



FEDERAL TRADE COMMISSION  
**SEMIANNUAL REPORT TO CON-  
GRESS**

Office of Inspector General

Report No. 47



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

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](http://www.ftc.gov).



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



OFFICE OF INSPECTOR GENERAL

UNITED STATES OF AMERICA

# FEDERAL TRADE COMMISSION

WASHINGTON, D.C. 20580

April 30, 2012

## 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 March 31, 2012.

During the semiannual period, we issued the annual financial statement audit report and the annual FISMA report. Our reports can be found at [www.ftc.gov/oig](http://www.ftc.gov/oig). In addition, we completed a peer review of the Postal Regulatory Commission Office of Inspector General.

The OIG processed 80 consumer inquiries and allegations of possible wrongdoing. We opened six new investigations and closed five criminal investigations. We closed 11 complaints during the current reporting period and referred 55 complaints to appropriate FTC program offices and one to another federal agency.

As in the past, FTC management has been responsive in working with the OIG to resolve all proposed recommendations. We 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

## ***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 \$1,037,100 for fiscal year 2012.

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## **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 and Reports

During this period, we issued two reports on the Federal Trade Commission: the financial statement audit report, and the annual FISMA report.

#### **AR 12-001 Audit of the FTC Financial Statements for FY 2011**

Federal law requires that the FTC obtain an annual independent audit of its financial statements, which the OIG oversees. We contracted with the independent public accounting firm of Dembo, Jones, Healy, Pennington & Marshall, P.C. (DJHPM) under a multiyear contract for which the OIG serves as the Contracting Officer's Representative (COR). The oversight of the contractor ensured that the audit complied with generally accepted government auditing standards and met contract requirements.

The audit was performed in accordance with U.S. generally accepted government auditing standards and OMB audit guidance. For the 15th consecutive year the FTC received an unqualified opinion, the highest opinion given by independent auditors. As a result of the audit of FTC's financial statement for the year ended September 30, 2011, DJHPM found:

- the financial statements were presented fairly, in all material respects, in conformity with U.S. generally accepted accounting principles,
- no material weaknesses in internal control over financial reporting (including safeguarding assets) and compliance with laws and regulations, and
- no reportable noncompliance with laws and regulations tested.

#### **AR 12-002 – Evaluation of FTC's Information and Security Program and Practices for FY 2011**

The Federal Information Security Management Act of 2002 (FISMA) requires federal agencies, including the FTC, to develop, document, and implement an agency-wide information security program. FISMA also requires each Inspector General to conduct an independent evaluation of its agency's information security program and practices.

The OIG contracted with Allied Technology Group Inc. (Allied Technology) to perform the FY 2011 IG FISMA evaluation of the FTC information assurance and privacy programs. The objective was to provide an evaluation of the effectiveness of the FTC's information assurance and privacy programs and compliance with Office of Management and Budget (OMB) and National Institute of Standards and Technology (NIST) guidance.

This information is provided to senior management and others to enable them to determine the effectiveness of overall security programs, to ensure the confidentiality and integrity of data entrusted to the FTC, and to develop strategies/best practices for cost effectively improving information security.

The evaluation showed that the FTC has established an information security program that is in substantial compliance with applicable security and privacy requirements.

The status of the FTC information assurance and privacy programs was summarized in the FISMA reporting metrics submitted through CyberScope, the platform for the FISMA reporting process. As stated in the Cyberscope metric report, the IG independent evaluation of the FTC information assurance and privacy programs resulted in a determination that the programs provide reasonable assurance that FTC information assets are adequately protected, but there are opportunities for improvement. The FTC information assurance and privacy programs continue to evolve:

- Controls are being added and enhanced to address threat, vulnerability, and requirements changes
- Planning practices are being enhanced to incorporate security and privacy requirements at all levels of information system planning, from enterprise to individual system planning
- Continuous monitoring practices are being instituted to provide FTC management with the current status and “health” of the FTC information assurance and privacy programs.

## **Audit Resolution and Corrective Actions**

During this semiannual reporting period, the FTC offices and bureaus made significant efforts to reduce the backlog of open recommendations, while ensuring that the most recent recommendations were fully implemented. Based on the appropriate evidence and documentation management provided to the OIG to support its implementation of the OIG’s recommendations, the OIG closed 18 recommendations related to six different Office of Inspector General reports during this semiannual reporting period. Table 1 shows all recommendations open 180 days or more on which corrective actions are still in progress.

## **Audit Activities Planned or In-Progress**

The OIG plans the following audit related activities during the second half of FY 2012:

**Audit of the FTC Financial Statements for FY 2012** — A 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 Representative (COR) 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, 2012. 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 in November 2012.

**Review of FTC FISMA Implementation for FY 2012** — 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 COR 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.

### ***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.

### **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:

- Inventory controls over accountable information technology equipment
- Acquisition processes and contract management
- Financial management: recording contract actions
- Non Federal sponsored travel

### **Investigative Summary**

During this reporting period, the OIG received 80 consumer complaints and other inquiries and reports of possible wrongdoing. Of the 80 complaints, 55 involved issues that fall under the jurisdiction of FTC program components (identity theft, credit repair, etc.) and not the OIG. These matters were referred to the appropriate FTC component for disposition.

Of the remaining complaints, the OIG opened six new investigations and 11 complaints were closed with no further OIG action. One complaint to the OIG was referred to another federal or state agency with appropriate jurisdiction. We also assisted two other OIGs in ongoing investigative activities. The remaining complaints resulted in a preliminary inquiry that was ultimately closed. One complaint is still under review.

In addition to the complaints above, the OIG receives complaints from individuals who reported impersonations of the FTC staff. These complaints are part of an ongoing multi-agency investigation addressing lottery and sweepstakes scams.

The following is a summary of the OIG's investigative activities for the six-month period ending March 31, 2012:

<b>Cases pending as of 9/30/11</b>	<b>5</b>
<b>PLUS: New cases</b>	<b>6</b>
<b>LESS: Cases closed</b>	<b>(5)</b>
<b>Cases pending as of 3/31/12</b>	<b>6</b>

### **Investigations Closed**

During this reporting period, the OIG closed five investigations. The first investigation, opened during the preceding reporting period, involved allegations that an agency employee received promotional benefits as a result of contracts that the employee negotiated on behalf of the FTC. The Federal Travel Regulations prohibit federal employees responsible for planning meetings and conferences on behalf of the Government from retaining promotional benefits for personal use.

Our investigation revealed that the subject employee opened a personal rewards account with the hotel chain with which the employee negotiated conferences and meetings. The employee retained over 230,000 reward points in that personal account, resulting from FTC business that the employee negotiated with sales representatives from individual hotel properties. The employee denied having made any request for reward points on the basis of FTC business. Our investigation uncovered documentation from both agency management and the hotel chain confirming the employee's election to have points awarded. Accordingly, we referred the violations of the Federal Travel Regulations and other deceptive conduct to agency management for administrative action.

The second investigation was opened and closed during this reporting period. We opened an investigation to allegations that an agency employee (SES level) violated the criminal financial conflict of interest statute, 18 U.S.C. § 208. We investigated the allegations and referred the matter to the Department of Justice (DOJ).

The third and fourth investigations, opened in a prior reporting period, involved the same FTC employee. This investigation, involving potential worker's compensation fraud, was referred to the Department of Justice. This matter was also referred to agency management for administrative action.

The fifth investigation, opened and closed during this reporting period, involved allegations of an unauthorized disclosure of a nonpublic draft staff memorandum. The unsigned draft document was presented to a senior agency official during congressional hearings on food marketing to children.

Our investigation sought to identify who disclosed the document outside the agency.

Evidence showed that the draft memorandum was disclosed, in accordance with inter-agency working group procedures, by an FTC employee to another federal agency employee who participated on the inter-agency working group. The document was released to a FOIA requester by the other agency, with no prior referral to the FTC's FOIA staff. Accordingly, we provided the results of our investigation to agency management and closed the investigation.

### **Matters Referred for Prosecution**

During the current reporting period, the OIG referred two matters to the Department of Justice (DOJ) for consideration of potential criminal action. These matters are described in the preceding section.

## **OTHER ACTIVITIES**

### **Liaison with Other Agencies**

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, 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 agencies 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 the vice-chair of the Audit Committee of the CIGIE and is a member of the Legislative and Information Technology Committees.

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, provide oversight on the DOD IG's financial statement audit.

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 two OIG-community working groups that are redesigning training programs for investigators engaged in undercover operations and for advanced interviewing techniques. The training programs are available through the Inspector General Criminal Investigator Academy in conjunction with the Federal Law Enforcement Training Center.

Our Lead Investigator also participates in the Metro Area Fraud Task Force (MAFITF) headed by the Secret Service. This task force is made up of law enforcement professionals in the Washington, DC metro area who work together to identify suspects and solve various crimes.

In addition, our Lead Investigator is actively participating on a Department of Justice (DOJ) led multi-agency task force addressing crimes related to lottery and sweepstakes scams targeting the elderly. The task force is actively investigating these crimes and moving toward prosecution of those found responsible.

This task force receives consumer complaints from many sources, including Lloyds of London, the Department of the Treasury, the FTC Consumer Response Center, the general public and other sources.

We are participating in this task force because the fraudsters often identify themselves as employees of the agency. The OIG has posted a scam alert on the OIG website at <http://www.ftc.gov/oig>.

### **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.

### **Peer Reviews**

Offices of Inspector General are required to include in their semiannual reports to Congress the results of peer reviews.

### **Audit Peer Review**

Peer reviews are conducted of an OIG audit organization's system of quality control in accordance with the *CIGIE Guide for Conducting External Peer Reviews of the Audit Organizations of Federal Offices of Inspector General*, based on requirements in the *Government Auditing Standards* (Yellow Book).

Federal audit organizations can receive a rating of pass, pass with deficiencies, or fail. The objectives of an external peer review include a review of an audit organization's system of quality control to determine not only the suitability of the design, but also whether the audit organization is in compliance with its quality control system so as to provide reasonable assurance the audit organization conforms to applicable professional standards.

- ◇ The FTC OIG audit program was peer reviewed most recently by the Smithsonian Institution Office of Inspector General. The peer review final report, dated December 2009, reflected that the FTC OIG received a peer review rating of pass, the highest possible rating; there were no recommendations. The peer review report is available on the FTC OIG website <http://www.ftc.gov/oig/oigaudit.shtm>
- ◇ During the reporting period, the FTC OIG completed a peer review of the audit operations of the Postal Regulatory Commission (PRC), and we issued our final report to that OIG in March 2012. We reported that in our opinion, the system of quality control for the audit organization of the PRC OIG, in effect for the period ended September 30, 2011, had been suitably designed and complied with to provide the PRC OIG with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The PRC OIG received a peer review rating of pass; there were no recommendations. PRC OIG has posted the system review report on its website.

During this period, the FTC OIG investigative operations was the subject of a peer review conducted by the Federal Election Commission (FEC) OIG. FEC issued its final report to us in March 2012. In FEC's opinion, the system of internal safeguards and management procedures for the investigative function of the FTC OIG in effect for the twelve month period ending March 2012, was in compliance with the quality standards for investigations established by CIGIE. These safeguards and procedures provided reasonable assurance of conforming with professional standards in the conduct of FTC OIG investigations.

No external peer reviews of another Federal investigation organization were conducted by the FTC OIG during this semiannual reporting period.

### **Investigation Peer Review**

OIGs with statutory law enforcement authority pursuant to Section 6(e) of the Inspector General Act are subject to a peer review no less than once every three years. The FTC OIG does not have statutory law enforcement authority. Therefore, our investigation organization is not required to have a peer review. However, the FTC OIG has voluntarily participated in the peer review process during this reporting period.

**TABLE 1: REPORTS WITH RECOMMENDATIONS ON WHICH CORRECTIVE ACTION HAS NOT BEEN COMPLETED \***

<b>Report No.</b>	<b>Report Date</b>	<b>Report Title</b>	<b>Summary of Recommendations</b>
AR 08-002	September 2008	Administration of Leave	HRMO to assess the need for offering training for new timekeepers and to revise the FTC Administrative Manual to reflect updated OPM regulations on military leave
AR 09-001A	February 2009	Financial Statement Management Letter FY 2008	FMO should work with its vendor to ensure all necessary reports can be generated from Oracle in a timely manner and not require extensive reconciliations by the FMO. This recommendation does not rise to the level of a significant financial control weakness
IR 09-002	September 2009	COTR Oversight of Sole Source Contracts	FMO should develop a training or instructional vehicle such as a brochure; to include an explanation of the contracting process and the requirements to assist the acquisition staff in completing a contracting action.
AR 10-001A	May 2010	Financial Statement Management Letter FY 2009	FMO should improve its documentation of contract awards to service disabled veteran-owned small businesses; and improve closing procedures of deobligations on completed contracts. Neither of these recommendations rise to the level of significant financial control weaknesses
AR 10-003	August 2010	Audit of the FTC Travel Program	FMO should implement procedures to review the Central Billing Account for unauthorized charges

\* Open 180 days or more



**TABLE 1 (CONTINUED): REPORTS WITH RECOMMENDATIONS ON WHICH CORRECTIVE ACTION HAS NOT BEEN COMPLETED**

<b>Report No.</b>	<b>Report Date</b>	<b>Report Title</b>	<b>Summary of Recommendations</b>
AR 11-001A	April 2011	Financial Statement Management Letter FY 2010	FMO should strengthen its documentation of contract files for awards of contracts under the Federal Supply Schedule; FMO should prepare a fraud risk assessment to supplement its risk assessment performed for FMFIA. Neither of these recommendations rise to the level of significant financial control weaknesses.
AR 11-003	January 2011	Follow-Up Review of the FTC Purchase Card Program	FTC should develop criteria for assessing when it is appropriate to purchase medical evacuation services for employees traveling overseas; FTC should update the Administrative Manual to reflect the requirement for annual purchase card training.
AR-11-004	September 2011	Audit of the FTC Warehouse Operations	FTC should evaluate and install inventory software to track all warehouse items such as furniture, supplies, equipment, and publications. This includes recording all information about an item, such as date of purchase and cost, and utilizing bar-coding technology to track items, establishing minimum stock levels and reorder points

**TABLE 2: 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 the 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 3: INSPECTOR GENERAL ISSUED REPORTS WITH  
RECOMMENDATIONS THAT FUNDS BE PUT TO BETTER USE**

	<b>Number</b>	<b>Dollar Value</b>
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

**TABLE 4: SUMMARY OF INSPECTOR GENERAL REPORTING REQUIREMENTS**

<b>IG ACT Reference</b>	<b>Reporting Requirement</b>	<b>Page(s)</b>
Section 4(a)(2)	Review of Legislation and regulations	10
Section 5(a)(1)	Significant problems, abuses and deficiencies	5-6
Section 5(a)(2)	Recommendations with respect to significant problems, abuses and deficiencies	5-6
Section 5(a)(3)	Prior significant recommendations on which corrective actions have not been made	12
Section 5(a)(4)	Matters referred to prosecutive authorities	9
Section 5(a)(5)	Summary of instances where information was refused	none
Section 5(a)(6)	List of audit reports by subject matter, showing dollar value of questioned costs and funds put to better use	14-15
Section 5(a)(7)	Summary of each particularly significant report	5-6
Section 5(a)(8)	Statistical tables showing number of reports and dollar value of questioned costs	14
Section 5(a)(9)	Statistical tables showing number of reports and dollar value of recommendations that funds be put to better use	15
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	none
Section 5(a)(11)	Significant revised management decisions	none
Section 5(a)(12)	Significant management decisions with which the Inspector General disagrees	none

## **CONTACTING THE OFFICE OF INSPECTOR GENERAL**

**HELP PROMOTE INTEGRITY, ECONOMY AND EFFICIENCY REPORT SUSPECTED FRAUD,  
WASTE, ABUSE OR MISMANAGEMENT COMPLAINT MAY BE MADE ANONYMOUSLY**

OFFICE OF INSPECTOR GENERAL

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

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](mailto:OIG@ftc.gov)

[ftc.gov/OIG](http://ftc.gov/OIG)