



**FEDERAL TRADE COMMISSION**  
**SEMIANNUAL REPORT TO CONGRESS**  
**OFFICE OF INSPECTOR GENERAL**

**April 1, 2012— September 30, 2012**

**REPORT NO. 48**



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.

***COVER:*** The cover is a close-up of a 19th Century clipper ship in full sail and is one of six relief panels that adorn the gates over the exterior FTC building doorways. The six relief panels show various means of trade in the late 1930s.

More information on the National Register of Historic Places is available on the GSA Historic Buildings Program website <http://www.gsa.gov/portal/category/21010>.

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

THIS ISSUE OF OUR SEMIANNUAL REPORT TO CONGRESS FEATURES DECORATIVE  
ELEMENTS FROM THE FEDERAL TRADE COMMISSION BUILDING ON 600 PENNSYLVANIA  
AVE. N.W. WASHINGTON D.C.



*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 ON 600 PENNSYLVANIA AVE. NW, WASHINGTON DC.

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UNITED STATES OF AMERICA

## FEDERAL TRADE COMMISSION

WASHINGTON, D.C. 20580

OFFICE OF INSPECTOR GENERAL

October 31, 2012

### **A MESSAGE FROM THE INSPECTOR GENERAL**

On behalf of the Federal Trade Commission (FTC) Office of Inspector General (OIG), I am pleased to present our Semiannual Report to Congress for the period ended September 30, 2012.

During this semiannual period, a peer review of our audit organization was completed. We received a clean opinion on the quality assurance system our audit organization uses to produce its reports. In addition, we provided the FTC agency head a summary of our perspective on the most significant management and performance challenges facing the organization for inclusion in the FTC's FY 2012 Performance and Accountability Report. Our reports can be found at [www.ftc.gov/oig](http://www.ftc.gov/oig).

The OIG processed 60 consumer inquiries and allegations of possible wrongdoing. We opened four new investigations and closed three investigations. We closed 10 complaints during the current reporting period and referred 31 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. I appreciate management's support and look forward to working with management in our ongoing efforts to promote economy and efficiency in agency programs.

Scott E. Wilson  
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.

## **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 such 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 the 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, an external peer review of the quality of our audit practices and procedures was completed. Our peer review activity is described in the Appendix (page 9), as required by Section 989C of the Dodd-Frank Act.

### Action Required to Improve Information Technology Contractor Oversight

As an extension of the 2011 Federal Information Security Management Act (FISMA) assessment, we asked our FISMA contractor, Allied Technology Group Inc. to evaluate the adequacy of Contractor Oversight. We focused on Contractor Oversight because: the Office of Management and Budget (OMB) identified Contractor Oversight as an area of concern throughout government; Contractor Oversight has been identified as a FISMA control area requiring FTC improvement since FY 2009; and Contractor Oversight deficiencies were significant contributing factors to the problems encountered in the FY 2009 initiative to modernize the FTC IT infrastructure.

We selected two acquisitions to evaluate the current status of FTC oversight of its IT contractors. Based on our review, we recommended accelerating improvements to contractor oversight. In its response, the Office of the Chief Information Officer (OCIO) committed to work with the Contracting Officers' Representatives (CORs) to establish baselines and metrics for current and future contracts. We also recommended improving the FTC's capability to define activities that the FTC intends to award on a fixed price basis with associated performance criteria, and incorporating specific guidance for monitoring contractor performance.

The FTC subsequently modified and awarded the two contracts evaluated in this report. We will follow-up on the OCIO's actions as part of the FY 2012 FISMA evaluation.

### Audit Resolution and Corrective Actions

During this semiannual reporting period, the FTC offices and bureaus continued to make progress in implementing previously made 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 five recommendations related to five different OIG reports during this semiannual reporting period.

Table 1 (page 10) shows all recommendations open 180 days or more on which corrective actions are still in progress.

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

The OIG will complete two mandatory reviews during the next reporting period that will assess the FTC's financial oversight and information security.

**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 with an independent public accountant to perform this work. The OIG serves as the COR and provides oversight on the contract. The purpose of the audit is to express an opinion on the financial statements of the FTC 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 issued in November 2012.

## **Review of FTC FISMA Implementation for FY 2012**

FISMA requires an annual evaluation of each agency's information security program and practices to determine their effectiveness. The evaluation is performed by the Inspector General or by an independent external auditor.

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 information security program and practices for its major systems. This year, the review will focus on the agency's contract management, capital planning for security, and risk management being implemented through the new IT governance boards established in FY 2011.

## **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:

- Travel policies and practices
- Inventory controls over accountable information technology equipment
- Acquisition processes and contract management

## **Inspection and Evaluation Activities Planned or In-Progress**

The FTC receives and processes over two million consumer complaints per year. As a result, the agency is constantly challenged to direct its limited resources in a manner that will maximize its desired outcome to protect consumers. A complex marketplace, ever-evolving fraud schemes, declining budgets, and increasing workloads require continuous reassessment of management practices in achieving that objective.

In FY 2013, the OIG plans to evaluate policies and procedures for case selection and management with the intent of identifying and recommending opportunities to further improve the efficiency and effectiveness of FTC programs.



## 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.

### Investigative Summary

During this reporting period, the OIG received 60 consumer complaints and other inquiries and reports of possible wrongdoing. Of the 60 complaints, 31 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 4 new investigations and 10 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 14 preliminary inquiries, half of which have been closed while seven are still ongoing.

In addition to the complaints above, the OIG receives complaints from individuals who reported impersonations of 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 September 30, 2012:

Cases pending as of 3/31/12	5
PLUS: New cases	4
LESS: Cases closed	3
Cases pending as of 9/30/12	6

### Investigations Closed

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

The second investigation, also opened and closed during this reporting period, involved an allegation that a child was injured in the agency's day care center and that no report or internal investigation was conducted regarding the alleged incident. Our investigation confirmed that a toddler was accidentally injured and that proper protocols were not followed. Prior to OIG investigative activity, however, internal disciplinary measures were taken against two day care staff.

We reported the matter to agency management and the contractor's risk management official for further action as deemed appropriate.

The third investigation closed during this reporting period involved an allegation that a Commissioner violated 18 USC § 208. We investigated the allegation and substantiated the technical violation of the criminal financial conflict of interest statute. We referred the matter to DOJ's Office of Public Integrity and reported this referral in our March 2007 semiannual report to Congress (Report Number 36). We kept the investigation open during the pendency of DOJ's review (in the event further investigative efforts would be required). We sought and obtained a status update from DOJ during the current reporting period. DOJ advised that it declined to prosecute.

### **Matters Referred for Prosecution**

During the current reporting period, the OIG referred one matter to DOJ for consideration of potential criminal prosecution. This matter is described in the preceding section.

We also assisted DOJ and the agency's Office of General Counsel in defending a claim filed against the FTC by a vendor alleging nonpayment of an outstanding balance. The amount is in dispute. This federal claims court litigation derives from the misuse of a Government purchase card by the agency's former supply clerk, currently incarcerated for his misuse of the Government purchase card (resulting in theft of Government property).

## **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 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 a member of the CIGIE Audit Committee. The IG also participates in periodic meetings designed to address issues common to smaller OIGs.

Our IG Counsel participates regularly in the monthly meeting of the Council of Counsels to 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 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 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. During this reporting period, three individual defendants were sentenced and ordered to pay restitution and forfeit assets. The sentences ranged from 8 months to 84 months. The restitution ordered ranged from \$43,000 to \$1 million, in addition to forfeiture orders ranging from \$270,000 to \$950,000.

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 FTC. 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 a problem in obtaining assistance or access to agency records.

### **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.

## Appendix: Peer Review Activity

Section 989C of the Dodd-Frank Act contains additional semiannual reporting requirements pertaining to peer review reports. Federal Inspectors General are required to engage in peer review processes related to both their audit and investigative operations. In keeping with Section 989C, the FTC OIG is reporting the following information related to its peer review activities. These activities cover our role as both the reviewed and the reviewing OIG and relate to both audit and investigative peer reviews.

### Audit Peer Reviews

On a 3-year cycle, 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. These guidelines are based on requirements in the *Government Auditing Standards*. Federal audit organizations can receive a rating of pass, pass with deficiencies, or fail.

The FTC OIG was the subject of a peer review of its audit organization during the current period. The U.S. Election Assistance Commission OIG conducted the review and issued its system review report on September 7, 2012. In the U.S. Election Assistance Commission OIG's opinion, the system of quality control for our audit organization in effect for the year ended March 31, 2012, had been suitably designed and complied with to provide our office with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. We received a peer review rating of pass.

The report's accompanying letter of comment contained two recommendations that, while not affecting the overall opinion, were designed to further strengthen the system of quality control in the FTC OIG audit organization. We agreed with the findings and recommendations and have initiated corrective actions. The system review report is posted on our Web site at <http://www.ftc.gov/oig>.

### Investigative Peer Reviews

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 investigative organization is not required to have a peer review. However, the FTC OIG voluntarily participates in the peer review process.

While no peer review was conducted during this reporting period, the FTC OIG investigative operation was the subject of a peer review conducted by the Federal Election Commission (FEC) OIG earlier this year. FEC issued its final report to us in March 2012, which opined that our system of internal safeguards and management procedures was in compliance with the quality standards for investigations.

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

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

Section 5(a)(3) of the Inspector General Act requires an identification of each significant recommendation described in previous semiannual reports for which corrective action has not been completed. Table 1 below shows the corrective actions management has agreed to implement but has not completed for recommendations that are open 180 days or more.

The information in this table is based on (1) information supplied by the FTC’s Financial Management Office (FMO), which administers management’s audit resolution activities and (2) the OIG’s determination of closed recommendations. Recommendations are closed when (a) FMO notifies the OIG that corrective actions are complete or (b) in the case of recommendations that the OIG determines to be particularly significant, after the OIG confirms that corrective actions have been completed and are responsive.

Report No/Date/ Title	Significant Recommendation	Brief Summary of Planned Corrective Actions
AR 09-001A February 2009 Financial Statement Management Letter FY 2008	Reporting Function in Oracle Needs Improvement	Management recognizes there are ongoing challenges in this area. One constraint the FMO is facing is the inability of Oracle Federal Financials version R12 to produce an open invoice listing (aka Accounts Payable Trial Balance). The service provider, National Business Center (NBC), is working with Oracle to remedy this. The FMO continues to work with NBC to resolve reporting issues. This recommendation does not rise to the level of a significant financial control weakness.
AR 10-001A May 2010 Financial Statement Management Letter FY 2009	Close out Procedures on Contracts Need Improvement	Management will continue to utilize the new automated system’s tools and process that were put in place in June 2011. The FMO will continue to emphasize (as part of COR training) the importance of timely action when deobligation of funding is appropriate. Management considers this item closed. The OIG will validate Management’s corrective actions during the financial statement audit for FY 2012. This recommendation does not rise to the level of a significant financial control weakness.

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

Report No/Date/ Title	Significant Recommendation	Brief Summary of Planned Corrective Actions
AR 11-001A  April 2011  Financial Statement Management Letter FY 2010	Contract Files Lack Documentation	Management will continue to follow the Standard Operating Procedure (SOP) that was put in place in August 2011. Management considers this item closed. The OIG will validate Management’s corrective actions during the financial statement audit for FY 2012. This recommendation does not rise to the level of a significant financial control weakness.
	Fraud Risk Assessment Can Enhance FMFIA	Management has developed, and will complete a fraud risk assessment by September 30, 2012. Documentation supporting the assessment will be available for review. The OIG will validate Management’s corrective actions during the financial statement audit for FY 2012. This recommendation does not rise to the level of a significant financial control weakness.

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

Report No/Date/Title	Significant Recommendations	Brief Summary of Planned Corrective Actions
<p>AR 11-003 January 2011 Follow-up Review of FTC Purchase Card</p>	<p>Update the Administrative Manual with Current FTC Policies on Training of both Card Holders and Approving Officials</p>	<p>The Chief Acquisition Officer updated Chapter 2, Section 310 of the FTC Administrative Manual to reflect current purchase card policies and procedures. Management considers this item closed. The OIG will validate Management's corrective actions when OMB issues implementing guidance in FY 2013 as prescribed by the Government Charge Card Abuse Prevention Act of 2012.</p>
<p>AR 11-004 April 2011 Audit of the FTC Warehouse</p>	<p>Evaluate and Install Inventory Software</p>	<p>The warehouse will receive an upgraded computer and a WASP software update by the end of the fiscal year, which will enhance the agency's controls over the goods received and processed through the warehouse. The Office of Executive Director has plans to install a comprehensive agency-wide asset management system in FY 2013, when the Office of the Chief Information Officer fully implements the Remedy software application.</p>
<p>AR 12-002 December 2011 Independent Assessment of the FTC Implementation of FISMA for FY 2011</p>	<p>Bring FTC security and privacy programs current with OMB and NIST guidance. Twelve recommendations for improvement in the areas of risk management, capital planning, and the information security continuous monitoring program.</p>	<p>Management concurred with the recommendations and is either in the process of implementing or has implemented actions to address the recommendations. The OIG will validate Management's corrective actions during the FISMA assessment for FY 2012.</p>

**TABLE 2: INSPECTOR GENERAL ISSUED REPORTS WITH QUESTIONED COSTS**

			Dollar Value	
			Number	Questioned 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**

		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

**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	8
Section 5(a)(1)	Significant problems, abuses and deficiencies	3-6
Section 5(a)(2)	Recommendations with respect to significant problems, abuses and deficiencies	3-6
Section 5(a)(3)	Prior significant recommendations on which corrective actions have not been made	10-12
Section 5(a)(4)	Matters referred to prosecutive authorities	7
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	none
Section 5(a)(7)	Summary of each particularly significant report	4
Section 5(a)(8)	Statistical tables showing number of reports and dollar value of questioned costs	13
Section 5(a)(9)	Statistical tables showing number of reports and dollar value of recommendations that funds be put to better use	14
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  
600 PENNSYLVANIA AVENUE, NW NJ-1110  
WASHINGTON, D.C. 20580

HOTLINE: (202) 326-2800

FAX: (202) 326-2034

EMAIL: [OIG@FTC.GOV](mailto:OIG@FTC.GOV)

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)