



FEDERAL TRADE COMMISSION

Citizens' Report: Fiscal Year 2008 Summary of Performance and Financial Results

The agency's mission, performance results, and key financial and spending information





The cover page shows the Federal Trade Commission's headquarters building at 600 Pennsylvania Avenue, NW in Washington, DC.

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ABOUT THIS REPORT

This Citizens' Report summarizes the Federal Trade Commission's (FTC) Fiscal Year (FY) 2008 Performance and Accountability Report (PAR) and is intended for a general audience of consumers, businesses, and other stakeholders.

This report provides readers with an understanding of the FTC's mission, programs, performance results, and financial highlights for the year. For more detailed information see the complete PAR, available at <http://www.ftc.gov/opp/gpra/2008parreport.pdf>. For a two page snapshot summarizing the PAR, see <http://www.ftc.gov/opp/gpra/2008snapshot.pdf>.

MESSAGE FROM OUR CHAIRMAN

I believe that the FTC truly is one of the great success stories in the modern history of public administration.

This Citizens' Report is a summary of our Fiscal Year 2008 Performance and Accountability Report (PAR) (available at <http://www.ftc.gov/opp/gpra/2008parreport.pdf>). It presents our program performance and financial activities of the past year.



William E. Kovacic
Chairman

We have a strong foundation in program performance and fiscal responsibility that allows us to help consumers in many different ways. Consumers and businesses can call our toll-free phone numbers or file complaints online to alert us to illegal practices in the marketplace. We work closely with our law enforcement partners, both domestic and foreign, to ensure strong enforcement of consumer protection and antitrust laws. We act to block mergers that could have anticompetitive effects on the marketplace. Through our comprehensive consumer and business education program (available online in English at <http://www.ftc.gov> and in Spanish at <http://www.ftc.gov/ojo>), we issue alerts to warn the public of emerging fraudulent and deceptive schemes, post web pages, publish brochures, and use various innovative media approaches to reach the public to prevent further consumer injury.

The FTC pursues an effective law enforcement program in an increasingly global marketplace characterized by changing technologies. In the consumer protection area, the FTC is active in a variety of efforts to protect the public from unfair, deceptive, and fraudulent practices in the marketplace. In the maintaining competition area, we have an active enforcement agenda to promote and protect competition, and scrutinize mergers in many industries.

An essential aspect of the FTC's success is sound financial management. The FY 2008 independent financial audit resulted in the FTC's 12th consecutive unqualified opinion. Additionally, the auditors found no material weaknesses, significant deficiencies, or instances of noncompliance with laws and regulations.

This report contains a summary of the key mission challenges facing the agency and our approaches to address them. A full listing of the mission challenges is included in the PAR at <http://www.ftc.gov/opp/gpra/2008parreport.pdf#page=25>. The PAR also contains a list of Inspector General-identified key management and performance challenges at <http://www.ftc.gov/opp/gpra/2008parreport.pdf#page=133>.

I look forward to continuing to provide high-quality service to the American public with the assistance of agency staff, my fellow commissioners, and FTC stakeholders and partners.

A handwritten signature in black ink that reads "William E. Kovacic". The signature is written in a cursive style.

William E. Kovacic
January 15, 2009

THE FTC: FOR THE CONSUMER

What We Do

The FTC's mission aims to prevent business practices that are anticompetitive, deceptive, or unfair to consumers and enhance informed consumer choice and public understanding of the competitive process, without standing in the way of legitimate business activity.

The agency's two strategic goals, Protect Consumers and Maintain Competition, form the core of this mission. Each goal has four objectives and related strategies:

- ◆ **Identify** illegal practices
- ◆ **Stop** illegal practices through law enforcement
- ◆ **Prevent** consumer injury through education of consumers and businesses
- ◆ **Enhance** consumer welfare through research, reports, advocacy, and international cooperation and exchange.

FTC-At-A-Glance

- ◆ The FTC makes a difference in the everyday lives of consumers. For example, consumers receive fewer telemarketing calls, obtain free credit reports, receive less e-mail spam, receive identity theft victim assistance, access truthful information about health and weight-loss products, pay lower prescription drug prices thanks to the availability of generic drugs, and enjoy competitive prices for goods as a result of merger reviews and actions taken by the FTC.
- ◆ The agency manages the National Do Not Call (DNC) Registry, which gives consumers the opportunity to opt out of most telemarketing calls. As of October 1, 2008, there were more than 172 million active registrations on the DNC Registry.
- ◆ Over the past three years, the FTC has saved consumers more than \$1.28 billion in economic injury by stopping illegal practices such as misleading health claims, deceptive lending practices, phony weight-loss schemes, and business opportunity fraud.
- ◆ In FY 2008, the FTC took action against mergers likely to harm competition in markets with a total of \$14.9 billion in sales. The agency's efforts to maintain aggressive competition among sellers benefit consumers through lower prices, higher quality products and services, additional choice, and greater innovation.
- ◆ The FTC shares the more than 12.2 million fraud, identity theft, financial, and DNC Registry complaints it has collected with more than 1,700 other law enforcement agencies across the United States, Canada, and Australia via the secure Consumer Sentinel Network website.

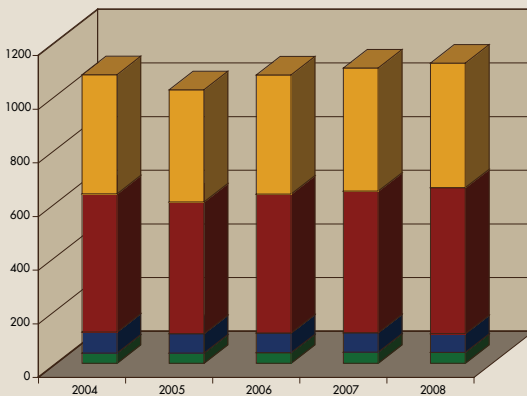
Who We Are

The FTC's headquarters is in Washington, DC and the agency also maintains seven local offices in regions across the United States. Regional addresses, telephone numbers, and the list of the states covered by each region can be found in the "Additional Information" section at the end of this report.



The FTC's workforce is its greatest asset. The agency's workforce consists of approximately 1,100 civil service employees dedicated to addressing the major concerns of American consumers. The chart below shows workforce composition by category.

FTC's Workforce Composition



	2004	2005	2006	2007	2008
Other Professions	444	418	444	459	464
Attorneys	515	491	517	527	544
Economists	78	72	74	73	70
Senior Managers	38	38	39	41	40
Total	1075	1019	1074	1100	1118

Note: These totals reflect full- and part-time staff on board as of September 30 for each year. The actual full-time equivalent usage for each year varies from the on-board count.

The FTC's organizational chart can be found in the PAR at <http://www.ftc.gov/opp/gpra/2008parreport.pdf#page=15>.

Our Mission Challenges

The FTC stands prepared to face the challenges of today's marketplace as a champion for consumers and competition. As a law enforcement agency with a broad mandate, many of our challenges are defined by the conditions of the marketplace, and are ever changing. A synopsis of the significant mission challenges identified by agency management is presented below. The synopsis covers the three highest priority agency mission challenges for both Goal 1 and Goal 2. The full descriptions of these and other challenges are available at <http://www.ftc.gov/opp/gpra/2008parreport.pdf#page=25>.

Goal 1: Protect Consumers

Challenge: Protecting Consumers in the Financial Services Marketplace.

Agency law enforcement actions target deceptive and other illegal practices involving mortgage lending and other financial services, with a focus on the subprime market. These practices can have severe consequences for consumers, including unanticipated high-cost mortgages, ruined credit histories, and loss of their homes, and unwarranted fears of arrest and incarceration for failure to pay on time. The FTC protects consumers from unfair and deceptive practices related to mortgage foreclosure scams, mortgage servicing, and subprime lending in the mortgage and credit areas, credit cards, credit repair, payment cards, debt collection, debt settlement, and student loans.

Challenge: Improving Data Security and Combating Identity Theft.

Identity theft exacts a heavy financial and emotional toll on its victims, and the FTC seeks to assist the millions of Americans who are victimized each year. The agency combats identity theft by bringing law enforcement actions against companies that fail to maintain reasonable safeguards to protect consumer information from identity theft; training local law enforcement officers on how to recognize, investigate, and prepare identity theft cases; and educating consumers on how to avoid and recover from identity theft.

Challenge: Protecting Consumers from Do Not Call Violations. The National Do Not Call (DNC) Registry puts consumers in charge of the telemarketing calls they receive at home and allows them to stop most unwanted telemarketing calls. There are now more than 172 million active registrations on the Registry. The FTC ensures that consumers who register their numbers are protected from receiving unwanted telemarketing calls by enforcing the DNC provisions of the Telemarketing Sales Rule. Though most entities covered by the Rule comply, the FTC received more than 1.75 million consumer complaints alleging DNC violations in FY 2008.

Goal 2: Maintain Competition

Challenge: Preventing Anticompetitive Activity in Energy Industries.

The price of gasoline and other energy sources continues to be a great concern for consumers. The FTC focuses closely on gasoline markets and moves quickly to address any anticompetitive activity. In enforcing the antitrust laws, the FTC continuously examines price movements and other activity through its Gasoline and Diesel Price Monitoring Project to identify any conduct that may not reflect purely competitive decisions based on the forces of supply and demand. The FTC is using a new authority granted it by Congress to conduct a rulemaking proceeding to prohibit the use of manipulative or deceptive practices in wholesale crude oil, gasoline, and petroleum distillate markets.

Challenge: Promoting Competition in Health Care and Prescription

Drugs. The rapidly rising cost of health care is a matter of concern for consumers, employers, insurers, and the nation as a whole. Health-related products and services continue to account for an increasingly significant share of gross domestic product. Prescription drug costs alone are projected to be more than \$260 billion in 2009. Agreements between branded and generic manufacturers to delay generic entry continue to pose a significant threat to competition by depriving consumers of low-cost generic drugs. When appropriate, the FTC investigates and challenges patent settlements between brand and generic companies, and advocates for legislation to eliminate this problem. The agency also addresses rising prescription drug prices by monitoring pharmaceutical company mergers. In addition, the FTC stops anticompetitive agreements between physicians and hospital service organizations and monitors hospital and other mergers that may raise the cost of health care.

Challenge: Preventing and Stopping Anticompetitive Mergers. Many mergers benefit consumers by allowing firms to operate more efficiently. Other mergers, however, may result in higher prices, fewer choices, or reduced quality. The FTC analyzes the likely effects of a merger on consumers and competition—a process that can take thousands of hours of investigation and economic analysis—and identifies those that may be harmful. The premerger notification requirements of the Hart-Scott-Rodino (HSR) Act provide the FTC with an effective starting point for identifying potentially anticompetitive mergers, acquisitions, and joint ventures (collectively referred to as mergers) before they are consummated. The FTC's efforts in this area benefit consumers by keeping prices low and by maximizing the quality and choice of goods and services.

HOW WE PERFORMED

Our Strategy

The FTC’s work is structured around two strategic goals and eight objectives. Performance measures and associated targets are used to gauge the FTC’s success for each objective.

- ◆ Performance framework’s complete details:
<http://www.ftc.gov/opp/gpra/2008parreport.pdf#page=17>
- ◆ The FTC’s FY 2006–2011 Strategic Plan:
<http://www.ftc.gov/opp/gpra/spfy06fy11.pdf>
- ◆ The FTC’s Performance Plan:
http://www.ftc.gov/opp/gpra/CBJ_2008_performance_plan.pdf
- ◆ The FTC’s Congressional Budget Justification:
<http://www.ftc.gov/ftc/oed/fmo/budgetsummary08.pdf>.

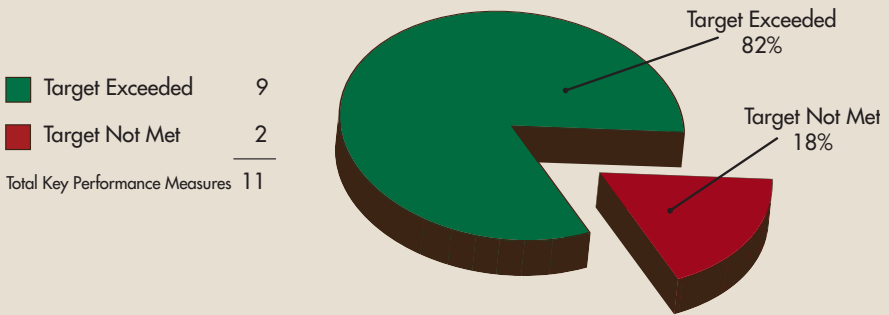
The table below shows how the FTC’s two strategic goals and related objectives align with the agency’s primary organizations. (The complete FTC organizational chart is available at <http://www.ftc.gov/opp/gpra/2008parreport.pdf#page=15>.)

Goal	Goal 1: Protect Consumers Prevent fraud, deception, and unfair business practices in the marketplace	Goal 2: Maintain Competition Prevent anticompetitive mergers and other anticompetitive business practices in the marketplace
Objectives	<p>1.1 Identify fraud, deception, and unfair practices that cause the greatest consumer injury</p> <p>1.2 Stop fraud, deception, unfairness, and other unlawful practices through law enforcement</p> <p>1.3 Prevent consumer injury through education</p> <p>1.4 Enhance consumer welfare through research, reports, advocacy, and international cooperation and exchange</p>	<p>2.1 Identify anticompetitive mergers and practices that cause the greatest consumer injury</p> <p>2.2 Stop anticompetitive mergers and business practices through law enforcement</p> <p>2.3 Prevent consumer injury through education</p> <p>2.4 Enhance consumer welfare through research, reports, advocacy, and international cooperation and exchange</p>
Organizations	Bureau of Consumer Protection	Bureau of Competition
Bureau of Economics		
Regions and Offices		

Our Performance Results

Key Performance Measures Summary. Of the 34 measures the FTC uses to assess program performance, 11 are considered “key” measures. These key measures best indicate whether agency activities are achieving the desired outcomes for each objective based on an established performance target. This report presents actual results in comparison to these targets. As the chart below shows, the FTC has exceeded the target for 9 of 11 key performance measures.

Key Performance Measure Results



Key Performance Measures Details. This section summarizes actual FY 2008 performance against established targets for the FTC's key performance measures and provides real-world examples of each as a related highlight. The full list of the FTC's performance measures for FY 2008 targeted and actual performance is available at <http://www.ftc.gov/opp/gpra/2008parreport.pdf#page=46>.

Strategic Goal 1: Protect Consumers

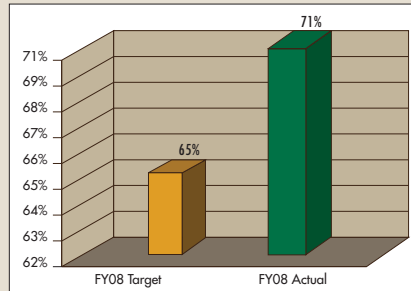
Objective 1.1

Identify Fraud, Deception, and Unfair Practices That Cause the Greatest Consumer Injury

Key Measure 1.1.2: The percentage of consumer protection law enforcement actions that are responsive to consumer complaint information gathered by the agency.

Performance Highlights

In response to a sharp increase in delinquencies and foreclosures, the FTC intensified its focus on the mortgage market, taking actions that were responsive to the consumer complaint information gathered by the agency. In April 2008, the FTC charged Mortgage Foreclosure Solutions, Inc., with operating a nationwide mortgage foreclosure "rescue" scam that charged consumers as much as \$1,200 to save their homes from foreclosure but failed to do so. In June 2008, the FTC charged CompuCredit Corporation with deceptive marketing practices in selling credit cards to consumers in the subprime market.



✓ Target was met or exceeded

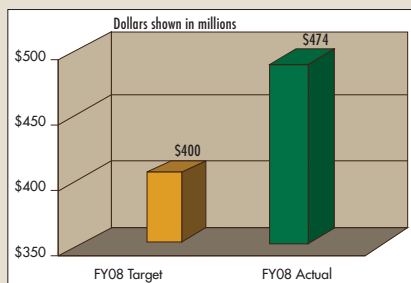
Objective 1.2

Stop Fraud, Deception, Unfairness, and Other Unlawful Practices Through Law Enforcement

Key Measure 1.2.1: Stop economic injury to consumers each year through law enforcement.

Performance Highlights

In FY 2008, the FTC continued to combat the deceptive marketing of health products. In August 2008, Airborne Health, Inc., the maker of the popular Airborne Effervescent Health Formula, an effervescent tablet marketed as cold prevention and treatment, agreed to pay up to \$30 million to settle FTC charges that it did not have adequate evidence to support its advertising claims.



✓ Target was met or exceeded and the FTC is on track to meet the five-year target

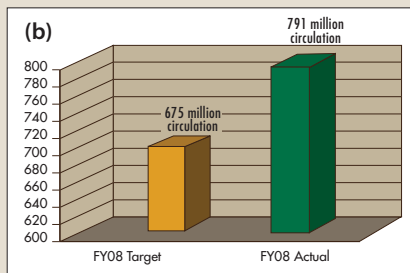
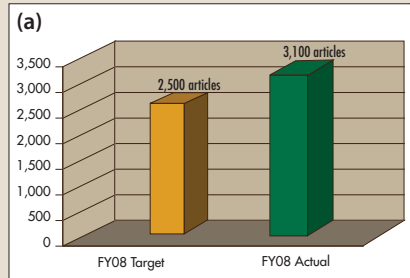
Objective 1.3

Prevent Consumer Injury Through Education

Key Measure 1.3.4: Track (a) the number of times print media publish articles that refer to FTC consumer protection activities and (b) the circulation of media that publish those articles.

Performance Highlights

In July 2008, many news outlets ran stories on the FTC's report "Marketing Food to Children and Adolescents: A Review of Industry Expenditures, Activities, and Self-Regulation." News organizations that sent reporters to participate in an FTC press briefing in person or by teleconference included the *Washington Post*, *New York Times*, *Los Angeles Times*, *Chicago Tribune*, and *Associated Press*.



✓ Target was met or exceeded

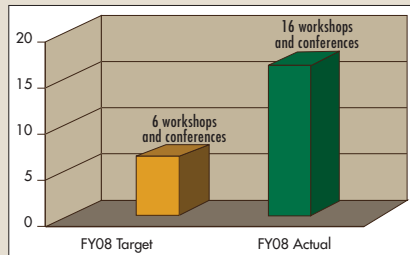
Objective 1.4

Enhance Consumer Welfare Through Research, Reports, Advocacy, and International Cooperation and Exchange

Key Measure 1.4.1: Convene or participate substantially in workshops and conferences on novel or challenging consumer protection problems or issues.

Performance Highlights

The FTC's "Green Guides" outline general principles for all environmental marketing claims and provide specific guidance about certain green claims. To address concerns in the area of green marketing, the agency held a series of public workshops on a number of emerging green marketing topics. The first workshop took place in January 2008 and addressed carbon offsets and renewable energy certificates. The second workshop, on green packaging, took place in April 2008. The third workshop, held in July 2008, examined developments in environmental claims for building products, buildings, and textiles, along with consumer perceptions of those claims.



✓ Target was met or exceeded and the FTC is on track to meet the five-year target

National Do Not Call Registry

The FTC manages the National Do Not Call (DNC) Registry, which gives consumers the opportunity to limit telemarketing calls. As of October 1, 2008, there were more than 172 million active registrations on the DNC Registry. The federal government created the national registry to make it easier and more efficient for consumers to stop getting unwanted telemarketing calls. The Do-Not-Call Improvement Act of 2007, which became law in February 2008, ensures that telephone numbers placed on the DNC Registry will remain on it permanently. Consumers can register online at <http://www.donotcall.gov> or call toll-free 1-888-382-1222 (TTY 1-866-290-4236) from the number they wish to register. Registration is free.

PROGRAM SPOTLIGHT



NATIONAL
DO NOT CALL
REGISTRY

WWW.DONOTCALL.GOV

Strategic Goal 2: Maintain Competition

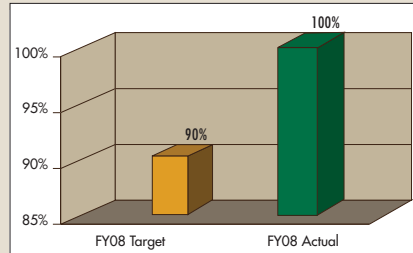
Objective 2.1

Identify Anticompetitive Mergers and Practices That Cause the Greatest Consumer Injury

Key Measure 2.1.1: Achieve positive outcomes* in matters in which HSR Act requests for additional information are issued.

Performance Highlights

The FTC brought 13 merger enforcement actions after issuing a second request, obtaining consumer relief in merger matters involving crucial pharmaceuticals (Sun Pharmaceuticals/ Taro Pharmaceutical Industries and Fresenius SE/Daiichi Sankyo Co.) and medical treatment products (Kyphon, Inc./Dic-O-Technical Technologies, Inc.)



✓ Target was met or exceeded

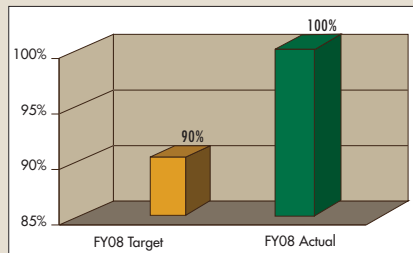
Objective 2.1

Identify Anticompetitive Mergers and Practices That Cause the Greatest Consumer Injury

Key Measure 2.1.2: Percentage of significant nonmerger investigations that result in a positive outcome.*

Performance Highlights

In addition to three consent orders in the real estate market, technology, and medical professions, the FTC obtained a significant result in the Cephalon, Inc., matter by filing for a permanent injunction in federal court challenging the defendant's conduct that prevented competitors from entering the market with the generic version of a branded sleep disorder medication, forcing consumers and other purchasers to pay hundreds of millions of dollars for the branded drug.



✓ Target was met or exceeded

* See respective performance measure discussion in the PAR at <http://www.ftc.gov/opp/gpra/2008parreport.pdf#page=57> for definitions of "positive outcome" and "positive result."

Consumer Information and the Mortgage Market

With mortgage concerns on many minds, the FTC gave added priority to the mortgage/subprime credit area. The FTC published a variety of relevant articles for consumers in both English and Spanish, including “How to Manage Your Mortgage If Your Lender Closes or Files for Bankruptcy” and “Foreclosure Rescue Scams: Another Potential Stress for Homeowners in

Distress.” To help consumers understand the jargon they may encounter when buying or selling a home, the FTC created “The Real Estate Marketplace Glossary: How to Talk the Talk.” Learn more by visiting <http://www.ftc.gov/bcp/menus/consumer/credit/mortgage.shtm>. In addition, a consumer alert, “Looking for the Best Mortgage: Shop, Compare, and Negotiate,” can be found at <http://www.ftc.gov/bcp/edu/pubs/consumer/homes/rea09.shtm>.

PROGRAM SPOTLIGHT



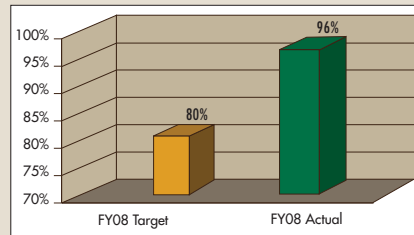
Objective 2.2

Stop Anticompetitive Mergers and Business Practices Through Law Enforcement

Key Measure 2.2.1: Positive result* of cases brought by the FTC due to alleged violations.

Performance Highlights

In the matter of Inova Health System Foundation's proposed acquisition of Prince William Health System, the parties abandoned the transaction after the FTC filed for a preliminary injunction in federal court charging that the merger would reduce competition for general acute care inpatient hospital services, and as a result, consumers would pay higher prices and lose the benefits of nonprice competition.



✓ Target was met or exceeded

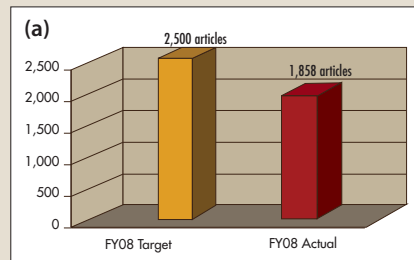
Objective 2.3

Prevent Consumer Injury Through Education

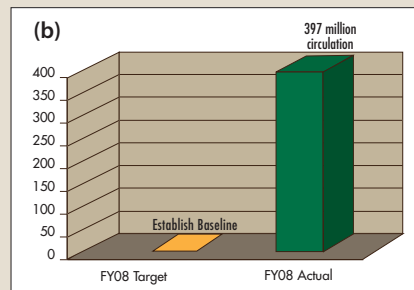
Key Measure 2.3.2: Track (a) the number of times print media publish articles that refer to FTC competition activities and (b) the circulation of media that publish those articles.

Performance Highlights

The FTC initiated a series of competition-related education initiatives, including consumer- and business-oriented publications, to increase the awareness by the American public of what types of conduct are likely to be challenged as law violations. Examples of enforcement actions that received considerable media attention range from matters with an immediate impact in localized areas, such as the FTC's successful challenge of the Inova/Prince William proposed merger (the *Washington Post* reported "FTC Challenge Blocks Inova Merger"), to cases of more national interest, such as the proposed acquisition by the Whole Foods Market, Inc., of competitor Wild Oats Market, Inc., which was reported by national and local newspapers across the country (e.g., the *New York Times*, *Chicago Tribune*, *Sacramento Business Journal*, and *Austin American-Statesman*).



✗ Target was not met



* See respective performance measure discussion in the PAR at <http://www.ftc.gov/opp/gpra/2008parreport.pdf#page=57> for definitions of "positive outcome" and "positive result."

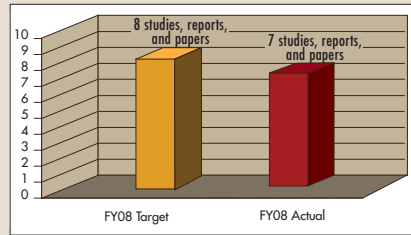
Objective 2.4

Enhance Consumer Welfare Through Research, Reports, Advocacy, and International Cooperation and Exchange

Key Measure 2.4.2: Issue studies, reports, and working or issues papers on significant competition-related issues.

Performance Highlights

The FTC continued to devote resources to the analysis of the nation's crucial economic sectors by producing reports such as the "Report of the Federal Trade Commission on Activities in the Oil and Natural Gas Industries," and the "2007 Report on Ethanol Market Concentration," holding conferences on the health care system and energy markets, and evaluating the development of the legal models used in assessing potentially anticompetitive mergers or conduct. The FTC's Unilateral Effects Analysis and Litigation Conference examined the application of a theory concerning mergers of firms that sell competing, but differentiated, products. The theory recognizes that, in some instances, mergers may create or enhance market power by allowing the merged firm to profitably raise prices, without being constrained by other rival market incumbents.



X Target was not met but the FTC is on track to meet the five-year target

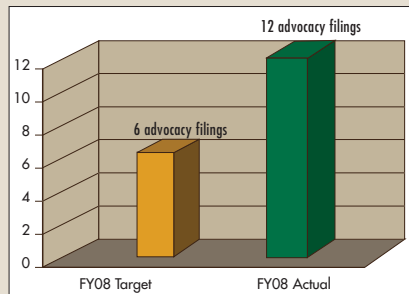
Objective 2.4

Enhance Consumer Welfare Through Research, Reports, Advocacy, and International Cooperation and Exchange

Key Measure 2.4.3: Make advocacy filings with other federal and state government agencies, urging them to assess the competitive ramifications and costs and benefits to consumers of their policies.

Performance Highlights

More than half of the FTC's advocacy filings in FY 2008 were aimed at eliminating government-imposed impediments to a competitive marketplace in the health care industry. The agency provided comments on a variety of proposed legislations that would restrict the ability of so-called retail clinics to successfully compete; that would permit collective bargaining among otherwise independent health care providers to the detriment of consumer welfare; or that would impose excessive and unwarranted licensing requirements on health care providers, thus undercutting consumer choice, stifling innovation, and weakening the market's ability to contain health care costs.



✓ Target was met or exceeded and the FTC is on track to meet the five-year target

PROGRAM SPOTLIGHT



Bureau of Competition Consumer Resources

The Bureau of Competition has developed a variety of resources to help explain its work. **Competition Counts** explains how consumers win when businesses compete and provides an overview of the types of matters investigated by the bureau. Download the brochure from <http://www.ftc.gov/bc/edu/pubs/consumer/general/zgen01.pdf>.

An FTC Guide to the Antitrust Laws is a plain-language guide for consumers and businesspeople with questions about the antitrust laws. The **Guide** summarizes the core laws that ban unfair business practices and prevent mergers that harm consumers, and it explains how antitrust cases are brought by U.S., state, and international authorities, as well as private parties. Download the material from <http://ftc.gov/bc/antitrust/factsheets/antitrustlawsguide.pdf>.

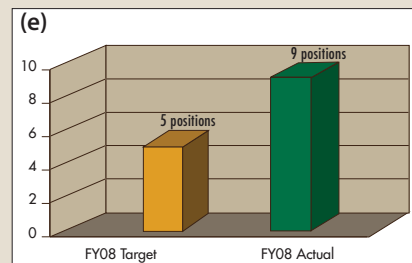
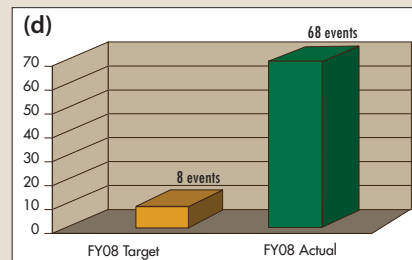
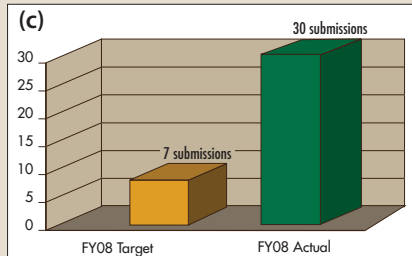
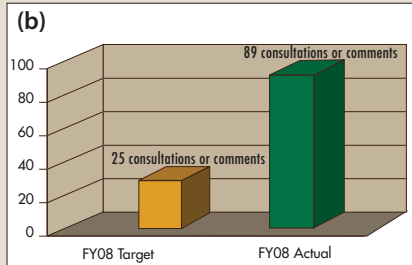
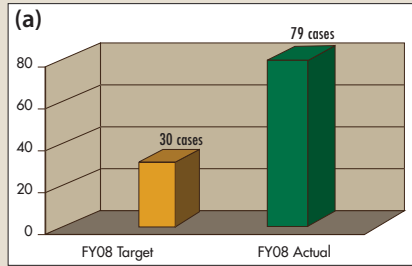
Objective 2.4

Enhance Consumer Welfare Through Research, Reports, Advocacy, and International Cooperation and Exchange

Key Measure 2.4.7: Track the number of (a) cases in which the FTC cooperated with a foreign competition authority, (b) consultations with or comments to foreign competition authorities, (c) written submissions to international fora, (d) international events attended, and (e) leadership positions held by FTC staff in international competition organizations.

Performance Highlights

The FTC continued its expanding international activities by cooperating with foreign competition agencies on enforcement matters, strengthening bilateral relations particularly with key partners such as the European Union and Canada, developing a technical assistance program for young competition agencies around the world, and promoting cooperation and convergence through its leadership in multilateral organizations such as the International Competition Network.



✓ Target was met or exceeded

HOW WE MANAGED OUR FUNDS

Message from Our Chief Financial Officer

During the past fiscal year, the FTC upheld its commitment to protect American consumers and maintain competition in a fiscally responsible manner. I am pleased to report that the FTC's financial condition remains sound and that we look back on a long list of accomplishments from FY 2008. Notably, for the 12th consecutive year, the agency obtained a clean audit opinion on its consolidated financial statements and independent auditors reported they found no material weaknesses, significant control deficiencies, or nonconformances with applicable laws and regulations. The table below lists some key accomplishments in financial management over the past year.

Key FY 2008 Financial Management Accomplishments

Area	Accomplishment
Stewardship and Financial Reporting	The FTC collected and returned more than \$33 million in redress funds to victims of fraud and scams following successful prosecution of defendants.
	The Association of Government Accountants recognized the agency with a Certificate of Excellence in Accountability Reporting for our FY 2007 Performance and Accountability Report.
Financial Systems Modernization	The FTC partnered with the Department of the Interior's National Business Center to successfully transition to a new core financial system, improving the degree of integration, accessibility, and availability of real-time financial information.
	The FTC partnered with the General Services Administration to roll out major upgrades of our travel management system to improve usability.
Procurement	The FTC exceeded its goal to allocate total contract dollars to companies owned by service-disabled veterans. The FTC was awarded the Department of Veterans Affairs' Champions of Veterans Enterprise Award.
	We updated the agency's computer-based training course to educate Contracting Officers' Technical Representatives on their responsibilities and emphasize compliance with the Federal Acquisition Regulation.

- ◆ Read the full list of FY 2008 accomplishments:
<http://www.ftc.gov/opp/gpra/2008parreport.pdf#page=98>.
- ◆ For the full audit report:
<http://www.ftc.gov/opp/gpra/2008parreport.pdf#page=100>
- ◆ For our table of management assurances:
<http://www.ftc.gov/opp/gpra/2008parreport.pdf#page=140>.

Steven A. Fisher

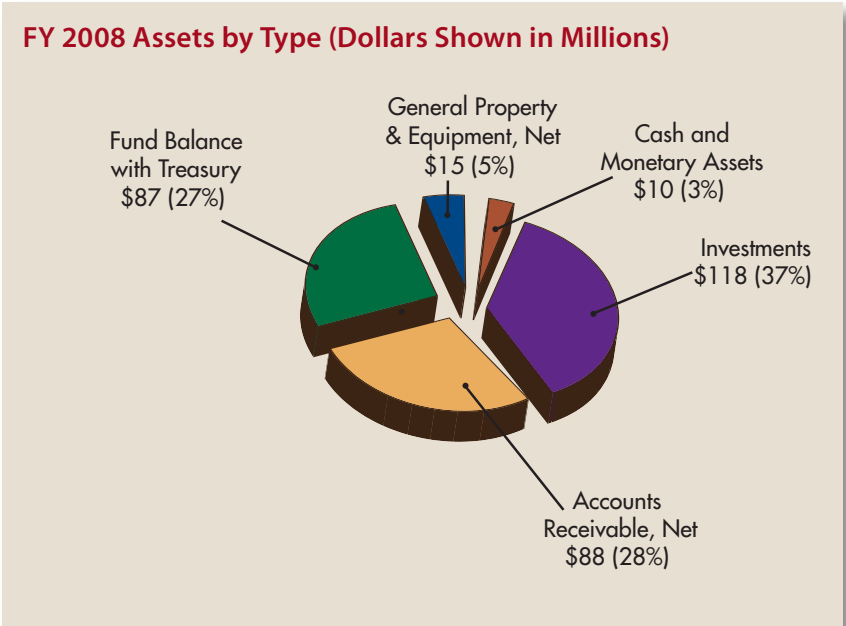
Steven A. Fisher
Chief Financial Officer
January 15, 2009

Our Financial Results

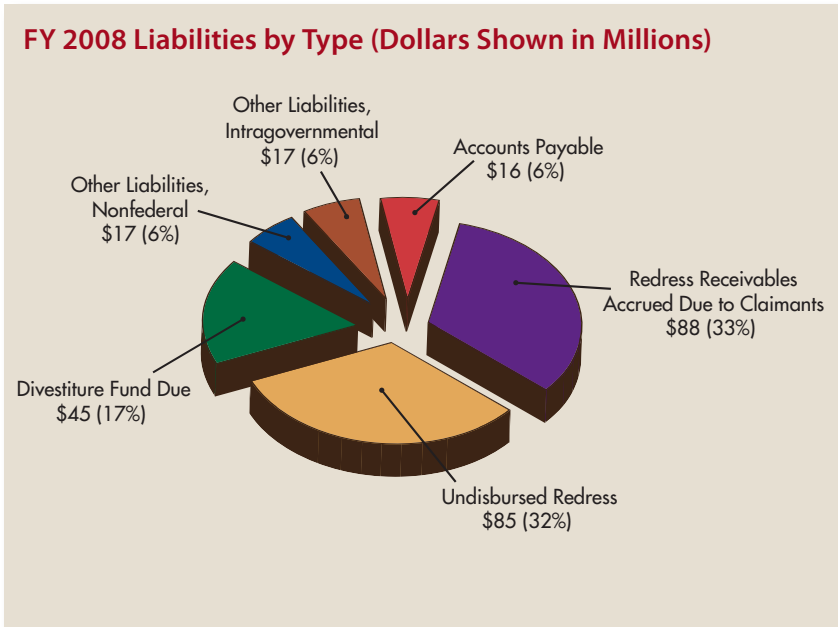
This section contains condensed financial statement information, a description of our major balance sheet components and our costs of operations, and budgetary resources. We also present the results of our performance in the area of financial management using established metrics. Our complete financial statements are available at <http://www.ftc.gov/opp/gpra/2008parreport.pdf#page=103>.

CONDENSED BALANCE SHEET	FY 2008	FY 2007	Percentage change
ASSETS			
Investments	\$117,514	\$ -	N/A
Accounts Receivable Net	88,030	125,208	-30%
Cash and Other Monetary Assets	10,485	123,309	-91%
Fund Balance with Treasury	86,792	85,848	1%
General Property & Equipment, Net	15,098	11,655	30%
Total Assets	\$317,919	\$346,020	-8%
LIABILITIES			
Redress Receivables Accrued Due to Claimants	\$87,800	\$123,974	-29%
Undisbursed Redress	85,021	80,180	6%
Divestiture Fund Due	45,485	44,570	2%
Accounts Payable and Other	49,537	24,693	101%
Total Liabilities	\$267,843	\$273,417	-2%
Unexpended Appropriations	-	-	0%
Cumulative Results of Operations—Other Funds	\$50,076	\$72,603	-31%
Total Net Position	\$50,076	\$72,603	-31%
Total Liabilities and Net Position	\$317,919	\$346,020	-8%
COST SUMMARY			
Gross Cost	\$245,558	\$224,578	9%
Less: Earned Revenue	(119,394)	(166,960)	-69%
Net Program Costs	\$126,164	\$57,618	119%

Assets. In FY 2008, the FTC's assets totaled \$318 million. Our largest asset was our investment of \$118 million in U.S. Treasury securities. These investments were comprised of proceeds the FTC collected from defendants in court-ordered judgments and settlement agreements as part of our efforts in achieving consumer redress. General Property & Equipment consisted of investments in our information technology infrastructure, capitalized software, and leasehold improvements.



Liabilities. In FY 2008, the agency's total liabilities were \$268 million. Accrued Redress Receivables Due to Claimants and Undisbursed Redress were our largest liabilities, which when combined were \$173 million (65 percent of total liabilities). Undisbursed redress were collections from judgments or settlements that were held pending distribution. Additionally, we had a liability of \$45 million corresponding to divestiture fund assets being held until distributed which originated from our efforts to maintain competition. These liabilities corresponded to non-entity assets that FTC held as custodian. FTC's remaining liabilities were \$16 million in accounts payable and \$34 million in "other liabilities" which included the Department of Justice's share of HSR fees not yet disbursed, accrued leave, salaries, and Federal Employee's Compensation Act liabilities.



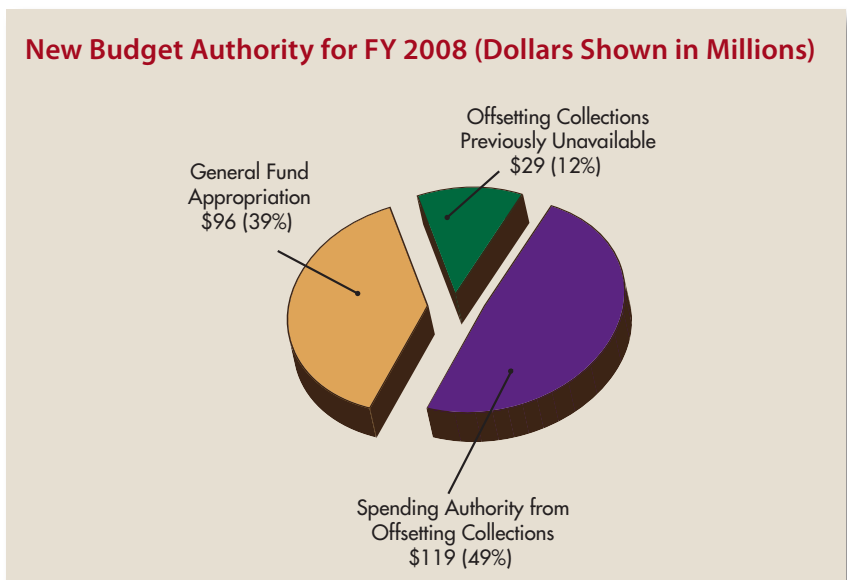
Net Position. In FY 2008, the agency's total net position was \$50 million, consisting entirely of Cumulative Results of Operations.

Costs. Total gross costs for FY 2008 were \$246 million. The gross costs include all costs associated with the FTC’s ongoing operations. However, premerger filing fees collected under the HSR Act and DNC Registry telemarketer subscription fees offset gross costs to determine our Net Cost of Operations of \$126 million.

FY 2008 Net Costs by Strategic Goal (Dollars Shown in Millions)

	Strategic Goal 1 Protect Consumers	Strategic Goal 2 Maintain Competition	TOTAL
Gross costs	\$140,705	\$104,853	\$245,558
Less: earned revenue	(16,202)	(103,192)	(119,394)
Net program costs	\$124,503	\$1,661	\$126,164

Budgetary Resources. For FY 2008, new budget authority of \$244 million was made available to the FTC as shown in the pie chart below. This new authority plus an unobligated balance brought forward of \$11 million and recoveries of prior year obligations of \$1 million, provided the FTC with total budgetary resources apportioned and available for allotment of \$257 million (rounded). The \$244 million in new authority was comprised of spending authority from offsetting collections of \$148 million and a general fund appropriation of \$96 million as shown below.



Financial Management Indicators

Financial Management Indicators for FY 2008	
Debt Management	
Debt Transferred to Treasury	100%
Funds Management	
Fund Balance with Treasury (Identifies the difference between the fund balance reported in Treasury reports and the agency fund balance with Treasury recorded in its general ledger on a net basis)	100% reconciled
Payment Management	
Timely Vendor Payments (per Prompt Payment Act)	99%
Percentage Interest Penalties Paid to Invoices Processed	½ (or .5)%
Percentage of total dollars outstanding in current status* (good standing) for Individually Billed Travel Account holders	99%
Percentage of total dollars outstanding in current status* (good standing) for Centrally Billed Travel Accounts	100%
Percentage of total dollars outstanding in current status* (good standing) for Purchase Cards	100%

*The Office of Management and Budget threshold for delinquency is 61 days.

ADDITIONAL INFORMATION

Acronyms

DNC	Do Not Call
FTC	Federal Trade Commission
FY	Fiscal Year
HSR	Hart-Scott-Rodino
PAR	Performance and Accountability Report

Federal Trade Commission

Address	Federal Trade Commission 600 Pennsylvania Avenue, NW Washington, DC 20580
General Information Number	202-326-2222
Internet Home Page	http://www.ftc.gov
FTC Spanish Home Page	http://www.ftc.gov/ojo
Strategic Plan Internet Site	http://www.ftc.gov/opp/gpra/spfy06fy11.pdf
FTC Press Releases	http://www.ftc.gov/opa/index.shtml

Citizens' Report and Performance and Accountability Report Specifics

The FTC welcomes comments or suggestions for improvement of this summary document and the full PAR. Please contact the agency to provide feedback or to request additional copies.

PAR Internet Site	http://www.ftc.gov/par
PAR Contact	James Baker
PAR Telephone	202-326-3168
PAR E-mail Address	gpra@ftc.gov
PAR Fax Number	202-326-2329
PAR Mailing Address	Federal Trade Commission ATTN PAR, M/D -774 600 Pennsylvania Avenue, NW Washington, DC 20580

Consumer Response Center

General Complaints	1-877-FTC-HELP (1-877-382-4357)
Identity Theft Complaints	1-877-ID-THEFT (1-877-438-4338)
Online General Complaints	http://www.ftc.gov/complaint
Identity Theft Education and Complaints	http://www.ftc.gov/idtheft
National Do Not Call Registry	http://donotcall.gov

Regions

East Central (Cleveland, OH) (Serves DE, Washington, D.C., MD, MI, OH, PA, VA, WV)	216-263-3455
Midwest (Chicago, IL) (Serves IL, IN, IA, KS, KY, MN, MO, NE, ND, SD, WI)	312-960-5634
Northeast (New York, NY) (Serves CT, ME, MA, NH, NJ, NY, RI, VT, Puerto Rico, U.S. VI)	212-607-2829
Northwest (Seattle, WA) (Serves AK, ID, MT, OR, WA, WY)	206-220-6350
Southeast (Atlanta, GA) (Serves AL, FL, GA, MS, NC, SC, TN)	404-656-1390
Southwest (Dallas, TX) (Serves AR, LA, NM, OK, TX)	214-979-9350
Western (San Francisco, CA) (Serves AZ, CA, CO, HI, NV, UT)	415-848-5100
Western (Los Angeles, CA) (Serves AZ, CA, CO, HI, NV, UT)	310-824-4343



FEDERAL TRADE COMMISSION

For the Consumer
1-877-FTC-HELP
www.ftc.gov