance

Along with hiring and succession planning, the Commission should continuously assess the drivers of employee retention and refine its human capital strategy when warranted. In addition to retirement, an increasing workload with fewer schedule flexibilities impacted some of the departing staff at the Commission.

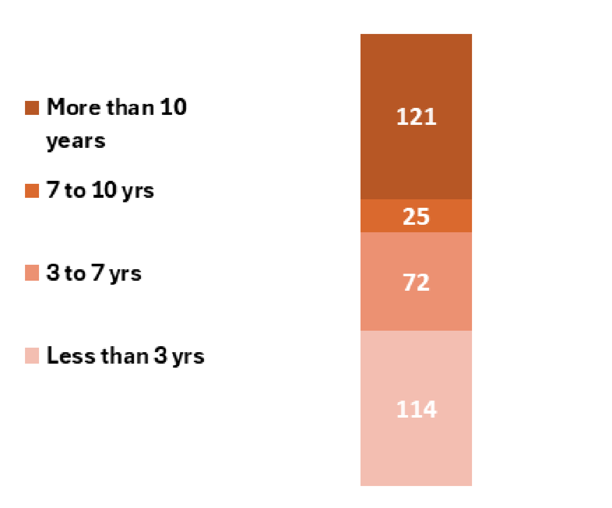
Figure 4. Reasons for Departure FY 2018 – FY 2025



Source: USITC Human Resources, December 2025.

Between FY 2018 and FY 2025, 332 employees left the Commission. Seventy percent of former employees left the Commission for reasons other than retirement. As shown in Figure 4, the top three reasons over the last eight fiscal years for leaving USITC are for a position at a different federal agency (31%), retirement (30%), and a position in the private sector (22%). Peaks of attrition occurred in the first three years and after ten years of employment, as shown in Figure 5.

Figure 5. Tenure at Departure FY 2018 – FY 2025



While retirement may play a role in the departures after ten years, many employees stayed at the agency for a shorter period before leaving. Between FY 2018 and FY 2025, over half of the turnover was among employees with less than seven years of tenure. During the period of FY 2018 through FY 2025, 121 out of 332 employees departed the Commission after more than ten years.

According to the Office of Human Resources, almost half of the departures in FY 2025 were at the GS-14, GS-15, ES, and EX levels, leaving the Commission vulnerable to losing critical mission area knowledge and supervisory expertise at the most senior levels of USITC. Additional analysis of why employees with a shorter tenure or at more senior levels leave the Commission will help the agency develop strategies to retain and build a skilled and knowledgeable workforce.

OAS started collecting data regarding departures through an OPM contract for new exit surveys in FY 2024. However, the contract ended in April 2025. OAS was able to collect from OPM data regarding USITC departures for FY 2025 up until the contract ended in the beginning of the third quarter. The results from the FY 2025 exit surveys completed show that retirement accounted for about 50-60% of the participants. There was an increase in the number of competitive exits due to pay, flexibility, and advancement during FY 2025.

OPM Evaluation of USITC’s Human Resources

In April 2024, OPM completed a Human Capital Management Evaluation of the Commission. OPM found several shortcomings, including errors and deficiencies impacting the Office of Human Resources’ ability to reconstruct recruitment actions, failure to conduct and document job analysis, and untimely issuance of notification letters and audits of certificates. OPM identified several instances of incorrect coding of appointment actions, improper maintenance of personnel records, and a lack of documentation, accountability, and oversight procedures. An additional concern cited by OPM was the lack of assessment and documentation of progress toward closing competency gaps to ensure mission success. OPM stated that many of the identified concerns can be mitigated by implementing an evaluation process, which would help USITC ensure its human resources programs run efficiently and identify root causes of issues negatively impacting the organization’s performance in human resources. The Commission developed corrective action plans in response to each required and recommended action. The Commission has completed 18 of the 19 required actions, and 13 of the 24 recommended actions.

In the Commission’s September 30, 2025 statement of assurance, OAS, under which the human resource division falls, was noted for a control deficiency in human capital operations stemming from OPM’s 2024 report. OAS emphasized that additional controls in staffing and placement operations were developed and implemented since the start of FY 2025 to help ensure compliance with applicable statutory requirements related to the hiring process.

OAS also acknowledged that efforts to implement additional controls in human capital operations remain ongoing. If unaddressed or diminished, the errors and missteps identified by OPM’s Human Capital Management Evaluation will impact the agency’s overall ability to address recruitment, succession planning, and retirement challenges. Moreover, the areas where improvements are needed, if not properly addressed, can detract from human resources' focus on the larger strategic challenges the Commission faces.

Conclusion

The OIG monitors the Commission's efforts to address the management challenges we identify each year. Our monitoring includes following up on open recommendations and conducting related audits. For information on our ongoing and planned audit work, please see the Fiscal Year 2026 Annual Audit Plan. If you have any questions or wish to discuss our views on the challenges in greater detail, please contact me at (202) 539-9462.

Rashmi Bartlett
Inspector General

Chair's Response to the Inspector General's Summary of Management and Performance Challenges

UNITED STATES INTERNATIONAL TRADE COMMISSION

WASHINGTON, DC 20436

COMMENTS ON MANAGEMENT CHALLENGES
IDENTIFIED BY THE INSPECTOR GENERAL

Management Challenge: Data Management

The Commission agrees, as noted by the Inspector General, that having a multi-year data strategy is important to ensure the maturing of data governance at the Commission. The Commission's multi-year strategy takes a multipronged approach to exceeding the goals of the Federal Data Strategy (FDS) by building them into the Commission's strategic and annual performance plans. This strategic objective prioritizes all stages of the federal data strategy from foundational activities through data driven activities and the Commission's Data Governance Board uses this as a guide to set and prioritize its annual goals each October. Our goal is to document an additional twenty percent of the agency's core assets each year until the backlog is resolved and continuously monitoring where new core assets need to be documented. This approach ensures the Commission is thoughtful in how it addresses managing data as an ongoing challenge.

In FY 2025, the Commission continued to take steps to strengthen and mature its data governance practices by identifying and releasing information that answers priority questions; identifying and documenting core agency data assets; updating documentation, business rules, and technology controls for existing assets; and ensuring publicly available applications are continually maintained and updated. More importantly, the Commission will have accomplished most of its planned foundational and enterprise activities identified in the Federal Data Strategy action plans, when it publishes its first Data Governance Handbook later this year.

Notwithstanding that, I agree that the Commission still has work to do. This year we will continue our work on documenting core data assets, identifying and answering priority questions, as well as identifying and shoring up data skills gaps. These activities will ensure we continue to strengthen the data governance culture at the Commission and achieve the goals of the FDS. We look forward to working with you as we advance these strategic initiatives.

Management Challenge: Internal Control

The Commission has recognized the importance of having strong internal controls and has consistently acknowledged and responded to internal control weaknesses. Since it was first identified as a management challenge, the Commission has been committed to improving and strengthening its system of internal controls and has made significant strides in this critical area. The Commission will continue to improve and refine its internal controls and has undertaken several multi-year corrective action initiatives to ensure that controls are in place and working effectively on a continuous basis.

In FY 2025, the Internal Administration Committee (IAC) streamlined the procedures used to update the Commission's system of internal rules, which includes the USITC's policy directives and related procedural documents. As noted by OIG in its recent audit, this has resulted in a marked decline in the number of outdated internal rules however additional progress is needed to fully address the continuing challenges. The IAC is confident that the new streamlined procedures will help the Commission establish a pace that will allow it to issue new rules and complete timely updates of newly outdated rules. Under the new procedures, rule owners will engage in continuous monitoring with respect to their rules and certify annually whether their rules are current or need updating. In addition, the new procedures include OGC reviewing rules every five years for legal sufficiency to identify which rules are outdated and in need of updating; rules that remain legally sufficient, will be certified as such.

In FY 2025, the USITC also committed to a Corrective Action Plan (CAP) to update or rescind all Directives and Handbooks issued before 2018 no later than the end of FY 2027. For FY 2025, the Commission surpassed its goal of rescinding or updating eight pre-2018 Directives by rescinding seven outdated Directives and updating two. Additionally, the Commission updated four Directives issued during or after 2018 and issued two entirely new Directives. In addition, the Commission certified an additional eleven directives that were considered outdated under the prior procedures as current and legally sufficient during FY 2025. For Handbooks, the Commission substantively updated one and reviewed and certified eight more as current.

As part of its ongoing commitment to continuous improvement, management identified the consolidation of contract files as a priority initiative and a continuing goal for FY 2026. Actions in support of this initiative are underway and will be completed in FY 2026, alongside efforts to enhance the effectiveness and efficiency of existing controls to support compliance with acquisition requirements, COR training and certification standards, and the consistent completion of contractor performance evaluations.

Management Challenge: Human Capital Management

The Commission agrees that strategic human capital management is a risk area for the USITC. As the Inspector General notes, the Commission's FY 2022-2026 Strategic Plan emphasizes human capital management under "Strategic Objective 3.1: Attract, develop, and retain a skilled, diverse, and versatile workforce," since the Commission's mission is entirely accomplished by and dependent on its people.

Hiring

In FY 2025, the Commission added 40 new permanent and term employees, as OIG notes. Over 85 percent of this hiring occurred during the first four months of FY 2025 prior to the beginning of the government hiring freeze; the remaining hiring actions were completed during Q4 pursuant to exemptions to the hiring freeze granted by the Office of Personnel Management (OPM). In FY 2025, the Commission reduced average time to hire. This reduction in average time-to-hire is particularly notable given the volume of hiring actions that were completed in a short time period. As OIG notes, the USITC had 55 employee departures during FY 2025, which is over 65 percent higher than the five-year average for annual departures. The Commission recently completed and submitted to OPM and the Office of Management and Budget our FY 2026 Agency Staffing Plan outlining the many critical positions the USITC needs to fill this year to continue meeting mission requirements. If approved, the Commission will move expeditiously to fill positions in the areas of highest need, in view of current and anticipated workload and priorities as well as budget constraints.

Succession Planning

The Commission agrees with OIG that it is critical to plan for retirements in key positions, particularly those at the Senior Executive level. To that end and to better optimize succession management practices, the Commission continues to train highly graded members of its General Schedule staff for senior leadership positions. It also engaged in a series of cross-training programs to facilitate meeting surges in workload in particular mission areas. In FY 2026, the Commission will continue to prioritize the cross-training of elements of key roles, particularly where essential functions are performed by a single staff person and develop talent to guard against a single point of failure losing an essential staff person.

Retention

The Commission agrees with OIG that it is important to continuously assess the drivers of employee retention and refine the Commission's human capital strategy when warranted. The

Commission is particularly concerned with the attrition rates among employees with less than 7 years of tenure at the Commission and with departures at the GS-14 and GS-15 levels. In FY 2025, a number of policy changes were implemented across the government including the Deferred Resignation Program and the Return to Office Policy which contributed to the acceleration of attrition at the agency relative to prior years. The Commission will continue to evaluate drivers of retention and potential strategies for improving retention mentioned by OIG, such as expanding training and development opportunities, advancement opportunities, and recognition and rewards for good performance. In response to Staff feedback, the Commission is exploring a formal mentoring program, employee engagement working groups, peer-to-peer recognition, and additional detail opportunities.

OPM Evaluation of USITC's Human Resources

In FY 2024, OPM conducted an evaluation of the USITC's human capital management program for the period from October 1, 2021 through July 31, 2023, and issued its evaluation report to the USITC on April 11, 2024. As OIG notes, OPM's evaluation report identified 19 total required actions across the areas of employee development and staffing and placement operations, and 24 total recommendations in the areas of workforce planning, knowledge management, and staffing and placement operations. Prior to the end of FY 2024, OHR implemented corrective actions to address 6 of the 19 required actions identified in the OPM's report. During FY 2025, OHR implemented corrective actions to address 12 additional required actions. In total, 18 of 19 required actions and 13 of 24 recommended actions have been addressed. The remaining required action, issuance of an updated Merit Promotion Directive, is expected to be completed in Q2 of FY 2026.

In addition to completing these corrective actions, the agency devoted significant staff resources during FY 2025 to implementing new government-wide human capital management initiatives. This work included addressing new Merit Hiring Plan requirements, developing and implementing updated policies and procedures for strengthening probationary periods, revising employee performance plans and requirements, developing an agency RIF and Reorganization Plan, transitioning to fully digital retirement processing, and executing requirements for the government-wide Deferred Resignation Program.

Digitally signed by AMY KARPEL
Date: 2025.12.18 10:36:38 -05'00'

Amy A. Karpel
Chair
December 18, 2025

Summary of Financial Statement Audit and Management Assurances

Table 1: Summary of Financial Statement Audit

Audit Opinion: Unmodified

Restatement: No

Material Weaknesses	Beginning Balance	New	Resolved	Consolidated	Ending Balance
Total Material Weaknesses	0	0	0	0	0

Table 2: Summary of Management Assurances

Effectiveness of Internal Control over Financial Reporting (FMFIA § 2)

Statement of Assurance: Unmodified

Material Weaknesses	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
Total Material Weaknesses	0	0	0	0	0	0

Effectiveness of Internal Control over Operations (FMFIA § 2)

Statement of Assurance: Unmodified

Material Weaknesses	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
Total Material Weaknesses	0	0	0	0	0	0

Conformance with Federal Financial Management System Requirements (FMFIA § 4)

Statement of Assurance: Federal Systems conform[6]

Non-Conformances	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
Total Non-Conformances	0	0	0	0	0	0

Compliance with Section 803(a) of the FFMIA[7]

	Agency	Auditor
1. Federal Financial Management System Requirements	Not applicable	Not applicable
2. Applicable Federal Accounting Standards	Not applicable	Not applicable
3. USSGL at Transaction Level	Not applicable	Not applicable

[6] During FY 2025, the Commission used IBC, a federal shared service provider, for its financial systems.
[7] The FFMIA applies only to Chief Financial Officers Act agencies. The Commission is not a CFO Act agency, so it is not subject to the FFMIA's requirements.

Payment Integrity

The Payment Integrity Information Act of 2019 (PIIA) was enacted to prevent and reduce improper payments and improve the integrity of the federal government's payments and the efficiency of its programs and activities. OMB issued Memorandum M-21-19, Appendix C to OMB Circular A-123, *Requirements for Payment Integrity Improvement,* which modified previous guidance related to improper payments and payment integrity beginning with the Improper Payment Information Act of 2002. OMB Circular A-123 Appendix C contains requirements in the areas of improper payment identification and reporting. It requires agencies to review all programs and activities, identify those that may be susceptible to significant improper payments, estimate annual improper payments in susceptible programs and activities, and report the results of their improper payment activities. Additionally, it defines significant improper payments as annual improper payments in a program that exceed both 1.5 percent of program annual payments and $10 million, or that exceed $100 million, regardless of the error rate. Once those highly susceptible programs and activities are identified, agencies are required to estimate and report the annual amount of improper payments. Generally, an improper payment is any payment that should not have been made or that was made in an incorrect amount under a statutory, contractual, and administrative or other legally applicable requirement.

The USITC has completed the Annual Data Call required by OMB and its results are included in the comprehensive improper payment data and information on PaymentAccuracy.gov, in accordance with the reporting requirements under the Payment Integrity Information Act of 2019.

Appendix A

U.S. International Trade Commission Staff Offices

Office of the Administrative Law Judges

The Commission's **Administrative Law Judges (ALJs)** hold hearings and make initial determinations in investigations under section 337 of the Tariff Act of 1930. If, after receipt of a complaint, the Commission decides to institute an investigation, the matter is referred to this office. The Chief ALJ assigns each case on a rotational basis to an ALJ. After a discovery process, a formal evidentiary hearing is held in accordance with the Administrative Procedure Act (APA) (5 U.S.C. § 551 et seq.). The ALJ considers the evidentiary record and the arguments of the parties and makes an initial determination (ID), including findings of fact and conclusions of law. The ID becomes the Commission's determination unless the Commission determines to review it. Upon review, the Commission may affirm, reverse, modify, set aside or remand the matter back to the ALJ for further proceedings. Temporary relief may be granted under the statute.

Office of the General Counsel

The **General Counsel** serves as the Commission's chief legal advisor. The Office of the General Counsel (GC) provides legal advice and support to the Commissioners and staff on investigations and research studies, represents the Commission in court and before dispute resolution panels and administrative tribunals, and provides assistance and advice on all general administrative law matters, including personnel, ethics, and contractual issues.

Office of Operations

The Commission's core of investigative, industry, economic, nomenclature, and technical expertise is found within the **Office of Operations (OP)**. The following seven offices are under the supervision of the Director of Operations:

The **Office of Economics (EC)** conducts investigations primarily under section 332 of the Tariff Act of 1930, section 131 of the Trade Act of 1974, and section 105 of the Bipartisan Congressional Trade Priorities and Accountability Act of 2015. EC also provides expert economic analysis for import injury investigations, as well as other industry and economic analysis products.

The **Office of Industry and Competitiveness Analysis (ICA)** conducts investigations primarily under section 332 of the Tariff Act of 1930, section 131 of the Trade Act of 1974, and section 105 of the Bipartisan Congressional Trade Priorities and Accountability Act of 2015. ICA maintains technical expertise related to the performance and global competitiveness of industries and the impact of international trade on those industries for these studies and for import injury investigations.

The **Office of Investigations (INV)** supports the Commission's mandate to conduct import injury investigations, including those specified in the Tariff Act of 1930, the Trade Act of 1974, the USMCA Implementation Act, and the Uruguay Round Agreements Act (URAA) of 1994.

The **Office of Tariff Affairs and Trade Agreements (TATA)** implements the Commission's responsibilities with respect to the Harmonized Tariff Schedule of the United States and the International Harmonized System.

The **Office of Unfair Import Investigations (OUII)** participates in adjudicatory investigations, usually involving patent or trademark infringement, conducted under section 337 of the Tariff Act of 1930, both during the pre-institution phase and as a party with no commercial interest in the outcome.

The **Office of Analysis and Research Services (OARS)** provides research and analytical support to multiple Commission mission areas by providing editorial, statistical, and research services.

The **Trade Remedy Assistance Office (TRAO)** provides information about the benefits and remedies available under U.S. trade laws and assists small businesses seeking relief under those laws.

Office of External Relations

The **Office of External Relations (ER)** develops and maintains liaison between the Commission and our external customers and is our point of contact with USTR and other executive branch agencies, Congress, foreign governments, international organizations, the public, and the media.

Office of the Chief Information Officer

The **Office of the Chief Information Officer (OCIO)** provides information technology leadership, a comprehensive services and applications support portfolio, and a sound technology infrastructure to the Commission and our customers. The OCIO seeks to promote, deliver, and manage the secure and efficient application of technology to our business activities. OCIO comprises a front office and five divisions: Cybersecurity, Service Delivery, Systems Engineering, Network Support, and Data Management.

Office of the Chief Financial Officer

The **Office of the Chief Financial Officer (OCFO)** compiles the Commission's annual budget, prepares the appropriation requests, and closely monitors budget execution. The OCFO also provides support for acquisitions and is responsible for financial reporting. Component offices include the Office of Budget, Office of Procurement, Office of Finance, and the Office of Internal Control and Risk Management.

Office of Administrative Services

The **Office of Administrative Services (OAS)** provides human resource services—including collective bargaining with union representatives; management of the system of internal rules; cost center management for personnel, facilities, security, support services and administrative services; information and document management; management of work-life issues; and facilities management services. In addition, it is responsible for all physical and personnel security matters. Component offices include the Office of Human Resources, Office of Security and Support Services, and the Office of the Secretary.

Office of Inspector General

The **Office of Inspector General (OIG)** conducts audit, evaluation, inspection, and investigative activities covering all Commission programs and strategic operations. The mission of the OIG is to promote and preserve the effectiveness, efficiency, and integrity of the USITC. The OIG independently plans and conducts activities in accordance with applicable legal regulations, receiving only broad guidance from the Chair.

Office of Equal Employment Opportunity

The **Office of Equal Employment Opportunity (EEO)** administers the Commission's equal employment opportunity (EEO) program. The Director advises the Chair, the Commissioners, and USITC managers on all EEO issues; manages and coordinates all EEO activities in accordance with relevant EEO laws and Commission regulations; evaluates the sufficiency of our EEO programs and recommends improvements or corrections, including remedial and disciplinary action; monitors recruitment activities to assure fairness in agency hiring practices.

Appendix

Abbreviation and Acronyms

Acronyms	Terms
AFR	Agency Financial Report
AICPA	American Institute of Certified Public Accountants
ALJ	Administrative Law Judge
AMCA	American Manufacturing Competitiveness Act of 2016
APA	Administrative Procedure Act
APP	Annual Performance Plan
APR	Annual Performance Report
ARC	Administrative Resource Center
ATDA	Accountability of Tax Dollars Act of 2002
CAP	Corrective Action Plan
CIGIE	Council of Inspectors General on Integrity and Efficiency
Commission	United States International Trade Commission
CSRS	Civil Service Retirement System
DNP	Do Not Pay
DOI	Department of the Interior
DOL	Department of Labor
EC	Office of Economics
EDIS	Electronic Document Information System
EEO	Equal Employment Opportunity
ER	Office of External Relations
ERM	Enterprise Risk Management
FASAB	Federal Accounting Standards Advisory Board
FBWT	Fund Balance With Treasury
FDS	Federal Data Strategy
FECA	Federal Employees’ Compensation Act
FERS	Federal Employees Retirement System
FERS-RAE	Federal Employees Retirement System-Revised Annuity Employees
FERS-FRAE	Federal Employees Retirement System-Further Revised Annuity Employees

Abbreviation and Acronyms

Acronyms	Terms
FFMIA	Federal Financial Management Improvement Act
FICA	Federal Insurance Contribution Act
FIN	Office of Finance
FMFIA	Federal Managers’ Financial Integrity Act
FY	Fiscal Year
GAAP	Generally Accepted Accounting Principles
GAO	Government Accountability Office
GC	General Counsel
GPRA	Government Performance and Results Act of 1993
GSA	General Services Administration
HCC	Human Capital Committee
HI	Hospital Insurance
HR	Office of Human Resources
HTS	Harmonized Tariff Schedule of the United States
IAC	Internal Administration Committee
IBC	Interior Business Center
ICA	Office of Industry and Competitiveness Analysis
ICRM	Internal Control and Risk Management
ID	Initial Determination
IDS	Investigations Database System
INV	Office of Investigations
IPERA	Improper Payments Elimination and Recovery Act of 2010
IPERIA	Improper Payments Elimination and Recovery Improvement Act of 2012
IPIA	Improper Payments Information Act of 2002
IT	Information Technology
IUS	Internal Use Software
OARS	Office of Analysis and Research Services
OAS	Office of Administrative Services
OASDI	Old-Age, Survivors, and Disability Insurance
OB	Office of Budget
OCFO	Office of the Chief Financial Officer
OCIO	Office of the Chief Information Officer

Abbreviation and Acronyms

Acronyms	Terms
OIG	Office of Inspector General
OMB	Office of Management and Budget
OP	Office of Operations
OPM	Office of Personnel Management
OUII	Office of Unfair Import Investigations
PIIA	Payment Integrity Information Act of 2019
PP&E	Property, Plant, and Equipment
PR	Office of Procurement
SE	Office of the Secretary
SFFAS	Statement of Federal Financial Accounting Standards
S/L	Straight-Line
SSAE	Statement on Standards for Attestation Engagements
SSP	Shared Services Provider
SSS	Office of Security and Support Services
TATA	Office of Tariff Affairs and Trade Agreements
TOP	Treasury Offset Program
TRAO	Trade Remedy Assistance Office
URAA	Uruguay Round Agreements Act
USITC	United States International Trade Commission
USSGL	United States Standard General Ledger
USTR	United States Trade Representative

Contact Information

United States International Trade Commission	500 E Street, SW Washington, DC 20436
General Information Number	202-205-2000
Internet Home Page	http://www.usitc.gov/
Strategic Plan Internet Site	https://www.usitc.gov/budget_planning_and_organization/strategic_plan
AFR Internet Site	https://www.usitc.gov/budget_planning_and_organization/agency_financial_report
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UNITED STATES INTERNATIONAL TRADE COMMISSION