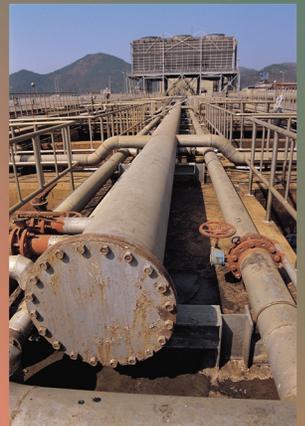


U.S. International Trade Commission

Office of Inspector General Strategic Plan 2011-2015



August 5, 2010



Office of Inspector General

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

Commissioners

Deanna Tanner Okun, Chairman

Charlotte R. Lane

Daniel R. Pearson

Shara L. Aranoff

Irving A. Williamson

Dean A. Pinkert

OFFICE OF INSPECTOR GENERAL



UNITED STATES INTERNATIONAL TRADE COMMISSION

WASHINGTON, DC 20436

August 5, 2010

OIG-HH-023

Chairman Okun:

This memorandum transmits the Office of Inspector General five-year strategic plan for fiscal years 2011 through 2015. This plan describes the strategy we will use to promote and preserve the efficiency, effectiveness, and integrity of the U.S. International Trade Commission over the next five years.

The five-year plan will be an evolving document that will be updated annually to ensure that the work of this office is relevant and responsive to your priorities, the priorities of the other Commissioners, and changes in the law.

The comments we received from you, the other Commissioners, and the Commission staff have provided us insight into the operations of the Commission. I look forward to continuing to work with you over the next few years as we implement this plan.

A handwritten signature in blue ink, reading "Philip M. Heneghan".

Philip M. Heneghan
Inspector General

U.S. International Trade Commission

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Introduction

The purpose of this document is to develop a plan to guide the activities of the Office of Inspector General (OIG) during the next five years, 2011–2015, and to promote and preserve the efficiency, effectiveness, and integrity of the programs and operations at the U.S. International Trade Commission (USITC or Commission). The plan will be a blueprint for the OIG to add value to the programs and operations of the Commission by focusing on areas that are critical to the Commission’s success.

As a living document, the plan will adjust and evolve as the priorities, risks, and challenges change at the USITC. The strategic plan will be used as the foundation for the OIG’s annual planning process.

About USITC

The USITC is an independent, quasi-judicial federal agency established by Congress with a wide range of trade-related mandates. The mission of the USITC is to (1) administer U.S. trade remedy laws within its mandate in a fair and objective manner; (2) provide the President, the United States Trade Representative (USTR), and Congress with independent, quality analysis, information, and support on matters relating to tariffs and international trade and competitiveness; and (3) maintain the Harmonized Tariff Schedule of the United States.

In so doing, the Commission serves the public by implementing U.S. law and contributing to the development of sound and informed U.S. trade policy.

The USITC investigates the effects of dumped and subsidized imports on domestic industries and conducts global safeguard investigations. The Commission also adjudicates cases involving imports that allegedly infringe on intellectual property rights. Through such proceedings, the agency facilitates a rules-based international trading system. The Commission also serves as a federal resource where trade data and other trade policy-related information are gathered and analyzed. The Commission makes most of its information and analysis available to the public to promote understanding of international trade issues.

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USITC Organizational Structure

The USITC is led by six Commissioners who are nominated by the President and confirmed by the U.S. Senate. No more than three Commissioners may be of any one political party. The Commissioners serve overlapping terms of nine years each, with a new term beginning every 18 months.

The President designates a Chairman and Vice Chairman from among the current Commissioners to serve a two-year term. The Chairman and Vice Chairman must be from different political parties, and the Chairman cannot be from the same political party as the preceding Chairman.

The Commission staff of about 365 individuals includes attorneys, international trade analysts, international economists, investigators, nomenclature analysts, statisticians, and support personnel.

Office of 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. These investigations require formal evidentiary hearings in accordance with the Administrative Procedure Act (5 U.S.C. 551 et seq.). After the Commission has instituted an investigation, the matter is referred to the Office of the ALJs. Each case is assigned by the Chief Administrative Law Judge to one of the Commission's six ALJs which includes the Chief, and who, after an extensive discovery process, holds a hearing. The judge considers the evidentiary record and the arguments of the parties and makes an initial determination, including findings of fact and conclusions of law, which may be reviewed by the Commission. Temporary relief may be granted in certain cases.

Office of Operations

The USITC's core of investigative, industry, economic, nomenclature, and other technical expertise is found within the Office of Operations. Under the supervision of the Office's Director, staff in the component offices—Investigations, Unfair Import Investigations, Economics, Industries, Tariff Affairs and Trade Agreements, and Analysis and Research Services—work on all statutory investigations, studies, and special work projects assigned by the Commission.

Office of Investigations

The Office of Investigations conducts the USITC's countervailing duty, antidumping, and review investigations under title VII of the Tariff Act of 1930;

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safeguard and market disruption investigations under the Trade Act of 1974; and other investigations under section 302 of the North American Free Trade Agreement (NAFTA) Implementation Act of 1994 and investigations under section 22 of the Agricultural Adjustment Act.

Office of Unfair Import Investigations

The Office of Unfair Import Investigations (OUII) participates in adjudicatory investigations conducted under section 337 of the Tariff Act of 1930. These investigations most frequently involve allegations of patent or trademark infringement. Allegations of copyright infringement, misappropriation of trade secrets, passing off, false advertising, and antitrust violations also can be litigated in these investigations. In addition to investigating a complaint under section 337, the Commission may conduct an enforcement proceeding to determine whether the importation or sale of a specific product violates an existing Commission order. Also, the Commission may issue advisory opinions regarding whether certain anticipated conduct would violate an outstanding Commission order.

Office of Economics

The Office of Economics provides expert economic analysis for various types of import injury investigations; studies requested by the Congress and the President under section 332 of the Tariff Act of 1930; and various other research products. In addition, staff economists provide technical assistance to the Congress, the U.S. Trade Representative (USTR), other executive branch agencies, and the public.

Office of Industries

The Office of Industries maintains technical expertise related to the performance and global competitiveness of U.S. industries and the impact of international trade on those industries. The Office provides project leadership and primary staffing for most of the studies requested by Congress and the USTR and participates in various types of import injury investigations. The Office also provides reports on bills to amend the tariff schedule and supplies technical assistance to the Congress, the USTR, other executive branch agencies, and the public.

Office of Tariff Affairs and Trade Agreements

The Office of Tariff Affairs and Trade Agreements (TATA) carries out the USITC's responsibilities with respect to the Harmonized Tariff Schedule of the United States and the international Harmonized System. In addition, TATA staff work with the Office of Industries to prepare bill reports requested by Congress pertaining to proposed tariff reductions and duty suspensions for specific products. The office provides technical advice and assistance to the Congress and the USTR and participates in Trade Policy Staff Committee activities. It also participates in the World Customs Organization, and TATA's Director chairs both

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the Committee for Statistical Annotation of the Tariff Schedule and the Board of Directors of the International Trade Data System (ITDS).

Office of Analysis and Research Services

The Office of Analysis and Research Services contributes directly to and supports the USITC's investigative and research activities. This office includes the Commission's Main Library, a specialized technical library that serves as the Commission's information and research center; editorial services; knowledge management; and the Statistical Analysis and Data Services Division.

Office of General Counsel

The General Counsel serves as the USITC's chief legal advisor. The General Counsel and the staff attorneys in the office give legal advice and support to the Commissioners and USITC staff on investigations and research studies; prepare briefs and represent the USITC in court and before dispute resolution panels and administrative tribunals; and provide assistance and advice on general administrative matters, including personnel, labor relations, and contract issues.

Office of Administration

The Office of Administration oversees the preparation of the Commission's budget; manages its financial systems; supervises all human resource matters, including collective bargaining with union representatives; provides procurement and facilities management services; and is responsible for all agency physical and personnel security matters. Component office includes:

Office of Human Resources

The Office of Human Resources manages the USITC's recruitment, training, and personnel management operations and serves as a resource for managers and staff on employee relations, employee development, and benefits matters.

Office of Facilities Management

The Office of Facilities Management directs and coordinates USITC administrative support services and space management.

Office of Finance

The Office of Finance manages and operates the USITC's accounting, payroll, obligations, disbursements, and reporting systems. It also works to improve these systems and develops new ones as needed.

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Office of Procurement

The Office of Procurement oversees all procurement activities of the Commission. This includes partnering with and advising customers within the USITC so that they can acquire the best value products and services on a timely basis in accordance with the Federal Acquisition Regulation and other requirements.

Office of Docket Services

The Office of Docket Services manages the filing of information in investigations under section 337 and title VII of the Tariff Act of 1930 and other proceedings within the jurisdiction of the USITC. Docket Services processes over-the-counter and electronically filed documents in the Commission's Electronic Document Information System.

Office of External Relations

The Office of External Relations acts as a liaison between the USITC and its diverse external customers. The office is the focal point for contacts with the USTR and other executive branch agencies, Congress, foreign governments, international organizations, the public, and the international, national, and local news media. It also coordinates meetings with international visitors. The Office of External Relations keeps Commissioners and senior USITC staff informed of developing issues that might affect the agency's mission and reputation, coordinates presidential and congressional requests for advice and information on trade issues, and manages interactions between the USITC and the international trade community. The USITC's Trade Remedy Assistance Office is a component of the Office of External Relations that helps small businesses seeking benefits or relief under U.S. trade laws.

Office of Inspector General

The Office of Inspector General promotes and preserves the efficiency, effectiveness, and integrity of the USITC. The work of the Inspector General is detailed in semiannual reports submitted to Congress in May and November.

Office of Equal Employment Opportunity

The Office of Equal Employment Opportunity (EEO) administers the USITC's affirmative action program. The Director advises the Chairman, the Commission, and USITC managers on all EEO issues; manages and coordinates all EEO activities in accordance with relevant EEO laws and Equal Employment Opportunity Commission regulations; evaluates the sufficiency of the agency's EEO program and recommends

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improvements or corrections including remedial and disciplinary action; encourages and promotes diversity outreach; and monitors recruitment activities and collaborates with the Office of Human Resources to assure fairness in the agency hiring process.

Office of the Secretary

The Office of the Secretary coordinates hearings and meetings of the Commission and is responsible for official record keeping, including petitions, briefs, and other legal documents. The office decides how to respond to requests for confidential treatment of information, requests for information to be released under protective order, and requests under the Freedom of Information Act and the Privacy Act.

Office of the Chief Information Officer

The Chief Information Officer provides information technology (IT) leadership to the USITC and its customers. The Office of the Chief Information Officer is responsible for developing and directing mission-supportive IT applications, services, and related office systems delivered through a highly effective and efficient infrastructure and a reliable information system security program.

Office of Information Technology Services

The Office of Information Technology Services supports the USITC's operations by delivering a broad portfolio of services through its three divisions: e-business, network solutions and planning, and help desk and customer support. The office is dedicated to providing USITC employees with the tools and services they need to perform their functions at increasingly higher levels.

Office of Enterprise Security Management

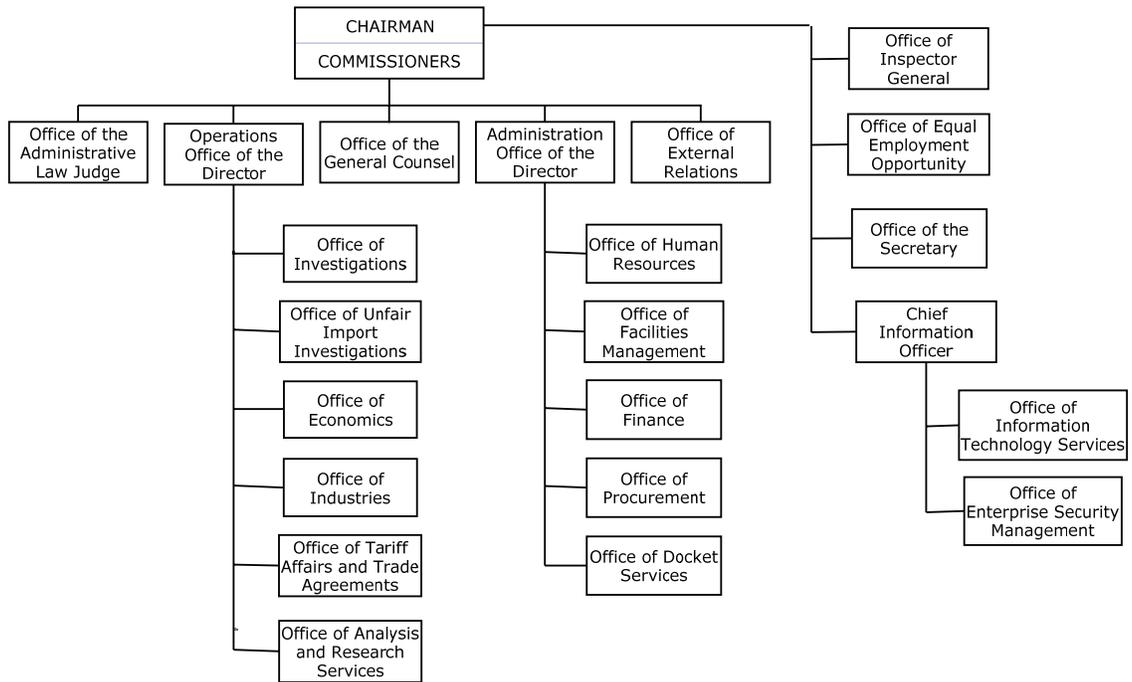
The Office of Enterprise Security Management (ESM) oversees the USITC's information security program to ensure the Commission is proactively applying appropriate security controls to support its mission, while managing evolving information security risks. ESM is also responsible for implementing responsibilities of the Chief Information Officer under the Federal Information Security Management Act.

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USITC Office-Level Organization Chart

The chart provides an illustration of the USITC Office-Level organization structure as of May 20, 2010.



OIG Strategic Planning Process

The OIG staff reviewed a variety of documents, including the *U.S. International Trade Commission Year in Review, Fiscal Year 2008*; *USITC Strategic Plan 2009–2014*, and *The FY 2009 Performance and Accountability Report*. The OIG team solicited input from a broad group of stakeholders, including the Chairman and Office Directors, to aid in identifying the priorities, challenges, and risks facing the Commission.

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USITC Goals and OIG Audit Strategy

Strategic Operation No. 1: Import Injury Investigations

Strategic Goal: Support a rules-based international trading system by producing high-quality and timely import injury determinations based on the following:

- An effective exchange of information between the Commission and interested parties.
- An appropriate investigative record.
- Transparent, fair, and equitably implemented procedures.

Performance Goals:

- Improve the quality and efficiency of the investigative process by conducting internal reviews, including reviews of draft investigation and litigation documents.
- Meet statutory, court, and administrative deadlines.
- Improve the development of investigative records.
- Improve the scope, quality, and transparency of information regarding investigations, both to investigative participants and the public.

OIG Audit Strategy:

- Determine if the Commission consistently follows standard procedures for preliminary title VII investigations.
- Determine if the Commission consistently follows standard procedures for final title VII investigations.
- Determine if the Commission consistently follows standard procedures for creating and reviewing producer questionnaires.
- Determine if the Commission properly schedules and conducts sunset reviews.
- Determine if the Commission properly safeguards information received during the investigative process, to include physical security and information security.

Strategic Operation No. 2: Intellectual Property-Based Import Investigations

Strategic Goal: Conduct intellectual property-based import investigations in a timely, technically sound, and transparent manner; provide effective relief when relief is warranted, to support a rules-based international trading system.

Performance Goals:

- Meet statutory and key administrative and court deadlines, conclude section 337 investigations expeditiously, and reduce the average time to conclude ancillary proceedings.

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- Improve the scope, quality, and transparency of information on investigations provided to investigative participants and the public.
- Actively facilitate enforcement of exclusion orders.
- Improve the Commission's physical and information infrastructure in order to meet the demand for timely adjudication of often-complex intellectual property disputes.

OIG Audit Strategy:

- Describe how the Commission has reduced the average time to conclude ancillary proceedings over a given period of time.
- Determine if the Commission's rules for section 337 investigations are consistently applied.
- Determine if the Commission actively facilitates enforcement of exclusion orders.
- Determine if the information infrastructure is capable of meeting demands and requirements for timely adjudication of intellectual property disputes.
- Determine if the Commission properly safeguards information received during the investigative process, to include physical security and information security.

Strategic Operation No. 3: Industry and Economic Analysis

Strategic Goal: Enhance the quality and timeliness of its industry and economic analyses to support sound and informed trade policy formulation.

Performance Goals:

- Develop and improve efficient and effective research methods.
- Expand the Commission's capacity to anticipate and address new research issues and areas as they emerge.
- Improve the Commission's communications with its customers to ensure that they understand the agency's capabilities and are able to benefit from its expertise.

OIG Audit Strategy:

- Determine if the Commission has effective tools to support its statutory mission, including the use of emerging research methodologies.
- Determine if the Commission offers appropriate training opportunities to develop and maintain the analytical and project leadership skills needed to conduct requested investigations and innovative research.
- Determine if the Commission properly safeguards information used to formulate trade policy.

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Strategic Operation No. 4: Tariff and Trade Information Services

Strategic Goal: Improve the availability of and access to high-quality and up-to-date tariff and international trade information and technical expertise to support the executive and legislative branches, the broader trade community, and the public.

Performance Goals:

- Increase the usefulness and improve the dissemination of tariff and trade information services to customers.
- Provide timely, effective, and responsive nomenclature and related technical services to customers.

OIG Audit Strategy:

- Determine if the Commission follows a process for updating and maintaining the HTS.
- Determine if the Commission has the technical infrastructure necessary to support the dissemination of up-to-date tariff and trade data to customers.
- Determine if the Commission properly safeguards HTS information from unauthorized access, to include physical security and information security.

Strategic Operation No. 5: Trade Policy Support

Strategic Goal: Provide enhanced support for the development of well-informed U.S. international trade policy by quickly responding to executive and legislative branch policymakers' needs for technical support, data, and analysis.

Performance Goals:

- Provide real-time technical information and analysis to support organizations involved in formulating trade policy.
- Improve the Commission's communications with its customers to ensure that they understand the agency's capabilities and are able to benefit from its expertise.

OIG Audit Strategy:

- Determine if the Commission follows a standard process when responding to customer trade policy inquiries.
- Determine if the Commission provides real-time technical information and analysis to support external customers.
- Determine if the Commission provides sufficient information on the agency's capabilities to its customers.

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- Determine if the Commission properly safeguards information, to include physical and information security measures.
-

Top Three Management Challenges

1. Internal Control

The Commission's management is responsible for developing and maintaining effective internal control. The U.S. Government Accountability Office (GAO) describes internal control as the plans, methods, and procedures that are in place to help government program managers achieve results through effective management. Without effective internal control, the Commission cannot have a reasonable assurance of the effectiveness or efficiency of agency operations and programs.

Previous audit reports have identified the need for the USITC to place a stronger emphasis on management, including defining authorities, monitoring and measuring performance, ensuring accountability, segregating duties, and developing and implementing standard processes and procedures. The audit reports identified systemic patterns, in which management relied on informal systems instead of documented processes.

The USITC has a long history of successful performance and measurement in the areas of import injury proceedings, intellectual property enforcement, and industry and economic research, and it has always focused its resources on providing timely and high-quality services to the Administration, Congress, and the public on trade matters. It is not clear that the same process of measurement is used in the internal management of the USITC. Effective management is only possible with consistent measurement.

OIG Audit Strategy:

The OIG intends to determine the extent to which management has reasonable assurance of the effectiveness and efficiency of operations by performing audits, inspections, and evaluations on internal control areas such as, but not limited to, management, governance, human resources, procurement, travel, supply/inventory management, Freedom of Information Act, and the purchase card program. Examples of the proposed review areas include:

- Determine if the Commission follows standard procedures to implement the Federal Managers' Financial Integrity Act.
- Determine if the Commission has a process to measure and report on performance as required by the Government Performance and Results Act.

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- Determine if the Commission follows a standard process to continuously review actual performance at the functional and activity level.
- Determine if the Commission follows a standard process to validate the accuracy and integrity of performance indicators.
- Determine if the Commission's organizational structure clearly defines key areas of authority and responsibility and establishes the appropriate lines of reporting.
- Determine if the Commission has a method to regularly identify, analyze, and report on risks.
- Determine if the Commission has a process in place to ensure that skill needs are continually assessed and that the organization is able to obtain a workforce with the required skills to achieve organizational goals.
- Determine if the Commission's procurement files are complete and up to date.
- Determine if the Commission follows a standard process for authorizing travel.
- Determine if the Commission follows a standard process for approving travel vouchers.
- Determine if the Commission's inventory of expendable supplies is complete and accurate.
- Determine if the Commission responds to Freedom of Information Act Requests within the statutory limits.
- Determine if the Commission's purchase card holders implement standard procedures for ordering and reconciling credit card purchases.

2. Information Security

The Federal Information Security Management Act (FISMA) requires the Commission to develop, document, and implement an agency-wide program to provide information security to protect the government's information, operations, and assets. The Commission must report on the effectiveness of its security program annually to the Office of Management and Budget and to Congress. The annual report includes an independent evaluation, performed by the OIG, of the Commission's security program and practices.

OIG Audit Strategy:

In addition to the required annual FISMA audit, the OIG intends to perform a series of focused information security audits, inspections, and evaluations to determine if the Commission has effective security controls in place that address the risks and vulnerabilities facing the Commission's IT systems. Anticipated focus areas are as follows:

- Annual FISMA report

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- ITCNet patching
- ITCNet external penetration test
- Web application security
- Account management
- Remote access security
- Business continuity of operations (COOP)
- Log collection and review
- Privacy
- Remote access
- Change management
- Configuration management
- Software licensing
- BlackBerry

3. Financial Management

Under the Federal Managers' Financial Integrity Act (FMFIA) of 1982, the Commission is responsible for establishing controls that reasonably ensure that:

(i) obligations and costs are in compliance with applicable law; (ii) funds, property, and other assets are safeguarded against waste, loss, unauthorized use or misappropriation; and (iii) revenues and expenditures applicable to agency operations are properly recorded and accounted for to permit the preparation of accounts and reliable financial and statistical reports and to maintain accountability over the assets.

In November 2009, an independent accounting firm, monitored by the OIG, issued a disclaimer on the Commission's FY 2009 financial statements. The disclaimer, coupled with the increasing demand for accountability and transparency throughout the federal government, continues to present a significant management challenge for the Commission.

OIG Audit Strategy:

In addition to the required financial statement and internal control audits, the OIG will perform audits, inspections, and evaluations to monitor the progress, and effectiveness of, corrective actions taken in response to reported material weaknesses from previous reports. Specifically, the OIG will:

- Audit internal control over financial reporting (annually)
- Audit financial statements (annually)
- Determine if the extent of the Commission's compliance with financial management laws and regulations.

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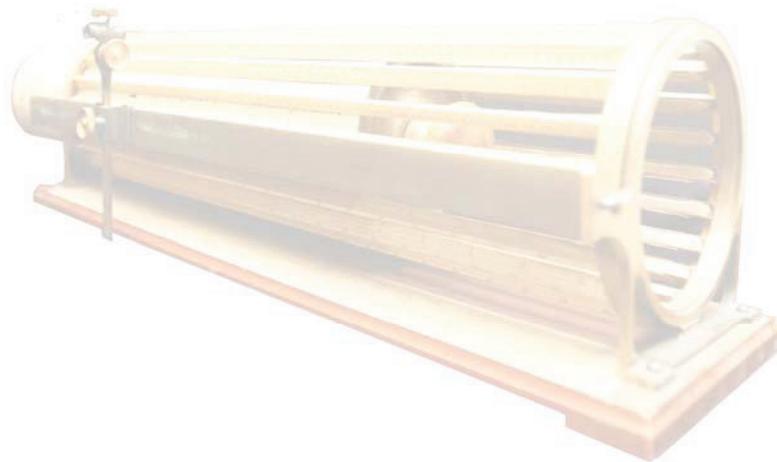
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- Determine if the Commission's accounts payable and procurement processes are effective.
 - Determine if the Commission is documenting and following policies and procedures to ensure that property, plant, and equipment are being properly capitalized, depreciated, monitored, and reported.
 - Determine if the Commission follows a standard procedure to prepare, review, and analyze quarterly financial statements.
 - Determine if the Commission follows a standard procedure for reconciling its fund balance with the Department of Treasury.
-

External Reviews

External reviews are audits, investigations, and evaluations of USITC programs and operations performed by an OIG from another agency or oversight body. The USITC Inspector General should be aware of all external reviews planned or in progress in order to not duplicate efforts. The list below identifies potential areas of external reviews.

- Office of Personnel Management: human resource programs
 - Government Accountability Office: TBD
 - Peer Review: IG audit program (every 3 years)
 - Equal Employment Opportunity Commission: EEO program
 - Office of Personnel Management: personnel security program
 - Office of Government Ethics: ethics program
-



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

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



U.S. International Trade Commission
Office of Inspector General
500 E Street, SW
Washington, DC 20436

Office: 202-205-2210
Fax: 202-205-1859
Hotline: 877-358-8530
OIGHotline@USITC.gov