



February 20, 2014

**MEMORANDUM FOR:** Kenneth E. Hyatt  
Acting Under Secretary for International Trade

**FROM:** Ann C. Eilers   
Principal Assistant Inspector General for Audit and Evaluation

**SUBJECT:** Audit of ITA Consolidation

The July 18, 2013, Senate Appropriations Committee report on the Departments of Commerce and Justice, Science, and Related Agencies directed the Office of Inspector General (OIG) to evaluate and report on the progress, efficacy, and management of the consolidation of ITA's four business units into three. Specifically, OIG is to evaluate: management and leadership challenges related to the consolidation; relevant changes in staffing and funding levels in headquarters, domestic, and overseas offices; and expected increases or decreases in administrative and overhead costs.

The OIG is also asked to consider feedback from affected staff and organizations, including Commercial Service officers, foreign and domestic ITA employees, the American Foreign Service Association, and the District Export Council (Senate Report 113-78, p. 49) in preparing the initial report or any subsequent reports. OIG is directed to file an initial report with the Committee within 180 days of enactment of the act.

Pursuant to this directive, we are initiating an audit of ITA consolidation. Our objectives are to (1) assess the status of ITA consolidation; (2) evaluate whether resource changes as a result of the consolidation, including staffing, funding, and administrative/overhead costs, are aligned with ITA strategic priorities and sufficient for providing services to ITA customers and stakeholders; and (3) identify management and leadership challenges that might hinder the consolidation effort.

We will contact your audit liaison to schedule an entrance conference. In the interim, we will forward a document list and request that you provide us the information requested within 2 weeks. If you have any questions about this audit, please contact Carol Rice, Director for Statistical Programs, at (202) 482-6020 or Eleazar Velazquez, Supervisory Program Analyst and audit manager, at (202) 482-0744. We appreciate the cooperation of your staff during this audit.

cc: Paul Piquado, Assistant Secretary for Enforcement and Compliance  
Judy Reinke, Acting Assistant Secretary for Trade Promotion  
Maureen Smith, Deputy Assistant Secretary for Industry and Analysis  
Justin Guz, ITA Audit Liaison