

A detailed marble sculpture depicting a muscular man wrestling a horse. The man is on the left, leaning forward with his arms around the horse's neck. The horse is on the right, rearing up with its mouth open. The background is a wall of large, rectangular stone blocks.

Federal Trade Commission
SEMIANNUAL REPORT
TO CONGRESS

Office of Inspector General

April 1, 2010 – September 30, 2010

Report No. 44



IN 1938, MICHAEL LANTZ WON THE COMPETITION TO DESIGN TWO SCULPTURES FOR THE APEX BUILDING, HOME OF THE FEDERAL TRADE COMMISSION IN WASHINGTON, D.C. THE WIDELY PUBLICIZED "APEX COMPETITION" WAS THE LARGEST AMERICAN SCULPTURE COMPETITION EVER HELD, RECEIVING ALMOST FIVE HUNDRED MODELS FROM MORE THAN TWO HUNDRED ARTISTS.

LANTZ SUBMITTED SMALL MODELS OF HIS DESIGNS, EACH SHOWING A HEROIC FIGURE STRAINING TO CONTROL A POWERFUL HORSE. THE FINAL, SEVENTEEN FOOT-LONG STATUES WERE COMPLETED IN 1942 AND INSTALLED OUTSIDE THE EASTERN ENTRANCE OF THE FEDERAL TRADE COMMISSION BUILDING, WHERE THEY CAN BE SEEN TODAY.

The Federal Trade Commission (FTC) is an independent agency of the United States government. Established in 1914 by the Federal Trade Commission Act (15 U.S.C. §41-58, as amended). The FTC has two critical goals: protecting consumers and maintaining competition. The FTC's mission is to prevent business practices that are anticompetitive or deceptive or unfair to consumers; to enhance informed consumer choices and public understanding of the competitive process; and to accomplish these missions without unduly burdening legitimate business activity.

The FTC's mission is carried out by three bureaus: the Bureau of Consumer Protection, the Bureau of Competition, and the Bureau of Economics. Work is aided by offices including the Office of the General Counsel, the Office of Inspector General, the Office of International Affairs, the Office of the Executive Director, and seven regional offices. The FTC is headed by a commission composed of five commissioners, nominated by the President and confirmed by the Senate, each serving a seven-year term.

The FTC seeks to ensure that the nation's markets are competitive, efficient and free from undue restrictions. The FTC also seeks to improve the operations of the marketplace by ending unfair and deceptive practices with emphasis on those practices that might unreasonably restrict or inhibit the free exercise of informed choice by consumers. The FTC relies on economic analysis to support its law enforcement efforts and to contribute to the economic policy deliberations of Congress, the Executive Branch and the public.

Many of the FTC's resources can be accessed through its Web site www.ftc.gov.

THIS ISSUE OF OUR SEMIANNUAL REPORT TO CONGRESS FEATURES DECORATIVE ELEMENTS FROM THE FTC BUILDING.

COVER: "MAN CONTROLLING TRADE" SCULPTURE IN FRONT OF THE FEDERAL TRADE COMMISSION BUILDING 600 PENNSYLVANIA AVE. N.W. WASHINGTON D.C. COMPLETED IN 1942 BY ARTIST MICHAEL LANTZ.



UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION

WASHINGTON, D.C. 20580

OFFICE OF INSPECTOR GENERAL

October 29, 2010

A MESSAGE FROM THE INSPECTOR GENERAL

On behalf of the Federal Trade Commission Office of Inspector General (OIG), I am pleased to present our Semiannual Report to Congress for the period ended September 30, 2010.

During the semiannual period, we issued an audit of the FTC's travel program and issued Management Challenges for inclusion in the FTC FY 2010 Performance and Accountability Report. Our reports can be found at www.ftc.gov/oig.

The OIG processed 44 consumer inquiries and allegations of possible wrongdoing. We opened three new investigations and closed two criminal investigations. We closed 17 complaints during the current reporting period and referred 18 complaints to appropriate FTC program offices and two to other federal agencies. Some new complaint files are still ongoing.

As in the past, FTC management has been responsive in working with the OIG to resolve all proposed recommendations. I appreciate management's support and look forward to working with management in our ongoing efforts to promote economy and efficiency in agency programs.

John M. Seeba
Inspector General



PHOTO ABOVE: THE FEDERAL TRADE COMMISSION BUILDING 600 PENNSYLVANIA AVE. NW, WASHINGTON DC.

TABLE OF CONTENTS

INTRODUCTION AND DEFINITIONS	1
AUDITS AND RELATED ACTIVITIES	3
COMPLETED AUDITS	3
PEER REVIEW	3
AUDIT RESOLUTION	5
AUDIT ACTIVITIES PLANNED OR IN PROGRESS	5
OTHER POTENTIAL REVIEWS	6
INVESTIGATIVE ACTIVITIES	7
INVESTIGATIVE SUMMARY	7
INVESTIGATIONS CLOSED	8
MATTERS REFERRED FOR PROSECUTION	8
OTHER ACTIVITIES	9
LIAISON WITH OTHER AGENCIES.....	9
ACTIVITIES WITHIN THE INSPECTOR GENERAL COMMUNITY	9
ACCESS TO INFORMATION	9
REVIEW OF LEGISLATION	9
TABLE I: SUMMARY OF INSPECTOR GENERAL REPORTING REQUIREMENTS	10
TABLE II: INSPECTOR GENERAL ISSUED REPORTS WITH QUESTIONED COSTS	11
TABLE III: INSPECTOR GENERAL ISSUED REPORTS WITH RECOMMENDATIONS THAT FUNDS BE PUT TO BETTER USE	11
CONTACTING THE OFFICE OF INSPECTOR GENERAL	12



ABOVE: THIS RELIEF ENTITLED "AGRICULTURE" WAS CREATED BY ARTIST CONCETTA SCARAVAGLIONE IN 1938. IT IS ONE OF FOUR LIMESTONE RELIEFS ABOVE THE ENTRANCE DOORS OF THE FEDERAL TRADE COMMISSION BUILDING 600 PENNSYLVANIA AVE. NW, WASHINGTON DC.

INTRODUCTION AND DEFINITIONS

THE MISSION OF THE OFFICE OF INSPECTOR GENERAL IS TO PROMOTE ECONOMY, EFFICIENCY, AND EFFECTIVENESS BY DETECTING AND PREVENTING WASTE, FRAUD, AND ABUSE.

In compliance with the Inspector General Act Amendments of 1988 (5 U.S.C. app.), the Office of Inspector General (OIG) was established in 1989, as an independent and objective organization within the FTC.

Under the Inspector General Act, the OIG is responsible for conducting audits and investigations relating to the programs and operations of the FTC. Audits are conducted for the purpose of finding and preventing fraud, waste and abuse and to promote economy, efficiency and effectiveness within the agency. OIG investigations seek out facts related to allegations of wrongdoing on the part of FTC employees and individuals or entities having contracts with or obtaining benefits from the agency.

Individuals who wish to file a complaint about the business practices of a particular company or entity, or allegations of identity theft, deceptive advertising practices or consumer fraud should file a complaint with the FTC Bureau of Consumer Protection.

Complaints to the OIG from the public or from an FTC employee can be made anonymously. The identity of an FTC employee who reports waste or wrongdoing to the OIG will be protected from disclosure consistent with provisions of the Inspector General Act. In addition, the Inspector General Act and the Whistleblower Protection Act prohibit reprisals against employees for complaining to or cooperating with the OIG.

The OIG is required by law to prepare a semiannual report summarizing the activities of the Office during the immediately preceding six-month period. The report is sent to the FTC Chairman, the President of the Senate, the Speaker of the House and FTC's appropriating and authorizing committees. This dual reporting requirement facilitates and ensures the independence of the Office. The OIG has a budget of \$1,102,900 for fiscal year 2010.

WE PERFORM THE FOLLOWING SERVICES:

ATTESTATIONS involve examining, reviewing, or applying agreed-upon procedures on a subject matter, or an assertion about a subject matter. Attestations can have a broad range of financial or nonfinancial objectives as the FTC's compliance with specific laws and regulations, validation of performance against performance measures; or reasonableness of cost.

PERFORMANCE AUDITS address the efficiency, effectiveness, and economy of the FTC's programs, activities, and functions; provide information to responsible parties to improve public accountability; facilitate oversight and decision making; and initiate corrective actions as needed.

FINANCIAL AUDITS provide an independent assessment of whether financial statements are presented fairly in accordance with generally accepted accounting principles. Reporting on financial audits in accordance with Government Auditing Standards also includes reports on internal control, and compliance with provisions of laws, regulations, and contracts as they relate to financial transactions, systems and processes.

INVESTIGATIONS are conducted based on alleged or suspected fraud, waste, abuse or gross mismanagement, employee and contractor misconduct, and criminal and civil violations of law that have an impact on FTC's programs and operations. The OIG refers matters to the U.S. Department of Justice whenever the OIG has reasonable grounds to believe there has been a violation of federal criminal law. The OIG also identifies fraud indicators and recommends measures to management to improve the agency's ability to protect itself against fraud and other wrongdoing.

AUDITS AND RELATED ACTIVITIES

COMPLETED AUDITS

During this period, we issued an audit report on the Federal Trade Commission travel program.

AR 10-003 – AUDIT OF THE FTC TRAVEL PROGRAM

The objective of this audit was to determine if the FTC is properly administering its travel program in accordance with applicable laws and regulations.

The use of federal travel charge cards was mandated by the Travel and Transportation Reform Act of 1998 (TTRA) (P.L. 105-264) in an effort to reduce travel costs and streamline the process of administering agency travel programs. All federal employees must now use federal travel cards for official business travel if they travel 6 or more times per year. Since the enactment of TTRA, the number of travel card transactions at the FTC increased 94% (from 7,594 to 14,722) and dollar volume increased 67% from \$1.2 million in FY 2000 to approximately \$2 million in FY 2009.

Reports by the General Accountability Office and agency Inspectors General, with their disclosures of waste, fraud, and abuse, have prompted congressional hearings and press reports. Audits have found that employees have used their travel cards for personal use and have traveled premium class without proper authorization. Audits have also found that agencies have failed to ensure that they claim reimbursement for unused airline tickets. These reports have raised serious concerns regarding the internal control systems that monitor the use of the more than 2.6 million Government travel cards in circulation.

We found that overall, the FTC had followed the policies and procedures promulgated in the Federal Travel Regulations. We found that the Financial Management Office (FMO) had a system of internal controls in place to minimize the possibility of unauthorized use of the travel card, to correctly reimburse travelers in accordance with the regulations, and to comply with federal regulations limiting premium travel. We did find that some improvements were needed to enhance the controls over the FTC travel program. Management agreed with and has initiated corrective actions in response to the following recommendations.

We recommended:

1. Reconciliation of the Central Billing Account

FMO implement a procedure to identify and review the Centrally Billed Account for potentially erroneous outstanding charges.

2. Tracking Reimbursements of non-Federal Sponsored Travel

FMO document all reimbursable expenditures for FTC staff for non-Federal source travel, and coordinate with the Designated Agency Ethics Official (DAEO) and the travelers' Administrative Officers to ensure follow-up with all sponsors who have not reimbursed the agency in a timely manner.

3. Timely Cancellation of Travel Cards for Separated Employees

FMO should, at least annually, compare the Citibank active cardholders list to a list of active employees maintained by the Human Resources Management Office.

4. FTC Travel Card Training

FMO should coordinate with the Human Resources Management Office and with the Records and Filings Office to ensure that FTC's training program is in compliance with OMB A-123, Appendix B; 3.4 on general training requirements.

PEER REVIEWS

The OIG community conducts peer reviews of audit functions to ensure quality programs. Another OIG reported on our audit function in December 2009, and during this reporting period, we performed a review of another OIG's audit function.



PHOTO ABOVE: "AMERICAN EAGLES" ONE OF TWO LIMESTONE RELIEFS LOCATED ON THE SIDE OF THE FEDERAL TRADE COMMISSION BUILDING CREATED IN 1938 BY ARTIST SIDNEY WAUGH (1904-1963).

EXTERNAL PEER REVIEW OF THE FTC OIG AUDIT OPERATIONS BY THE SMITHSONIAN INSTITUTION OIG

The most recent external peer review of the FTC Office of Inspector General was conducted by the Smithsonian Institution (SI) OIG, that issued its report dated December 2009. The SI OIG reviewed the system of quality control of the FTC OIG in effect for the two-year period ended March 31, 2009 in accordance with generally accepted government auditing standards (GAGAS) and the guidelines established by the Council of the Inspectors General on Integrity and Efficiency. Under GAGAS, audit organizations that conduct audits or attestations in accordance with those standards must have an appropriate system of quality control and undergo external peer reviews at least once every three years. The SI OIG made no recommendations in its report. The report concluded that our system of quality control for the audit function was designed to meet the requirements of the quality control standards established by the Comptroller General of the United States in all material respects and awarded the FTC OIG the highest possible peer review rating, i.e., a rating of pass.

PEER REVIEW OF NATIONAL ENDOWMENT FOR THE ARTS OFFICE OF INSPECTOR GENERAL

During this reporting period, we conducted an external peer review of the audit activities of the National Endowment for the Arts (NEA) OIG. The objective of this external peer review is to determine whether, for the period under review, the NEA OIG audit organization's system of quality control was suitably designed to provide a reasonable assurance of conforming to GAGAS and to determine whether the audit organization complied with its quality control system.

We commenced a review of the NEA OIG audit organization and the design of its system of quality control to assess the risks implicit in its audit function. Based on our assessments, we selected for review audits conducted under GAGAS by the NEA OIG that were completed during the year ended March 31, 2010. In the course of our review, we examined supporting documentation, conducted interviews, and tested the adequacy of the design of the quality control system to provide reasonable assurance of compliance with GAGAS. Also, we tested compliance with the audit

organization's system of quality control to the extent appropriate.

Additionally, we reviewed the NEA OIG's monitoring of an engagement performed by an Independent Public Accountant (IPA), in which the IPA served as the principal auditor. We completed this review and issued our report in August 2010. Our report had no recommendations for the NEA OIG. In our report we concluded that the NEA OIG system of quality control for the audit function was designed to meet the requirements of the quality control standards established by the Comptroller General of the United States in all material respects and awarded the NEA OIG the highest possible peer review rating, i.e., a rating of pass.

AUDIT RESOLUTION

As of the end of this reporting period, all OIG audit recommendations for reports issued in prior periods have been resolved. That is, management and the OIG have reached agreement on what actions need to be taken.

AUDIT ACTIVITIES PLANNED OR IN PROGRESS

The OIG plans the following audit related activities during the first half of FY 2011:

AR 11-001 - AUDIT OF THE FTC FINANCIAL STATEMENTS FOR FY 2010

The annual financial statement audit is required annually under the Accountability of Tax Dollars Act of 2002. We contract out this audit to an independent public accountant to perform this work. The OIG serves as the Contracting Officer's Technical Representative (COTR) and provides oversight on the contract. The purpose of the audit is to express an opinion on the financial statements of the Federal Trade Commission for the fiscal year ending September 30, 2010. The audit will also test the internal controls over financial reporting and assess compliance with selected laws and regulations. The audited financial statements are included in the financial section of the agency's Performance and Accountability Report to be issued on or before November 15, 2010.

AR 11-002 – REVIEW OF FTC FISMA IMPLEMENTATION FOR FY 2010

The Federal Information Security Management Act of 2002 (FISMA) requires an annual evaluation of each agency’s information security program and practices to determine their effectiveness. The evaluation shall be performed by the Inspector General or by an independent external auditor, as determined by the Inspector General.

To assist us in conducting this review, we hire an independent consultant to perform this work. The OIG acts as the COTR and performs oversight during the execution of this contract. The review includes evaluating the adequacy of the FTC’s computer security program and practices for its major systems. This year, the review is focusing on the FTC’s general support system infrastructure, NIST Federal Information Processing Standards (FIPS) 199 Security Categorization, the privacy report, and FTC’s Plan of Action and Milestones to determine the extent to which the agency has implemented previously agreed upon OIG and other internally identified recommendations. This will enable the OIG to provide feedback to management on the results of its efforts to address program weaknesses.

This year’s FISMA review has also added a new task order to accommodate the significant changes affecting the FTC IT environment in two areas: OMB’s proposed change in reporting metrics that substantially changes the procedures, level of effort, and technical review areas required to complete the FY 2010 FISMA review, and the modernization and revision of the FTC computing and communications architecture.

AR 11-003 - FTC PURCHASE CARD

The audit objective is to follow-up on a previously issued report on purchase cards and determine whether the FTC administers the program in accordance with applicable policies and procedures. The audit will review transactions completed from October 2009 through June of 2010. Our review will identify the purchase card reviewers and purchase card holders throughout the agency that conducted transactions during the period under review. Our focus will be for the first six months of FY 2010 and may be expanded depending on our initial findings. From our survey work, we will identify any issues to address, and any further audit work that is necessary to confirm any potential findings.

OTHER POTENTIAL REVIEWS

During the upcoming year we will also conduct research on the following program functions to determine the need for further audit work of:

- inventory controls over accountable property
- case management



INVESTIGATIVE ACTIVITIES

The Inspector General is authorized by the IG Act to receive and investigate allegations of employee misconduct as well as fraud, waste and abuse occurring within FTC programs and operations. Matters of possible wrongdoing are referred to the OIG in the form of allegations or complaints from a variety of sources, including FTC employees, other government agencies and the general public. Reported incidents of possible fraud, waste and abuse can give rise to administrative, civil or criminal investigations.

Of the remaining complaints, the OIG opened three new investigations and 17 complaints were closed with no further OIG action. Two of the remaining complaints involved a preliminary OIG inquiry that consumed considerable OIG resources but did not result in a full phase OIG investigation. Two complaints to the OIG were referred to another federal or state agency with appropriate jurisdiction. Two allegations are currently being evaluated to determine whether further OIG action is warranted.

INVESTIGATIVE SUMMARY

During this reporting period, the OIG received 44 consumer and other inquiries and reports of possible wrongdoing. Of the 44 complaints, 18 involved issues that fall under the jurisdiction of FTC program components (e.g., identity theft, credit repair, etc.). These matters were referred to the appropriate FTC component for disposition.



In addition to the complaints described above, the OIG received more than 200 complaints from individuals who reported fraudulent misuse of the name of the FTC and/or impersonations of the FTC staff as part of a widespread scam. These consumer complaints were tracked by our office in our ongoing work with other federal law enforcement organizations. However the volume of these complaints is not included in the statistical information above.

FOLLOWING IS A SUMMARY OF THE OIG'S INVESTIGATIVE ACTIVITIES FOR THE SIX-MONTH PERIOD ENDING SEPTEMBER 30, 2010:

Cases pending as of 3/31/10 5
PLUS: New Cases 3
Less: Cases Closed (2)
Cases Pending as of 09/30/10 6

INVESTIGATIONS CLOSED

During this reporting period, the OIG closed two separate investigations (each opened in a prior reporting period) involving allegations against employees of an FTC contractor. The first investigation involved allegations that one of the contractor's employees was stealing FTC information technology (IT) equipment and selling it. The second investigation initially focused on theft allegations against a different employee of the same FTC contractor. Ultimately, we discovered that several employees of the FTC contractor were engaged in misuse of Government property. The results of the second investigation were reported to agency management and several employees of the FTC contractor were removed from the FTC contract as a result of the second OIG investigation. The two investigations are discussed below.

The first investigation that we closed during this reporting period focused on allegations that a contractor employee misappropriated FTC property and sold it as part of the individual's outside business activity. After analyzing agency IT property records, the OIG interviewed the contractor employee and gathered additional independent evidence relating to the allegations. Because the agency's controls over IT property were incomplete and inadequate, the OIG was unable to substantiate the allegations. We closed this investigation without referral to management.

We also closed a second investigation during this reporting period. The second investigation involved a different employee of the same contractor company referred to above. The OIG investigated allegations that the second contractor employee was misusing FTC Blackberry devices in connection with criminal activities. This individual was responsible for distribution of FTC Blackberry devices, with no agency staff approval or review. The agency's inventory control lapses, mentioned above, constrained our ability to demonstrate that the subject individual had stolen FTC Blackberry devices, as alleged. However, available evidence demonstrated that the subject contractor employee misused FTC Blackberry devices when she incurred thousands of dollars in wireless charges for personal use on her FTC Blackberry.

The agency's failure to establish adequate controls over the Blackberry distribution program enabled the subject employee to misuse the agency's Blackberry devices and distribute the devices to friends and associates for non-FTC related use, including alleged criminal activities.

Our investigation further revealed evidence of misuse of FTC Blackberry devices by several other contractor employees, including the individual who was the subject of the first closed investigation described above. We recommended that agency management remove several contractor employees from performance on the contract and terminate each individual's access to FTC property. Management acted on our recommendation. Accordingly, we closed the investigation.

To correct the inadequate controls over the Blackberry program, the OIG recommended that agency management require that an agency employee approve distribution of Blackberry devices to individuals, rather than rely on contractor employees for this function. Agency management immediately responded to the OIG recommendation, conducted an inventory of agency Blackberry devices and terminated wireless service for devices that were not properly issued to agency or contractor employees. Management also imposed new control measures as recommended by the IG

MATTERS REFERRED FOR PROSECUTION

During this reporting period the OIG did not refer any new matters to the Department of Justice (DOJ) for consideration of potential criminal action. The OIG consulted with DOJ prosecutors regarding two pending OIG investigations.

A matter referred to DOJ during a previous reporting period remains pending at DOJ (Office of Public Integrity), with no final action to date.

OTHER ACTIVITIES

LIAISON WITH OTHER AGENCIES

During this reporting period, our Lead Investigator continued to assist the prosecution of a matter handled by the Assistant United States Attorney in the Western District of Texas. The successful prosecution and conviction of a Legal Services Corporation grantee employee who defrauded the Government resulted in a 54 month sentence and order that he repay the Government \$135,000 in restitution.

In conducting criminal investigations, the OIG has sought assistance from, and worked jointly with other law enforcement agencies including Department of Homeland Security, Federal Protective Service, United States Postal Service OIG, Federal Bureau of Investigation, U.S. Postal Inspection Service, U.S. Secret Service, U.S. Marshals Service, Internal Revenue Service, U.S. Capitol Police, as well as state and local law enforcement agencies.

ACTIVITIES WITHIN THE INSPECTOR GENERAL COMMUNITY

The FTC IG is an active participant in the Council of the Inspectors General on Integrity and Efficiency (CIGIE), a council of inspectors general that promotes collaboration on integrity, economy, and efficiency issues that transcend individual agencies. The IG is also the vice-chair of the Audit Committee of the CIGIE.

The FTC Inspector General is also the chair of the audit committee overseeing the audit of the Department of Defense Inspector General's financial statements. In this capacity, the IG along with two other senior government officials provides oversight on the DOD OIG's financial statement audit.

The OIG Audit Manager participates regularly in the monthly meeting of the Financial Statement Audit Network, meetings of the Federal Audit Executive Committee Information Technology committee; and a working group responding to OMB potential changes in the form and content of audited financial statements.

Our IG Counsel participates regularly in the monthly meeting of the Council of Counsel to the Inspectors General (CCIG), as well as contributes to the legal discourse within that Council on matters that are germane to the entire IG community.

Our Lead Investigator is actively participating in an OIG-community working group that is designing a training

program for investigators engaged in undercover operations. The training program is available through the Inspector General Criminal Investigator Academy in conjunction with the Federal Law Enforcement Training Center.

In addition, our Lead Investigator is actively participating in a Department of Justice led multi-agency task force.

SIGNIFICANT MANAGEMENT DECISIONS

Section 5(a)(12) of the Inspector General Act requires that if the IG disagrees with any significant management decision, such disagreement must be reported in the semiannual report to Congress. Further, Section 5(a)(11) of the Act requires that any decision by management to change its response to a significant resolved audit finding must also be disclosed in the semiannual report. For this reporting period there were no significant final management decisions made with which the OIG disagreed, and management did not revise any earlier decisions on OIG audit recommendations.

ACCESS TO INFORMATION

The IG is to be provided with ready access to all agency records, information, or assistance when conducting an investigation or audit. Section 6(b)(2) of the IG Act requires the IG to report to the agency head, without delay, if the IG believes that access to required information, records or assistance has been unreasonably refused, or otherwise has not been provided. A summary of each report submitted to the agency head in compliance with Section 6(b)(2) must be provided in the semiannual report in accordance with Section 5(a)(5) of the Act. During this reporting period, the OIG did not encounter any problems in obtaining assistance or access to agency records. Consequently, no report was issued by the IG to the agency head pursuant to Section 6(b)(2) of the IG Act.

REVIEW OF LEGISLATION

Section 4(a)(2) of the IG Act authorizes the IG to review and comment on proposed legislation or regulations relating to the agency or, upon request, affecting the operations of the OIG. During this reporting period, the OIG reviewed no legislation.

TABLE I: SUMMARY OF INSPECTOR GENERAL REPORTING REQUIREMENTS

IG ACT REFERENCE	REPORTING REQUIREMENT	PAGE(S)
Section 4(a)(2)	Review of legislation and regulations	9
Section 5(a)(1)	Significant problems, abuses and deficiencies	N/A
Section 5(a)(2)	Recommendations with respect to significant problems, abuses and deficiencies	N/A
Section 5(a)(3)	Prior significant recommendations on which corrective actions have not been made	N/A
Section 5(a)(4)	Matters referred to prosecutive authorities	9
Section 5(a)(5)	Summary of instances where information was refused	N/A
Section 5(a)(6)	List of audit reports by subject matter, showing dollar value of questioned costs and funds put to better use	11-12
Section 5(a)(7)	Summary of each particularly significant report	3
Section 5(a)(8)	Statistical tables showing number of reports and dollar value of questioned costs	11
Section 5(a)(9)	Statistical tables showing number of reports and dollar value of recommendations that funds be put to better use	11
Section 5(a)(10)	Summary of each audit issued before this reporting period for which no management decision was made by the end of the reporting period	N/A
Section 5(a)(11)	Significant revised management decisions	9
Section 5(a)(12)	Significant management decisions with which the inspector general disagrees	9

TABLE II: INSPECTOR GENERAL ISSUED REPORTS WITH QUESTIONED COSTS

		NUMBER	DOLLAR VALUE	
			QUESTIONED COSTS	UNSUPPORTED COSTS
A.	For which no management decision has been made by the commencement of the reporting period	0	0	0
B.	Which were issued during the reporting period	0	0	0
	Subtotals (A + B)	0	0	0
C.	For which a management decision was made during the reporting period	0	0	0
	(i) dollar value of disallowed costs	0	0	0
	(ii) dollar value of the cost not disallowed	0	0	0
D.	For which no management decision was made by the end of the reporting period	0	0	0
E.	Reports for which no management decision was made within six months of issuance	0	0	0

TABLE III: INSPECTOR GENERAL ISSUED REPORTS WITH RECOMMENDATIONS THAT FUNDS BE PUT TO BETTER USE

		NUMBER	DOLLAR VALUE
A.	For which no management decision has been made by the commencement of the reporting period	0	0
B.	Which were issued during this reporting period	0	0
C.	For which a management decision was made during the reporting period	0	0
	(i) dollar value of recommendations that were agreed to by management	0	0
	- based on proposed management actions	0	0
	- based on proposed legislative action	0	0
	(ii) dollar value of recommendations that were not agreed to by management	0	0
D.	For which no management decision has been made by the end of the reporting period	0	0
E.	Reports for which no management decision was made within six months of issuance	0	0

CONTACTING THE OFFICE OF INSPECTOR GENERAL

HELP PROMOTE INTEGRITY, ECONOMY, AND EFFICIENCY

REPORT SUSPECTED FRAUD, WASTE, ABUSE, OR MISMANAGEMENT

COMPLAINTS MAY BE MADE ANONYMOUSLY

OFFICE OF INSPECTOR GENERAL

FEDERAL TRADE COMMISSION

600 PENNSYLVANIA AVE. NW

WASHINGTON, DC 20580

HOTLINE TELEPHONE NUMBER: (202) 326-2800

FAX NUMBER: (202) 326-2034

HOTLINE EMAIL: oig@ftc.gov

**ANY INFORMATION YOU PROVIDE WILL BE HELD IN CONFIDENCE.
HOWEVER, PROVIDING YOUR NAME AND A MEANS OF COMMUNICATING
WITH YOU MAY ENHANCE OUR ABILITY TO INVESTIGATE.**

THIS PAGE LEFT INTENTIONALLY BLANK

The FTC's
**Office of the
Inspector General**

We want to hear from you.



OIG. Working to keep the FTC
efficient, responsible & trustworthy.

Report fraud, waste, abuse and mismanagement to the OIG.

Call the OIG Hotline (202) 326-2800

Email OIG@ftc.gov

ftc.gov/OIG