

Performance Plan



Budgeted Resources by Objective
(\$ in thousands)

Strategic Goal 1: Protect Consumers	FY 2014 FTE	FY 2014 Amount	FY 2015 FTE	FY 2015 Amount
Objective 1.1: Identify and take actions to address deceptive or unfair practices that harm consumers.	508	\$133,212	508	\$131,275
Objective 1.2: Provide the public with knowledge and tools to prevent harm to consumers.	97	25,448	97	25,101
Objective 1.3: Collaborate with domestic and international partners to enhance consumer protection.	33	9,837	33	9,503
Total	638	\$168,497	638	\$165,879

Strategic Goal 2: Maintain Competition	FY 2014 FTE	FY 2014 Amount	FY 2015 FTE	FY 2015 Amount
Objective 2.1: Identify and take actions to address anticompetitive mergers and practices that cause harm to consumers.	480	\$113,937	480	\$111,983
Objective 2.2: Engage in effective research and stakeholder outreach to promote competition, advance its understanding, and create awareness of its benefits to consumers.	45	10,728	45	10,534
Objective 2.3: Collaborate with domestic and international partners to preserve and promote competition.	13	4,838	13	4,604
Total	538	\$129,503	538	\$127,121

Objectives by FTE
(\$ in thousands)

Protecting Consumers	Fiscal Year 2014				Fiscal Year 2015			
	Objective Number			Total FTE	Objective Number			Total FTE
	1	2	3		1	2	3	
Privacy and Identity Protection	45	11	1	57	45	11	1	57
Financial Practices	75	9	8	92	75	9	8	92
Marketing Practices	85	5	6	96	85	5	6	96
Advertising Practices	50	7	1	58	50	7	1	58
Enforcement	50	3	1	54	50	3	1	54
Planning and Information	48	3	0	51	48	3	0	51
Consumer and Business Education	0	23	0	23	0	23	0	23
Economic and Consumer Policy Analysis	2	4	0	6	2	4	0	6
Management	22	7	0	29	22	7	0	29
Support	131	25	16	172	131	25	16	172
Total	508	97	33	638	508	97	33	638

Promoting Competition	Fiscal Year 2014				Fiscal Year 2015			
	Objective Number			Total FTE	Objective Number			Total FTE
	1	2	3		1	2	3	
Premerger Notification	16	3	0	19	16	3	0	19
Merger and Joint Venture Enforcement	184	12	1	197	184	12	1	197
Merger and Joint Venture Compliance	9	2	0	11	9	2	0	11
Nonmerger Enforcement	126	8	2	136	126	8	2	136
Nonmerger Compliance	2	0	0	2	2	0	0	2
Antitrust Policy Analysis	3	4	0	7	3	4	0	7
Other Direct	16	4	0	20	16	4	0	20
Support	124	12	10	146	124	12	10	146
Total	480	45	13	538	480	45	13	538

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Government Performance and Results Modernization Act (GPRMA)

The FY 2015 budget request is based on the FTC's new Strategic Plan for FYs 2014 to 2018 and is supported by the FY 2014 and FY 2015 Performance Plan included in this submission. In FY 2013, the FTC updated and revised its Strategic Plan and sought input from Congress, the Office of Management and Budget, and its stakeholders to ensure that its strategic goals, objectives, and measures continue to provide relevant information that reflects the FTC's performance. Changes and adjustments to performance measures in FY 2014 due to the new strategic plan are identified. To see the FTC's performance and budget documents, please see <http://www.ftc.gov/about-ftc/performance> and <http://www.ftc.gov/about-ftc/budgets>.

The President's Budget identifies the lower-priority program activities, where applicable, as required under the GPRMA Modernization Act, 31 U.S.C. 1115(b)(10). The public can access this information at: <http://www.whitehouse.gov/omb/budget>. The FTC does not have any lower-priority program activities.

Agency and Mission Information

Mission

Working to protect consumers by preventing anticompetitive, deceptive, and unfair business practices, enhancing informed consumer choice and public understanding of the competitive process, and accomplishing this without unduly burdening legitimate business activity.

Vision

A vibrant economy characterized by vigorous competition and consumer access to accurate information.

Overview

The FTC is an independent Executive Branch law enforcement agency with both consumer protection and competition jurisdiction in broad sectors of the economy. The agency administers a wide variety of laws and regulations such as the Federal Trade Commission Act, Telemarketing Sales Rule, Identity Theft Act, Fair Credit Reporting Act, and Clayton Act. In total, the Commission has enforcement or administrative responsibilities under more than 70 laws (see <http://www.ftc.gov/ogc/stats.shtm> for a

listing). The FTC also enforces rules issued pursuant to the Federal Trade Commission Act or other laws, including the Business Opportunity Rule and the Telemarketing Sales Rule.

The FTC regularly reports to Congress, the President, and the public on actions it takes to pursue vigorous and effective law enforcement, advance consumers' interests by sharing expertise with domestic and international government agencies, develop policy, and educate consumers and businesses. The agency is headquartered in Washington, DC and has seven regional offices.

The agency maintains a website at www.ftc.gov that provides information for consumers and businesses, as well as online forms to file complaints. The website includes a Budget and Performance page that contains the agency's current and prior financial and performance reports, as well as information on performance goal definitions and data quality.

Organizational Structure

The FTC has a long tradition of maintaining a competitive marketplace for both consumers and businesses. When the FTC was created in 1914, its purpose was to prevent unfair methods of competition in commerce as part of the battle to "bust the trusts." Over the years, the Congress passed additional laws giving the agency greater authority over anticompetitive practices.

Recognizing that unfair and deceptive practices can distort a competitive marketplace as much as unfair methods of competition, in 1938 the Congress passed a broad prohibition against "unfair or deceptive acts or practices in or affecting commerce." Since then, the FTC also has been directed to enforce a wide variety of other consumer protection laws and regulations.

The FTC is headed by a five-member Commission, nominated by the President and confirmed by the Senate, each serving a 7-year term. The President chooses one commissioner to act as Chair. No more than three commissioners may be from the same political party.

The FTC's mission is carried out by the Bureaus of Consumer Protection, Competition, and Economics as well as the Offices of the General Counsel, International Affairs, Policy and Planning, the Secretary, the Executive Director, Congressional Relations, Public Affairs, Administrative Law Judges, Equal Employment Opportunity, and Inspector General.

Data Validation and Verification

The performance results described in this report enable the FTC to administer its programs, gauge their success, and make adjustments necessary to improve program quality for the public. New in FY 2014, the agency will maintain a Data Quality Appendix on each of its publicly-reported performance measures and indicators. This appendix will be available at <http://www.ftc.gov/about-ftc/performance>. Additionally, the following steps outline how the agency ensures the performance information it reports is complete, reliable and accurate:

- The FTC has adopted a central internal repository for performance data entry, reporting and review. The electronic data tool reduces human error, increases transparency, and increases review by senior management.
- The agency maintains procedures used to ensure timely reporting of complete, accurate, and reliable actual results relative to the key performance measures.
- The agency holds program managers accountable to set meaningful and realistic targets that also challenge the agency to leverage its resources. This includes ensuring ongoing monitoring of performance targets so they are updated to reflect changes in key factors that impact the agency's ability to achieve such results. Further, when appropriate, program managers are required to explain how they will improve performance when targets are not met.
- The agency conducts quarterly performance measurement reviews with management as well as periodic senior management and commission review throughout the fiscal year. This process includes substantiating that actual results reported are indeed correct whenever those results reveal significant discrepancies or variances from the target.

Agency program managers also monitor and maintain automated systems and databases that collect, track, and store performance data, with support provided by the FTC's Office of the Chief Information Officer. In addition to the general controls which ensure only authorized staff can access key systems, each application (system) incorporates internal validation edits to ensure the accuracy of data contained therein. These application edits include checks for reasonableness, consistency, and accuracy. Crosschecks between other internal automated systems also provide assurances of data accuracy consistency. In addition to internal monitoring of each system, experts outside of the business units (e.g., the Bureaus of Consumer Protection and Competition) routinely monitor the data collection. For example, senior economists from the Bureau of Economics review statistical data used by the Bureau of Competition to calculate performance results.

Annual Performance Measures: Targets for Fiscal Years 2014 to 2015

	FY 2014 Target	FY 2015 Target
Strategic Goal 1 - Protect Consumers		
Objective 1.1 - Identify and take actions to address deceptive or unfair practices that harm consumers.		
Performance Goal 1.1.1: Percentage of the FTC's consumer protection law enforcement actions that targeted the subject of consumer complaints to the FTC.	80.0%	
Performance Goal 1.1.2: Rate of customer satisfaction with the FTC's Consumer Response Center.	A) For the website, exceed average citizen satisfaction rate as published in the ACSI's E-Government Satisfaction Index. B) For the call center, meet or exceed standards for call centers developed by the Citizen Service Levels Interagency Committee.	
Key Performance Goal 1.1.3: Total consumer savings compared to the amount of FTC resources allocated to consumer protection law enforcement.	Base year to gather data	TBD
Key Performance Goal 1.1.4: Amount of money the FTC returned to consumers and forwarded to the U.S. Treasury.	Base year to gather data	TBD
Objective 1.2 - Provide the public with knowledge and tools to prevent harm to consumers.		
Performance Goal 1.2.1: Rate of consumer satisfaction with FTC consumer education websites.	Exceed average citizen satisfaction rate as published in the E-Government Satisfaction Index.	
Key Performance Goal 1.2.2: Number of federal, state, local, international, and private partnerships to maximize the reach of consumer and business education campaigns.	11,250	11,500
Performance Goal 1.2.3: Number of workshops and conferences the FTC convened that address consumer protection problems.	12	
Performance Goal 1.2.4: Number of consumer protection reports the FTC released.	10	
Objective 1.3 - Collaborate with domestic and international partners to enhance consumer protection.		
Performance Goal 1.3.1: Number of investigations or cases in which the FTC and other U.S. federal, state and local government agencies shared evidence or information that contributed to FTC law enforcement actions or enhance consumer protection.	Base year to gather data	TBD
Key Performance Goal 1.3.2: Number of investigations or cases in which the FTC obtained foreign-based evidence or information or engaged in other mutual assistance that contributed to FTC law enforcement actions, or in which the FTC cooperated with foreign agencies and/or multilateral organizations on enforcement matters.	40	
Performance Goal 1.3.3: Number of instances of policy advice or technical assistance provided to foreign consumer protection and private agencies, directly and through international organizations, through seminars, substantive consultations, written submissions, or comments, and direct work with foreign agency officials who visit the FTC.	60	
Performance Goal 1.3.4: Percentage of consumer protection advocacy matters filed with entities including federal and state legislatures, agencies, or courts that were successful in whole or in part.	55.0%	

Annual Performance Measures: Targets for Fiscal Years 2014 to 2015

	FY 2014 Target	FY 2015 Target
Strategic Goal 2 - Maintain Competition		
Objective 2.1 - Identify and take actions to address anticompetitive mergers and practices that harm consumers.		
Key Performance Goal 2.1.1: Percentage of actions to maintain competition in substantial merger and nonmerger investigations.	40.0% to 60.0%	
Performance Goal 2.1.2: Consumer savings through merger actions taken to maintain competition.	\$900.0 million	
Key Performance Goal 2.1.3: Total consumer savings compared to the amount of FTC resources allocated to the merger program.	1,300.0%	
Performance Goal 2.1.4: Consumer savings through nonmerger actions taken to maintain competition.	\$440.0 million	\$80.0 million
Key Performance Goal 2.1.5: Total consumer savings compared to the amount of FTC resources allocated to the nonmerger program.	1,850.0%	400.0%
Objective 2.2 - Engage in effective research and stakeholder outreach to promote competition, advance its understanding, and create awareness of its benefits to consumers.		
Performance Goal 2.2.1: Number of workshops, seminars, conferences, and hearings convened or co-sponsored that involve significant competition-related issues.	4	
Performance Goal 2.2.2: Number of reports and studies the FTC issued on key competition-related topics.	8	
Performance Goal 2.2.3: Percentage of competition advocacy matters filed with entities including federal and state legislatures, agencies, or courts that were successful, in whole or in part.	55.0%	
Objective 2.3 - Collaborate with domestic and international partners to preserve and promote competition.		
Key Performance Goal 2.3.1: Percentage of FTC cases involving at least one substantive contact with a foreign antitrust authority in which the agencies followed consistent analytical approaches and reached compatible outcomes.	95.0%	
Performance Goal 2.3.2: Number of instances in which the FTC provided policy advice or technical assistance to foreign competition agencies or government, directly and through international organizations, through seminars, long-term advisors and staff exchanges, substantive consultations, written submissions, or comments, and with foreign officials when they visited the FTC.	120	

Annual Performance Measures: Targets for Fiscal Years 2014 to 2015

	FY 2014 Target	FY 2015 Target
Strategic Goal 3 - Advance Organizational Performance		
Objective 3.1 - Optimize resource management and infrastructure.		
Performance Goal 3.1.1: A favorable Continuity of Operations (COOP) rating.	75.0%	
Performance Goal 3.1.2: Availability of information technology systems.	99.5%	
Performance Goal 3.1.3: Achieving a favorable (unqualified) audit opinion from the agency's independent financial statement auditors.	Unqualified opinion on the financial statements.	
Performance Goal 3.1.4: Average number of days for the FTC to release information in response to a simple FOIA request.	6 days	
Objective 3.2 - Cultivate a high-performing, diverse, and engaged workforce.		
Performance Goal 3.2.1: FTC achieves a high ranking in the "Best Places to Work in the Federal Government."	Within the top 10 of mid-size agencies	
Key Performance Goal 3.2.2: The extent employees believe the FTC has the talent necessary to achieve organizational goals.	Exceed the government-wide results on the Federal Human Capital Survey's Talent Management Index.	
Performance Goal 3.2.3: The extent employees believe the FTC encourages an environment that is open, diverse, and inclusive.	Exceed the government-wide results on the Federal Human Capital Survey's Talent Management Index.	

Annual Performance Measures: Historical
 For additional performance information, please see the reports available
 at <http://www.ftc.gov/about-ftc/performance>.

	FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual
Strategic Goal 1: Protect Consumers: Prevent fraud, deception, and unfair business practices in the marketplace.				
Objective 1.1: Identify fraud, deception, and unfair practices that cause the greatest consumer injury:				
Measure 1.1.1: Complaints collected and entered into the Consumer Sentinel Network database. [†]	3.1 million	4.0 million	5.8 million	5.7 million
Key Measure 1.1.2: The percentage of the FTC's consumer protection law enforcement actions that target the subject of consumer complaints to the FTC. [†]	95.9%	80.4%	90.6%	90.9%
Measure 1.1.3: The rate of customer satisfaction with the FTC's Consumer Response Center.*	(A) 75.0%	(A) 75.0%	(A) 75.0%	(A) 76.0%
	(B) 76.0%	(B) 77.0%	(B) 78.0%	(B) 80.0%
Objective 1.2: Stop fraud, deception, unfairness, and other unlawful practices through law enforcement:				
Key Measure 1.2.1: The percentage of all cases filed by the FTC that were successfully resolved through litigation, a settlement, or issuance of a default judgment. [†]	99.2%	100.0%	100.0%	98.6%
Measure 1.2.2: The FTC's effectiveness in stopping prohibited business practices in three high priority areas over fiscal years 2009 - 2013.	Not applicable		On track	Statistically significant decrease in one of the three high-priority areas
Measure 1.2.3.: The percentage of redress cases in which the FTC distributes redress dollars designated for distribution to consumers within 6 months.	96.0% of cases	100.0% of cases	95.0% of cases	94.7% of cases
Measure 1.2.4: Investigations or cases in which the FTC obtains foreign-based evidence or engages in mutual assistance that contributes to FTC law enforcement actions or in which we cooperate with foreign agencies and/or multilateral organizations.	39	53	56	61

*Target (A): For the website, exceed average citizen satisfaction rate as published in the ACSI's E-Government Satisfaction Index. For Target (B): For the call center, meet or exceed standards for call centers developed by the Citizen Service Levels Interagency Committee.

[†]Performance targets updated as of FY 2012 in the FTC's Strategic Plan Addendum at http://www.ftc.gov/sites/default/files/documents/reports_annual/strategic-plan/spfy09fy14add.pdf.

Annual Performance Measures: Historical

	FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual
Objective 1.3: Prevent consumer injury through education:				
Measure 1.3.1: Consumer protection messages accessed online or in print.	43.9 million	41.4 million	39.4 million	43.6 million
Key Measure 1.3.2: Customer satisfaction rate with an FTC consumer education website or microsite.	77.0%	81.0%	81.0%	80.0%
Measure 1.3.3: Organizations requesting consumer education publications. [†]	15,372	14,818	11,298	11,236
Objective 1.4: Enhance consumer welfare through research, reports, rulemaking, and advocacy				
Measure 1.4.1: Workshops and conferences convened or cosponsored that address consumer protection problems. [†]	11	14	14	12
Measure 1.4.2: Advocacy comments and amicus briefs on consumer protection issues filed with entities including federal and state legislatures, agencies, or courts.	6	3	8	12
Measure 1.4.3: The percentage of respondents finding the FTC's advocacy comments and amicus briefs "useful." [†]	100.0%	100.0%	N/A (no responses received)	100.0%
Key Measure 1.4.4: The percentage of proposed Administrative Procedure Act (APA) rulemakings, conducted solely by the FTC, completed within 9 months of receipt of final comments in the Final Notice of Proposed Rulemaking.	100.0%	83.3%	N/A (no APA rulemakings conducted)	N/A (no APA rulemakings conducted)
Objective 1.5: Protect American consumers in the global marketplace by providing sound policy and technical input to foreign governments and international organizations to promote sound consumer policy				
Key Measure 1.5.1: Policy advice provided to foreign consumer protection and privacy agencies, directly and through international organizations, through substantive consultations, written submissions, or comments. [†]	64	52	65	61
Measure 1.5.2: Technical assistance to foreign consumer protection and privacy authorities.	23	15	18	13

[†]Performance targets updated as of FY 2012 in the FTC's Strategic Plan Addendum at http://www.ftc.gov/sites/default/files/documents/reports_annual/strategic-plan/spfy09fy14add.pdf.

Annual Performance Measures: Historical

	FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual
Strategic Goal 2: Maintain Competition: Prevent anticompetitive mergers and other anticompetitive business practices in the marketplace.				
Objective 2.1: Take action against anticompetitive mergers and practices that may cause significant consumer injury				
Key Measure 2.1.1: Actions to maintain competition including litigated victories, consent orders, abandoned transaction remedies, restructured transactions remedies, or fix-it-first transactions remedies in a significant percentage of substantial merger and nonmerger investigations.	40.0%	34.1%	43.1%	42.2%
Measure 2.1.2: Consumer savings of at least \$500 million through merger actions to maintain competition.	\$586.0 million	\$532.2 million	\$504.9 million	\$564.2 million
Measure 2.1.3: Actions against mergers likely to harm competition in markets with a total of at least \$25 billion in sales.	\$22.5 billion	\$22.7 billion	\$20.2 billion	\$21.0 billion
Measure 2.1.4: Consumer savings of at least six times the amount of FTC resources allocated to merger program. [†]	1,670.0%	1,419.0%	1,492.4%	1,382.2%
Measure 2.1.5: Consumer savings of at least \$80 million through nonmerger actions taken to maintain competition. [†]	\$508.0 million	\$444.9 million	\$439.8 million	\$449.8 million
Measure 2.1.6: Actions against anticompetitive conduct in markets with a total of at least \$8 billion in annual sales. [†]	\$11.7 billion	\$11.6 billion	\$11.7 billion	\$13.1 billion
Measure 2.1.7: Consumer savings of at least four times the amount of FTC resources allocated to nonmerger program over a five-year period. [†]	2,418.0%	1,917.7%	1,831.7%	2,296.0%
Measure 2.1.8: The percentage of cases in which the FTC had at least one substantive contact with a foreign antitrust authority in which the agencies followed consistent analytical approaches and reached compatible outcomes.	100.0%	100.0%	100.0%	100.0%

[†]Performance targets updated as of FY 2012 in the FTC's Strategic Plan Addendum at http://www.ftc.gov/sites/default/files/documents/reports_annual/strategic-plan/spfy09fy14add.pdf.

Annual Performance Measures: Historical

	FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual
Objective 2.2: Prevent consumer injury through education:				
Key Measure 2.2.1: Competition resources accessed via the FTC's website. [†]	21.5 million	22.6 million	23.2 million	44.1 million
Objective 2.3: Enhance consumer through research, reports, and advocacy:				
Key Measure 2.3.1: Workshops, seminars, conferences, and hearings convened or cosponsored that involve significant competition-related issues.	6	4	3	4
Key Measure 2.3.2: Reports and studies issues on key competition-related topics.	9	11	9	14
Key Measure 2.3.3: Advocacy comments and amicus briefs on competition issues filed with entities including federal and state legislatures, agencies or courts. [†]	17	16	18	19
Measure 2.3.4: The percentage of respondents finding the FTC's advocacy comments and amicus briefs "useful." [†]	100.0%	100.0%	83.3%	100.0%
Measure 2.3.5: The volume of traffic on www.ftc.gov relating to competition research, reports, and advocacy.	2.2 million	1.8 million	3.4 million	3.9 million
Objective 2.4: Protect American consumers in the global marketplace by providing sound policy recommendations and technical advice to foreign governments and international organizations to promote sound competition policy				
Key Measure 2.4.1: Policy advice provided to foreign competition agencies, directly and through international organizations, through substantive consultations, written submissions, or comments. [†]	76	112	146	100
Measure 2.4.2: Technical assistance provided to foreign competition authorities.	60	27	27	34

[†]Performance targets updated as of FY 2012 in the FTC's Strategic Plan Addendum at http://www.ftc.gov/sites/default/files/documents/reports_annual/strategic-plan/spfy09fy14add.pdf.

Annual Performance Measures: Historical

	FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual
Strategic Goal 3: Advance Performance: Advance the FTC's performance through organizational, individual, and management excellence.				
Objective 3.1: Provide effective human resources management				
Measure 3.1.1: The extent employees believe their organizational culture promotes improvements in processes, products and services, and organizational outcomes.	68.0%	66.0%	66.0%	64.0%
Key Measure 3.1.2: The extent employees think the organization has the talent necessary to achieve organizational goals.	72.0%	70.0%	70.0%	69.0%
Objective 3.2: Provide effective infrastructure and security management				
Key Measure 3.2.1: A favorable Continuity of Operations (COOP) rating.	85.0%	75.0%	90.0%	85.0%
Key Measure 3.2.2: Availability of information technology systems.	99.77%	99.82%	99.86%	100.00%
Objective 3.3: Provide effective information resource management:				
Key Measure 3.3.1: The percentage of Commission-approved documents in the FTC's ongoing and newly initiated proceedings available via the Internet within 15 days of becoming part of the public record.	93.8%	82.0%	80.2%	80.6%
Objective 3.4: Provide effective financial and acquisition management				
Measure 3.4.1: Independent auditor's financial statement audit results.	Unqualified	Unqualified	Unqualified	Unqualified
Key Measure 3.4.2: The percentage of Bureaus/Offices that establish and maintain an effective, risk-based internal control environment.	100.0%	100.0%	100.0%	100.0%
Measure 3.4.3: Performance against the Small Business Administration's government-wide small business procurement goals.	58.9%	46.3%	57.7%	49.5%

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Strategic Goal 1: Protect Consumers

The FTC has jurisdiction over a wide range of consumer protection issues. To carry out its broad mission, it must make effective use of limited resources by targeting its law enforcement and education efforts to achieve maximum impact and by working closely with federal, state, international, and private sector partners in joint initiatives. In addition, the agency engages in dialogue with a variety of stakeholders to understand emerging issues. The FTC also conducts research on a variety of consumer protection topics.

Evaluations and Research

The FTC continuously evaluates the effectiveness of its efforts to protect consumers. The agency's research and analysis of important and emerging consumer protection issues enhances agency decision making and enables the agency to better protect consumers. This work is done through the Bureau of Consumer Protection and the Bureau of Economics. These efforts include:

- Assessing the extent to which the consumer complaint and other information made available by the agency is used by its staff and law enforcement partners.
- Evaluating whether enforcement activities are tracking the areas of greatest concern and whether there are new practices or technologies that require additional law enforcement.
- Evaluating the effectiveness of the FTC's enforcement efforts in those areas in which a baseline measure can be determined.
- Measuring the number of education messages disseminated each year and assessing the number and range of public and private sector organizations that partner with the FTC on outreach.
- Reviewing the focus of FTC education efforts, determining whether the agency needs to reach new audiences in light of changes in demographics, advertising, and marketing practices, and identifying strategies or partnerships that will allow the FTC to reach those audiences.
- Evaluating whether the advice and comments the FTC provides to local, state, and federal agencies on consumer protection policies have been considered and adopted.

Objective 1.1 Identify and take actions to address deceptive or unfair practices that harm consumers.

Goal Leader: Director, Bureau of Consumer Protection; Director, Bureau of Economics

To fulfill its goal of protecting consumers, the FTC must identify consumer protection problems and trends in the fast-changing, increasingly global marketplace. The agency strives to understand the issues affecting consumers, including any newly emerging methods of fraud or deceit, so that it can target its enforcement, education, and advocacy on those areas where consumers suffer the most harm. The FTC leverages its resources by sharing information with, and encouraging other law enforcement authorities to assist it in its efforts, by acting either independently or jointly.

To help ensure that its enforcement, education and advocacy efforts are well-targeted, the Bureau of Consumer Protection works with the Bureau of Economics in evaluating economic harm to consumers as cases and programs are developed.

The FTC is using new technologies creatively and building on its broad base of private and public sector partners. The agency continues to collect consumer complaint information directly through four principal sources:

1. a toll-free helpline (1-877-FTC- HELP)
2. an identity theft hotline (1-877-ID-THEFT)
3. the National Do Not Call Registry (1-888-382-1222)
4. the online consumer complaint forms that support items 1-3, as well as online forms dedicated to complaints from members of the U.S. Armed Forces and to cross-border fraud complaints.

In addition, the FTC continues to gather consumer complaint information from other sources, including national surveys, state and federal law enforcement agencies, Better Business Bureaus, and private entities. Further, the FTC maintains an electronic mailbox (spam@uce.gov) to which Internet users are encouraged to forward spam.

The agency makes consumer complaint data and other information available to other law enforcers through the secure website of the Consumer Sentinel Network.

The FTC recognizes that consumers cannot always identify whether unfair or deceptive practices have occurred. For example, consumers cannot evaluate for themselves the truthfulness of an environmental marketing claim, such as “made with recycled content.” The agency, therefore, identifies targets by augmenting its complaint databases

with other enforcement leads, such as ad monitoring, Internet “surfs” (monitoring the Internet for potentially false or deceptive advertising for a targeted product or service), evaluation of mobile practices, and direct referrals from government and private sector partners.

The FTC protects consumers by enforcing Section 5 of the FTC Act, which prohibits unfair or deceptive acts or practices in or affecting commerce, as well as by enforcing a number of statutes and rules proscribing specific unlawful practices. The FTC’s Bureau of Consumer Protection, with the support of the Bureau of Economics, investigates cases and initiates civil enforcement actions, primarily by filing actions in federal court, when there is reason to believe that entities have violated these laws and rules. The FTC’s enforcement actions seek injunctions and other relief. The FTC also brings enforcement actions via administrative proceedings.

Strategies

- Target law enforcement efforts on violations that create the greatest amount of consumer harm by reviewing complaints, monitoring practices in the marketplace, and evaluating industry and other information.
- Stop injury through aggressive law enforcement that focuses on preventing fraud and harmful financial practices, protecting consumer privacy, policing national advertising and new technologies, and suing entities that violate federal court and administrative orders obtained by the FTC.

FY 2014 – 2015 Next Steps and Future Actions

- Assess the extent to which the consumer complaint and other information made available by the agency is used by its staff and law enforcement partners.
- Evaluate whether enforcement activities are tracking the areas of greatest concern and whether there are new practices or technologies that require additional law enforcement.
- Evaluate the effectiveness of the FTC’s enforcement efforts in those areas in which a baseline measure can be determined.

Performance Goals

1.1.1 Percentage of the FTC’s consumer protection law enforcement actions that targeted the subject of consumer complaints to the FTC.

1.1.2 Rate of customer satisfaction with the FTC’s Consumer Response Center.

1.1.3 Total consumer savings compared to the amount of FTC resources allocated to consumer protection law enforcement.

1.1.4 Amount of money the FTC returned to consumers and forwarded to the U.S. Treasury.

The first measure will ensure that FTC law enforcement actions target the subject of concerns identified by consumers. The second measure will ensure that the agency's Consumer Response Center is providing satisfactory service responding to consumers. The Consumer Response Center is often consumers' first contact with the FTC, and if consumers do not have a satisfactory experience, they may be less likely to file complaints. The third measure tracks how much money the FTC saves consumers each year through law enforcement. The FTC has found that typically when it files a complaint in federal district court and obtains a court order, the defendants stop their practices. If they fail to comply with an order, they are subject to contempt or civil penalty proceedings. By stopping these practices, the agency directly prevents further consumer losses caused by these defendants. The fourth measure will track the FTC's effectiveness in returning money to consumers who were defrauded or forwarding money to the U.S. Treasury (e.g., if redress is impracticable).

Other Indicators that support performance goals and objectives

Complaints collected and entered into the Consumer Sentinel Network database.

- The indicator ensures that the agency assimilates a large number of consumer complaints, including complaints about Do Not Call violations. The agency will receive these complaints from a variety of sources, including direct consumer complaints to the FTC and complaints received by the FTC's partners. In this manner, the FTC will collect robust information to inform its law enforcement efforts.

FY 2013: 5.7 million complaints

FY 2012: 5.8 million complaints

FY 2011: 4.0 million complaints

The percent of redress cases in which the FTC distributes redress dollars designated for distribution to consumers within 6 months.

- The indicator will ensure that the FTC returns redress dollars to injured consumers as quickly as possible. Dollars are considered "designated for distribution" when the FTC is in receipt of all funds, legal issues are resolved, and a usable claimant list is ready.

FY 2013: 95 percent

FY 2012: 95 percent

FY 2011: 100 percent

Objective 1.2 Provide the public with knowledge and tools to prevent harm to consumers.

Goal Leader(s): Director, Bureau of Consumer Protection; Director, Bureau of Economics

Consumer and business education serves as the first line of defense against fraud, deception, and unfair practices. Most FTC law enforcement initiatives include a consumer and/or business education component aimed at preventing consumer injury and unlawful business practices, and mitigating financial losses. The agency also conducts consumer and business education campaigns to raise awareness of new or emerging marketplace issues that have the potential to cause harm. The agency creatively uses new technologies and private and public partnerships to reach new and underserved audiences, particularly those who may not seek information directly from the FTC. In addition, the FTC will continue to educate consumers about how to avoid identity theft and provide information to those who have become victims of identity theft. The FTC also will continue to publicize its consumer complaint and identity theft websites and toll-free numbers in an ongoing effort to increase public awareness of its activities and inform the public of ways to contact the FTC to obtain information or file a complaint.

The FTC has a unique mandate to undertake certain forms of research based on Section 6 of the FTC Act. Under this authority, the FTC gathers, analyzes, and makes public certain information that serves the public interest. The FTC also convenes conferences and workshops through which experts and other experienced and knowledgeable parties identify cutting-edge consumer protection issues and discuss ways to address those issues. The FTC recognizes that stakeholders other than government are at times better placed to address certain consumer protection issues. The agency, therefore, encourages self-regulatory efforts and partners with the private sector to disseminate consumer education content developed by the agency.

Strategies

- Focus consumer and business education efforts on areas where fraud, deception, unfair practices, and information gaps cause the greatest injury. Target particular demographic groups with messages about marketplace issues that impact their health, safety, and economic well-being, both online and off. Integrate mobile technologies into education and outreach initiatives through multimedia and interactive content.
- Monitor the marketplace and technological developments to identify emerging consumer protection issues, hold workshops or conferences to examine these issues, and, where appropriate, issue reports analyzing the issues to provide the public with knowledge and tools to prevent consumer harm.

FY 2014 – 2015 Next Steps and Future Actions

- Measure the number of education messages disseminated each year and assess the number and range of public and private sector organizations that partner with the FTC on outreach.
- Review the focus of FTC education efforts, determine whether the agency needs to reach new audiences in light of changes in demographics, advertising, and marketing practices, and identify strategies or partnerships that will allow the FTC to reach those audiences.

Performance Goals

1.2.1 Rate of consumer satisfaction with FTC consumer education websites.

1.2.2 Number of federal, state, local, international, and private partnerships to maximize the reach of consumer and business education campaigns.

1.2.3 Number of workshops and conferences the FTC convened that address consumer protection problems.

1.2.4 Number of consumer protection reports the FTC released.

The first measure will ensure that the agency's consumer education websites are effective and helpful for consumers. The second measure will ensure the FTC maximizes its reach to consumers and businesses by partnering with other groups and providing free bulk quantities of education materials via an online order system. These other groups often distribute the education materials directly to their constituents. The measure therefore helps determine the extent to which FTC's education tools reach consumers. The third measure ensures that enforcement and education efforts are augmented by encouraging discussions among all interested parties, through careful study of novel or challenging consumer protection problems. The fourth measure will ensure the FTC releases a variety of informative reports to the public that help promote the understanding and awareness of consumer protection issues.

Other Indicators that support performance goals and objectives

Consumer protection messages accessed in print.

- The indicator helps ensure that the agency is engaging in a sufficient amount of educational activity.

FY 2013: 11.8 million messages

FY 2012: 10.8 million messages

FY 2011: 16.2 million messages

Social media subscribers and followers.

- The indicator helps gauge the FTC's online presence, which enables the agency to reach more consumers with its educational messages.

FY 2013: 152,548 subscribers/followers

FY 2012: 75,424 subscribers/followers

Objective 1.3 Collaborate with domestic and international partners to enhance consumer protection.

Goal Leader(s): Director, Bureau of Consumer Protection; Director, Office of International Affairs; Director, Office of Policy Planning

The FTC works with partners in the United States and internationally to address new and emerging consumer protection challenges. The geographic location and other demographics may affect the types of fraud that consumers encounter. It is, therefore, important for governmental and non-governmental organizations to share information and resources to enhance consumer protection.

The FTC promotes consumer protection domestically through advocacy by filing comments with federal, state, and local government bodies advocating policies that 1) promote the interests of consumers and 2) highlight the roles of consumer and empirical research in their decision-making. The agency also files amicus briefs to aid courts' consideration of consumer protection issues.

Because telemarketing and Internet fraud, privacy violations, and data security breaches are increasingly cross-border in scope, the FTC routinely cooperates and collaborates with its foreign counterparts to implement broad-based international programs that combine cross-border law enforcement, policy, and technical assistance work. The FTC actively participates in numerous multinational organizations that engage in enforcement cooperation activities against mass-marketing fraud. The FTC provides technical assistance to newer consumer protection agencies and privacy authorities in foreign countries to help enhance their ability to achieve sound consumer protection outcomes in enforcement and policy-making. The agency also provides policy advice through substantive consultations and written comments on areas of mutual concern. This multi-faceted approach promotes a global marketplace that provides consumers with more consistent and effective protections.

Strategies

- Leverage resources by working with domestic and international partners in government and the private sector to share information about consumer protection issues.
- Pursue the development of international consumer protection enforcement models or approaches that focus on protecting consumers while maximizing consumer choice and economic benefit.
- Provide technical assistance to countries establishing consumer protection regimes, as well as provide selected foreign officials with an opportunity to work alongside FTC attorneys, investigators, and economists to learn about the FTC's approach to consumer protection and to promote further cooperation between the countries.

FY 2014–2015 Next Steps and Future Actions

- Engage through the Organization for Economic Cooperation and Development (OECD) to promote development of the next generation of policy principles in the area of consumer protection and electronic commerce on issues such as emerging online and mobile payments systems, digital content products, and interactive digital media.
- Work with international partners to strengthen cooperation among enforcement partners, bilaterally and through multilateral organizations such as the Internal Consumer Protection Enforcement Network and the London Action Plan, including through new initiatives with foreign criminal authorities particularly in countries that are increasingly the source of fraud directed at American consumers.
- Engage in enforcement cooperation pursuant to the Asia-Pacific Economic Cooperation (APEC) cross-border data privacy rules system.
- Consult with international authorities on developing new approaches to privacy and cross-border data transfers through the OECD and other international organizations such as the International Conference of Data Protection and Privacy Commissioners and the Global Privacy Enforcement Network.
- Continue to explore the use of enforceable codes of conduct, including voluntary industry codes, public-private hybrid arrangements, and international standards to protect consumers in cross-border commerce.
- Continue to build and expand a robust international consumer protection and privacy technical assistance program for newer consumer protection agencies.
- Further develop the International Fellows and staff exchange programs. File comments or otherwise engage in advocacy with state, federal, and foreign govern-

ments that evaluate both the costs and benefits of proposed policies on consumers and an awareness of the intersection of competition and consumer protection concerns.

- Evaluate whether the advice and comments (e.g., advocacy filings and amicus briefs) that the FTC provides to local, state, and federal government entities on consumer protection policies have been considered and adopted.

Performance Goals

1.3.1 Number of investigations or cases in which the FTC and other U.S. federal, state and local government agencies shared evidence or information that contributed to FTC law enforcement actions or enhanced consumer protection.

1.3.2 Number of investigations or cases in which the FTC obtained foreign-based evidence or information or engaged in other mutual assistance that contributed to FTC law enforcement actions or in which the FTC cooperated with foreign agencies and/or multilateral organizations on enforcement matters.

1.3.3 Number of instances of policy advice or technical assistance provided to foreign consumer protection and private agencies, directly and through international organizations, through seminars, substantive consultations, written submissions, or comments, and direct work with foreign agency officials who visit the FTC.

1.3.4 Percentage of consumer protection advocacy matters filed with entities including federal and state legislatures, agencies, or courts that were successful, in whole or in part.

The first measure will ensure the FTC is leveraging resources with domestic partners on consumer protection issues to further the goal of protecting consumers from fraud. The second measure will ensure that the agency is leveraging resources with foreign agencies and organizations, to increase the effectiveness of the FTC's enforcement actions. The third measure will track policy advice and/or technical assistance the FTC provides to foreign consumer and privacy agencies through seminars, substantive consultations, written submissions, comments, and visits by foreign officials. The fourth measure will evaluate the success of consumer protection advocacies filed by the FTC.

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Strategic Goal 2: Maintain Competition

The FTC's efforts to maintain competition focus on preventing anticompetitive mergers and other anticompetitive business practices in the marketplace. This work is critical to protect and strengthen free and open markets – the cornerstone of a vibrant economy. Vigorous competition results in lower prices, higher quality goods and services, and innovation leading to beneficial new products and services. By enforcing the antitrust laws, the FTC helps to ensure that markets function well.

As a part of its program to maintain competition, the FTC undertakes competition policy research and development activities to improve agency decision making in areas such as law enforcement and competition advocacy. The FTC also promotes competition through advocacy and education initiatives. These initiatives deter anticompetitive mergers and business practices and reduce business' costs of compliance with antitrust laws. Advocacy encourages governmental actors at the federal, state, and local levels to evaluate the effects of their policies on competition and ensure such policies promote consumer benefit.

Evaluations and Research

The FTC continuously evaluates the effectiveness of its efforts to maintain and promote competition. Research activities allow in-depth studies of industries and ways to better analyze certain problems. The FTC applies the knowledge gained through its research projects, workshops, and hearings to improve its understanding of significant antitrust issues and emerging trends in business practices, technology, and markets in order to adapt its law enforcement and other initiatives to the continually evolving marketplace. After each major litigation effort, the FTC internally evaluates its litigation performance and captures best practices and training needs for future litigation teams. The FTC continuously assesses the burden imposed by investigations and seeks ways to reduce this burden and make the investigative process more efficient. The FTC's Bureau of Economics conducts retrospective analyses of mergers and other competition issues to determine whether the actions taken resulted in over or under regulation. The agency also evaluates the policy impact of the FTC's advocacy initiatives.

Objective 2.1: Identify and take actions to address anticompetitive mergers and practices that harm consumers.

Goal Leader: Director, Bureau of Competition; Director, Bureau of Economics

The FTC takes action to block or remedy anticompetitive mergers and to stop anticompetitive conduct. Anticompetitive mergers and other coordinated or unilateral conduct can lessen competition and cause harm to consumers through higher prices, inferior service, or diminished innovation. Anticompetitive practices can also harm competition and consumers if they make it more difficult for other companies to enter the market. Enforcement of the antitrust laws provides substantial benefits to consumers by helping to ensure that markets are competitive.

The FTC's Bureau of Competition, together with the Bureau of Economics, investigates proposed and consummated mergers, as well as conduct and agreements that may be anticompetitive, and takes enforcement action when it has reason to believe that mergers or conduct will likely harm consumers. The FTC's enforcement actions result in litigation, consent orders, abandoned or restructured transactions or agreements, or the cessation of anticompetitive conduct. The FTC strives to maintain strong litigation capabilities and works to ensure that the remedies imposed by its consent orders are effective in maintaining competition in the marketplace without undue burden on businesses.

The Hart-Scott-Rodino (HSR) Premerger Notification Act provides the FTC an effective starting point for identifying anticompetitive mergers and taking action to block or remedy them before they are consummated. The FTC administers the HSR program both for itself and for the Antitrust Division of the Department of Justice (DOJ), which shares authority to challenge anticompetitive mergers. The FTC also uses trade press articles, consumer and competitor complaints, and other means to identify potentially anticompetitive mergers that do not meet HSR notification requirements, or that were not reported in violation of HSR.

In addition, the FTC employs a variety of methods to identify potentially anticompetitive practices and conduct outside the merger context (for example, consumer and competitor complaints, referrals from other government agencies, and trade press).

Strategies

- Increase the efficiency of investigatory processes to conduct rigorous, economically sound, and fact-based analysis of mergers and other potentially anticompetitive business practices, and enhance enforcement outcomes while minimizing burdens on business.

- Improve the timeliness of investigations and merger review under the HSR program. Ensure that administrative litigations and adjudications reach timely resolutions.
- Improve negotiation and litigation skills and refine investigative and decisional tools through continuous learning.
- Negotiate merger and nonmerger consent orders and win litigated orders that have significant remedial, precedential, and deterrent effects. Increase compliance with consent decrees and orders and with HSR reporting obligations.
- Increase the transparency of the decision-making process, including assessing whether revisions to enforcement guidelines are required.

FY 2014 – 2015 Next Steps and Future Actions

To implement these strategies, in FY 2014 and FY 2015,

- Continue to develop its training programs with the goal of increasing the anti-trust expertise and investigative, negotiation, and litigation skills of its attorneys through continuous learning and identification of “best practices.” The Bureau of Competition recently established a Training Council to oversee and coordinate its training offerings to ensure that courses are timely and relevant for staff.
- Continue to focus on improving the investigatory process, including through the use of improved technological tools to help manage and coordinate investigations.
- As in prior years, continue ongoing assessment of premerger notification filing requirements with the goal of efficiency and reduced burden on filing persons and the antitrust agencies.

Performance Goals

2.1.1 Percentage of actions taken to maintain competition in substantial merger and nonmerger investigations.

2.1.2 Consumer savings through merger actions taken to maintain competition.

2.1.3 Total consumer savings compared to the amount of FTC resources allocated to the merger program.

2.1.4 Consumer savings through nonmerger actions taken to maintain competition.

2.1.5 Total consumer savings compared to the amount of FTC resources allocated to the nonmerger program.

The first performance measure will ensure that the agency is using its resources wisely in bringing appropriate investigations and cases and is crafting and pursuing effective resolution, whether through litigation or settlement. Success on this performance measure indicates that the FTC is effectively screening HSR reported mergers and other merger and conduct investigations to identify those that raise significant antitrust issues and warrant further investigation and possible enforcement action, while at the same time permitting mergers or conduct that are neutral or beneficial to consumers to proceed unimpeded. The other four measures ensure that the agency is challenging mergers and conduct that may cause substantial consumer injury through targeting of the agency's resources effectively and efficiently. The second and fourth measures indicate the consumer benefits attributable to the FTC's enforcement actions. The third and fifth measures indicate the efficiency with the enforcement actions are undertaken.

Other Indicators that support performance goals and objectives

- Average total sales for the current plus previous four fiscal years in the affected markets in which the Commission took merger enforcement action.

FY 2013: \$21.0 million

FY 2012: \$20.2 million

FY 2011: \$22.7 million

- Average total sales for the current plus previous four fiscal years in the affected markets in which the Commission took anticompetitive conduct enforcement action.

FY 2013: \$13.1 million

FY 2012: \$11.7 million

FY 2011: \$11.6 million

These two other indicators reflect effective and efficient use of FTC resources by measuring the size of the relevant product markets involved in the agency's competition enforcement actions. At the same time, the use of FTC resources in bringing competition enforcement actions in smaller markets to help clarify or develop competition law principles can be, through their deterrent and educational effects, effective means for maintaining and promoting competition in broader markets.

Objective 2.2 Engage in effective research and stakeholder outreach to promote competition, advance its understanding, and create awareness of its benefits to consumers.

Goal Leader(s): Director, Bureau of Competition; Director, Office of Policy Planning

The FTC has a unique mandate to undertake certain forms of research based on Section 6 of the FTC Act and the historical report-writing activity of its predecessor entity, the Bureau of Corporations. Under this authority, the FTC gathers, analyzes, and makes public certain information concerning the nature of competition as it affects U.S. commerce. The FTC uses this authority to enhance consumer welfare by holding public hearings, convening conferences and workshops, conducting economic studies on competition issues of significant public importance, and issuing reports of its findings. The agency uses the information internally to refine the theoretical economic framework for analyzing competition issues and understanding industry practices, and to help the FTC respond effectively to changing marketplace conditions. This information also contributes to a better understanding of business practices and their competitive and economic implications, providing guidance to the business sector, the legal community, other enforcement authorities, the judiciary, and governmental decision makers and policymakers at the federal, state, and local levels.

The FTC also promotes competition through advocacy, information, and education. In its advocacy work, the FTC files comments with federal, state, and local government bodies advocating policies that promote the interests of consumers and highlights the role of consumer and empirical research in their decision making. The FTC also files amicus (“friend of the court”) briefs to aid courts’ consideration of competition issues. Educating consumers and businesses about competition law and policy also promotes competition. Informing businesses and their legal advisers about potential antitrust violations deters anticompetitive mergers and anticompetitive business practices and reduces businesses’ cost of compliance. Educating consumers about their rights and their ability to bring violations to the FTC’s attention reduces the cost of identifying anticompetitive conduct. Providing consumers and businesses with information about how antitrust enforcement benefits the common good can also encourage cooperation with FTC investigations and strengthen enforcement actions.

Strategies

- Improve the agency’s understanding of various practices and developments in the marketplace by conducting public hearings, conferences, and workshops that bring together interested parties and conducting economic research on these issues. Utilize the information gathered to inform the agency’s enforcement agenda. Improve the dissemination of material gathered through hearings, conferences, and workshops.

- Target advocacy activities to encourage state and federal government policymakers to evaluate the competitive implications of their existing and proposed policies, emphasizing the impact on consumers of policies that unnecessarily restrict competition.
- Increase transparency of the agency's decision-making by ensuring that the content of complaints, press releases, and analyses to aid public comment explain in sufficient detail and with sufficient clarity the evidence and theory of a case, within the constraints of confidentiality requirements. Expand the use of other public statements to improve the public's understanding of the FTC's enforcement policies.

FY 2014 – 2015 Next Steps and Future Actions

- Seek out appropriate topics and organize public conferences, workshops, and hearings to enhance the FTC's understanding of various practices and developments in the marketplace.
- Encourage the participation and broader perspective of businesses and consumer groups in these conferences, workshops, and hearings, and continue to disseminate the materials relating to these events, including transcripts, written submissions, and reports.
- Seek opportunities to file comments or otherwise engage in advocacy with local, state, and federal government policymakers to encourage them to adopt policies that maximize competition and consumer welfare by evaluating both the costs and the benefits of their policies for consumers.
- Look for opportunities to expand the use of public statements to explain why the Commission elected not to take enforcement action in certain matters to further improve the public's understanding of the FTC's decision making and to have its staff participate in and speak at appropriate seminars and conferences.

Performance Goals

2.2.1 Number of workshops, seminars, conferences, and hearings convened or co-sponsored that involve significant competition-related issues.

2.2.2 Number of reports and studies the FTC issued on key competition-related topics.

2.2.3 Percentage of competition advocacy matters filed with entities including federal and state legislatures, agencies, or courts that were successful, in whole or in part.

The first measure will ensure that consumer benefits are enhanced through activities such as workshops, seminars, conferences, and hearings convened or cosponsored that

involve significant competition-related issues. The second measure will track research, reports, and studies that enhance consumers' knowledge of competition issues. The third measure will evaluate the success of competition advocacies filed by the FTC.

Objective 2.3: Collaborate with domestic and international partners to preserve and promote competition.

Goal Leader: Director, Office of International Affairs; Director, Bureau of Competition

The FTC continues to build cooperative relationships with foreign and domestic antitrust agencies to ensure close collaboration on cases and convergence toward sound competition policies.

On the domestic front, the FTC seeks to collaborate with other agencies and the state attorneys general to obtain the best results and maximize the use of limited resources in the enforcement of the U.S. antitrust laws.

With its foreign partners, the FTC seeks more effective, coordinated reviews of multi-jurisdictional mergers, and works towards achieving consistent outcomes in cross-border cases of potential anticompetitive conduct. Participation in multilateral competition organizations provides valuable opportunities to promote international cooperation and convergence and for competition officials to share insights on law enforcement and policy initiatives.

Cooperation with competition agencies of other jurisdictions is a key component of an effective FTC competition enforcement program. With over 120 antitrust enforcers worldwide, it is critical that we work together to ensure that the international competition law system functions coherently and effectively. To accomplish this, the FTC builds strong bilateral relations with foreign counterparts and takes a lead role in multilateral fora to promote case enforcement cooperation and convergence toward sound competition policies.

The FTC provides technical assistance to newer competition agencies in foreign countries to enhance their ability to achieve sound competition outcomes in enforcement and policy-making. This technical assistance helps protect U.S. interests by encouraging systems that apply standards to transactions and conduct affecting the global marketplace that are consistent with U.S. and worldwide best practices. The agency also provides policy advice through substantive consultations and written comments on issues of mutual concern.

Strategies

- Work more extensively within the U.S. government inter-agency process and with other domestic government entities to support the FTC's efforts to promote market-based competition and policy convergence.
- Broaden and deepen our cooperation with foreign competition agencies on anti-trust matters that are subject to concurrent review to improve the effectiveness of investigations and promote consistent outcomes.
- Promote policy convergence toward sound and effective antitrust enforcement internationally by working with a greater number of foreign competition agencies, including bilaterally through substantive consultations, written comments, and the provision of technical advice, and, multilaterally, by taking leadership roles in multilateral and regional organizations. Provide technical assistance to countries that are establishing competition regimes. Provide selected foreign officials with an opportunity to work alongside FTC attorneys, economists, and investigators to enhance their capacity to develop and implement sound competition policy and enforcement.

FY 2014 – 2015 Next Steps and Future Actions

- Maintain the FTC's leadership role in the International Competition Network (ICN), including through participating in the Steering Group and in the ICN's work on agency effectiveness, unilateral conduct, merger procedures, investigative process, and the online curriculum project.
- Enhance our participation in other key multilateral and regional fora, including the OECD, UNCTAD, and APEC.
- Advance cooperation and convergence with foreign competition agencies by improving cooperation in merger matters and on single firm conduct policy and enforcement, including by developing new tools for cooperation and leadership on multilateral initiatives to promote cooperation and convergence.
- Strengthen relations with the Chinese and Indian competition agencies through dialogue on policy initiatives and case cooperation as appropriate, and the provision of technical assistance.
- Work with other US agencies in intergovernmental fora that address competition issues, including as members of the Trans Pacific Partnership and Trans-atlantic Trade and Investment Partnership negotiating teams.
- Further develop the FTC technical assistance program.
- Further develop the International Fellows and staff exchange programs.

Performance Goals

2.3.1 Percentage of FTC cases involving at least one substantive contact with a foreign antitrust authority in which the agencies followed consistent analytical approaches and reached compatible outcomes.

2.3.2 Number of instances in which the FTC provided policy advice or technical assistance to foreign competition agencies or governments, directly and through international organizations, through seminars, long-term advisors and staff exchanges, substantive consultations, written submissions, or comments, and with foreign officials when they visited the FTC.

The first measure will track the number of cases where foreign antitrust authority or agency followed consistent analytical approaches and reached compatible outcomes as a percentage of the total number of cases the FTC has at least one substantive contact. The second measure will track policy advice and technical assistance the FTC provides to foreign competition agencies through seminars, long-term advisors and staff exchanges, substantive consultations, written submissions, comments, or hosting of international fellows and interns.

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Strategic Goal 3: Advance Organizational Performance

The FTC believes that advancing organizational performance at all levels creates a strong foundation for overall mission success. The agency's work in Strategic Goal 3 highlights ongoing efforts to advance organizational performance that enhances the agency's ability to focus on protecting consumers and maintaining competition.

Goal 3 is inherently collaborative, and primarily encompasses key management areas in the FTC: human capital, infrastructure and security, information technology resources, finance and acquisition, and equality of opportunity in employment. These efforts foster leadership and accountability across the agency and establish a culture of customer service, constituent responsiveness, and effective planning, administration, and management. Employees at all levels are expected to show leadership in their areas of responsibility by exhibiting a willingness to develop and coach others, a commitment to teamwork, and a drive to find innovative solutions.

Evaluations and Research

- The agency rigorously reviews its management functions.
- The FTC's financial statements are audited annually, which encompasses a thorough overview of the agency's financial position and various transactions throughout the fiscal year.
- The FTC conducts risk assessment reviews of the agency's programs. These reviews assist management in identifying high-risk areas and implementing appropriate risk management strategies where necessary. In addition, the agency performs targeted reviews of internal controls. The areas targeted for review are determined by several factors, including risk assessment, management input, prior audits and reviews results and external (regulatory) environment. Management evaluates the results from the internal control reviews to determine what processes should be modified to strengthen controls and/or improve efficiency.
- With respect to the information technology and privacy arena, annual FISMA reviews are conducted, and the agency reviews and acts on any areas that need improvement.
- In the area of human capital, FTC regularly reviews and acts on the results of the Office of Personnel Management's Annual Federal Employee Viewpoint Survey. Several areas that OPM periodically examines include a Human Capital

Management Evaluation, a Delegated Examining Unit Examination, and Performance Assessments of General Schedule and Senior Executive Service Performance Management Systems. The Equal Employment Opportunity Commission may also perform technical assistance visits or program reviews.

In addition, the FTC looks to outside groups, such as the Office of the Inspector General, for independent reviews of its activities.

Objective 3.1: Optimize resource management and infrastructure.

Goal Leader(s): Executive Director, Office of the Executive Director; General Counsel, Office of the General Counsel

The creation, modernization, and maintenance of physical, financial and information resources and infrastructure not only provides for a safe, secure, and efficient workplace but also helps the agency to achieve its mission and respond to, and anticipate, future agency needs.

These efforts span several FTC offices and functions. For example, the agency's Continuity of Operations Plan (COOP) ensures that the agency can respond to, and recover from, an emergency situation effectively. The FTC is also committed to effective and efficient management of information resources, and is transitioning to managing most information resources electronically, for example, by developing and implementing a web-based system for public filings in all FTC administrative litigation proceedings. This transition will enable staff to perform their work more efficiently, facilitate public access, and protect sensitive information from inappropriate access.

Ensuring the FTC has an effective and secure information technology infrastructure is essential to meeting the Commission's strategic goals. The Office of the Chief Information Officer delivers value by identifying and providing a host of critical high quality, low-risk IT services that are agile enough to meet Commission business needs.

The FTC believes in the importance of accountability and transparency, as shown through resource stewardship and financial oversight activities. The work in this area covers a wide range of administrative and operational efforts, such as formulating and executing the agency budget, managing acquisition activities, overseeing the internal control program, managing accounting operations, spearheading audit resolution, and ensuring compliance with financial management laws and regulations.

This transparency is also evident in the FTC's work to improve Internet access to public agency documents. With respect to public documents newly approved or authorized by the Commission, the FTC will continue to post text-searchable electronic versions on

the public FTC website in conjunction with applicable news releases. As resource levels permit, the Commission will also continue to post public documents generated prior to the establishment of the FTC's website in 1996.

Strategies

- Improvement of the effectiveness and efficiency of financial management operations. Over the next five years, the FTC plans to fully integrate procurement and core financial systems. This complete financial management system will strengthen the agency's internal controls, improve efficiency of the procurement process, and provide agency staff with timely information regarding budget execution and the availability of funds.
- Improvement of agency IT services by building redundancy into the FTC's IT infrastructure to support vital services, creating virtual computing environments to consolidate the management and utilization of IT resources, and investing in new technologies to further support the FTC's mission.
- Transition to electronic information resource management by: 1) Developing an agency-wide information governance policy. The policy will cover file structures for organizing information, mandatory and optional metadata (searchable information about the document), document naming conventions, access restrictions, and retention rules and triggers. 2) Implementing an Electronic Content Management (ECM) system which staff will use to draft, collaborate on, and finalize work, including consumer protection and competition case filings. The ECM system will enable us to maintain agency records in a secure electronic format for the required retention period and to transfer permanent agency records to NARA.
- Reduction of the agency's energy consumption and promotion of recycling of materials and equipment. Improvements that yield the greatest benefit relative to cost will be incorporated into the development of a new performance indicator.

FY 2014 – 2015 Next Steps and Future Actions

- Evaluate COOP rating and determine support requirements.
- Continue partnership with GSA and OMB in executing the previously coordinated relocation of FTC staff from the 1800 M Street and 601 New Jersey Avenue buildings to Constitution Center in Washington, DC.
- Research alternatives such as telework participation, job sharing, and hoteling, and locating contractor staff off-site.
- Promote and expand the use of the EDMS to house work product and official records.

- Identify and implement business process improvements through effective use of technology to facilitate the Commission's decision making processes and its management of cases.
- Promote the use of web-based e-filing of public comments in FTC rulemakings and other proceedings which seek public comments, to facilitate public participation and web posting of comments.
- Promote the use of web-based e-filing in FTC adjudicative proceedings under Part 3 of the Rules of Practice, to facilitate filing by participants in those proceedings and web posting of public filings.
- Provide information and records management training and outreach to staff, with special emphasis on managing information electronically throughout its lifecycle.
- Enhance the reporting capabilities within the integrated financial system to provide more accurate, reliable, and timely financial information to agency decision makers.
- Document improved processes and policies for financial and acquisition management that promote integrity, transparency, efficiency, and effectiveness.
- In FY 2014 and FY 2015, introduce new systems and applications that will enhance the FTC user experience and further provide tools to achieve FTC's strategic goals and meet government-wide IT mandates.
- In FY 2014, launch a new e-Discovery support system that will allow the Commission to streamline its e-Discovery processes and meet requirements set by the Federal Rules of Civil Procedure.
- Also in FY 2014, upgrade the agency's mobile device platform and remote access telework portal and in FY 2015 will begin developing a mobile computing platform, all of which will improve employees' ability to access FTC's network and data from any location.
- In FY 2015, begin the deployment of a Single-Sign-On solution to support the implementation of HSPD-12 and further protect FTC data and systems from unauthorized access.
- Develop and deploy non-public filings and electronic service enhancements to the web-based system for public filings in FTC administrative litigation proceedings to make the proceedings fully electronic to the greatest extent possible.
- Continue to develop an agency-wide information governance policy to support efficient management of electronic information with appropriate access restrictions.

- Implement an Electronic Content Management system that staff will use to do their work and that will enable FTC to maintain and transfer records to the National Archives and Records Administration in a secure electronic format.

Performance Goals

3.1.1 A favorable Continuity of Operations (COOP) rating.

3.1.2 Availability of information technology systems.

3.1.3 Achieving a favorable (unqualified) audit opinion from the agency's independent financial statement auditors.

3.1.4 Average number of days for the FTC to release information in response to a simple FOIA request.

These measures gauge important dimensions of maintaining physical and information technology infrastructure and security. A COOP rating offers insight to agency preparedness across a wide spectrum of issues related to facility and operations management. The second measure will address the availability of 31 mission-critical IT systems, such as email, telecommunications, Internet access, and mobile devices. Network availability addresses the reliability of the FTC computer and communications systems. The financial statement audit determines whether our financial statements are presented fairly, in all material respects, in conformity with generally accepted accounting principles. The audit also addresses internal controls and compliance with applicable laws and regulations. The fourth measure will track the agency's response time in processing a simple FOIA request for access to public records.

Objective 3.2: Cultivate a high-performing, diverse, and engaged workforce.

Goal Leader: Executive Director, Office of the Executive Director; Director, Bureau of Consumer Protection; Director, Bureau of Competition; Director, Bureau of Economics; General Counsel, Office of General Counsel

This objective encompasses leadership and knowledge management, a results-oriented performance culture, talent management, and job satisfaction. The FTC uses an integrated approach to link human capital programs and policies to agency mission, goals, and strategies and to provide continuous improvement in efficiency and effectiveness. The objective captures the FTC's work and ensures the presence of the right talent in the right positions at the right time to meet the challenges of the 21st century. It also captures efforts to tap into the rich resources of the global community and ensure fairness in the workplace. By attracting, developing, motivating, and retaining a high perform-

ing, diverse, inclusive, and engaged workforce, the FTC advances organizational performance. By having a workforce that looks like and draws from the consumers it protects, the FTC strengthens its ability to meet its mission.

The FTC uses the Federal Employee Viewpoint Survey administered by OPM to measure success in this objective. The survey focuses on employees' perceptions of critical areas of their work life and workforce management, and measures factors that influence whether employees want to join, stay, and help their agency meet its mission.

In addition, the FTC uses Management Directive 715 (MD-715), which is submitted by the agency to the U.S. Equal Employment Opportunity Commission on an annual basis. MD-715 is a tool for agencies to use to ensure that all workers are competing on a fair and level playing field and have the opportunity to achieve their fullest potential.

Strategies

- One of the key strategies to achieving this objective entails using integrated workforce planning to identify and fulfill current and future human capital needs to carry out the agency's mission and implementing programs and processes to enable us to recruit, develop, and retain a highly qualified and diverse workforce.
- The FTC strives to create an agency-wide performance culture that focuses on individual and organizational accountability toward achieving the FTC's programmatic goals and priorities. The agency also seeks to achieve this objective by providing quality training and outreach to staff.

FY 2014 – 2015 Next Steps and Future Actions

- Promote and expand the use of human resources flexibilities throughout the FTC.
- Use innovative ways to reach out to managers, supervisors, and employees on human resources issues.
- Identify and implement business process improvements through effective use of technology to facilitate FTC's human resources. For example, we will modernize our time-keeping and attendance system to more fully automate related processes (working closely with our shared service provider, the Interior Business Center).
- Identify and provide diversity and inclusion training to employees.

Performance Goals

3.2.1 FTC achieves a high ranking in the “Best Places to Work in the Federal Government.”

3.2.2 The extent employees believe the FTC has the talent necessary to achieve organizational goals.

3.2.3 The extent employees believe the FTC encourages an environment that is open, diverse, and inclusive.

The FTC recognizes that its employees are its greatest asset and places great emphasis on the importance of human resources management to the successful accomplishment of its mission. The FTC seeks employee feedback on the extent they believe the organization culture promotes improvement in processes, products and services, and outcomes and the extent the FTC has the right talent in the right positions at the right time to carry out the mission. The Best Places to Work measure is a tool for ensuring that employee satisfaction is a top priority for managers and leaders. The FTC is not only measured on overall employee satisfaction, as tracks by the other two measures, but are scored in 10 workplace categories, such as effective leadership, employee skills/mission match, pay, teamwork and work/life balance. The Federal Employee Viewpoint Survey includes a Diversity and Inclusion index that consolidates many of the questions in the survey.

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Additional Information

List of External Performance Goals Added for FY 2014 – FY 2018

- 1.1.3 Total consumer savings compared to the amount of FTC resources allocated to consumer protection law enforcement.
- 1.1.4 Amount of money the FTC returned to consumers and forwarded to the U.S. Treasury.
- 1.2.2 Number of federal, state, local, international, and private partnerships to maximize the reach of consumer and business education campaigns.
- 1.2.4 Number of consumer protection reports the FTC released.
- 1.3.1 Number of investigations or cases in which the FTC and other U.S. federal, state and local government agencies shared evidence or information that contributed to FTC law enforcement actions or enhance consumer protection.
- 1.3.2 Number of investigations or cases in which the FTC obtained foreign-based evidence or information or engaged in mutual assistance that contributed to FTC law enforcement actions or in which the FTC cooperated with foreign agencies and/or multilateral organizations on enforcement matters.
- 1.3.3 Number of instances of policy advice or technical assistance provided to foreign consumer protection and private agencies, directly and through international organizations, through seminars, substantive consultations, written submissions, or comments, and direct work with foreign agency officials who visit the FTC. (Note: Policy advice and technical assistance provided was combined into a single performance goal in FY14.)
- 1.3.4 Percentage of consumer protection advocacy matters filed with entities including federal and state legislatures, agencies, or courts that were successful in whole or in part.
- 2.2.3 Percentage of competition advocacy matters filed with entities including federal and state legislatures, agencies, or courts that were successful in whole or in part.
- 2.3.2 Number of instances in which the FTC provided policy advice or technical assistance to foreign competition agencies or government, directly and through international organizations, through seminars, long-term advisors and staff ex-

changes, substantive consultations, written submissions, or comments, and with foreign officials when they visited the FTC. (Note: Policy advice and technical assistance provided was combined into a single performance goal in FY14.)

- 3.1.4 Average number of days for the FTC to release information in response to a simple FOIA request.
- 3.2.1 FTC achieves a high ranking in the “Best Places to Work in the Federal Government.”
- 3.2.3 The extent employees believe the FTC encourages an environment that is open, diverse, and inclusive.

List of External Performance Goals Dropped in the Development of the FY 2014 – FY 2018 Strategic Plan

- 1.1.1 Complaints collected and entered into the Consumer Sentinel Network database. (Note: Indicator tracked internally beginning in FY14.)
- 1.2.1 The percentage of all cases filed by the FTC that were successfully resolved through litigation, a settlement, or issuance of a default judgment.
- 1.2.2 The FTC’s effectiveness in stopping prohibited business practices in three high priority areas over the next five years.
- 1.2.3 The percent of redress cases in which the FTC distributes redress dollars designated for distribution to consumers within 6 months. (Note: Indicator tracked internally beginning in FY14.)
- 1.3.1 Consumer protection messages accessed online or in print. (Note: Indicator tracked internally beginning in FY14.)
- 1.3.3 Organizations requesting consumer education publications.
- 1.4.2 Advocacy comments and amicus briefs on consumer protection issues filed with entities including federal and state legislatures, agencies, or courts.
- 1.4.3 The percentage of respondents finding the FTC’s advocacy comments and amicus briefs “useful.”
- 1.4.4 The percentage of proposed Administrative Procedure Act (APA) rulemakings, conducted solely by the FTC, completed within 9 months of receipt of final comments in the Final Notice of Proposed Rulemaking.
- 1.5.1 Policy advice provided to foreign consumer protection and privacy agencies, directly and through international organizations, through substantive consulta-

tions, written submissions, or comments. (Note: Merged with measure 1.5.2 in FY14.)

- 1.5.2 Technical assistance to foreign consumer protection and privacy authorities. (Note: Merged with measure 1.5.1 in FY14.)
- 2.1.3 Actions against mergers likely to harm competition in markets with a total of at least \$25 billion in sales. (Note: Indicator tracked internally beginning in FY14.)
- 2.1.6 Actions against anticompetitive conduct in markets with a total of at least \$12 billion in annual sales. (Note: Indicator tracked internally beginning in FY14.)
- 2.2.1 Competition resources accessed via the FTC's website.
- 2.3.3 Advocacy comments and amicus briefs on consumer protection issues filed with entities including federal and state legislatures, agencies, or courts.
- 2.3.4 The percentage of respondents finding the FTC's advocacy comments and amicus briefs "useful."
- 2.3.5 The volume of traffic on www.ftc.gov relating to competition research, reports, and advocacy.
- 2.4.1 Policy advice provided to foreign competition agencies, directly and through international organizations, through substantive consultations, written submissions, or comments. (Note: Merged with measure 2.4.2 in FY14.)
- 2.4.2 Technical assistance to foreign competition authorities. (Note: Merged with measure 2.4.1 in FY14.)
- 3.1.1 The extent employees believe their organizational culture promotes improvement in processes, products and services, and organizational outcomes.
- 3.3.1 The percentage of Commission approved documents in the FTC's ongoing and newly initiated proceedings available via the Internet within 15 days of becoming part of the public record.
- 3.4.2 The percentage of Bureaus/Offices that establish and maintain an effective, risk-based internal control environment.
- 3.4.3 Performance against the Small Business Administration's government-wide small business procurement goals.

Major Management Priorities and Challenges

FTC's management priorities are incorporated into Goal 3, Advance Organizational Performance. Objective 3.2: Cultivate a high-performing, diverse, and engaged workforce, focuses broadly on human capital development goals. A key priority is to be one of the best places to work in the federal government. As an example of this management priority, the FTC's Bureau of Consumer Protection and Bureau of Competition have focused attention on the continuous development of their employees through their mentoring programs. For at least the past five years, BCP and BC have run successful formal mentoring programs. The BCP and BC Mentoring Programs, open to all BCP, BC, and regional office employees, are designed to contribute to an environment in which unique skills and perspectives that each staff member brings are recognized and valued; diversity is fostered; and excellence, innovation and risk-taking are promoted. The Mentoring Programs provide significant opportunities to build and share organizational knowledge and expertise by capitalizing on the experiences of successful individuals who are committed to the development of a high performance work force. BCP and BC also are examining the formal training they provide to their attorneys, and are developing training curriculum for their attorneys. Recently, the Office of the Executive Director began a similarly-focused formal Mentoring Program that has received very positive feedback from participants. The agency has continued these efforts in FY 2014 and plans to continue them in FY 2015.

The FTC and the Office of Inspector General (OIG) work collaboratively on addressing key management challenges. The following three challenges are based on work conducted by the Office of Inspector General (OIG) and discussions with senior leaders at the FTC. Along with a summary of these management challenges are brief assessments of the agency's progress in addressing these challenges.

Management Challenge: Consolidating Satellite Offices into the Constitution Center

During 2014, the Federal Trade Commission (FTC) will consolidate its New Jersey Avenue and M Street offices into the newly renovated Constitution Center and the FTC Headquarters building. Over 800 employees will be relocated during the process. The consolidation effort is being conducted under extremely tight time constraints that resulted primarily from decisions and events outside the direct control of the FTC.

The FTC has taken proactive steps to mitigate these risks. These include contracting with a vendor to provide professional planning and project management support for the consolidation; and moving to a phased approach to achieving full operational capability. Moving forward, considerable effort will be required to manage the many risks associated with a move of this complexity within the truncated timeframe. Not only does the FTC have to transfer its people and associated support activities, it must also

continue normal operations and complete the consolidation under severe resource and time constraints.

Agency Progress in Addressing this Challenge

The FTC is reducing its footprint by consolidating FTC employees in the DC area from three locations to two. The Office of the Executive Director is coordinating this priority initiative and working closely with staff and leadership at all levels throughout the agency to ensure a smooth transition. A project integrator is assisting the agency to help ensure compliance with Federal statutes and regulations; track and assess costs, expenditures, budget, procurements, schedule, performance and risk; and maintain a complete record of the project. The Executive Director and the team hold regular meetings with key FTC officials, GSA, Constitution Center building management, and the agency's IG to ensure the project stays on track and within budget. Internal milestones are being tracked and success will be measured by the safe and timely transition of staff to the new facility and to the agency's Headquarters building without undue interruption to the agency's work and by keeping the overall cost of the moves at or below the budget. In FY 2013, the FTC made significant progress toward preparing the Constitution Center space for occupation in FY 2014. Key procurements included furniture, demountable walls and dark fiber (used for high-speed communication).

Management Challenge: Securing the Agency's Information Systems and Networks from Destruction, Data Loss, or Compromise

The ability to protect its information assets is a complex challenge for the FTC. Technology is changing at an increasing rate, introducing different vulnerabilities as the FTC integrates new technologies (e.g., cloud and mobile computing) into its Information Technology (IT) infrastructure. Also, threats are changing and more pervasive, and attacks are intended to disrupt operations. In addition, guidance for federal agencies has become more flexible, allowing agencies to tailor information protection solutions specific to their needs, but providing less direction as to what those acceptable solutions are. To address outstanding security weaknesses while constraining costs, the FTC should continue to evolve its information security program toward a risk-based governance model that emphasizes enterprise solutions and disciplined change management processes.

In 2014, the FTC plans to leverage the aforementioned office consolidation to improve its IT service offerings and resolve outstanding security vulnerabilities. The FTC recognized that the complexity and challenges introduced by inclusion of significant infrastructure upgrades and mitigation of previously identified vulnerabilities in the consolidation effort would significantly increase the risk of technical miscues, schedule failure and cost over runs. Therefore, as noted above, the FTC recently decided to take a phased approach to its data center consolidation. A phased approach will allow for orderly, planned, and controlled change within an expanded timeframe. This should reduce the risk of costly errors while ensuring continued resource availability and greater assurance that FTC information assets are appropriately protected.

Agency Progress in Addressing this Challenge

The OCIO and the Chief Privacy Officer (CPO) continue to work with FTC system owners and managers to ensure that information security and privacy requirements are identified, documented, communicated appropriately, and incorporated into the design and implementation of each system. System owners and managers are reminded that periodic test and evaluation of information security and privacy controls is necessary to ensure effective implementation and operation of those controls. They are also reminded that maintaining and, as necessary, updating the corresponding information security and privacy documentation (such as system security plans and Privacy Impact Assessments) is a pre-requisite to issuance and retention of the system's authorization to operate. OCIO staff, along with the Office of General Counsel staff and the CPO, continue to meet with system owners to make sure that contract language addresses information security and privacy controls and related FTC practices and procedures, including continuous monitoring, so that Contracting Officer Representatives (CORs) can manage and assist in evaluating the compliance of contractor-hosted systems and services. As the OCIO and the CPO continue to work closely to implement and coordinate privacy controls with information security controls, as required by NIST Special Publication 800-53 rev. 4, the FTC will continue to develop and improve its risk-based assessments of information security and privacy as new technologies are integrated into the FTC infrastructure.

For example, the OCIO has teamed with the Department of Homeland Security to obtain the following services:

- Continuous Diagnostics and Mitigation (CDM) Program: Specialized IT diagnostic tools along with a dashboard to provide real-time situational security awareness to help identify and mitigate flaws.
- Cyber Hygiene Activities: Assess FTC's Internet accessible systems for known vulnerabilities and configuration errors.
- Risk and Vulnerability Assessment: Assessments that combine national threat and vulnerability information with data collected and discovered through on-site testing to provide tailored analysis with prioritized remediation recommendations.

Additionally, the OCIO deployed a new intrusion prevention system (IPS) that incorporates automated data loss prevention (DLP). The IPS DLP inspects data packets as they move across the network as well as when they exit the network. The IPS DLP can identify patterns of personally identifiable information (PII) such as social security and credit card numbers.

Furthermore, the OCIO developed the FTC System Development Life Cycle (SDLC) methodology that established standard business and technical reviews throughout the development of IT solutions to improve:

- Product quality and reduce rework by establishing standard business and technical reviews throughout the development of an IT solution
- Oversight by establishing formal integrated and coordinated reviews
- Performance management of projects through review of project cost and schedule alignment with the FTC mission and initiatives

As the IG states, the FTC will consolidate its satellite offices into the newly renovated Constitution Center and the FTC Headquarters building. Additionally, the OCIO plans to relocate select IT services and applications to the Constitution Center that currently are hosted in the New Jersey and Headquarters buildings. This enables the OCIO to locate the applications and the services in proximity of the user base and provide for future expansion. The OCIO is working with offices within the Office of the Executive Director to develop detailed project and acquisition plans to support the consolidation. In the area of contingency planning, the OCIO began Business Impact Assessment (BIA) activities in FY 2013 to determine FTC essential business functions and processes, and is also working to determine the priority of restoration for those functions and processes.

The FTC will continue to strengthen and improve the testing, auditing, and monitoring of IT systems and assets.

- In FY 2014, the FTC will rebuild and streamline the development, system integration, and quality assurance test labs using virtualization technology to provide system administrators and developers with more consistently configured baselines.
- Also in FY 2014, the FTC will implement and maintain a System Development Life Cycle policy and procedure to help plan and implement security within system and network components.
- Throughout FY 2014 and FY 2015, the FTC will continue to improve and strengthen its IT Asset Management program to ensure that all FTC IT assets are fully accounted for and prevent the unauthorized access to FTC IT assets, data, and systems.

Management Challenge: Ensuring the Protection of Nonpublic Information

An ongoing challenge for the FTC is ensuring the protection of nonpublic information, especially given the media attention that FTC competition investigations routinely receive. It is critical that the FTC maintain the confidentiality of nonpublic information obtained from consumers and businesses in conducting its law enforcement investigations. If the public loses confidence in the FTC's ability to protect confidential information, it is unlikely they will continue to cooperate, which ultimately would damage the FTC's ability to protect consumers and maintain competition. The FTC may be a source of such non-public information because of its interactions with third parties during its

investigations. The agency also is susceptible to the unauthorized sharing of nonpublic information by insiders. The challenge the FTC faces is to examine whether certain long-standing policies and business practices can be revised to ensure that unauthorized sharing of non-public information does not occur.

Although an OIG investigation into the source of non-public information reported in the press during the Google investigation failed to reveal any unauthorized disclosures by FTC staff, the Agency has committed to taking steps to implement additional safeguards in risk areas identified by the OIG. Policies and business practices are being revisited to ensure that Commission staff are keenly aware of their responsibilities to safeguard the non-public nature of agency investigations. The effectiveness of these changes should be monitored over time and additional actions taken should it be determined that any unauthorized disclosure of nonpublic information has occurred.

Agency Progress in Addressing this Challenge

The FTC takes seriously its obligations to protect nonpublic information. Maintaining the confidentiality of nonpublic agency information is critical because obtaining sensitive, nonpublic information from businesses and consumers is the lifeblood of agency law enforcement investigations, and those sources would be reluctant to share such information in the absence of effective confidentiality safeguards. Unauthorized disclosures would impair the Commission's ability to protect consumers and maintain competition. Accordingly, Commission staff are subject to serious sanctions for unauthorized disclosures of nonpublic information, including criminal prosecution and disciplinary action.

The FTC has long had a practice of reminding staff frequently of their ethical and legal obligation to keep nonpublic information confidential. The agency is now taking additional steps to guard against unauthorized disclosures. Although staff are aware of their responsibility to protect nonpublic information, in FY 2014, the agency will issue additional notices and guidance to all staff to reinforce confidentiality requirements. Further, the agency will remind staff at each Commission meeting of the importance of protecting the confidentiality of discussions at the meeting.

Interactions with the Press. The Office of Public Affairs (OPA) is the primary contact point for the media in doing business with the FTC. Staff also speak with the press on a broad range of topics. These contacts support the FTC's initiatives to educate consumers about steps they can take to protect themselves and to educate businesses about how to comply with the FTC Act and other consumer protection and competition laws. These communications also advance statutory and Presidential policies furthering transparency and openness in government.

Commission policies generally allow staff to share only public information with the press. The agency will issue new guidance in FY 2014 that reminds staff of this imperative and clarifies that staff must notify OPA of press inquiries about investigations and law enforcement matters.

Information provided to third parties. On a limited basis, Commission personnel are permitted to disclose the existence of an investigation to potential witnesses or other third parties, but only to the extent necessary to advance the investigation. This practice is often essential to the efficient and effective conduct of investigations, including during the information-gathering stage and in developing appropriate remedies. For example, when the Commission is considering how best to conclude an investigation, it often is critical to learn from a variety of third parties about the marketplace, the competitive effects of the conduct under investigation, and the likely effects of any potential remedy. To the extent that possible remedies are discussed in such circumstances, staff reminds third parties that the information is nonpublic, that no conclusions have been reached, and that no inferences should be drawn as to whether violations of law have occurred. In FY 2014, the FTC will re-examine how to conduct such communications to minimize the risk that confidentiality will be breached, while nonetheless preserving the utility of such communications.

The FTC will assess in FY 2014 the effectiveness of both its existing practices to secure nonpublic information and these new initiatives.