

**FEDERAL TRADE COMMISSION**

**OIG**

**10.01.2019**

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**SEMIANNUAL REPORT TO CONGRESS**



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## Message from the Inspector General

On behalf of the Federal Trade Commission (FTC) Office of Inspector General (OIG), I am pleased to present our latest Semiannual Report to Congress. This report summarizes the activities and accomplishments of our team from October 1, 2019 through March 31, 2020.

Our team of seven worked on twenty-one separate matters during the period in addition to various other activities, some of which are highlighted here. With respect to our audit and related oversight activities, work in this period includes progress on ten products, including eight completed products and two in process. Our investigative work has covered eleven separate matters, including five closed investigations, four continuing matters, and two closed inquiries.

Yet we could not do any of this alone. We first thank the Council of the Inspectors General on Integrity and Efficiency, which continues to be an important contributor to the success of our office, providing us with access to direct and community-wide mission support, resources, and best practices. We also thank the federal offices that either assisted or coordinated with us throughout the period, some of which are identified in this report. In addition, our entire office thanks Chairman Simons, all of the Commissioners, agency leadership and their staff, and Congress for their continued support of the OIG's mission. Finally, I personally thank our talented team for all of the work that went into this report and for continually meeting every challenge they encounter.

A handwritten signature in black ink, appearing to read "Andrew Katsaros".

Andrew Katsaros

## Introduction

The FTC OIG was established in 1989 as an independent and objective organization within the Commission pursuant to the Inspector General Act Amendments of 1988 (H.R. 4054). Our mission is to promote economy, efficiency, and effectiveness, and to detect and prevent waste, fraud, abuse, and misconduct in the agency's operations and programs. Since our inception, we have been part of a community that has grown to include 73 statutory Inspectors General who collectively oversee the operations of nearly every aspect of the federal government. The FTC OIG has an operating budget of \$1,772.1 for FY 2020.

Individuals who wish to file a complaint about the business practices of a particular company or entity, or allegations of identity theft, deceptive advertising practices, or consumer fraud, should file a complaint with the FTC Consumer Response Center (CRC) at <https://www.ftccomplaintassistant.gov> or by calling 1-877-382-4357. Individuals who wish to file a complaint with the FTC OIG about wrongdoing within or against the Commission can file a complaint on the OIG website via a specialized link to the [FTC Consumer Response Center](#) or by calling 202-326-2800. Complaints to the OIG from the public or from an FTC employee can be made anonymously. The identity of an FTC employee who reports waste, fraud, or other wrongdoing to the OIG will be protected from disclosure consistent with provisions of the Inspector General Act and privacy laws. In addition, the Inspector General Act and the Whistleblower Protection Act prohibit retaliation against employees for filing complaints or cooperating with the OIG.

Every 6 months we provide Congress with a report detailing our independent oversight of the FTC during the reporting period. The report is sent to the FTC Chair, the President of the Senate, the Speaker of the House, and the FTC's appropriating and authorizing committees. This report is our 63rd semiannual report. In the years to come, we look forward to continuing our efforts to provide independent and effective oversight of the FTC and working with the Council of Inspectors General on Integrity and Efficiency on important issues that cut across our government.

# Audits, Evaluations, and Related Oversight Activities

## Completed Products

During this period, our office issued eight products on audit, evaluation, and related oversight activities including (1) an audit of the FTC's Redress Process controls, (2) a review of the FTC's compliance with improper payments requirements, (3) a management advisory on accountable personal property, (4) an audit of the FTC's compliance with the DATA Act, (5) an audit of the FTC's expert witness services, (6) the fiscal year 2019 financial statement audit, (7) a risk assessment of the agency's purchase card and travel card programs, and (8) an audit of the FTC's compliance with Federal Information Security Management Act (FISMA) requirements,

### Audit of Expert Witness Services

The FTC's Bureau of Competition (BC) along with the Department of Justice's Antitrust Division share the responsibility for enforcing the nation's antitrust laws which form the foundation of our free market economy. Anticompetitive business practices and antitrust matters constitute a significant portion of BC's investigative and litigation activity. These matters can arise from mergers, agreements among competitors, restrictive agreements between manufacturers and product dealers, or attempts to thwart new competitors. The FTC requires expert witness services to support cases that are either approaching or in litigation in federal or administrative proceedings. Our objective was to assess the adequacy of cost controls in expert witness contracts. We found that the FTC would benefit from an updated strategy for supporting matters requiring expert witness services. We also found that contracts for expert witness services contained inconsistently documented considerations of competition or in-house expertise. FTC concurred with the report's two recommendations.

### Audit of Consumer Redress Process Controls

We conducted a performance audit to examine the Bureau of Consumer Protection's (BCP) controls over Redress Program funds, particularly to examine whether controls are adequately designed and working effectively. The Federal Trade Commission Act authorizes the FTC to obtain consumer redress in connection with the settlement or successful litigation of both administrative and federal court cases. The disbursement of redress funds is made pursuant to distribution plans that are approved either by courts, administrative law judges, or at the FTC's discretion pursuant to applicable laws. We identified several additional opportunities for BCP to improve its overall command of the Redress Program, including an updated approach to analyzing program data could help BCP realize greater efficiencies with automation, and data standardization that would help with cumbersome complex analyses. The FTC concurred with all three report recommendations to improve oversight of the consumer redress program.

### Management Advisory on Accountable Personal Property

The purpose of this advisory was to alert management of potential security risks identified during informal reviews of three unrelated incidents involving the involuntary departures of one full-time employee and two contractors. The advisory highlighted risks presented to the agency when all appropriate parties are not given advance notification of an impending separation or are excluded from the off-boarding process completely. While the three incidents collectively did not represent a systemic failure in the procedures for managing involuntary departures, each revealed how security and/or legal expertise should be systemically utilized for

similar future incidents. The OIG made two recommendations for FTC management on handling future similar incidents and the FTC updated its physical security practices as a result.

## **Fiscal Year 2019 DATA Act Reporting**

The Digital Accountability and Transparency Act of 2014 (DATA Act), P.L. 113-101, expands the reporting requirements pursuant to the Federal Funding Accountability and Transparency Act of 2006 (31 U.S.C. § 6101 note) to improve the quality of data submitted to USASpending.gov. The DATA Act requires OIGs to review a statistically valid sample of the spending data submitted by the FTC and to submit to Congress a publicly available report assessing the completeness, timeliness, quality, and accuracy of the data sampled and the implementation and use of the Government-wide financial data standards by the Federal agency. An independent public accounting firm performed this work under contract with the OIG. The OIG provided contractor oversight and monitoring. The audit found that the financial and awards data of FTC were presented in accordance with standards for DATA Act reporting in all material respects, and included recommendations for the FTC to revise procedures to help strengthen its controls over DATA Act reporting.

## **Audit of the FTC's Fiscal Year 2019 Financial Statements**

Under a contract with the OIG, an independent public accounting firm audited the FTC's Fiscal Year 2019 financial statements in accordance with generally accepted government auditing standards. In its audit, the IPA found (1) that the FTC's financial statements as of and for the fiscal years ended September 30, 2019 and 2018, were presented fairly, in all material respects, in accordance with U.S. generally accepted accounting principles; (2) no material weaknesses in internal control over financial reporting based on the limited procedures performed; and (3) no reportable noncompliance with provisions of applicable laws, regulations, contracts, and grant agreements tested. The OIG provided contractor oversight and monitoring over the entire process.

## **Risk Assessment of the FTC's Charge Card Program**

We completed our annual risk assessment of the FTC's charge card program under requirements of the Government Charge Card Abuse Prevention Act of 2012 (Public Law 112-194) as implemented by OMB Circular No. A-123, Appendix B. Our objective was to analyze the risks of improper purchases in FTC's fiscal year 2019 purchase and travel card programs. Based on the results of our overall assessment, as well as additional tests of transactions, we identified the risk level of the FTC's purchase card and travel card programs as low. The OIG made no recommendations. We will use the results of our assessment to determine the scope and frequency of future audits or reviews of charge card programs.

## **Audit of FTC's Compliance with the Federal Information Security Modernization Act (FISMA)**

The Federal Information Security Modernization Act of 2014 requires an annual evaluation of each agency's information security and privacy program and practices to determine their effectiveness. Under a contract with the OIG, an independent public accounting firm performed the FY 2019 evaluation in accordance with generally accepted government auditing standards. The contractor identified six recommendations to improve FTC's security posture and FTC management concurred with all six. The OIG provided contractor oversight and monitoring over the entire process.

## **Federal Trade Commission Compliance with Fiscal Year 2019 Improper Payments Requirements**

Under the requirements of the Improper Payments Elimination and Recovery Act of 2010 (IPERA), OIGs must annually review agency improper payment reporting and determine whether agencies have complied with IPERA requirements. The OIG determined that the FTC is compliant with IPERA and applicable guidance. The agency published audited financial statements for FY 2019 and posted that report and accompanying materials required under Office of Management and Budget guidance on its website. The agency has reviewed its programs and determined that none are susceptible to significant improper payment under its risk assessment. The agency is not required to publish improper payment estimates, corrective action plans, or reduction targets. Nothing came to the OIG's attention that would indicate that the agency is susceptible to significant improper payments.

## **Ongoing Audit, Evaluation, and Related Work**

Our office is continuing work on two audit and oversight products.

## **Management Advisory on Travel and Purchase Card Processes**

The purpose of this advisory will be to alert management of potential control risks we identified during assessments of the FTC purchase and travel card programs, as well as a related analysis of travel authorizations approved during fiscal years 2018 and 2019.

## **Audit of Federal Trade Commission Interagency Agreements**

The FTC acquires services from other Federal agencies for a variety of activities, including rent, building maintenance, security, and other contractual services. The purpose of this audit is to evaluate the FTC's processes and procedures to approve, obtain, monitor, and close the interagency agreements these services are acquired under.

## **Corrective Actions on OIG Recommendations**

During this reporting period, the FTC continued to make progress in implementing OIG recommendations, closing two. Appendix II identifies significant recommendations described in previous semiannual reports for which corrective action has not been completed.

Section 5(a)(11) of the Inspector General Act of 1978, as amended, requires a description and explanation of the reasons for any significant revised management decision made during the reporting period. For this reporting period, management did not change its response to any earlier decisions on OIG recommendations.

## Investigative Activities

### Investigations

The OIG closed five investigations in this period. We closed one investigation with a Report of Investigation (ROI) that we had initiated in a prior period. We closed two additional investigations initiated in the current period with ROIs and two others from prior periods administratively. We are also actively working on one investigation initiated during this period and three investigations opened during prior periods. In addition, we closed two preliminary inquiries.<sup>1</sup>

### Misuse of Position and FTC Resources

The OIG received a referral regarding an allegation that an FTC employee may have misused FTC equipment. The FTC conducted an investigation into this matter, which determined that the employee did not misuse FTC equipment, in potential violation of 5 C.F.R. § 2635.704, *Use of Government Property*. The OIG provided a report of investigation to management, and this matter is now closed.

### Misuse of FTC Resources

The OIG received an allegation that an FTC employee operated a personal business on their recurring telework days and without prior approval of an outside employment agreement signed by their supervisor or the Office of the General Counsel. The OIG determined that the subject conducted an outside personal business, during official time on their recurring weekly telework days, without prior supervisory or OGC approval, in violation of 5 C.F.R. § 5701.101, Prior Approval for Outside Employment. The OIG further determined that this conduct violated 5 C.F.R. § 2635.704, Use of Government Property and 5 C.F.R. § 2635.705, Use of Official Time. The OIG provided a report of investigation to management, and this matter is now closed.

### Violation of Financial Conflicts Statute

The OIG received a referral from the Office of the General Counsel (OGC) regarding a possible violation of 18 U.S.C. § 208(a), *Acts Affecting a Personal Financial Interest*, by an FTC employee. In its referral, OGC determined that all of the elements of a section 208(a) violation were established, and that, while no exemption or waiver was applicable under the statute, several mitigating factors were present. The OIG conducted an independent investigation and came to the same conclusion as OGC, which was that the employee violated section 208(a). The OIG consulted with the Department of Justice's Public Integrity Section on this matter, which informed the OIG that it would not be opening a criminal investigation. Following the consultation, the OIG provided a report of investigation to management, and this matter is now closed.

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<sup>1</sup> Preliminary inquiries can involve OIG requests for records or other information prior to opening a formal investigation. Investigators conducting preliminary inquiries will use many of the lawful methods allowed in full investigations, with the exception of activities like electronic surveillance, physical searches, or the acquisition of foreign intelligence.

## Fake FTC Website

The OIG administratively closed a criminal investigation involving an alleged sweepstake scam that included the use of a fake FTC website to deceive consumers.<sup>2</sup> Our investigation identified nearly 50 victims that potentially paid over \$1 million to individuals and entities associated with the alleged scam. We coordinated closely with our external law enforcement partners throughout the investigation and shared information as appropriate to best protect consumers. It was ultimately determined that the principal subject is located outside of the Department of Justice's prosecutorial jurisdiction. However, the website's domain host took administrative action to suspend the services associated with the domain name, thus disabling the website and helping to protect consumers from additional harm. Therefore, the OIG deemed it appropriate to administratively close the case and refocus our investigative resources. However, we will continue to monitor evidence collected pursuant to other FTC impersonation cases for connections to this matter, and we retain the authority to reopen our investigation if we identify evidence in the future that warrants such action.

## Missing Laptops

We received a referral from FTC management that nine laptops were determined to be missing during the conduct of an accountable asset inventory. It was subsequently determined that at least four of the laptops had been stolen. As a result of the theft, the FTC referred the matter to Federal Protective Services (FPS), U.S. Department of Homeland Security. The OIG collaborated with FPS in their investigation, which ultimately closed out the matter for lack of prosecutorial merit subsequent to following up on all investigative leads.

In light of the case closure by FPS, we concluded our investigative efforts. However, we issued a Management Advisory highlighting the risks to the agency when effective controls are not in place for securing sensitive property, including FTC laptops, and offered recommendations to help the FTC more effectively handle accountable property going forward (see summary in Completed Products).

## Management Referrals

During this reporting period, the OIG issued one management referral stemming from investigative activity. The referral alerted management of complaints within the FTC's Consumer Sentinel Network that contained what appeared to be the personal text messages of consumers. Management agreed to review the complaints identified by the OIG to determine whether they in fact contained private messages or were instead valid commercial text message (spam) complaints or subject to active litigation holds.

## OIG Hotline Complaints

From October 1, 2019 to March 31, 2020, the OIG received 151 consumer complaints, inquiries, and reports of possible wrongdoing. This represents a 17% decrease from the previous reporting period. Of these complaints, the OIG addressed 12, as compared to 11 in the prior reporting period and 8 during the same period in FY 2019. The OIG redirected or referred the remaining 139 complaints to either the FTC's Consumer Response Center (CRC) or other FTC offices. No complaints were forwarded to the FTC's Freedom of Information Act office during this reporting period.

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<sup>2</sup> This case was previously referenced in the semiannual report to Congress for the period ending on September 30, 2015.

# Initiatives, Collaboration, and Engagement Highlights

## Successful Initiatives

### Whistleblower Protection

In furtherance of our efforts to educate the FTC workforce on whistleblower protection laws, the OIG collaborated with management on the implementation of the Office of Special Counsel's (OSC) Section 2302(c) certification program. This program assists agencies in meeting their statutory requirements to inform employees of their rights and remedies under 5 U.S.C. § 2302. Management continues to take the necessary steps towards becoming "OSC certified," including educating employees on their whistleblower protections and providing FTC supervisors with interactive whistleblower training. During this reporting period, the OIG participated in the FTC's supervisory development program for new and existing supervisors to educate them on their whistleblower protection responsibilities.

### OIG Consumer Fraud Initiative

During this reporting period, the OIG continued its collaboration with the FTC Bureau of Consumer Protection and various OIGs to identify opportunities to increase and enhance consumer fraud investigations. There are currently 145 users from 23 OIGs actively using BCP's Consumer Sentinel Network (CSN), which have contributed over 4,700 complaints to date.

### Law Enforcement Enterprise Portal (LEEP) Access

During this semiannual period, the OIG helped secure access to the FBI's Law Enforcement Enterprise Portal (LEEP) for investigators within the FTC Bureau of Consumer Protection's Division of Marketing Practices (DMP). LEEP is a secure platform that provides web-based investigative tools and analytical resources to approved law enforcement agencies, intelligence groups, and criminal justice entities. As one of the FTC divisions responsible for investigating matters involving the use of the internet and other technologies to defraud consumers, DMP staff will now be even more equipped to conduct cyber investigations to combat these high-tech scams.

## Collaboration with Other Agencies

During this reporting period, in conducting audits, investigations, and other activities, the OIG either assisted or engaged with various federal agencies and OIGs, including the Federal Bureau of Investigation; Department of Justice's Public Integrity Section; Department of Commerce OIG; Export-Import Bank OIG; Consumer Financial Protection Bureau OIG; U.S. AbilityOne Commission OIG; U.S. Secret Service; Department of Homeland Security; Federal Communications Commission OIG; U.S. Capitol Police; and Office of Special Counsel.

## Engagement with the Inspector General Community

The OIG continued to actively participate in community-wide activities, particularly those involving the Council of the Inspectors General on Integrity and Efficiency (CIGIE), an independent entity within the Executive Branch comprised of federal Inspectors General.

The Inspector General participates on both the CIGIE Audit Committee and the CIGIE Small/Unique OIGs Working Group. The Counsel to the Inspector General served on the CIGIE Council of Counsels to the Inspectors General working group, Small OIG Counsels working group, Assistant Inspectors General for Investigations Committee, and the Investigations Committee, and contributed to the legal and investigative discourse on matters germane to the entire OIG community.

## Other OIG Activities

### Significant Management Decisions

Section 5(a)(12) of the Inspector General Act of 1978, as amended, requires that if the Inspector General disagrees with any significant management decision, such disagreement must be reported in the semiannual report to Congress. For this reporting period, there were no significant management decisions made with which the Inspector General disagreed.

### Review of Legislation

Section 4(a)(2) of the Inspector General Act of 1978, as amended, authorizes the OIG to review and comment on existing and proposed legislation or regulations relating to the agency or, upon request, affecting the operations of the OIG. During this period, the OIG reviewed legislation and/or regulations both individually and in coordination with CIGIE's Legislation Committee.

### Access to Information

During this reporting period, the OIG did not encounter problems or delays in obtaining assistance or access to agency records and did not need to report access issues to the head of the Agency pursuant to IG Act Section 6(c)(2).

### Oversight.gov

In addition to our agency website, FTC OIG public reports are available at [Oversight.gov](https://www.oversight.gov), which contains a database of the completed work of all Inspectors General that publicly post reports. Users can receive notifications when new reports are added to the site by following CIGIE's Twitter account [@OversightGov](https://twitter.com/OversightGov). Contact information for each OIG's whistleblower hotline is also available.

## Appendix I – Peer Reviews

Peer Review Activity	Results
Peer Reviews conducted by another OIG	There were no peer reviews conducted by another OIG during this reporting period. The last peer review of our audit operations is dated July 2, 2018.
Outstanding recommendations from peer reviews of the FTC OIG	There are no outstanding recommendations from peer reviews of the FTC OIG.
Peer Reviews conducted by the FTC OIG	The FTC OIG completed a peer review, dated March 4, 2020 of the National Archives and Records Administration’s audit operations for the three-year period ending September 30, 2019
Outstanding recommendations from peer reviews conducted by FTC OIG	There are no outstanding recommendations from peer reviews conducted by the FTC OIG.

## Appendix II – Significant Recommendations in Previous Semiannual Reports on which Corrective Action has not Been Completed

### Management Advisory on Involuntary Departures (Issued 5/15/2019)

<b>Recommendations</b>	<b>Total</b>	2
	<b>Management concurrences</b>	2
	<b>Management non-concurrences</b>	--
<b>Status of Recommendations</b>	<b>Closed</b>	1
	<b>Open</b>	1

#### Open Recommendations

We recommended that the FTC Executive Director

1. Develop a new, or update an existing, policy that either bans contracting companies from terminating its employees on FTC premises, or requires advanced consultation with FTC management prior to the execution of any termination action.

### Independent Evaluation of the Federal Trade Commission’s Information Security Program and Practices for Fiscal Year 2018 (Issued 02/28/2019)

<b>Recommendations</b>	<b>Total</b>	5
	<b>Management concurrences</b>	5
	<b>Management non-concurrences</b>	--
<b>Status of Recommendations</b>	<b>Closed</b>	3
	<b>Open</b>	2

#### Open Recommendations

We recommended that the FTC

Implement policies and procedures for conducting system-level risk assessments and maintain appropriate security artifacts, including authorizations to operate or use (Recommendation 2).

Complete the defined security configuration baselines for all information systems and components (Recommendation 4).

## Audit of Federal Trade Commission Acquisition Planning Activities (Issued 9/28/2018)

<b>Recommendations</b>	<b>Total</b>	2
	<b>Management concurrences</b>	2
	<b>Management non-concurrences</b>	--
<b>Status of Recommendations</b>	<b>Closed</b>	0
	<b>Open</b>	2

### Open Recommendations

We recommended that the FTC Executive Director

1. Develop a policy that clearly identifies the documents required to be in contract files to constitute a complete history of the transaction, including records normally contained in the contract file as identified in FAR § 4.803; and
2. Develop requirements for a systematic legal review process for acquisitions that meet identified conditions.

## Appendix III – OIG Reports with Questioned Costs

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

## Appendix IV – Inspector General Issued Reports with Recommendations that Funds be Put to Better Use

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

## Appendix V – Summary of each Audit, Inspection, and Evaluation Report Issued before Commencement of the Reporting Period<sup>3</sup>

Fiscal Year	Number of Reports with Unimplemented Recommendations	Number of Unimplemented Recommendations	Dollar Value of Aggregate Potential Cost Savings
FY 2019	2	3	0
FY 2018	1	2	0
<b>TOTAL for All Fiscal Years</b>	<b>3</b>	<b>5</b>	<b>0</b>

<sup>3</sup> In accordance with section 5(a)(10) of the Inspector General Act of 1978, as amended, there are no reports for which a management decision had not been made, no reports for which establishment comment was not returned within 60 days of providing the report to the establishment, and no reports containing significant revised management decisions or with which the OIG is in disagreement. Additionally, there were no identified cost savings associated with the recommendations in this table.

## Appendix VI – OIG Investigative Activity During this Reporting Period

	Number
We completed five investigative reports this period and referred three individuals for criminal prosecution, as noted below. The criminal indictment resulted from our investigative work with another OIG and a joint referral made to a U.S. Attorney's Office.	
A. Number of Investigative reports issued	5 <sup>4</sup>
B. Number of persons referred to DOJ for criminal prosecution	3 <sup>5</sup>
C. Number of persons referred to State and Local authorities for criminal prosecution	0
D. Number of criminal indictments and criminal informations resulting from any prior referrals to prosecutive authorities	1

<sup>4</sup> Includes three ROIs and two administrative closures.

<sup>5</sup> Some of the referenced referrals involve consultations the OIG had with DOJ's Public Integrity Section (PIN). Per PIN's internal policy, the office does not accept formal referrals or offer formal criminal declinations. However, PIN provides guidance on the potential criminality of matters presented and coordinates with various U.S. Attorney's Offices on these matters as appropriate.

## Appendix VII – Completed OIG Investigations Involving a Senior Government Employee Where Allegations of Misconduct Were Substantiated<sup>6</sup>

Number of Investigations Involving a Senior Government Employee where Allegations of Misconduct were Substantiated	
There was one investigation involving a GS-15 career employee where allegations of misconduct were substantiated.	
	Detailed Description
A. Facts and Circumstances of the investigation	A GS-15 career employee violated 18 U.S.C. § 208(a), <i>Acts Affecting a Personal Financial Interest</i> . A summary is provided in the Investigative Activities section above.
B. Status and disposition of the matter, including, if referred to DOJ, the date of referral; and, if declined by DOJ, the date of declination	Referred to DOJ Public Integrity Section on March 13, 2020, which informally declined prosecution on March 17, 2020. The OIG subsequently referred the matter to management, which closed it with an informal consultation with the employee.

<sup>6</sup> The Inspector General Empowerment Act of 2016 defines “senior government employee” as – “(A) an officer or employee in the executive branch (including a special Government employee as defined in section 202 of title 18, United States Code) who occupies a position classified at or above GS–15 of the General Schedule or, in the case of positions not under the General Schedule, for which the rate of basic pay is equal to or greater than 120 percent of the minimum rate of basic pay payable for GS–15 of the General Schedule; and (B) any commissioned officer in the Armed Forces in pay grades O–6 and above.”

## Appendix VIII – Substantiated Instances of Whistleblower Retaliation

Number of Substantiated Instances of Whistleblower Retaliation	
There were no substantiated instances of whistleblower retaliation.	
	Detailed Description
A. Information about the official found to have engaged in retaliation	N/A
B. Any consequences the agency imposed to hold the official accountable	N/A

## Appendix IX – Attempts by the Agency to Interfere with the Independence of the OIG

Number of Attempts by the Agency to Interfere with the Independence of the OIG	
The FTC OIG encountered no attempts to interfere with OIG independence.	
	Detailed Description
A. Attempts to interfere with budget constraints designed to limit OIG capabilities	N/A
B. Incidents where the agency has resisted or objected to OIG oversight or restricted or significantly delayed OIG access to information, including the justification of the agency for such action	N/A

## Appendix X – Closed OIG Matters Not Disclosed to the Public

	Detailed Description
<p>A. Inspections, evaluations, and audits conducted by the OIG that are closed and were not publicly disclosed</p>	<p>N/A</p>
<p>B. Investigations conducted by the OIG involving a senior government employee that are closed and were not publicly disclosed</p>	<p>N/A</p>

## Appendix XI – Inspector General Act Reporting Requirements Index

IG Act Reference	Reporting Requirements	Pages(s)
Section 4(a)(2)	Review of legislation and regulations	11
Section 5(a)(1)	Significant problems, abuses and deficiencies	None
Section 5(a)(2)	Recommendations with respect to significant problems, abuses and deficiencies	None
Section 5(a)(3)	Prior significant recommendations on which corrective actions have not been completed	13-14
Section 5(a)(4)	Matters referred to prosecutive authorities	19
Section 5(a)(5)	Summary of instances where information or assistance was unreasonably refused or not provided	None
Section 5(a)(6)	List of reports by subject matter, showing dollar value of questioned costs and funds put to better use	None
Section 5(a)(7)	Summary of each particularly significant report	3-5
Section 5(a)(8)	Statistical tables showing number of reports and dollar value of questioned costs	15
Section 5(a)(9)	Statistical tables showing number of reports and dollar value of recommendations that funds be put to better use	16
Section 5(a)(10)	Summary of each audit, inspection, and evaluation report issued before the commencement of the reporting period (A) for which no management decision has been made by the end of the reporting period; (B) for which no establishment comment was returned within 60 days of providing the report to the establishment; and (C ) for which there are any outstanding unimplemented recommendations, including the aggregate potential cost savings of those recommendations	17
Section 5(a)(11)	Significant revised management decisions	None

Section 5(a)(12)	Significant revised management decisions with which the Inspector General disagrees	None
Section 5(a)(14)	Peer reviews conducted by another OIG	None
Section 5(a)(15)	Outstanding recommendations from peer reviews of the OIG	None
Section 5(a)(16)	Outstanding recommendations from peer reviews conducted by the OIG	None
Section 5(a)(17) and (18)	OIG Investigative Activity during this Reporting Period	18
Section 5(a)(19)	OIG Investigations involving Senior Government Employees Where Allegations of Misconduct Were Substantiated	19
Section 5(a)(20)	Substantiated Instances of Whistleblower Retaliation	None
Section 5(a)(21)	Attempts by the Agency to Interfere with OIG Independence	None
Section 5(a)(22)	Closed OIG Matters Not Disclosed to the Public	None

# Contact the OIG

Promote integrity, economy & efficiency.  
Report suspected fraud, waste,  
abuse or mismanagement.

**(202) 326-2800**

Fax (202) 326-2034

**OIG@ftc.gov**

600 Pennsylvania Avenue, NW, CC-5206  
Washington, DC 20580

**Complaints may be made anonymously.**

Any information you provide will be held in confidence. However, providing your name and means of communicating with you may enhance our ability to investigate.