



441 G St. N.W.
Washington, DC 20548

Comptroller General
of the United States

June 5, 2024

The Honorable Gina M. Raimondo
Secretary
U.S. Department of Commerce
1401 Constitution Ave. NW
Washington, D.C. 20230

Priority Open Recommendations: Department of Commerce

Dear Secretary Raimondo:

The purpose of this letter is to provide an update on the overall status of the 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.¹ In November 2023, we reported that, on a government-wide basis, 75 percent of our recommendations made 4 years ago were implemented.² Commerce's recommendation implementation rate was 78 percent. As of April 2024, Commerce had 148 open recommendations. Fully implementing these open recommendations could significantly improve agency operations.

Since our May 2023 letter, Commerce has implemented 6 of our 17 open priority recommendations.

- In July 2023, we verified that Census Bureau (Bureau) officials were tracking obligations in each enhancement area being researched for the 2030 Census. Tracking investments in enhancements and innovations throughout the decennial life cycle will position the Bureau, and others, to better identify the effects of design changes on future census costs.³
- In July 2023, we verified that Commerce had reviewed its positions in the IT management occupational series and had assigned appropriate roles to those positions. As a result, Commerce has ensured that its workforce data are

¹Priority 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 duplication issue.

²GAO, *Performance and Accountability Report, Fiscal Year 2023*, [GAO-24-900483](#) (Washington, D.C.: Nov. 15, 2023).

³GAO, *2020 Census: Innovations Helped with Implementation, but Bureau Can Do More to Realize Future Benefits*, [GAO-21-478](#) (Washington, D.C.: June 14, 2021).

significantly more reliable, improving its ability to identify critically needed cybersecurity work roles.⁴

- In November 2023, the National Telecommunications and Information Administration (NTIA) collaborated with the White House to issue a memorandum for the heads of executive departments and agencies. This memorandum documented its procedures for ensuring spectrum-related views of executive branch agencies are properly developed and presented to the Federal Communications Commission (FCC). By documenting and disseminating these policies and procedures, NTIA has broadened agencies' understanding and bolstered the transparency of how and why NTIA provides the final information required by FCC.⁵
- The November 2023 memorandum also included procedures for NTIA to follow when developing consensus positions between federal agencies in support of national spectrum policy goals, including in consultation with FCC.⁶ Having this documented process will provide better assurance that inter-agency disagreements can be amicably resolved, contributing to a unified national position when desired.
- In April 2024, the Bureau publicly released its report on the challenges it faced with the COVID-19 pandemic. The report included complete operation-specific considerations for data quality. It also provided examples of potential innovations the Bureau is researching for 2030 based on its responses to COVID-19 in the 2020 Census. Thus, the Bureau has taken steps to improve transparency while building lessons from the pandemic into future decennials.⁷
- In April 2024, we confirmed that the Bureau had addressed implementation issues we identified with the 2020 Census in its various operational assessments and other relevant documents. For example, our 2021 report identified data collection challenges for enumerator access to multi-unit buildings and supervisory alerts to manage enumerators. Having evaluated these challenges from the 2020 Census, the Bureau can incorporate lessons learned and better ensure the quality and completeness of future data collection.⁸

⁴GAO, *Cybersecurity Workforce: Agencies Need to Accurately Categorize Positions to Effectively Identify Critical Staffing Needs*, [GAO-19-144](#) (Washington, D.C.: Mar. 12, 2019).

⁵GAO, *Spectrum Management: NTIA Should Improve Spectrum Reallocation Planning and Assess Its Workforce*, [GAO-22-104537](#) (Washington, D.C.: Jan. 27, 2022).

⁶GAO, *Spectrum Management: Agencies Should Strengthen Collaborative Mechanisms and Processes to Address Potential Interference*, [GAO-21-474](#) (Washington, D.C.: June 29, 2021).

⁷GAO, *2020 Census: Census Bureau Needs to Assess Data Quality Concerns Stemming from Recent Design Changes*, [GAO-21-142](#) (Washington, D.C.: Dec. 3, 2020).

⁸GAO, *Decennial Census: Bureau Should Assess Significant Data Collection Challenges as It Undertakes Planning for 2030*, [GAO-21-365](#) (Washington, D.C.: Mar. 22, 2021).

We ask for your continued attention to the remaining 11 priority recommendations. We are not adding any new priority recommendations this year. (See the Enclosure for the list of recommendations.)

The 11 priority recommendations fall into the following seven areas.

Decennial Census. The 2020 Census cost about \$13.5 billion, slowing the decennial rate of cost growth. In this regard, the count in 2020 cost roughly \$99 per household, compared to \$92 for 2010, \$80 for 2000, and \$45 for 1990 (in constant 2020 dollars). The Bureau implemented a series of innovations to rein in cost increases and enhance data quality of recent decennial censuses. We identified two priority recommendations in this area: (1) leveraging various special enumeration activities for hard to count populations to improve census cost and accuracy and (2) planning to improve resiliency of research and testing activity to Bureau-identified budget uncertainty. Taking these actions will help improve the Bureau's planning and budgeting for the 2030 Census.

Improving the nation's water quality. Over the past 50 years, the nation's water quality and drinking water have improved, but threats to water quality and safety remain. These threats include harmful algal blooms—overgrowths of algae that can produce toxins that harm humans and animals in water bodies—and hypoxia.⁹ The National Oceanic and Atmospheric Administration (NOAA) and the Environmental Protection Agency co-chair a federal interagency working group to address these threats. We identified two priority recommendations in this area: (1) documenting and defining what a national program would entail and (2) developing a national goal for prevention. Implementing these recommendations will help protect the quality of our nation's water resources by improving NOAA's ability to manage risks from harmful algal blooms and hypoxia.

Privacy. The protection of personal privacy has become a more significant issue in recent years with the advent of new technologies and the proliferation of personal information. Federal agencies collect and process large amounts of personally identifiable information (PII) for various government programs. Accordingly, they must ensure that any PII they collect, store, or process is protected from unauthorized access, tampering, or loss. Implementing the one priority recommendation in this area—to incorporate privacy into its organization-wide risk management strategy, including determining its privacy risk tolerance—will enable Commerce to better mitigate privacy risks.

International trade. The Export Enhancement Act of 1992 directed the interagency Trade Promotion Coordinating Committee (TPCC) to assess the appropriate levels and allocations of funding and develop a government-wide strategic plan that identifies federal export promotion priorities, among other things. The TPCC neither reports nor compiles information on how federal export promotion resources align with government-wide priorities.

We identified one priority recommendation in this area—to report how resources are allocated by agency and aligned with priorities. This will help decision makers in Congress and the administration determine whether the return on the federal investment in export promotion is adequate and make informed decisions about future resource allocations.

⁹Hypoxia is a condition associated with some algal blooms where oxygen levels in a water body are depleted and most animals cannot survive.

Managing climate change risks. The federal government needs a comprehensive approach to improve the climate resilience of facilities it owns and operates and land it manages. This involves incorporating climate change resilience standards into agencies' infrastructure and facility planning processes. It also involves working with relevant professional associations to incorporate climate change information into structural design standards. In February 2013, we added the *Limiting the Federal Government's Fiscal Exposure by Better Managing Climate Change Risks* area to our High-Risk List.

We identified one priority recommendation in this area—convening agencies for a coordinated ongoing government-wide effort to provide the best available forward looking climate information. Doing so will help standards-developing organizations have the best information when considering building codes, design standards, and voluntary certifications. This step will also help reduce federal fiscal exposure to climate change.

Managing the radio-frequency spectrum. Radio-frequency spectrum demand among government and private sector users has increased. This in turn, has increased the potential for interference problems. NTIA regulates and manages spectrum use for federal users. We identified the three priority recommendations in this area. Specifically, we recommended that NTIA establish procedures to help guide the design of spectrum-sharing and potential-interference studies. Taking this action will help improve NTIA's spectrum management and reduce the risk of interference.

Additionally, we recommended that NTIA clarify shared goals for spectrum-management activities that involve collaboration and request that the State Department review and update the key guidance document outlining processes for working with other agencies to prepare for international conferences where spectrum regulations are updated. We also recommended that NTIA develop a means to monitor and update this document. Taking these actions will better position NTIA to reach agreement with other federal agencies regarding spectrum management issues.

Conflict minerals Rule. Armed groups in the eastern Democratic Republic of the Congo continue to profit from the exploitation of minerals. Since 2013, Commerce has been required to report a list of worldwide conflict mineral processing facilities and an assessment of Independent Private Sector Audits (IPSA) to Congress annually. IPSAs are filed in conjunction with required Securities and Exchange Commission disclosures.

We identified one priority recommendation in this area—to improve the effectiveness of the disclosure rule by assessing the accuracy of the IPSAs submitted to Congress, developing recommendations for the process that carries out the IPSAs, and acquiring the necessary knowledge, skills, and abilities to carry out these responsibilities. Taking these actions will provide decision makers in Congress required information on the accuracy of the IPSAs and other due diligence processes used by filing companies.

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As the auditor of the consolidated financial statements of the U.S. government, I have noticed that the Department of Commerce had one material weakness in its internal control over financial reporting for fiscal year 2023 related to property, plant, and equipment and heritage assets. This weakness, as well as related auditor recommendations, is an important issue. I encourage you to address it.

In April 2023, we issued our biennial update to our [High-Risk List](#). This list identifies government operations with greater vulnerabilities to fraud, waste, abuse, and mismanagement. It also identifies the need for transformation to address economy, efficiency, or effectiveness challenges.¹⁰ Two high-risk areas—[limiting the federal government's fiscal exposure by better managing climate change risks](#) and [ensuring the effective protection of technologies critical to U.S. national security interests](#)—are relevant to multiple agencies, including Commerce.

Several other government-wide, high-risk areas also have direct implications for Commerce and its operations. These areas include (1) [improving the management of IT acquisitions and operations](#), (2) [strategic human capital management](#), (3) [managing federal real property](#), (4) [ensuring the cybersecurity of the nation](#), and (5) the [government-wide personnel security clearance process](#).

In addition to Commerce's high-risk areas, we urge your continued attention to the other government-wide, high-risk issues as they relate to Commerce. Progress on high-risk issues has been possible through the concerted actions and efforts of Congress, Office of Management and Budget (OMB), and the leadership and staff in agencies, including within Commerce. In March 2022, we issued a report on key practices to successfully address high-risk areas, which can be a helpful resource as your agency continues to make progress to address high-risk issues.¹¹

We also recognize the key role Congress plays in providing oversight and maintaining focus on our recommendations to ensure they are implemented and produce their desired results. Legislation enacted in December 2022 included a provision for GAO to identify any additional congressional oversight actions that can help agencies implement priority recommendations and address any underlying issues relating to such implementation.¹²

Congress can use various strategies to address our recommendations, such as incorporating them into legislation. Congress can also use its budget, appropriations, and oversight processes to incentivize executive branch agencies to act on our recommendations and monitor their progress. For example, Congress can hold hearings focused on Commerce's progress in implementing GAO's priority recommendations, withhold funds when appropriate, or take other actions to provide incentives for agencies to act. Moreover, Congress could follow up during the appropriations process and request periodic updates.

Congress also plays a key role in addressing any underlying issues related to the implementation of these recommendations. For example, Congress could pass legislation providing an agency explicit authority to implement a recommendation or requiring an agency to take certain actions to implement a recommendation.

¹⁰GAO, *High-Risk Series: Efforts Made to Achieve Progress Need to be Maintained and Expanded to Fully Address All Areas*, [GAO-23-106203](#) (Washington, D.C.: Apr. 20, 2023).

¹¹GAO, *High-Risk Series: Key Practices to Successfully Address High-Risk Areas and Remove Them from the List*, [GAO-22-105184](#) (Washington, D.C.: Mar. 3, 2022).

¹²James M. Inhofe National Defense Authorization Act for Fiscal Year 2023, Pub. L. No. 117-263, § 7211(a)(2), 136 Stat. 2395, 3668 (2022); H.R. Rep. No. 117-389 (2022) (accompanying Legislative Branch Appropriations Act, H.R. 8237, 117th Cong. (2022)).

Copies of this report are being sent to the Director of OMB and to the appropriate congressional committees. In addition, the report will be available on the GAO website at [Priority Open Recommendation Letters | U.S. GAO](#).

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 Michelle Sager, Managing Director, Strategic Issues, at (202) 512-6806 or sagerm@gao.gov. 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 the 148 open recommendations. Thank you for your attention to these matters.

Sincerely,

A handwritten signature in black ink that reads "Gene L. Dodaro". The signature is fluid and cursive, with a long horizontal stroke extending to the right from the end of the name.

Gene L. Dodaro
Comptroller General
of the United States

Enclosure

cc: The Honorable Shalanda Young, Director, Office of Management and Budget
Don Graves, Deputy Secretary, Department of Commerce
Robert Santos, Director of the Census Bureau
Alan Davidson, Assistant Secretary of Commerce for Communications and Information
and NTIA Administrator
MaryAnn Mausser, GAO Liaison Officer

Enclosure

Priority Open Recommendations to Department of Commerce

Decennial Census

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.

Year Recommendation Made: 2011

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 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 agreed with this recommendation. In March 2022, Bureau officials described various strategies they were considering for including this information in operational plans for the 2030 Census. In March 2024, we discussed with Bureau officials how decennial management officials were exploring ways to link results of 2030 Census research to justifications of elements within their forthcoming 2030 Census operational plan.

To fully implement this recommendation, the Bureau needs to demonstrate for the 2030 Census how it has considered evidence on how various special enumeration activities may have contributed to the cost and accuracy of the 2020 Census. Demonstrating the rationale for decisions made about special enumeration activities for the 2030 Census will improve transparency and help position the Bureau to implement activities shown to help improve the counts of hard-to-enumerate populations.

Director: Yvonne D. Jones, Strategic Issues

Contact information: jonesy@gao.gov or (202) 512-6806

2020 Census: Lessons Learned from Planning and Implementing the 2020 Census Offer Insights to Support 2030 Preparations, [GAO-22-104357](#). Washington, D.C.: February 11, 2022.

Year Recommendation Made: 2022

Recommendation: The Secretary of Commerce and the Director of the U.S. Census Bureau should develop a plan to improve resiliency of 2030 Census research and testing activity in response to Bureau-identified budget uncertainty, including but not limited to specifying the tests and projects that are most important to conduct.

Action Needed: Commerce agreed with this recommendation. In September 2022, the Bureau provided documents describing and demonstrating actions the Bureau was taking to improve its

budget development, execution, and oversight. As of March 2024, the Bureau has also identified two program risks to the 2030 Census related to budget uncertainty and reported that it was drafting contingency plans for those risks.

To fully address this recommendation, the Bureau will need to demonstrate how its 2030 Census tests and projects that are most important to conduct are protected from budget uncertainty. Implementing this recommendation will improve the resiliency of the Bureau's most important tests and projects helping to reduce the overall risk to the 2030 Census.

Director: Yvonne D. Jones, Strategic Issues

Contact information: jonesy@gao.gov or (202) 512-6806

Improving the Nation's Water Quality

Water Quality: Agencies Should Take More Actions to Manage Risks from Harmful Algal Blooms and Hypoxia. [GAO-22-104449](#). Washington, D.C.: June 15, 2022.

Year Recommendations Made: 2022

Recommendations: The Administrator of the National Oceanic and Atmospheric Administration (NOAA) and the Administrator of the Environmental Protection Agency (EPA), in collaboration with the members of the working group, should take the following two actions:¹³

- document and define what a national harmful algal bloom (HAB) and hypoxia program would entail, including identifying the program's resource needs.
- develop a national goal for the group focused on efforts to prevent HABs and hypoxia.

Action Needed: Commerce agreed with these recommendations. For the first recommendation, NOAA stated that it was working with EPA and other members of the interagency HAB and hypoxia working group to develop a national program, including drafting associated goals, and identifying resource needs. NOAA and EPA officials are planning to include information about the national program's structure and resource needs in the next national assessment of HABs and hypoxia, which is expected to be completed in December 2024. By defining and documenting what a national HAB and hypoxia program would entail, NOAA and EPA, as co-chairs of the working group, would be better positioned to implement the program and enhance federal efforts to manage the risks of HABs and hypoxia.

For the second recommendation, NOAA also stated that it was taking actions, in collaboration with EPA and other members of the working group, to develop a national goal for the group focused on efforts to prevent HABs and hypoxia. In March 2024, NOAA and EPA officials stated that this goal will be incorporated into a national HAB and hypoxia strategy in the 2024 national assessment of HABs and hypoxia. In April 2024, NOAA and EPA developed national objectives for the working group. This included an objective to help decision-makers prevent new or the expansion of existing HABs or hypoxia events by advancing the dissemination of information on their human-caused drivers. By developing and subsequently incorporating this objective into

¹³NOAA and EPA co-chair a federal interagency working group that is intended to harness federal expertise and capabilities to research, prevent, monitor, and mitigate HABs and hypoxia.

the national HAB and hypoxia strategy, the working group could help to increase federal attention on prevention actions to reduce the risks that HABS and hypoxia pose to state, local, and tribal communities.

Director: J. Alfredo Gómez, Natural Resources and Environment

Contact Information: gomezj@gao.gov or (202) 512-3841

Privacy

Privacy: Dedicated Leadership Can Improve Programs and Address Challenges, [GAO-22-105065](#). Washington, D.C.: September 22, 2022.

Year Recommendation Made: 2022

Recommendation: The Secretary of Commerce should ensure that its organization-wide risk management strategy includes key elements, including a determination of privacy risk tolerance.

Action Needed: Commerce agreed with this recommendation. As of March 2024, Commerce stated that it planned to develop a privacy risk management strategy by the fourth quarter of fiscal year 2024. To fully address this recommendation, Commerce needs to ensure that its risk management strategy incorporates privacy, including a determination of risk tolerance. Implementing this recommendation will enable Commerce to better mitigate privacy risks.

High Risk Area: [Ensuring the Cybersecurity of the Nation](#)

Directors: Jennifer Franks, Information Technology and Cybersecurity and Marisol Cruz Cain, Information Technology and Cybersecurity

Contact Information: franksj@gao.gov, (404) 679-1831 and cruzcainm@gao.gov, (202) 512-5017.

International Trade

Export Promotion: Better Information Needed about Federal Resources. [GAO-13-644](#). Washington, D.C.: July 17, 2013.

Year Recommendation Made: 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 (TPCC), should report in its National Export Strategies (NES) on how resources are allocated by agency and aligned with priorities.

Action Needed: Commerce agreed with this recommendation. In 2013, Commerce noted the TPCC's limited authority over other agencies' budget reporting and resource allocations.

The TPCC issued NES reports in 2014, 2016, and 2023. However, those reports did not contain budgetary information from TPCC agencies to show how resources were allocated across the country and around the world among its member agencies or across federal export promotion priorities, as they had in the past. In March 2024, Commerce officials reported that the TPCC Secretariat has not been able to collect complete trade promotion budget data from TPCC agencies and that a unified trade promotion budget was not included in the most recently published NES, released in June 2023. They said that because of the challenges collecting agency data, there are currently no plans to report a unified trade promotion budget to Congress.

To fully implement this recommendation, Commerce needs to report the complete and comparable budgetary information in its NES to the designated congressional committees annually. Without better information on agencies' export promotion resources, decision makers cannot determine whether the federal investment in export promotion aligns with government-wide priorities or make informed decisions about future resource decisions.

Director: Kimberly M. Gianopoulos, International Affairs and Trade

Contact Information: gianopoulosk@gao.gov or (202) 512-8612

Managing Climate Change Risks

Improved Federal Coordination Could Facilitate Use of Forward-Looking Climate Information in Design Standards, Building Codes, and Certifications. [GAO-17-3](#). Washington, D.C.: November 30, 2016.

Year Recommendation Made: 2017

Recommendation: To help reduce federal fiscal exposure by enhancing the resilience of infrastructure to extreme weather, the Secretary of Commerce, through the Director of the National Institute of Standards and Technology (NIST), in consultation with the Mitigation Framework Leadership Group and U.S. Global Change Research Program, should convene federal agencies for an ongoing government wide effort to provide the best available forward looking climate information to standards-developing organizations for their consideration in the development of design standards, building codes, and voluntary certifications.

Action Needed: Commerce neither agreed nor disagreed with this recommendation. NIST took a first step toward implementing the recommendation. In 2021, it held a workshop aimed at connecting the U.S. building codes and standards development communities with agencies and organizations collecting and disseminating climate change information. Further, the joint explanatory statement accompanying the Consolidated Appropriations Act, 2023, directed NOAA to identify and support NIST's utilization of an authoritative set of climate information that emphasizes forward-looking climate data and projections to be utilized in the standard-setting process.

As of April 2024, NIST officials told us they have assessed priority federal agency needs for climate data and projections, as directed by the joint explanatory statement. This assessment is undergoing interagency review and is not publicly available. The joint explanatory statement directed the NOAA Administrator to submit this assessment to congressional appropriations committees by June 27, 2023. NOAA has not submitted the assessment as of April 2024.

To fully implement this recommendation, NIST needs to coordinate with other federal agencies to identify forward-looking climate information for standards-developing organizations, which would include publicly releasing such information. Implementing this recommendation will help ensure standards-developing organizations have the best available forward-looking climate information.

High Risk Area: [Limiting the Federal Government's Fiscal Exposure by Better Managing Climate Change Risks](#)

Director: J. Alfredo Gómez, Natural Resources and Environment

Contact Information: gomezj@gao.gov or (202) 512-3841

Managing the Radio-Frequency Spectrum

Spectrum Management: Agencies Should Strengthen Collaborative Mechanisms and Processes to Address Potential Interference. GAO-21-474. Washington, D.C.: June 29, 2021.

Year Recommendations Made: 2021

Recommendations:

- The National Telecommunications and Information Administration (NTIA) Administrator should clarify and further identify shared goals or outcomes for spectrum-management activities that involve collaboration and ways to monitor and track progress, in consultation with the Federal Communications Commission (FCC) and; as appropriate; State.
- The NTIA Administrator should request that State initiate a review of the General Guidance Document; in consultation with NTIA, FCC, and other relevant participants; and update and develop a means to continually monitor and update this document.
- The NTIA Administrator should establish procedures to help guide the design (including selection of acceptable assumptions and methodologies) of spectrum sharing and potential-interference studies intended as U.S. contributions to World Radiocommunication Conference technical meetings, in consultation with FCC, State, and other federal participants of the U.S. technical preparatory process.

Action Needed: Commerce agreed with all three of these recommendations to NTIA. In November 2023, NTIA released a National Spectrum Strategy. According to NTIA officials, implementation of which will further address our open recommendations. Additionally, NTIA has requested that the State Department review and update its General Guidance Document, and NTIA officials said they continue to work with State on this issue. However, as of April 2024, NTIA needs to complete the recommended actions including:

- Complete its development of shared goals and outcomes for spectrum management activities that involve collaboration with other agencies, and ways to monitor and track progress.
- Provide documentation of its efforts to work with State to develop a means to continually monitor and update the General Guidance Document.

- Complete development of procedures to guide spectrum-sharing and potential interference studies.

Implementing these recommendations will improve NTIA's ability to manage spectrum and reach agreement on related matters with other federal agencies.

Directors: Andrew Von Ah, Physical Infrastructure, and Karen L. Howard, Science, Technology Assessment, and Analytics

Contact Information: vonaha@gao.gov, (202) 512-2834, and howardk@gao.gov, (202) 512-6888

Conflict Minerals 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.

Year Recommendation Made: 2016

Recommendation: To improve the effectiveness of the Securities and Exchange Commission's (SEC) 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 timeframes, 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.

Action Needed: Commerce agreed with this recommendation. As of April 2024, it has not taken action to implement it because Commerce officials are waiting for SEC to act on the relevant implementing regulations in light of a court ruling that part of those regulations violate the constitution.

To fully implement this recommendation, Commerce needs to 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. Implementing this recommendation will provide decision-makers in Congress required information on the accuracy of the IPSAs and other due diligence processes used by filing companies.

Director: Kimberly M. Gianopoulos, International Affairs and Trade

Contact Information: gianopoulosk@gao.gov or (202) 512-8612

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Strategic Planning and External Liaison

Stephen J. Sanford, Managing Director, spel@gao.gov, (202) 512-4707, U.S. Government Accountability Office, 441 G Street NW, Room 7814, Washington, DC 20548

