



April 23, 2019

The Honorable Wilbur L. Ross, Jr.  
Secretary of Commerce

**Priority Open Recommendations: Department of Commerce**

Dear Mr. Ross:

The purpose of this letter is to provide an update on the overall status of the U.S. Department of Commerce's (Commerce) implementation of GAO's recommendations and to call your continued personal attention to areas where open recommendations should be given high priority.<sup>1</sup> In November 2018, we reported that on a government-wide basis, 77 percent of our recommendations made 4 years ago were implemented.<sup>2</sup> Commerce's recommendation implementation rate was 75 percent. As of April 2019, Commerce had 110 open recommendations. Fully implementing these open recommendations could significantly improve Commerce's operations.

Since our April 13, 2018, letter, Commerce has implemented 10 of our 26 open priority recommendations. In doing so, Commerce has taken significant steps to improve its life-cycle cost estimation and scheduling of the 2020 Decennial Census, to evaluate its testing of the census's in-office address canvassing operation, and to increase the effectiveness of its non-response follow-up operation. As a result of these efforts, Commerce has improved its management of the census by better positioning itself to make informed decisions about trade-offs among methods as it finalized its design of the census and anticipating and mitigating challenges it may face during implementation of the census.

Commerce has 16 priority recommendations remaining from those we identified in our 2018 letter. We ask your continued attention on these remaining recommendations. We are adding 5 new recommendations as priorities this year related to the 2020 Decennial Census. This brings the total number of priority recommendations to 21. (See the enclosure for the list of these recommendations.)

The 21 priority recommendations fall into the following six areas.

**2020 Decennial Census.** We have 12 priority recommendations related to the 2020 Decennial Census, one of the highest risks facing the government. For example, in November 2009, we recommended that the Census Bureau include estimates of the resources needed, such as labor, materials, and overhead costs, in its 2020 integrated schedule and conduct systematic

---

<sup>1</sup>Priority recommendations are those that GAO believes warrant priority attention from heads of key departments or agencies. They are highlighted because, upon implementation, they may significantly improve government operations, for example, by realizing large dollar savings; eliminating mismanagement, fraud, and abuse; or making progress toward addressing a high-risk or fragmentation, overlap, or duplication issue.

<sup>2</sup>GAO, *Performance and Accountability Report: Fiscal Year 2018*, [GAO-19-1SP](#) (Washington, D.C.: Nov 15, 2018).

schedule risk analyses in order to better understand how resources could affect the schedule. When we reviewed Census Bureau scheduling practices in July 2018, we noted that the bureau had begun taking steps to prepare for schedule risk analyses, but had not fully implemented this recommendation. In addition, we recommended in a separate report in July 2018 that the bureau takes steps to ensure that forthcoming changes and decisions on hard-to-count related efforts are integrated with other hard-to-count related efforts across the Bureau's decentralized operations. However, the bureau has still not implemented these recommendations. To fully address these recommendations, the bureau needs to better align the necessary resources within its integrated schedule and align its ongoing and yet-to-be planned activity to improve enumeration of hard-to-count groups with other already-planned 2020 Census activity.

**IT management and workforce planning.** We have one priority recommendation aimed at improving Commerce's IT workforce planning practices. In a November 2016 report, we evaluated Commerce's implementation of strategic human capital planning practices recommended by us, the Office of Personnel Management, and OMB. We found that Commerce had not yet established a process to guide its IT workforce planning activities and had partially or not implemented several activities to assist the agency with effective workforce planning. Accordingly, we recommended that Commerce address these shortfalls to improve its ability to assess and address gaps in knowledge and skills that are critical to the success of major IT acquisitions. To fully implement this recommendation, Commerce needs to prioritize the completion of its IT workforce planning process and then begin implementing the process in phases based on the availability of resources.

**Entrepreneurial assistance programs.** We have two August 2012 priority recommendations for Commerce to support entrepreneurs, including (1) consistently collecting data on its entrepreneurial assistance programs and (2) conducting more evaluations of its programs. In November 2018, Commerce provided an update on the department's actions to address these recommendations, including the ongoing implementation of a pilot evaluation framework and related performance measures. Commerce continues to test the framework with grantees that represent non-infrastructure programs administered by Commerce's Economic Development Administration (EDA). Commerce expects to fully implement the pilot evaluation framework for all grantees at the start of fiscal year 2020. Fully implementing the framework would help decision makers better understand which programs are most effective and allocate federal resources accordingly.

**International trade.** We have three priority recommendations related to international trade. Although trade expansion can enhance the economic welfare of all trade partners, many firms and workers experience difficulties adjusting to import competition. Congress has responded to these difficulties with trade adjustment assistance (TAA) programs, including the TAA for Firms program administered by EDA. We recommended in September 2012 that Commerce (1) broaden the program's evaluation approach, for instance, by developing additional quantifiable outcome-oriented performance goals and measures, and (2) develop a data system to consistently collect, maintain, and analyze sufficiently reliable and up-to-date data on program operations and participant firms. According to EDA officials, the agency has efforts underway to improve performance metrics and the system for collecting information on program operations. Commerce needs to continue these efforts to fully implement our recommendations.

Also, in 2013, we recommended that the Secretary of Commerce, as Chair of the Trade Promotion Coordinating Committee (TPCC), report in the TPCC's National Export Strategies on how export promotion resources are allocated by agency and aligned with priorities, as required by the Export Enhancement Act of 1992. While Commerce concurred with the recommendation,

officials noted their limited authority over budget reporting and resource allocations and gave examples of some challenges they faced. The TPCC did not issue a National Export Strategy in fiscal years 2014, 2015, or 2017. The TPCC did issue one in 2016; however, the strategy did not include any budget information. In October 2018, Commerce officials told us they were developing a new draft National Export Strategy, which would include budget information, but that any plans for issuance were unknown and would depend on administration priorities. As of March 2019, no new National Export Strategy had been issued. Commerce officials said that they continue to work with OMB to develop an interagency budget table and that they intended to complete the project after the Presidents 2020 budget is submitted to Congress.

**Conflict mineral rule.** We have one priority recommendation aimed at improving the effectiveness of the conflict minerals disclosure rule. Armed groups in the eastern Democratic Republic of the Congo continue to profit from the exploitation of minerals, such as gold, tin, tantalum, and tungsten, according to the United Nations. Congress included a provision in the 2010 Dodd-Frank Wall Street Reform and Consumer Protection Act to, among other things, require Commerce to produce an annual report, beginning in January 2013, that includes a list of worldwide processing facilities and an assessment of Independent Private Sector Audits (IPSA) filed in conjunction with Securities and Exchange Commission disclosures.

In an August 2016 report, we found that Commerce had not submitted a report that included an assessment of the accuracy of the IPSAs filed by some companies, nor had it developed a plan to do so. We recommended that Commerce submit a plan to the appropriate congressional committees with associated time frames that includes how Commerce assesses the accuracy of IPSAs, develops recommendations for the process used to carry out IPSAs, and acquires the necessary knowledge, skills, and abilities to carry out these responsibilities. In November 2018, Commerce stated that the department is continuing to consider its plans for implementing GAO's recommendation.

**NIST physical security.** We have two priority recommendations aimed at improving the physical security of National Institute of Standards and Technology (NIST) campuses. Significant security incidents in 2015 and 2016 at the NIST campuses in Gaithersburg, Maryland, and Boulder, Colorado, raised questions about the agency's ability to properly secure its physical facilities and assets and prompted efforts to transform NIST's security program.

In an October 2017 report, we found that the management of NIST's physical security program is fragmented between NIST and Commerce, which is inconsistent with best practices. In addition, we found that Commerce had not finalized its new risk management policy intended to align with federal standards. We recommended that Commerce, in coordination with NIST, evaluate the effectiveness of the current physical security management structure. We also recommended that Commerce finalize and implement risk management policies that fully align with federal standards. This finalized risk management policy will help ensure that Commerce addresses the weaknesses we identified in its previous risk management activities. As of March 2019, Commerce has identified some steps it has taken to address these recommendations, but to fully implement these recommendations additional action is needed, such as finalizing the draft risk management policy.

- - - -

In March, we issued our biennial update to our high risk program, which identifies government operations with greater vulnerabilities to fraud, waste, abuse, and mismanagement or the need

for transformation to address economy, efficiency, or effectiveness challenges.<sup>3</sup> Our high risk program has served to identify and help resolve serious weaknesses in areas that involve substantial resources and provide critical service to the public.

Two of our high risk areas, 2020 Decennial Census and Improving Management of Information Technology (IT) Acquisitions and Operations, center directly on Commerce.<sup>4</sup> Several other government-wide high risk area—including (1) ensuring cybersecurity of the nation, (2) strategic human capital management, (3) managing federal real property, and (4) government-wide security clearance process—also have direct implications for Commerce and its operation. We urge your attention to these Commerce-related and government-wide high risk issues. Progress on high risk issues has been possible through the concerted actions and efforts of Congress, the Office of Management and Budget (OMB), and the leadership and staff in agencies, including within Commerce.

Copies of this report are being sent to the Director of the Office of Management and Budget and appropriate congressional committees; the Committees on Appropriations, Budget, and Homeland Security and Governmental Affairs, United States Senate; the Committees on Appropriations, Budget, and Oversight and Reform, House of Representatives. In addition, the report will be available at no charge on the GAO website at <http://www.gao.gov>.

I appreciate Commerce's continued commitment to these important issues. If you have any questions or would like to discuss any of the issues outlined in this letter, please do not hesitate to contact me or Lawrence L. Evans, Jr., Managing Director, Financial Markets and Community Investment at [evansl@gao.gov](mailto:evansl@gao.gov) or 202-512-4802. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. Our teams will continue to coordinate with your staff on all of the 110 open recommendations. Thank you for your attention to these matters.

Sincerely yours,



Gene L. Dodaro  
Comptroller General  
of the United States

Enclosure

cc: MaryAnn Mausser, GAO Liaison Officer  
Corey J. Kane, DOC/Bureau of the Census  
Amy Egan, NIST OIG/GAO Liaison  
Catherine Fletcher, NIST/DOC

---

<sup>3</sup>GAO, *High-Risk Series: Substantial Efforts Needed to Achieve Greater Progress on High-Risk Areas*, [GAO-19-157SP](#) (Washington, D.C.: Mar 6, 2019).

<sup>4</sup>A full discussion of these high risk areas can be found on the following pages of our 2019 high risk report: pp. 123-127 for Improving the Management of IT Acquisitions and Operations and pp. 134-137 for 2020 Decennial Census.

Enclosure

## Department of Commerce (Commerce) Priority Recommendations

### 2020 Decennial Census

*2020 Census: Additional Steps Needed to Finalize Readiness for Peak Field Operations, GAO-19-140. Washington, D.C.: December 10, 2018.*

**Recommendation:** The Secretary of Commerce should ensure that the Director of the Census Bureau identifies and implements changes to align census field supervisor screening, authorities, and information flows to allow greater use of the census field supervisor position to provide supervisory support to enumerators.

**Action Needed:** Commerce agreed with this recommendation. In order to fully implement this recommendation, the bureau will need to carry out the actions it has described in its February 2019 action plan and demonstrate how the census field supervisors will have the information they need to carry out their responsibilities to provide supervisory support to enumerators.

**Recommendation:** The Secretary of Commerce should ensure that the Director of the Census Bureau improves training and guidance to field staff on the intended use of case notes and flags, as well as on alternative ways to alert supervisors and managers when case characteristics are not readily captured by those flags.

**Action Needed:** Commerce agreed with this recommendation. In order to fully implement this recommendation, the bureau will need to carry out the actions it has described in its February 2019 action plan and demonstrate how enumerators and other field staff are being trained on how enumerators will alert their supervisors and managers to key information about field cases that is not being captured by the case-flag categories available to the enumerators.

**High Risk Area:** 2020 Decennial Census

**Director:** Robert N. Goldenkoff, Strategic Issues

**Contact information:** [GoldenkoffR@gao.gov](mailto:GoldenkoffR@gao.gov) (202) 512-2757

*2020 Census: Actions Needed to Address Challenges to Enumerating Hard-to-Count Groups. GAO-18-599. Washington, D.C.: July 26, 2018.*

**Recommendation:** The Secretary of Commerce should ensure the Director of the U.S. Census Bureau takes steps to ensure that forthcoming changes and decisions on hard-to-count related efforts are integrated with other hard-to-count related efforts across the Bureau's decentralized operations.

**Action Needed:** Commerce agreed with this recommendation. In order to fully implement this recommendation, the bureau will need to align its ongoing and yet-to-be planned activity to improve enumeration of hard-to-count groups with other already-planned 2020 Census activity, ensuring that dependencies or possible opportunities or undesired cross-effects are identified and either leveraged or mitigated accordingly.

**High Risk Area:** 2020 Decennial Census

**Director:** Robert N. Goldenkoff, Strategic Issues  
**Contact information:** [GoldenkoffR@gao.gov](mailto:GoldenkoffR@gao.gov) (202) 512-2757

*2020 Census: Actions Needed to Improve In-Field Address Canvassing Operation. GAO-18-414. Washington, D.C.: June 14, 2018.*

**Recommendation:** The Secretary of Commerce should ensure the Director of the U.S. Census Bureau finalizes backup instructions for the secure transmission of data when the Bureau's contracted mobile carriers are unavailable.

**Action Needed:** Commerce agreed with this recommendation. To fully implement this recommendation, Commerce will need to complete its planned steps for identifying and addressing geographic areas with mobile connectivity issues and ensure that users of the bureau's mobile devices are informed of what they are to do when they are unable to connect with one of the contracted mobile carriers.

**Recommendation:** The Secretary of Commerce should ensure the Director of the U.S. Census Bureau finalizes the Unified Tracking System requirements for address canvassing reporting to ensure that the data used by census managers who are responsible for monitoring real-time progress of address canvassing are accurate before the 2020 Census.

**Action Needed:** Commerce agreed with this recommendation. The Census Bureau plans to conduct robust user acceptance testing of all management monitoring reports during the final testing phase during the second and third quarters of fiscal year 2019 before in-field address canvassing begins for the 2020 Census. In order to fully implement this recommendation, the bureau will also need to ensure with testing that the data generated in those reports are accurate.

**High Risk Area:** 2020 Decennial Census

**Director:** Robert N. Goldenkoff, Strategic Issues  
**Contact information:** [GoldenkoffR@gao.gov](mailto:GoldenkoffR@gao.gov) (202) 512-2757

*2020 Census: Census Bureau Needs to Improve Its Life-Cycle Cost Estimating Process. GAO-16-628. Washington, D.C.: June 30, 2016.*

**Recommendation:** To help ensure the Census Bureau produces a reliable cost estimate for the 2020 Census, the Secretary of Commerce and Under Secretary for Economic Affairs should direct the Census Bureau to take the following steps to meet the characteristics of a high-quality estimate: (1) Comprehensive-among other practices, ensure the estimate includes all life-cycle costs and documents all cost-influencing assumptions. (2) Well-documented-among other practices, ensure that its planned documentation plan captures the source data used; contains the calculations performed and the estimating methodologies used for each element; and describes step by step how the estimate was developed. (3) Accurate-among other practices, ensure the estimating technique for each cost element is used appropriately and that variances between planned and actual cost are documented, explained, and reviewed. (4) Credible-among other practices, ensure the estimate includes a sensitivity analysis, major cost elements are crosschecked to see whether results are similar, and an independent cost estimate is conducted to determine whether other estimating methods produce similar results.

**Action Needed:** Commerce agreed with this recommendation. To fully implement this recommendation, the Census Bureau should continue its efforts to ensure that its life-cycle cost estimate is well-documented. Moreover, the bureau will also need to implement a system to track and report variances between actual and expected cost elements.

**Recommendation:** To ensure Census Bureau and congressional confidence that the bureau's budgeted contingencies are at appropriate levels, the Secretary of Commerce and Under Secretary for Economic Affairs should direct the Census Bureau to improve control over how risk and uncertainty are accounted for and communicated with the bureau's decennial cost estimation process, such as by implementing and institutionalizing processes or methods for doing so with clear guidance.

**Action Needed:** Commerce agreed with this recommendation. In order to fully implement this recommendation, the Census Bureau will need to link specific risks to funds set aside in the \$1.2 billion general risk contingency fund.

**High Risk Area:** 2020 Decennial Census

**Director:** Robert N. Goldenkoff, Strategic Issues

**Contact information:** [GoldenkoffR@gao.gov](mailto:GoldenkoffR@gao.gov) (202) 512-2757

*2020 Census: Additional Actions Would Help the Bureau Realize Potential Administrative Records Cost Savings. GAO-16-48. Washington, D.C: October 20, 2015.*

**Recommendation:** To help ensure the Census Bureau focuses its resources on those activities that show promise for substantially reducing enumeration cost, in advance of the 2016 Census Test and later tests, the Secretary of Commerce should direct the Under Secretary of the Economics and Statistics Administration and the Director of the U.S. Census Bureau to ensure systematic capture of information about fieldwork cases that experience problems by including information in enumerator training about where to record the issues, who to contact, what details to include, and the importance of doing so.

**Action Needed:** Commerce agreed with this recommendation. To fully implement this recommendation, the Census Bureau needs to identify what information it finds valuable to have from its enumerators—such as the incidence of specific technical problems with the survey instrument or mobile device—and ensure that enumerators and their first-line supervisors are made aware of the importance of recording such information and how to do so.

**High Risk Area:** 2020 Decennial Census

**Director:** Robert N. Goldenkoff, Strategic Issues

**Contact information:** [GoldenkoffR@gao.gov](mailto:GoldenkoffR@gao.gov) (202) 512-2757

*2020 Census: Bureau Needs to Improve Scheduling Practices to Enhance Ability to Meet Address List Development Deadlines. GAO-14-59. Washington, D.C.: November 21, 2013.*

**Recommendation:** To help maintain a more thorough and insightful 2020 Census development schedule in order to better manage risks to a successful 2020 Census, the Secretary of Commerce and Undersecretary for Economic Affairs should direct the U.S. Census Bureau to improve the credibility of schedules, including conducting a quantitative risk assessment.

**Action Needed:** Commerce agreed with this recommendation. To fully implement this recommendation, the Census Bureau needs to conduct quantitative schedule risk analyses with its master schedule.

**High Risk Area:** 2020 Decennial Census

**Director:** Robert N. Goldenkoff, Strategic Issues

**Contact information:** [GoldenkoffR@gao.gov](mailto:GoldenkoffR@gao.gov) (202) 512-2757

*2020 Census: Additional Steps Are Needed to Build on Early Planning. GAO-12-626. Washington, D.C.: May 17, 2012.*

**Recommendation:** To improve the Census Bureau's process of organizational transformation, long-term planning, and strategic workforce planning for the 2020 Census, and thus better position the bureau to carry out a cost-effective decennial census, the Secretary of Commerce should require the Under Secretary for Economic Affairs, who oversees the Economics and Statistics Administration, as well as the Director of the U.S. Census Bureau to, in order to improve the bureau's process for following up on bureau and oversight agencies' recommendations to improve the 2020 Census, (1) assess the status of recommendation follow-up at regular intervals, such as every 12 months; and (2) periodically report on the status of recommendation follow-up, such as on the bureau's intranet or Internet pages.

**Action Needed:** Commerce agreed with this recommendation. To fully implement this recommendation, the Census Bureau needs to implement mechanisms to capture lessons learned from its ongoing research and testing experience for recommendations in its database, and periodically report on the status of all open recommendations.

**High Risk Area:** 2020 Decennial Census

**Director:** Robert N. Goldenkoff, Strategic Issues

**Contact information:** [GoldenkoffR@gao.gov](mailto:GoldenkoffR@gao.gov) (202) 512-2757

*2010 Census: Key Efforts to Include Hard-to-Count Populations Went Generally as Planned; Improvements Could Make the Efforts More Effective for Next Census. GAO-11-45. Washington, D.C.: December 14, 2010.*

**Recommendation:** To help improve the effectiveness of the Census Bureau's outreach and enumeration efforts, especially for hard-to-count (HTC) populations, should they be used again in the 2020 Census, and to improve some of the bureau's key efforts to enumerate HTC populations, the Secretary of Commerce should require the Under Secretary for Economic Affairs as well as the Director of the U.S. Census Bureau to evaluate the extent to which each special enumeration activity improved the count of traditionally hard-to-enumerate groups and use the results to help inform decision making on spending for these programs in 2020.

**Action Needed:** Commerce generally agreed with this recommendation. To fully implement this recommendation, the Census Bureau needs to demonstrate how it is relying on data about how various special enumeration activities of historically hard-to-enumerate groups contributed to coverage in the 2010 Census in order to inform its design for the 2020 Census.

**High Risk Area:** 2020 Decennial Census



**Director:** Robert N. Goldenkoff, Strategic Issues  
**Contact information:** [GoldenkoffR@gao.gov](mailto:GoldenkoffR@gao.gov) (202) 512-2757

*2010 Census: Census Bureau Has Made Progress on Schedule and Operational Control Tools, but Needs to Prioritize Remaining System Requirements.* GAO-10-59. Washington, D.C.: November 13, 2009.

**Recommendation:** To improve the Census Bureau's use of its master schedule to manage the 2020 decennial census, the Secretary of Commerce should require the Director of the U.S. Census Bureau to include estimates of the resources, such as labor, materials, and overhead costs, in the 2020 integrated schedule for each activity as the schedule is built, and prepare to carry out other steps as necessary to conduct systematic schedule risk analyses on the 2020 schedule.

**Action Needed:** Commerce neither agreed nor disagreed with this recommendation. We reviewed actions on this recommendation in July 2018 and noted that the Bureau had begun taking steps to prepare for schedule risk analyses. In order to fully implement this recommendation, the Census Bureau needs to include estimates of the resources needed to complete specific tasks within its master integrated schedule for the 2020 Census and carry out systematic analysis of the risk to cost and schedule.

**High Risk Area:** 2020 Decennial Census

**Director:** Robert N. Goldenkoff, Strategic Issues  
**Contact information:** [GoldenkoffR@gao.gov](mailto:GoldenkoffR@gao.gov) (202) 512-2757

### **Information technology (IT) management and workforce planning**

*IT Workforce: Key Practices Help Ensure Strong Integrated Program Teams; Selected Departments Need to Assess Skill Gaps.* GAO-17-8. Washington, D.C.: November 30, 2016.

**Recommendation:** To facilitate the analysis of gaps between current skills and future needs, the development of strategies for filling the gaps, and succession planning, the Secretary of Commerce should require the Chief Information Officer, Chief Human Capital Officer, and other senior managers as appropriate to address the shortfalls in IT workforce planning noted in this report, including the following actions: (1) establish and maintain a workforce planning process; (2) develop competency and staffing requirements; (3) assess competency and staffing needs regularly; (4) assess gaps in competencies for all components of the workforce; (5) develop strategies and plans to address gaps in competencies and staffing; (6) implement activities that address gaps, including an IT acquisition cadre, cross-functional training of acquisition and program personnel, a career path for program managers, and special hiring authorities, if justified and cost-effective; (7) monitor the department's progress in addressing IT competency and staffing gaps; and (8) report to department leadership on progress in addressing competency and staffing gaps.

**Action Needed:** Commerce agreed with this recommendation. To fully implement this recommendation, Commerce needs to prioritize the completion of its IT workforce planning process and then begin implementing the process in phases based on the availability of resources.

**High Risk Area:** Improving the Management of IT Acquisitions and Operations

**Director:** Carol C. Harris, Information Technology and Cybersecurity

**Contact information:** [HarrisCC@gao.gov](mailto:HarrisCC@gao.gov) (202) 512-4456

**Entrepreneurial assistance programs**

*Entrepreneurial Assistance: Opportunities Exist to Improve Programs' Collaboration, Data Tracking, and Performance Management. GAO-12-819. Washington, D.C.: August 23, 2012.*

**Recommendation:** The Secretary of Commerce should consistently collect information that would enable it to track the specific type of assistance programs provide and the entrepreneurs they serve and use this information to help administer its programs.

**Action Needed:** Commerce neither agreed nor disagreed with this recommendation. To fully implement this recommendation, Commerce needs to continue its efforts to (1) collect data on activities funded and the direct impacts that result from the activities for the eight pilot grantees representing EDA's non-infrastructure programs and (2) collect this information for all of EDA's non-infrastructure grantees starting in fiscal year 2020.

**Recommendation:** The Secretary of Commerce should conduct more program evaluations to better understand why programs have not met performance goals and their overall effectiveness.

**Action Needed:** Commerce neither agreed nor disagreed with this recommendation. To fully implement this recommendation, Commerce needs to continue its ongoing efforts to fully implement its pilot evaluation framework and new performance measures.

**Director:** William B. Shear, Financial Markets and Community Investment

**Contact information:** [shearw@gao.gov](mailto:shearw@gao.gov) (202) 512-8678

**International trade**

*Trade Adjustment Assistance: Commerce Program Has Helped Manufacturing and Services Firms, but Measures, Data, and Funding Formula Could Improve. GAO-12-930. Washington, D.C.: September 13, 2012.*

**Recommendation:** To ensure that the performance measures used to evaluate the Trade Adjustment Assistance (TAA) for Firms program demonstrate program results and to help ensure that the Economic Development Administration (EDA) can comprehensively evaluate the effectiveness of the program, the Secretary of Commerce should broaden the program's evaluation approach, for instance, by developing additional, quantifiable, outcome-oriented performance goals and measures for key program areas and conducting further analysis of the data to isolate the impact of the TAA for Firms program from other influences, such as economic trends.

**Action Needed:** Commerce agreed with this recommendation. To fully implement this recommendation, EDA needs to continue its ongoing efforts to develop and implement additional performance metrics for this program.

**Recommendation:** To improve the data available to manage and evaluate the TAA for Firms program, the Secretary of Commerce should develop a data system to consistently collect, maintain, and analyze sufficiently reliable and up-to-date data on program operations and participant firms.

**Action Needed:** Commerce agreed with this recommendation. To fully implement this recommendation, EDA needs to continue its efforts to evaluate the effects of its agency-wide data system and alternative systems for collecting data on program operations and transition to a new data system for the TAA for Firms program.

**Director:** Kimberly M. Gianopoulos, International Affairs Trade  
**Contact information:** [gianopoulosk@gao.gov](mailto:gianopoulosk@gao.gov) (202) 512-8612

*Export Promotion: Better Information Needed about Federal Resources. GAO-13-644. Washington, D.C.: July 17, 2013.*

**Recommendation:** To improve the consistency, comprehensiveness, and transparency of information provided to Congress and policymakers on the federal investment in export promotion programs, the Secretary of Commerce, as chair of the Trade Promotion Coordinating Committee, should report in its National Export Strategies on how resources are allocated by agency and aligned with priorities.

**Action Needed:** Commerce agreed with this recommendation. To implement this recommendation, Commerce needs to work with the other agencies that are members of the committee, including OMB, to compile export promotion budget information they have previously identified and publish it in the National Export Strategy transmitted annually to designated Congressional committees pursuant to the Export Enhancement Act.<sup>5</sup>

**Director:** Kimberly M. Gianopoulos, International Affairs Trade  
**Contact information:** [gianopoulosk@gao.gov](mailto:gianopoulosk@gao.gov) (202) 512-8612

### **Conflict mineral rule**

*SEC Conflict Minerals Rule: Companies Face Continuing Challenges in Determining Whether Their Conflict Minerals Benefit Armed Groups. GAO-16-805. Washington, D.C.: August 25, 2016.*

**Recommendation:** To improve the effectiveness of the Securities and Exchange Commission's conflict minerals disclosure rule, the Secretary of Commerce should submit to the appropriate congressional committees a plan outlining steps that Commerce will take, with associated time frames, to (1) assess the accuracy of the independent private sector audits (IPSA) and other due diligence processes described under section 13(p) of the Securities Exchange Act of 1934; (2) develop recommendations for the process used to carry out such audits, including ways to improve the accuracy of the audits and establish standards of best practices for such audits; and (3) acquire the necessary knowledge, skills, and abilities to carry out these responsibilities.

---

<sup>5</sup>15 U.S.C. 4727.

**Action Needed:** Commerce agreed with this recommendation. To fully implement this recommendation, Commerce needs to submit a plan to the appropriate congressional committees with associated time frames that includes how Commerce will improve the accuracy of the audits and establish standards of best practices for such audits, develop recommendations for the process used to carry out such audits, and acquire the necessary knowledge, skills, and abilities to carry out these responsibilities.

**Director:** Kimberly M. Gianopoulos, International Affairs and Trade  
**Contact information:** [gianopoulosk@gao.gov](mailto:gianopoulosk@gao.gov) (202) 512-8612

### **National Institute of Standards and Technology (NIST) physical security**

*Physical Security: NIST and Commerce Need to Complete Efforts to Address Persistent Challenges. GAO-18-95. Washington, D.C.: October 11, 2017.*

**Recommendation:** The Director of the Office of Security, in coordination with the NIST Director, should conduct an evaluation of the effectiveness of the current security management structure as compared to a consolidated security structure, centrally managed by the Office of Security, to identify the most effective and feasible approach to physical security at NIST.

**Action Needed:** Commerce agreed with this recommendation. To fully implement this recommendation, Commerce needs to complete and document the outcome of this evaluation, to include an assessment the effectiveness of both the current security management structure and a consolidated security structure that is centrally managed by the Office of Security.

**Recommendation:** The Director of the Office of Security should ensure that the draft Commerce risk management policy is finalized and implemented in accordance with the Interagency Security Committee's Risk Management Process for Federal Facilities Standard (RMP Standard), by requiring the following: (1) Use and documentation of a sound risk assessment methodology that assesses the threats, vulnerabilities, and consequences for each of the undesirable events required by the RMP Standard, and use of these three factors to measure risk; (2) Documentation of key risk management decisions, such as justification and tenants' approval for facility security level determinations, justification for deviation from baseline levels of risk or protection, as well as risk acceptance and consideration of alternative countermeasures; (3) Establishment of a facility security committee at multitenant facilities and campuses, including locations such as the NIST Boulder campus; and (4) Interagency Security Committee training for all Office of Security assessors and the individuals responsible for deciding to implement countermeasures and accepting risk.

**Action Needed:** Commerce agreed with this recommendation. To fully implement this recommendation, the revised policy must be issued and must contain all four elements described in the recommendation.

**Director:** Seto J. Bagdoyan, Forensic Audits and Investigative Service  
**Contact information:** [bagdoyans@gao.gov](mailto:bagdoyans@gao.gov) (202) 512-6722

This is a work of the U.S. government and is not subject to copyright protection in the United States. The published product may be reproduced and distributed in its entirety without further permission from GAO. However, because this work may contain copyrighted images or other material, permission from the copyright holder may be necessary if you wish to reproduce this material separately.

---

---

## GAO's Mission

The Government Accountability Office, the audit, evaluation, and investigative arm of Congress, exists to support Congress in meeting its constitutional responsibilities and to help improve the performance and accountability of the federal government for the American people. GAO examines the use of public funds; evaluates federal programs and policies; and provides analyses, recommendations, and other assistance to help Congress make informed oversight, policy, and funding decisions. GAO's commitment to good government is reflected in its core values of accountability, integrity, and reliability.

---

## Obtaining Copies of GAO Reports and Testimony

The fastest and easiest way to obtain copies of GAO documents at no cost is through GAO's website (<https://www.gao.gov>). Each weekday afternoon, GAO posts on its website newly released reports, testimony, and correspondence. To have GAO e-mail you a list of newly posted products, go to <https://www.gao.gov> and select "E-mail Updates."

---

## Order by Phone

The price of each GAO publication reflects GAO's actual cost of production and distribution and depends on the number of pages in the publication and whether the publication is printed in color or black and white. Pricing and ordering information is posted on GAO's website, <https://www.gao.gov/ordering.htm>.

Place orders by calling (202) 512-6000, toll free (866) 801-7077, or TDD (202) 512-2537.

Orders may be paid for using American Express, Discover Card, MasterCard, Visa, check, or money order. Call for additional information.

---

## Connect with GAO

Connect with GAO on [Facebook](#), [Flickr](#), [Twitter](#), and [YouTube](#).  
Subscribe to our [RSS Feeds](#) or [E-mail Updates](#). Listen to our [Podcasts](#).  
Visit GAO on the web at <https://www.gao.gov>.

---

## To Report Fraud, Waste, and Abuse in Federal Programs

Contact:

Website: <https://www.gao.gov/fraudnet/fraudnet.htm>

Automated answering system: (800) 424-5454 or (202) 512-7470

---

## Congressional Relations

Orice Williams Brown, Managing Director, [WilliamsO@gao.gov](mailto:WilliamsO@gao.gov), (202) 512-4400, U.S. Government Accountability Office, 441 G Street NW, Room 7125, Washington, DC 20548

---

## Public Affairs

Chuck Young, Managing Director, [youngc1@gao.gov](mailto:youngc1@gao.gov), (202) 512-4800 U.S. Government Accountability Office, 441 G Street NW, Room 7149 Washington, DC 20548

---

## Strategic Planning and External Liaison

James-Christian Blockwood, Managing Director, [spel@gao.gov](mailto:spel@gao.gov), (202) 512-4707 U.S. Government Accountability Office, 441 G Street NW, Room 7814, Washington, DC 20548



Please Print on Recycled Paper.