



Office of Inspector General

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

September 1, 2010

MEMORANDUM

TO: Commission Staff

FROM: Inspector General John Seeba

SUBJECT: What You Need to Know about the FTC Office of the Inspector General

The Office of the Inspector General (OIG) is an independent organization within the FTC that is charged with preventing and detecting fraud, waste, abuse, and mismanagement. We strive to ensure that the FTC is carrying out its mission to protect consumers and maintain competition by conducting audits and inquiries of the agency's operations and programs and making recommendations to improve its performance. The purpose of this memo is to tell you about our office and the important role that each of you can play in alerting the OIG of suspected wrongdoing and to remind you of your responsibility to help the OIG make our agency more efficient by cooperating with us in carrying out our activities.

Who Are We and What Do We Do?

The FTC OIG is an independent office that was established in accordance with the Inspector General Act of 1978, as amended. Our function is to prevent and detect fraud, waste, and abuse in government and promote economy, efficiency, and effectiveness in our agency's operations and programs through audits and investigations. The OIG accomplishes its work through our professional staff of auditors, investigators, attorneys, and other experts.

OIG auditors perform objective audits, evaluations, and reviews of FTC programs and activities to determine whether these programs are achieving their intended results and identify ways to improve performance and management in the future. Recent OIG audits and evaluations have included a review of FTC financial statements for fiscal year 2009, a review of the FTC's implementation of the Federal Information Security Management Act of 2002, and an inspection of the FTC's COTR oversight of sole source contracts. In performing audits and evaluations, our auditors analyze and verify agency records, obtain information through interviews and questionnaires, and conduct physical inspections. My office is committed to giving full consideration to management's views as part of the auditing and evaluation processes. We keep agency management informed of findings as they are being developed and allow managers to comment on draft audit

reports. Once an audit is complete, the OIG issues a final report, which we provide to the Chairman and other management officials. Our audit reports are available to the public and can be accessed through the OIG website at <http://www.ftc.gov/oig/printrpts.shtm>

Our office also investigates allegations of fraud, waste, abuse, mismanagement, and employee misconduct that impacts the FTC. Our investigators seek out facts relating to allegations of wrongdoing by agency employees, contractors, and other persons or entities involved in activities affecting the agency. For instance, the OIG has investigated alleged unauthorized disclosure of nonpublic information to the press, alleged misuse of Government property, and consumer complaints related to lottery and sweepstakes scams where names of federal agencies and agency staff are being used to enhance legitimacy. At the conclusion of an investigation, our investigators prepare a report of the allegations and findings. Investigations that uncover criminal activities are referred the Department of Justice for consideration of criminal prosecution. If administrative misconduct is found, the OIG forwards the matter to management for action. Because our investigations often address sensitive matters, confidentiality is often necessary and investigation reports are not publically available.

The OIG keeps the FTC Chairman and Congress fully informed about problems and deficiencies in the agency's operations and makes recommendations to improve efficiency and effectiveness. To keep the public well informed, we also provide a semiannual report to Congress describing our current audits, investigations, and other activities.

Your Right to Contact the OIG

Each of you can help the agency run more efficiently by promptly reporting suspected waste, fraud, abuse, and misconduct involving FTC operations or programs to the OIG. Indeed, we can't accomplish our mission without you. We need to hear from you if you have information or concerns relating to possible wrongdoing at the agency. FTC employees, and contractors as well, have a right to direct, unrestricted access to the OIG. You can contact the OIG in person, by fax, email, regular mail, or by calling the OIG Hotline at (202) 326-2800. If you have a question about whether a particular matter should be reported to the OIG, you may contact our office. Managers who have questions about matters to be reported to the OIG are also encouraged to consult with the FTC General Counsel's Office and the Human Resources Management Office.

The OIG is also committed to honoring requests for confidentiality of individuals who contact our office to the extent permitted by the law. We will handle all documents and information in an appropriate manner. Additionally, employees who complain, disclose information, or cooperate with the OIG are protected from reprisal, unless the complaint was made or the information disclosed with knowledge that it was false or with willful disregard for its truth or falsity. The OIG will take all appropriate steps to protect the rights of employees who contact the OIG.

Why it's Important to Cooperate with the OIG

To accomplish its mission, the OIG must have prompt and complete access to personnel, facilities, and any records relating to matters the OIG is investigating or reviewing. Each of you has a duty to assist and cooperate with OIG personnel in the course of an investigation, audit, evaluation, or other OIG review. This means that all employees, managers and staff, are required to respond to OIG requests for information, including providing statements to OIG representatives (unless they have been advised that they are the subject of a criminal investigation). Employees are also required to provide OIG representatives with access to records

(including reports, databases, and documents), other information or material, or facilities upon request.

Employees must provide requested information, records or other materials to the OIG promptly, completely, in the manner in which it was requested, and directly without going through an intermediary (such as a manager or supervisor) for review prior to disclosure. Employees must not impose burdensome administrative requirements or screening procedures that could impede the OIG's access to people, documents or facilities, or otherwise attempt to frustrate our access to required information. OIG personnel respect the multiple demands made upon FTC employees and, to the extent possible, will accommodate scheduling difficulties or other time constraints employees might face when responding to OIG requests.

FTC staff are not required to obtain permission or inform managers before speaking with OIG representatives during investigations, audits, evaluations or other OIG reviews. An employee may, however, at his or her discretion, contact a manager with questions regarding the responsibility to assist and cooperate with the OIG or scheduling meetings with the OIG, unless, in the context of an investigation, they are instructed not to do so by OIG personnel. Under these circumstances, managers should not question staff about their interactions with the OIG.

Failure to cooperate with an OIG request for information or records is serious misconduct and may lead to disciplinary action up to and including removal. Further, furnishing false information or concealing any type of information from the OIG or obstructing OIG investigations, audits or other inquiries could constitute a law violation and result in disciplinary action or criminal prosecution.

I invite each of you to contact us with questions, comments, or concerns that you might have about improving the way the agency performs its work or about preventing and detecting fraud, waste, and abuse. For more about the FTC OIG, see the FTC OIG website which contains useful information about our activities. See <http://www.ftc.gov/oig/reportoig.htm#1>. Agency employees may contact the OIG as follows:

OIG Hotline: (202) 326-2800

Fax: (202) 326-2034

E-Mail address: OIG@ftc.gov

Mailing Address: Federal Trade Commission
Office of Inspector General
600 Pennsylvania Ave., N.W., Room NJ-1110
Washington, DC 20580