FEDERAL TRADE COMMISSION

OFFICE OF INSPECTOR GENERAL

SEMIANNUAL REPORT TO CONGRESS

October 1, 2005 - March 31, 2006

Report #34

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

Office of Inspector General

May 5, 2006

The Honorable Deborah Majoras
Chairman
Federal Trade Commission
600 Pennsylvania Avenue, N.W.
Washington, D.C. 20580

Dear Chairman Majoras:

The attached report covers the Office of Inspector General's (OIG) activities for the first half of fiscal year 2006 and is submitted according to Section 5 of the Inspector General Act of 1978, as amended.

During the six-month reporting period ending March 31, 2006, the OIG issued an audit of the FTC's FY 2005 financial statements and a companion report to management containing financial-related findings and recommendations resulting from the audit. The OIG also issued a review of performance activity pursuant to the Government Performance and Results Act. Finally the OIG audited cash management and claims distribution processes performed by one FTC contractor. In addition to these completed audits and reviews, the OIG began planning activities for an audit of the FTC's purchase card program and the OIG's annual security review mandated in the Federal Information Security Management Act.

The OIG processed 66 consumer inquiries and complaints/allegations of possible wrongdoing during the period, opened seven new investigations into wrongdoing, and closed nine investigations. The results of these closed investigations were reported to management for ultimate disposition.

The OIG issued a Management Advisory regarding weaknesses in ethics training for agency employees selected to serve as Contracting Officer's Technical Representatives (COTRs). The OIG worked with the agency Ethics Office and Financial Management Office to revise the COTR Appointment Memorandum and the COTR Training Course to address this issue.

As in the past, management has been responsive in attempting to implement all OIG recommendations. I appreciate management's support and I look forward to working with you in our ongoing efforts to promote economy and efficiency in agency programs.

Sincerely,

Howard L. Sribnick
Inspector General

INTRODUCTION

The Federal Trade Commission (FTC) seeks to assure that the nation's markets are competitive, efficient and free from undue restrictions. The FTC also seeks to improve the operation of the marketplace by ending unfair and deceptive practices, with emphasis on those practices that might unreasonably restrict or inhibit the free exercise of informed choice by consumers. The FTC relies on economic analysis to support its law enforcement efforts and to contribute to the economic policy deliberations of Congress, the Executive Branch and the public.

To aid the FTC in accomplishing its consumer protection and antitrust missions, the Office of Inspector General (OIG) was provided five work years and a budget of $917,500 for fiscal year 2006.

AUDIT ACTIVITIES

During this semiannual period, the OIG issued an audit of the FTC's FY 2005 financial statements and a companion report to management containing financial-related findings and recommendations resulting from the audit. The OIG also issued a review of performance activity pursuant to the Government Performance and Results Act. Finally the OIG audited cash management and claims distribution processes performed by one FTC contractor. In addition to these completed audits and reviews, the OIG began planning activities for an audit of the FTC's purchase card program and the OIG's annual security review mandated in the Federal Information Security Management Act. Detailed information regarding these audits and reviews is provided below.

Completed Audits

Audit Report Number	Subject of Audit
AR 06-069	**Audit of the Federal Trade Commission's Financial Statements for the Fiscal Year Ending September 30, 2005**
AR 06-069A	**Management Letter to the FY 2005 Financial Statements**
AR 06-070	**Review of FTC Implementation of the Government Performance and Results Act**
AR 06-071	**Audit of FTC Redress Administration Performed by Analytics, Inc.**

Summary of Findings for Reviews Issued During the Current Period

In AR 06-069, *Audit of the Federal Trade Commission's Financial Statements for the Fiscal Year Ending September 30, 2005*, the objective was to determine whether the agency's financial statements present fairly the financial position of the agency. The statements audited were the Balance Sheets as of September 30, 2005 and 2004 and the related Statements of Net Cost, Statements of Changes in Net Position, Statements of Budgetary Resources, Statements of Financing and Statements of Custodial Activity for the years then ended. This was the ninth consecutive year that the FTC prepared financial statements for audit. The agency received an unqualified opinion, the highest opinion given by independent auditors.

The FY 2005 audited statements provide insight into the mission and operations of the Federal Trade Commission. The FTC had total assets of $259 million and $252 million as of September 30, 2005 and 2004, respectively. Approximately $132 million and $145 million of the 2005 and 2004 assets, respectively, were funds collected or to be collected and distributed through the consumer redress program, under the agency's Consumer Protection mission.

Revenue and financing sources received in fiscal years 2005 and 2004 totaled $212 and $193 million, respectively. Exchange revenue, classified as earned revenue on the financial statements, was received from three sources; the collection of premerger notification filing fees, Do-Not-Call (DNC) user fees, and reimbursements received for services provided to other government agencies. Financing was received through direct appropriations and imputed costs absorbed by others.

Exchange revenue totaled $119 million and $98 million for fiscal years 2005 and 2004, respectively. The primary source of exchange revenue collected, $99 million in fiscal year 2005 and $84 million in fiscal year 2004, was premerger filing fees. The FTC collects a filing fee from each business entity that files a Notification and Report form transaction, as required by the Hart-Scott-Rodino (HSR) Anti-Trust Improvement Act. Qualifying mergers with a transaction amount over $50 million in total assets are charged a filing fee. The fee is based on a three-tiered structure: $45,000, $125,000, and $280,000, depending upon the combined total of assets of the merger transaction. The fee is divided equally between the FTC and the Antitrust Division of the Department of Justice (DOJ). The number of filings increased by 198 over the previous year with 1,592 recorded in fiscal year 2005. Premerger filing fees represented 47 percent and 43 percent of the total revenue sources to the agency in fiscal years 2005 and 2004, respectively.

The second largest source of exchange revenue was Do Not Call fees. The FTC collects fees associated with the implementation and enforcement of the national Do Not Call Registry sufficient to cover registry costs. The Registry operates under Section 5 of the FTC Act, which enforces the Telemarketing Sales Rule (TSR). Telemarketers under the FTC's jurisdiction are required to pay a user fee and download from the DNC database a list of consumer telephone numbers on the Registry. Fees are based on the number of area codes downloaded. In fiscal years 2005 and 2004, respectively, the FTC collected $18 million and $14 million in DNC fees.

In addition to exchange revenue, other financing sources were realized through a direct appropriation from the General Fund of the Treasury, and other non-expenditure transfers, in the amount of $87 million in fiscal year 2005 and $88 million in fiscal year 2004. Direct appropriation and transfers represent 41 percent and 46 percent of total funding sources received for fiscal years 2005 and 2004, respectively.

The gross cost of operations for 2005 fiscal year was $197 million and represents an increase of 5.7 percent over the fiscal year 2004 gross cost of operations. During 2005, expenses for salaries and related benefits totaled $ 124.5 million, or 63 percent of the gross cost of operations. Rental expense was $17 million, or 8.7 percent, and the remaining $55 million, or 28 percent, included travel, facility maintenance and equipment rental, utilities, imputed benefit costs, depreciation, and other items. These costs supported 1,019 staff-years employed in fulfilling the FTC's missions, a decrease of 38 staff years over the previous fiscal year.

The statement of Custodial Activity details the monetary results of the agency's law enforcement mission. Fighting consumer fraud is one of the FTC's highest priorities; as consumers lose billions of dollars every year to perpetrators of traditional fraud and fraud on the Internet. In fraud cases, the FTC files actions in federal district court to bring an immediate halt to ongoing business activities and freeze defendants' assets. The FTC then pursues court orders that permanently ban the fraudulent activities and provide redress to consumers. In FY 2005 the agency obtained monetary judgments against defendants in consumer fraud cases totaling $835 million dollars. Collections against judgments are generally returned to the fraud victims.

During the financial statement audit, the OIG identified deficiencies in internal control that were not considered reportable conditions (that is, they did not rise to a level of seriousness to be reported in the auditor's opinion). Rather, the OIG communicated these findings to management in a letter (*Management Letter to the FY 2005 Financial Statements* (AR 06-069A).

The objective of the management letter is to bring to management's attention financial and/or internal control weaknesses and to make recommendations for corrective action. The audit also follows up on past recommendations made in the prior year's management letter. For example, this year's management letter contains four new findings and the status (follow-up) of four prior-year findings. One of the new findings contains details of funds put to better use totaling $82,000 resulting from overcharges of real estate taxes by the General Services Administration. The agency, with assistance from the OIG, is now working with GSA to obtain a refund for overpaid taxes.

In AR 06-070, *Review of FTC Implementation of the Government Performance and Results Act*, the objective was to determine whether the FTC reports performance data that (i) complies with laws and regulations, (ii) effectively aligns with the agency's vision and annual performance plan, and (iii) is properly and accurately reported in the agency's performance and accountability report.

The OIG found that the agency made significant strides in preparing multi-year strategic plans that convey the general goals of the agency, an annual performance plan (as part of the performance budget or budget request) which lays out mission objectives and performance measures, and a performance and accountability report which effectively communicates agency progress in meeting its objectives. The OIG noted that performance management staff continued to develop and refine objectives and measures to best present the accomplishments of the agency in protecting consumers.

On the other hand, the OIG noted areas where some improvements could be made by performance staff. For example, performance measures developed by the FTC tended to be output, rather then outcome, measures. As a result, the performance measures do not fully demonstrate how the agency is meeting its strategic goals and objectives and how consumers benefit from the activity being measured. Further, we did not identify a "bridge" that explained the relationship between output and outcome measures. In addition, the agency is not routinely performing program evaluations as described in the agency's strategic plan. These evaluations are meant to assist staff to better identify how data (complaint totals, internet hits) is being used to address agency goals and objectives.

To address these weaknesses, the OIG recommended that the agency ensure that the evaluation methods for objectives (which are included in the Strategic Plan) are verified, used and monitored by the agency. The agency should also determine the measures needed/or those that must be revamped to provide a balance of output, outcome, and effectiveness that properly support goals and objectives. As a way to tie performance measures back to goals and objectives, the agency should include accomplishments identified in budget overview statements in the performance measurement section of the performance report to help explain how the measure relates to achievement of the objectives.

In AR 06-071, *Audit of FTC Redress Administration Performed by Analytics, Inc.,* the OIG responded to a request by Redress Administration Office (RAO) managers to audit claims administration activities performed on behalf of the FTC by the contractor, Analytics, Inc. of Chanhassen, MN, for fiscal year 2005. The objectives of the audit were to evaluate financial controls in place at Analytics over the redress process and to assess the RAO's oversight of contractor-administered redress. The audit encompassed eight redress accounts totaling $63.5 million in claims paid by this contractor to 702,725 consumers.

The audit identified many effective management controls in place at the contractor and at the RAO to prevent fraud. For example, consumers who attempt to alter check amounts have been identified by an internal control program called "positive pay." Further, the Analytics' controller monitors each FTC account daily to identify irregularities and to ensure that sufficient funds are available to cover all outstanding checks. Analytics has integrated "best practices" to its redress distribution activities and has improved its oversight of redress distribution with staff additions. For its part, the RAO approves the transfer and disbursement of all funds on account. RAO also monitors monthly reports prepared by Analytics detailing account transactions (deposits, interest earnings, disbursements) for each case, and performs audit checks as a deterrent to fraud.

The audit also identified areas where improvements are possible. While electronic monitoring is performed to identify variances, Analytics does not routinely review the resulting reports. In one example, we found a double payment to a claimant that was "flagged" on an exception report, but the report was not reviewed by Analytics staff. On another distribution, we identified one consumer who, due to errors by FTC staff and the contractor, still had not received her $3,000 redress check months after Analytics closed the account. Analytics should also negotiate higher interest rates on the tens of millions of dollars in consumer redress on deposit in commercial banks, thus reducing the amount of principal needed to pay contractor expenses.

At RAO, the OIG identified processes in place to prevent and/or detect fraud. RAO simply needs to expand current procedures to audit more checks and should consider computer-assisted techniques to increase its audit capacity. We also noted that on two of eight sampled cases, RAO did not maintain complete original claimant lists. Without these lists, contractor employees could add names to claimant lists and issue checks to themselves or third parties with little fear of detection, although there was no evidence to suggest that this has occurred.

Planned Audits

Audit Report Number	Subject of Review
AR06-XXX	**Review of the Federal Trade Commission Implementation of the Federal Information Security Management Act for Fiscal Year 2006** The Federal Information Security Management Act of 2002 (FISMA) requires an independent assessment of federal agency information security programs and practices to determine their effectiveness. The OIG will evaluate the adequacy of the FTC's computer security program and practices for its major systems. This year, the OIG will again focus its review on the FTC's *Plan of Action and Milestones* to determine the extent to which the agency has implemented previously agreed-to OIG and other internally-identified recommendations. This will enable the OIG to provide more timely feedback to management on the results of its efforts to address weaknesses. In addition, the OIG will visit an FTC regional office to assess information security there.

AR06-XXX	**Review of the Federal Trade Commission Purchase Card Program** The objective of this audit will be to assess internal controls over the government purchase card program. Specific audit objectives will be to (i) document controls; (ii) determine whether control processes and procedures are functioning as intended; and (iii) areas that could be strengthened to better ensure that the goals of the program are achieved.
AR06-XXX	**Audit of the FTC's Financial Statements for Fiscal Year 2006** The purpose of the audit is to express an opinion on the financial statements of the Federal Trade Commission for the fiscal year ending September 30, 2006. The principal statements to be audited include the (a) Balance Sheet; (b) Statement of Net Cost; (c) Statement of Changes in Net Position; (d) Statement of Budgetary Resources; (e) Statement of Financing; (f) Statement of Custodial Activity, and notes to the financial statements. The OIG will also test the internal controls associated with the movement of transactions through the FTC's financial system and assess compliance with selected laws and regulations. The OIG is using guidance contained in OMB Bulletin No. 01-02, *Audit Requirements for Federal Financial Statements*, in performing this audit. The audited financial statements are required to be included in the financial section of the agency's Performance and Accountability Report to be issued on or before November 15, 2006.

INVESTIGATIVE ACTIVITIES

The Inspector General is authorized by the IG Act to receive and investigate allegations of fraud, waste and abuse occurring within FTC programs and operations. Matters of possible wrongdoing are referred to the OIG in the form of allegations or complaints from a variety of sources, including FTC employees, other government agencies and the general public.

Reported incidents of possible fraud, waste and abuse can give rise to administrative, civil or criminal investigations. OIG investigations are also initiated when there is an indication that firms or individuals are involved in activities intended to improperly affect the outcome of particular agency enforcement actions. Because this kind of wrongdoing strikes at the integrity of the FTC's consumer protection and antitrust law enforcement missions, the OIG places a high priority on these investigations.

In conducting criminal investigations during the past several years, the OIG has sought assistance from, and worked jointly with, other law enforcement agencies, including other OIG's, the Federal Bureau of Investigation, the U.S. Postal Inspection Service, the U.S. Secret Service, the U.S. Marshal's Service, the Internal Revenue Service, Capitol Hill Police, Federal Protective Service as well as state agencies and local police departments.

Investigative Summary

During this reporting period, the OIG received 66 consumer inquiries and reports of possible wrongdoing.[1] Of the 66 complaints, 30 involved issues that fall under the jurisdiction of FTC program components (identity theft, credit repair, etc.). Consequently, the OIG referred these matters to the appropriate FTC component for disposition. Another 9 complaints were referred to other government and/or law enforcement agencies for ultimate disposition.

Of the remaining complaints, the OIG opened 7 new investigations plus two preliminary inquiries. Another complaint remained ongoing at the end of the reporting period. Finally, the OIG closed the 17 remaining complaints without any further action

Following is a summary of the OIG's investigative activities for the six-month period ending March 31, 2006:

---

[1] The FTC is an independent agency with consumer protection law enforcement authority. Because the OIG contact information is prominent on the Agency's web site, consumers frequently misdirect their consumer protection complaints to the OIG, with the belief that the OIG's statutory authority to investigation allegations of fraud, waste and abuse includes the authority to investigate allegations of consumer fraud. During this semi-annual reporting period, the OIG received roughly 600 misdirected complaints.

In prior Semi-Annual Reports to Congress, the OIG has included all consumer complaints that were misdirected to the OIG (rather than going directly to the FTC's Consumer Response Center, the appropriate agency program office for processing consumer protection complaints) in its consumer inquiries statistical data reported to Congress. Over the past three years, volume of such misdirected consumer complaints received by the OIG has increased exponentially, in part, due to website changes that have made the OIG contact information more readily available, thereby affording consumers easier access to the OIG. Consumers routinely misdirect such complaints to the OIG because of their unfamiliarity with agency organization and operations. Beginning in FY 2006, the OIG will no longer include consumer protection complaints that are ultimately intended for the Consumer Response Center in our reporting of consumer inquiries to the OIG. Despite this change in reporting statistical data to Congress, our internal processing of such complaints remains unchanged. The OIG will continue to transmit such consumer complaints to the appropriate agency program office for review and disposition. However, the statistical data reported to Congress will not include this subcategory of consumer contacts to the OIG.

Cases pending as of 9/30/05	**6**
PLUS: New cases	**7**
LESS: Cases closed	**(10)**
Cases pending as of 3/31/06	**3**

Investigations Closed

The OIG closed the following nine investigations during this reporting period:

The OIG closed a file, opened during a prior reporting period, that resulted in a prosecution by the Department of Justice during this reporting period. The case involved a former FTC attorney who retired pending our investigation into allegations that he misused the FTC's Federal Express account number. The attorney allegedly operated a business from his FTC office and misappropriated the agency's Fed Ex account number in making nearly 200 shipments related to his business over a 14 month period. He plead guilty to felony theft charges in connection with these activities. At sentencing, he was ordered to pay restitution in the amount of $4,078 and perform 100 hours of community service. He is on probation for two years and must satisfy other requirements. The OIG investigated the matter and referred the case to the District of Columbia United States Attorney for prosecution during a prior fiscal year.

Our office closed six investigations involving Government-issued travel cards and purchase cards. Four of the investigations stemmed from employee misuse of travel cards and the remaining two investigations focused on fraudulent use of Government travel and purchase cards, as described below. In the four misuse investigations, the affected employees did not deny personal responsibility for the transactions in question. However, the two fraudulent matters involved employees who denied any responsibility for the unauthorized transactions. As a result of these travel card abuse matters, agency management has undertaken diligent efforts to monitor travel card and purchase card use by agency employees. During this reporting period, the responsible agency program office initiated a procedure to review transactions appearing on Government-issued credit card statements.

The OIG investigated separate allegations that four agency employees had misused their Government travel credit cards for personal purchases and cash advances. Some of these investigations arose from agency management's closer scrutiny into the agency's travel card program (following an earlier OIG investigative referral during the preceding reporting period involving an employee's travel card misuse). The OIG transmitted separate investigative referrals to management describing our investigative findings respecting three of the employees. One of the three employees resigned prior to issuance of the OIG referral to management. Agency management is in the process of imposing disciplinary action against the two remaining employees who were the subject of our investigative referrals. While the OIG was preparing a fourth investigative referral, the subject employee resigned from the agency. The OIG closed the four investigative files.

The OIG closed an investigation that was opened in a prior reporting period relating to allegations of Government travel card fraud. Several FTC employees, including a former FTC commissioner, were the victims of the unauthorized use of their travel cards. Some credit card transactions were declined, but some were processed and completed. Our investigation did not lead to conclusive information respecting the identity of the individual(s) responsible for the fraudulent use of the travel cards. The investigation was closed with no investigative referral to agency management.

In a separate, yet similar, investigation that was opened in a prior reporting period, the OIG closed its investigation into allegations of Government purchase card fraud involving an agency employee's purchase card. The OIG investigation determined that the purchase card at issue was never lost or stolen. However, unauthorized charges were made using the purchase card account number. The OIG investigation did not determine the identity of the individual(s) responsible for the unauthorized charges. The investigation was closed with no investigative referral to agency management. The agency suffered no loss as a result of the purchase card fraud.

The OIG received information that an agency employee had inserted an informational code into the FTC's website that generated a popunder advertisement each time the website page to which the script was linked was accessed by visitors. The agency employee allegedly received nominal payments from the host of the popunder advertisements. Forensic analysis identified one individual who inserted the unauthorized code out of seven possible agency employees with access to the website java script. The OIG issued subpoenas to obtain information that linked the employee to the unauthorized code. The employee resigned his position during our investigation and the OIG ceased further investigative activity on the matter.

The OIG closed another investigation, opened in a prior reporting period, involving allegations that a company falsely represented to consumers that it was an affiliate of the FTC. The company's telemarketer convinced at least one consumer, who was previously a victim of identity theft, that the consumer should provide personal financial information to ensure that the consumer would be protected from future identity theft. The consumer provided the account number and someone withdrew several hundred dollars from his bank account. When the OIG first received the allegation, the OIG opened an investigation and issued subpoenas to pursue FTC impersonation allegations. During the pendency of our investigation, the agency's program office that is responsible for consumer fraud investigations requested that the OIG refrain from investigating the allegations because that office had an ongoing widespread investigation involving criminal law enforcement in multiple jurisdictions. To avoid duplication of efforts and the possibility of interfering with the agency's existing investigation, the OIG referred the matter to that program office for further investigation.

The OIG closed an investigation, opened during a prior reporting period, involving allegations that an agency employee conspired with his mother to defraud a state housing authority. The allegation was referred to the OIG by the state district attorney's office that prosecuted the employee's mother in the housing fraud scheme. Although the employee's mother was indicted and plead to felony housing fraud counts, the OIG investigation uncovered insufficient facts to support a conspiracy charge against the FTC employee. Based on the foregoing, OIG closed its investigative file.

Matters Referred for Prosecution

During this reporting period the OIG referred no new cases to the Department of Justice for prosecution.

The Department of Justice prosecuted a former FTC attorney during this reporting period. That individual plead guilty to felony theft counts for his misuse of the agency's Federal Express account number. The sentencing included a requirement that the former employee make restitution to the FTC and Federal Express for the value of the unauthorized shipments. This prosecution resulted from an investigation by the OIG during the preceding fiscal year. The conviction was reported to the attorney's licensing board for appropriate disciplinary action.

OTHER ACTIVITIES

Management Advisory

The OIG issued a Management Advisory addressing the sufficiency of ethics training for agency employees serving as Contract Officer's Technical Representatives (COTRs). The advisory followed an investigation completed in a prior fiscal year wherein the OIG learned that FTC employees who are called upon to serve as COTRs were not adequately trained in the ethical rules governing performance of their duties, particularly the rules relating to conflicts of interest and the acceptance of gifts from an entity doing business with the agency. The OIG advised management of this situation. The OIG, agency Ethics Office and Financial Management Office collaborated to revise the COTR Appointment Memorandum and the FTC COTR Training Course to address this issue.

Significant Management Decisions

Section 5(a)(12) of the Inspector General Act requires that if the IG disagrees with any significant management decision, such disagreement must be reported in the semiannual report. Further, Section 5(a)(11) of the Act requires that any decision by management to change its response to a significant resolved audit finding must also be disclosed in the semiannual report. For this reporting period there were no significant final management decisions made on which the IG disagreed and management did not revise any earlier decision on an OIG audit recommendation.

Access to Information

The IG is to be provided with ready access to all agency records, information, or assistance when conducting an investigation or audit. Section 6(b)(2) of the IG Act requires the IG to report to the agency head, without delay, if the IG believes that access to required information, records or assistance has been unreasonably refused, or otherwise has not been provided. A summary of each report submitted to the agency head in compliance with Section 6(b)(2) must be provided in the semiannual report in accordance with Section 5(a)(5) of the Act.

During this reporting period, the OIG did not encounter any problems in obtaining assistance or access to agency records. Consequently, no report was issued by the IG to the agency head in accordance with Section 6(b)(2) of the IG Act.

Audit Resolution

As of the end of this reporting period, all OIG audit recommendations for reports issued in prior periods have been resolved. That is, management and the OIG have reached agreement on what actions need to be taken.

Review of Legislation

Section 4(a)(2) of the IG Act authorizes the IG to review and comment on proposed legislation or regulations relating to the agency or, upon request, affecting the operations of the OIG. During this reporting period, the OIG reviewed no legislation.

Contacting the Office of Inspector General

Employees and the public are encouraged to contact the OIG regarding any incidents of possible fraud, waste, or abuse occurring within FTC programs and operations. The OIG telephone number is **(202) 326-2800**. To report suspected wrongdoing, employees may also call the OIG's investigator directly on **(202) 326-2618**. A confidential or anonymous message can be left 24 hours a day. Complaints or allegations of fraud, waste or abuse can also be emailed directly to chogue@ftc.gov. OIG mail should be addressed to:

Federal Trade Commission
Office of Inspector General
Room NJ-1110
600 Pennsylvania Avenue, NW
Washington, D.C. 20580

OIG reports can be obtained directly from the internet at: www.ftc.gov/oig. A visitor to the OIG home page can download recent (1996-2005) OIG semiannual reports to Congress, the FY 1998 - 2004 financial statement audits, and other program and performance audits issued beginning in FY 1999. A list of audit reports issued prior to FY 1999 can also be ordered via an e-mail link to the OIG. In addition to this information resource about the OIG, visitors are also provided a link to other federal organizations and Offices of Inspector General.

Internet Access

The OIG can be accessed via the world wide web at: http://www.ftc.gov/oig. A visitor to the OIG home page can download recent (1996-2005) OIG semiannual reports to Congress, the FY 1998 - 2005 financial statement audits and other program and performance audits issued beginning in FY 1999. A list of audit reports issued prior to FY 1999 can also be ordered via an e-mail link to the OIG. In addition to this information resource about the OIG, visitors are also provided a link to other federal organizations and office of inspectors general.

TABLE I
SUMMARY OF INSPECTOR GENERAL REPORTING REQUIREMENTS

IG Act Reference	Reporting Requirement	Page(s)
Section 4(a)(2)	Review of legislation and regulations	11
Section 5(a)(l)	Significant problems, abuses and deficiencies	4 - 5
Section 5(a)(2)	Recommendations with respect to significant problems, abuses and deficiencies	5
Section 5(a)(3)	Prior significant recommendations on which corrective actions have not been made	11
Section 5(a)(4)	Matters referred to prosecutive authorities	10
Section 5(a)(5)	Summary of instances where information was refused	11
Section 5(a)(6)	List of audit reports by subject matter, showing dollar value of questioned costs and funds put to better use	14, 15
Section 5(a)(7)	Summary of each particularly significant report	2 - 4
Section 5(a)(8)	Statistical tables showing number of reports and dollar value of questioned costs	14
Section 5(a)(9)	Statistical tables showing number of reports and dollar value of recommendations that funds be put to better use	15
Section 5(a)(10)	Summary of each audit issued before this reporting period for which no management decision was made by the end of the reporting period	14, 15
Section 5(a)(11)	Significant revised management decisions	10
Section 5(a)(12)	Significant management decisions with which the inspector general disagrees	10

TABLE II
INSPECTOR GENERAL ISSUED REPORTS
WITH QUESTIONED COSTS

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

TABLE III

INSPECTOR GENERAL ISSUED REPORTS WITH RECOMMENDATIONS THAT FUNDS BE PUT TO BETTER USE

		Number	Dollar Value
A.	For which no management decision has been made by the commencement of the reporting period	0	0
B	Which were issued during this reporting period	1	82,000
C.	For which a management decision was made during the reporting period	1	82,000
	(i) dollar value of recommendations that were agreed to by management	1	82,000
	- based on proposed management action	1	82,000
	- based on proposed legislative action	0	0
	(ii) dollar value of recommendations that were not agreed to by management	0	0
D.	For which no management decision has been made by the end of the reporting period	0	0
	Reports for which no management decision was made within six months of issuance	0	0