



UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION
WASHINGTON, D.C. 20580

Office of the CIO

Stanley F. Lowe
Chief Information Officer

Direct Dial
202-326-2579

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Ms. Karen Evans
Administrator, Office of E-Government and Information Technology
Office of Management and Budget
Old Executive Office Building, Room 572
17th Street & Pennsylvania Avenue, NW
Washington, DC 20503

Dear Ms. Evans:

Pursuant to your Memorandum for Chief Information Officers, entitled "FY 2007 E-Government Act Reporting Instructions" (M-07-20) and dated August 14, 2007, the following is the annual E-Government report on the progress of the Federal Trade Commission ("FTC," "Commission," or "the agency") in implementing the E-Government Act of 2002. As required, we are reporting on: (1) the agency's implementation of electronic government initiatives; and (2) agency information management activities.

Section 1: Implementation of Electronic Government Initiatives

The FTC has been a leader in the use of technology and the Internet to inform citizens of its mission and conduct certain other transactions with them without having to enlarge its workforce significantly. In FY 2003, the Commission premiered a redesign of its <http://www.ftc.gov> Web site. Also in 2003, the FTC deployed the National Do Not Call Registry, which now has over 64 million phone numbers registered enabling citizens to stop getting unwanted telemarketing phone calls. In FY2003, the agency implemented a Web service to update the FTC's Identity Theft database with records from the Georgia Governor's office of Consumer Affairs. Collecting this information in one database and sharing it with other agencies helps law enforcement identify trends in consumer issues and track illegal activities of specific businesses.

The FTC is currently working to fully implement the electronic filing of required information about mergers and acquisitions under the Hart-Scott-Rodino Premerger Notification Act. The FTC has coordinated the implementation of this interagency project and will operate this system on behalf of the FTC and the Department of Justice. The FTC also participates and cooperates in the implementation of OMB-identified E-Government initiatives that relate to the FTC's mission

and operations, such as www.regulations.gov. The FTC also complies with other provisions of the E-Government Act that apply to the Commission, including, for example, the provisions of Title III (Federal Information Security Management Act), and the privacy-related provisions of Title II (e.g., Web privacy policies and privacy impact assessments where required).

The Federal Trade Commission has chosen to highlight the **Consumer Information Systems (CIS) Portal Migration**, which is the culmination of a 2 year effort within the Federal Trade Commission, **as this year's agency specific initiative**. The FTC's Bureau of Consumer Protection (BCP) protects consumers from fraud, deception, and unfair practices in the marketplace. The BCP addresses current issues of importance to consumers, including identity theft, telemarketing fraud, Internet fraud, and consumer credit. To further its consumer protection mission, the FTC files law enforcement actions and provides consumer and business education to protect the public. The FTC works to ensure that consumers have accurate information for purchasing decisions, and confidence in the traditional and electronic marketplaces.

BCP uses the Consumer Information System (CIS) as the primary system to collect, analyze, extract, distribute, and archive/purge consumer-submitted data relating to its mission. In addition to recording instances of business practices related to fraud, financial loss, identity theft, and Do Not Call regulations, CIS also facilitates consumer requests for educational material related to numerous businesses. The BCP's consumer protection-related activities include consumer complaint collection and analysis, individual company and industry-wide investigations, administrative and federal court litigation, rulemaking proceedings, and consumer and business education.

The CIS is composed of several different components, including:

- Online Complaint Forms Accessed through:
 - www.ftc.gov
 - www.consumer.gov
 - www.econsumer.gov
- Consumer Sentinel
- The Identity Theft Data Clearinghouse
- Consumer Planet Sentinel
- The National Do Not Call Registry
- Military Sentinel
-

The Federal Trade Commission realized that the Oracle portal used to host these services had become unstable, outdated, and operated with a significant potential for downtime/system failure that would impact the more than 10,000 registered users who make use of the resources provided by CIS. In addition, the databases used in the Portal were segmented between two software products, Oracle and PlumTree. The Commission embarked on a consolidation and migration of these databases to PlumTree, ultimately providing a much more stable and robust single platform that could continue to address user's needs well into the future. This project was much more than simply migrating data from one software product to another, as it involved a complete restructuring of the underlying IT architecture.

A. How is this initiative transforming operations?

The Consumer Sentinel Network is a series of secure inter-connected websites through which authorized external law enforcement users can access data within the CIS system. This system now serves over 1700 law enforcement agencies, making the quick and efficient access to information contained therein an integral part of their missions. By implementing the CIS Portal Migration, The Federal Trade Commission has significantly reduced the risk of down time, thus ensuring that we can continue to provide materiel mandated by the United States Congress to law enforcement agencies around the world in a timely and effective manner. In addition, it is now much easier to add and modify content within the new system, enhancing the accuracy and timeliness of the information accessed through CIS. The Portal Migration has also allowed the FTC to better administer user rights and privileges with the Consumer Sentinel, making it easier for users to access the system.

B. How are we maintaining an ongoing dialogue with interested parties to find innovative ways to use information technology for this initiative?

The FTC, through the Bureau of Consumer Protection, works closely with internal CIS stakeholders to make the system more responsive to their needs, including any suggestions for system innovations, via email solicitations, meetings with the various Bureaus within the Federal Trade Commission. In addition, immediately prior to the live cutover of the new portal, the FTC sent out over 9,000 emails to keep users informed of the cutover plan, and to provide a mechanism for users to report any problems.

C. Identify external partners who collaborate with your agency on the initiative.

Through the CIS system, the FTC collaborates with the FBI, the Postal Inspection Service, 50 State Attorneys General, the Secret Service, Social Security Administration Inspector General, U.S. Attorney Offices, and over 1700 law enforcement organizations throughout the world. Stakeholders range from local law enforcement to national organizations.

D. Identify improved performance.

Qualitative benefits of the CIS Portal Migration have been achieved in several areas, including improved delivery of critical information to law enforcement, especially in the area of speed. It has positioned the Agency to avoid a costly system breakdown, and has prevented the potential loss of access to tools needed by law enforcement agencies by reducing the likelihood of a system failure. In addition, it has helped to facilitate consumer requests for educational material more efficiently.

The FTC's CIS Portal Migration went live on September 8th, 2007, and the FTC will be measuring performance metrics as data becomes available. The FTC has set a number of goals

for FY2007 which address the filing of consumer complaints, consumer education (in English and Spanish), fraud reporting, law enforcement actions, and other metrics that the CIS Portal Migration will help to achieve.

FY2007 goals include:

1.1.1: Collect and enter complaints and inquiries into the consumer database:

FY2007 Target: 1.0 Million

3rd Qtr. Actual: 749,000

1.1.2: Determine the percent of agency's consumer protection law enforcement actions which are responsive to the consumer complaint information gathered by the agency:

FY2007 Target: 50%

3rd Qtr. Actual: 86%

1.2.1: Stop fraudulent, deceptive, unfair, and other unlawful practices by obtaining (court) orders

FY2007 Target: 130

3rd Qtr Actual: 76

1.2.2: Stop economic injury to consumers through law enforcement (dollars saved)

FY2007 Target: \$400 Million

3rd Qtr. Actual: \$425 Million

1.3.1: Track consumer protection messages accessed online or in print:

FY2007 Target: 8.0 Million

3rd Qtr. Actual: 7.2 Million

1.3.3: Track consumer protection messages, in Spanish, accessed online or in print:

FY2007 Target: 2.2 Million

3rd Qtr. Actual: 1.7 Million

2.1.3: Percent of Significant non-merger investigations which result in a positive outcome:

FY2007 Goal: At least 90%

3rd Qtr. Actual: 100%

E. Quantify the cost savings and cost avoidance

When the FTC decided to implement the CIS Portal Migration, one of the most important factors driving the project was the prospect of having to repair or rebuild the databases which make up CIS, in an unplanned environment. This included the estimated cost of providing required information to law enforcement agencies manually instead of electronically. An internal projection put the approximate cost to rebuild the system, in the event of a failure, in excess of \$700,000. By contrast, a system rebuild in a planned environment (after implementing the portal migration) was estimated to cost significantly less, or approximately \$350,000.

In addition, the Agency determined that it would cost over \$3 million to provide the required data to law enforcement manually in the event that the old system failed. By FTC estimates, this number is approximately 10 times higher than the result of a similar failure under the newly migrated system. Moreover, the FTC has significantly reduced the likelihood of any system failure by implementing the migration project.

F. How are we assuring accessibility for those without Internet access and those with disabilities?

The CIS program recognizes that not all consumers have access to the Internet for communicating their complaints and requests to the FTC. Thus, consumer complaints are not only received through online complaint forms but they may also be phoned into the FTC's Consumer Response Center (CRC) at its toll-free number or submitted by mail, or in person. Likewise, consumers may call the CRC or write to the FTC in order to have copies of informational brochures mailed to them for free if they do not have Internet access to download the brochures from FTC's web site. The FTC has also assured that, in accordance with the E-GOV Act and section 508 of the Americans with Disabilities Act, that its Web sites are designed and formatted so that they are accessible to browsers used by the disabled, including consumers or law enforcement individuals with disabilities who may be using the Web sites to submit or access data incorporated into CIS. Likewise, the FTC maintains TTY telephone lines for deaf consumers to communicate with the FTC.

G. How does the project apply effective capital planning and investment control procedures?

Once the need to improve the CIS Portal was identified, the FTC began an internal review of the projected costs to address the issues, and the budget components necessary to achieve that. This involved a managerial level consultation process between the Information Technology Management Office, the Bureau of Consumer Protection, and the Financial Management Office. The review addressed the cost of the migration from Oracle to PlumTree, the costs associated with it, and multi year budget projections need to ensure that the CIS portal remained stable and secure for the future.

Section 2 – Agency Information Management Activities

The FTC provides the following requested links:

A. Information Resource Management (IRM) Strategic Plan.

The FTC Information Technology Management Office's 2007 strategic plan is currently under internal review. The final version will be posted to the www.ftc.gov web site when it is available.

B. Final information dissemination determinations, priorities and schedules, including information dissemination catalogs, directories, inventories or other management tools to improve dissemination of and public access to agency information.

The FTC's information dissemination determinations, priorities, and schedule are posted at: <http://www.ftc.gov/ftc/sitepolicy/sec207.shtm>. Other catalogs, directories, inventories or management tools that improve information dissemination and public access to FTC information include:

- Daily posting of news releases and media advisories on the FTC's enforcement, policy, consumer education, and other work.
- Commission actions from the past 37 years, including documents previously available to the general public only in book form, are available on the agency's Web site. These volumes – more than 70,000 pages covering 1969 through 2005 – contain virtually all administrative documents issued by the Commission, including Opinions, Final Orders, Complaints, and Consent Orders that result from negotiated consent agreements, as well as all Initial Decisions issued by Administrative Law Judges in administrative trial proceedings.
- An alphabetical list of almost all Commission federal court and administrative cases pursued since 1996-and hyperlinks to the pages on which documents arising from these cases are stored-is posted at <http://www.ftc.gov/os/caselist/indexb/shtm>.
- An index on the FTC's Web site listing categories of consumer publications that maybe downloaded, <http://www.ftc.gov/bcp/consumer.shtm>, ordered in bulk online, or ordered by a toll-free phone call to the FTC's Consumer Response Center (CRC), 1-877 -FTC-HELP.
- FTC Web sites or microsites focusing on specific consumer protection topics or services, including, but not limited to:
 - National Do Not Call Registry: <https://www.donotcall.gov/>
 - ID Theft: <http://www.ftc.gov/bcp/edu/microsites/idtheft/>
 - Consumer.gov and Consumer Sentinel: <http://www.consumer.gov/sentinel/>
 - OnGuard Online (Internet privacy): <http://onguardonline.gov/index.html>
 - KidzPrivacy: <http://www.ftc.gov/bcp/online/edcams/kidzprivacy/index.html>
 - Competition Counts: <http://www.ftc.gov/competitioncounts>
 - Health Care Competition: <http://www.ftc.gov/bc/healthcare/index.htm>
 - Real Estate Competition: <http://www.ftc.gov/bc/realestate/index.htm>
 - Oil and Gas Industry Competition: <http://www.ftc.gov/ftc/oilgas/index.html>
 - Technology Industry Competition: <http://www.ftc.gov/bc/tech/index.htm>
- “For the Consumer,” a monthly, electronic newsletter, from the FTC's Office of Congressional Relations, highlighting recent agency actions, <http://www.ftc.gov/ocr/fortheconsumer.shtm>, and other indexes on the FTC Web site of agency actions, speeches, testimony, etc.

- Periodic public webcasts and blogs of agency speeches, announcements, and workshops, http://htc-01.media.globix.net/COMP008760MOD1/ftc_web/FTCindex.html, <http://www.ftc.gov/blog/index.shtml>, as well as real simple syndication (RSS) feeds and Podcasts, <http://www.ftc.gov/rss/faq.shtml>

C. Agency FOIA handbook, primary FOIA Web site, and link to frequently requested records

The FTC's FOIA Web page is <http://www.ftc.gov/foia/index.shtml>, where members of the public can visit the electronic reading room, <http://www.ftc.gov/foia/readingroom.shtml>, containing frequently requested records and the agency's FOIA Handbook.

D. Federally funded research and development (R&D) Web sites

Not applicable. The FTC does not fund Federal R&D activities.

E. Inventory describing formal agency agreements with external entities (e.g., State or local partnerships, public libraries, industry and commercial search engines) complementing the agency's information dissemination program, and brief explanation how these agreements improve public information access

The FTC is a lead member of consumer.gov, which serves as a Web resource for consumer information from the Federal government, <http://www.consumer.gov/>. That Web site highlights a variety of projects or initiatives that reflect partnerships or other formal or informal agreements with external (non-Federal) entities to disseminate information to the public.

For example, as noted on that site, the FTC is a member agency in the Partnership for Healthy Weight Management, <http://www.consumer.gov/weightloss/index.htm>, a coalition that includes representatives from science, academia, the health care profession, government, commercial enterprises and organizations whose mission is to promote sound guidance on strategies for achieving and maintaining a healthy weight. The Web page at the URL above compiles information useful to individuals as well as businesses on weight loss and weight loss plans. In FY2007, the FTC also formally participated with other Federal and non-Federal agencies in joint National Consumer Protection Week, <http://www.consumer.gov/ncpw/>, which highlighted consumer protection efforts across the country.

The FTC also participates in a cross-border (international) effort with consumer protection agencies from over 20 other nations to provide consumer protection information and online consumer complaint access in several languages, at <http://www.econsumer.gov/>. In addition, the FTC has several standing arrangements and memoranda of understanding with other foreign

nations' consumer protection agencies, <http://www.ftc.gov/oia/agreements.shtml>, and some of those formal agreements involve pledges by the respective parties to cooperate and assist in consumer education efforts.

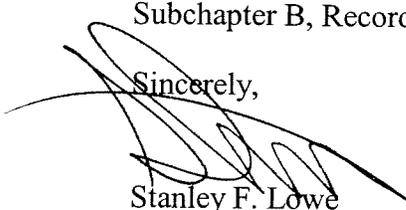
F. Inventory describing: (1) NARA-approved records schedules or link to publicly posted records schedules; (2) brief explanation of progress in implementing NARA Bulletin 2006-02; (3) number of systems for which a record was submitted to NARA in FY2007; and (4) number of systems still requiring records schedules.

During FY 2008, the Commission plans to submit to the National Archives and Records Administration (NARA) a "big bucket" comprehensive records schedule prepared in accordance with guidance contained in NARA Bulletin 2005-05 (<http://www.archives.gov/records-mgmt/bulletins/2005/2005-05.html>). When approved by NARA, the comprehensive records schedule will replace FTC's current records schedules (which schedule 241 items) and will schedule previously unscheduled records. The comprehensive records schedule will cover all agency records (other than administrative records scheduled under General Records Schedule 1, applicable to all agencies). As such, the comprehensive records schedule will cover electronic systems.

Submitting the comprehensive records schedule to NARA during FY 2008 will put FTC well ahead of the September 30, 2009 deadline, established in NARA Bulletin 2006-02, for scheduling electronic information systems in steady-state operation or mixed life-cycle stage as of December 17, 2005. In September 2006, FTC submitted to NARA a list of major systems. FTC, as part of an agency wide records inventory prepared profiles of these systems. FTC is in the process of confirming additional systems to inventory and profile. Major systems and legacy systems will be cross-walked to the comprehensive records schedule and included as an appendix to the schedule when FTC submits it to NARA. Pending submission and approval of the comprehensive records schedule, FTC will dispose of administrative electronic systems under applicable General Records Schedules (the comprehensive schedule will replace the General Records Schedules for most FTC administrative records).

Pending submission and approval of the comprehensive records schedule, FTC continues to manage unscheduled systems in a manner consistent with 44 U.S.C. ch. 31, 44 U.S.C. 3506, 36 CFR Ch. XII, Subchapter B, Records Management, and OMB Circular A-130, par. 8a1(j) and (k) and 8a4.

Sincerely,



Stanley F. Lowe

Chief Information Officer