

FISCAL YEAR 2018 PERFORMANCE REPORT AND
ANNUAL PERFORMANCE PLAN
FOR FISCAL YEARS 2019 AND 2020



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Budgeted Resources by Objective

(\$ in thousands)

Strategic Goal 1: Prevent fraud, deception, and unfair business practices in the marketplace.	FY 2019 FTE	FY 2019 Amount	FY 2020 FTE	FY 2020 Amount
Objective 1.1: Identify and take actions to address deceptive or unfair practices that harm consumers.	510	\$139,979	510	\$143,001
Objective 1.2: Provide the public with knowledge and tools to prevent harm to consumers.	73	20,864	73	21,303
Objective 1.3: Collaborate with domestic and international partners to enhance consumer protection.	29	7,631	29	7,773
Total	612	\$168,474	612	\$172,077

Strategic Goal 2: Prevent anticompetitive mergers and other anticompetitive business practices in the marketplace.	FY 2019 FTE	FY 2019 Amount	FY 2020 FTE	FY 2020 Amount
Objective 2.1: Identify and take actions to address anti-competitive mergers and practices that cause harm to consumers.	453	117,861	453	\$120,020
Objective 2.2: Engage in effective research and stakeholder outreach to promote competition, advance its understanding, and create awareness of its benefits to consumers.	53	13,806	53	13,985
Objective 2.3: Collaborate with domestic and international partners to preserve and promote competition.	22	6,176	22	6,218
Total	528	\$137,843	528	\$140,223

FTE by Objective
(\$ in thousands)

Protecting Consumers	Fiscal Year 2019				Fiscal Year 2020			
	Objective Number			Total FTE	Objective Number			Total FTE
	1	2	3		1	2	3	
Privacy and Identity Protection	41	8	3	52	41	8	3	52
Financial Practices	65	7	4	76	65	7	4	76
Marketing Practices	112	5	10	127	112	5	10	127
Advertising Practices	63	5	3	71	63	5	3	71
Enforcement	42	1	1	44	42	1	1	44
Consumer Response and Operations	23	1	-	24	23	1	-	24
Litigation Technology and Analysis	31	1	-	32	31	1	-	32
Consumer and Business Education	-	20	-	20	-	20	-	20
Economic and Consumer Policy Analysis	2	5	1	8	2	5	1	8
Management	13	3	-	16	13	3	-	16
Support	118	17	7	142	118	17	7	142
Total	510	73	29	612	510	73	29	612

Promoting Competition	Fiscal Year 2019				Fiscal Year 2020			
	Objective Number			Total FTE	Objective Number			Total FTE
	1	2	3		1	2	3	
Premerger Notification	15	3	-	18	15	3	-	18
Merger and Joint Venture Enforcement	187	10	5	202	187	10	5	202
Merger and Joint Venture Compliance	9	2	-	11	9	2	-	11
Nonmerger Enforcement	116	6	5	127	116	6	5	127
Nonmerger Compliance	1	-	-	1	1	-	-	1
Antitrust Policy Analysis	3	16	7	26	3	16	7	26
Other Direct	16	4	-	20	16	4	-	20
Support	106	12	5	123	106	12	5	123
Total	453	53	22	528	453	53	22	528

ABOUT THIS REPORT AND PLAN

The following document is the FTC's combined Annual Performance Report for FY 2018 and Annual Performance Plan for FY 2019-2020. The performance report and the performance plan are structured around three strategic goals and their supporting objectives as established in the FTC Strategic Plan for FY 2018-2022. The FTC's strategic goals, objectives, and performance measures articulate what the agency intends to accomplish to meet its mandated mission (Goals 1 and 2), and to demonstrate the highest standards of stewardship, to support and improve the management functions vital to core mission success (Goal 3).

- **Strategic Goal 1:** Protect consumers from unfair and deceptive practices in the marketplace
- **Strategic Goal 2:** Maintain competition to promote a marketplace free from anti-competitive mergers, business practices, or public policy outcomes
- **Strategic Goal 3:** Advance the FTC's performance through excellence in managing resources, human capital, and information technology

This report also reflects an interim adjustment to the agency's strategic plan. Performance Goal 3.3.4's baseline performance in FY 2018 was established at 100%, and the agency expects to maintain this level of performance. In response, the agency has amended its strategic plan to replace 3.3.4 with two new records management goals (3.3.4 and 3.3.5), which will further the agency's compliance with mandates concerning the preservation and handling of agency records from FY 2019 to 2022.

To see more of the FTC's [performance](#) and [budget](#) documents, please visit the agency's webpages.

Agency and Mission Information

The work of the FTC is critical to protecting and strengthening free and open markets and promoting informed consumer choice, both in the United States and around the world. While the FTC is primarily a law enforcement agency, the FTC also uses a variety of other tools to fulfill its mission, including rulemaking, research, studies on marketplace trends and legal developments, and consumer and business education.

Our Mission

Protecting consumers and competition by preventing anticompetitive, deceptive, and unfair business practices through law enforcement, advocacy, and education without unduly burdening legitimate business activity.

Our Vision

A vibrant economy characterized by vigorous competition and consumer access to accurate information.

Our History and Organization

The FTC is an independent agency that reports to the President and to Congress on its actions. These actions include pursuing vigorous and effective law enforcement; advancing consumers' interests by sharing its expertise with Congress and state legislatures and U.S. and international agencies; developing policy and research tools through hearings, workshops, and conferences; and creating practical and plain-language educational programs and materials for consumers and businesses in a global marketplace with constantly changing technologies.

The FTC has a long tradition of maintaining a competitive marketplace for both consumers and businesses. In 1914, President Woodrow Wilson signed the Federal Trade Commission Act into law, creating the FTC, which then absorbed its predecessor, the Bureau of Corporations, in 1915. When the FTC was created in 1914, its purpose was to prevent unfair methods of competition in commerce as part of the battle to "bust the trusts." Over the years, Congress passed additional laws giving the agency greater authority over anticompetitive practices.

Recognizing that unfair and deceptive practices can also distort a competitive marketplace and cause harm to consumers, in 1938 Congress amended the FTC Act and granted the FTC authority to stop "unfair or deceptive acts or practices in or affecting commerce." Since then, the FTC also has been directed to enforce a wide variety of other consumer protection laws and regulations. In total, the Commission has enforcement or administrative responsibilities [under more than 70 laws](#). In addition, the agency maintains a website at www.ftc.gov that provides information for consumers and businesses, as well as online forms to file complaints.

Organizational Structure

The FTC is headed by a Commission, consisting of five members, each of whom is nominated by the President, confirmed by the Senate, and serves a staggered seven-year term. The President chooses one commissioner to act as Chair. No more than three commissioners may be from the same political party. The FTC accomplishes its mission through three bureaus: the Bureau of Consumer Protection (BCP), the Bureau of Competition (BC), and the Bureau of Economics (BE). Their work is aided by the Office of the General Counsel (OGC), the Office of International Affairs (OIA), the Office of Policy Planning (OPP), the Office of the Secretary (OS), the Office of the Executive Director (OED), the Office of Congressional Relations, the Office of Public Affairs (OPA), the Office of Administrative Law Judges, the Office of Equal Employment and Workplace Inclusion, and the Office of the Inspector General. For more information about the agency's components, visit its organizational structure webpage.

The agency's headquarters are located in Washington, D.C. with seven regional offices across the United States. The agency had 1114 full time equivalent employees at the end of FY 2018. The total new budget authority for FY 2018 was \$306 million.

Verification and Validation of Performance Data

The performance results described in this report enable the FTC to administer its programs, gauge programmatic success, and make adjustments necessary to improve program quality. The Data Quality Appendix provides detailed descriptions and information on data sources, quality, and collection for the FTC's performance measures. Additionally, the following steps outline how the agency ensures the performance information it reports is complete, reliable and accurate:

- The FTC has adopted a central internal repository for performance data entry, reporting, and review. The electronic data tool reduces human error, increases transparency, and facilitates senior management review of the agency's performance information.
- The agency maintains written procedures used to ensure timely reporting of complete, accurate, and reliable results relative to the performance measures.
- The agency holds program managers accountable to set meaningful and realistic targets that also challenge the agency to leverage its resources. This includes ensuring ongoing monitoring and updating of performance targets. Further, when appropriate, program managers are required to explain how they will improve performance when targets are not met.
- The agency conducts quarterly performance measurement reviews with management as well as periodic senior management review throughout the fiscal year. This process includes substantiating that actual results reported are indeed correct whenever those results reveal significant discrepancies or variances from the target.

Agency program managers also monitor and maintain automated systems and databases that collect, track, and store performance data, with support provided by the Office of the Chief Information Officer (OCIO). In addition to the general controls the FTC has in place, which ensure only authorized staff can access key systems, each system incorporates internal validation edits to ensure the accuracy of data contained therein. These application edits include checks for reasonableness, consistency, and accuracy. Crosschecks between other internal automated systems also provide assurances of data accuracy and consistency. In addition to internal monitoring of each system, experts outside of the primary business units (i.e., BC and BCP) routinely monitor the data collection. For example, senior economists from BE review statistical data used by BC to calculate performance results. The Financial Management Office (FMO) is responsible for providing direction and support on data collection methodology and analysis, ensuring that data quality checks are in place, and accurately reporting performance data.

Evidence Building

At the FTC, roles and responsibilities for coordinating agency-wide evaluation functions are shared among senior leaders throughout the agency. Senior leaders are continually engaged in planning for, developing, and enhancing the agency's capacity to conduct evidence-building activities, and to use the resulting body of information to ensure that policies and programs support the agency's mission to protect American consumers and maintain a competitive marketplace. Through the FTC Senior Management Council, senior leadership convenes to discuss data and evidence regarding the FTC's programs, projects, and day-to-day operations.

The OIG has dedicated staff whose sole responsibility is to identify subject programs and activities and to conduct regular audits, evaluations, and reviews. In addition, the FTC's offices and bureaus plan and execute program evaluations of their own work, with varying frequency. For example, staff in BC and BCP, often assisted by FTC economists, typically conduct a program evaluation every few years. OPP conducts a yearly evaluation of the agency's advocacy work. Through the FTC's Enterprise Risk Management (ERM) program, the Internal Controls team evaluates the agency's financial processes. The creation of risk registers, combined with numerous internal control reviews, gives agency leadership a portfolio view of risk to help inform decision-making.

The FTC is making consistent progress in building and using evidence to support decision-making and more effectively target the agency's resources. Most significantly, in September 2018 the FTC initiated a series of public Hearings on Competition and Consumer Protection in the 21st Century, which are ongoing. The 21st Century Hearings are examining whether broad-based changes in the economy, evolving business practices, new technologies, or international developments might require adjustments to competition and consumer protection law, enforcement priorities, and policy. The Hearings and accompanying public comment process have provided opportunities for FTC staff and leadership to listen to outside experts representing a broad and diverse range of viewpoints. Additionally, the Hearings will stimulate thoughtful internal and external evaluation of the FTC's near- and long-term law enforcement and policy agenda.

Other evidence building actions directly aligned to FTC Strategic Goals are described below.

Strategic Goal 1: Protect consumers from unfair and deceptive practices in the marketplace: Customer satisfaction data related to the Consumer Response Center and the FTC's consumer education websites helps us gauge the effectiveness, helpfulness, and usability of these portals. The FTC also relies on consumer complaint data in its decision-making process. An annual report of the top consumer complaints received is used to evaluate whether enforcement activities are tracking the areas of greatest con-

cern and whether new practices or technologies require additional law enforcement. To help ensure that its enforcement, education, and advocacy efforts are well-targeted, BCP works with BE in evaluating economic harm to consumers as cases and programs are developed.

Strategic Goal 2: Maintain competition to promote a marketplace free from anticompetitive mergers, business practices, or public policy outcomes: BC uses market-based evidence when considering whether transactions or conduct could harm competition. Economists from BE are actively engaged in analyzing all facets of matters investigated and litigated by BC, and also conduct research and analyses of competition issues and market trends. OPP and other agency staff collaborate to conduct research and public workshops on new competition-related areas of interest to the Commission. Information collected through this work may impact resource allocation decisions regarding enforcement and advocacy efforts.

Strategic Goal 3: Advance the FTC’s performance through excellence in managing resources, human capital, and information technology: The FTC rigorously reviews its management functions. The FTC regularly evaluates and refines its human capital programs via Office of Personnel Management (OPM) audits and assessments, Equal Employment Opportunity Commission reviews, the Federal Employee Viewpoint Survey, and internal pulse and customer satisfaction surveys. OCIO uses data from the FTC IT Risk Management system, data on information security vulnerabilities, and the results of annual Federal Information Security Modernization Act (FISMA) reviews to make resource allocation and investment decisions. OPA gathers and analyzes web traffic data and social media metrics weekly in order to improve content, strategy, and customer experience. For website redesigns, OPA conducts usability studies.

Finally, offices and bureaus have identified specific learning and evidence building strategies and “next steps” linked to their strategic objectives. These are included within the body of this report.




Enterprise Risk Management



The FTC has implemented an ERM program to assess risks systematically across major program areas. ERM assesses the full spectrum of the agency’s risks related to achieving its strategic objectives as specified in the agency’s Strategic Plan. ERM assessment results provide agency leadership with a portfolio view of risk to help inform decision-making.

The Office of Management and Budget revised Circular A-123 in 2016 to integrate the ERM process with Internal Controls. To support the new requirements, the agency has been systematically identifying risks and highlighting areas for mitigation. For FY 2016, FTC focused on developing an ERM guide and implementation plan. For FY 2017, the agency used the performance goals in the Strategic Plan as a framework to identify,

document, and report risk in the form of a risk portfolio (register). For FY 2018, the FTC standardized risk management and monitoring activities throughout the agency, and also added risk registers to important risk areas such as Privacy Office functions and fraud risk identification and mitigation. For FY 2019, the ERM program will leverage existing registers to enhance evidence-building functions of monitoring activities through data collection and analysis.

Annual Performance Goals: Fiscal Years 2014 to 2020
 For additional performance information, please see the reports available at
<http://www.ftc.gov/about-ftc/performance>.

	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Target	FY 2018 Actual	FY 2019 Target	FY 2020 Target
Goal 1: Protect consumers from unfair and deceptive practices in the marketplace.								
Objective 1.1: Identify and take actions to address deceptive or unfair practices that harm consumers.								
Performance Goal 1.1.1: Percentage of the FTC's consumer protection law enforcement actions that targeted the subject of consumer complaints to the FTC.	89.9%	93.8%	91.2%	94.4%	80.0%	89.6%	80.0%	
Performance Goal 1.1.2: Rate of customer satisfaction with the FTC's Consumer Response Center. (A) Website (B) Call Center	(A) 71 (B) 81	(A) 81 (B) 82	(A) 81 (B) 83	(A) 80 (B) 84	(A) 73 (B) 73	(A) 80.3 (B) 85	(A) For the website, meet or exceed average citizen satisfaction rate as published in the ACSI's E-Gov't Satisfaction Index. B) For the call center, meet or exceed standards for call centers developed by the Citizen Service Levels Interagency Committee.	
 Key Performance Goal 1.1.3: Total consumer savings compared to the amount of FTC resources allocated to consumer protection law enforcement. (New 3 yr. rolling average)	N/A	N/A	\$8.60 in consumer savings per \$1 spent	\$35.00 in consumer savings per \$1 spent	\$6.50 in consumer savings per \$1 spent	\$38.90 in consumer savings per \$1 spent	\$7.00 in consumer savings per \$1 spent	
 Key Performance Goal 1.1.4: Amount of money returned to consumers or forwarded to the U.S. Treasury resulting from FTC enforcement action.	N/A	N/A	\$80.6 million	\$2.67 billion	New Baseline	\$3.22 billion	\$65 million	
Objective 1.2 Provide consumers and businesses with knowledge and tools that provide guidance and prevent harm.								
 Key Performance Goal 1.2.1: Rate of consumer satisfaction with FTC consumer education websites.	79	Data Not Available	76	77	73	77	Meet or exceed average citizen satisfaction rate, as published in the E-Government Satisfaction Index.	
Performance Goal 1.2.2: Number of workshops and conferences the FTC convened that address consumer protection issues.	10	17	12	19	10	11	10	
Performance Goal 1.2.3: Number of consumer protection reports the FTC released.	6	6	8	10	6	18	10	

	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Target	FY 2018 Actual	FY 2019 Target	FY 2020 Target
Objective 1.3 Collaborate with domestic and international partners to enhance consumer protection.								
Performance Goal 1.3.1: Number of investigations or cases in which the FTC and other U.S. federal, state and local government agencies shared evidence or information that contributed to FTC law enforcement actions or enhanced consumer protection.	424	435	387	359	375	369	375	
 Key Performance Goal 1.3.2: Number of investigations or cases in which the FTC obtained foreign-based evidence or information or engaged in other mutual assistance that contributed to FTC law enforcement actions, or in which the FTC cooperated with foreign agencies and/or multilateral organizations on enforcement matters.	45	58	53	50	40	43	40	
Performance Goal 1.3.3: Number of instances of policy advice or technical assistance provided to foreign consumer protection and privacy agencies, directly and through international organizations.	60	76	66	66	60	64	60	
Performance Goal 1.3.4: Percentage of consumer protection advocacy comments and amicus briefs filed with entities including federal and state legislatures, agencies, or courts that were successful, in whole or in part.	81.8%	100%	85.7%	*	60.0%	*	60.0%	
Goal 2: Maintain competition to promote a marketplace free from anticompetitive mergers, business practices, or public policy outcomes								
Objective 2.1 Identify and take actions to address anticompetitive mergers and practices.								
 Key Performance Goal 2.1.1: Percentage of full merger and nonmerger investigations in which the FTC takes action to maintain competition.	57.1%	57.7%	54.6%	49.1%	40.0% to 70.0%	67.9%	40.0% to 70.0%	

* Results for Measures 1.3.4 and 2.2.3 were not available at time of publication.

	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Target	FY 2018 Actual	FY 2019 Target	FY 2020 Target
Performance Goal 2.1.2: Consumer savings through merger actions taken to maintain competition.	\$1.0 billion	\$2.4 billion	\$2.6 billion	\$2.6 billion	\$2.1 billion	\$2.7 billion	\$2.1 billion	
Key Performance Goal 2.1.3: Total consumer savings compared to the amount of FTC resources allocated to the merger program.	\$25.10 in consumer savings per \$1 spent	\$51.30 in consumer savings per \$1 spent	\$46.40 in consumer savings per \$1 spent	\$55.60 in consumer savings per \$1 spent	\$42.00 in consumer savings per \$1 spent	\$50.20 in consumer savings per \$1 spent	\$42.00 in consumer savings per \$1 spent	
Performance Goal 2.1.4: Consumer savings through non-merger actions taken to maintain competition.	\$419 million	\$1.0 billion	\$1.0 billion	\$1.1 billion	\$900 million	\$1.1 billion	\$900 million	
Key Performance Goal 2.1.5: Total consumer savings compared to the amount of FTC resources allocated to the nonmerger program.	\$20.30 in consumer savings per \$1 spent	\$48.60 in consumer savings per \$1 spent	\$52.30 in consumer savings per \$1 spent	\$39.60 in consumer savings per \$1 spent	\$40.00 in consumer savings per \$1 spent	\$40.10 in consumer savings per \$1 spent	\$40.00 in consumer savings per \$1 spent	
Objective 2.2 Engage in effective research, advocacy, and stakeholder outreach to promote competition and advance its understanding.								
Performance Goal 2.2.1: Number of workshops, seminars, conferences, and hearings convened or co-sponsored that involve significant competition-related issues.	4	4	3	3	4	7	3	
Performance Goal 2.2.2: Number of reports and studies the FTC issued on key competition-related topics.	11	9	9	11	8	9	8	
Performance Goal 2.2.3: Percentage of competition advocacy comments and amicus briefs filed with entities including federal and state legislatures, agencies, or courts that were successful, in whole or in part.	93.3%	80.0%	64.7%	*	60.0%	*	60.0%	
Objective 2.3 Collaborate with domestic and international partners to preserve and promote competition.								
Key Performance Goal 2.3.1: Percentage of FTC cases involving at least one substantive contact with a foreign antitrust authority in which the agencies followed consistent analytical approaches and reached compatible outcomes.	100%	100%	100%	96%	95%	98%	95%	

* Results for Measures 1.3.4 and 2.2.3 were not available at time of publication.

	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Target	FY 2018 Actual	FY 2019 Target	FY 2020 Target
Performance Goal 2.3.2: Number of instances in which the FTC provided policy advice or technical assistance to foreign competition agencies or government.	161	144	171	160	120	151	120	130
Goal 3: Advance the FTC's performance through excellence in managing resources, human capital, and information technology.								
Objective 3.1 Optimize resource management and infrastructure.								
Performance Goal 3.1.1: The extent to which the FTC is prepared to protect people and property and to continue mission essential operations during emergencies. (A) Achieve a favorable COOP rating (B) The number of products and activities related to Physical Security that inform staff and provide opportunities to practice emergency procedures.	(A) 85% (B) N/A	(A) 90% (B) N/A	(A) 90% (B) N/A	(A) 95% (B) N/A	(A) 75% (B) Baseline	(A) 95% (B) 39	(A) 80% (B) 42	(A) 85% (B) 42
Performance Goal 3.1.2: Percentage of survey respondents who are satisfied with the timeliness of administrative operations.	N/A	N/A	N/A	81%	Baseline	82%	75%	
Performance Goal 3.1.3: Achieve a favorable (unmodified) audit opinion from the agency's independent financial statement auditors.	Unmodified opinion	Unmodified opinion	Unmodified opinion	Unmodified opinion	Unmodified opinion on the financial statements	Unmodified opinion	Unmodified opinion on the financial statements	
Performance Goal 3.1.4: Percentage of new entrant, annual, and termination Public Disclosure Reports that are filed within the required timeframe.	N/A	N/A	N/A	N/A	Baseline	98.3%	95.0%	
Performance Goal 3.1.5: Percentage of contract actions awarded within FTC's established Procurement Action Lead Time (PALT).	N/A	N/A	N/A	N/A	Baseline	57.4%	65%	70%
Objective 3.2 Cultivate a high-performing, diverse, and engaged workforce.								
Performance Goal 3.2.1: The extent to which FTC employees consider their agency a best place to work.	N/A	79.2%	81.2%	82.9%	65%	85%	Exceed government-wide average results	

	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Target	FY 2018 Actual	FY 2019 Target	FY 2020 Target
Performance Goal 3.2.2: The extent to which employees believe the FTC encourages an environment that is open, diverse, and inclusive.	68.0%	70.2%	75.0%	77.8%	61.0%	78.0%	Exceed government-wide average results	
🔑 Performance Goal 3.2.3: The extent to which employees believe the FTC cultivates engagement throughout the agency.	N/A	78.5%	81.5%	82.5%	68.0%	83.0%	Exceed government-wide average results	
Performance Goal 3.2.4: The extent to which employees believe FTC management promotes a results-oriented performance culture.	N/A	65.0%	70.4%	72.9%	56.0%	74.0%	Exceed government-wide average results	
Objective 3.3 Optimize technology and information management that supports the FTC mission.								
Performance Goal 3.3.1: Availability of information technology systems.	99.98%	99.82%	99.75%	99.70%	99.50%	99.71%	99.50%	99.60%
Performance Goal 3.3.2: Percentage of IT spend on Provisioned IT Services.	N/A	N/A	N/A	N/A	Baseline	36.6%	37.0%	
Performance Goal 3.3.3: Achieve a favorable FTC Cybersecurity Index score.	N/A	N/A	N/A	N/A	Baseline	3 of 8	6 of 8	
Performance Goal 3.3.4: Percentage of the FTC's paper records held at the Washington National Records Center that are processed and appropriately either (a) destroyed or (b) transferred to the National Archives and Records Administration.	N/A	N/A	N/A	N/A	N/A	N/A	≥ 25% of WNRC holdings processed	≥ 50% of WNRC holdings processed
Performance Goal 3.3.5: Successfully transfer permanent electronic records dated between 2004 and 2016 to NARA in a timely manner.	N/A	N/A	N/A	N/A	N/A	N/A	Transfer permanent electronic records dated 2004-2006	Transfer permanent electronic records dated 2007-2009

Strategic Goal 1: Protect Consumers From Unfair and Deceptive Practices in the Marketplace

The FTC protects consumers from unfair and deceptive acts and practices in the marketplace. The FTC conducts investigations, sues companies and people that violate the law, develops rules to protect consumers, and educates consumers and businesses about their rights and responsibilities. The agency also collects complaints about a host of consumer issues, including fraud, identity theft, financial matters, and Do Not Call violations. The FTC makes these complaints available to law enforcement agencies worldwide.

Because the FTC has jurisdiction over a wide range of consumer protection issues, it must make effective use of limited resources by targeting its law enforcement and education efforts to achieve maximum impact and by working closely with federal, state, international, and private sector partners in joint initiatives. In addition, the agency engages in dialogue with a broad range of stakeholders to understand emerging issues. The FTC also conducts research on a variety of consumer protection topics.

The FTC focuses on investigating and litigating cases that cause or are likely to cause substantial injury to consumers. This includes not only monetary injury, but also, for example, unwarranted health and safety risks. By focusing on practices that are actually harming or likely to harm consumers, the FTC can best leverage its limited resources.

Strategic Objectives

The FTC has established three objectives to guide work in this area:

- **Objective 1.1:** Identify and take actions to address deceptive or unfair practices that harm consumers.
- **Objective 1.2:** Provide consumers and businesses with knowledge and tools that provide guidance and prevent harm.
- **Objective 1.3:** Collaborate with domestic and international partners to enhance consumer protection.

Goal 1 and its supporting Strategic Objectives comprise the first of two Mission Focused components of the FTC's FY 2018 Performance Report and FY 2019-2020 Performance Plan.

Objective 1.1: Identify and take actions to address deceptive or unfair practices that harm consumers.

Goal Leader: Director, Bureau of Consumer Protection (BCP)

Progress Update

The agency continued to focus its resources on areas that cause the greatest harm to consumers. In FY 2018, the agency initiated or obtained settlements in 148 consumer protection enforcement actions. For example, Helping America Group defendants will

turn over assets under settlements with the FTC and State of Florida for allegedly selling phony debt relief services, including fake loans. In a contempt case that included repeat offender Jared Wheat, the court imposed a judgement of more than \$40 million against the Hi-Tech Pharmaceuticals defendants who deceptively marketed dietary supplements using unsubstantiated claims. This is one of the largest sanctions the FTC has ever received in a dietary supplement case. In FY 2018, the FTC filed or obtained settlements in 120 consumer protection matters in district court, reached 28 administrative consent agreements related to consumer protection, and returned more than \$83 million in redress to consumers.

In the area of privacy, the FTC announced the agency's first children's privacy and security case involving connected toys against electronic toy maker VTech. VTech agreed to pay \$650,000 to settle allegations that it violated the Children's Online Privacy Protection Act by collecting personal information from children without providing direct notice and obtaining parental consent, and failing to take reasonable steps to secure the data it collected. The agency also hosted its third PrivacyCon event to continue and expand collaboration among leading privacy and security researchers, academics, industry representatives, consumer advocates, and the government to address the privacy and security implications of emerging technologies.

The FTC launched a small business cybersecurity education campaign to help small businesses strengthen their cyber defenses and protect sensitive data that they store. The FTC is creating training modules, videos, and other information sources on issues of importance to small business owners. The FTC also, jointly with the New York Division of the U.S. Postal Inspection Service, two U.S. Attorneys' Offices, the offices of eight state Attorneys General, and the Better Business Bureau (BBB), announced the results of Operation Main Street: Stopping Small Business Scams, a law enforcement initiative targeting operations seeking to defraud small businesses, and an education outreach effort to help small businesses protect themselves from fraud. The FTC and its partners announced a total of 24 actions involving defendants who allegedly perpetrated scams against small businesses, including one new FTC case, three other FTC actions from the prior six months, two criminal actions announced by U.S. Attorneys' Offices and 18 actions by state AGs over the prior year.

BCP continued to make law enforcement training a priority in FY 2018. The Bureau continued to expand the content on BCP Lit, its widely used internal training and information platform, adding new training videos, legal resources, and investigation and litigation advice. The Bureau provided seminars and lectures on topics including the Consumer Review Fairness Act and telemarketing fraud. BCP also hosted numerous brown bags on litigation topics. The Bureau increased its training for regional attorneys by sending attorneys to Washington, DC for agency deposition training and to top-notch National Institute for Trial Advocacy (NITA) training in their home cities. The Bureau expanded training for attorneys based in headquarters by sending them to litigation training seminars sponsored by the Washington Council of Lawyers. Also, the Bureau approved training for investigators to become qualified as Certified Anti

Money Laundering Specialists and Certified Fraud Examiners. In addition, BCP's Office of Technology Research and Investigation (OTech) worked to keep BCP's staff current and tech-savvy, providing training on topics such as bitcoin tracing, "malvertising" (malicious advertising), and the use of open source resources in investigations. BCP also continued to offer its mentoring program to staff.

Challenges or Barriers

BCP faces resource challenges such as rising costs for expert witness contracts, travel, and litigation support tools. Overcoming these challenges is critical as BCP litigates larger and more complex cases involving traditional frauds, as well as cases in emerging technologies, privacy and data security, and deceptive advertising in new media channels.

Strategies

- The FTC targets its law enforcement efforts to address violations that cause the greatest amount of consumer harm by reviewing complaints, monitoring practices in the marketplace, and evaluating other information. The FTC and its law enforcement partners mine the CSN database to identify trends and targets, as well as to develop cases against existing targets.
- The FTC stops injury through law enforcement that focuses on preventing fraud and harm to consumers, protecting consumer privacy, monitoring national advertising and new technologies, and bringing enforcement actions against entities that violate federal court and administrative orders obtained by the FTC.

FY 2019-2020 Next Steps and Future Actions to Meet Strategic Objective

- Evaluate whether enforcement activities are tracking the areas of greatest concern and whether new practices or technologies require additional law enforcement focus.
- Evaluate the effectiveness of the FTC's enforcement efforts in those areas in which a baseline measure can be determined.
- Continue to evaluate the efficacy of promulgated rules and regulations and other policy documents.

External Factors

- Complaints are an integral component when determining the areas of greatest concern and injury to consumers. The FTC continually works to increase public awareness of the complaint process to encourage consumers to report fraud, identity theft, Do Not Call Registry violations, and other complaints. The agency's ability to identify unlawful practices can be impacted by the number of complaints the agency receives. The volume of consumer complaints about marketplace experiences can influence the identification of law enforcement targets, broader trends, and policy concerns.

- The FTC’s effectiveness in taking action to protect consumers may be affected by Congressional legislation, budgetary constraints, and staffing needs.
- The increasing costs of litigation, including the costs associated with processing and storing increasingly large amounts of electronic data in investigations and cases, may also affect the number of enforcement actions brought.

Performance Measures

Performance Goal 1.1.1: Percentage of the FTC’s consumer protection law enforcement actions that targeted the subject of consumer complaints to the FTC.

The FTC collects complaints about a host of consumer issues, including fraud, identity theft, financial matters, and Do Not Call violations. Complaints are an integral component when determining the areas of greatest concern and injury to consumers. This measure gauges how well the FTC’s consumer protection law enforcement actions target the subject of consumer complaints.

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Target	80%	80%	80%	80%	80%	80%	
Actual	89.9%	93.8%	91.2%	94.4%	89.6%	---	
Status	Exceeded	Exceeded	Exceeded	Exceeded	Exceeded	---	

FY 18 Highlights: In FY 2018, 89.6%, or 43 of 48, of BCP’s law enforcement actions targeted the subject of consumer complaints to the FTC. Because BCP augments identification of targets from its databases with other strategies for generating enforcement leads – such as monitoring compliance with FTC orders, ad monitoring, Internet surfs, mobile application surveys, and direct referrals from government and private sector partners – the results vary from year to year.

Performance Goal 1.1.2: Rate of customer satisfaction with the FTC’s Consumer Response Center.

This goal ensures that the agency’s Consumer Response Center is providing satisfactory service when it responds to consumer calls or complaints. The Consumer Response Center is often consumers’ first contact with the FTC, and if consumers do not have a satisfactory experience, they may be less likely to file complaints. This goal includes two measures; (a) the website meets or exceeds the average citizen satisfaction rate as published in the ASCI’s E-Government Satisfaction Index and (b) the Call Center meets or exceeds standards for call centers developed by the Citizens Service Levels Interagency Committee.

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Target	(a) 74 (b) 74	(a) 72 (b) 72	(a) 73 (b) 73	(a) 73 (b) 73	(a) 73 (b) 73	(a) and (b): Meet or exceed average citizen satisfaction rate, as published in the E-Government Satisfaction Index	
Actual	(a) 71 (b) 81	(a) 81 (b) 82	(a) 81 (b) 83	(a) 80 (b) 84	(a) 80 (b) 85	---	
Status	(a) Not Met (b) Exceeded	(a) Exceeded (b) Exceeded	(a) Exceeded (b) Exceeded	(a) Exceeded (b) Exceeded	(a) Exceeded (b) Exceeded	---	

FY 18 Highlights: The FTC’s Consumer Response Center continues to perform above the private and public industry benchmarks. The FTC Call Center maintained its highest rating since the inception of the program with an overall satisfaction score of 85.

Key Performance Goal 1.1.3: Total consumer savings compared to the amount of FTC resources allocated to consumer protection law enforcement.

This measure tracks the efficiency of the FTC’s consumer protection law enforcement spending. We compare how much money the FTC saves consumers each year through law enforcement to the amount the FTC spends on consumer law enforcement. Consumer savings comprise: (a) the amount of money the FTC returns to consumers; and (b) an estimate of the amount of harm that would have occurred but for the FTC’s law enforcement action. To calculate this latter figure, the FTC assumes that the unlawful conduct would have continued for one year but for our action. The FTC also assumes that the amount of harm that would have occurred in that year is the same as what consumers lost in the past. (Performance Goals 2.1.3 and 2.1.5 are similar measures that track the impact of antitrust law enforcement.)

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Target	N/A	N/A	N/A	N/A	\$6.50 in consumer savings per \$1 spent	\$7.00 in consumer savings per \$1 spent	
Actual	N/A	N/A	\$8.60 in consumer savings per \$1 spent*	\$35.00 in consumer savings per \$1 spent*	\$38.90 in consumer savings per \$1 spent	---	
Status	N/A	N/A	N/A	N/A	Exceeded	---	

FY 18 Highlights: The agency saved consumers on average around 39 times the amount of resources devoted to the consumer protection program in the past three years, or an average of \$3.9 billion per year. This is largely attributable to the Volkswagen, Lifelock, and DeVry University cases.

New in FY 2018: While a version of this metric has been reported for several years, beginning in FY 2018 we changed how we calculate this measure. We are now including money returned to consumers directly by the defendants, not just through the FTC. We have also started reporting this measure as a three-year rolling average.

*Prior year data, using the updated calculation method, is included for reference. Data on the amount of money returned to consumers by defendants, however, is not available for FY14 and FY15, which affects the rolling averages reported for FY16 and FY17.

Key Performance Goal 1.1.4: The amount of money returned to consumers or forwarded to the U.S. Treasury resulting from FTC enforcement action.

This goal tracks the FTC’s effectiveness in returning money to consumers who were defrauded and forwarding money to the U.S. Treasury (e.g., if sending money to individuals is impracticable, or if funds were paid as a civil penalty). The FTC targets law enforcement efforts on violations that cause the greatest amount of consumer harm; the amount of money returned to consumers and forwarded to the U.S. Treasury is a useful indicator that the FTC is targeting the right defendants. The number reported is a three- year rolling average (average of the current year and two prior year totals).

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Target	N/A	N/A	N/A	N/A	New Baseline	\$65 million	
Actual	N/A	N/A	\$80.6* million	\$2.67* billion	\$3.22 billion	----	
Status	N/A	N/A	N/A	N/A	N/A	----	

FY 18 Highlights: In the last three years, the annual average of the total amount returned to consumers and forwarded to the U.S. Treasury is \$3.22 billion. In FY 2018, the FTC returned \$83.3 million to consumers and forwarded \$8.5 million to the U.S. Treasury. The FTC returned money to consumers in dozens of cases, including AMG, Uber, NetSpend, and Inbound Call Experts. The money returned to the U.S. Treasury included civil penalties obtained in settlements with Norm Reeves and VTech. In addition, in FY 2018, some FTC orders required defendants to self-administer refund programs worth more than \$1.65 billion in refunds to consumers, including Volkswagen, Amazon, and AdoreMe.

New in FY 2018: While a version of this metric has been reported for several years, beginning in FY 2018 we changed how we calculate this measure. We are now including money returned to consumers directly by the defendants, not just through the FTC. We have also started reporting this measure as a three-year rolling average.

*Prior year data, using the updated calculation method, is included for reference. Data on the amount of money returned to consumers by defendants, however, is not available for FY14 and FY15, which affects the rolling averages reported for FY16 and FY17.

Other Indicators

Indicator 1.1.IND.1: Number of complaints collected and entered into the Consumer Sentinel Network (CSN) database.

The agency assimilates a large number of consumer complaints, including complaints about Do Not Call violations. The agency receives these complaints from a variety of sources, including direct consumer complaints to the FTC and complaints received by the FTC's partners. In this manner, the FTC will collect robust information to inform its law enforcement efforts. (Numbers shown in millions.)

	FY 2016	FY 2017	FY 2018
Actual	8.4	9.7	8.7

Indicator 1.1.IND.2: The percentage of redress cases in which money designated for distribution is mailed to consumers within 6 months.

This indicator ensures that the FTC returns redress dollars to injured consumers as quickly as possible. Dollars are considered "designated for distribution" when the FTC is in receipt of all funds, legal issues are resolved, and a usable claimant list is ready. If there is a claims process in which consumers must apply for a refund, then dollars are "designated for distribution" after all claims have been reviewed and verified.

	FY 2016	FY 2017	FY 2018
Actual	100%	95.5%	90.9%

Indicator 1.1.IND.3: Number of contributors to the Consumer Sentinel Network (CSN).

CSN allows members to access consumer complaints submitted directly to the FTC, as well as complaints shared by data contributors, including the Consumer Financial Protection Bureau, multiple State Attorneys General, and all North American Better Business Bureaus. By expanding the number of data contributors, the FTC will have better information with which to inform its law enforcement efforts. Sentinel does not include data from commercial data brokers or information resellers.

	FY 2016	FY 2017	FY 2018
Actual	N/A	N/A	42

Objective 1.2: Provide consumers and businesses with knowledge and tools that provide guidance and prevent harm.

Goal Leaders: Director, BCP; Director, Bureau of Economics

Progress Update

Protecting Small Businesses. As a follow-up to a series of roundtables with small businesses, the FTC has developed clear, easy-to-use resources that will inform small businesses about cyber threats and provide tips on how to deal with them. These materials, which are co-branded with the National Institute of Standards and Technology (NIST), the Department of Homeland Security (DHS), and the Small Business Administration (SBA), will enable business owners to better understand cybersecurity and train their employees. Further, as a follow up to the launching of a website, ftc.gov/smallbusiness, the FTC recently developed a new guide, “Scams and Your Small Business,” which describes common scams and the steps businesses can take to avoid them. The FTC is collaborating with the SBA and the Better Business Bureau to distribute the guide to small business owners.

Outreach to Specific Consumer Audiences. The FTC creates tailored messages and materials for diverse audiences and collaborates with partner organizations and agencies to disseminate FTC information to their constituents in those target communities. For example, the FTC has reached older adults through webinars and presentations in collaboration with local government offices on aging, legal services providers, non-profit organizations like AARP, and at the World Elder Abuse Awareness Day Global Summit.

The FTC has reached military service members through social media outreach and media coverage in partner publications like the BBB’s “Trusted” magazine, and continued a years-long collaboration with the Department of Defense Office of Financial Readiness to coordinate national outreach efforts during July’s Military Consumer Month.

Public Hearings. In September 2018, the FTC began its 21st Century Hearings initiative with two sessions, one co-sponsored with and held at the Georgetown University Law Center, and a second held at the FTC’s Constitution Center facilities. The events were the first in a series of hearings examining whether broad-based changes in the economy, evolving business practices, new technologies, or international developments might require adjustments to the Commission’s competition and consumer protection enforcement priorities. The 21st Century Hearings and the associated public comment process will provide the FTC with a broad and diverse array of viewpoints to stimulate evaluation of the Commission’s near- and long-term law enforcement and policy agenda.

Challenges or Barriers

The FTC continues to encounter challenges in meeting the demand for educational materials available in print. The agency works to mitigate these issues through judicious use of funding, publication revisions, streamlining the catalog of printed materials, and emphasizing materials available on the agency’s website.

Strategies

- The FTC focuses consumer and business education efforts on areas where deception, unfair practices, and information gaps cause the greatest injury. The FTC targets particular demographic groups with print and digital messages about marketplace issues that impact their health, safety, and economic well-being, both online and off. The agency also engages in education and outreach initiatives through multimedia and interactive content.
- The FTC creatively uses new technologies and private and public partnerships to reach new and underserved audiences, particularly those who may not seek information directly from the FTC.
- The FTC will continue to educate consumers about how to avoid identity theft and provide information to those who have become victims of identity theft.
- The FTC will continue to publicize its consumer complaint and identity theft websites and toll-free numbers in an ongoing effort to increase public awareness of its activities and inform the public of ways to contact the FTC to obtain information or file a complaint.
- The FTC will provide small businesses with more education resources to help them avoid scams, deal with cyber threats, and understand relevant laws.
- The FTC will continue to focus on target audiences such as older adults and military service members. It will also evaluate possible updates of its materials for children and parents.

FY 2019-2020 Next Steps and Future Actions to Meet Strategic Objective

- Measure the number of education messages disseminated each year and assess the number and range of public and private sector organizations that partner with the FTC on outreach.
- Review the focus of FTC education efforts, determine whether the agency needs to reach new audiences in light of changes in demographics, advertising, marketing practices, and emerging technologies, and identify strategies or partnerships that will allow the FTC to reach those audiences.
- Evaluate the effectiveness of IdentityTheft.gov, the federal government's one-stop resource to help consumers report and recover from identity theft.

External Factors

- The FTC faces challenges meeting the demand for educational materials available in print and works to mitigate these issues through judicious use of funding, publication revisions, streamlining the catalog of printed materials, and emphasizing the materials available on the website.
- The financial and staffing resources required for consumer and business education, conferences, workshops, and reports may impact the success of this objective. Budgetary limitations and the increasing costs of litigation may require the FTC to devote fewer resources to this objective.

Performance Measures

Key Performance Goal 1.2.1: Rate of consumer satisfaction with FTC consumer education websites

This measure gauges the effectiveness, helpfulness, and usability of the FTC’s consumer education websites. Consumer education serves as the first line of defense against deception and unfair practices. Well-informed consumers are better able to protect themselves from bad actors in the marketplace. This measure includes the customer satisfaction scores for Consumer.ftc.gov and Bulkorder.ftc.gov.

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Target	73	73	73	73	73	Meet or exceed average citizen satisfaction rate, as published in the E-Government Satisfaction Index	
Actual	79	Data Not Available	76	77	77	---	
Status	Exceeded	---	Exceeded	Exceeded	Exceeded	---	

FY 18 Highlights: In FY 2018, the FTC evaluated Bulkorder.ftc.gov and Consumer.ftc.gov to determine the rate of customer satisfaction with FTC consumer education websites. The combined rate of customer satisfaction for bulkorder.ftc.gov and consumer.ftc.gov was 77. The average citizen satisfaction score for participating federal government websites was 73.

Performance Goal 1.2.2: Number of workshops and conferences the FTC convened that address consumer protection issues.

The FTC convenes workshops and conferences through which experts and other experienced and knowledgeable parties discuss cutting-edge consumer protection issues and ways to address those issues. This indicator helps the FTC ensure that enforcement and education efforts are augmented by encouraging discussions among all interested parties through empirical research on novel or challenging consumer protection problems.

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Target	12	12	10	10	10	10	
Actual	10	17	12	19	11	---	
Status	Not Met	Exceeded	Exceeded	Exceeded	Exceeded	---	

FY 18 Highlights: In FY 2018, the FTC convened or co-sponsored 11 workshops and conferences that addressed consumer protection problems. These events brought together approximately 8,187 participants.

Performance Goal 1.2.3: Number of consumer protection reports the FTC released.

FTC staff prepares reports regarding current important topics in consumer protection, and these reports are the basis for this measure. Consumer protection reports provide information to policy makers, both internally and externally, to help them understand important contemporary issues. This measure also ensures that the FTC releases a variety of informative reports to the public that help promote the understanding and awareness of consumer protection issues.

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Target	10	10	8	6	6	10	
Actual	6	6	8	10	18	---	
Status	Not Met	Not Met	Met	Exceeded	Exceeded	---	

FY 18 Highlights: In FY 2018, the FTC published 18 consumer protection-related reports in areas including cigarettes, smokeless tobacco, search engines and native advertising, small business cybersecurity, connected cars, and mobile security. The agency published three annual reports – the Do-Not-Call Registry, the Consumer Sentinel Network Data Book, and the first Office of Claims and Refunds Report.

Other Indicators

Indicator 1.2.IND.1: Number of federal, state, local and international, and private partnerships to maximize the reach of consumer and business education campaigns.

This indicator helps determine the extent to which the FTC’s print education publications reach consumers through federal, state, local, international, and private organizations. Organizations, such as congressional offices, state Attorneys General, small businesses, schools, police departments, and banks, work as partners with the FTC by distributing these materials to their clients and customers. These organizations can order free bulk quantities of education materials via an online order system at Bulkorder.ftc.gov. For a measure of the quantity of publications distributed, see Indicator 1.2.IND.2.

	FY 2016	FY 2017	FY 2018
Target	11,500	12,500	N/A
Actual	14,509	12,944	12,705

Indicator 1.2.IND.2: Number of consumer protection messages accessed (a) in print and (b) digitally.

These indicators gauge the reach of the agency’s education messages for consumers and businesses in print and via the web. The print measure counts the total quantity of publications ordered from Bulkorder.ftc.gov. The digital indicator counts the number of page views of FTC consumer education articles, blog posts and other materials on FTC websites, as well as the page views of FTC business education plain-language guidance articles and blog posts.

	FY 2016	FY 2017	FY 2018
Actual	(a) 15.3 million (b) N/A	(a) 14.5 million (b) N/A	(a) 13.2 million (b) 45.2 million

Indicator 1.2.IND.3: Number of social media followers and email subscribers.

This indicator gauges the extent of consumer and business outreach via social networks and email communications.

	FY 2016	FY 2017	FY 2018
Actual	398,792	481,064	512,545

Objective 1.3: Collaborate with domestic and international partners to enhance consumer protection.

Goal Leaders: Director, BCP; Director, Office of International Affairs (OIA); Director, Office of Policy Planning

Progress Update

In the enforcement area, the FTC worked closely with its federal, state, local, and international partners on numerous investigations, exceeding the targets for collaboration with both domestic and international counterparts to enhance consumer protection. The agency’s collaborative domestic efforts included the MyEx.com case – an enforcement action the FTC brought with State of Nevada, and in which the FTC shared and received information from the Department of Justice (DOJ) and FBI. The FTC also worked closely with its federal, state, and local partners on numerous investigations, including Operation Main Street: Stopping Small Business Scams, the Game of Loans sweep, and the Lenovo case that the FTC brought with 32 state Attorneys General.

The FTC also worked closely with international partners on numerous investigations, and used its information sharing and investigative assistance authority under the U.S. SAFE WEB Act and other cooperation tools in a number of investigations. For example, the FTC worked with the members of the International Mass Marketing Fraud Working Group, which the FTC co-chairs along with DOJ and U.K. law enforcement, providing exceptional assistance in a recent sweep of elder fraud cases involving defendants from around the globe who victimized more than a million Americans, most of whom were elderly. As part of that sweep, the FTC worked directly with U.K. and Canadian author-

ities to halt Next-Gen Inc., a sweepstakes scam. In the privacy area, the FTC used key provisions of the U.S. SAFE WEB Act to collaborate successfully with the Office of the Privacy Commissioner of Canada in the FTC's first case involving internet-connected toys: an enforcement action against V-Tech, a Hong Kong-based electronics toy manufacturer, for violating the Children's Online Privacy Protection Act (COPPA).

The FTC continued its work to protect consumer privacy in cross-border data transfer systems, helping to expand the APEC CBPR and implement the EU-U.S. Privacy Shield. The FTC continued to work with the Department of Commerce to implement the Privacy Shield, which became operational in August 2016, and participated with EU and U.S. officials in the first annual review of the framework. The agency also continued to work with other agencies in the U.S. government and with our partners in Europe to ensure that businesses and consumers can continue to benefit from the Privacy Shield. The FTC also continued to deliver training to new and developing agencies through its technical assistance programming. In particular, the FTC built on its prior work in India to promote enforcement against Indian call center fraud through information sharing, enhanced consumer education, and the development of partnerships with technology companies and payment providers.

Fulfilling its enforcement role for cross-border data transfer frameworks, the FTC entered five new orders with companies that allegedly misrepresented their participation in the EU-U.S. Privacy Shield Framework (and the Swiss-U.S. Privacy Shield Framework). Together with our three initial Privacy Shield actions in 2017, our 39 actions under the predecessor U.S-EU Safe Harbor Framework, and our four actions related to the Asia-Pacific Economic Cooperative's Cross-Border Privacy Rules system, the FTC has brought 51 actions to protect the privacy of cross-border data transfers. The agency also continued to strengthen its ties with international enforcement networks, such as the International Consumer Protection and Enforcement Network (ICPEN), the Unsolicited Communications Enforcement Network (UCENet, formerly the London Action Plan), the International Mass Marketing Fraud Working Group (IMMFWG), and the Global Privacy Enforcement Network (GPEN). This past year, the FTC worked in all of these networks to expand the number of participating authorities and strengthen the use of data (including consumer complaint data) and technology to support the networks' cross-border enforcement cooperation activities. For example, the FTC expanded international enforcers' access to consumer complaint data managed by the FTC through the econsumer.gov portal, an ICPEN project. This expanded access will allow foreign counterpart agencies to have a larger evidence base for their investigations and cases, allowing for more cross-border enforcement cooperation.

In the policy arena, the FTC has continued to work to develop market-oriented policies benefiting U.S. consumers to complement its international enforcement work. The FTC has taken a leading role in developing international best practices to protect consumers in the digital economy by helping to shape implementation of the principles in the Organization for Economic Cooperation and Development's 2016 Recommendation on Consumer Protection in E-commerce.

In the consumer protection advocacy area, the FTC filed comments with the Bureau of Consumer Financial Protection regarding civil investigative demands and associated processes. In addition, the FTC filed comments before the Pennsylvania Public Utility Commission concerning its proposed rulemaking on customer choice in electrical generation services. Finally, the FTC submitted comments to the Consumer Product Safety Commission on consumer safety issues in Internet of Things-enabled devices.



Challenges or Barriers

Promoting international cooperation is a long-term endeavor that can be affected by events beyond the agency’s control, such as foreign court proceedings and political changes that result in changes in foreign counterpart agencies’ policies and staff and restrict best practices and information exchanges. Policy conflicts on other issues, such as trade, can also create challenges that affect cooperation on consumer protection issues. Political turmoil in certain regions can also make cooperation on particular issues more difficult.

Strategies

- The FTC leverages resources by working with domestic and international partners in government and the private sector to share information about consumer protection issues.

- The FTC pursues the development of international consumer protection enforcement models or approaches that focus on protecting consumers while maximizing consumer choice and economic benefit.
- The FTC provides technical assistance to countries establishing consumer protection regimes, as well as providing selected foreign officials with an opportunity to work alongside FTC attorneys, investigators, and economists to learn about the FTC's approach to consumer protection enforcement and to promote further cooperation between the countries.
- The FTC actively participates in numerous multinational organizations that engage in enforcement cooperation activities against mass-marketing fraud.
- The FTC provides policy advice to foreign consumer protection agencies through substantive consultations and written comments.
- The FTC targets advocacy activities to encourage federal regulators to ensure proper consumer protections are in place. The FTC's amicus curiae briefs seek to ensure consistent interpretation of the consumer protection statutes in the courts.

FY 2019-2020 Next Steps and Future Actions to Meet Strategic Objective

- Work with international partners to strengthen cooperation among enforcement partners, bilaterally and through multilateral organizations such as the ICPEN, UCENet, and the IMMFWG, including through new and expanded initiatives with foreign criminal authorities and private sector partners, particularly in countries that are increasingly the source of fraud directed at American consumers.
- Use U.S. SAFE WEB Act authority and new technological tools to expand cooperation and information sharing with counterpart agencies. Seek Congressional support to preserve this important authority before the Act sunsets in 2020.
- Continue to engage through the OECD to continue to implement the 2016 OECD Guidelines on Consumer Protection in Electronic Commerce and conduct related work on consumer trust and decision-making in ecommerce and technology-driven markets and the economics of consumer protection.
- Further develop empirical evidence on effects of new technologies and business models on consumer behavior.
- Engage with the Intergovernmental Group of Experts on Consumer Protection at UNCTAD to develop and implement best practices under the revised UN Guidelines on Consumer Protection and develop new opportunities for capacity building and technical cooperation with developing agencies.
- Continue to effectuate the FTC's enforcement-related commitments under the EU-U.S. Privacy Shield (and Swiss-U.S. Privacy Shield) and work closely through the GPEN and directly with foreign data protection authorities to provide enforcement assistance, which, in appropriate cases, could include information sharing and investigative assistance pursuant to the U.S. SAFE WEB Act.

- Engage in enforcement cooperation pursuant to the APEC CBPR and work to expand membership in the CBPR system.
- Continue to build and expand a robust international consumer protection and privacy technical assistance program for newer consumer protection and privacy agencies, especially in Latin America, Southeast Asia, and Africa. Engage in targeted, multi-stakeholder approaches to enforcement capacity building in India focusing on India-based call center fraud.
- Further develop the International Fellows and staff exchange programs.
- File comments or otherwise engage in advocacy with local, state, federal, and foreign government entities that evaluate the costs and benefits of proposed policies on consumers and an awareness of the intersection of competition and consumer protection concerns.
- File amicus briefs with federal courts, when possible, to address issues affecting consumer protection.
- Evaluate whether the advice and comments (e.g., advocacy filings, amicus briefs, etc.) that the FTC provides to local, state, and federal government entities on consumer protection policies have been considered and adopted.

External Factors

- When matters involve international targets, evidence, or assets, the FTC has limited control over a number of factors, including the extent to which foreign governments will provide information or cooperate with us on law enforcement matters. New data protection rules in Europe may present some information sharing challenges. In addition, foreign legal rules often prohibit or limit foreign courts from recognizing or enforcing FTC judgments and orders, including asset preservation or collection orders.
- The FTC uses its U.S. SAFE WEB Act authority to expand its international enforcement efforts and continues its outreach efforts to foreign governments to increase cooperation. With the Act due to sunset in 2020, it may be difficult for the agency to put into place new long-term cooperation arrangements due to uncertainty. Accordingly, the FTC will seek Congressional support to preserve this important authority.
- Domestic advocacy, both to federal regulators and the courts, seeks to influence the decisions made by outside parties. Those decision makers often receive pressure from other organizations, who may be making recommendations that are not in line with our own.

Performance Measures

Performance Goal 1.3.1: Number of investigations or cases in which the FTC and other U.S. federal, state and local government agencies shared evidence or information that contributed to FTC law enforcement actions or enhanced consumer protection.

This goal ensures the FTC is leveraging resources with domestic partners on consumer protection issues to further the goal of protecting consumers from fraud.

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Target	Baseline	375	375	375	375	375	
Actual	424	435	387	359	369	---	
Status	N/A	Exceeded	Exceeded	Not Met	Not Met	---	

FY18 Highlights: Although the FTC shared evidence in 369 matters, the FTC fell short in meeting its target for performance goal 1.3.1. BCP continues to place an emphasis on leveraging resources with domestic partners and encourages staff to work with other U.S. federal, state, and local government agencies to further the goal of protecting consumers from fraud. In FY 2018, BCP shared information with other U.S. federal, state, and local government agencies in 168 investigations or cases. In FY 2018, BCP received information from other U.S. federal, state, and local government agencies in 201 investigations or cases.

Key Performance Goal 1.3.2: Number of investigations or cases in which the FTC obtained foreign-based evidence or information or engaged in other mutual assistance that contributed to FTC law enforcement actions or in which the FTC cooperated with foreign agencies and/or multilateral organizations on enforcement matters.

The Office of International Affairs (OIA) works to expand cooperation and coordination between the FTC and international consumer protection partners through litigation support, information sharing, and building international consumer protection capacity. This measure counts the number of investigations and cases where information was shared between the FTC and foreign consumer protection agencies.

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Target	40	40	40	40	40	40	
Actual	45	58	53	50	43	---	
Status	Exceeded	Exceeded	Exceeded	Exceeded	Exceeded	---	

FY18 Highlights: In FY 2018, the FTC cooperated in 43 instances on consumer protection and privacy matters to obtain or share evidence or engage in other enforcement cooperation in investigations, cases, and enforcement-related projects. Foreign authorities assisted the FTC in activities such as locating investigative targets and defendants, sharing consumer complaints, obtaining corporate records, and providing other investigative information. The FTC also provided assistance to numerous foreign authorities through various mechanisms using its authority under the U.S. SAFE WEB Act and other cooperation tools to share information and provide investigative assistance using compulsory process. The FTC also cooperated on enforcement matters with international enforcement organizations such as the International Consumer Protection and Enforcement Network, the Global Privacy Enforcement Network, the Unsolicited Communications Enforcement Network, and the International Mass Marketing Fraud Working Group.

Performance Goal 1.3.3: Number of instances of policy advice or technical assistance provided to foreign consumer protection and privacy agencies, directly and through international organizations.

This measure quantifies FTC’s efforts to develop an international environment that promotes consumer protection, privacy, and cybersecurity by assisting developing countries to build strong consumer protection frameworks. These efforts include providing policy advice, direct technical assistance, and professional development opportunities for international partners through the International Fellows program.

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Target	60	60	60	60	60		60
Actual	60	76	66	66	64		-----
Status	Met	Exceeded	Exceeded	Exceeded	Exceeded		----

FY18 Highlights: In FY 2017, the FTC provided policy input to foreign consumer protection and privacy agencies in 64 instances. This included policy advice and technical input on a wide range of consumer and privacy policy issues delivered through seminars, substantive consultations, oral presentations, and written comments. Of the inputs, 12 represent technical assistance missions to new and developing consumer protection and privacy agencies, and two represent International Fellows from Korea and the European Commission, who worked alongside FTC staff in support of the consumer protection mission.

Performance Goal 1.3.4: Percentage of consumer protection advocacy comments and amicus briefs filed with entities including federal and state legislatures, agencies, or courts that were successful, in whole or in part.

The FTC’s consumer protection advocacy takes many forms, including advocacy comments, amicus briefs, workshops, reports, and testimony. This measure evaluates the success rate for resolved consumer protection advocacy comments and amicus briefs. While the FTC is primarily a law enforcement agency, advocacy work is a cost-effective way to further the FTC’s consumer protection mission, and allows the FTC to address situations where consumer protection may be affected by the actions of public entities, including regulators and legislators.

To determine whether an advocacy comment or amicus brief is successful, staff waits for the relevant case, legislative process, or agency rulemaking to be fully resolved. Once resolved, the outcome is compared to the policy recommendations within the advocacy comment or the legal arguments set forth in the amicus brief. Advocacies are classified as successful, partially successful, moot, or unsuccessful based on the outcome achieved. We do not attempt to quantify or measure how much effect our advocacy had on the decision. While most advocacies contain either consumer protection recommendations or competition recommendations, a few advocacy comments may have both, and are thus counted in this performance goal as well as Performance Goal 2.2.3.

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Target	55%	55%	55%	60%	60%	60%	
Actual	81.8%	100%	85.7%	*	*	----	
Status	Exceeded	Exceeded	Exceeded	TBD	-----	----	

*Results for this measure were not available at time of publication.

Other Indicator

Indicator 1.3.IND.1: Number of advocacy comments and amicus briefs on consumer protection issues filed with entities, including federal and state legislatures, agencies, and courts.

Whereas Performance Goal 1.3.4 measures the success of our consumer protection advocacy comments and amicus briefs, this indicator reports the quantity of consumer protection advocacy comments and amicus briefs filed each year. While the FTC is primarily a law enforcement agency, advocacy work is a cost-effective way to further the FTC’s consumer protection mission, and allows the FTC to address situations where consumer protection may be affected by the actions of public entities, including regulators and legislators. While most advocacies contain either consumer protection recommendations or competition recommendations, a few advocacy comments may have both, and are then counted in this indicator and Indicator 2.2.IND.1.

	FY 2016	FY 2017	FY 2018
Actual	8	7	4

Strategic Goal 2: Maintain Competition to Promote a Marketplace Free From Anticompetitive Mergers, Business Practices, or Public Policy Outcomes.

Vigorous competition results in lower prices, higher quality goods and services, and innovative and beneficial new products and services. By enforcing the antitrust laws, the FTC helps to ensure that consumers benefit from competition. The FTC's efforts to maintain competition focus primarily on preventing anticompetitive mergers and business practices. The FTC also engages in policy research and development, advocacy, and education to deter anticompetitive practices, reduce compliance costs, and encourage governmental actors at the federal, state, and local levels to evaluate the effects of their policies on competition and consumers. This work is critical to protect and strengthen free and open markets – the cornerstone of a vibrant economy.

Strategic Objectives

The FTC has established three objectives to guide work in this area:

- **Objective 2.1:** Identify and take actions to address anticompetitive mergers and practices.
- **Objective 2.2:** Engage in effective research, advocacy, and stakeholder outreach to promote competition and advance its understanding.
- **Objective 2.3:** Collaborate with domestic and international partners to preserve and promote competition.

Goal 2 and its Strategic Objectives comprise the second of two Mission Focused components of the FTC's FY 2018 Performance Report and the FY 2019-2020 Performance Plan.

Objective 2.1: Identify and take actions to address anticompetitive mergers and practices that harm consumers.

Goal Leaders: Director, Bureau of Competition (BC); Director, Bureau of Economics (BE)

Progress Update

In FY 2018, the agency concluded 19 matters in which it took action to maintain competition, focusing on markets with the greatest impact on American consumers. This fiscal year saw a continuation of the Commission's rigorous antitrust litigation docket, with three federal court and three administrative adjudicative actions authorized in addition to active litigations filed in prior years. Notably, the Commission litigated its federal court injunction action challenging a proposed physician group merger in North Dakota. In *FTC v. Sanford Health*, the federal district court granted the Commission's request for preliminary injunction pending a full administrative hearing on the merits. The federal court action is ongoing, pending an appeal of the district court decision. The agency also secured its first-ever litigated victory on the merits in a sham litigation matter, when the U.S. District Court for the Eastern District of Pennsylvania granted the Commission's request for permanent injunction in *FTC v. Abbvie*, and awarded \$448 million in equitable monetary relief to consumers harmed by the firm's use of baseless

“sham” patent infringement lawsuits to delay generic drug makers from introducing lower-priced versions of the testosterone replacement drug AndroGel. This case is pending on appeal.

As in past years, the FTC focused on its greatest asset: its staff. First, FTC staff has continued to work diligently to identify and communicate best practices and update procedures to maximize efficiency in our work. The agency also continued its emphasis on employee-led staff development through its Training Council and mentoring programs. This year, BC renewed its focus on leveraging our experiences with that of our sister antitrust enforcement agency, DOJ’s Antitrust Division through joint training sessions involving participation from both agencies. These programs are cost-neutral, improve knowledge transfer on important antitrust issues, and enhance information sharing between agencies with similar missions, thereby supporting the long-term success of the competition mission.

The agency continued to devote resources to identifying opportunities to streamline its investigatory processes and minimize the burden imposed on legitimate business practices. This year, staff devoted significant time to identifying litigation support tools that will enhance staff efficiency and effectiveness in investigations and litigation.

Challenges or Barriers

Resource constraints remain a significant challenge. Development and support of the technological tools necessary to improve processes and streamline operations require significant financial and staff resources. The rising costs of critical expert witness resources and the ongoing challenge of how to efficiently manage document productions of increasing size are two of the foremost barriers. Likewise, increases in caseload continue to put pressure on staffing resources.

The FTC also faces an increasingly challenging landscape in attempting to maintain competition as state and local communities continue to adjust to recent U.S. Supreme Court rulings in *Federal Trade Commission v. Phoebe Putney Health System, Inc.*, and in *North Carolina State Board of Dental Examiners v. Federal Trade Commission*. The challenge requires the FTC to utilize the full range of policy and advocacy tools at its disposal to promote competition, particularly in health care markets.

Strategies

- Investigate potentially anticompetitive mergers and business conduct efficiently using rigorous, economically sound, and fact-based analyses that enhance enforcement outcomes and minimize burdens on business.
- Improve negotiation and litigation skills and refine investigative and decisional tools through continuous learning.
- Negotiate merger and nonmerger consent orders and win litigated orders that have significant remedial, precedential, and deterrent effects.

- Improve compliance with consent decrees and orders and with HSR reporting obligations.
- Provide transparency in the decision-making process through comment periods, press releases, policy guidance, and analyses to aid public comment, and ensure existing guidance is up-to-date.
- Conduct market research, including evaluating the effectiveness of merger and conduct remedies to inform future enforcement efforts.

FY 2019-2020 Next Steps and Future Actions to Meet Strategic Objective

- Work to secure the resources necessary to effectively enforce the antitrust laws to ensure that consumers benefit from the lower prices, higher quality, increased innovation, and expanded choices that competition brings.
- Expand employee development programs to increase the antitrust expertise and investigative, negotiation, and litigation skills of legal staff through continuous learning and retrospective analysis.
- Utilize BC’s Training Council to identify legal staff development opportunities and provide targeted training programs to meet those needs. Focus on enhancing the investigative process using improved technological tools and the identification of “best practices” to streamline and standardize management of investigations and litigation.
- Maintain ongoing assessment of premerger notification filing requirements and screening methods to maximize efficiency and effectiveness with an emphasis on reducing the burden on filing parties and antitrust agencies.

External Factors

- The dynamism of our economic and technological environments plays a direct role in the Commission’s ability to achieve success under this objective. Evolving technologies, automation, and intellectual property issues continue to increase the complexity of antitrust investigations and litigation. This complexity, coupled with fluctuations in merger activity and complaints of potentially harmful business conduct sometimes lead to financial and personnel resource limitations. The Commission will continue its efforts to identify best practices and other investigatory efficiencies to alleviate these potential resource limitations.
- Additionally, the ever-evolving legislative landscape, both with respect to federal and state antitrust enforcement authority, may directly impact the Commission’s ability to challenge anticompetitive mergers and business conduct. The FTC will continue to use its advocacy and educational tools to ensure that the Commission maintains the necessary tools for effective antitrust enforcement.

Performance Measures

Key Performance Goal 2.1.1: Percentage of full merger and nonmerger investigations in which the FTC takes action to maintain competition.

This measure ensures that FTC actions promote vigorous competition by preventing anticompetitive mergers and stopping business practices that restrain competition. This measure reflects actions taken to promote competition, including litigated victories, consent orders, abandoned transactions, or restructured transactions (either through a fix-it-first approach or eliminating the competitive concern) in a significant percentage of full merger and nonmerger investigations.

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Target	40%-60%	40%-60%	40%-60%	40%-60%	40%-70%*	40-70%	
Actual	57.1%	57.7%	54.6%	49.1%	67.9%	---	
Status	Met	Met	Met	Met	---	---	

*The Target value for FY 2018 was misreported as 40%-60% in this table in last year's APP/APR. It was correctly reported as 40%-70% in the summary table in that report. The change in target was intended to start in FY 2018 along with the change in calculation.

FY 18 Highlights: The agency took action to maintain competition in 19 of 28 full merger and nonmerger investigations concluded in FY 2018. The FTC's 19 actions included 13 consent orders, one litigated victory in federal court (*Wilhelmsen/Drew Marine*), two matters in which the parties abandoned their transactions after the Commission authorized staff to challenge the proposed acquisition in federal court or administrative litigation (*CDK/Automate & J.M. Smucker/Conagra*), and three other abandoned transactions.

The agency concluded 17 merger actions in second request or compulsory process investigations in a broad array of industries such as pharmaceuticals and medical devices, healthcare services, industrial goods and chemicals, consumer goods and services, technology, and energy. The agency also concluded two actions against anticompetitive tactics that the agency had reason to believe harmed consumers or competition in the publishing and healthcare industries.

Of the nine full investigations concluded without an action, seven were merger matters, and two were nonmerger matters.

New in FY 2018: Starting in FY 2018, the FTC has adjusted how this measure is calculated. When counting full investigations, only those investigations where a second request, subpoena, or civil investigative demand has been issued are counted. Previously we also included other investigations with more than 150 staff hours spent. This change will slightly reduce the number of full investigations included and will thus shift the percentage result higher. To accommodate this change, the target has been adjusted to 40%-70%. Actual results from FY 2014-2017 are reported based on the previous formula. See the [Data Quality Appendix](#) for more information on how measures are calculated.

Performance Goal 2.1.2: Consumer savings through merger actions taken to maintain competition.

This measure ensures that FTC actions promote vigorous competition by preventing anticompetitive mergers and stopping business practices that restrain competition. This measure reflects actions taken to promote competition, including litigated victories, consent orders, abandoned transactions, or restructured transactions (either through a fix-it-first approach or eliminating the competitive concern) in a significant percentage of full merger and nonmerger investigations.

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Target	\$900 million	\$900 million	\$900 million	\$2.1 billion	\$2.1 billion	\$2.1 billion	
Actual	\$1 billion	\$2.4 billion	\$2.6 billion	\$2.6 billion	\$2.7 billion	---	
Status	Exceeded	Exceeded	Exceeded	Exceeded	Exceeded	---	

FY 18 Highlights: The FTC saved consumers on average an estimated \$2.7 billion per year through its merger actions to maintain competition in the past five years. This year, merger actions in the defense, consumer goods and services, chemicals, and pharmaceutical industries resulted in considerable consumer savings allowing the agency to continue to meet the target for this performance goal. Significant consumer savings from merger actions in FY 2015 will continue to impact this performance goal through FY 2019, and targets have been adjusted accordingly.

Key Performance Goal 2.1.3: Total consumer savings compared to the amount of FTC resources allocated to the merger program.

This measure tracks the estimated amount of money that the Commission saved consumers by taking action against potentially anticompetitive mergers compared to the amount spent on the merger program. The amount reported is a five-year “rolling average” (average of the current year and four prior year totals).

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Target	\$26 in consumer savings per \$1 spent*	\$26 in consumer savings per \$1 spent	\$26 in consumer savings per \$1 spent	\$42 in consumer savings per \$1 spent	\$42 in consumer savings per \$1 spent	\$42 in consumer savings per \$1 spent	
Actual	\$25.10 in consumer savings per \$1 spent	\$51.30 in consumer savings per \$1 spent	\$46.40 in consumer savings per \$1 spent	\$55.60 in consumer savings per \$1 spent	50.20 in consumer savings per \$1 spent	---	
Status	Not Met*	Exceeded	Exceeded	Exceeded	Exceeded	---	

*The Target value and Status for FY 2014 was misreported in last year’s APP/APR. It had been correctly reported in previous APP/APRs, and has been corrected here.


FY 18 Highlights: In FY 2018, the FTC saved consumers approximately \$50 for every dollar devoted to its merger program. As mentioned in Performance Goal 2.1.2, merger actions in the defense, consumer goods and services, chemicals, and pharmaceutical industries resulted in considerable consumer savings, which, coupled with relatively consistent resource levels, allowed the agency to continue to meet the target for this performance goal. Significant consumer savings from merger actions in FY 2015 will continue to impact this performance goal through FY 2019, and targets have been adjusted accordingly.

Performance Goal 2.1.4: Consumer savings through nonmerger actions taken to maintain competition.

This measure tracks an estimated amount of money that the Commission saved consumers by taking action against potentially anticompetitive business conduct. The number reported is a five-year “rolling average” (average of the current year and four prior year totals).

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Target	\$440 million	\$80 million	\$80 million	\$900 million	\$900 million	\$900 million	
Actual	\$419	\$1 billion	\$1 billion	\$1.1 billion	\$1.1 billion	---	
Status	Not Met	Exceeded	Exceeded	Exceeded	Exceeded	---	

FY 18 Highlights: From FY 2014 – FY 2018, the FTC saved consumers on average an estimated \$1.1 billion per year through nonmerger actions taken to maintain competition. This year, nonmerger actions in the publishing and healthcare industries contributed to that total, allowing the agency to continue to meet the target for this performance goal. Significant consumer savings from the historic Cephalon investigation in FY 2015 will continue to impact this performance goal through FY 2019, and targets have been adjusted accordingly.

 **Key Performance Goal 2.1.5:** Total consumer savings compared to the amount of FTC resources allocated to the nonmerger program.

This measure tracks the estimated amount of money that the Commission saved consumers by taking action against potentially anticompetitive business conduct compared to the amount spent on the nonmerger program. The amount reported is a five-year “rolling average” (average of the current year and four prior year totals).

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Target	\$18.50 in consumer savings per \$1 spent	\$4 in consumer savings per \$1 spent	\$4 in consumer savings per \$1 spent	\$40 in consumer savings per \$1 spent	\$40 in consumer savings per \$1 spent	\$40 in consumer savings per \$1 spent	
Actual	\$20.30 in consumer savings per \$1 spent	\$48.60 in consumer savings per \$1 spent	\$52.30 in consumer savings per \$1 spent	\$39.60 in consumer savings per \$1 spent	\$40.10 in consumer savings per \$1 spent	---	
Status	Exceeded	Exceeded	Exceeded	Not Met	Exceeded	---	

FY 18 Highlights: In FY 2018, the FTC saved consumers approximately \$40 per dollar devoted to its nonmerger enforcement program. As mentioned under 2.1.4, nonmerger actions in the publishing and healthcare industries contributed to that total, and when coupled with modest reductions in program spending, allowed the agency to again meet the target for this performance goal. Significant consumer savings from the historic Cephalon investigation in FY 2015 will continue to impact this performance goal through FY 2019, and targets have been adjusted accordingly.

Other Indicators

Indicator 2.1.IND.1: Average total sales for the current year plus the previous four fiscal years in the affected markets in which the Commission took merger enforcement action.

This indicator ensures that the Commission's merger actions are guided in part by the size of the relevant product markets involved. It is important that the FTC use its resources in areas where the most positive change can be achieved. The number reported is a five-year "rolling average" (average of the current year and four prior year totals).

	FY 2016	FY 2017	FY 2018
Actual	\$69.8 billion	\$88.3 billion	\$103.4 billion

Indicator 2.1.IND.2: Average total sales for the current year plus the previous four fiscal years in the affected markets in which the Commission took anticompetitive market enforcement action.

This indicator ensures that the FTC's nonmerger actions are, in part, guided by the size of the relevant product markets involved. It is important that the FTC use its resources in areas where the most positive change can be achieved. The amount reported is a five-year "rolling average" (average of the current year and four prior year totals).

	FY 2016	FY 2017	FY 2018
Actual	\$69.8 billion	\$77.1 billion	\$75.5 billion

Objective 2.2: Engage in effective research, advocacy, and stakeholder outreach to promote competition and advance its understanding.

Goal Leaders: Director, BC; General Counsel, Office of the General Counsel; Director, Office of Policy Planning

Progress Update

The FTC continued to organize public conferences to advance the agency's understanding of economic developments and emerging business practices and inform antitrust policy through consideration of diverse perspectives. In FY 2018, the agency hosted six public workshops in broad areas of competition policy. The FTC's Economic Liberty Task Force held a roundtable examining economic evidence regarding the benefits and costs of occupational licensure, as well as a fireside chat with four individuals to discuss how unnecessary licensing requirements have affected their lives. The FTC also held workshops exploring the contact lens and prescription drug marketplaces, and a joint workshop with DOJ regarding competition issues in the real estate brokerage industry. Additionally, the FTC held its Tenth Annual Microeconomics Conference. In September 2018, the FTC initiated its 21st Century Hearings initiative, a series of public hearings

on competition and consumer protection issues; the hearings are ongoing and will continue into this spring.

The FTC continued to respond to requests for comment from local, state, and federal entities to provide policymakers with a framework to analyze the potential competitive implications of pending governmental actions that may have a major impact on consumers. In FY 2018, staff filed 15 advocacy comments to federal and state regulators, individual legislators, and other organizations. These advocacy comments addressed a variety of industries and competition issues, including telehealth, occupational licensing and scope of practice, energy sector transactions, certificates of need for healthcare entities, and the pharmaceutical industry. Staff also submitted amici briefs to the U.S. Supreme Court (*Salt River Project Agricultural Improvement & Power District v. Tesla Energy Operations, Inc.* and *Apple Inc. v. Robert Pepper*); the U.S. Court of Appeals for the Ninth Circuit (*Chamber of Commerce v. City of Seattle*) and Federal Circuit (*Intellectual Ventures I LLC v. Capital One Financial Corp.*); and the U.S. District Court for the District of New Jersey (*Takeda Pharmaceutical Company Ltd. v. Zydus Pharmaceuticals (USA) Inc.*). The FTC ensures that this advocacy is conducted in a manner consistent with Constitutional principles of federalism.

The agency also furthered its efforts to advance public understanding of its competition decisions through the publication of analyses to aid public comment, speaking engagements, and the “Competition Matters” blog, which covers an array of competition policy and practice issues. In addition, the agency issued several reports dealing with competition issues, including an annual report analyzing branded drug firms’ patent settlements with generic competitors. The report summarized data on patent settlements filed with the FTC and DOJ during FY 2015 under the Medicare Modernization Act of 2003. This was the Commission’s second annual snapshot of such deals since *FTC v. Actavis*, in which the U.S. Supreme Court held that a branded drug manufacturer’s reverse payment to a generic competitor to settle patent litigation can violate the antitrust laws. The report found that the number of reverse-payment settlements entered into by pharmaceutical companies declined for the second year in a row.

Challenges or Barriers

The FTC will continue to identify opportunities to advance the public’s and its own understanding of competition issues in a dynamic and increasingly complex marketplace, particularly with respect to health care, technology, and intellectual property. The agency must continue to use its limited resources to expand its advocacy and outreach efforts, but must balance this activity with increased demands from its resource-intensive enforcement efforts. The agency must also expand its use of technology and public interaction to better promote the consumer understanding of the benefits of competition.

Strategies

- Improve the agency's understanding of various practices and developments in the marketplace by conducting public hearings, conferences, and workshops that bring together interested parties and conducting economic research on these issues. Utilize the information gathered to inform the agency's enforcement agenda. Improve the dissemination of material gathered through hearings, conferences, and workshops.
- Target advocacy activities to encourage state and federal government policymakers to evaluate the competitive implications of their existing and proposed policies, emphasizing the impact on consumers of policies that unnecessarily restrict competition.
- Increase transparency of the agency's decision-making by ensuring that the content of complaints, press releases, and analyses to aid public comment explain in sufficient detail and with sufficient clarity the evidence and theory of a case, within the constraints of confidentiality requirements. Expand the use of other public statements to improve the public's understanding of the FTC's enforcement policies and the benefits of competition.

FY 2019-2020 Next Steps and Future Actions to Meet Strategic Objective

- Organize and/or participate in public conferences, workshops, and hearings to enhance the FTC's understanding of various practices and developments relevant to competition in the marketplace.
- Continue to make related materials, including transcripts, written submissions, reports, and policy papers accessible to the public.
- Consistent with Constitutional principles of federalism, seek advocacy opportunities at local, state, and federal government levels to encourage adoption of policies that maximize competition, consumer welfare, and economic liberty and adequately consider both the costs and benefits for consumers.
- Review and pursue amicus opportunities in the federal courts in cases that may affect competition and, ultimately, consumer welfare.
- Generate reports, policy papers, working papers, and other public documents that synthesize the results of FTC research and enforcement efforts and, where appropriate, make recommendations regarding actions or policies to promote competition.

External Factors

- Financial and personnel resource limitations, driven primarily by the costs of litigation, may reduce resources available for this objective.
- Domestic advocacy, whether to state legislators or regulators, federal regulators, or the courts, seeks to influence decisions made by outside parties. Those decision makers have ultimate control over the outcome, and thus our success rate. The targets of our advocacies often receive pressure from other organizations, which may be making recommendations that are not in line with our own.

Performance Measures

Performance Goal 2.2.1: Number of workshops, seminars, conferences, and hearings convened or co-sponsored that involve significant competition-related issues.

This measure ensures that consumer benefits are enhanced through policy related activities such as workshops, seminars, conferences, and hearings convened or co-sponsored that involve significant competition-related issues.

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Target	4	4	4	4	4	3	
Actual	4	4	3	3	7	---	
Status	Met	Met	Not Met	Not Met	Exceeded	---	

Performance Goal 2.2.2: Number of reports and studies the FTC issued on key competition related topics.

This measure tracks competition policy-related activities such as Commission or staff research, reports, economic or policy papers, and studies, produced after substantive investigation and analysis that enhance the public's knowledge of competition issues and promote the adoption of policies that rely on competition to the extent possible. Also included as part of this measure are reports to other federal agencies that report on the aggregate activities of the FTC.

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Target	8	8	8	8	8	8	
Actual	11	9	9	11	9	---	
Status	Exceeded	Exceeded	Exceeded	Exceeded	Exceeded	---	

Performance Goal 2.2.3: Percentage of competition advocacy comments and amicus briefs filed with entities including federal and state legislatures, agencies, or courts that were successful, in whole or in part.

The FTC’s competition advocacy takes many forms – including advocacy comments, amicus briefs, workshops, reports, and testimony. This measure evaluates the success rate for resolved competition advocacy comments and amicus briefs. While the FTC is primarily a law enforcement agency, advocacy work is a cost-effective way to further the FTC’s competition mission, and allows the FTC to address situations where competition may be affected by the actions of public entities, including regulators and legislators.

To determine whether an advocacy comment or amicus brief is successful, staff waits for the relevant case, legislative process, or agency rulemaking to be fully resolved. Once resolved, the outcome is compared to the policy recommendations within the advocacy comment or the legal arguments set forth in the amicus brief. Advocacies are classified as successful, partially successful, moot, or unsuccessful based on the outcome achieved. We do not attempt to quantify or measure how much effect our advocacy had on the decision. While most advocacies contain either consumer protection recommendations or competition recommendations, a few advocacy comments may have both, and are thus counted in this performance goal as well as Performance Goal 1.3.4.

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Target	55%	55%	60%	60%	60%	60%	60%
Actual	93.3%	80.0%	64.7%	*	*	---	---
Status	Exceeded	Exceeded	Exceeded	TBD	---	---	---

*Results for this measure were not available at time of publication.

Other Indicator

Indicator 2.2.IND.1: Number of advocacy comments and amicus briefs on competition issues filed with entities, including federal and state legislatures, agencies, and courts

Whereas Performance Goal 2.2.3 measures the success of our competition advocacy comments and amicus briefs, this indicator reports the quantity of competition advocacy comments and amicus briefs filed each year. While the FTC is primarily a law enforcement agency, advocacy work is a cost-effective way to further the FTC’s competition mission, and allows the FTC to address situations where competition may be affected by the actions of public entities, including regulators and legislators. While most advocacies contain either consumer protection recommendations or competition recommendations, a few advocacy comments may have both, and are then counted in this indicator and Indicator 1.3.IND.1.

	FY 2016	FY 2017	FY 2018
Actual	26	16	16

Objective 2.3 Collaborate with domestic and international partners to preserve and promote competition.

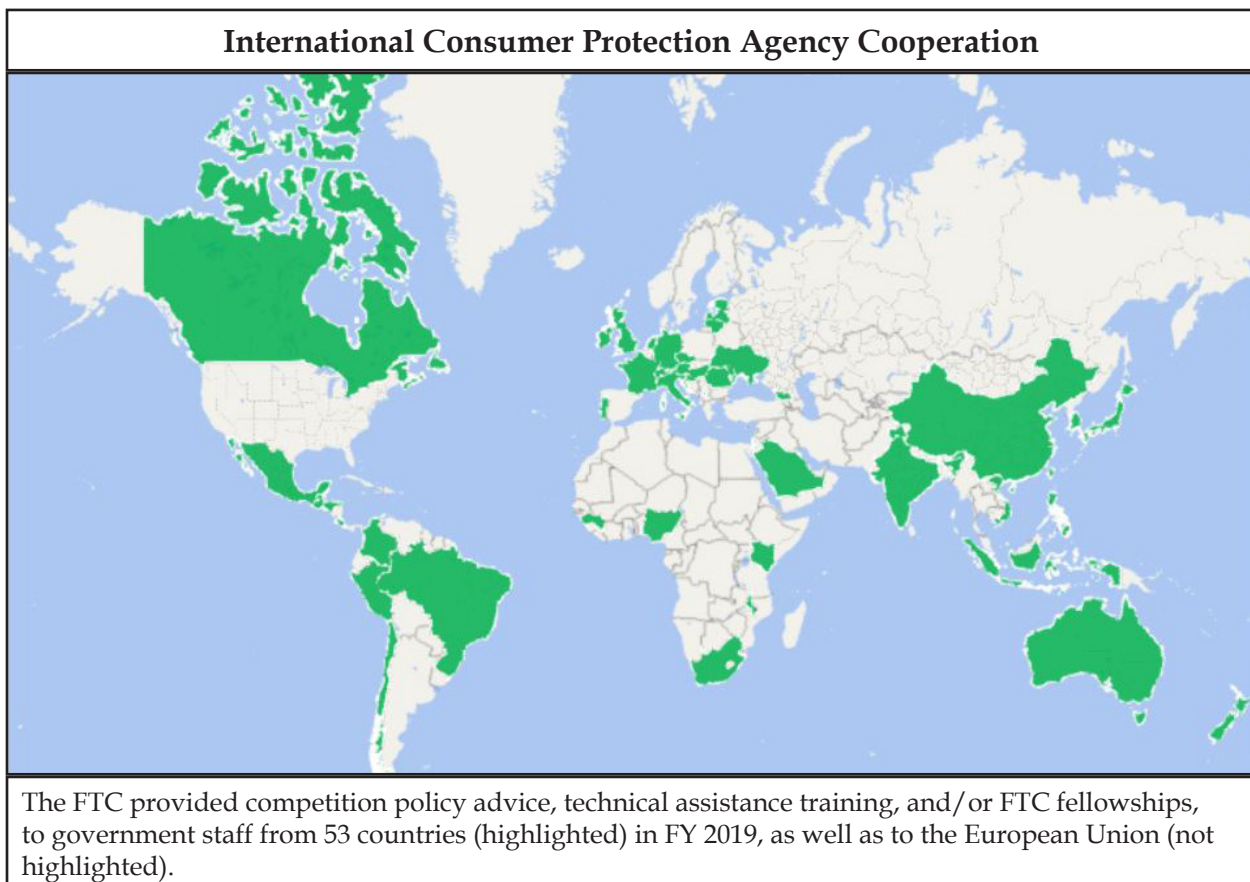
Goal Leaders: Director, Office of International Affairs (OIA); Director, BC; Director, BE

Progress Update

To promote and protect free and vigorous competition, the FTC continues to build and strengthen relationships with competition agencies internationally and to work through multilateral fora and with domestic partners to promote convergence toward sound competition enforcement and policy. Progress in FY 2018 included:

- **Improving Case Cooperation and Promoting Convergence:** The U.S. antitrust agencies engaged on policy issues of common interest and shared merger enforcement techniques and experience with staff from multiple competition agencies, including: Australia, Brazil, Canada, China, the European Union, Germany, Japan, Korea, Mexico, South Africa, Taiwan, and the United Kingdom. The FTC continued to develop tools, facilitate case cooperation, and engaged more frequently in deeper cooperation and coordination on individual matters with foreign counterparts. For example, during its review of the Praxair/Linde merger, Commission staff and staff of antitrust agencies of Argentina, Brazil, Canada, Chile, China, Colombia, the European Union, India, Korea, and Mexico worked cooperatively to analyze the proposed transaction and potential remedies. The FTC also hosts “International Fellows” from foreign competition agencies who work directly with FTC staff to gain first-hand appreciation of the practices and approaches that the FTC uses in its enforcement, which they then bring back to their agencies. The FTC hosted 83 competition officials from 31 jurisdictions since the program’s inception in 2007 through the end of FY 2018.
- **International Competition Network (ICN):** The FTC is a leader in the ICN, a pre-eminent venue for the coordination of international antitrust policy. The FTC engages in a number of ways. For example, in FY 2018, the FTC continued to serve on the Steering Group, as well as to co-chair the Merger Working Group and the ICN’s implementation group to promote use of ICN recommendations. The FTC led projects within the ICN to develop guiding principles for procedural fairness in competition agency enforcement, recommended practices for merger review, and practical guidance for application of merger investigative techniques and enforcement cooperation, and also to produce online training materials to promote sound analytical and procedural practices across all aspects of antitrust enforcement.
- **Other Multilateral Fora:** The agency continued its active participation and leadership in the OECD, APEC, UNCTAD, and Inter-American Competition Alliance to promote cooperation and convergence. For example, the FTC played a key role in developing the OECD Competition Committee’s long-term work programs on competition in the digital economy and market studies.

- **Relations with Newer Agencies:** In 2018, FTC and DOJ officials held high-level bilateral meetings with counterparts from China’s antitrust agencies to discuss procedural fairness, interagency cooperation, and the antitrust treatment of the exercise of intellectual property rights. The FTC’s technical assistance program placed resident advisors in the competition agencies of India and the Ukraine, and provided hands-on workshops on investigational skills. The advisors’ work focused on the application of economic analysis in investigations and merger notification procedures. The FTC also assisted Vietnamese authorities in drafting implementing regulations for Vietnam’s new antitrust law and, overall, conducted 24 technical assistance missions in 17 jurisdictions, including regional programs for Africa, Central America, and Eastern Europe. The programs were funded by the FTC, the United States Agency for International Development, the Commerce Department’s Commercial Law Development Program, and the host agencies.
- **Working Within the U.S. Government:** The agency worked with U.S. government colleagues in intergovernmental fora that address competition-related issues, for example, as members of the North American Free Trade Agreement (now United States-Mexico-Canada Agreement (USMCA)) negotiating team, the U.S. team involved in shaping G20 and G7 outcomes on digital economy issues, and the U.S. interagency group that addresses U.S.-China economic and trade issues.



- **Revised Antitrust Guidelines for International Enforcement and Cooperation:** The FTC, together with the U.S. Department of Justice, issued revised international antitrust guidelines in January 2017 to provide practical guidance on the agencies' international antitrust enforcement policies and related investigative tools. Throughout 2018, the FTC took advantage of opportunities to publicize the new guidelines, focusing on the chapter dedicated to international cooperation and the standard that it sets regarding the agencies' use of extraterritorial remedies.
- **State Government Partners:** BC routinely works with state attorneys general (AGs) in its enforcement efforts. State AGs also routinely join as co-plaintiffs in the FTC's federal court litigations.

Challenges or Barriers

The FTC's international competition work is a long-term initiative that can be affected by events and broader interactions between the U.S. and other countries that are outside of the FTC's control.

Strategies

- Work within the U.S. government inter-agency process and with other domestic government entities, including state AGs, to support the FTC's efforts to promote market-based competition and policy convergence.
- Broaden and deepen our cooperation with foreign competition agencies on anti-trust matters that are subject to concurrent review, to improve the effectiveness of investigations and promote consistent outcomes.
- Promote policy convergence toward sound and effective antitrust enforcement internationally by working with foreign competition agencies, including bilaterally through substantive consultations, written comments, and the provision of technical advice, and multilaterally by taking leadership roles in multilateral and regional organizations.
- Provide technical assistance to countries with emerging competition regimes. Provide selected foreign officials with an opportunity to work alongside FTC attorneys, economists, and investigators to enhance their capacity to develop and implement sound competition policy and enforcement.

FY 2019-2020 Next Steps and Future Actions to Meet Strategic Objective

- Support BC's enforcement by providing effective assistance with the international aspects of its investigations and litigation.
- Work with state AGs on joint enforcement efforts where the harm may occur in local or regional markets.
- Maintain the FTC's leadership role in the ICN by participating in the Steering Group and guiding the ICN's strategic direction; leading the ICN's merger work, online training project, and implementation initiatives; and helping develop work on unilateral conduct, agency effectiveness, cooperation, and competition advocacy.

- Enhance the FTC’s participation in other multilateral and regional fora, including the OECD, UNCTAD, and APEC, e.g., by helping to develop the OECD’s work on procedural fairness in competition investigations and enforcement, and the application of competition laws to intellectual property rights.
- Advance cooperation and convergence with foreign competition agencies by improving cooperation in merger and anticompetitive conduct enforcement and policy, including developing new tools for cooperation and leadership on multi-lateral initiatives.
- Strengthen relations with competition agencies, including in Argentina, Australia, Brazil, Canada, China, the European Union, India, Korea, Mexico, Taiwan, and the United Kingdom, through dialogue on policy initiatives, case cooperation, and, as appropriate, the provision of technical assistance.
- Work with other U.S. agencies, including bilaterally and in intergovernmental fora, to address appropriate competition-related issues.
- Continue the FTC’s international competition technical assistance program.

External Factors

- The development of competition policy involves numerous stakeholders, political considerations, and economic factors. Enforcement of the more than 130 competition laws often overlap and intersect, and can potentially conflict. Foreign policy and political considerations that are outside the scope of competition policy may also play a role. All of these factors can affect enforcement, cooperation, policy, and the ability to accomplish the objectives of the U.S. antitrust agencies.
- The ability to conduct international technical assistance depends in part on the availability of external resources, support of U.S. embassies abroad, and the willingness of foreign governments to accept U.S. assistance and advice.

Performance Measures

Key Performance Goal 2.3.1: Percentage of FTC cases involving at least one substantive contact with a foreign antitrust authority in which the agencies followed consistent analytical approaches and reached compatible outcomes.

The Office of International Affairs (OIA) strives to ensure appropriate cooperation on and coordination of investigations under parallel review by the FTC and foreign competition agencies. This measure gauges the effectiveness of the FTC's enforcement cooperation with foreign antitrust authorities pursuing parallel enforcement activities.

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Target	95%	95%	95%	95%	95%	95%	
Actual	100%	100%	100%	96%	98%	---	
Status	Exceeded	Exceeded	Exceeded	Exceeded	Exceeded	---	

FY 18 Highlights: In FY 18, the FTC had 82 substantive contacts in 43 enforcement matters with counterpart agencies around the world, including in Australia, Argentina, Brazil, Canada, Chile, China, Colombia, the European Union, Germany, Italy, Japan, Korea, Mexico, New Zealand, Saudi Arabia, Singapore, South Africa, Taiwan, and the United Kingdom. Those agencies reached compatible outcomes in all but one of the cases completed during the fiscal year. While the FTC will continue to strive for 100% success, the target reflects the possibility of inconsistent outcomes, particularly as less mature antitrust agencies assert their jurisdiction and as the number of agencies that enforce unilateral conduct prohibitions expands.

Performance Goal 2.3.2: Number of instances in which the FTC provided policy advice or technical assistance to foreign competition agencies or governments, directly and through international organizations.

This measure quantifies FTC’s efforts to assist young competition authorities to enhance their enforcement capacity, build sound regulatory frameworks, improve agency effectiveness, and promote competition policies in their economy. These efforts include providing policy advice and direct technical assistance, as well as professional development opportunities for international partners through the International Fellows program.

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Target	120	120	120	120	120	120	
Actual	161	144	171	160	151	---	
Status	Exceeded	Exceeded	Exceeded	Exceeded	Exceeded	---	

FY 18 Highlights: In FY 2018, the FTC provided policy advice to foreign competition agencies in 117 instances through consultations, written submissions, and comments on proposed laws and guidelines. The FTC’s policy advice remains highly regarded and sought after by new and experienced competition agencies and by participants in international organizations and conferences. The agency also conducted 24 technical assistance missions in 17 jurisdictions and hosted ten officials from foreign agencies through our International Fellows program in support of the competition mission.

Other Indicator

Indicator 2.3.IND.1: Percentage of full investigations in which the FTC and other U.S. federal, state, and local government agencies shared evidence or information that contributed to FTC law enforcement.

Due to the wide geographic impact of merger and nonmerger actions, it is important that the FTC share information and resources with other federal, state and local government agencies in the investigation and enforcement of cases. This indicator tracks the number of full merger and nonmerger investigations concluded in a given fiscal year that involved information sharing with federal, state, or local government agencies.

	FY 2016	FY 2017	FY 2018
Actual	N/A	N/A	52.6%

Strategic Goal 3: Advance the FTC's Performance Through Excellence in Managing Resources, Human Capital, and Information Technology.

The FTC believes that advancing organizational performance at all levels creates a strong foundation for overall mission success. The agency's work in furtherance of Strategic Goal 3 highlights ongoing efforts to provide quality and timely services to the agency and enhances the agency's ability to focus on protecting consumers and maintaining competition.

Goal 3 is inherently collaborative and encompasses all of the agency's key management areas: human capital; infrastructure and security; information technology resources; and financial management. Work in Goal 3 fosters leadership, transparency, and accountability across the agency and establishes a culture of customer service and effective planning, administration, and management. Employees at all levels are expected to show leadership in their areas of responsibility by exhibiting a willingness to develop and coach others, a commitment to teamwork, and a drive to find innovative and efficient solutions.

The FTC has established three objectives to guide work in this area:

- **Objective 3.1:** Optimize resource management and infrastructure.
- **Objective 3.2:** Cultivate a high-performing, diverse, and engaged workforce.
- **Objective 3.3:** Optimize technology and information management that supports the FTC mission.

Goal 3 and its Strategic Objectives comprise the Stewardship focus component of the FTC's 2018 Performance Report and the FY 2019–2020 Performance Plan.

Objective 3.1: Optimize resource management and infrastructure.

Goal Leaders: Executive Director, Office of the Executive Director (OED); General Counsel, Office of the General Counsel (OGC)

Progress Update

- The FTC completed a review of essential supporting activities as part of the required annual review of the Continuity of Operations (COOP) Plan. Participation in the Federal Emergency Management Agency (FEMA) annual Eagle Horizon exercise in May 2018 verified the operability and effectiveness of the COOP Plan.
- The Administrative Services Office (ASO) worked with the General Services Administration (GSA) to more effectively configure the agency's leased space in its New York and Cleveland regional offices to provide additional workspace and better serve our regional office staff.
- As part of the ongoing OMB 11-11 and Federal Public Key Infrastructure (FPKI) for PIV Card certificate and modernization effort, FTC implemented the GSA US

Access PIV Card across all regional offices to enable more efficient and effective logical and physical access.

- The FTC completed two Facility Security Assessments (FSAs) for the Cleveland, OH and Dallas, TX offices, which identified enhancements to the security countermeasures and posture of the facilities.
- In FY 2018, ASO and the Records and Filing Office merged to improve coordination and operational efficiency supporting the FTC's missions. Along with streamlining the organization structure to take advantages of synergies between complementary business lines, a new office was created, the Office of the Chief Administrative Services Officer (OCASO), to promote customer relationships, modernization efforts, and continuous improvements supporting the three business lines of space and facilities, records and information, and continuity and security management.
- FMO implemented an Enterprise Risk Management (ERM) program and documented risks related to achieving the FTC's strategic goals and objectives. This helped leadership determine where to apply resources to address the highest priorities and risks. FMO will continue to support efforts to monitor and update risk registers to highlight the most significant risks, and will report to senior management for decision-making.
- In a team effort with the Office of the Chief Information Officer (OCIO), the FTC's acquisitions branch awarded four Blanket Purchase Agreements to industry partners in support of OCIO's work to migrate agency IT services to the cloud.
- FMO has worked to improve customer service for agency travelers by expanding our travel support helpdesk, implementing a new policy on booking leisure travel jointly with official travel, and rolling out a new VIP support service for FTC Commissioners and Bureau Directors.
- FMO implemented revised travel procedures to bring the agency into compliance with federal travel regulations.

Challenges or Barriers

- Changes in the economy have a direct impact on our agency's ability to attract and retain its workforce. Strong job markets have led talented staff to seek more lucrative opportunities at other higher-paying agencies or in the private sector.

Strategies

- Continue to update the agency's COOP Plan, which defines necessary planning and actions to ensure the preservation and performance of FTC mission essential functions.
- Publish comprehensive Emergency Guides for FTC DC facilities and staff. Guides will be used to set up a training program for emergency preparedness that will include various training formats, including an online component. Training will be encouraged and emphasized through a robust communication plan that will ensure people know what they should do to be safe, as well as how they can best

prepare themselves for emergencies. Additionally, FTC will emphasize drills and activities that provide employees the opportunity to practice proper emergency response procedures.

- As part of the implementation and issuance of the new US Access PIV cards, all FTC employees will be issued new PIV cards by the end of FY 2019, and the agency will begin routine maintenance of the cards and certificates every three to five years.
- Begin to develop a facility construction plan to mitigate enhanced security countermeasures as part of the FSA's findings.
- Improve the effectiveness and efficiency of the FTC's financial management operations, including critical procurement-related work. Building on the successful integration of the procurement and core financial systems, the FTC plans to automate how the agency receives and pays for services. This complete financial management system will strengthen the agency's internal controls, improve efficiency of the end-to-end procure-to-pay process, and provide agency staff with timely information regarding budget execution and the availability of funds.
- Improve our Procurement Action Lead Time (PALT), a widely-used government measurement that estimates the number of days to award a procurement action, once a complete procurement package has been received.
- Ensure timely filing of senior officials' public financial disclosure reports through improved tracking and communication.

FY 2019- 2020 Next Steps and Future Actions to Meet Strategic Objective

- Review and update the FTC COOP Plan to ensure the plan supports the essential functions of the agency. While the FTC's current plan meets all government requirements, the FTC revised the plan in FY 2018 to reflect the framework of the new Presidential Policy Directive on Continuity (PPD-40) and the recent update of the Federal Continuity Directive 1.
- Expand knowledge about emergency preparedness by developing and delivering classroom and web-based training courses.
- Continue to promote and develop a strong working relationship with all staff that focuses on customer service while adhering to agency policy.
- Develop improved processes and policies for financial and acquisition management that promote integrity, transparency, efficiency, and effectiveness.
- Update the Electronic Security System (ESS) at HQ by embedding all integrated components, such as the Physical Access Controls Systems (PACS), which are Federal Identity, Credential, and Access Management (FICAM) compliant. Replace the obsolete analog Closed Circuit Television systems (CCTV) with a modern digital system, and add an Intrusion Detection System (IDS). This will allow the FTC to monitor, manage, and secure resource access and usage, including

electronic files, computer systems, and physical resources (e.g., server rooms and buildings).

- Continue with the implementation of ERM in accordance with agency policy.
- Implement new acquisition policies and increase training for agency Contract Officer Representatives.

External Factors

- Changes in government requirements, especially for financial management, may cause a shift in priorities or change how the FTC approaches the work.
- Changes in federal ethics requirements and whether the U.S. Office of Government Ethics continues to provide Integrity.gov as its disclosure report database may affect how the FTC's Ethics Team collects and reviews public financial disclosure reports.
- The annual OED Customer Satisfaction Survey is voluntary. If few FTC employees choose to respond to the survey, the usefulness of the data to drive service improvements will be limited.

Performance Measures

Performance Goal 3.1.1: The extent to which the FTC is prepared to protect people and property and to continue mission essential operations during emergencies.

(a) Achieve a favorable COOP rating. The FTC Continuity of Operations (COOP) Plan defines the necessary planning and actions that are required to ensure the preservation and performance of the FTC’s essential functions. Continuity planning facilitates the performance of FTC essential functions during all-hazards emergencies or other situations that may disrupt or potentially disrupt normal operations. The FTC COOP Plan is validated through annual tests, training, and exercises that confirm the agency’s ability to perform essential supporting functions during an emergency. The annual government-wide Eagle Horizon exercise serves to assess and validate components of the continuity plan as well as the policies, procedures, systems and facilities used to respond to and recover from an emergency. This assessment also serves to identify issues for subsequent improvement.

(b) The number of products and activities related to Physical Security that inform staff and provide opportunities to practice emergency procedures. It is important that FTC employees have as much information as possible regarding actions and resources that will ensure their safety during emergencies. The Occupational Health and Safety Office develops promotional and educational materials such as posters, publications, internet tools, classroom and web-based training courses, and appropriate exercises and drills designed to give employees the information they need to remain safe. This measure will track the number of products (posters, publications, etc.) and activities (training opportunities, drills, etc.) focused on physical safety and security that are provided to FTC employees.

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Target	(a)75% (b) N/A	(a)75% (b) N/A	(a)75% (b)N/A	(a)75% (b)N/A	(a) 75% (b) Baseline	(a) 80% (b) 42	(a) 85% (b) 42
Actual	(a)85% (b)N/A	(a)90% (b)N/A	(a)90% (b)N/A	(a)95% (b)N/A	(a)95% (b) 39	(a)--- (b)---	(a)--- (b)---
Status	(a)Exceeded (b)N/A	(a)Exceeded (b)N/A	(a)Exceeded (b)N/A	(a)Exceeded (b)N/A	(a)Exceeded (b)N/A	(a)--- (b)---	(a)--- (b)---

FY 18 Highlights: (a) The FTC revised its COOP plan in FY 2018 to reflect the framework of the new Presidential Policy Directive on Continuity (PPD-40) and the recent update of the Federal Continuity Directive 1.

(b) The FTC offers a mix of resources to promote employee safety and security. This year the FTC concentrated on added print resources detailing physical security resources and building-specific emergency guides. FTC also collaborated with the Department of Homeland Security to provide in-person training on staying safe during active shooter situations.

Performance Goal 3.1.2: Percentage of survey respondents who are satisfied or very satisfied with the timeliness of administrative operations.

The FTC Office of the Executive Director (OED) conducts an annual online Customer Satisfaction Survey. The survey is voluntary, anonymous, and offered to all FTC employees. Respondents are asked to indicate their level of satisfaction on a 5-point scale of Very Satisfied to Very Dissatisfied related to services provided by OED Offices. This measure tracks the level of satisfaction with the responsiveness of the Administrative Services Office to phone and email requests (Question #34).

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Target	N/A	N/A	N/A	N/A	Baseline	75%	
Actual	N/A	N/A	N/A	81%	82%	---	
Status	N/A	N/A	N/A	N/A	N/A	---	
FY 18 Highlights: Agency staff are satisfied with the timeliness of response to a wide variety of administrative service requests that are provisioned by OCASO. The survey included transportation, space, facilities, physical security, and records management, among other services.							

Performance Goal 3.1.3: Achieve a favorable (unmodified) audit opinion from the agency’s independent financial statement auditors.

FTC management is responsible for the preparation and fair presentation of annual financial statements in accordance with U.S. generally accepted accounting principles. As required by law, the FTC’s financial statements are audited annually by independent auditors. The auditors will determine whether the Annual Financial Statements and related notes present fairly, in all material respects, the assets, liabilities, and net position in accordance with U.S. generally accepted accounting principles. The ideal outcome is an unmodified or clean opinion. Potential negative outcomes include a qualified or adverse opinion or a disclaimer from opinion.

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Target	Unmodified opinion on the financial statements.	Unmodified opinion on the financial statements.	Unmodified opinion on the financial statements.	Unmodified opinion on the financial statements.	Unmodified opinion on the financial statements.	Unmodified opinion on the financial statements.	Unmodified opinion on the financial statements.
Actual	Unmodified opinion	Unmodified opinion	Unmodified opinion	Unmodified opinion	Unmodified opinion	---	
Status	Met	Met	Met	Met	Met	---	
FY 18 Highlights: The agency received a “clean” (unmodified) opinion on its financial statements. The opinion is determined by the independent auditor’s review and test of internal controls over operations and financial reporting and the auditor’s determination that the financial statements and notes are presented fairly.							

Performance Goal 3.1.4: Percentage of new entrant, annual, and termination Public Financial Disclosure Reports that are filed within the required timeframe.

Ensuring public confidence in the integrity of FTC operations is paramount. The Ethics in Government Act of 1978, as amended, requires senior FTC officials to file public financial disclosure reports (OGE Forms 278e) addressing their finances as well as other interests outside the federal government. The reports allow for a systematic review of the financial interests of both current and prospective senior staff and the timely filing of the OGE Form 278e helps prevent actual conflicts of interest and ensures the FTC’s Ethics Team is able to identify and address potential conflicts. This measure will track the percentage of public disclosure reports that filed within the required timeframe. Timeframes vary based on the type of required filing, and the FTC’s Ethics Team may grant limited extensions of the filing deadline for good cause.

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Target	N/A	N/A	N/A	N/A	Baseline	95%	
Actual	N/A	N/A	N/A	N/A	98.3%	---	
Status	N/A	N/A	N/A	N/A	N/A	---	

FY 18 Highlights: The FTC received an entirely new slate of Commissioners, resulting in a high rate of turnover in senior staff positions throughout the agency. The FTC received 5 nominee reports, 13 new entrant reports, 38 annual reports, 4 termination reports, and 2 combined annual/termination reports. Taking into account all reports, only one new entrant report was untimely (after obtaining an extension, one new entrant filed the report one day late).

Performance Goal 3.1.5: Percentage of contract actions awarded within FTC’s established Procurement Action Lead Time (PALT).

Awarding government contracts, orders, and modifications takes a tremendous amount of staff time. To measure the efficiency of our acquisitions branch, this measure tracks the percentage of contract actions finished within established lead times. The lead time varies depending on the type of contract.

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Target	N/A	N/A	N/A	N/A	Baseline	65%	70%
Actual	N/A	N/A	78%	65%	57%	---	---
Status	N/A	N/A	N/A	N/A	N/A	---	---

FY 18 Highlights: Acquisitions staff completed 678 contract actions in FY 2018, a significant increase from the 529 actions completed in FY 2017. This increased workload, as well as staffing issues, led to a lower percentage of contract actions completed within the PALT.

Objective 3.2 Cultivate a high performing, diverse, and engaged workforce.

Goal Leaders: Executive Director, OED; Director, Bureau of Consumer Protection; Director, Bureau of Competition; Director, Bureau of Economics; General Counsel, OGC

Progress Update

- **Leveraging Technology to create HR efficiencies:**
 - » **Electronic Official Personnel Folder (eOPF):** This virtual, web-based system replaced the FTC's paper-based personnel records management system, and will provide FTC staff and Human Capital Management Office (HCMO) personnel on-demand access to personnel records. eOPF is designed to protect the information rights, benefits, and entitlements of federal employees. The improved security and oversight enabled by the eOPF system will also fulfill an important role as part of the FTC COOP Plan. Additionally, it will create major efficiencies in reviewing personnel folders and will allow seamless electronic transfer of the eOPF when an employee moves between organizations or agencies. It also complies with Office of Personnel Management (OPM) and federally mandated Human Capital employee record management regulations.
 - » **Electronic Performance Management System (USA Performance):** The USA Performance system includes complete workflow management and tracking of performance evaluations. The system provides the ability to check the status of all agency performance plans by office or employee at any time. Feedback and performance information is stored in one secure location. Automation ensures greater accountability and transparency of the agency's performance appraisal process. Roll-out to the entire agency at all grade levels, including SES, will be completed in 2019.
 - » **Recruitment and Hiring System:** Persistent technical issues with the current system have created delays in the hiring process both for HCMO and for hiring managers. If a better solution is determined to be available, HCMO will plan a migration.
- **Training Assessment:** This year HCMO addressed a 2017 OPM audit finding by conducting an agency-wide training assessment to identify the training needs of the Commission's professional and support employees. The results of that assessment were evaluated and are being implemented.
- **Performance Appraisal Changes:** Moving Critical Elements from 5 to 4: The FTC currently uses a five-tier performance appraisal system with ratings assigned to one of five levels: Outstanding, Commendable, Satisfactory, Minimally Acceptable, or Unacceptable. The Commission will be moving to a four-tier performance appraisal system by eliminating the Minimally Acceptable rating level. This change will fulfill requirements of OMB Memorandum M-17-22 to improve the agency's ability to maximize employee performance and improve management's ability to distinguish between Satisfactory and Unacceptable performance.

- Voluntary Separation Incentive Payments Authority (VSIP)/Voluntary Early Retirement Authority (VERA): As part of the President’s initiative to reduce the Federal Civilian Workforce, as well as workforce reshaping activities requested through OMB Memorandum M-17-22, the FTC received two years of authority to offer VERA and VSIP to staff in targeted occupational series. In total, 31 employees separated from the FTC under the VERA-VSIP program in FY18. These vacated positions continue to be reshaped to recruit staff with updated skills essential to mission accomplishment. In FY19, the agency again has utilized its authority to offer VERA and VSIP to further implement its workforce reshaping efforts. Total numbers of employees availing themselves of this offer will not be known until April 2019. Utilizing this authority, the FTC expects to operate even more effectively in achieving its mission, going forward.
- Strengthening Senior Executive’s Performance Plans: To strengthen executive leadership competencies and ensure executives are held accountable for performance of their staff, FTC’s Executive Resources Board recently increased the weight for the “Leading People” Critical Element on all Senior Executive Service (SES) performance plans. This element requires SES to complete 100% of their staff performance plans, mid-cycle reviews, and appraisals, in addition to establishing individual learning and training plans.

Challenges or Barriers

HCMO is working to modernize the agency by moving its HR systems from paper-based to electronic systems. The success of these projects is predicated on having staff with the technical expertise and experience to lead this change and ensure the successful adoption of these systems. As evidenced by the agency’s VERA/VSIP workforce reshaping efforts, the agency is simultaneously trying to recruit employees with the necessary technical competencies to support this work. Accordingly, the agency may not have enough staff with the necessary competencies to successfully lead such modernization efforts or staff with the skills to easily and quickly adopt such changes, which may serve as barriers to implementation. In addition, HCMO has experienced significant turnover. The demand for competent federal HR professionals is high and the market quite fluid. As a result, timely completion of these initiatives and HR operational work may prove very challenging, and potentially more costly.

Strategies

- Use integrated workforce planning to identify and fulfill current and future human capital needs, including recruiting and retaining HR professionals with the requisite technical competencies to support the deployment and management of electronic HR systems. This work will enable HR and the agency to carry out the FTC’s mission more efficiently and effectively, while more nimbly meeting future needs.
- Implement programs and processes to enable the agency to recruit, develop, and retain a highly qualified and diverse workforce.

- Support an agency-wide performance culture that focuses on individual development and organizational accountability to achieve the FTC's programmatic goals and priorities by enhancing SES and other leaders' performance plans and deploying training initiatives that are aligned with the agency's strategic plan and emergency agency needs.

FY 2019-2020 Next Steps and Future Actions to Meet Strategic Objective

- Continue working toward OPM's 80-day time-to-hire model through business process re-engineering and improvement of practices, where appropriate, while meeting the agency's business needs, including the ability to reach the right talent for FTC's positions.
- Expand efforts to promote diversity and encourage inclusion.
 - » Partner with hiring managers to deploy recruitment and outreach strategies to attract a diverse workforce.
 - » Educate managers on the benefits of an inclusive work environment to promote employee engagement.
- Continue to equip managers and employees to embrace change in order to drive organizational success and outcomes.
- Leverage technology to:
 - » improve and advance agency HR processes
 - » make managers and employees more efficient through the use of human capital automated systems and processes (i.e., personnel actions, onboarding).
- Promote and expand the use of human resources flexibilities such as telework, reasonable accommodation, and wellness programs that support employee retention.
- Assess agency training needs and programs annually and determine how these programs contribute to mission accomplishment and meet organizational performance goals.
- Continue to provide proactive support to managers, supervisors, and employees on human resources issues, through direct consultation, classroom sessions, brown bag sessions, webinars, notices to employees, the agency's newsletter (FTC Daily), and an HCMO internet page that provides the most up-to-date content for FTC staff.
- Continue to implement changes to SES/Executive leadership performance plans as well as the Non-SES managerial performance appraisal system that encourage the development and training of staff, foster accountability, and ensure performance excellence in the accomplishment of the agency's mission and goals.
- Complete utilization of VERA and VSIP authority to reshape the FTC's workforce to support the mission.

External Factors

- Delays in annual appropriations have the potential to adversely affect implementation of human capital strategies and programs.
- Changes in the economy have a direct impact on the agency’s ability to attract and retain its workforce. Strong job markets have led talented staff to seek more lucrative opportunities at other higher-paying agencies or in the private sector.
- The agency has to stay abreast of, and try to compete as best it can with, the benefits offered by the private sector and sought by the 21st century workforce.

Performance Measures

Performance Goal 3.2.1: The extent to which FTC employees consider their agency to be a best place to work.

Employee satisfaction is measured by averaging the results from three questions on the Federal Employee Viewpoint Survey (FEVS). Measuring the overall job satisfaction of FTC employees provides managers with important information regarding employees’ general satisfaction with their organization and the work they do. Overall job satisfaction is closely correlated with employee retention.

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Target	N/A	N/A	N/A	N/A	65%	Exceed the government-wide average results.	
Actual	N/A	79.2%	81.2%	82.9%	85.0%	---	---
Status	N/A	N/A	N/A	N/A	Exceeded	---	---

FY 18 Highlights: The overall job satisfaction of FTC employees who consider the agency a best place to work is significantly higher than the government wide average, and the FTC exceeded the government-wide average score by 20 percentage points in 2018. This data provides FTC leadership with important information regarding employees’ job satisfaction with their organizations, employee’s engagement with the work they do and the extent that they consider the FTC to be a favored place to contribute their talents for mission accomplishment.

Performance Goal 3.2.2: The extent employees believe the FTC encourages an environment that is open, diverse, and inclusive.

The New IQ Index of the FEVS determines this measure. The Index gauges the extent to which employees believe the agency has policies and programs that promote a work environment that is open, diverse, and inclusive. This includes having managers support creativity and innovation and a workforce that is representative of all segments of society. The New IQ Index identifies behaviors that help create an inclusive environment and is built on the concept that repetition of inclusive behaviors will create positive habits among team members and managers. Workplace inclusion is a contributing factor to both employee engagement and organizational performance.

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Target	56%	57%	58%	60%	61%	Exceed the government-wide average results.	
Actual	68.0%	70.2%	75.0%	77.8%	77.6%	---	---
Status	Exceeded	Exceeded	Exceeded	Exceeded	Exceeded	---	---
FY 18 Highlights: FTC exceeded the government-wide average for all agencies on the New IQ Index score of 61% by 17%. With a score of 78%, the FTC also ranked 1st in the category of medium sized agencies (1,000-9,999 employees).							

Key Performance Goal 3.2.3: The extent to which employees believe the FTC cultivates engagement throughout the agency.

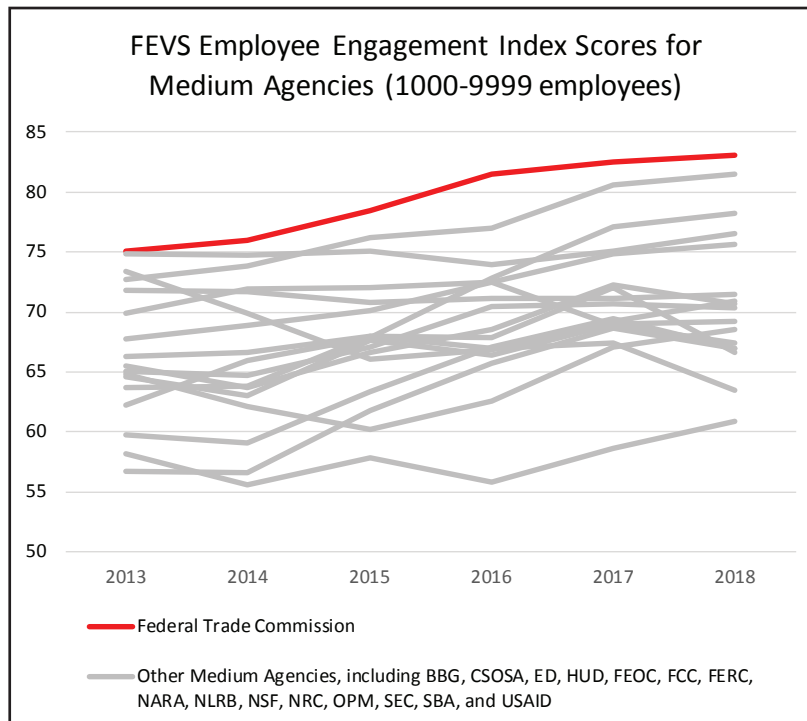
The Employee Engagement Index (EEI) of the FEVS determines this measure. The Index gauges the extent to which employees believe that management listens and provides meaningful support and feedback in various areas that assist staff in supporting the overall mission of the agency. The index is compiled from questions across three sub factors: Leaders Lead, Supervisors, and Intrinsic Work Experience.

- Leaders Lead: Employees’ perceptions of leadership’s integrity, as well as leadership behaviors such as communication and workforce motivation.
- Supervisors: Interpersonal relationship between worker and supervisor, including trust, respect, and support.
- Intrinsic Work Experience: Employees’ feelings of motivation and competency relating to their role in the workplace.

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Target	N/A	N/A	N/A	N/A	68%	Exceed the government-wide average results.	
Actual	N/A	78.5%	81.5%	82.5%	83.1%	---	---
Status	N/A	N/A	N/A	N/A	Exceeded	---	---

FY 18 Highlights:

FTC exceeded the government-wide average Employee Engagement Index score of 68% by 15%. With a score of 83%, the FTC also ranked 1st in the category of medium sized agencies (1,000-9,999 employees).



Performance Goal 3.2.4: The extent to which employees believe FTC management promotes a results-oriented performance culture.

The Results Oriented Performance score of the FEVS determines this measure. The score indicates the extent to which employees believe their organizational culture promotes improvement in processes, products, and services, and organizational outcomes.

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Target	N/A	N/A	N/A	N/A	55.7%	Exceed the government-wide average results.	
Actual	N/A	65.0%	70.4%	72.9%	74.1%	---	
Status	N/A	N/A	N/A	N/A	Exceeded	---	

Other Indicators

Indicator 3.2.IND.1: Percentage of eligible FTC employees who have telework agreements.

This indicator will provide information on overall employee participation in the FTC telework program. Telework is a valuable tool that supports workplace flexibility by allowing an employee to perform work during any part of regular, paid hours, at an approved alternative worksite (e.g., home, telework center). It is an important tool for achieving a resilient and results-oriented workforce.

	FY 2016	FY 2017	FY 2018
Actual	N/A	N/A	84.9%

Indicator 3.2.IND.2: Number of requests for reasonable accommodations resolved through the FTC’s reasonable accommodations process.

This indicator will track the resolution of requests for reasonable accommodation submitted to the HCMO Disability Program Manager by FTC employees or job applicants with permanent or temporary disabilities that affect the performance of their job duties. Tracking this data helps ensure the agency is in compliance with the policies and procedures outlined in the Administrative Manual, Chapter 3: Section 300 - Disability Anti-Discrimination Policy and Reasonable Accommodation Procedures.

	FY 2016	FY 2017	FY 2018
Actual	N/A	N/A	46

Indicator 3.2.IND.3: Average number of days to issue a certificate of eligible candidates to a hiring manager.

This indicator will track the average number of days it takes for HCMO Human Capital (HC) specialists to issue a certificate of eligible candidates to hiring managers after a job opportunity announcement has closed. The ability to provide a list of eligible job candidates in a timely manner enables managers to continue to meet the FTC mission by filling vacant positions with qualified persons as quickly as possible.

	FY 2016	FY 2017	FY 2018
Actual	N/A	N/A	13.5 days

Indicator 3.2.IND.4: Average number of days to make a hiring decision.

This indicator will track the average number of days between the date hiring managers receive a certificate of eligible candidates and the date managers return hiring certificates to HCMO for processing after a hiring decision has been made. When managers review qualifications, interview and evaluate eligible candidates, and make final hiring decisions in a timely manner, HC specialists are more likely to have offers accepted by the hiring managers' top candidates.

	FY 2016	FY 2017	FY 2018
Actual	N/A	N/A	29 days

Objective 3.3 Optimize technology and information management that supports the FTC mission.

Goal Leader: Executive Director, OED

Progress Update

- The FTC updated its IRM Strategic Plan to cover FY 2018-2022 to align with the agency's updated Strategic Plan. The IRM Strategic Plan provides strategic direction for enhancing IT service performance and proposes initiatives to modernize IT through a large-scale migration to high-availability cloud services.
- The FTC completed an increase in the agency's internet and wide-area network bandwidth to improve system performance for Regional Office staff and facilitate the increased internet usage necessary to use cloud-based applications.
- The FTC completed a pilot and proof-of-concept (POC) for a cloud-based legal review tool. This pilot allowed the FTC to validate its requirements for legal review and determine the FTC's approach for legal review tools in the future. This project will facilitate the agency's permanent migration to a cloud-based legal review tool, providing FTC staff with a reliable, robust, and scalable tool for electronic discovery and decreasing the agency's infrastructure footprint.
- The FTC continues to upgrade and replace aging, end-of-support equipment and applications to increase user functionality and decrease the risk of downtime, sys-

tem failures, and security vulnerabilities. In FY 2018, the FTC completed projects to upgrade the on-premises email environment and replaced laptops for FTC staff.

- The FTC awarded its Information Technology Support Services (ITSS) blanket purchase agreement and two task orders to begin the modernization of the agency's office productivity and service management applications. These task orders include the deployment and configuration of cloud-based software suites for office productivity, including e-mail. These new tools are expected to increase productivity for the entire agency through increased service availability, increased user functionality, and faster data processing.
- Implemented a paperless process for maintaining, distributing, and storing copies of Commission-approved documents. This step, taken in collaboration with OGC and OS, reduces the Commission's paper footprint and promotes best practices in federal records management.
- Successfully transferred approximately 1,000 boxes of permanent records to National Records Archives Administration (NARA) custody and identified more than 1,800 boxes of temporary records for destruction.
- The FTC transitioned to maintaining official documents of the Commission electronically, which has reduced the agency's paper consumption and increased process efficiency.

Challenges and Barriers

- The FTC needs to improve its IT configuration management practices, particularly its documentation of baseline configurations and technical architecture, to ensure that the impact, security implications, and risks of changes to the agency's IT systems are adequately considered.

Strategies

- Execute a unified IT Modernization Program to ensure all IT initiatives are strategically aligned and reduce the cost of commodity IT services through cloud-based and shared solutions, redirecting savings to mission-focused litigation support solutions.
- Use government-wide acquisition contracts (GWAC) and secure cloud providers to reduce cost and speed implementation of modernization efforts.
- Focus on security, documentation, and process improvements necessary to advance the FISMA maturity of the FTC.
- Improve agency IT services by creating resilient and available services, consolidating management and increasing utilization of IT resources, and investing in new technologies to advance the FTC's mission.
- Continue the transition to electronic information resource management and electronic recordkeeping and manage FTC records in accordance with the Managing Government Records Directive M-12-18.

- Implement an Enterprise Content Management (ECM) system to allow staff to work collaboratively and to manage information throughout its lifecycle.

FY 2019-2020 Next Steps and Future Actions to Meet Strategic Objective

- Identify and implement business process improvements through effective use of technology to facilitate the agency's decision-making processes and management of its cases.
- Provide records and information management training and outreach to staff, with special emphasis on managing information electronically throughout its lifecycle.
- Continue to develop an agency-wide information governance policy to support efficient management of electronic information with appropriate access restrictions.
- Implement the final rule, recently issued by NARA that establishes uniform executive-branch wide standards for designating, handling and decontrolling Controlled Unclassified Information (CUI).
- Develop service-level strategies and identify the resources, activities, and projects required to modernize, improve performance, and increase availability of core IT services.
- Design and begin implementation of a modernized communications infrastructure that supports the migration of FTC systems to external cloud environments and increases reliability and availability of FTC networks.
- Continue migration of mission-critical business applications and systems to externally hosted cloud environments to improve performance and decrease risk of system downtime or failure.
- Improve end-user productivity and mobility through the issuance of new laptops and mobile devices with upgraded operating systems and office productivity applications.

External Factors

- The ability to make the significant technology investments that will be required to modernize, including investments in an ECM system, may be affected by resource constraints.
- Federal mandates and guidance may limit available information management solutions and delay cloud-based modernization efforts.
- Evolving information security threats will affect IT modernization efforts and the FTC's overall risk posture. The FTC will continue to mature its processes and documentation surrounding information security and risk management to monitor and mitigate risks associated with IT modernization efforts as part of a comprehensive IT risk management program. The FTC will also continue to standardize security controls across systems to decrease complexity and risk.

Performance Measures

Performance Goal 3.3.1: Availability of information technology systems.

Information technology systems must be available and accessible to support the FTC mission. Lack of availability and accessibility severely constrains employees and managers' ability to serve the public and stakeholders. This measure tracks service outages and monitors the uptime of 11 critical information technology services, as well as the agency's infrastructure backbone, including:

- Email
- FTC-specific applications and systems
- Wireless services
- Internet
- Intranet
- Phone and Voicemail
- Wide Area Network
- The agency's primary public website (www.ftc.gov)
- Litigation support applications and systems
- Economic support systems
- Remote employee access

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Target	99.50%	99.50%	99.50%	99.50%	99.50%	99.50%	99.60%
Actual	99.98%	99.82%	99.75%	99.70%	99.71%	---	---
Status	Exceeded	Exceeded	Exceeded	Exceeded	Exceeded	---	---

FY 18 Highlights: In FY 2018, the FTC exceeded its target of 99.5% for information system availability. The Office of the CIO conducted multiple tasks and projects that contributed to exceeding the target. These tasks include upgrades of infrastructure components that provide the backbone of the agency's network; deployment of a new remote access tool for employee teleworking; upgrade of the agency's on-premise email solution; and migration to a new cloud-based legal review tool. These actions ensured continued availability by providing components with improved performance or transferring the performance to a high-availability cloud service provider.

New in FY 2018: While this metric has been reported for several years, beginning in FY 2018 OCIO will start including planned outages as well as unplanned outages in its measure of system uptime. FY 2014-2017 performance results are reported for historical purposes.

Performance Goal 3.3.2: Percentage of IT spend on Provisioned IT Services.

This measure tracks the agency’s progress in moving IT services to the cloud. Transitioning to cloud-based services is a key component of OCIO’s Strategic Plan and will benefit the FTC through increased flexibility, dependability, and, ultimately, cost savings.

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Target	N/A	N/A	N/A	N/A	Baseline	37%	40%
Actual	N/A	N/A	N/A	N/A	36.6%	---	---
Status	N/A	N/A	N/A	N/A	N/A	---	---

FY 18 Highlights: In FY 2018, the FTC continued progress in migrating IT services to cloud environments. The agency completed a pilot of a new cloud-based legal review tool and awarded contracts to migrate the agency’s email and IT service management tool to software-as-a-service (SaaS) environments.

Performance Goal 3.3.3: Achieve a favorable rating in the FTC Cybersecurity Index.

This measure monitors the agency’s progress in achieving multiple critical cybersecurity metrics, each of which measures the agency’s cybersecurity posture and strength in protecting the confidentiality, integrity, and availability of information systems. The cybersecurity metrics that go into this Index are:

- % of major systems with a valid authority to operate (ATO). Measures the number of major IT systems with a valid ATO, documenting review of system security controls and review and acceptance of system risks.
- % of GFE workstations with below the “acceptable” vulnerabilities threshold. Measures the number of GFE workstations with critical and potentially exploitable vulnerabilities, indicating the agency’s risk level for cyberattacks. This is a measurement of the most frequently compromised assets.
- % of GFE workstations scanned monthly. Measures the number of GFE workstations scanned to ensure vulnerabilities are addressed in a timely manner based on risk and impact. Leading indicator on the repeatability and effectiveness of the vulnerability assessment and remediation processes.
- % of GFE workstations patched within 30 days. Workstations are scanned monthly to make sure they have the most recent patches. GFE workstations that have been patched within the 30 days prior to the monthly scans have a reduced opportunity to exploit vulnerabilities.
- % of assets with valid baseline configuration. Measures the number of assets with a documented and validated baseline configuration. This is an indication of how well the IT environment is known and secured. Undocumented assets cannot be effectively secured.
- % of GFE workstations deviating from baseline configuration. Measures the number of GFE workstations that deviate from that baseline without a docu-

mented risk acceptance. This is an indicator of the effectiveness of the configuration management process.

- % of unprivileged users using multi-factor authentication. Measures the number of unprivileged (i.e. general) FTC staff using multi-factor authentication to access the FTC network, decreasing the risk of unauthorized access to agency systems
- % of privileged users using multi-factor authentication. Measures the number of privileged FTC staff (i.e., system administrators with elevated system rights) using multi-factor authentication to access the FTC network, decreasing the risk of insider threat and unauthorized access to highly sensitive data.

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Target	N/A	N/A	N/A	N/A	Baseline	6 of 8	
Actual	N/A	N/A	N/A	N/A	3 of 8	---	
Status	N/A	N/A	N/A	N/A	N/A	---	

FY 18 Highlights:

- During FY 2018, three systems were retired and two systems were added to the environment, with eight assessment and authorizations completed. The FTC currently has eleven systems authorized to operate.
- The FTC worked to improve visibility into GFE workstation vulnerabilities, secure configuration baselines, and improve GFE workstation scanning capabilities. The FTC will continue to examine methods to better report on GFE workstations below the acceptable vulnerabilities threshold and those GFE workstations not patched within 30 days, providing SMEs further information for triaging vulnerability mitigation and patch distribution.
- The FTC has subscribed to the Center for Internet Security (CIS), a subscription that provides automated configuration baselines that will decrease future implementation times. Secure baselines have been chosen for all applicable operating systems.
- In FY 2018, the FTC completed a key component of its strategy to secure access to the agency’s data, namely completion of the requirement that all regional office employees use Personal Identity Verification (PIV) to access the network, just like FTC’s headquarters employees. The agency’s goal is to secure and streamline access to government owned IT applications and services by making PIV the default means for login to all FTC IT applications and services.

Performance Goal 3.3.4: Percentage of the FTC’s paper records held at the Washington National Records Center that are processed and appropriately either (a) destroyed or (b) transferred to the National Archives and Records Administration.

(Former Performance Goal 3.3.4 (Percentage of permanent records that are managed electronically) was removed from the Strategic Plan in FY 2019, after achieving 100% compliance in the initial year of tracking. The former measure has been replaced by this measure and 3.3.5 below.)

This measure will track the agency’s progress in processing its paper records in order to comply with federal records management regulations and requirements. The agency maintains approximately 18,000 boxes of temporary and permanent records at WNRC that are eligible for disposition. The agency will transfer permanent records to NARA and will destroy temporary records in accordance with our records schedule. Disposing of the agency’s WNRC holdings will ensure the agency is compliant with NARA and OMB directives and will reduce spending for offsite storage. Timely transfer of records also will help the agency avoid digitization costs, as NARA plans to stop accepting transfers of paper records after 2022.

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Target	N/A	N/A	N/A	N/A	N/A	≥ 25% of WNRC holdings processed	≥ 50% of WNRC holdings processed
Actual	N/A	N/A	N/A	N/A	N/A	---	---
Status	N/A	N/A	N/A	N/A	N/A	---	---

Performance Goal 3.3.5: Successfully transfer permanent electronic records dated between 2004 and 2016 to NARA in a timely manner.

This measure will track the agency’s progress in processing and transferring its electronic records in order to comply with federal records management regulations and requirements. The agency began maintaining its permanent records in an electronic format in 2004. Pursuant to the agency’s records schedule, many of these permanent records are eligible for transfer to NARA. The agency is obligated to transfer its permanent electronic records to NARA custody pursuant to the “Managing Government Records Directive,” OMB M-12-18.

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Target	N/A	N/A	N/A	N/A	N/A	Transfer permanent electronic records dated 2004-2006	Transfer permanent electronic records dated 2007-2009
Actual	N/A	N/A	N/A	N/A	N/A	---	---
Status	N/A	N/A	N/A	N/A	N/A	---	---

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OTHER INFORMATION: MAJOR MANAGEMENT CHALLENGES AND PRIORITIES

The GRPA Modernization Act of 2010 (GPRAMA) and OMB Circular A-11 (Part 6) require agencies to describe their major management challenges and priorities and to identify planned actions and milestones to address them. In this section the FTC describes progress made on FY 2018 management priorities and planned actions and milestones to support FY 2018 management challenges.

FY 2018 MANAGEMENT PRIORITIES

The FTC's management priorities directly align with and support Strategic Goal 3: Advance the FTC's performance through excellence in managing resources, human capital, and information technology. The eight priorities below include active projects and metrics identified to ensure continued progress and to track results.

- **Partnership for Public Service Leadership Development Program:** The Commission again collaborated with the Partnership for Public Service to offer a leadership development program designed to identify and develop our future supervisors, managers, and leaders. In FY 2018, five applicants were chosen to participate in the yearlong program that includes group meetings, 24 days of training, and personal projects.
- **Leadership Framework:** The agency implemented a Leadership Framework that assists employees at the different levels of leadership (managing self, team lead, supervisor, manager, and executive) develop their skills, by providing groups of relevant books and training courses. The Framework is available to all employees through the agency's Learning Management System.
- **BCP and BC Mentoring Programs:** BCP and BC have focused attention on the continuous development of their employees through their mentoring programs. This year 26 BCP staffers and 27 BC staffers were paired with mentors through their respective mentor programs, which are open to all BCP, BC, and regional office employees.
- **Office of the Executive Director (OED) Mentoring Program:** OED's mentoring program completed its fourth year and has received very positive feedback from both mentors and mentees. 11 OED staffers were paired with mentors in FY 2018.
- **OED Employee Experience and Talent Management:** focuses on leading, managing, and developing people. OED scored 6% higher on the Employee Engagement

Index and 5% higher on the New IQ Index on the 2018 FEVS, compared to OED's results from the 2017 FEVS.

- **Customer Experience and Service:** focuses on customer satisfaction with the services OED offers. In FY 2018, 78% of OED customers surveyed were satisfied or very satisfied. Offices developed action plans to address challenges and opportunities identified in the survey.
- **Delivering Core Services and Operations:** ensures that key services have defined service levels, that mechanisms are in place for measuring performance against service levels, and that overall service levels are achieved. In FY 2018, OED: issued quarterly dashboards reporting on OED Office operational results; stood up a cross-OED working group that meets to discuss and manage OED initiatives and operational work and make most efficient use of resources across OED; combined the Administrative Services Office and the Records and Filings Office to create OCASO, which has resulted in greater efficiency and significantly improved employee satisfaction; achieved its 21st consecutive unmodified financial opinion (clean audit) on behalf of the agency; and continued to mature its capacity for enterprise risk management.
- **Delivering High Priority Projects and Initiatives:** ensures that high priority projects and initiatives will be included in OED's work plan along with estimates of required resources, milestones, and an explanation of importance. In FY 2018, among other things, OED: undertook a series of IT upgrades to the network and the regional offices and rolled out new, lighter, PIV-enabled laptops to staff to support greater mobility, security, and the agency's move to the cloud; completed a proof of concept for the agency's next phase litigation support platform; completed the historic onboarding of a full slate of new Commissioners – something that has not happened since the Commission's inception; deployed eOPF to staff; used its VERA/VSIP authority to reshape the FTC's workforce to ensure it is right skilled; deployed electronic onboarding; redesigned the FTC library for better utilization; and kicked off the Chairman's signature Hearings on Competition and Consumer Protection in the 21st Century as the agency assesses how best to proceed with competition and consumer protection law enforcement in the future.

FY 2019 PLANNED MANAGEMENT PRIORITIES

The FTC's management priorities emphasize the importance of mission-focused strategies in human capital, skills development, customer satisfaction, and continuous improvement of key processes. The priorities below include active projects identified to ensure continued progress.

- **OED Employee Experience and Talent Management:** focuses on leading, managing, and developing people. The FTC will work to recruit, retain, and develop a highly motivated, engaged, and successful workforce. In FY 2019, OED will continue to track goals related to employee satisfaction and engagement, diversity and inclusion, training, and telework. For 2019, for example, OED has embarked upon a pilot program with the agency's Diversity Council to make its Mentoring

Program available to all Bureaus and Offices that do not have formal mentoring programs.

- **Customer Experience and Operational Excellence:** focuses on customer satisfaction with the services OED offers. In FY 2019, OED will measure the satisfaction of our customers through the annual OED survey. Offices will develop action plans to address challenges and opportunities identified in the survey. In addition, there will be added focus on change management and ensuring the smooth transition to new systems.
- **Risk Management and Internal Controls:** helps to maintain effective and robust ERM practices. In FY 2019, OED will focus on proactively identifying and managing risks, ensuring internal policies and procedures are updated on scheduled timelines, and appropriately responding to any audit findings and corrective action plans.
- **Managing Priorities, Capacity, and Workload:** focuses on setting priorities and actively managing our resources and workload to achieve meaningful results. In FY 2019, among other things, OED will: migrate email and other office productivity tools to the cloud; issue new smart phones with greater functionality to staff; acquire and roll out the new agency litigation support system; deploy the USA Performance system agency-wide; acquire and deploy the FHR electronic, self-service retirement system for staff; acquire and deploy the USA recruitment system; acquire and deploy a new Learning Management System; evaluate whether to move the agency's core financial, payment, and travel systems to a new vendor(s); complete installation of the AIPhone at Regional Offices for greater security; re-negotiate leases for the San Francisco and Atlanta Regional Offices; downsize the agency's warehouse; modernize the agency's telework enabling technology; and continue the work of the OED PMO on lessons learned to improve utilization of OED resources and management of its work for the benefit of the agency.
- **Leadership Training and Development:** continues to be a priority at the agency, and the FTC will continue to provide options for employees to develop and strengthen their leadership skills and help the agency cultivate its current and future leaders. In FY 2019, the agency is adding the SkillSoft Leadership Advantage (SLA) series of training courses to its catalog. The SLA offers 41 learning tracks in the areas of developing yourself, developing your team, and managing your business. The courses will be available to all employees through the agency's Learning Management System. The SLA courses will be offered in addition to the Leadership Framework courses already available. Finally, the FTC will continue the intensive FTC Leadership Development Program, offered in partnership with the Excellence in Government Fellows Program provided by the Partnership for Public Service.

OIG MANAGEMENT CHALLENGES

The OIG identified two most serious management and performance challenges and three less serious challenges. A summary of management challenges, taken from the *FY 2018 OIG Report on the FTC's Most Serious Management Challenges*, follows. The entire report is available at <https://www.ftc.gov/about-ftc/office-inspector-general/oig-reading-room/reports-correspondence>.

FTC's Most Serious Management Challenges

1. Securing Information Systems and Networks from Destruction, Data Loss, or Compromise

Responsible Official: Executive Director, Office of the Executive Director; Chief Information Officer, Office of the Chief Information Officer

The FTC is continuing to address two significant areas of risk: legacy IT and availability of cybersecurity personnel. The FTC will also need to mitigate its IT risks by fully integrating privacy controls into security controls, thereby creating a consolidated and unified set of controls.

Key Milestones to Address this Challenge

- Q4 FY 2018 – Updated risk analysis for IT Modernization Plan
- Q4 FY 2018 – Documented risk acceptances for IT Modernization Plan

2. Addressing the Escalating Costs of Expert Witnesses

Responsible Official: Executive Director; Office of the Executive Director; Chief Financial Officer, Financial Management Office

The FTC is challenged with rising costs for expert witness contracts and must actively manage its investigative and litigation resources. Overcoming this challenge will be critical as the agency pursues larger and more complex cases. In the FTC's estimation, unpredictability surrounding the mix of scope and disposition of cases presents the greatest challenge to projecting costs for the expert witness program.

Key Milestones to Address this Challenge

- Q2-Q3 FY 2019 – staff will provide feedback to agency leadership on draft recommendations for adjustments to the program
- Q4 FY 2019 – staff will work with agency leadership to finalize recommendations and work with relevant stakeholders on implementation

Agency Watch List

The OIG has also established the following “watch list” of three issue areas that do not rise to the level of serious management and performance challenges, but nonetheless require management’s continued attentions

1. Development of a Risk Management Framework in Support of FISMA (formerly Maturity of the Agency’s Information Technology Governance Process)

Responsible Official: Executive Director, Office of the Executive Director; Chief Information Officer, Office of the Chief Information Officer

The OIG identified vulnerabilities and areas of weakness in the FTC’s information security program and developed recommendations for their mitigation, with nine recommendations within three of the five CyberScope cybersecurity functions. FTC has begun to address these conditions.

Key Milestones:

- Q4 FY 2018 – Update IT Risk Register
- Q4 FY 2018 – Finalize IT Risk Portfolio / IT Risk Management Plan

2. Acquisition Planning and Contract Management

Responsible Official: Executive Director, Office of the Executive Director; Chief Financial Officer, Financial Management Office

It is necessary for FTC leadership to prioritize resources in support of the effective acquisition of goods and services to meet many of the Commission’s most critical mission needs. Implicit in accomplishing this objective is having consistent, flexible acquisition practices that ensure that goods and services are available when needed, as well as a stable cadre of knowledgeable acquisition professionals to meet this growing need.

Key Milestones:

- Q3-Q4 FY 2019: Work with OGC to develop a process for legal review for acquisitions that meet identified conditions.
- Q4 FY 2019–Q1 FY 2020: Develop a policy that clearly identifies the documents required to be in contract files to constitute a complete history of the transaction.

3. Improper Influences by Former Officials and Employees

Responsible Official: General Counsel, Office of the General Counsel

The work of the FTC can be impeded by outsiders, including former officials and employees, who attempt to unduly influence the Commission’s investigative and policymaking processes and outcomes. Such influences can violate 18 U.S.C. § 207 and its guiding regulation (5 CFR Part 2641). The OIG has asked the FTC to maintain a continued awareness of the risk of potential violations of post-employment restrictions.

Key Milestones:

- None