

# Federal Trade Commission Office of Inspector General



Semiannual Report to Congress  
October 1, 2024–March 31, 2025

# FTC OIG at a Glance

	<i>FY 2025 Budget (in thousands)</i>	<i>Authorized Positions</i>
<b>FTC</b>	\$425,700	1,258
<b>FTC OIG</b>	\$2,619	10 <sup>a</sup>
<b>FTC OIG %</b>	0.5	0.6

<sup>a</sup> As of March 31, 2025, the OIG was comprised of 9 full-time staff.

## Employees by Position

Inspector General (Vacant)  
Deputy Inspector General (Acting as Inspector General)  
Counsel to the Inspector General  
Assistant Inspector General for Investigations  
Assistant Inspector General for Audits and Automation  
Lead Auditor  
Lead Auditor  
Investigator  
Program Analyst  
Administrative Assistant

## Contact Information

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**Message from the Acting Inspector General 1**



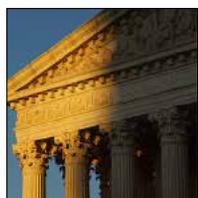
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## Message from the Acting Inspector General

On behalf of the FTC OIG, I am pleased to present our latest *Semiannual Report to Congress*, which summarizes the activities and accomplishments of our team from October 1, 2024, through March 31, 2025.

During this reporting period, the OIG—comprised of just 9 employees—completed several discretionary oversight products in addition to our mandatory work, including a performance audit of the FTC’s Consumer Response Center—which fields consumer complaints related to identity theft, fraud, and scams—to assess the Center’s efficiency and effectiveness in recording and responding to consumer complaints. We also completed two investigations: one found that a senior agency official working at the FTC under an Intergovernmental Personal Act agreement may have violated ethics regulations, and another of an employee that made thousands of dollars of unauthorized purchases and failed to pay the government charge card’s balance on time. The OIG has referred both matters to the agency for appropriate action.

While the change in administration has brought transition at the FTC, the OIG has experienced its own transition due to Inspector General (IG) Andrew Katsaros’ retirement in the fall. IG Katsaros, who served 6 years as FTC Inspector General, oversaw vast improvements to OIG efficiency and effectiveness. During his tenure, the OIG more than doubled the number of discretionary oversight reports it issued. The OIG also grew our data analytics capabilities, which enhanced our ability to collaborate with law enforcement partners, ultimately leading to more prosecutions. In addition, under IG Katsaros’ leadership, we leveraged existing software capabilities to develop and maintain hotline and audit case management systems, saving the government thousands of dollars annually. For this, and more, I thank IG Katsaros for his innovation and dedication to the OIG’s mission. On a personal note, as I assumed the role of Acting Inspector General role, I have reflected on, and felt grateful for, his mentorship during the last 5 years while I served as the Counsel and then the Deputy IG. Moving forward, we plan to further evolve our work using innovative technologies to provide even more comprehensive, effective, and efficient oversight.

I am also deeply thankful for the OIG’s professional and dedicated staff, who—despite much transition—have continued their laser focus on the OIG’s mission of conducting independent, objective oversight. In addition, I thank Chairman Ferguson, the Commissioners, agency leadership, and FTC staff for their ongoing cooperation and collaboration with the OIG as we work together to serve the American public. Finally, I thank Congress for its enduring commitment to supporting the OIG’s mission.

A handwritten signature in black ink that reads "Marissa Gould". The signature is written in a cursive, flowing style.

Marissa Gould

## Audits and Related Oversight Products



### Completed Products

During this period, the OIG issued the following audit, evaluation, and related oversight products: (1) an audit of FTC Consumer Response Center practices and procedures; (2) an audit of the FTC's 2024 compliance with the Federal Information Security Modernization Act (FISMA); (3) an audit of the FTC's FY 2024 financial statements; (4) a review of the FTC's compliance with improper payments requirements for FY 2024; and (5) correspondence to the Office of Management and Budget (OMB) on the FTC's compliance with Government Charge Card Abuse Prevention Act of 2012 (Charge Card Act) requirements.

#### *Audit of FTC Consumer Response Center Practices and Procedures (February 6, 2025)*

The agency's Bureau of Consumer Protection (BCP) Division of Consumer Response and Operation (DCRO) developed and maintains the Consumer Response Center (CRC), with its contractor counselors fielding consumers' reports and inquiries received by telephone, via mail, and online. As identity theft and other fraud scams have increased exponentially, and the CRC has seen a spike in the number of complaints it has received, it is even more crucial that the FTC ensures that CRC can respond to consumers and intake their complaints efficiently and effectively.

We conducted this audit to assess the effectiveness of the CRC's current practices and procedures related to recording and responding to consumer reports and inquiries.

We found that the CRC program has several opportunities to improve related to the (I) processing of consumer complaints referred by internal FTC offices; (II) leveraging of lessons learned as opportunities for continuous improvement; and (III) documenting and communicating procedures and guidelines.

We recommended that BCP management (1) more effectively communicate to agency staff clear, formalized procedures for the consistent processing and adjudication of consumer complaints referred by internal FTC offices; (2) enhance the organization of CRC's knowledge base resources to ensure information is centralized and accessible to all staff; and (3) refine its regularly-reviewed process for identifying and capturing key CRC program input in policy or guidance.

Public report accessible on [the FTC OIG website](#) and on [Oversight.gov](#).

*FY 2024 Audit of the FTC's Information Security Program and Practices (October 28, 2024)*

As required by the Federal Information Security Modernization Act of 2014 (P.L. 113-283) (FISMA), the OIG evaluated the FTC's information security program and practices for FY 2024. The OIG contracted with an independent public accounting firm (IPA) to conduct an audit to meet the FY 2024 FISMA requirements. The IPA concluded that the FTC's information security program and practices were effective, as well as identified one area for improvement and one finding. There were no new recommendations resulting from the FY 2024 FISMA audit.

Public report accessible on [the FTC OIG website](#) and at [CIGIE Oversight.gov](#).

*Audit of the FTC's FY 2024 Financial Statements (November 15, 2024)*

The OIG contracted with an independent public accounting firm (IPA) to (a) audit the financial statements of the FTC as of and for the fiscal year ending September 30, 2024, and (b) draft a report on internal control over financial reporting and compliance with laws, as well as other matters. The audit is required by the Accountability of Tax Dollars Act of 2002. The IPA reported no material weaknesses in internal control over financial reporting, no reportable noncompliance with provisions of laws, or other matters.

Public report accessible on [the FTC OIG website](#) and on [Oversight.gov](#).

*The FTC's Compliance with Improper Payments Requirements for FY 2024 (February 20, 2025)*

The Payment Integrity Information Act of 2019, or PIIA (Public Law 116-117), requires agencies and inspectors general to improve efforts to identify and reduce government-wide improper payments. Agencies must identify and review all programs and activities they administer that may be susceptible to significant improper payments, based on guidance provided by Office of Management and Budget (OMB) Circular A-136 (May 19, 2023). Inspectors General must determine whether each agency is in compliance and issue an annual report, per OMB Circular A-123, Appendix C (M-21-19, March 5, 2021). The OIG concluded that, for FY 2024, the FTC complied with all requirements applicable to the agency for improper payment reporting.

Public report accessible on [the FTC OIG website](#) and on [Oversight.gov](#).

*OIG Letter to OMB on the FY 2024 Charge Card Risk Assessment (January 28, 2025)*

Per the Government Charge Card Abuse Prevention Act of 2012 (Charge Card Act), as implemented by Appendix B to OMB Circular No. A-123, we conducted this periodic assessment of agency purchase card, convenience check, and travel card programs to identify and analyze risks of illegal, improper, or erroneous purchases and payments. Based on our risk assessment of FY 2024 activity, the OIG has identified the FTC charge card program's overall risk level—including of illegal, improper, and erroneous purchases made through the FTC's purchase card program—as low. As a result, the OIG does not currently plan to conduct audit work over the FTC's charge card program in FY 2025.

Public report accessible on [the FTC OIG website](#) and on [Oversight.gov](#).

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

Our office is continuing work on 2 audit and related oversight products:

#### *Audit of the FTC Offboarding Process*

For this audit, our objective is to assess the effectiveness and efficiency of the FTC's procedures for ensuring proper documentation and compliance with federal regulations during employee separations.

#### *OIG Review of FTC's Executive Travel Expenditures*

The OIG is conducting a review of executive travel expenses, with a particular focus on ground transportation costs incurred by using special conveyances.

## Investigations



### Investigations Summary

Category	Number
Indictments and informations	0
Referrals to state authorities for prosecution	1
Referrals to the Department of Justice for prosecution	2
Convictions resulting from investigations	0
Open investigations	5
Open investigative support activities	9 <sup>a</sup>
Closed investigative support activities	3
Reports issued	2
Investigations closed	2
Hotline complaints received and reviewed	3,183

<sup>a</sup> During the reporting period, the FTC OIG reclassified several open investigations as investigative support activities, which include assisting law enforcement with data exploitation and analysis in support of investigations involving the FTC’s Consumer Sentinel Network.

### Significant Matters and Activities

The FTC OIG investigated an allegation that a senior agency official working at the FTC under an Intergovernmental Personnel Act agreement with a university may have violated 18 U.S.C. § 208 (Acts Affecting a Personal Financial Interest) and 5 C.F.R. § 2635.502 (Personal and Business Relationships) by speaking at a symposium hosted by the university. The OIG found that, although the evidence did not support a finding that the official violated Section 208 by attending the symposium, it could suggest a violation of Section 2635.502.

The FTC OIG investigated allegations that an employee misused his travel card by making more than \$4,000 in unauthorized purchases and failing to pay the balance on time. The OIG substantiated these allegations—and, in addition, found that the employee violated the federal ethics regulations; violated federal and FTC Travel Rules and Regulations; and made false statements to the OIG.

The FTC OIG has continued to support a United States Attorney's Office (USAO) in prosecuting multiple individuals indicted for participating in a multi-state scheme involving mortgage fraud, credit repair, government loan fraud, and filing fraudulent identity theft reports with the FTC, as reported in previous semiannual periods. During this reporting period, one defendant pled guilty to three counts of 18 U.S.C. § 1001 for making false statements to a federal agency—in this case, to the FTC by submitting fraudulent identity theft reports—and will be sentenced early next reporting period. A trial for the final defendant has been scheduled.

## Engagement, Review of Legislation, and Other Reporting Requirements



### *Inspector General and Federal Community Engagement*

The OIG continued to actively participate in community-wide activities, particularly those involving CIGIE, an independent entity within the Executive Branch comprised of federal inspectors general. We coordinated with and assisted various OIGs during the period on activities that include investigations, planning, and audit support.

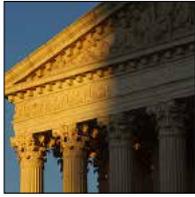
The Acting Inspector General served as the Chair for the Council of Counsels to the Inspector General (CCIG) through December 2024; is a member of the CIGIE Legislation Committee; and participates in the Small OIGs working group. The Counsel to the Inspector General is active in CCIG and chairs a CCIG working group.

### *Review of Legislation*

Pursuant to IG Act Section 4(a)(2), during this period, the OIG reviewed legislation and/or regulations both individually and in coordination with CIGIE's Legislation Committee.

### *Other Reporting Requirements*

Pursuant to the Trafficking Victims Prevention and Protection Reauthorization Act (P.L. 117-348), the OIG reports no relevant suspected violations, investigations, or recommended actions to improve the programs and operations of the agency.



## Appendix I: Recommendations in Previous Semiannual Reports on Which Corrective Action Has Not Been Completed

<i>Report and Open Recommendations</i>	<i>Issue Date</i>	<i>Pending Mgmt Decisions</i>	<i>Potential Cost Savings (\$)</i>
<p><i>Management Advisory on FTC Records Management</i></p> <p>1. Develop requirements for acquiring the necessary staff and technology resources for managing records scheduling, disposition, access, and storage</p>	02/28/2022	None	N/A
<p><i>Fiscal Year 2023 Audit of the FTC's Information Security Program and Practices</i></p> <p>1. FTC CIO implement requirements across Event Logging tiers to meet the maturity level of EL2 (intermediate) in accordance with OMB M-21-31</p>	11/06/2023	None	N/A

**Appendix II: OIG Reports Issued During Current Semiannual Period, with Potential Monetary Benefits (if Applicable) and Status of Management Decision Noted**



<i>Audit, Evaluation, or Inspection Report (and Issue Date)</i>	<i>Questioned Costs</i>	<i>Unsupported Costs</i>	<i>Funds to Be Put to Better Use</i>	<i>Pending Mgmt Decisions</i>
<i>Audit of FTC Consumer Response Center Practices and Procedures (02/06/2025)</i>	0	0	0	N/A
<i>FY 2024 Audit of the FTC’s Information Security Program and Practices (10/28/2024)</i>	0	0	0	N/A
<i>Report on Audit of the FTC’s Fiscal Year 2024 Financial Statements (11/15/2024)</i>	0	0	0	N/A
<i>The FTC’s Compliance with Improper Payments Requirements for FY 2024 (02/20/2025)</i>	0	0	0	N/A
<i>OIG Letter to OMB on the FY 2024 Charge Card Risk Assessment (01/28/2025)</i>	0	0	0	N/A



### Appendix III: Results of Most Recent Peer Review

<i>Most Recent Peer Review Conducted of the FTC OIG</i>	<i>Date Issued</i>	<i>Peer Review Ending Date</i>	<i>Peer Review Results</i>	<i>Outstanding Recs (if Applicable)</i>
Federal Election Commission	09/11/2024	03/31/2024	Pass	N/A
<i>Most Recent Peer Review Conducted by the FTC OIG</i>	<i>Date Issued</i>	<i>Peer Review Ending Date</i>	<i>Peer Review Result</i>	<i>Outstanding Recs (if Applicable)</i>
U.S. International Development Finance Corporation (limited procedures)	06/15/2023	N/A	Modified peer review	N/A

## Appendix IV: IG Act Reporting Requirements Index



<b>IG Act Section</b>	<b>Reporting Requirement</b>	<b>Page #/ Appendix # or Comment</b>
4(a)(2)	Review of legislation and regulations	Page 8
5(a)(1)	Significant problems, abuses, and deficiencies and associated reports and recommendations for corrective action	None to report
5(a)(2)	Recommendations made before the reporting period, for which corrective action has not been completed, including the potential costs savings associated with the recommendation	Appendix I
5(a)(3)	Summary of significant investigations closed during the reporting period	Pages 6–7
5(a)(4)	Total number of convictions during the reporting period resulting from investigations	Page 6
5(a)(5)	List of each audit, inspection, or evaluation report issued during the reporting period—including, if applicable, the total dollar value of questioned costs (including a separate category for the dollar value of unsupported costs) and the dollar value of recommendations that funds be put to better use, including whether a management decision had been made by the end of the reporting period	Appendix II
5(a)(6)	Management decisions made during the reporting period with respect to any audit, inspection, or evaluation issued during a previous reporting period	None to report
5(a)(7)	Information described under section 804(b) of the Federal Financial Management Improvement Act of 1996	None to report

<i>IG Act Section</i>	<i>Reporting Requirement</i>	<i>Page #/ Appendix # or Comment</i>
5(a)(8) & 5(a)(9)	(A) an appendix containing the results of any peer review conducted by another Office of Inspector General during the reporting period; or (B) if no peer review was conducted within that reporting period, a statement identifying the date of the last peer review conducted by another Office of Inspector General; and a list of any outstanding recommendations from any peer review conducted by another Office of Inspector General that have not been fully implemented, including a statement describing the status of the implementation and why implementation is not complete	Appendix III
5(a)(10)	A list of any peer reviews conducted by the Inspector General of another Office of the Inspector General during the reporting period, including a list of any outstanding recommendations made from any previous peer review (including any peer review conducted before the reporting period) that remain outstanding or have not been fully implemented	Appendix III
5(a)(11)	(A) the total number of investigative reports issued during the reporting period; (B) the total number of persons referred to the Department of Justice for criminal prosecution during the reporting period; (C) the total number of persons referred to State and local prosecuting authorities for criminal prosecution during the reporting period; and (D) the total number of indictments and criminal informations during the reporting period that resulted from any prior referral to prosecuting authorities	Page 6