



Office of Inspector General

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

April 9, 2014

MEMORANDUM

TO: Chairwoman Edith Ramirez
Commissioner Julie Brill
Commissioner Maureen K. Ohlhausen
Commissioner Joshua D. Wright

FROM: Scott Wilson
Inspector General

SUBJECT: Federal Trade Commission's Fiscal Year 2013 Compliance with the Improper Payments Elimination and Recovery Act of 2010

In accordance with Section 3 (b) of Public Law 111-204, *Improper Payments Elimination and Recovery Act of 2010* (hereafter referred to as IPERA), this letter communicates the results of my determination of the Federal Trade Commission's (FTC) compliance with applicable provisions of the IPERA. This letter covers the FTC's Fiscal Year (FY) 2013 activities.

In short, I have determined that the FTC is compliant with the IPERA and applicable guidance, as further described below.

OMB issued guidance¹ for Inspectors General to aid in their review of agencies' compliance with IPERA. Specifically, the guidance defines compliance to mean that the agency has:

- Published a Performance Accountability Report (PAR) for the most recent Fiscal Year and posted that report and any accompanying materials required by OMB on the agency website;
- Conducted a program specific risk assessment for each program or activity that conforms with Section 3321 of Title 31 U.S.C (if required);
- Published improper payment estimates for all programs and activities identified as susceptible to significant improper payments under its risk assessment (if required);
- Published programmatic corrective action plans in the PAR (if required);

¹ OMB Memorandum M-11-16 *Issuance of Revised Parts I and II to Appendix C of OMB Circular A-123 (Apr. 14, 2011)*

- Published, and has met, annual reduction targets for each program assessed to be at risk and measured for improper payments;
- Reported a gross improper payment rate of less than 10 percent for each program and activity for which an improper payment estimate was obtained and published in the PAR; and
- Reported information on its efforts to recapture improper payments.

Based on OMB's definition of compliance, as described above, I have determined that the FTC is compliant. The agency has published a Performance Accountability Report for the most recent Fiscal Year and posted that report and any accompanying materials as required by OMB on the agency website <http://www.ftc.gov/>. FTC concluded and reported in its PAR that it has not identified any program that constitutes a high risk for improper payments and considers all of its payments to be low risk. The agency is not required to publish improper payment estimates, corrective action plans, or reduction targets. Further, during my review of relevant prior year data, nothing came to my attention that indicates the agency is susceptible to significant improper payments.

If you have questions or comments, please contact me on (202) 326-3787.

cc: David Robbins, Executive Director
Pat Bak, Deputy Executive Director
Monique Fortenberry, Deputy Executive Director
Steven A. Fisher, Chief Financial Officer and Performance Improvement Officer
Joseph O'Leska, Deputy Chief Financial Officer
Valerie Green, Deputy Performance Improvement Officer
Milissa Young-Loiselle, Acting Assistant CFO for Financial Policy, Reporting & Controls
Antonio Gomez, Senior Accountant
Heather Hipsley, Chief of Staff

CC: The Honorable Thomas R. Carper
Chairman
Senate Committee on Homeland Security & Governmental Affairs
United States Senate
340 Dirksen Senate Office Building
Washington, D.C. 20510

The Honorable Tom Coburn
Ranking Member
Senate Committee on Homeland Security & Governmental Affairs
United States Senate
340 Dirksen Senate Office Building
Washington, D.C. 20510

The Honorable Darrell E. Issa
Chairman
Committee on Oversight and Government Reform
U.S. House of Representatives
2157 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Elijah E. Cummings
Ranking Member
Committee on Oversight and Government Reform
U.S. House of Representatives
2157 Rayburn House Office Building
Washington, D.C. 20515

Gene L. Dodaro
Comptroller General of the United States
Government Accountability Office
441 G Street, N.W.
Washington, D.C. 20548

Norman Dong, Acting Controller, Office of Federal Financial Management
Office of Management & Budget
725 17th Street, NW
Washington, D.C. 20503