U.S. International Trade Commission

Management Letter - Ethic Forms

OIG-ML-14-01

November 7, 2013

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.

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OFFICE OF INSPECTOR GENERAL

UNITED STATES INTERNATIONAL TRADE COMMISSION

WASHINGTON, DC 20436

November 7, 2013

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Chairman Williamson:

The purpose of this Management Letter is to inform you of an internal control weakness that we identified during work unrelated to a specific review.

The Ethics in Government Act of 1978, as amended, requires individuals in the Senior Executive Service (SES) to file a public disclosure report of their finances as well as other interests outside the Government. The primary purpose of the disclosure report is to assist agencies in identifying potential conflicts of interest between a filer's official duties and the filer's private financial interests and affiliations. The Office of Government Ethics regulations require SES members to file within 30 days of assuming the position, and annually thereafter.

Currently, when a new SES entrant arrives at the Commission, the Office of Human Resources informs the Ethics Office. The Ethics Office then requests the SES member to complete the public disclosure report, Form OGE-278. After the SES member submits the completed OGE-278 to the Ethics Office, the Ethics Office updates the employee listing of individuals required to submit the annual public disclosure report.

Recently, the Office of Inspector General requested the Commission's Ethics Office to provide copies of the OGE-278 reports that should have been filed by a current SES employee. The Ethics Office did not have the reports. After further investigation by the Ethics Office, it was determined that the SES member did not respond to their initial request to submit the disclosure report, and as a result, the individual was not added to distribution list of annual filers.

Based on this instance, we have identified the following two problems:

1) The process for new entrants, designated as filers, does not have controls to ensure financial disclosure reports are filed within the 30 days statutory timeframe.
2) The annual financial disclosure reports process does not have controls to ensure that all employees, who have been designated as filers, submit the report as required.

We discussed the content of this Management Letter with the Commission's Designated Ethics Officer and received verbal feedback. We are making three recommendations for corrective action.

Recommendation 1: The Commission validate that all required filers have submitted reports.

Recommendation 2: The Commission update procedures to include controls to ensure that new entrants, designated to file a disclosure report, submit the reports.

Recommendation 3: The Commission update annual filing procedures to include controls to ensure all employees who have been designated filers submit the financial disclosure reports.

In the next 30 days, please provide me with your management decisions describing the actions you will take to implement each recommendation.

Sincerely,

Philip M. Heneghan
Inspector General

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

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

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